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MINUTES OF THE GENERAL SHAREHOLDERS' MEETING OF A LISTED COMPANY IN THE REPUBLIC OF ITALY

On Thursday the fifteenth of April two thousand twenty-two at 3 minutes past ten on the morning of

15 April 2021

In Bologna, Via dei Trattati Comunitari Europei 1957-2007 n. 13, third floor, at the headquarters of the company referred to herein.

I, Daniela Cenni, notary residing in Castenaso (Bologna) and member of the Bologna Board of Notaries, received:

- SAONCELLA ROSSELLA, born in Budrio (BO), on 14 July 1954, domiciled for the purposes herein in Bologna, Via Trattati Comunitari Europei 1957-2007 n. 13, tax ID n. GSP LEI 53P22 C553N, who declares to be appearing before me in her capacity as Chair of the Board of Directors of

"IMMOBILIARE GRANDE DISTRIBUZIONE SOCIETA' DI INVESTIMENTO IMMOBILIARE QUOTATA S.P.A." or in abbreviated form **"IGD SIIQ SPA"** with registered offices in Bologna, Via dei Trattati Comunitari Europei 1957-2007 n. 13, Bologna Company Register, Tax ID and VAT no 00397420399, Bologna Chamber of Commerce no. 458582 with share capital approved of Euro 650,000,000.00 (six hundred and fifty million and zero hundredths point zero zero), fully subscribed and paid-in, a joint stock company listed on the MTA managed by Borsa Italiana S.p.A. **(**hereinafter referred to as the "**Company**"), subject to the direction and coordination of COOP ALLEANZA 3.0 Soc. Coop. with registered offices in Castenaso.

The party appearing before me, of whose identity I am certain, in her quality as Chair of the Board of Directors of the Company, declares she will act as Chair of this meeting (hereinafter referred to as the "Meeting"), pursuant to Art. 14.1 of the corporate bylaws and Art. 3 of the current Regulations for Meetings of the Shareholders, and invites the undersigned notary Daniela Cenni of Castenaso to act as secretary for the meeting so that the minutes may be taken.

As no one opposed the motion, the Chair acknowledges and declares the following:

- the shareholders' meeting was regularly convened, in accordance with the law and Art. 11.2 of the bylaws, in this place, in first call at 10:00 a.m. today and in second call, if necessary, on 15 April 2022 same place and time, as per the notice of call published on 14 March 2022 on the company's website, on the authorized storage platform www.emarketstorage.com, as well as in the newspaper " Italia Oggi 7;

- the documentation relating to the Shareholders' Meeting was published, in accordance with current law, on the Company's website, as well as on the authorized storage platform, www.emarketstorage.com;

– in light of the extension, through 31 July 2022, of the emergency provisions for shareholders' meetings and in order to provide shareholders, company representatives, employees and consultants with the maximum protection, the Company once again exercised the option for the shareholders' meeting to be held remotely (provided in Art. 106, paragraph 4, of Law Decree n. 18 of 17 March 2020 converted into Law n. 27 of 24 April 2020, and later extended pursuant to Law Decree n. 15 of 25 February 2022) and established that the meeting may be attended solely via proxy and/or sub-proxy with voting instructions granted to the Company's Designated Representative Computershare S.p.A., with registered offices in via

Lorenzo Mascheroni n. 19, Milan, pursuant to Art. 135-undecies and 135-novies of Legislative Decree n. 58/1998, which was all made available at the Company's registered office and on the Company's website, along with the proxy forms, prior to the date of the Shareholders' Meeting.
The Chair acknowledges that:
– in addition to herself, the Board of Directors is represented in the meeting hall by the Chief Executive Officer Claudio Albertini, as well as the directors Antonio Rizzi and Stefano Dall'Ara; the directors Edy Gambetti, Silvia Benzi, Rossella Schiavini, Savino Alessia, Timothy Santini, Rosa Cipriotti and Gery Robert – Ambroix are absent;
– the Board of Statutory Auditors is represented in the meeting hall by the standing auditor Massimo Scarafuggi, while the Chair Gian Marco Committeri and the standing auditor Daniela Preite are in attendance via video conference through the Microsoft Teams platform;
– the external auditors PricewaterhouseCoopers S.p.A. are not present;
– Claudio Cattaneo is in attendance on behalf of Computershare S.p.A., the Designated Representative;
– a few Company employees are also in attendance in order to provide technical support during today's meeting of the shareholders.
The Chair then certifies that:
- the share capital approved amounts to EUR 650,000,000.00 (six hundred fifty million and zero hundredths) fully subscribed and paid-in, divided into 110,341,903 (one hundred ten million three hundred forty one thousand nine hundred and three) ordinary shares, without a stated par value, which entitle the holder to vote and attend this Shareholders' Meeting;
– the Company does not have any treasury shares.
The Chair passes the floor to the Designated Representative who informs that upon verification of the valid constitution of the meeting, the Designated Representative had received proxies from 252 (two hundred fifty two) shareholders representing 76,747,670 (seventy six million seven hundred forty seven thousand six seventy) shares, for which certification had been received from the intermediary in accordance with Art. 83-sexies of Legislative Decree 58/1998, or 69.554419% of the 110,341,903 (one hundred ten million three hundred forty one thousand nine hundred and three) ordinary shares comprising the share capital.
The Chair takes the floor again and acknowledges that:
– the intermediaries sent the certificates, attesting to share ownership and based on which those entitled may attend this meeting, to the Company in accordance with the law and the corporate bylaws;
- the compliance of the proxies and sub-proxies granted to Computershare S.p.A., the Designated Representative, with the law and the corporate bylaws was verified;
– pursuant to paragraph 3 of Art. 135-undecies of Legislative Decree 58/1998, the shares for which proxies and/or sub-proxies pursuant to art. 135-novies and 135-undecies of Legislative Decree 58/1998 were assigned, including partial, to the Designated Representative will be calculated for the purposes of the regular constitution of this meeting, while the shares for which no voting instructions were provided will not be counted for the purposes of determining the majority or the quorum needed to approve resolutions;
- the shareholders entitled to attend this shareholders' meeting via proxy and/or sub-proxy are indicated in the list that the Chair gave me, which after having been examined and signed by myself and the parties listed, I attach to these minutes as

Annex “**A**”.

The Chair then requests that Claudio Cattaneo, who is assisting with this shareholders’ meeting in the name of and on behalf of the Designated Representative, confirm that votes will be cast in accordance with the instructions received. Claudio Cattaneo confirms that votes will only be cast in accordance with the instructions received.

The Chair notes that:

- the meeting is being videotaped for the sole purpose of facilitating writing of the minutes and any videos will be destroyed after the minutes have been recorded;
- no requests for changes/additions to the Agenda, pursuant to Art. 126-bis of Legislative Decree 58/1998, were received from the shareholders.

The Chair notes that each participant’s video and tele conference connection is clear and without interference, acknowledges that she can confirm the identity and right of the participants to intervene in the discussion and that the latter are able to participate in the discussion and interact with one another, the Chair and with myself, the notary, as well as cast votes.

The Chair then declares that the meeting of the shareholders is regularly constituted and may resolve on the following:

AGENDA

Ordinary session

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 for the year 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.**

Extraordinary session.

1. **Granting to the Board of Directors of the faculty, in accordance with Art. 2443 of the Italian Civil Code, to increase share capital against payment, divisible, on one or more occasions, by up to 10% of the Company’s pre-existing share capital, without pre-emption rights pursuant to Art. 2441.4, second section, of the Italian Civil Code. Subsequent amendment of Art. 6 of the Company’s bylaws. Related and consequent resolutions.**
2. **Granting to the Board of Directors of the faculty, in accordance with Art. 2443 of the Italian Civil Code, to increase share capital against payment, divisible, on one or more occasions, without pre-emption rights pursuant to Art. 2441.4, second section, of the Italian Civil Code. Subsequent amendment of Art. 6 of the Company’s bylaws. Related and consequent resolutions.**
3. **Proposals to amend articles 10 and 20 of the Company’s bylaws; related**

and consequent resolutions.

The Chair acknowledges that, with regard to the items on the Agenda, the formalities called for by law and applicable regulations have all been complied with.
More in detail:
- the explanatory reports relating to the items on the Agenda for the Ordinary and Extraordinary Shareholders' Meeting, prepared in accordance with Art. 125-ter of Legislative Decree 58/1998, were made available to the public on 14 March 2022 at the Company's registered office, on the corporate website www.gruppoigd.it, as well as on the authorized storage platform, www.emarketstorage.com;
- the draft separate financial statements, the consolidated financial statements, the Directors' report on operations, the annual report on corporate governance and ownership structure, the report on compensation and compensation paid, the reports of the external auditors on the draft financial statements and consolidated financial statements, as well as the Board of Statutory Auditors' report, were made available to the public on 16 March 2022 at the Company's registered office and on the Company's website www.gruppoigd.it as well as on the authorized storage system www.emarketstorage.com;
- all the documentation listed above was sent to the shareholders that requested it and was given to the Designated Representative participating in today's Shareholders' Meeting;
- all of the mandatory CONSOB formalities relative to the above mentioned documentation were also completed.
The Chair points out that the questions received from shareholders by the deadline indicated in the Notice of Call (5 April 2022) were answered by 11 April 2022, in accordance with Art. 127-ter, paragraph 1-bis, of Legislative Decree n. 58/98 via the Company's website in the Shareholders' Meeting section. Toward this end, the Chair provides me with a copy of these questions and the answers which are attached to these minutes as Annex "**B**". The Chair notes that no other questions/requests to intervene in the discussion of certain items on the Agenda were received by the Company.
The Chair then points out and states that:
– the Company qualifies as a SME pursuant to Art. 1, paragraph w-quater of Legislative Decree 58/1998, as amended;
– the parties who hold, directly or indirectly, more than 5% (five percent) of IGD SIIQ S.p.A.'s subscribed share capital, based on the stock ledger, the notifications received pursuant to Art. 120 of Legislative Decree 58/1998 and other available information, are the following:
- Coop. Alleanza 3.0 soc. coop owns n. 45,153,442 (forty five million one hundred fifty three thousand four hundred forty two) ordinary shares or 40.92% (forty point ninety two per cent) of the share capital;
- Unicoop Tirreno, a cooperative company, owns 11,001,625 (eleven million one thousand six hundred twenty five) ordinary shares or 9.97% (nine point ninety seven per cent) of the share capital;
- the Company has no other shareholders with ordinary shares amounting to more than 5% (five per cent) of the subscribed share capital with voting rights;
– the Company is subject to the direction and coordination of Coop Alleanza 3.0 Soc. coop. pursuant to and in accordance with Art. 2497 of the Italian Civil Code.
The Chair then states that based on Article 122.4 of TUF voting rights stemming from shares for which the mandatory disclosures called for in paragraph one of the same

Article 122 have failed to be made may not be exercised and acknowledges that currently the Company is not party to any shareholder agreements.
Lastly, the Chair points out that:
- as a result of what was pointed out earlier, relating to the methods being used to proceed with the shareholders' meeting which comply with the measures adopted to limit the spread of COVID – 19, shareholders entitled to intervene in the Shareholders' Meeting may do so solely through the Company's Designated Representative as per the power granted pursuant to Art. 106, paragraph 4, of Law Decree n. 18 of 17 March 2020, converted into Law n. 27 of 24 April 2020, and later extended by Law n. 15 of 25 February 2002, therefore voting instructions for all or some of the proposed resolutions in the Agenda are in the proxies and/or sub-proxies granted by the shareholders to the Designated Representative;
- Computershare S.p.A, as Designated Representative, will use technical devices to manage the vote tally;
– a list of those voting against or who abstained, as well as those voting in favor of the resolution, by proxy and/or sub-proxy to the Designated Representative will be attached to these minutes; this will apply to the votes cast for each resolution.
The Chair reminds that the members of the Board of Directors and the Statutory Auditors may request to take the floor and asks those who would like to close the audio – video connection before the end of the meeting to advise accordingly so that it may be reflected in the minutes.
Lastly, the Chair informs that, pursuant to and in accordance with the current privacy laws, the personal data provided by the shareholders and those entitled to vote will be processed and handled by the Company solely for the purposes of the shareholders' meeting and any related formalities.
The Chair reports the following fees, net of yearly inflation indexation, were paid to the external auditors PricewaterhouseCoopers S.p.A.:
- for the audit of the separate financial statements as at 31/12/2021 (including the audit of the company's accounting procedures pursuant to art. 14, first paragraph, letter b) of Legislative Decree 39/2010 and the report prepared in XHTML format): €115,000.00 (one hundred fifteen thousand and no hundredths) including expenses (in addition to VAT) for a total of approximately 1,800 (one thousand eight hundred) man-hours;
- for the audit of the consolidated financial statements as at 31/12/2021: €17,000.00 (seventeen thousand and no hundredths) including expenses (in addition to VAT) for a total of approximately 500 (five hundred) man-hours;
- for the audit of the half-year financial statements €32,000.00 (thirty two thousand and no hundredths) including expenses (in addition to VAT) for a total of approximately 800 (eight hundred) man-hours;
and points out that the above mentioned fees include the contributions made to CONSOB.
The Chair then opens the discussion of the first item on the Agenda in Ordinary Session:
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.
The Chair notes that the Board of Directors' report prepared for today's meeting in ordinary session and the additional documentation relating to the first item on the Agenda were made available to the public by the legal deadline at the Company's

headquarters, on the corporate website www.gruppoigd.it, as well as on the authorized storage platform, www.emarketstorage.com, as well as distributed to the participants. More in detail, the Annual Report for the year closed on 31 December 2021 (including the financial statements at 31 December 2021, the Directors' Report on Operations and the relative certifications) along with the external auditors' and Board of Statutory Auditors' reports, the annual report on corporate governance and ownership structure and the report on compensation and the compensation paid were all made available. She proposes, therefore, to dispense with the reading of these documents to which reference should be made.
As no objections are made, the Chair passes the floor to Mr. Committeri, Chair of the Board of Statutory Auditors who, on behalf of the entire Board of Statutory Auditors, confirms the content of the report found in the Annual Report and included in the documentation made available to the public and declares to have no comments to make in this regard.
The Chair then reads the proposed resolution relative to the first item on the Agenda in ordinary session, prepared by the Board of Directors:
"The shareholders of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A. meeting in ordinary session,

- *having seen the Board of Directors' report on operations;*
- *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 PricewaterhouseCoopers S.p.A.;*

resolve

to approve the financial statements of IGD SIIQ S.p.A. for the year ended at 31 December 2021 which show a Net Profit of €54,093,401.45 (fifty four million ninety three thousand four hundred and one and forty five hundredths) and the Board of Directors' report".

After having read the proposed resolution, the Chair calls upon the Designated Representative, to confirm that he is in possession of voting instructions for all the shares for which proxies were made. He states that he has the voting instructions for all the shares subject to proxies and notes that 76,747,670 (seventy six million seven hundred forty seven thousand six hundred seventy) shares will be voted, relative to which the notices called for in Art. 83-sexies of Legislative Decree 58/1998 were received, or 69.554419% of the 110,341,903 ordinary shares comprising the share capital.
The Chair then puts the proposed resolution up for a vote and invites the Designated Representative to share the voting instructions received based on which:
- 76,613,596 (seventy six million six hundred thirteen thousand five hundred ninety six) shares or 99.825305% of the represented shares voted in favor;
- 0 (zero) shares voted against;
- 134,074 (one hundred thirty four thousand seventy four) shares abstained;
- 0 (zero) shares did not vote

The Chair declares that the proposal relating to the first item on the Agenda of the Shareholders' Meeting in ordinary session was approved by a majority, 76,613,596 (seventy six million six hundred thirteen thousand five hundred ninety six) shares voted in favor, no shares voted against, and 134,074 (one hundred thirty four thousand seventy four) shares abstained**.**

I, the notary, then attach the vote tally given to me by the Chair to these minutes as Annex "**C**".

The Chair then opens the discussion of the second item on the Agenda in ordinary session:

2. Allocation of the net income for the year and distribution of the dividend to Shareholders; related and consequent resolutions.

The Chair points out that, in accordance with the law, the Board of Directors formulated a motivated proposal for the allocation of the net income for the year.

The Chair then reads the proposed resolution relative to the second item on the Agenda:

"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 (fifty four million ninety three thousand four hundred and one and forty five hundredths):*
    - *€6,557,849 (six million five hundred fifty seven thousand eight hundred forty nine) 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 (two hundred ten million fifty thousand one hundred five and forty nine hundredths) to €216,607,954.49 (two hundred sixteen million six hundred seven thousand nine hundred fifty four and forty nine hundredths)*
    - *€13,869,118.24 (thirteen million eight hundred sixty nine thousand one hundred eighteen and twenty four hundredths) to retained earnings from exempt operations;*
    - *€1,933,427.01 (one million nine hundred thirty three thousand four hundred twenty seven and one hundredth) to retained earnings from taxable operations;*
    - *€31,733,007.20 (thirty one million seven hundred thirty three thousand seven and twenty hundredths) of the profit generated by exempt operations as a dividend.*
2. *to pay a dividend of €0.35 (zero point thirty five) 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 (thirty eight million six hundred nineteen thousand six hundred sixty six and five hundredths) to be taken from:
    - *for €31,733,007.20 (thirty one million seven hundred thirty three thousand seven and twenty hundredths), distributable income generated by exempt operations;*
    - *for €6,886,658.85 (six million eight hundred eighty six thousand six hundred fifty eight and eighty five hundredths), 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

(thirty eight million six hundred nineteen thousand six hundred sixty six and five hundredths) or €0.35 (zero point thirty five) 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 Chair 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."*

After having read the proposed resolution, the Chair calls upon the Designated Representative, to confirm that he is in possession of voting instructions for all the shares for which proxies were made. He states that he has the voting instructions for all the shares subject to proxies and notes that 76,747,670 (seventy six million seven hundred forty seven thousand six hundred seventy) shares will be voted, relative to which the notices called for in Art. 83-sexies of Legislative Decree 58/1998 were received, or 69.554419% of the 110,341,903 ordinary shares comprising the share capital.

The Chair then puts the proposed resolution up for a vote and invites the Designated Representative to share the voting instructions received based on which:
- 76,733,456 (seventy six million seven hundred thirty three thousand four hundred fifty six) shares or 99. 981480% of the represented shares voted in favor;
- 14,214 (fourteen thousand two hundred fourteen) shares voted against;
- 0 (zero) shares abstained;
- 0 (zero) shares did not vote.

The Chair declares that the proposal relating to the second item on the Agenda of the Shareholders' Meeting in ordinary session was approved by a majority.
76,733,456 (seventy six million seven hundred thirty three thousand four hundred fifty six) shares voted in favor, 14,214 (fourteen thousand two hundred fourteen) shares voted against, with zero shares abstaining.
I, the notary, then attach the vote tally given to me by the Chair to these minutes as Annex "**D**".
The Chair then opens the discussion of the third item on the Agenda in ordinary session:
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.**

The Chair recalls that, pursuant to art. 123-ter of Legislative Decree 58/98, shareholders are asked to resolve on the first and second sections of the Report on Compensation and the Compensation Paid. Pursuant to Art. 123-ter, paragraph 3, of Legislative Decree 58/1998, 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 2022, as 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 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.
The Chair then reads the proposed resolution relative to the first section, formulated by the Board of Directors:
"The shareholders of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A. meeting in ordinary session,
- having examined 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, and executives with strategic responsibilities for 2022, as well as the procedures used to adopt and implement said policy

resolve

- 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 TUF.".

After having read the proposed resolution, the Chair calls upon the Designated Representative, to confirm that he is in possession of voting instructions for all the shares for which proxies were made. He states that he has the voting instructions for all the shares subject to proxies and notes that 76,747,670 (seventy six million seven hundred forty seven thousand six hundred seventy) shares will be voted, relative to which the notices called for in Art. 83-sexies of Legislative Decree 58/1998 were received, or 69.554419% of the 110,341,903 ordinary shares comprising the share capital.
The Chair then puts the proposed resolution up for a vote and invites the Designated Representative to share the voting instructions received based on which:
- 74,552,895 (seventy four million five hundred fifty two thousand eight hundred ninety five) shares or 97.140271% of the represented shares voted in favor;
- 2,194,775 (two million one hundred ninety four thousand seven hundred seventy five) shares voted against;
- 0 (zero) shares abstained;
- 0 (zero) shares did not vote.
The Chair declares that the proposal relating to the third item on the Agenda of the Shareholders' Meeting in ordinary session was approved by a majority, 74,552,895 (seventy four million five hundred fifty two thousand eight hundred ninety five) shares voted in favor, 2,194,775 (two million one hundred ninety four thousand seven hundred seventy five) shares voted against, with zero shares abstaining.
I, the notary, then attach the vote tally given to me by the Chair to these minutes as

Annex “**E**”.
The Chair then reads the proposed resolution relative to the second section, formulated by the Board of Directors:
“The shareholders of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A. meeting in ordinary session,
- having examined and discussed the second section of the Report on Compensation and the 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 paid salaries to the members of the Board of Directors, the Board of Statutory Auditors, executives with strategic responsibilities in 2021 or related to 2021;
resolve
in favor to the second section of the Report on Compensation and the 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 .”
After having read the proposed resolution, the Chair calls upon the Designated Representative, to confirm that he is in possession of voting instructions for all the shares for which proxies were made. He states that he has the voting instructions for all the shares subject to proxies and notes that 76,747,670 (seventy six million seven hundred forty seven thousand six hundred seventy) shares will be voted, relative to which the notices called for in Art. 83-sexies of Legislative Decree 58/1998 were received, or 69.554419% of the 110,341,903 ordinary shares comprising the share capital.

The Chair then puts the proposed resolution up for a vote and invites the Designated Representative to share the voting instructions received based on which:
- 68,649,235 (sixty eight million six hundred forty nine thousand two hundred thirty five) shares or 89.447973% of the shares represented voted in favor;
- 7,685,254 (seven million six hundred eighty five thousand two hundred fifty four) shares voted against;
- 413,181 (four hundred thirteen thousand one hundred eighty one) shares abstained;
- 0 (zero) shares did not vote.
The Chair declares that the proposal relating to the third item on the Agenda of the Shareholders’ Meeting in ordinary session was approved by a majority, 68,649,235 (sixty eight million six hundred forty nine thousand two hundred thirty five) shares voted in favor, 7,685,254 (seven million six hundred eighty five thousand two hundred fifty four) shares voted against, 413,181 (four hundred thirteen thousand one hundred eighty one) shares abstained.
I, the notary, then attach the vote tally given to me by the Chair to these minutes as Annex “**F**”.
The Chair then opens the discussion of the fourth item on the Agenda in ordinary session:
4. Granting of the financial audit assignment for 2022-2030 and determination of the relative compensation; related and consequent resolutions.
The Chair reminds 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, has expired.
During today’s meeting shareholders are, therefore, called upon to grant the statutory

audit assignment for the years 2022 through 2030 and the determine 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.
The Chair reminds that 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.
The Chair notes that the Board of Directors' report relating to this item on the Agenda was made available to the public by the legal deadline and proposes, therefore, to dispense with the reading of the document.
As no objections are made, the Chair continues and states that the Board of Statutory Auditors has proposed to grant the statutory audit assignment for the period 2020-2030 to *Deloitte & Touche S.p.A.*.
The Board of Directors, therefore, submits the following motivated proposal prepared by the Board of Statutory Auditors pursuant to Art. 13, par. 1 of Decree 39/2010, as amended, to the Shareholders' Meeting in ordinary session 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 Statutory Auditors' motivated opinion relative to the granting of the statutory assignment for the years 2022-2030;
- 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;

resolve

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."

After having read the proposed resolution, the Chair calls upon the Designated Representative, to confirm that he is in possession of voting instructions for all the shares for which proxies were made. He states that he has the voting instructions for all the shares subject to proxies and notes that 76,747,670 (seventy six million seven hundred forty seven thousand six hundred seventy) shares will be voted, relative to which the notices called for in Art. 83-sexies of Legislative Decree 58/1998 were received, or 69.554419% of the 110,341,903 ordinary shares comprising the share capital.

The Chair then puts the proposed resolution up for a vote and invites the Designated Representative to share the voting instructions received based on which:

- 76,485,757 (seventy six million four hundred eighty five thousand seven hundred fifty seven) shares or 99.658735% of the shares represented voted in favor;
- 261,913 (two hundred sixty one thousand nine hundred thirteen) shares voted against;
- 0 (zero) shares abstained from voting;
- 0 (zero) shares did not vote.

The Chair declares that the proposal relating to the third item on the Agenda of the Shareholders' Meeting in ordinary session was approved by a majority, il 76,485,757 (seventy six million four hundred eighty five thousand seven hundred fifty seven) shares voted in favor, 261,913 (two hundred sixty one thousand nine hundred thirteen) shares voted against, no shares abstained from voting.

I, the notary, then attach the vote tally given to me by the Chair to these minutes as Annex "**G**".

Before opening the discussion of the items on the Agenda of the Shareholders' Meeting in extraordinary session, the Chair reminds that when the shareholders' meeting was begun the Notary Daniela Cenni was also appointed secretary of the Shareholders' Meeting in extraordinary session and, therefore, is called upon the prepare the minutes.

The Chair then points out all the notices and clarifications made when the ordinary session of the Shareholders' Meeting was begun and confirms that the Shareholders' Meeting is also validly constituted in extraordinary session as the Designated Representative has received proxies from 252 (two hundred fifty two) shareholders representing 76,747,670 (seventy six million seven hundred forty seven thousand sixty seventy) shares, for which certification had been received from the intermediary in accordance with Art. 83-sexies of Legislative Decree 58/1998, or 69.554419% of the 110,341,903 (one hundred ten million three hundred forty one thousand nine hundred and three) ordinary shares comprising the share capital.

The Chair reminds that the explanatory report relating to the items on the Agenda for the Extraordinary Shareholders' Meeting, prepared in accordance with Art. 125-ter of Legislative Decree 58/1998, were made available to the public on 14 March 2022 at the Company's registered office, on the corporate website www.gruppoigd.it, as well as on the authorized storage platform, www.emarketstorage.com and proposes, therefore, to dispense with the reading of the document, with the exception of the proposals to be resolved on in light of the fact that the report was already made available to the shareholders.

- As no objections are made, the Chair continues, noting that the Company has voluntarily published further clarification relative to the items on the Agenda of the Shareholders' Meeting in extraordinary session on its website.

More in detail:

- with regard to items 1 and 2, the Company clarifies that the two proposals to grant the Board of Directors the power to increase share capital, both up to a maximum of 10% and without pre-emption rights, vary in the way the capital will be raised, as the first will be done "for cash" and the second "against contributions in kind", and even though theoretically the two capital increases may be carried out separately, the intent is to have access to a capital instrument that provides an alternative to the widespread use of cash capital increases, including in light of the investment opportunities that have arisen in the past and that could be carried out, in part, also through contributions in kind which is entirely consistent with the Business Plan recently approved by the Company on 14 December 2021 and disclosed to the market, as well as made available on the Company's website;
- with regard to the third item on the Agenda, the Company wanted to clarify that the two proposals to amend articles of the bylaws, grouped together in a single proposal on the Agenda, are in response to the technological transition underway which is, in turn, inextricably linked to successful and sustainable development.

The Chair then opens the discussion of the first item on the Agenda in extraordinary session:

1. Granting to the Board of Directors of the faculty, in accordance with Art. 2443 of the Italian Civil Code, to increase share capital against payment, divisible, on one or more occasions, by up to 10% of the Company's pre-existing share capital, without pre-emption rights pursuant to Art. 2441.4, second section, of the Italian Civil Code. Subsequent amendment of Art. 6 of the Company's bylaws. Related and consequent resolutions.

The Chair then reads the proposed resolution submitted for approval to the Shareholders' Meeting in extraordinary session formulated by the Board of Directors:

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

resolve

1. to grant the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, in accordance with the terms and conditions of the "Board of Directors' Explanatory Report" and the proposed amendment to the corporate bylaws, the power to increase share capital, for cash, in a divisible manner, on one or more occasions, by up to 10% of the pre-existing share capital, by 14 April 2027, through the issue of new ordinary shares without a stated par value, reserved for parties to be identified by the Board of Directors - including Italian or foreign qualified and/or industrial and/or financial investors or shareholders of the Company - excluding pre-emption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code;

2. consequently, to amend Art. 6 of the corporate bylaws, substituting the current fourth paragraph with the following: "the Board of Directors may increase share capital, for cash, in a divisible manner, on one or more occasions, by up to 10% of the pre-existing share capital, by 14 April 2027, through the issue of new ordinary shares without a stated par value reserved for parties to be identified by the Board of Directors – including Italian or foreign qualified and/or industrial and/or financial investors or shareholders of the Company - excluding preemption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, provided that the issue price corresponds to the shares' market value and this is confirmed in a report prepared specifically by the external auditors.

For the purposes of the power so granted, the Board of Directors is granted the broadest of powers to determine, for each tranche, the number, the dividend rights of the shares to be issued and the issue price (including any share premium), in accordance with the law".
3. to grant the Board of Directors in the persons of the Chairman and the Chief Executive Director, including separately, the amplest of powers needed to execute, including through delegates, any and all other acts necessary to or useful in the implementation of the above resolutions with the power to make any change or additions deemed necessary, including as requested by the authorities, as well as, register the resolution in the relative Company registry."
After having read the proposed resolution, the Chair calls upon the Designated Representative, to confirm that he is in possession of voting instructions for all the shares for which proxies were made. He states that he has the voting instructions for all the shares subject to proxies and notes that 76,747,670 (seventy six million seven hundred forty seven thousand six hundred seventy) shares will be voted, relative to which the notices called for in Art. 83-sexies of Legislative Decree 58/1998 were received, or 69.554419% of the 110,341,903 ordinary shares comprising the share capital.
The Chair then puts the proposed resolution up for a vote and invites the Designated Representative to share the voting instructions received based on which:
- 76,442,340 (seventy six million four hundred forty two thousand three hundred forty) shares or 99.602164% of the shares represented voted in favor;
- 305,330 (three hundred five thousand three hundred thirty) shares voted against;
- 0 (zero) shares abstained from voting;
- 0 (zero) shares did not vote.
The Chair declares that the proposal relating to the first item on the Agenda of the Shareholders' Meeting in extraordinary session was approved by a majority, 76,442,340 (seventy six million four hundred forty two thousand three hundred forty) shares voted in favor, 305,330 (three hundred five thousand three hundred thirty) shares voted against and no shares abstained.
I, the notary, then attach the vote tally given to me by the Chair to these minutes as Annex "**H**".
The Chair then opens the discussion of the second item on the Agenda in extraordinary session:

2. Granting to the Board of Directors of the faculty, in accordance with Art. 2443 of the Italian Civil Code, to increase share capital against payment, divisible, on one or more occasions, without pre-emption rights pursuant to Art. 2441.4, second section, of the Italian Civil Code. Subsequent amendment of Art. 6 of the Company's bylaws. Related and consequent resolutions
The Chair then reads the proposed resolution submitted for approval to the Shareholders' Meeting in extraordinary session formulated by the Board of Directors:
"The shareholders of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A., meeting in extraordinary session, having examined the Board of Directors report,

resolve

1. to grant the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, in accordance with the terms and conditions of the "Board of Directors' Explanatory Report" and the proposed amendment to the corporate bylaws, the power to increase *share capital, for cash, in a divisible manner, on one or more occasions, by up to a maximum of EUR 650,000,000.00 (sixty-five million and zero hundredths), including any share premium, by 14 April 2027, through the issue of new ordinary shares without a stated par value, excluding preemption rights pursuant to Art. 2441, fourth paragraph, of the Italian Civil Code, to be made through contributions in kind pursuant to Art. 2440 of the Italian Civil Code, provided they relate to the Company's purpose (including, for example, property, equity investments, business and/or business branches), with the faculty to make use of the provisions in Art. 2343-ter of the Italian Civil Code;*

2. consequently, to amend Art. 6 of the corporate bylaws, including the following wording in the fifth paragraph: "Art. 6.5 The Shareholders' Meeting held in extraordinary session on 14 April 2022 resolved to grant the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, the power to increase share capital, for cash, in a divisible manner, on one or more occasions, by up to a maximum of EUR 65,000,000 (sixty-five million and zero hundredths), including any share premium, by 14 April 2027, through the issue of new ordinary shares without a stated par value, excluding preemption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, to be made through contributions in kind pursuant to Art. 2440 of the Italian Civil Code, provided they relate to the Company's purpose (including, for example, property, equity investments, business and/or business branches), with the faculty to make use of the provisions in Art. 2343-ter of the Italian Civil Code

For the purposes of the power so granted, the Board of Directors is given the broadest of powers to determine, for each tranche, the number, the dividend rights of the ordinary shares to be issued and the issue price (including any share premium), in accordance with the law, taking into account the prevailing conditions of the financial markets at the time of the actual launch of the transaction, the performance of the Company's shares, along with the application of any discounts consistent with market practices for similar transactions.".

3. to grant the Board of Directors in the persons of the Chairman and the Chief Executive Director, including separately, the amplest of powers needed to execute, including through delegates, any and all other acts necessary to or useful in the implementation of the above resolutions with the power to make any change or additions deemed necessary, including as requested by the authorities, as well as, register the resolution in the relative Company registry."

After having read the proposed resolution, the Chair calls upon the Designated Representative, to confirm that he is in possession of voting instructions for all the shares for which proxies were made. He states that he has the voting instructions for all the shares subject to proxies and notes that 76,747,670 (seventy six million seven hundred forty seven thousand six hundred seventy) shares will be voted, relative to which the notices called for in Art. 83-sexies of Legislative Decree 58/1998 were received, or 69.554419% of the 110,341,903 ordinary shares comprising the share capital.

The Chair then puts the proposed resolution up for a vote and invites the Designated Representative to share the voting instructions received based on which:

- 66,205,825 (sixty six million two hundred five thousand eight hundred twenty five) shares or 86.264280% of the shares represented voted in favor;
- 10,541,845 (ten million five hundred forty one thousand eight hundred forty five) shares voted against;
- 0 (zero) shares abstained from voting;

- 0 (zero) shares did not vote.

The Chair declares that the proposal relating to the Agenda of the Shareholders' Meeting in extraordinary session was approved by a majority, 66,205,825 (sixty six million two hundred five thousand eight hundred twenty five) shares voted in favor, 10,541,845 (ten million five hundred forty one thousand eight hundred forty five) shares voted against, zero shares abstained from voting.

I, the notary, then attach the vote tally given to me by the Chair to these minutes as Annex "**I**".

The Chair then opens the discussion of the third item on the Agenda in extraordinary session:

3. Proposals to amend articles 10 and 20 of the Company's bylaws; related and consequent resolutions.

The Chair then reads the proposed resolution submitted for approval to the Shareholders' Meeting in extraordinary session formulated by the Board of Directors:

"The shareholders of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A., meeting in extraordinary session, having examined the Board of Directors report on the proposed amendments to Articles 10 and 20 of the Company bylaws,

resolve

1. to amend Art. 10 of the corporate bylaws, substituting the current second paragraph with the following: "Shareholders' meetings are ordinary or extraordinary as provided for by law and are held at the registered office – unless resolved otherwise by the Board of Directors and provided it is in Italy. If provided for in the notice of call, the Shareholders' Meeting may also be held solely via means of telecommunication without any indication of the place where the meeting is to be convened using the methods indicated to intervene in or attend the meeting, in accordance with the law and in compliance with current legislation and regulations;

2. to amend Art. 20 of the corporate bylaws, substituting the current first paragraph with the following: "For Board meetings to be valid, they must be attended by the majority of directors in office. Board members may also participate by teleconference, as long as all participants can be identified and their identification is noted in the minutes. In this case, each participant must have the opportunity to contribute to the discussion, express opinions, and vote on resolutions in real time;

3. to grant the Board of Directors in the persons of the Chairman and the Chief Executive Director, including separately, the amplest of powers needed to execute, including through delegates, any and all other acts necessary to or useful in the implementation of the above resolutions with the power to make any change or additions deemed necessary, including as requested by the authorities, as well as, register the resolution in the relative Company registry".

After having read the proposed resolution, the Chair calls upon the Designated Representative, to confirm that he is in possession of voting instructions for all the shares for which proxies were made. He states that he has the voting instructions for all the shares subject to proxies and notes that 76,747,670 (seventy six million seven hundred forty seven thousand six hundred seventy) shares will be voted, relative to which the notices called for in Art. 83-sexies of Legislative Decree 58/1998 were received, or 69.554419% of the 110,341,903 ordinary shares comprising the share capital.

The Chair then puts the proposed resolution up for a vote and invites the Designated Representative to share the voting instructions received based on which:

- 70,003,287 (seventy million three thousand two hundred eighty seven) shares or 91.212264% of the shares represented voted in favor;
- 6,744,383 (six million seven hundred forty four thousand three hundred eighty three) shares voted against;
- 0 (zero) shares abstained from voting;
- 0 (zero) shares did not vote.

The Chair declares that the proposal relating to the Agenda of the Shareholders' Meeting in extraordinary session was approved by a majority, 70,003,287 (seventy million three thousand two hundred eighty seven) shares voted in favor, 6,744,383 (six million seven hundred forty four thousand three hundred eighty three) shares voted against; zero shares abstained from voting.

I, the notary, then attach the vote tally given to me by the Chair to these minutes as Annex "**L**".

Attached to these minutes are also:

- Annex "**M**", the report on the items n. 1, 2, 3 and 4 on the Agenda prepared by the Board of Directors in accordance with Article 125 ter TUF, along with the Board of Statutory Auditors' proposal relative to the statutory audit assignment;
- Annex **"N", the report on the items** 1, 2 and on the Agenda for the extraordinary session prepared by the Board of Directors pursuant to Article 125= ter of TUF;
- Annex **"O",** the annual report comprising the Report on Operations, the Report on Corporate Governance and the Ownership Structure, the separate financial statements at 31 December 2021 with the Report of the Statutory Auditors and the Report of the External Auditors; the consolidated financial statements at 31 December 2021 with the Report of the External Auditors,
- Annex **"P",** the Report on the Compensation Policy;
- Annex **"Q",** the vote tally for each resolution, along with the number of shares represented;
- Annex **"R"** the Company bylaws updated to reflect the amendments approved during this Shareholders' Meeting.

As there are no other items left on the Agenda to discuss, the Chair declares the Shareholders' Meeting adjourned at fifty-three minutes past ten in the morning.

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My client declares to be aware of and have received a copy of the information provided pursuant to Art. 13 of EU Regulation n. 679/2016 GDPR and Art. 13 of Legislative Decree n. 196 of 30 June 2003 and to consent to the processing of her personal data pursuant to and in accordance with the before mentioned law; the data, which will be included in a data bank and electronic filing systems, will be used solely for the purposes of these minutes and related formalities.

I, the Notary, have dispensed with reading the annexes as per the express permission from my client.

I, the Notary, have received this document typewritten, by a person in my confidence and completed by my hand and the person in my confidence, on eleven standard pages, forty-two front sides and part of the forty- third page and read by me to my client who approves them.

Signed at twenty-six minutes past eleven.

Signed Rossella Saoncella - DANIELA CENNI

ALLEGATO "A" AL REP. 44313/28466

IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Elenco Intervenuti (Tutti ordinati cronologicamente)

Assemblea Ordinaria/Straordinaria

Badge	Titolare Tipo Rap.	Deleganti / Rappresentati legalmente	Ordinaria	Straordinaria
1		COMPUTERSHARE S.P.A. RAPPRESENTANTE DESIGNATO IN QUALITA' DI DELEGATO 135-UNDECIES TUF IN PERSONA DI CLAUDIO CATTANEO	0	0
1	D	COOP ALLEANZA 3.0 SOC. COOP.	45.153.442	45.153.442
2	D	COOPERATIVA RENO SCARL	23.017	23.017
3	D	COOP LOMBARDIA SOC. COOP.	2.678.879	2.678.879
4	D	UNICOOP TIRRENO SOCIETA' COOPERATIVA A.R.L. *di cui 1.350.000 azioni in garanzia a FACTORCOOP;*	11.001.625	11.001.625
5	D	COOP LIGURIA SOCIETA' COOPERATIVA DI CONSUMO	722.550	722.550
6	D	EUROPA + SCA SIF-RES OPPORTUNITY	4.633.285	4.633.285
		Totale azioni	**64.212.798** 58,194391%	**64.212.798** 58,194391
2		COMPUTERSHARE S.P.A. RAPPR. DESIGNATO IN QUALITA' DI SUBDEL. 135-NOVIES TUF (ST. TREVISAN) IN PERSONA DI CLAUDIO CATTANEO	0	0
1	D	VANGUARD INVESTMENT SERIES PUBLIC LIMITED COMPANY	18.641	18.641
2	D	CUSTODY BANK OF JAPAN, LTD. RE: SMTB DEVELOPED COUNTRY REIT INDEX HEDGED MOTHER FUND	6.703	6.703
3	D	UNIVERSAL-INVESTMENT-GESELLSCHAFT MBH ON BEHALF OF EPOTIF MASTERFONDS	4.058	4.058
4	D	BNP PARIBAS EASY - FTSE EPRA NAREIT DEVELOPED EUROPE EX UK GREEN CTB	11.375	11.375
5	D	STRATEGIC GLOBAL PROPERTY FUND	19.028	19.028
6	D	AMP INTERNATIONAL PROPERTY INDEX FUND HEDGED	20.896	20.896
7	D	THE MASTER TRUST BANK OF JAPAN, LTD. RE: NISSAY DEVELOPED REIT INDEX MOTHER FUND	1.126	1.126
8	D	BNP PARIBAS EASY - FTSE EPRA/NAREIT DEVELOPED EUROPE	30.831	30.831
9	D	CAISSE DES DEPOTS ET CONSIGNATIONS	66.935	66.935
10	D	SEGALL BRYANT & HAMILL INTERNATIONAL SMALL CAP TRUST	46.774	46.774
11	D	UNISUPER	19.260	19.260
12	D	BNP PARIBAS EASY-FTSE EPRA NAREIT GLOBAL DEVELOPED GREEN CTB	623	623
13	D	STICHTING AHOLD DELHAIZE PENSIOEN	17.302	17.302
14	D	SUPER DIRECTIONS FUND	11.798	11.798
15	D	BNP PARIBAS FUNDS - US GROWTH	215.854	215.854
16	D	THE MASTER TRUST BANK OF JAPAN, LTD. RE: NISSAY GLOBAL REIT MOTHER FUND	4.388	4.388
17	D	VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST	91.489	91.489
18	D	ALTRIA CLIENT SERVICES MASTER RETIREMENT TRUST	9.054	9.054
19	D	CUSTODY BANK OF JAPAN, LTD. AS TRUSTEE FOR MIZUHO TRUST & BANKING CO., LTD. AS TRUSTEE FOR BLACKROCK DEVELOPED MARKETS R	660	660
20	D	BLACKROCK INDEX SELECTION FUND	24.602	24.602
21	D	MSCI ACWI EX-U.S. IMI INDEX FUND B2	2.316	2.316
22	D	MSCI EMU IMI INDEX FUND B (EMUIMIB)	21	21
23	D	STELLAR INSURANCE, LTD.	2.881	2.881
24	D	AUSTRALIANSUPER	96.621	96.621

IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Elenco Intervenuti (Tutti ordinati cronologicamente)

Assemblea Ordinaria/Straordinaria

Badge	Titolare Tipo Rap.	Deleganti / Rappresentati legalmente	Ordinaria	Straordinaria
25	D	BLACKROCK MSCI EAFE SMALL CAP EQUITY INDEX FUND B (EAFESMLB)	15.815	15.815
26	D	ISHARES GLOBAL LISTED PROPERTY INDEX FUND	7.158	7.158
27	D	ALLIANZGI-FONDS DSPT	3.886	3.886
28	D	ABU DHABI PENSION FUND	87.854	87.854
29	D	SHELL TRUST (BERMUDA) LIMITED AS TRUSTEE OF THE SHELL INTERNATIONAL PENSION FUND	317	317
30	D	SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND	9.710	9.710
31	D	ONEPATH WHOLESALE GLOBAL SMALLER COMPANIES SHARE TRUST	42.313	42.313
32	D	MULTI-MANAGER INTERNATIONAL EQUITY STRATEGIES FUND	56.617	56.617
33	D	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	868.435	868.435
34	D	NEW YORK STATE COMMON RETIREMENT FUND	81.190	81.190
35	D	ARAMCO US RETIREMENT INCOME PLAN TRUST	572	572
36	D	VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	327.148	327.148
37	D	SHELL TRUST (BERMUDA) LTD AS TRUSTEE OF THE SHELL OVERSEAS CONTRIBUTORY PENSION FUND	5.112	5.112
38	D	NFS LIMITED	5.957	5.957
39	D	BNP PARIBAS FUND III N.V. - BNP PARIBAS ESG GLOBAL PROPERTYSECURITIES INDEX FUND	3.230	3.230
40	D	MACQUARIE TRUE INDEX GLOBAL REAL ESTATE SECURITIESFUND	37.961	37.961
41	D	BLACKROCK CDN GLOBAL DEVELOPED REAL ESTATE INDEX FUND	91.785	91.785
42	D	VANGUARD ESG INTERNATIONAL STOCK ETF	22.995	22.995
43	D	DEVELOPED REAL ESTATE INDEX FUND B(GREITB)	19.073	19.073
44	D	EQ ADVISORS TRUST - 1290 VT REAL ESTATE PORTFOLIO	1.275	1.275
45	D	CC AND L Q MARKET NEUTRAL FUND II	450	450
46	D	CC AND L Q MARKET NEUTRAL FUND	56	56
47	D	AS GBL EQ - ALP EX FD NON FLIP	67.399	67.399
48	D	AS INT EQ EAFE AE CIT NON FLIP	11.758	11.758
49	D	AS ACWI EX US AETF G NON FLIP	63.058	63.058
50	D	STICHTING SHELL PENSIOENFONDS	16.008	16.008
51	D	BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	701.549	701.549
52	D	DAIWA GLOBAL REIT INDEX MOTHER FUND	6.930	6.930
53	D	DAIWA SEKAI REIT INDEX MOTHER FUND	166	166
54	D	HSBC ETFS PLC NORTH WALL QUAY	8.874	8.874
55	D	VANGUARD INTERNATIONAL PROPERTY SECURITIES INDEX FUND	65.233	65.233
56	D	ONEPATH GLOBAL SHARES - SMALL CAP (UNHEDGED) INDEXPOOL	2.673	2.673
57	D	ONEPATH GLOBAL LISTED PROPERTY (HEDGED) INDEX POOL	30.864	30.864
58	D	VANGUARD INTERNATIONAL SMALL COMPANIES INDEX FUND	8.129	8.129
59	D	KAISER LEON	750	750
60	D	INTERNATIONAL EQUITY FUND	16.911	16.911

IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Elenco Intervenuti (Tutti ordinati cronologicamente)

Assemblea Ordinaria/Straordinaria

Badge	Titolare Tipo Rap.	Delegati / Rappresentati legalmente	Ordinaria	Straordinaria
61	D	VANGUARD FTSE ALL WORLD EX US SMALL CAP INDEX FUND	246.001	246.001
62	D	VANGUARD EUROPEAN STOCK INDEX FUND	139.453	139.453
63	D	FIS GROUP COLLECTIVE INVESTMENT TRUST	28.800	28.800
64	D	XTRACKERS INTERNATIONAL REAL ESTATE ETF	30.001	30.001
65	D	ARROWSTREET COLLECTIVE INVESTMENT TRUST	52.811	52.811
66	D	ACADIAN INTERNATIONAL SMALL CAP FUND	478.910	478.910
67	D	SHELL CANADA 2007 PENSION PLAN	499	499
68	D	ARIZONA STATE RETIREMENT SYSTEM	16.734	16.734
69	D	STEWARDSHIP PARA GLB	2.264	2.264
70	D	WBW TRUST NUMBER ONE	486	486
71	D	ACADIAN INTERNATIONAL SMALL CAP EQUITY II FUND LLC	18.855	18.855
72	D	ACADIAN NON US MICROCAP EQUITY FUND LLC	52.459	52.459
73	D	STATE OF WISCONSIN INVESTMENT BOARD	11.900	11.900
74	D	FIRST TRUST FTSE EPRA NAREIT DEVELOPED MARKETS REAL ESTATE	1.169	1.169
75	D	PENSION RESERVES INVESTMENT TRUST FUND	109.892	109.892
76	D	VIRGINIA RETIREMENT SYSTEM	3	3
77	D	BNY MELLON GLOBAL FUNDS PLC	1	1
78	D	METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND	46.400	46.400
79	D	STICHTING SPOORWEGPENSIOENFONDS	29.203	29.203
80	D	XTRACKERS MSCI EUROZONE HEDGED EQUITY ETF	129	129
81	D	ARROWSTREET US GROUP TRUST	31.916	31.916
82	D	TEXTRON INC MASTER TRUST	119.800	119.800
83	D	THE CLEVELAND CLINIC FOUNDATION	24.984	24.984
84	D	TEACHERS RETIREMENT SYSTEM OF LOUISIANA	1	1
85	D	ENSIGN PEAK ADVISORS INC	62.755	62.755
86	D	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	4.700	4.700
87	D	RETIREMENT BOARD OF ALLEGHENY COUNTY	1	1
88	D	COX ENTERPRISES INC MASTER TRUST	925	925
89	D	ALASKA PERMANENT FUND CORPORATION	95	95
90	D	ALASKA PERMANENT FUND CORPORATION	67	67
91	D	STICHTING BEDRIJFSPENSIOENFONDS VOOR HET SCHILDERS AFWERK IJF	14.214	14.214
92	D	COMMONWEALTH OF PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES RETIR	26.667	26.667
93	D	STICHTING PENSIOENFONDS HORECA AND CATERING	3.317	3.317
94	D	THE BNYM INT LIMITED AS TRUSTEE OF ISHARES GLOBAL PROPERTY SECURITIES EQUITY INDEX FUND UK	138.845	138.845
95	D	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	128.078	128.078
96	D	INDIANA PUBLIC RETIREMENT SYSTEM	2.489	2.489
97	D	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	1	1
98	D	SEGALL BRYANT HAMILL INTERNA	38.073	38.073
99	D	BLK MAGI FUND A SERIES TRUST	711	711
100	D	CUSTODY BANK OF JAPAN, LTD	81.131	81.131
101	D	THE NOMURA TRUST AND BANKING C	16.424	16.424
102	D	MUL- LYX FTSE IT ALL CAP PIR	7.986	7.986
103	D	LYXINDX FUND - LYXOR MSCI EMU	19.159	19.159
104	D	LYXOR FTSE ITALIA MID CAP PIR	295.315	295.315

IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Elenco Intervenuti (Tutti ordinati cronologicamente)

Assemblea Ordinaria/Straordinaria

Badge	Titolare Tipo Rap.	Deleganti / Rappresentati legalmente	Ordinaria	Straordinaria
105	D	THE CBF CHURCH OF ENGLAND INVESTMENT FUND	28.054	28.054
106	D	CITY OF PHILADELPHIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	1.563	1.563
107	D	1199 SEIU HEALTH CARE EMPLOYEES PENSION FUND	292.396	292.396
108	D	THE BANK OF IRELAND STAFF PENSIONS FUND	5.277	5.277
109	D	MREF INVESTMENT COMPANY NO. 2 PTY LTD	20.708	20.708
110	D	FUTURE FUND INVESTMENT COMPANY NO.2 PTY LTD	129.045	129.045
111	D	NORTHERN TRUST UCITS COMMON CONTRACTUAL FUND	67.995	67.995
112	D	COMMONWEALTH GLOBAL PROPERTY SECURITIES FUND 4	43.833	43.833
113	D	MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO	11.823	11.823
114	D	CONSTELLATION DEFINED CONTRIBUTION RETIREMENT PLAN TRUST	10.321	10.321
115	D	SOUTHERN CALIFORNIA UNITED FOOD AND COMMERCIAL WORKERS UNIONS AND FOOD EMPLOYERS JOINT PENSION	52.362	52.362
116	D	NTGI-QM COMMON DAILY ALL COUNTRY WORLD EX-US INVESTABLE MARKET INDEX FUND - NON LENDING	3.099	3.099
117	D	NORTHERN FUNDS GLOBAL REAL ESTATE INDEX FUND	28.578	28.578
118	D	PFIZER INC. MASTER TRUST	1.125	1.125
119	D	CONSTELLATION PENSION MASTER TRUST	16.941	16.941
120	D	SIM GLOBAL BALANCED TRUST.	2.324	2.324
121	D	MACKENZIE INTERNATIONAL QUANTITATIVE SMALL CAP MASTER FUND C	15.455	15.455
122	D	POLICEMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO	34.832	34.832
123	D	GOVERNMENT EMPLOYEES SUPERANNUATION BOARD	21.153	21.153
124	D	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	157.557	157.557
125	D	EXELON CORPORATION PENSION MASTER RETIREMENT TRUST	23.931	23.931
126	D	LOCKHEED MARTIN CORPORATION MASTER RETIREMENT TRUST.	123.208	123.208
127	D	MARGARET A. CARGILL FOUNDATION	19.000	19.000
128	D	NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST	22.317	22.317
129	D	EXELON CORPORATION DEFINED CONTRIBUTION RETIREMENT PLANS MASTER TRUST	12.147	12.147
130	D	FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST.	827	827
131	D	ANNE RAY FOUNDATION	26.700	26.700
132	D	LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	4.280	4.280
133	D	CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	8.996	8.996
134	D	WEST VIRGINIA INVESTMENT MANAGEMENT BOARD	38.630	38.630
135	D	FORD MOTOR COMPANY OF CANADA LIMITED PENSION TRUST	260	260
136	D	BLACKROCK AUTHORISED CONTRACTUAL SCHEME I	14.490	14.490
137	D	LEGAL AND GENERAL ICAV.	2.641	2.641
138	D	STATE TEACHERS RETIREMENT SYSTEM OF OHIO	3.541	3.541
139	D	ILLINOIS STATE BOARD OF INVESTMENT	79.300	79.300
140	D	VERDIPAPIRFONDET KLP AKSJEGLOBAL SMALL CAP INDEKS I	8.102	8.102
141	D	NORTHERN TRUST UCITS FGR FUND	37.478	37.478
142	D	MISSOURI EDUCATION PENSION TRUST	42.413	42.413
143	D	EMN ASC FUND LP	25.475	25.475
144	D	CC&L Q MARKET NEUTRAL FUND	66	66

IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Elenco Intervenuti (Tutti ordinati cronologicamente)

Assemblea Ordinaria/Straordinaria

Badge	Titolare / Tipo Rap.	Deleganti / Rappresentati legalmente	Ordinaria	Straordinaria
145	D	ALGERT GLOBAL EQUITY MARKET NEUTRAL MASTER FUND LP	38.439	38.439
146	D	CC&L Q GLOBAL EQUITY MARKET NEUTRAL MASTER FUND LTD..	925	925
147	D	TWO SIGMA EQUITY RISK PREMIA PORTFOLIO LLC.	23.390	23.390
148	D	LEGAL AND GENERAL ASSURANCE (PENSIONS MANAGEMENT) LIMITED	254.652	254.652
149	D	MANULIFE GLOBAL FUND (SICA	17.000	17.000
150	D	CFSIL - COLONIAL FIRST STATE GLOBAL ASSET MANAGEMENT MULTI SECTOR TRUST 1	602	602
151	D	AEGON CUSTODY B.V.	75.984	75.984
152	D	TWO SIGMA WORLD CORE FUND LP	35.720	35.720
153	D	NEWBURG NOMINEES LIMITED AS CUSTODIAN FOR INVESTORS WHOLESALE GLOBAL PROPERTY (INDEX) TRUST	6.966	6.966
154	D	ABERDEEN STANDARD OEIC IV - ASI GLOBAL REIT TRACKER FUND	14.916	14.916
155	D	MAN FUNDS XII SPC-MAN 1783 III SP	2.557	2.557
156	D	MERCER PRIVATE WEALTH REAL ASSET POOL	2.578	2.578
157	D	CC&L Q INTERNATIONAL SMALL CAP EQUITY FUND	279	279
158	D	HILLSDALE GLOBAL SMALL CAP EQUITY FUND.	91.300	91.300
159	D	ARROWSTREET US GROUP TRUST - ARROWSTREET GLOBAL EQUITY - ALP	5.609	5.609
160	D	ARROWSTREET INTERNATIONAL EQUITY EAFE ALPHA EXTENSION CIT	18.718	18.718
161	D	ARROWSTREET US GROUP TRUST ARROWSTREET INTERNATIONAL EQUITY	41.797	41.797
162	D	RETURN TO WORK CORPORATION OF SOUTH AUSTRALIA	2.521	2.521
163	D	DIGITAL FUNDS STARS EUROZONE	20.507	20.507
164	D	UBS FUND MANAGEMENT (SWITZERLAND) AG.	78.443	78.443
165	D	GOVERNMENT OF NORWAY	321.201	321.201
166	D	ACADIAN NON-US SMALL-CAPLONG-SHORT EQUITY FUND LLC C/O ACADIAN ASSET MANAGEMENT LLC	95.302	95.302
167	D	CUBIST CORE INVESTMENTS, L.P. C/O POINT72	40.428	40.428
168	D	AMUNDI INDEX FTSE EPRA NAREIT GLOBAL	44.107	44.107
169	D	ESTRELLA	11.229	11.229
170	D	MACKENZIE INTERNATIONAL QUANTITATIVE SMALL CAP FUND	7.912	7.912
171	D	CC & L INTERNATIONAL EQUITY FUND	102	102
172	D	CC&L GLOBAL EQUITY FUND	166	166
173	D	CC&L Q GROUP GLOBAL EQUITY FUND	60	60
174	D	PREMIUMMANDAT BALANCE	11.203	11.203
175	D	PREMIUMMANDAT DYNAMIK	23.104	23.104
176	D	UBS LUX FUND SOLUTIONS	13.232	13.232
177	D	ISHARES VII PLC	68.177	68.177
178	D	ISHARES III PUBLIC LIMITED COMPANY	13.470	13.470
179	D	STICHTING PHILIPS PENSIOENFONDS	9.455	9.455
180	D	VIF ICVC VANGUARD FTSE GLOBAL ALL CAP INDEX FUND	160	160
181	D	PUBLIC AUTHORITY FOR SOCIAL INSURANCE	638	638
182	D	BLACKROCK ASSET MANAGEMENT SCHWEIZ AG ON BEHALF OF ISHARES WORLD EX SWITZERLAND SMALL CAP EQUITY	627	627
183	D	ISHARES CORE MSCI EUROPE ETF	77.218	77.218
184	D	ISHARES GLOBAL REIT ETF	132.205	132.205

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IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Elenco Intervenuti (Tutti ordinati cronologicamente)

Assemblea Ordinaria/Straordinaria

Badge	Titolare Tipo Rap.	Deleganti / Rappresentati legalmente	Ordinaria	Straordinaria
185	D	CONNECTICUT GENERAL LIFE INSURANCE COMPANY	496	496
186	D	ISHARES MSCI EAFE SMALL-CAP ETF	137.942	137.942
187	D	ISHARES INTERNATIONAL DEVELOPEDREAL ESTATE ETF	18.228	18.228
188	D	ISHARES INTERNATIONAL DEVELOPEDPROPERTY ETF	4.054	4.054
189	D	ISHARES MSCI EUROPE SMALL-CAP ETF	5.937	5.937
190	D	ISHARES DEVELOPED REAL ESTATE INDEX FUND OF BLACKROCK FUNDS	88.873	88.873
191	D	INTERNATIONAL MONETARY FUND	22.596	22.596
192	D	INTERNATIONAL MONETARY FUND	19.635	19.635
193	D	BERNSTEIN FUND INC INTERNATIONAL SMALL CAP PORTFOLIO	568.856	568.856
194	D	IAM NATIONAL PENSION FUND	6.345	6.345
195	D	SCHWAB INTERNATIONAL SMALLCAP EQUITY ETF	112.665	112.665
196	D	PENSION BENEFIT GUARANTY CORPORATION	152.274	152.274
197	D	INTERNATIONAL PAPER COMPANY COMMINGLED INVESTMENT GROUP TRUST	936	936
198	D	VANGUARD TOTAL WORLD STOCK INDEX FUND	63.816	63.816
199	D	VANGUARD GLOBAL EX-U.S. REAL ESTATE INDEX FUND, A SERIES OF VANG	256.411	256.411
200	D	VANGUARD DEVELOPED MARKETS INDEX FUND	454.881	454.881
201	D	KAISER PERMANENTE GROUP TRUST	4	4
202	D	SST GLOB ADV TAX EXEMPT RETIREMENT PLANS	227.224	227.224
203	D	STATE STREET GLOBAL REAL ESTATENONLENDING COMMON TRUST FUND	107.273	107.273
204	D	VANGUARD FIDUCIARY TRUST COMPANY DEVELOPED MARKETS INDEX TRUST	2.060	2.060
205	D	CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM	4.229	4.229
206	D	TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	157.010	157.010
207	D	VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	844	844
208	D	VANGUARD FTSE DEVELOPED ALL CAPEX NORTH AMERICA INDEX ETF	6.934	6.934
209	D	SSGA SPDR ETFS EUROPE I PUBLIC LIMITED COMPANY	32.283	32.283
210	D	SSGA SPDR ETFS EUROPE II PUBLICLIMITED COMPANY	11.957	11.957
211	D	CITY OF NEW YORK GROUP TRUST	134.074	134.074
212	D	MERCER QIF CCF	5.548	5.548
213	D	MONTANA BOARD OF INVESTMENTS	351	351
214	D	RUSSELL INVESTMENT COMPANY PLC	21.078	21.078
215	D	AGIALLIANZ STRATEGIEFONDS WACHSTUM PLUS	181.413	181.413
216	D	MERCER INTERNATIONAL EQUITY FUND	13.363	13.363
217	D	MERCER UCITS COMMON CONTRACTUALFUND	64.139	64.139
218	D	MERCER QIF FUND PLC	6.297	6.297
219	D	ALLIANZ GLOBAL INVESTORS GMBH FOR PREMIUMMANDAT KONSERVATIV	4.997	4.997
220	D	ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZ STRATEGIEFONDS BALANCE	75.122	75.122
221	D	AGIALLIANZ STRATEGIEFONDS STABILITAET	5.150	5.150
222	D	AGIALLIANZ STRATEGIEFONDS WACHSTUM	108.306	108.306
223	D	MERCER GE INTERNATIONAL EQUITY FUND	30.360	30.360
224	D	ROCHE U.S. RETIREMENT PLANS MASTER TRUST	132.478	132.478
225	D	STATE STREET GLOBAL ALL CAP EQUITY EXUS INDEX PORTFOLIO	1.368	1.368

IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Elenco Intervenuti (Tutti ordinati cronologicamente)

Assemblea Ordinaria/Straordinaria

Badge	Titolare Tipo Rap.	Deleganti / Rappresentati legalmente	Ordinaria	Straordinaria
226	D	LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATI	10.986	10.986
227	D	ALBERTA INVESTMENT MANAGEMENT CORPORATION	13.133	13.133
228	D	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	2.181	2.181
229	D	SSB MSCI EAFE SMALL CAP INDEX SECURITIES LENDING COMMON FND	24.747	24.747
230	D	IBM 401(K) PLUS PLAN TRUST	60.574	60.574
231	D	COLLEGE RETIREMENT EQUITIES FUND	16.950	16.950
232	D	SPDR PORTFOLIO DEVELOPED WORLD EXUS ETF	111.757	111.757
233	D	SPDR S&P INTERNATIONAL SMALL CAP ETF	2.554	2.554
234	D	SPDR PORTFOLIO EUROPE ETF	837	837
235	D	SHINKO SHILLER GLOBAL REIT FUND(FUND WRAP)	1.217	1.217
236	D	INTERNATIONAL TILTS MASTER PORTFOLIO OF MASTER INVESTMENT PORTFO	104.464	104.464
237	D	ARROWSTREET ACWI ALPHA EXTENSION FUND V (CAYMAN) LIMITED	22.693	22.693
238	D	MTBJ LTD AS TRUSTEE DEVELOPED MARKETS REIT INDEX MOTHER FUND	1.085	1.085
239	D	TRUST I AB GLOBAL DYNAMIC ALLOCATION PORTFOLIO	6.221	6.221
240	D	WASHINGTON STATE INVESTMENT BOARD	4.987	4.987
241	D	NEW YORK STATE TEACHERS RETIREMENT SYSTEM	13.788	13.788
242	D	UBS FUND MANAGEMENT (SWITZERLAND) AG ON BEHALF OF ZURICH INVESTINSTITUTIONAL FUNDS	35.633	35.633
243	D	ARROWSTREET (CANADA) INTERNATIONAL DEVELOPED MARKET EX US FUND I	37.975	37.975
244	D	AWARE SUPER	70.571	70.571
245	D	VANECK VECTORS FTSE INTERNATIONAL PROPERTY (HEDGED) ETF AURORA PLACE	5.917	5.917
246	D	AUSTRALIAN RETIREMENT TRUST	1.582	1.582
		Totale azioni	12.534.872	12.534.872
			11,360029%	11,360029

	Ordinaria	Straordinaria
Totale azioni in proprio	0	0
Totale azioni in delega	76.747.670	76.747.670
Totale azioni in rappresentanza legale	0	0
TOTALE AZIONI	76.747.670	76.747.670
	69,554419%	69,554419%
Totale azionisti in proprio	0	0
Totale azionisti in delega	252	252
Totale azionisti in rappresentanza legale	0	0
TOTALE AZIONISTI	252	252
TOTALE PERSONE INTERVENUTE	1	1

Legenda:

D: Delegante R: Rappresentato legalmente

ORDINARY AND EXTRAORDINARY ANNUAL GENERAL MEETING

Of 14 APRIL 2022 (in first call) – 15 APRIL 2022 (in second call)

ANSWERS TO THE QUESTIONS RECEIVED FROM SHAREHOLDERS

1. **With regard to the dividend policy, have you ever considered paying the dividend in more than one tranche as some of your peers do? Do you think that this could make the stock more appealing?**

   Over the years the Company has evaluated this possibility, but it was found to be of little interest, above all because of the statutory constraints provided for under the law. As pointed out during the presentation of the Group's 2022-2024 Business Plan, the Company will concentrate on the continuous improvement of the strategic indicators with a view to the medium/long-term sustainability of the business which, hopefully, will have a positive impact on the stock price.

2. **In light of the lower equity per share don't you think a buyback would be opportune? In light of the lower equity per share don't you think a buyback, with the subsequent elimination of the shares, would be opportune?**

   The Group's Business Plan, which covers the period 2022-2024, approved last December, aims to maintain a balance between operating cash flow, investment pipeline and the distribution of dividends to shareholders; we expect, in this way, to be able to reduce the Loan-to-Value from the current 44.8% at year-end 2021 to a range of between 40-43% at the end of the plan in 2024.
   With this in mind, for us the priority is to dedicate the Group's resources to the implementation of the Business Plan with a view to the medium/long-term sustainability of the business; consequently, at the moment, we do not envisage investing in treasury shares.

IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Assemblea Ordinaria del 14 aprile 2022

ALLEGATO "C" AL REP. 44313/28466

ESITO VOTAZIONE

Oggetto : **BILANCIO AL 31.12.2021**

Hanno partecipato alla votazione:

-n° **252** azionisti, portatori di n° **76.747.670** azioni

ordinarie, di cui n° **76.747.670** ammesse al voto,

pari al **69,554419%** del capitale sociale.

Hanno votato:

		% Azioni Ordinarie Rappresentate (Quorum deliberativo)	% Azioni Ammesse al voto	%Cap. Soc.
Favorevoli	76.613.596	99,825305	99,825305	69,432912
Contrari	0	0,000000	0,000000	0,000000
Sub Totale	76.613.596	99,825305	99,825305	69,432912
Astenuti	134.074	0,174695	0,174695	0,121508
Non Votanti	0	0,000000	0,000000	0,000000
Sub Totale	134.074	0,174695	0,174695	0,121508
Totale	76.747.670	100,000000	100,000000	69,554419

Azionisti in proprio: 0
Azionisti in delega: 252
Teste: 1 Azionisti: 252

IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Assemblea Ordinaria del 14 aprile 2022

ALLEGATO "D" AL REP. 44313/28466

ESITO VOTAZIONE

Oggetto : **DESTINAZIONE UTILE DI ESERCIZIO**

Hanno partecipato alla votazione:

-n° **252** azionisti, portatori di n° **76.747.670** azioni

ordinarie, di cui n° **76.747.670** ammesse al voto,

pari al **69,554419%** del capitale sociale.

Hanno votato:

		% Azioni Ordinarie Rappresentate (Quorum deliberativo)	% Azioni Ammesse al voto	%Cap. Soc.
Favorevoli	76.733.456	99,981480	99,981480	69,541538
Contrari	14.214	0,018520	0,018520	0,012882
Sub Totale	76.747.670	100,000000	100,000000	69,554419
Astenuti	0	0,000000	0,000000	0,000000
Non Votanti	0	0,000000	0,000000	0,000000
Sub totale	0	0,000000	0,000000	0,000000
Totale	76.747.670	100,000000	100,000000	69,554419

Azionisti in proprio: 0
Azionisti in delega: 252
Teste: 1 Azionisti: 252

IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Assemblea Ordinaria del 14 aprile 2022

ALLEGATO "E" AL REP. 44313/28466

ESITO VOTAZIONE

Oggetto : **I SEZIONE - POLITICA IN MATERIA DI REMUNERAZIONE**

Hanno partecipato alla votazione:

-**n° 252** azionisti, portatori di **n° 76.747.670** azioni

ordinarie, di cui n° **76.747.670** ammesse al voto,

pari al **69,554419%** del capitale sociale.

Hanno votato:

		% Azioni Ordinarie Rappresentate (Quorum deliberativo)	% Azioni Ammesse al voto	%Cap. Soc.
Favorevoli	74.552.895	97,140271	97,140271	67,565352
Contrari	2.194.775	2,859729	2,859729	1,989068
Sub Totale	76.747.670	100,000000	100,000000	69,554419
Astenuti	0	0,000000	0,000000	0,000000
Non Votanti	0	0,000000	0,000000	0,000000
Sub totale	0	0,000000	0,000000	0,000000
Totale	76.747.670	100,000000	100,000000	69,554419

Azionisti in proprio: 0
Azionisti in delega: 252
Teste: 1 Azionisti: 252

IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Assemblea Ordinaria del 14 aprile 2022

ALLEGATO "F" AL REP. 44313 / 28466

ESITO VOTAZIONE

Oggetto : **II SEZIONE - POLITICA IN MATERIA DI REMUNERAZIONE**

Hanno partecipato alla votazione:

-n° **252** azionisti, portatori di n° **76.747.670** azioni

ordinarie, di cui n° **76.747.670** ammesse al voto,

pari al **69,554419%** del capitale sociale.

Hanno votato:

		% Azioni Ordinarie Rappresentate (Quorum deliberativo)	% Azioni Ammesse al voto	%Cap. Soc.
Favorevoli	68.649.235	89,447973	89,447973	62,215018
Contrari	7.685.254	10,013664	10,013664	6,964946
Sub Totale	76.334.489	99,461637	99,461637	69,179964
Astenuti	413.181	0,538363	0,538363	0,374455
Non Votanti	0	0,000000	0,000000	0,000000
Sub totale	413.181	0,538363	0,538363	0,374455
Totale	76.747.670	100,000000	100,000000	69,554419

Azionisti in proprio: 0
Azionisti in delega: 252
Teste: 1 Azionisti: 252

IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Assemblea Ordinaria del 14 aprile 2022

ALLEGATO "G" AL REP 44313/28466

ESITO VOTAZIONE

Oggetto : **CONFERIMENTO INCARICO REVISIONE LEGALE DEI CONTI**

Hanno partecipato alla votazione:

-n° **252** azionisti, portatori di n° **76.747.670** azioni

ordinarie, di cui n° **76.747.670** ammesse al voto,

pari al **69,554419%** del capitale sociale.

Hanno votato:

		% Azioni Ordinarie Rappresentate (Quorum deliberativo)	% Azioni Ammesse al voto	%Cap. Soc.
Favorevoli	76.485.757	99,658735	99,658735	69,317054
Contrari	261.913	0,341265	0,341265	0,237365
Sub Totale	76.747.670	100,000000	100,000000	69,554419
Astenuti	0	0,000000	0,000000	0,000000
Non Votanti	0	0,000000	0,000000	0,000000
Sub totale	0	0,000000	0,000000	0,000000
Totale	76.747.670	100,000000	100,000000	69,554419

Azionisti in proprio: 0
Azionisti in delega: 252
Teste: 1 Azionisti: 252

IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Assemblea Straordinaria del 14 aprile 2022

ALLEGATO "H" AL REP. 44313/28466

ESITO VOTAZIONE

Oggetto : **ATTRIBUZIONE DELEGA AL CdA PER AUMENTARE IL CAPITALE SOCIALE A PAGAMENTO NEI LIMITI DEL 10%**

Hanno partecipato alla votazione:

-n° **252** azionisti, portatori di n° **76.747.670** azioni

ordinarie, di cui n° **76.747.670** ammesse al voto,

pari al **69,554419%** del capitale sociale.

Hanno votato:

		% Azioni Ordinarie Rappresentate (Quorum deliberativo)	% Azioni Ammesse al voto	%Cap. Soc.
Favorevoli	76.442.340	99,602164	99,602164	69,277707
Contrari	305.330	0,397836	0,397836	0,276713
Sub Totale	76.747.670	100,000000	100,000000	69,554419
Astenuti	0	0,000000	0,000000	0,000000
Non Votanti	0	0,000000	0,000000	0,000000
Sub totale	0	0,000000	0,000000	0,000000
Totale	76.747.670	100,000000	100,000000	69,554419

Azionisti in proprio: 0
Azionisti in delega: 252
Teste: 1 Azionisti. 252

IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Assemblea Straordinaria del 14 aprile 2022

ALLEGATO "I" AL REP. 44313/28466

ESITO VOTAZIONE

Oggetto : **ATTRIBUZIONE DELEGA AL CdA AD AUMENTARE IL CAPITALE SOCIALE A PAGAMENTO CON ESCLUSIONE DEL DIRITTO DI OPZIONE**

Hanno partecipato alla votazione:

-n° **252** azionisti, portatori di n° **76.747.670** azioni

ordinarie, di cui n° **76.747.670** ammesse al voto,

pari al **69,554419%** del capitale sociale.

Hanno votato:

		% Azioni Ordinarie Rappresentate (Quorum deliberativo)	% Azioni Ammesse al voto	%Cap. Soc.
Favorevoli	66.205.825	86,264280	86,264280	60,000619
Contrari	10.541.845	13,735720	13,735720	9,553800
Sub Totale	76.747.670	100,000000	100,000000	69,554419
Astenuti	0	0,000000	0,000000	0,000000
Non Votanti	0	0,000000	0,000000	0,000000
Sub Totale	0	0,000000	0,000000	0,000000
Totale	76.747.670	100,000000	100,000000	69,554419

Azionisti in proprio: 0
Azionisti in delega: 252
Teste: 1 Azionisti: 252

IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ S.p.A.

Assemblea Straordinaria del 14 aprile 2022

ALLEGATO "L" AL REP. 46313/28466

ESITO VOTAZIONE

Oggetto: **PROPOSTA DI MODIFICA DEGLI ARTICOLI 10 E 20 DELLO STATUTO SOCIALE**

Hanno partecipato alla votazione:

-n° **252** azionisti, portatori di n° **76.747.670** azioni

ordinarie, di cui n° **76.747.670** ammesse al voto,

pari al **69,554419%** del capitale sociale.

Hanno votato:

		% Azioni Ordinarie Rappresentate (Quorum deliberativo)	% Azioni Ammesse al voto	%Cap. Soc.
Favorevoli	70.003.287	91,212264	91,212264	63,442160
Contrari	6.744.383	8,787736	8,787736	6,112259
Sub Totale	76.747.670	100,000000	100,000000	69,554419
Astenuti	0	0,000000	0,000000	0,000000
Non Votanti	0	0,000000	0,000000	0,000000
Sub totale	0	0,000000	0,000000	0,000000
Totale	76.747.670	100,000000	100,000000	69,554419

Azionisti in proprio: 0
Azionisti in delega: 252
Teste: 1 Azionisti: 252

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

* * *

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

* * *

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 decreasefrom 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;*

* * *

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.

* * * *

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."

* * * *

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 SIIQ 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"*.

<u>Offers</u>

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.

<u>Selection criteria</u>

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

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.

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

14 APRIL - 15 APRIL 2022

EXPLANATORY NOTES ON THE ITEMS OF THE AGENDA OF IGD SIIQ S.P.A. EXTRAORDINARY ANNUAL GENERAL MEETING PREPARED BY THE BOARD OF DIRECTORS IN ACCORDANCE WITH ART. 125-TER OF LEGISLATIVE DECREE N. 58/1998 AS WELL AS ART. 72 OF THE CONSOB REGULATION ADOPTED BY RESOLUTION N. 11971/1999

* * *

1. **Granting to the Board of Directors of the faculty, in accordance with Art. 2443 of the Italian Civil Code, to increase share capital against payment, divisible, on one or more occasions, by up to 10% of the Company's pre-existing share capital, without pre-emption rights pursuant to Art. 2441.4, second section, of the Italian Civil Code. Subsequent amendment of Art. 6 of the Company's bylaws. Related and consequent resolutions.**
2. **Granting to the Board of Directors of the faculty, in accordance with Art. 2443 of the Italian Civil Code, to increase share capital against payment, divisible, on one or more occasions, without pre-emption rights pursuant to Art. 2441.4, second section, of the Italian Civil Code. Subsequent amendment of Art. 6 of the Company's bylaws. Related and consequent resolutions.**
3. **Proposals to amend articles 10 and 20 of the Company's bylaws; related and consequent resolutions.**

1. Granting to the Board of Directors of the faculty, in accordance with Art. 2443 of the Italian Civil Code, to increase share capital against payment, divisible, on one or more occasions, by up to 10% of the Company's pre-existing share capital, without pre-emption rights pursuant to Art. 2441.4, second section, of the Italian Civil Code. Subsequent amendment of Art. 6 of the Company's bylaws. Related and consequent resolutions.

Dear Shareholders,

you were called to an extraordinary shareholders' meeting to resolve on the proposal to amend Art. 6 of the corporate bylaws, in order to grant to the Board of Directors a new power, similar to the one expiring on 12 April 2022, granted by the Company's Extraordinary Shareholders' Meeting on 12 April 2017, to be exercised within five years of the Shareholders' Meeting and, therefore, by 14 April 2027 – to increase share capital, on one or more occasions, against payment and in divisible form, by up to a maximum of 10% of the company's pre-existing share capital, by issuing new ordinary shares without a stated par value, reserved for parties to be identified by the Board of Directors (including Italian or foreign qualified and/or industrial and/or financial investors or shareholders of the Company), excluding pre-emption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, provided that the issue price corresponds to the shares' market value and this is confirmed in a report prepared specifically by the external auditors.

Reasons for granting this power

The reason for granting this type of power is to provide the Board of Directors with the flexibility needed to carry out capital transactions in a timely manner, in order to take advantage of any opportunities that might materialize quickly and optimize the outcome of the transactions due to a decrease in the time and outlays that would otherwise be needed to convene the Shareholders' Meeting for each single transaction.

The power granted pursuant to Articles 2443 and 2441, fourth paragraph, second sentence, of the Italian Civil Code would, in fact, allow the Board to take advantage of the most favorable conditions for any extraordinary transactions in a timely manner, including in light of the uncertainty and volatility that characterize the financial markets. In this environment, the power granted also provides the Board of Directors with the additional advantage of determining the conditions of the capital increase (including the maximum number of shares to be issued and the issue price) based on the market conditions at the time the transaction is carried out, reducing the risk of stock price volatility in the period between the announcement and the launch of the transaction if the latter were to be approved by the shareholders.

Criteria for determining the issue price

Based on Art. 2441, fourth paragraph, second sentence of the Italian Civil Code in order to allow for the exclusion of pre-emption rights - the issue price must be equal to the market price of the shares as confirmed in a report prepared specifically by the external auditors.

Duration/timing of the power granted we propose to set the duration of the power at the maximum allowed under the law, namely five years from the date of the resolution and that it can be exercised on one or more occasion.

Pursuant to Article 2443 of the Italian Civil Code, when the power granted is to be exercised and the terms of the exercise will depend on the actual circumstances and when concrete opportunities materialize which will be disclosed to the market just as soon as they are determined by the Board of Directors.

Amendment to Art. 6 of the corporate bylaws

In light of the above, we propose, therefore, to amend Art. 6 of the corporate bylaws as follows:

CURRENT TEXT	NEW TEXT
Article 6 6.1 The share capital is EUR 650,000,000.00 (six hundred fifty million/00), represented by 110,341,903 (one hundred ten million, three hundred forty-nine thousand, nine hundred three) ordinary shares without a stated par value. *(Omissis)* 6.4 Pursuant to Article 2443 of the Italian Civil Code, by April 22, 2020 the Board of Directors may increase the share capital, for cash, in a divisible manner, on one or more occasions, by up to 10% of the pre-existing share capital, reserved for parties to be identified by the Board of Directors – including Italian or foreign qualified and/or industrial and/or financial investors or shareholders of the Company - excluding preemption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, provided that the issue price corresponds to the shares' market value and this is confirmed in a report prepared specifically by the external auditors.	**Article 6** **Unchanged** ***(Omissis)*** **6.4 the Board of Directors may increase share capital, for cash, in a divisible manner, on one or more occasions, by up to 10% of the pre-existing share capital, by 14 April 2027, through the issue of new ordinary shares without a stated par value reserved for parties to be identified by the Board of Directors – including Italian or foreign qualified and/or industrial and/or financial investors or shareholders of the Company - excluding preemption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, provided that the issue price corresponds to the shares' market value and this is confirmed in a report prepared specifically by the external auditors.** **For the purposes of the power so granted, the Board of Directors is given the broadest of powers to determine, for each tranche, the number, the dividend rights of the shares to be issued and the issue price (including any share premium), in accordance with the law.**

Withdrawal rights

The above amendments to the bylaws do not grant withdrawal rights to the shareholders who fail to vote on the items on the agenda.

* * * * *

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 grant the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, in accordance with the terms and conditions of the "Board of Directors' Explanatory Notes" and the proposed amendment to the corporate bylaws, the power to increase share capital, for cash, in a divisible manner, on one or more occasions, by up to 10% of the pre-existing share capital, by 14 April 2027, through the issue of new ordinary shares without a stated par value, reserved for parties to be identified by the Board of Directors - including Italian or foreign qualified and/or industrial and/or financial investors or shareholders of the Company - excluding pre-emption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code;*

2. *consequently, to amend Art. 6 of the corporate bylaws, substituting the current fourth paragraph with the following: "the Board of Directors may increase share capital, for cash, in a divisible manner, on one or more occasions, by up to 10% of the pre-existing share capital, by 14 April 2027, through the issue of new ordinary shares without a stated par value reserved for parties to be identified by the Board of Directors – including Italian or foreign qualified and/or industrial and/or financial investors or shareholders of the Company - excluding preemption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, provided that the issue price corresponds to the shares' market value and this is confirmed in a report prepared specifically by the external auditors*

   For the purposes of the power so granted, the Board of Directors is granted the broadest of powers to determine, for each tranche, the number, the dividend rights of the shares to be issued and the issue price (including any share premium), in accordance with the law".

3. *to grant the Board of Directors in the persons of the Chairman and the Chief Executive Director, including separately, the amplest of powers needed to execute, including through delegates, any and all other acts necessary to or useful in the implementation of the above resolutions with the power to make any change or additions deemed necessary, including as requested by the authorities, as well as, register the resolution in the relative Company registry."*

2. Granting to the Board of Directors of the faculty, in accordance with Art. 2443 of the Italian Civil Code, to increase share capital against payment, divisible, on one or more occasions, without pre-emption rights pursuant to Art. 2441.4, second section, of the Italian Civil Code. Subsequent amendment of Art. 6 of the Company's bylaws. Related and consequent resolutions.

Dear Shareholders,

you were called to an extraordinary shareholders' meeting to resolve on the proposal to amend Art. 6 of the corporate bylaws, in order to grant to the Board of Directors a new faculty, to be exercised within five years of the Shareholders' Meeting and, therefore, by 14 April 2027 – to increase share capital, on one or more occasions, by up to a maximum of EUR 65,000,000.00 (sixty five million and no hundredths) including any share premium, against cash, divisible, by issuing new ordinary shares without a stated par value, excluding pre-emption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, to be carried out through contributions in kind pursuant to Art. 2440, fourth paragraph, first sentence, of the Italian Civil Code, provided that these are related to the Company's corporate purpose (including, for example, related to real estate assets, equity investments, companies and/or business divisions), with the ability to make use of the provisions provided under Art. 2343-ter of the Italian Civil Code.

Reasons for granting this power

The reason for granting this type of power is to provide the Board of Directors with the ability to carry out "stock-for-stock" acquisitions in a timely manner. Toward this end, in addition to the benefit stemming from these transactions in pure business terms given the contribution to IGD's development and growth, the ways in which these transactions would be carried out would also help to strengthen the Company's financial structure, as well as preserve liquidity. Based on the power granted, different contributions in kind may be made as long as they are related to the Company's corporate purpose including, for example, real estate assets, equity investments, companies and/or business divisions, consistent with Business Plan 2022-2024 which calls for IGD to act as an aggregator in order to increase its value by leveraging on its consolidated know-how and greater economies of scale.

It is understood that in the event the power is granted in accordance with the above terms, any decision by the Board of Directors to execute a capital increase reserved completely or partially for third parties, with the complete or partial exclusion of pre-emption pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, resulting in the dilution of shareholdings, will be carried out only when justified by precise needs that are in the best interest of the company and the overall benefits of the transactions that may be carried out.

When considering the reasons to grant the above power, pursuant to Art. 2443 of the Italian Civil Code, reference should be made to the discussion of the previous item on the agenda, namely the increased flexibility in the timing of the transaction and in the determination – by the Board of Directors – of the characteristics of the issue and the economic conditions, as well as the reduction in share price volatility.

Criteria for determining the issue price

For resolutions relating to capital increases to be paid in kind, pursuant to Art. 2441, fourth paragraph, first sentence, of the Italian Civil Code, based on Art. 2441, sixth paragraph, of the Italian Civil Code, the issue price should be established based on net equity, also taking into account the stock price recorded in the last six months, and confirmed in a report prepared specifically by the external auditors.

Without prejudice to any legal criteria, when determining the price of the new shares, the Board of Directors will take into account the prevailing conditions of the financial markets at the time of the actual launch of the transaction, the performance of the Company's shares, along with the application of any discounts consistent with market practices for similar transactions.

The Board of Directors may use the modalities provided for in Art. 2343-*ter* of the Italian Civil Code for the valuations of contributions in kind.

Duration/timing of the power granted we propose to set the duration of the power at the maximum allowed under the law, namely five years from the date of the resolution and that it can be exercised on one or more occasion.

Pursuant to Article 2443 of the Italian Civil Code, when the power granted is to be exercised and the terms of the exercise will depend on the actual circumstances and when concrete opportunities materialize which will be disclosed to the market just as soon as they are determined by the Board of Directors.

Amendment to Art. 6 of the corporate bylaws

In light of the above, we propose, therefore, to amend Art. 6 of the corporate bylaws as follows:

CURRENT TEXT	**NEW TEXT**
Article 6 6.1 The share capital is EUR 650,000,000.00 (six hundred fifty million/00), represented by 110,341,903 (one hundred ten million, three hundred forty-nine thousand, nine hundred three) ordinary shares without a stated par value. *(Omissis)*	**Article 6** **Unchanged** ***(Omissis)*** **6.5 The Shareholders' Meeting held in extraordinary session on 14 April 2022 resolved to grant the Board of Directors, pursuant to Art. 2443 of the Italian Civil**

	Code, the power to increase share capital, for cash, in a divisible manner, on one or more occasions, by up to a maximum of EUR 65,000,000 (sixty-five million and zero hundredths), including any share premium, by 14 April 2027, through the issue of new ordinary shares without a stated par value, excluding preemption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, to be made through contributions in kind pursuant to Art. 2440, provided they relate to the Company's purpose (including, for example, property, equity investments, business and/or business branches), with the faculty to make use of the provisions in Art. 2343-*ter* of the Italian Civil Code. **For the purposes of the power so granted, the Board of Directors is given the broadest of powers to determine, for each tranche, the number, the dividend rights of the ordinary shares to be issued and the issue price (including any share premium), in accordance with the law, taking into account the prevailing conditions of the financial markets at the time of the actual launch of the transaction, the performance of the Company's shares, along with the application of any discounts consistent with market practices for similar transactions.**

Withdrawal rights

The above amendments to the bylaws do not grant withdrawal rights to the shareholders who fail to vote on the items on the agenda.

* * * * *

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 extraordinary session, having examined the Board of Directors report,

resolve

1. *to grant the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, in accordance with the terms and conditions of the "Board of Directors' Explanatory Notes" and the proposed amendment to the corporate bylaws, the power to increase share capital, for cash, in a divisible manner, on one or more occasions, by up to a maximum of EUR 650,000,000.00 (sixty-five million and zero hundredths), including any share premium, by 14 April 2027, through the issue of new ordinary shares without a stated par value, excluding preemption rights pursuant to Art. 2441, fourth*

paragraph, of the Italian Civil Code, to be made through contributions in kind pursuant to Art. 2440 of the Italian Civil Code, provided they relate to the Company's purpose (including, for example, property, equity investments, business and/or business branches), with the faculty to make use of the provisions in Art. 2343-ter of the Italian Civil Code;

2. *consequently, to amend Art. 6 of the corporate bylaws, including the following wording in the fifth paragraph: "Art. 6.5 The Shareholders' Meeting held in extraordinary session on 14 April 2022 resolved to grant the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, the power to increase share capital, for cash, in a divisible manner, on one or more occasions, by up to a maximum of EUR 65,000,000 (sixty-five million and zero hundredths), including any share premium, by 14 April 2027, through the issue of new ordinary shares without a stated par value, excluding preemption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, to be made through contributions in kind pursuant to Art. 2440, provided they relate to the Company's purpose (including, for example, property, equity investments, business and/or business branches), with the faculty to make use of the provisions in Art. 2343-ter of the Italian Civil Code.*

   For the purposes of the power so granted, the Board of Directors is given the broadest of powers to determine, for each tranche, the number, the dividend rights of the ordinary shares to be issued and the issue price (including any share premium), in accordance with the law, taking into account the prevailing conditions of the financial markets at the time of the actual launch of the transaction, the performance of the Company's shares, along with the application of any discounts consistent with market practices for similar transactions".

3. *to grant the Board of Directors in the persons of the Chairman and the Chief Executive Director, including separately, the amplest of powers needed to execute, including through delegates, any and all other acts necessary to or useful in the implementation of the above resolutions with the power to make any change or additions deemed necessary, including as requested by the authorities, as well as, register the resolution in the relative Company registry."*

3. Proposals to amend articles 10 and 20 of the Company's bylaws; related and consequent resolutions.

Dear Shareholders,

you were called to an extraordinary shareholders' meeting to resolve on the proposal to amend a few provisions of the corporate bylaws in order to: (*i*) allow for the Shareholders' Meeting to also be held solely via means of telecommunication without any indication of the place where the meeting is to be convened in the notice of call, using the methods indicated to intervene in or attend the meeting, in accordance with the laws and regulations in effect, and amend, consequently, Art. 10 of the corporate bylaws; and (*ii*) eliminate the obligation for the Chairman and the Secretary to be in the same place during the Board of Directors' meeting, and amend, consequently, Art. 20 of the corporate bylaws.

The proposals to amend the corporate bylaws submitted to the Shareholders' Meeting are provided below.

TITLE IV – SHAREHOLDERS' MEETTINGS

Article 10

In light of the experience with holding meetings of the corporate bodies in an emergency situation and standards n. 187 and 200 of the Milan Notary Council in this regard relating, specifically, to protecting the rights of all shareholders, when allowed by current applicable legislation and based on technical means that might be developed on the market, the Board proposes to amend Art. 10 of the corporate bylaws in order to provide for the possibility that the Shareholders' Meeting may also be held solely via means of telecommunication without any indication of the place where the meeting is to be convened in the notice of call, using the methods indicated to intervene in or attend the meeting, in accordance with the laws and regulations in effect.

Toward this end, the Company intends to, when the emergency and health conditions allow, hold Shareholders' Meetings with its shareholders physically present or, when possible, based on a "hybrid" model (some physically present and others connected using remote means of communication). However, the Company also intends to consider the possibility of having virtual-only meetings in the future, when technological developments allow, while continuing to safeguard the full and active participation of all the shareholders in the meetings in real time, in compliance with the law and based on best practices of the market at the time.

In light of the above, we propose, therefore, to amend Art. 10 of the corporate bylaws as follows:

CURRENT TEXT	NEW TEXT
Article 10 10.1 The validly convened shareholders' meeting represents all shareholders, and the resolutions taken at the meeting, in accordance with the law and these bylaws, are binding for all shareholders even if absent or dissenting from the vote.	**Article 10** **Unchanged**
10.2 Shareholders' meetings are ordinary or extraordinary as provided for by law and are held at the registered office, or at another location in Italy if so decided by the Board of Directors. *(Omissis)*	10.2 Shareholders' meetings are ordinary or extraordinary as provided for by law and are held at the registered office – unless resolved otherwise by the Board of Directors and provided it is in Italy. **If provided for in the notice of call, the Shareholders' Meeting may also be held solely via means of telecommunication without any indication of the place where the meeting is to be convened using the methods indicated to intervene in or attend the meeting, in accordance with the law and in compliance with current legislation and regulations.**

The above amendments to the bylaws do not grant withdrawal rights to the shareholders who fail to vote on the items on the agenda.

TITLE V – BOARD OF DIRECTORS

Article 20

For the same reasons listed above in the proposal to amend Art. 10, the Board proposes to amend Art. 20 of the corporate bylaws in order to eliminate the obligation for the Chairman and the Secretary to be in the same place during the Board of Directors' meetings.

In light of the practice, already provided for the same article of the corporate bylaws ("*Board members may also participate remotely via AV systems or teleconference, as long as all participants can be identified and their identification is noted in the minutes*"), to allow meetings to be held based on a hybrid model (physically present and via remote means of communication), it appears excessive that the Chairman and the Secretary need to be in the same place *("under these circumstances the meeting is considered to be held at the place from which the chairman and the secretary attend").*

In light of the above, we propose, therefore, to amend Art. 20 of the corporate bylaws as follows:

CURRENT TEXT	NEW TEXT
Article 20 20.1 For Board meetings to be valid, they must be attended by the majority of directors in office. Board members may also participate by teleconference, as long as all participants can be identified and their identification is noted in the minutes. In this case, each participant must have the opportunity to contribute to the discussion, express opinions, and vote on resolutions in real time. Under these circumstances the meeting is considered to be held at the place from which the chairman and the secretary attend. *(Omissis)*	**Article 20** 20.1 For Board meetings to be valid, they must be attended by the majority of directors in office. Board members may also participate by teleconference, as long as all participants can be identified and their identification is noted in the minutes. In this case, each participant must have the opportunity to contribute to the discussion, express opinions, and vote on resolutions in real time. ~~Under these circumstances the meeting is considered to be held at the place from which the chairman and the secretary attend.~~

The above amendments to the bylaws do not grant withdrawal rights to the shareholders who fail to vote on the items on the agenda.

* * * * *

Given the above, the Board of Directors submits the following proposal to you for your approval:

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

resolve

1. *to amend Art. 10 of the corporate bylaws, substituting the current second paragraph with the following:* "Shareholders' meetings are ordinary or extraordinary as provided for by law and are held at the registered office – unless resolved otherwise by the Board of Directors and provided it is in Italy. If provided for in the notice of call, the Shareholders' Meeting may also be held solely via means of telecommunication without any indication of the place where the meeting is to be convened using the methods indicated to intervene in or attend the meeting, in accordance with the law and in compliance with current legislation and regulations*";*
2. *to amend Art. 20 of the corporate bylaws, substituting the current first paragraph with the following:* "For Board meetings to be valid, they must be attended by the majority of directors in office. Board members may also participate by teleconference, as long as all participants can be identified and their identification is noted in the minutes. In this case, each participant must have the opportunity to contribute to the discussion, express opinions, and vote on resolutions in real time.*";*
3. *to grant the Board of Directors in the persons of the Chairman and the Chief Executive Director, including separately, the amplest of powers needed to execute, including through delegates, any*

and all other acts necessary to or useful in the implementation of the above resolutions with the power to make any change or additions deemed necessary, including as requested by the authorities, as well as, register the resolution in the relative Company registry."

* * *

Bologna, 24 February 2022

On behalf of the Board of Directors

The Chairman

Rossella Saoncella

ANNUAL REPORT
2021

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

Registered office in Bologna, Via Trattati Comunitari Europei 1957-2007 n.13,
VAT, Bologna Company Register no. 00397420399
Bologna Chamber of Commerce Registration no. 458582
Share capital subscribed and paid-in: € 650,000,000.00

GRUPPO IGD AND IGD SIIQ S.P.A.: 2021 ANNUAL REPORT

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GRUPPO IGD
INDEX

1. GRUPPO IGD

1.1 LETTER TO THE SHAREHOLDERS

Dear Shareholders,
due to the restrictions attributable to the pandemic, 2021 also proved to be a complex year, specifically through May and, then again, in December as infection rates resurged. By leveraging on the extraordinary work done by the entire team, IGD succeeded in embarking on a **clear path toward recovery beginning May 17th**, when most of the restrictions were eliminated.
The signs that this wasn't a temporary rebound are unmistakable. In the period June – January 2021 **retailers' sales** were **in line** with **2019**, that last year before the pandemic, while at year-end **occupancy** was, once again, **above 95%.** The main income statement indicators all show improvement compared to the prior year, with a bottom line that is back in the black, while **FFO rose 9.2%.** The **market valuations** of the real estate portfolio remained **stable**: this, along with the net proceeds **from the disposal finalized last November,** allowed us to reduce the **Loan-to-Value to below the target of 45%** included in the Business Plan 2019-2021, set prior to the pandemic.

2021 WAS THE YEAR TO RESTART

Even though we could legitimately refer to 2021 as the second year of strong setbacks caused by Covid-19, in our view it is more accurate to say that for IGD 2021 was the year of the restart; a year in which we **laid the foundation needed to give continuity to our strategy,** even if we didn't use all the tools that normally would have been available to us.
Even though we couldn't foresee the extent of the crisis that would be caused by the restrictions, **we were not unprepared for the pandemic**: we, in fact, had a clear path mapped out for us in the Business Plan 2019-2021 and proven experience in dealing with challenging scenarios as IGD has faced and overcome two crises in its history: in 2008-2009 and in 2011-2012. This fueled our conviction that giving **priority to health and financial security was the right thing to do.** We also asked our shareholders to make a sacrifice as they did not receive a dividend for 2020.
This decision guaranteed that we had the resources needed for the sustainable continuation of our operations and created the conditions needed to produce the **good results** reported in the **Annual Report 2021**, as a result of which today IGD is able to **resume remunerating its shareholders with a significant dividend** which should provide a yield of more than 9% based on the prices recorded at year-end.
The activities carried out in 2021 also helped to build a **solid starting point** from which to move forward with organic development that is completely self-financed as indicated in the **Business Plan 2022-2024** launched in December by the Board of Directors appointed during the Annual General Meeting held last April.

The measures implemented to sustain tenants translated into good operating performances
In 2021 IGD's shopping centers were **closed for 44 days** which, while lower than the 87 days in 2020, did have a noticeable impact.
In order to sustain the retailers when the restrictions were in place, in 2021 IGD also **granted temporary discounts on rents,** expensed entirely in the year, as well as monthly billing and deferred payments in the most precarious cases. Once again, we **negotiated with each tenant individually** in order to find the most effective solutions in each instance. As a result, we had a total of more than **900 meetings** which, in 2021, also paid off if we consider the **high rate of rent collection, net the rebates granted**, which reached 94%.

In these two years impacted by the pandemic, IGD maintained its approach and **did not change the structure of the leases which are indexed to inflation** and do not include variable components with guaranteed minimums, if not for very rare exceptions. The 259 lease renewals completed in 2021 were **largely stable like-for-like** which demonstrates that maintaining our approach was the right thing to do and today allows us to face **growing inflation** with **leases that will actually benefit**.

Even though the long periods of closures did have an impact, producing vacancies of roughly 23 thousand square meters, the intense leasing activity in 2021 made it possible to **re-market** a total of **25 thousand square meters** which also had a positive effect on the quality of the spaces leased.
These activities also provided an opportunity to increase the weight in the **merchandising mix** of the sectors that are of the most interest to our visitors. As a result, clothing was reduced and homecare and services were increased: telephony solutions, repairs, fitness, medical centers and pharmacies. As for restaurants, which beginning in June showed an immediate recovery, particularly in the historic centers, new trendy formats were introduced with more than 1,000 square meters of new openings.
At the end of 2021 IGD succeeded, therefore, in bringing the Italian portfolio's **financial occupancy to 95.2%,** an increase of 124 basis points with respect to 2020 which takes into account the assets sold to Fondo Juice.

WITH THE REOPENINGS, SALES RETURNED TO PRE-PANDEMIC LEVELS

From 17 May on, **as the restrictions were eased, footfalls began to recover** and in the period June – December were 8.8% higher than in the same period of 2020, while, at the same time, **retailers' sales** recorded an even bigger **recovery** of **23.5%**.
The comparison with the period June-December 2019 shows that footfalls are still 16% lower, while **retailers' sales are in line with pre-pandemic levels.** The average ticket in 2021 was also 24% higher than in 2019. The trend of less frequent, but more targeted, shopping already seen in 2020 was, therefore, confirmed.

IGD'S FORMAT CONTINUES TO BE APPRECIATED

Even during the 2021 Covid-19 waves, IGD's shopping centers were able to meet the shopping needs for **essential goods** thanks to its foods anchors and electronics stores that were always open. The **urban locations**, dominant in their catchment areas, also makes them easy to access and attractive because of the variety of merchandise offered.

OCCUPANCY HIGHER AT WINMARKT WITH A SATISFYING RATE OF RENT COLLECTION

The operating environment in **Romania** is not that different, if not for the health crisis that in December 2021 made it necessary to re-introduce the same severe measures, which had already penalized the initial part of the year, until late spring: this impacted Christmas sales which represent around one third of the annual total. IGD, which benefitted directly from government subsidies in Romania, managed this period by providing temporary discounts. With an annualized increase in GDP of 7.1%, fueled by private consumption and investments, **occupancy** of the Winmmarkt chain came to **94.6%**, compared to 93.6% at year-end 2020. A satisfactory collection rate, net of the rebates granted, of **96%** was also reported. 480 new leases were signed in 2021 – 353 renewals and 127 turnover – with an **upside** in the rents of around **0.4%**.

PERFORMANCES VARY ACROSS THE DIFFERENT CATEGORIES OF MERCHANDISE

While the **sales of the retailers** included in IGD's Italian portfolio were **overall stable** in 2021 compared to 2020, there were clear differences in performances based on the **size** of the single retailer and **category of merchandise**.
The stores of less than 250 square meters recorded the largest decreases in sales, while the **mid-size spaces** benefitted from the new behaviour of the shoppers which resulted in **more targeted purchases** with higher average tickets.
Restaurants and **services** were hit the hardest by the total lockdowns and the subsequent restrictions; they continue to be impacted by limited lunch hour traffic as in-person work has yet to resume completely. At the same time, restaurants have shown the most significant recovery when the restrictions were eased as they proposed new formats which are in tune with the shoppers' tastes.
In 2021 the sales of **shoe and clothing stores** suffered a lot, especially the formal segment, even though the chains, which target young people, provided a few exceptions and reported good performances.
On the other hand, **homecare** products were among those that benefitted the most from the period of the pandemic. **Electronics** also reported strong growth, with sales in Italy that were driven by incentives to change televisions in a year of important sporting events. The need to have adequate electronic devices, to study and work at home, continued to be a factor that supported sales, as it did in 2020. The retailers of electronic goods were also rewarded for having improved service and omnichannelism during the year.
Of note, lastly, is the interesting performance of **jewelry stores** which confirms the importance of the shopping experience.

THE MEASURES TO FURTHER STRENGTHEN THE FINANCIAL STRUCTURE

In terms of financial sustainability, in 2021 IGD was again fully aware that **reducing financial exposure** was a priority and delivered concrete results.
The transaction that required the most work, but that also had the biggest impact, was the **sale** of a stand-alone **portfolio**, **not associated**, therefore with freehold malls, comprising **five hypermarkets and a supermarket**, to a premier international asset management company, Intermediate Capital Group, which closed in November. The sale - which was for **€140 million**, in line with the book value at 30 June 2021 – was completed by transferring the six assets to an Italian alternative real estate investment fund, Juice, in which IGD maintained 40%. Net of this equity stake, IGD received **proceeds of around €115 million**.
The disposal of the portfolio, which was contemplated in the Plan 2019-2021, made it possible to hit the target calling for the **Loan-to-Value to be below 45%** that IGD had set originally.

Overall IGD made it through two years which were influenced heavily by the pandemic by being able to count on a **significant amount of cash**. If the cash on hand at year-end 2020 of €117 million made it possible to repay all the financial maturities for the next year, the **€158 million in liquidity** recorded at **year-end 2021** will make it possible to **repay almost all the 2022 financial maturities.**
The disposal of the six assets made it possible not only to lower the LTV, but also to **stabilize the ratings**, as both the agencies that rate IGD's corporate debt, Fitch Ratings and S&P Global Ratings, changed their respective Outlooks from Negative to Stable.

One of the things that IGD did immediately, already in 2020, to **protect cash flow** at a time when visibility of rent collection was limited due to the restrictions **was limit investments to those that could not be deferred**. In addition to the work carried out on the Porto a Mare project in Livorno, relative to the development of the Officine Storiche section, in 2021 IGD proceeded with extraordinary maintenance, fit-outs and also resumed work on the remodeling and restyling, suspended in 2020, of Centro Casilino in Rome and Centro Porto Grande in San Benedetto del Tronto, respectively. **Investments and capex** amounted to €**22.9 million** in 2021.

PROFITABILITY IMPROVES MARKEDLY IN 2021, DESPITE THE IMPACT OF THE PANDEMIC

Even though the main indicators included in the 2021 financial statements include the **direct one-off impact of Covid-19 for €7.2 million,** the overall picture points to a **net improvement compared to 2020**, when the net direct impact of the pandemic reached €18.5 million.

In 2021 **core business EBITDA**, in fact, **rose 7.9%** to €107.3 million, while rental income fell slightly by 0.4%, and net rental income was 8.2% higher. The core business EBITDA Margin, relative to the freehold properties, came to 72.4%.

The valuations of the independent appraisers show that at year-end 2021 the **fair value of Gruppo IGD's real estate portfolio,** including leaseholds and the 40% stake in Fondo Juice, was **€2,198.6 million**. Like-for-like **fair value** came to €2,140.5 million, **an increase of 0.64%** compared to year-end 2020, due mainly to the 1.7% increase in hypermarkets.

With a **net financial position** which, net the leasehold pertaining to IGD's headquarters, fell from the €1,152.2 million recorded at year-end 2020 to **€984.1 million** at year-end 2021, the **Loan-to-Value** also dropped from 49.9% at year-end 2020 to **44.8%**.
The negative balance of **writedowns and fair value adjustments,** which reached €146.0 million in 2020, fell to **€16.3 million in 2021.**
Financial expenses were also lower, **falling 7.2%** against 2020 to €33.4 million.
The bottom line of Gruppo IGD's income statement is, therefore, **back in the black,** with a net profit of **€52.8 million**, compared to a loss of €74.3 million in 2020.
2021 is summarized effectively in the **FFO which rose 9.2%**, even higher than the guidance provided to the market which called for an increase of between 7 and 8%.

A CONCRETE DIALOGUE WITH THE POLICY MAKERS

In addition to **EPRA**, the European association of real estate companies, we make our contribution to the decisions of the Italian government through the **Consiglio Nazionale dei Centri Commerciali**, of which IGD's Director of Asset Management, Development and Network Management has been Chairman since October 2020.
In the last year the dialogue with the policy makers has made it possible to **help the legislature better understand the key variables impacting the sustainability** of one of the sectors hit the hardest by the Covid-19 restrictions.
On the one hand, the subsidies received by the tenants as a result of the decrees passed helped us with our rent negotiations. On the other hand, a better understanding of the business facilitated the authorization to reopen the shopping centers during the weekends as of May by eliminating a heavy restriction.
IGD also made two of its assets, very accessible with ample parking, available to the Italian government so that it could set up **vaccination hubs**. More than 400 thousand vaccinations were then provided at the shopping centers in Ravenna and Palermo, which also increased the visibility of these two sites and promoted the vaccination campaigns in accordance with the national recovery plan. An experience which, in our view, made it clear that our structures can provide great opportunities and benefits given the deep roots and extensive regional reach that they have.

We also hope to convey the need, felt by the entire sector, for the recovery to be faster than it now seems it will be. In order **to accelerate consumption** a few basic reforms are needed which would help to limit inconsistencies between online and in-person shopping, and **facilitate real competition between the different retailers** by providing greater flexibility in promotional sales. We are convinced that only a speedier transformation and a recovery in retailers' sales will make it possible to return to pre-pandemic levels by the end of 2022.

IMPORTANT CHANGES IN ASPECTS OF THE GOVERNANCE

In April 2021 the **new Board of Directors,** appointed during the Annual General Meeting, took office. The Board comprises individuals with qualified professional experiences who immediately expressed their commitment to making a substantial contribution to guiding the Company. After intense induction activities, the Board then began work on preparing the Plan with two in-depth meetings focused on analyzing the trends that could impact the business over the long-term and identifying the most opportune direction for the commercial policy and initiatives, as well as asset management. As a result of these discussions, the projects and numbers to be included in the **Business Plan 2022-2024** were defined and presented to the financial community last December 14th: this Plan is completely self-financed and does not foresee any extraordinary capital transactions.

The continuous work on refining the **Enterprise Risk Management** model continued, with a risk ranking that was, however, unchanged compared to 2020. The new studies were focused on the unique features that characterize the penetration of Ecommerce in Italy and the crisis of the large retail spaces in hypermarkets which IGD had already begun to address in 2018, by starting work on remodeling.

The high standing of IGD's Governance is confirmed by the **11 ESG ratings** assigned to the Company in 2021, 10 of which unsolicited, and improvement in 4 out of the 6 ratings already assigned in 2020. The inclusion of IGD in 8 stock indices focused on ESG factors confirms the appreciation expressed in external assessments. IGD's governance, lastly, was awarded the highest score possible in ISS ESG's Quality Score.

AT WORK TO IMPLEMENT THE STRATEGIC PLAN

While we are presenting the results for 2021, we are already focused on **implementing** the guidelines of the **Business Plan 2022-2024** and committed to **reaching an increase in the FFO of between 9 and 10%**, consistent with our 2022 **guidance**, assuming there won't be any new Covid-19 restrictions.

In terms of operations, great efforts will be made to change the merchandising mix and to develop **co-marketing with the tenants**, through targeted offers shaped by the **new CRM systems** that IGD is implementing.
The most innovative retailers, who have had positive feedback in terms of sales over the last few months, have shown which path to undertake: you need to **make the customer relationship more personalized and stimulating, to enhance the level of service and develop real omnichannelism.**

The changes in the scenario require that IGD move toward a shopping center management that is shaped even more by the specific profile of the **single asset**, based on the characteristics of the catchment area, by creating **asset management initiatives and marketing plans developed and fine-tuned center by center**.

We will, therefore, continue to work on **protecting occupancy, maintaining rents at levels that provide adequate returns**. At the same time, we will continue to improve environmental performances by **lowering the environmental impact** and **increasing the energy efficiency** of our shopping centers through both operational and structural changes, evaluating the initiatives that will allow us to leverage on the resources allocated in accordance with the national recovery plan (*Piano Nazionale di Ripresa e Resilienza*). We will pay even more attention, including with respect to the **restyling program** in Mantua and San Benedetto del Tronto, to the **green qualifications**, because this not only impacts the real estate assets that can be refinanced with the new sustainable finance instruments, but also the increases the property's transaction value.

REFINANCING OF 2023 FINANCIAL MATURITIES

Now that the Business Plan and the Annual Report 2021 have been published, the future goals and the quality of IGD's fundamentals will be clearer to the financial markets and, while monitoring interest, we intend to focus **on refinancing the 2023 maturities** as the 2022 maturities are already almost completely covered.
IGD's corporate debt currently **has two ratings**: BBB- with a stable outlook assigned by Fitch Ratings – an **investment grade** rating – and BB+ with a stable outlook assigned by S&P Global Ratings.
The new bond issues will be made after having assessed all the **financial instruments** that will allow us to **expand our investor base** and refinance next year's maturities well in advance. In the future we also intend to maintain exposures to both banks and the market in order to take advantage of all the opportunities that allow us to optimize interest rates.

IGD CONFIRMS IT IS A DIVIDEND COMPANY

The results achieved in 2021 allow IGD to resume **remunerating its shareholders with dividends** as it has done, without interruption, since 2005 with the exception of the extraordinary parenthesis in 2020 when there was a need to preserve the Company's financial solidity in light of the severe consequences of the pandemic.
The Board of Directors is proposing that during the Annual General Meeting to be held on 14 April 2022, shareholders approve the distribution of a dividend of **35 euro cents per share**. The dividend proposed is significantly higher than the guidance in the 2024 Business Plan which calls for a dividend of between 25 and 30 euro cents for 2022. The dividend of 35 euro cents comprises for 0.287588 euro cents the mandatory portion generated by the SIIQ perimeter and for 0.062412 euro cents the reserves released as a result of the disposal of the 5 hypermarkets and 1 supermarket. €10.2 million of these reserves remain as part of the mandatory portion to be distributed in 2023.

With a **yield of around 9%** based on the price recorded at the end of 2021, **the dividend resumes its role as a cornerstone of IGD's equity story**.
At the same time, with a stock price of slightly more than €4, IGD has ample upside with respect to both the strong discount at which it trades against the year-end 2021 EPRA NRV and NAV of **€10.85 euro** and the average target price of the brokers covering the stock of €4.85.

Even though the retail real estate sector is currently not that appealing to investors, as it was hit particularly hard by the pandemic, we are convinced that the **renewed profitability seen in 2021** attributable to the recovery recorded in the second part of the year, the **LTV which has fallen below 45%** and the **stability of the portfolio's fair value** in the year-end appraisals **will change the view of IGD's equity story,** even with respect to just a few months ago. The development path outlined in the 2024 Plan assumes much greater visibility based on the solid foundation laid in 2021.

The Chairman
Rossella Saoncella

The Chief Executive Officer
Claudio Albertini

1.2 CORPORATE & SUPERVISORY BODIES AND GOVERNANCE STRUCTURE – SUMMARY

Board of Directors	Office	Executive	Non Executive	Independent	Control and Risk Committee	Nomination and Compensation Committee	Related Party 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
Gilberto Coffari (Chair), Alessandra De Martino, Paolo Maestri.

External Auditors
PricewaterhouseCoopers S.p.A

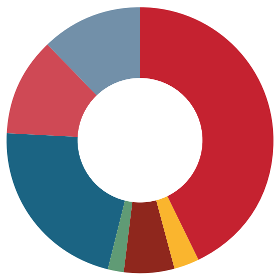
Financial Reporting Officer
Carlo Barban

1.2.1 SHAREHOLDERS

SHAREHOLDER BASE

- **40,92** Coop Alleanza 3.0
- **9,86** Unicoop Tirreno
- **4,50** Europe Plus SCA SIF
- **44,72** Floating

GEOGRAPHIC BREAKDOWN OF THE INVESTORS BY PERCENTAGE OF MARKET FLOAT *

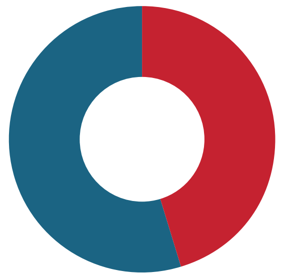


- **43%** United states+Canad
- **3%** UK+IRE
- **6%** France
- **2%** Lux+NL+Bel
- **22%** Italy
- **12%** Rest of Europe
- **12%** Rest of the world

** Source: data processed internally*

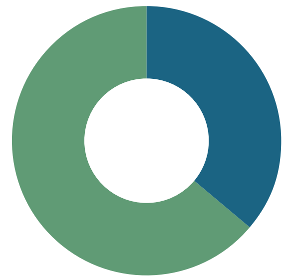
1.2.2 BOARD OF DIRECTORS

BREAKDOWN BY GENDER



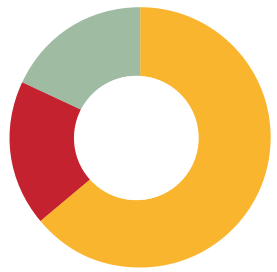
- **5** Female
- **6** Male

INDEPENDENT/NON-INDEPENDENT DIRECTORS



- **7** Non independent directors
- **4** Independent directors

TENURE OF THE MEMBERS OF THE BOD
(% of the total number of Directors)



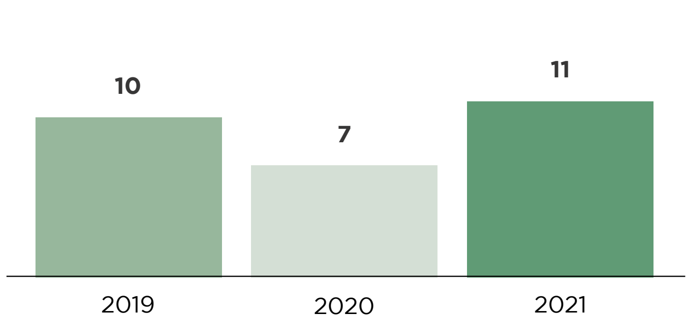
- **64%** 0-2 years
- **18%** 6+ years
- **18%** 2-4 years

CHANGES COMPARED TO THE PRIOR MANDATE

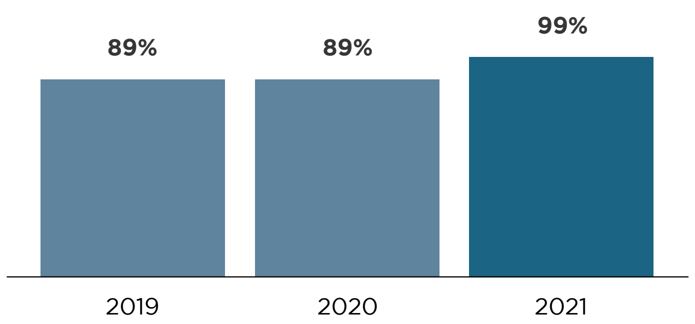
	PRIOR MANDATE	CURRENT MANDATE
No. of Directors	11	11
Directors appointed by minorities	4	4
% of women in B.o.D.	45%	45%
% of independent directors	64%	64%
Directors' average age	58	57
Status of the Chairman	Executive	Independent
Lead Indipendent Director (LID)	No	No

1.2.3 BOARD OF DIRECTORS' ACTIVITIES

NUMBER OF BOD MEETINGS



RATE OF ATTENDANCE AT THE BOD MEETINGS



NUMERO DI RIUNIONI DEI COMITATI E TASSO DI PARTECIPAZIONE DEI CONSIGLIERI

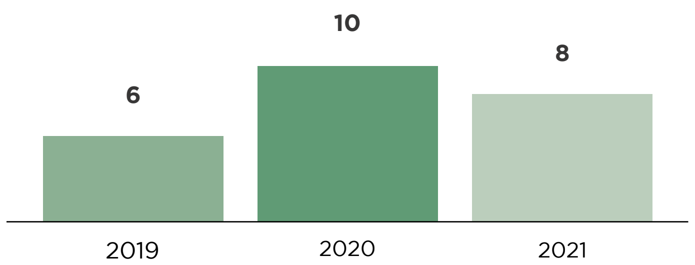
	NO. OF MEETINGS	ATTENDANCE RATE	PRESENCE OF INDEPENDENT MEMBERS (%)
Nominations and Compensation Committee	5	100%	100%
Control and Risk Committee	8	97%	100%
Related Party Transaction Committee	4	100%	100%

BOARD REVIEW PROCESS

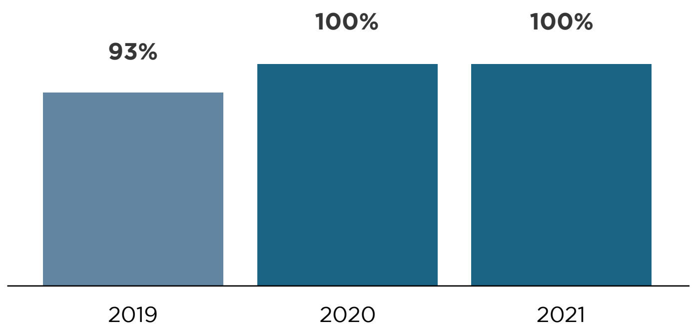
Board review conducted	YES
Advisor	**Egon Zehnder**
Self-assessment tools	**Anonymous questionnaires/interviews**

1.2.4 CONTROL AND RISK MANAGEMENT SYSTEM – COMMITTEE HIGHLIGHTS

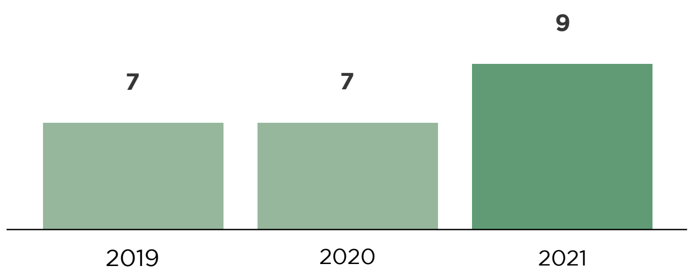
NUMBER OF CONTROL AND RISKS COMMITTEE MEETINGS



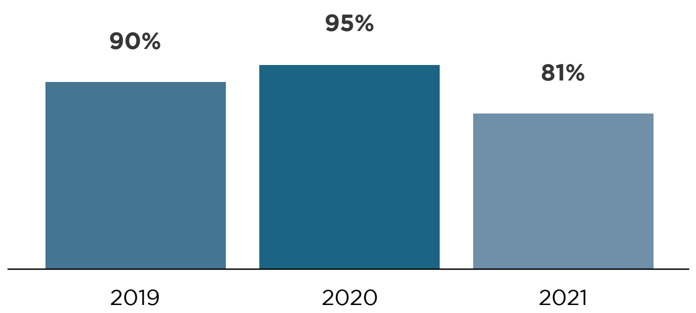
RATE OF ATTENDANCE AT THE CONTROL AND RISKS COMMITTEE MEETINGS



NUMBER OF TIMES THE BOARD OF STATUTORY AUDITORS MET



RATE OF ATTENDANCE AT THE BOARD OF STATUTORY AUDITORS' MEETINGS



MAIN ELEMENTS OF THE CONTROL SYSTEM

Risk management division	YES
Enterprise risk management plan	YES
Is the ERM plan discussed with the Committee?	YES
Specific compliance programs in place (Antitrust/Anticorruption/Whistleblowing...)	YES

For more information see Chapter **3. REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE.**

2

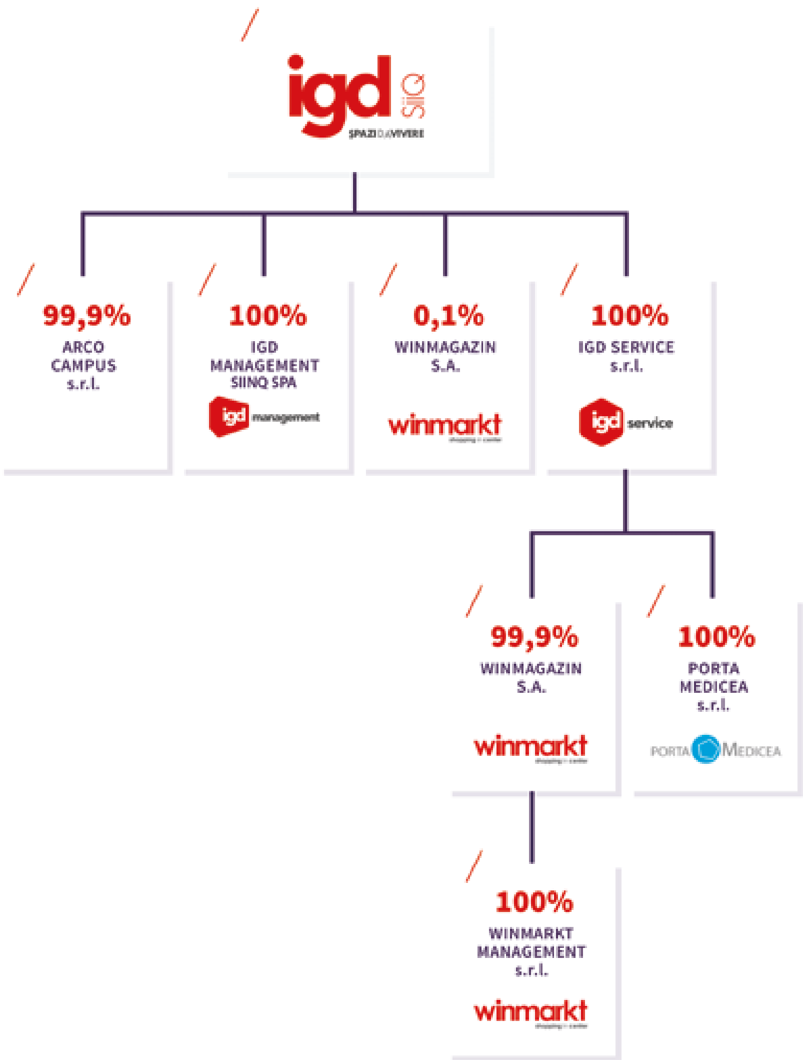
DIRECTORS' REPORT
INDEX

2. DIRECTORS' REPORT

Dear Shareholders,
The directors' report that follows combines the reports to the consolidated financial statements and the financial statements of the Parent Company Immobiliare Grande Distribuzione SIIQ S.p.A., to avoid the repetition that would result by providing two separate documents. The consolidated financial statements at 31 December 2021 of Gruppo Immobiliare Grande Distribuzione SIIQ S.p.A. (IGD SIIQ S.p.A or IGD for short), including this report and the notes to the financial statements, consolidate the balance sheets and income statements of IGD SIIQ S.p.A. and other Group companies as listed in the paragraph related to the scope of consolidation.

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, where clearly specified. These may not comply with the accounting standards required of audited financial statements and may not consider the accounting, recognition and measurement requirements associated with such standards. The indicators deemed significant for the reading of the Group's financial statements include like-for-like revenue, core business EBITDA, core business EBITDA margin, FFO, net financial position, the interest cover ratio, the average cost of debt (net of ancillary expenses, recurring and non), the gearing ratio, the loan to value, EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets Value (NTA) and the EPRA Net Disposal Value (NDV) (the three new net asset value indicators introduced in EPRA's best practice recommendations which substitute EPRA net asset value/NAV and EPRA triple net asset value/NNNAV), the calculations of which are described in the Glossary and in section 2.3 of this Directors' Report.



2.1 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 today is still the only retail real estate company that qualifies as a SIIQ.
Most of the Group's real estate assets are in Italy (93.8%). The international portfolio, which accounts for the remaining 6.2%, comprises the assets of Winmarkt, a Romanian chain of shopping centers which IGD controls through Win Magazin SA.

IGD SIIQ's perimeter of exempt operations includes the freehold assets found in Italy.
As described in greater detail in section 2.5, 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 merger and demerger deeds were filed on 22 September 2021.
The merger and demerger transactions were effective for statutory purposes as from 1 October 2021. The accounting and tax effects of the merger were retroactive to 1 January 2021, while those of the demerger coincided 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.) were allocated to IGD Management, while IGD Service S.r.l. now manages the businesses holding the licenses for Centro Sarca, Centro Nova, Centro Piave, Millennium Center, Gran Rondò, and Darsena, as well as the equity investments, shopping centers and network personnel.

At 31 December 2021, in addition to the parent company, Gruppo IGD comprises:

- 100% of **IGD Management SIINQ S.p.A.**, (owner of the Centro Sarca shopping mall in Milan and part of the Rovereto shopping mall);
- 99.9% 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 Service S.r.l.** which, in addition to owning the businesses holding the licenses for the Centro Sarca, Millennium Center, Gran Rondò, and Darsena centers, also holds the majority of the operations which are not included in the SIIQ perimeter;
- 99.9% of **WinMagazine SA**, the Romanian subsidiary, through which it controls 100% of **WinMarktManagement Srl**, the company responsible for the team of Romanian managers;
- 100% of **Porta Medicea Srl**, responsible for the construction of the mixed-use real estate development 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.

2.1.1 OUR ACTIVITIES

Property

IGD is the biggest Italian retail property company; as a property company IGD acquires retail properties, both already operational and newly completed (shopping centers, hypermarkets, supermarkets and malls) from which it extracts value over the long term. Occasionally, the sale of freehold assets is also considered with a view to maintaining an optimal portfolio structure through an appropriate asset rotation strategy.

Property management and leasing

The property management and leasing of all the Group's freehold properties, as well as of some third-party assets, represents IGD's most important business. The main objective is to enhance the long-term value of the portfolio through active management of the properties, striving to maintain the properties as flexible and functional as possible, as well as optimize costs taking into account the entire life cycle of the shopping center
This activity comprises:

1. **a technical division;**
2. **a commercial division;**
3. **a contracts division;**
4. **an operations and marketing division.**

Services

Completing IGD's activities are the services provided to owners and tenants of hypermarkets, supermarkets and the mall stores which can be broken down as follows:

- **Facility Management**: IGD coordinates and supervises the drafting of the shopping center's marketing plan, as well as all the activities deemed essential to the operation of a shopping center: like security, cleaning and routine maintenance;
- **Agency Management and Pilotage:** which consists in the analysis of the mall's competitive positioning in order determine the right tenant mix and select the best retailers for each category of merchandise, negotiating with the retailers and managing the relationships with the current tenants.

2

DIRECTORS' REPORT
2.1 GRUPPO IGD

Lease management

At the end of 2021 IGD had 1,390 leases in Italy with a total of 705 retailers. During the year the Company signed 259 new leases explained by renewals (135) and turnover (124). The leases have an average residual duration of 4.0 years for mall retailers and 13.4 years for hypermarkets.
At the end of 2021 there were 542 active leases in Romania; during the year 480 new leases were signed explained by renewals (353) and turnover (127). The leases have an average residual duration of 4.6 years.

Careful turnover management, on the one hand, provides IGD with an opportunity to change the offering in its malls in light of new consumer trends and, on the other, to select retailers who are the most reliable and have the best sales potential.

As part of its Enterprise Risk Management activities IGD has been analyzing the risk profile of its tenants for some time. The system uses economic-financial data to assign each tenant with a score based on the risk category to which it belongs in order to assess the percentage of retailers belonging to the same risk category, as well as the rents as a percentage of IGD's total revenue. Thanks to turnover, IGD was able to reduce the number of high-risk tenants and, at the same time, lower the sales at risk as a percentage of total sales.

The concentration of retailers generating a significant portion of IGD's rental income is limited. In 2021 the ten largest tenants in Italy represented 19.3% of the total rental income generated by malls, exactly the same as the 19.3% reported in 2020. In Romania the ten largest retailers accounted for 38.5% of the total in 2021, compared to 39.5% in 2020.

IGD's retail offering is strengthened by the significant number of very appealing brands: in the Italian malls, international brands account for 40.0% of the total rental income, while in Romania these brands represent 39% of the total.

Marketing

Compared to 2020, during which all types of organized events in shopping centers were suspended (with the partial exception of commercial promotions), in 2021, particularly as of the second half, in the wake of the lockdowns greater socialization was sought after and digital spread significantly.
For these reasons, the Marketing Plans developed by IGD for the individual shopping centers focus on:

- **EXPERIENCE**: development of initiatives in partnership with the mall retailers in order to provide an experience in which visitors are increasingly more directly involved in the structure's activities (purchases, events, etc);

- **OMNICHANNELISM:** increase in the drive-to-store activities, with events and actions that allow the visitor to experience the shopping center on and off line;

- **LOYALTY**: commercial initiatives designed to reward shoppers which increases loyalty and motivates them to return.

The initiatives carried out, the number of which was understandably lower than in the pre-pandemic period (338 vs 716), took into account the trends and the concepts identified, also leveraging on the possibilities that the Digital Plan provides.

Toward this end, in 2020 IGD defined the Digital Plan, which aims to constantly increase the interaction with shoppers, taking into account the opportunities provided by digital, defining a series of actions and services with a view to customer retention, loyalty and personalized offers. In 2021 the pre-existing tools were incorporated into the Plan, as were new ones, in order to provide the visitor with a complete customer journey and the opportunity to be in touch with the Shopping Center both digitally and physically. The implementation of the Customer Relationship Management (CRM) system was a key part of the work carried out, as it combined the instruments developed for both digital and physical contact within the system itself. Consistent with the 2022-2024 Business Plan, over the next few years IGD will continue with the journey undertaken in the Digital Plan, focusing on 4 areas: data development and analysis, strengthening the relationships with visitors, tenant partnerships and internal innovation.

Mission

IGD's mission is to create value for all its stakeholders: shareholders and financial backers, employees, customers, local communities, retailers, as well as suppliers. We believe this is possible through sustainable growth.

Vision

IGD has always been focused on the retail segment of the Italian real estate market. A top player because of the overall size of its portfolio, IGD has succeeded in delivering on Business Plan guidance thanks to the way in which it has interpreted its role over time, including during the lengthy consumer crisis which persisted throughout a large part of the last decade. The ability to listen to the different needs of retailers, the desire to offer a range of flexible and personalized retail solutions, the ability to meet the changing needs of international brands (including bigger spaces and different formats) in a timely manner have allowed IGD to build a professional profile with characteristics that are unique to Italy. A fair, collaborative and farsighted approach to working which is valued by the tenants has also had a positive impact on the results posted in IGD's income statement.

Contrary to the models used by the main European retail property companies, IGD has not focused on large shopping centers nor on a specific type of region: a calculated choice originally, which has proven repeatedly to be successful over the last 12 years of the Company's development. IGD's property portfolio, comprised of 8 key assets and different, medium sized centers, can be found throughout Italy typically near urban centers, near motorways, along main roads, which allows for easy access to the centers. Most of the IGD's assets also have a dominant position with respect to the primary catchment areas.

Historically, the typical IGD shopping benefitted from a food anchor which helped to attract traffic all week long and promote customer loyalty which, in turn, benefitted mall retailers. More recently the format of IGD's centers is gradually being transformed, with the addition of more than one nonfood anchor which act as important "attractors" for the whole center and a growing number of personal services: not only restaurants, but also dental studios, diagnostic laboratories and fitness centers. Activities which reflect fully IGD's "Spaces to be lived in" concept and which respond to the needs that e-commerce cannot satisfy.

Over the last few years IGD has also worked on reducing the space covered by the hypermarkets to create new retail spaces. In 2021 work was completed on reducing the size of the hypermarkets in the Casilino Shopping Center in Rome and the Porto Grande center in San Benedetto del Tronto. This approach, which has benefitted the retailers and has had a positive impact on the long-term sustainability of rents, today represents a benchmark for the rethinking of layouts at other centers where the hypermarket could be reformatted in order to adapt to new models of consumption.

The ability to rethink the merchandising mix and complete new fit-outs to accommodate new designs in the retail properties lie at the heart of IGD's proven ability to maintain a high level of occupancy over time.

Strategic guidelines

2021 was the last year of the Business Plan 2019-2021 (presented on 7 November 2018). As was communicated to the market on 6 August 2020, the targets contained in this Plan were no longer meaningful as it was defined before the spread of the Covid-19 pandemic. The only exception was the target for Loan-to- Value (below 45%), which was reached in 2021 (Loan-to-Value at year-end was 44.8%), thanks also to the disposal completed in November 2021.

On 14 December 2021 the Board of Directors approved the new Business Plan 2022-2024. The main goal of the Plan is the proactive management of the assets in order to prepare them for the future and the new market challenges. The strategy leverages on 3 areas of operation: commercial and marketing, asset management and sustainability.
Looking at the commercial strategy, IGD intends to accelerate commercial and marketing changes with a view to omnichannelism, as well as personalized communication and offers, including by using the instruments developed in the Digital Marketing Plan. The Company, therefore, has developed a commercial plan based on the uniqueness of each asset across the different areas of activity: merchandising mix, layout, digital marketing/CRM and events.

The asset management strategy calls for investments of roughly €82 million aimed at increasing the appeal and the portfolio's innovation, as well as extend the "life cycle".

As for sustainability, important steps will be taken to reduce the portfolio's environmental impact in order to achieve zero emissions by 2030; in this Plan, in fact, the Company decided to set targets for 2024, as well as longer term goals through 2030.

From a financial standpoint, the company intends to maintain rigorous financial discipline in this Plan, consistent with the investment grade profile, in order to limit exposure to financial risks (including changes in interest rates and credit risk) and obtain the best economic conditions possible in any market environment. The main objectives are to further reduce the Loan-to-Value (bringing it to range of 40/43%), refinance the 2023 and 2024 maturities in advance with a view to prudence and maintaining flexibility in the choice of markets and instruments.

DIRECTORS' REPORT
2.2 2021 PERFORMANCE

2.2 2021 PERFORMANCE

2.2.1 INCOME STATEMENT REVIEW

2021 was the year of the global economic restart after the brusque slowdown seen in 2020 caused by the Covid-19 pandemic; the economic recovery is, however, characterized by performances that vary greatly in different countries and a generalized increase in inflationary pressures[1]. The rise in energy prices, in particular, after a physiological rise due to the restart of manufacturing, has begun to look like it could potentially slow global production. The 2022 economic prospects worldwide remain positive, even if characterized by a certain degree of uncertainty linked to the pandemic, the easing of inflationary pressures and the elimination of production constraints[2].

Italy is the only one of the main European countries where the GDP began to rise slightly beginning already in the first quarter of 2021 with growth that picked up and stabilized gradually in subsequent months (in the third quarter GDP was 2.6% higher than in the prior quarter[3]); GDP rose by an average of +6.5%[4] in 2021, one of the highest growth rates recorded in Europe. The recovery was sustained primarily by higher internal demand, with investments and family spending rising +15.7% and +7.5%[5], respectively, (+0.5% compared to the previous reporting period), impacted by the resurge in infections, along with the persistent supply chain difficulties linked to the lack of raw materials and unfinished goods globally[6].

Based on the most recent estimates the expansionary phase should continue in 2022 and beyond: thus far growth in 2022 has reached +2.4%[7] and the goal of the Italian government is to reach growth of around 4% in the year. The forecasts are, however, subject to the uncertainty linked to the pandemic and supply side pressures which could prove to be more persistent than previously estimated[8].

IGD's performance was recorded in this environment and was, once again, impacted by the restrictions implemented in response to the Covid-19 health crisis.

In the first five months of the year, operations of the Group's shopping centers in Italy was extremely limited with a ban on table service for restaurants and the weekend/holiday closures for "non-essential" retailers inside the malls. All this, impacted footfalls and retailers' sales in the first part of the year. Beginning on 17 May, when the shopping centers became fully operational, operating performances showed strong signs of recovery with footfalls in the period June – December rising 8.8% against the same period of the prior year and an even higher increase in sales of +23.5%. The performance in the second part of the year is particularly interesting, including compared to the same period of 2019 (the last year not affected by the pandemic): while footfalls were still lower by around 16%, retailers' sales were largely in line which confirms the trend already seen in 2020, a more cautious shopper turnout, but characterized by a greater propensity to buy: in 2021 the average ticket was, in fact, 24.4% higher than in 2019, coming in at €28.8.

Looking at the performance of the different categories of merchandise, standouts include the excellent performance of electronics and home care with respect to 2019, both in the June-December period and for the entire year. The categories which experienced more difficulties include restaurants, as the performance was obviously impacted by the restrictive measures imposed in the first part of the year.

In 2021 the tenant negotiations relative to the restrictions imposed in the first few months of the year were completed; 932 leases were renegotiated which, overall, did not result in any changes being made to existing leases, but payments were reformulated during the year and temporary rebates granted. This allowed IGD to achieve excellent results in terms of 2021 rent collection which reached approximately 94% at 16 February 2022 (net of the rebates granted).

At the same time, marketing and pre-letting activities continued with positive results: during the year 259 leases (135 renewals and 124 turnover) were signed at rents which were largely stable (-0.2%).

Thanks to these activities, occupancy of the Italian portfolio remained high at 95.2% and above the 93.9% reported at 31 December 2020[9].

In Romania the economy also took off again in 2021 with the GDP up 7.1% at the end of the year, higher than the pre-pandemic level. The growth, driven mainly by private consumption and investments, is also expected to continue in 2022[10].

All of this, despite the persistence of a few government restrictions which required the subsidiary Winmarkt to grant additional temporary rebates, allowed the shopping center portfolio to record positive operating performances: occupancy reached 94.6% at 31 December 2021, higher than the 93.6% posted at 31 December 2020. Excellent results were also obtained in terms of rent collection which reached approximately 96%, net of the rebates granted. Normal pre-letting and marketing activities continued during the year which resulted in the signing of 480 leases (353 renewals and 127 turnover) with a slight upside in rents of around +0.4%.

In light of the above, the direct impact of Covid-19 (one-off and without carry over in subsequent years) is estimated to have reached around €7.2 million (rebates and credit losses) in 2021, showing decided improvement against the roughly €18.5 million recorded in 2020.
Rental income came to €145.1 million, showing a slight decrease of -0.4% compared to 31 December 2020: income was impacted by the increase in vacancies created as a result of Covid (approximately 23 thousand square meters) more than offset by the remarketing of 25 thousand square meters completed in the year, though the economic effects are diluted over time.

As for asset management, in 2021 IGD continued with the work on the Porta a Mare – Officine project, where the development of the Officine Storiche section is underway and should be completed in the second half of 2022. The project comprises more than 15,000 square meters of retail space and 42 apartments to be sold for which 22 binding offers have already been received (18 preliminary sales agreements have already been signed and are expected to close in 2022).
Improvements that could not be deferred also continued (for a total consolidated of around €13.7 million) which include, in addition to extraordinary maintenance, retail fit-outs and remodeling at the Casilino (Rome) and Porto Grande (Ascoli Piceno) centers.

In November IGD also completed an important transaction, the disposal of a portfolio of **"stand alone" assets comprising 5 hypermarkets and 1 supermarket** which allowed the Group to close the year with cash on hand of roughly €160 million of the year and bring the Loan-to-Value to 44.8%, decidedly lower than the 49.9% recorded at year-end 2020. This transaction was already envisaged in the prior Business Plan and testifies once again to the consistency of the strategies announced with the results achieved, excluding the unforeseen issues stemming from the pandemic.

Looking again at finance, the rating agencies Fitch Ratings and S&P Global Ratings improved the outlook assigned IGD, raising it from Negative to Stable, in September and December, respectively, which confirms the Group's solidity and the tangible improvements in the operating results seen in 2021, despite the few difficulties still caused by the pandemic.

The average cost of debt was 2.20% at 31 December 2021, compared to 2.30% at year-end 2020, while the interest cover ratio or ICR came to 3.3X (versus 3.2x at 31 December 2020).

All of the above fueled an increase in FFO which amounted to €64.7 million at 31 December 2021, 9.2% higher than at 31 December 2020. The increase in FFO is also higher than the guidance communicated to the market, which called for growth of around +7/8%.

1 *Source: ISTAT – Monthly report on the Italian economic performance, January 2022*
2 *Source: ISTAT - Italian economic prospects in 2021-2022, December 2021*
3 *Source: ISTAT – Quarterly accounts, November 2021*
4 *Source: ISTAT – Preliminary GDP estimates, February 2022*
5 *Source: ISTAT – Italian economic prospects in 2021-2022, December 2021*
6 *Source: Bank of Italy – Economic bulletin 1/2022, January 2022*
7 *Source: ISTAT – Preliminary GDP estimates, February 2022*
8 *Source: ISTAT - Italian economic prospects in 2021-2022, December 2021*
9 *The figure at 31/12/2020 (equal to 94.3%) was restated to take into account the disposal of the group of hypermarkets and supermarkets completed in November 2021*
10 *Source: European Commission – Autumn Economic Forecast, November 2021*

DIRECTORS' REPORT
2.2 2021 PERFORMANCE

The consolidated operating income statement is shown below:

CONTO ECONOMICO GESTIONALE CONSOLIDATO

CONTO ECONOMICO GESTIONALE CONSOLIDATO			
GROUP CONSOLIDATED	(A) 31/12/2021	(B) 31/12/2020	Δ (A)/(B)
Revenues from freehold rental activities	132.745	133.755	-0,8%
Revenues from leasehold rental activities	12.350	11.876	4,0%
Total income from rental activities	145.095	145.631	-0,4%
Rents and payable leases	-11	-2	n.a.
Direct costs from rental activities	-26.608	-36.116	-26,3%
Net rental income	118.476	109.513	8,2%
Revenues from services	6.443	6.333	1,7%
Direct costs from services	-5.518	-5.214	5,8%
Net services income	925	1.119	-17,3%
HQ Personnel expenses	-7.151	-6.282	13,8%
G&A expenses	-4.978	-4.909	1,4%
CORE BUSINESS EBITDA (Operating income)	107.272	99.441	7,9%
Core business Ebitda Margin	70,8%	65,4%	
Revenues from trading	440	708	-37,9%
Cost fo sale and other costs from trading	-894	-1.443	-38,0%
Operating result from trading	-454	-735	-38,2%
EBITDA	106.818	98.706	8,2%
Ebitda Margin	70,3%	64,7%	
Impairment and Fair Value adjustments	-16.334	-146.018	-88,8%
Depreciation and provisions	-632	-4.963	-87,3%
EBITDA	89.852	-52.275	n.a.
FINANCIAL MANAGEMENT	-33.297	-36.203	-8,0%
EXTRAORDINARY MANAGEMENT(*)	-784	-72	n.a.
PRE-TAX RESULTS	55.771	-88.550	n.a.
Taxes	-3.002	14.229	n.a.
NET RESULT OF THE PERIOD	52.769	-74.321	n.a.
(Profit/Loss) for the period related to third parties	0	0	n.a.
GROUP NET RESULT	52.769	-74.321	n.a.

* Comprensivo dei costi accessori dell'operazione contabilizzati per natura nel bilancio separato e consolidato tra i costi per servizi per Euro 1.151 migliaia e tra gli oneri finanziari per Euro 541 migliaia.

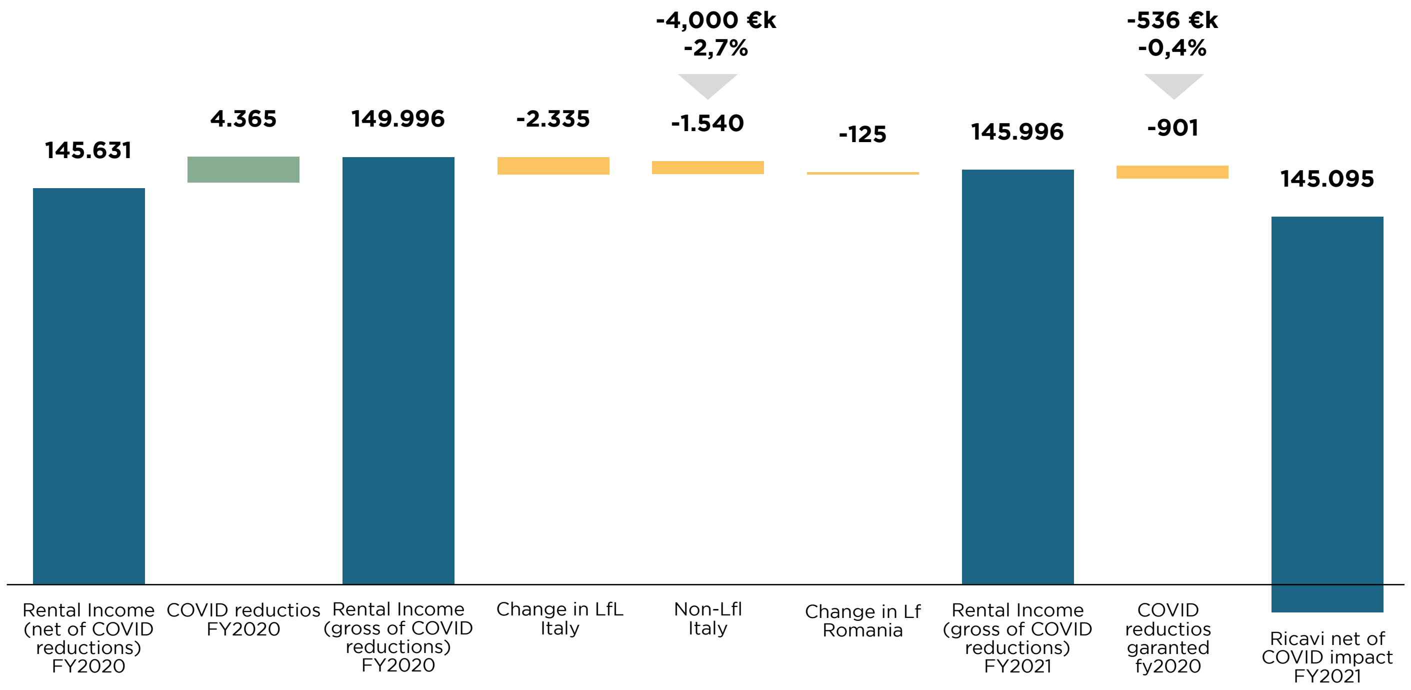
The Group recorded a net profit of €52,769 thousand at 31 December 2021, including the net direct impact of Covid-19 for €7,202 thousand which includes the €901 thousand in temporary rebates already agreed upon, recognized as a decrease in revenue, and €6,301 thousand relating to other net Covid-19 costs comprising €7,597 thousand in provisions for bad debt and credit losses, partially offset by lower rents payable on leasehold properties for around €1,296 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). The EBIT is different from the EBIT reported in the financial statements by €1,151 thousand explained by ancillary costs linked to the Juice transaction recognized as costs for services.

NET RENTAL INCOME

In 2021 rental income fell slightly (-0.4%) against 2020 to €145,095 thousand.

The chart below shows gross rental income of €145,996 thousand (-2.7%; - €4,000 thousand compared to the gross rental income recorded in the prior year). This amount is before the €901 thousand in Covid rebates already agreed upon.



The decrease of €536 thousand is explained by:

- revenue like-for-like in Italy which was lower than in the prior year attributable to a drop in malls (-2.4%). The decrease is attributable to the higher average vacancy, particularly at the beginning of the year (due to the impact of the pandemic and the restrictions introduced by the Italian government) more than offset, subsequently, by the new re-lets for which, however, the economic impact is diluted over time. Hypermarkets were higher (+0.5%). 243 leases were signed in the year (135 renewals and 108 turnover) with largely stable rents (-0.2%); If the new spaces created by grouping areas or new construction are considered, 259 leases were signed (135 renewals and 124 turnover) with a significant upside of +11.9%;
- for €1,540 thousand, lower revenue not like-for-like: disposal of the hypermarket/supermarket portfolio (at the end of November), remodeling of Iper Maioliche, Porto Grande, Conegliano and Casilino;
- for €125 thousand, lower revenue like-for-like in Romania. 480 leases were signed in the period with an average upside of 0.4% on renewals.

The direct costs for the rental business amounted to €26,619 thousand. The decrease of €9,499 thousand is attributable mainly to the net direct Covid-19 costs described above, the decrease in provisions for bad debt, social charges, indemnities and maintenance, partially offset by an increase in condominium fees.

Net of the non-recurring impact of Covid-19, direct costs reached €20,318 thousand, a decrease of €1,692 thousand compared to the prior year.

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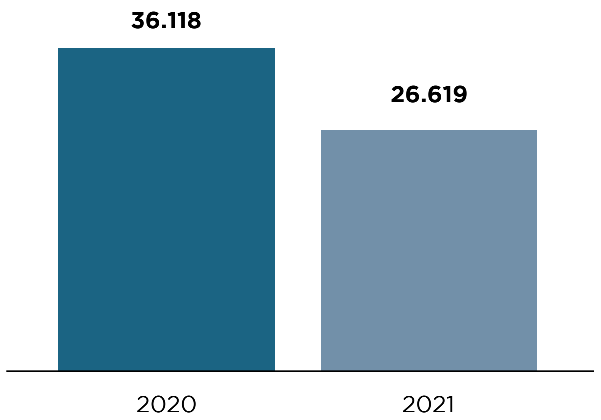
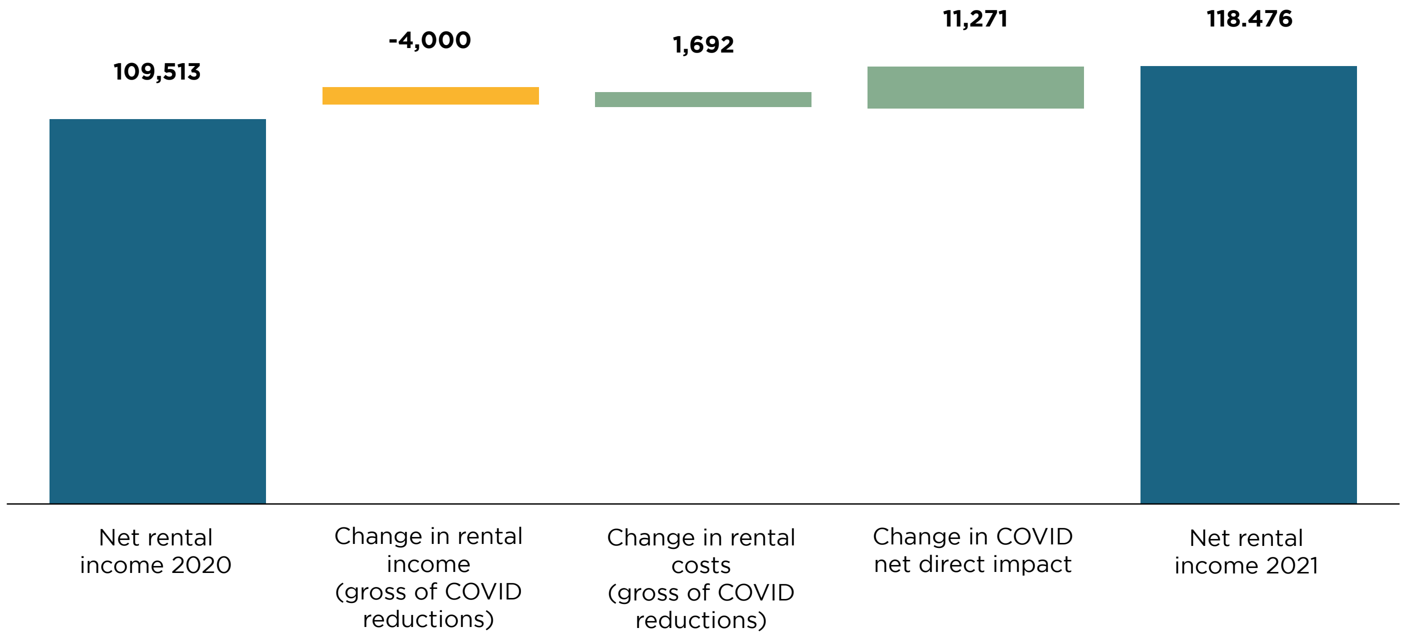
DIRECT COSTS FROM RENTAL ACTIVITIES



Net rental income amounted to €118,476 thousand or 8.2% higher than in the prior year.



Net rental income freehold amounted to €106,694 thousand, up 9.8% with respect to the prior year. The margin is sizeable, coming in at 80.4% of revenue, higher than in the prior year due to lower direct costs.

Net rental income leasehold amounted to €11,782 thousand, 4.6% lower than in the same period of the prior year.

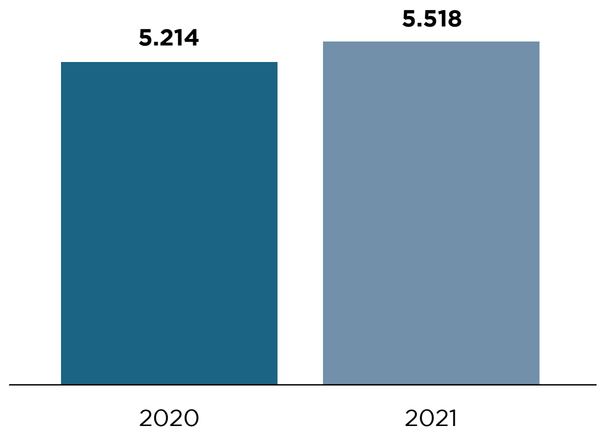
NET SERVICE INCOME

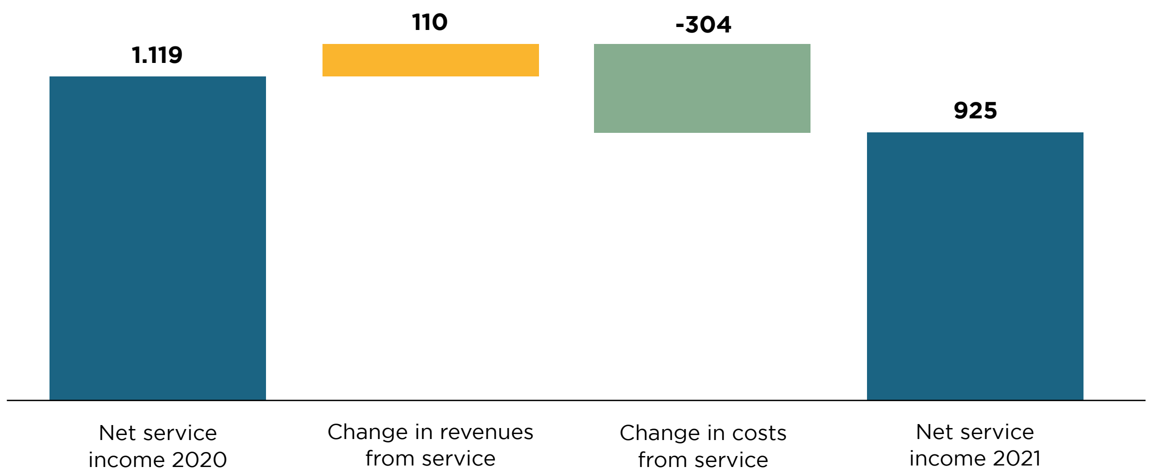
Revenue from services was higher than in the prior year. Most of this revenue comes from the facility management business (87.6% of the total or €5,646 thousand), which was slightly lower than in the prior year (-3.4%). Revenue from pilotage and other services (revenues from outsourced services) was higher, offset by a decrease in agency and facility.

The direct costs for services amounted to €5,518 thousand, an increase of €304 thousand (+5.8%) compared to the prior year. In 2020 government wage integration funds were used and provisions for variable compensation were lower.

Net services income amounted to €925 thousand, a decrease of 17.3% compared to the prior year, falling as a percentage of services income from 17.7% in the prior year to 14.4%.

Direct costs from service

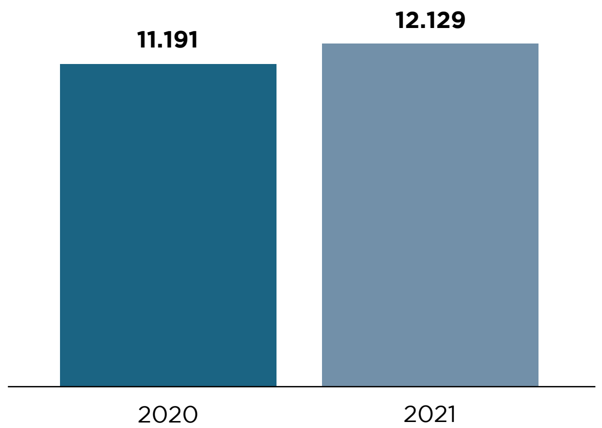




GENERAL EXPENSES FOR THE CORE BUSINESS

General expenses for the core business came to €12,129 thousand, an increase (+8.4%) with respect to the €11,191 thousand posted at 31 December 2020 due to the increase in payroll costs at headquarters as the company resumed full operation, higher provisions for variable compensation, the lack of the government wage integration funds accessed in 2020, communication and other minor items. These costs came to 8.0% of core business revenue.

Core busines G&A expenses

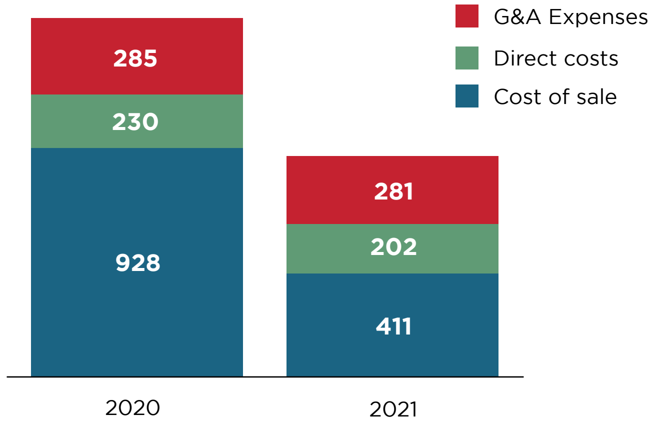


DIRECTORS' REPORT
2.2 2021 PERFORMANCE

OPERATING RESULTS FOR TRADING

Trading posted an operating loss of €454 thousand, showing improvement with respect to the prior year. During the year 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 as described in section 1.5.

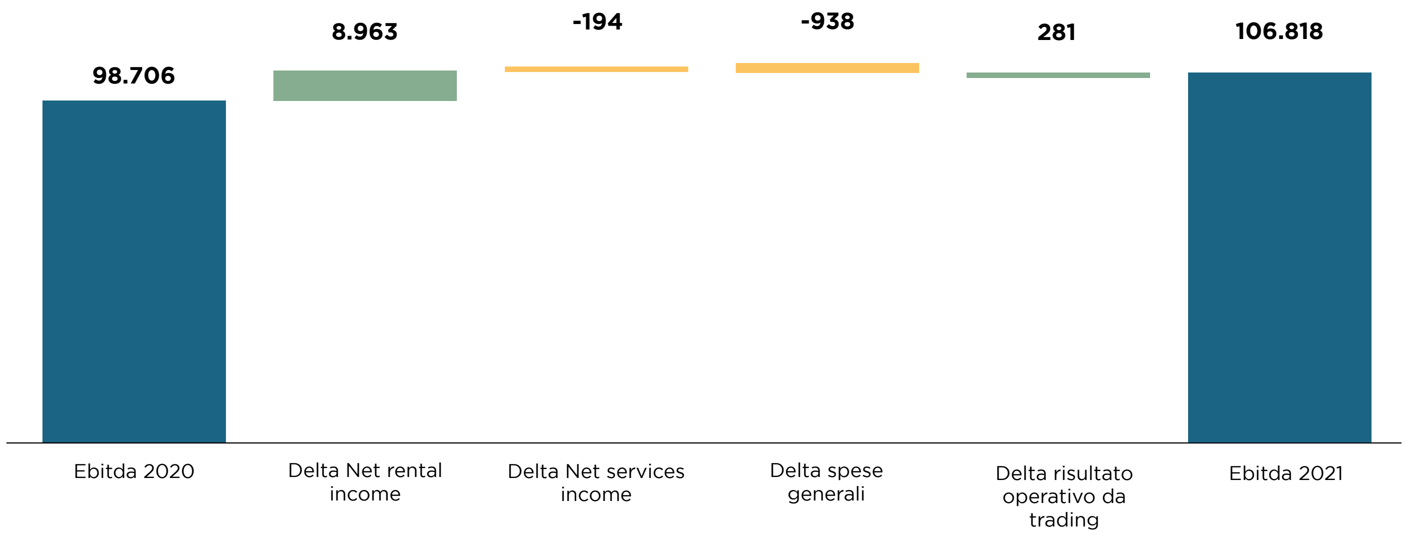
The costs for the Porta a Mare Project are broken down below:



EBITDA

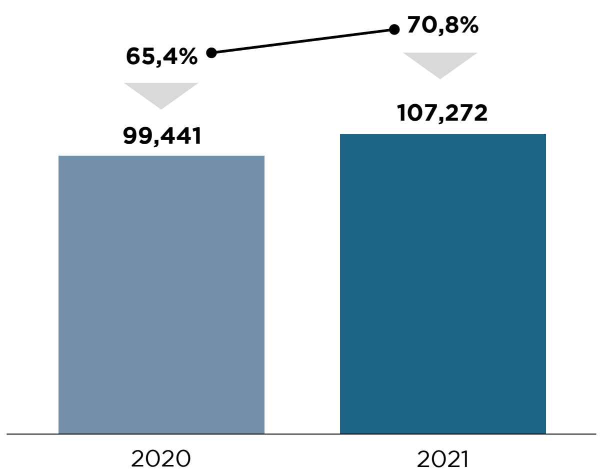
Core business EBITDA amounted to €107,272 thousand at 31 December 2021, in increase of 7.9% against the prior year; total EBITDA rose by 8.2% to €106,818 thousand.

The changes in the components of total EBITDA during 2021 are shown below.



Core business Ebitda

The core business **EBITDA MARGIN** reached 70.8%, higher than in the prior year.



FAIR VALUE ADJUSTMENTS AND IMPAIRMENT/REVALUATIONS

Fair value adjustments and impairment/revaluations were negative for €16,334 thousand at 31 December 2021, lower than the €146,018 thousand recorded at 31 December 2020.

The difference in fair value, negative for €16,850 thousand, is explained by:
for €11,002 thousand, impairment of the right-of-use assets stemming from IFRS 16 application including the increases in the year;

- for €11,961 thousand, impairment of the extraordinary maintenance of properties owned and rented by Gruppo IGD's Italian companies;

- for €1,074 thousand, impairment of the extraordinary maintenance of properties owned by the Romanian subsidiary;

- for €10,047 thousand, the revaluation of investment property of Gruppo IGD's Italian companies based on the appraised market value at 31 December 2021;

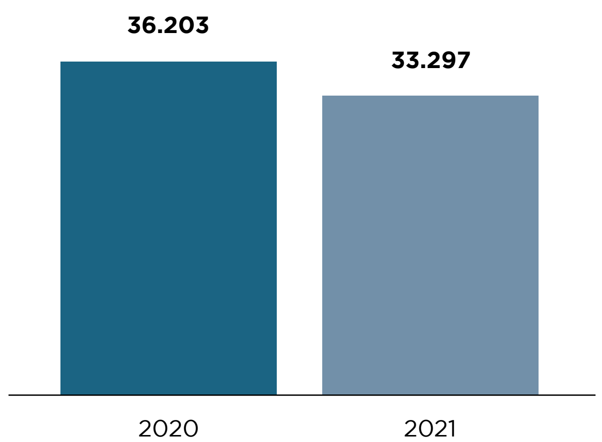
- for €2,860 thousand, a fair value adjustment made to the freehold investment property of Gruppo IGD's Romanian subsidiary Win Magazin SA based on the appraised market value at 31 December 2021.

The revaluation of work in progress and inventory of €516 thousand is attributable to: (i) for €35 thousand, the revaluation of the Portogrande expansion project, and (ii) for €481 thousand, the revaluation of the Officine residential, Molo, Lips and Arsenale sections of the Porta a Mare project based on the appraised market value at 31 December 2021.

EBIT

EBIT amounted to €89,852 thousand, higher than in the prior year; this change is attributable to the factors described above.

FINANCIAL INCOME AND CHARGES



Financial charges went from €36,203 thousand at 31 December 2020 to €33,297 thousand at 31 December 2021. The decrease, of around €2,906 thousand, is attributable mainly to:

- 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;

- lower interest payable on mortgages.

The **average cost of debt** (without considering recurring and non-recurring transaction costs) at 31 December 2021 was 2.20%, 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 3.3x, higher compared to the 3.2x posted at 31 December 2020.

EQUITY INVESTMENTS AND PROPERTY SALES

This item is negative for €784 thousand at 31 December 2021 and reflects the costs relating to the disposal of the 60% stake in the real estate investment fund Juice net of the capital gain generated by the contribution of 5 hypermarkets and 1 supermarket to the same fund.

TAXES

	31.12.2021	31.12.2020	CHANGE
Current taxes	1.857	1.013	844
Deferred tax liabilities/assets	(230)	(16.948)	16.718
Out-of-period income/charges - Provisions	156	(153)	309
Substitutive taxes on assets revaluation	0	1.859	(1.859)
SIINQ entry tax	1.219	0	1.219
Income taxes	**3.002**	**(14.229)**	**17.231**

The tax burden, current and deferred, reached €3,002 thousand at 31 December 2021, an increase of €17,231 thousand against 31 December 2020.

Current tax is €844 thousand higher than in the prior year due mainly to the redetermination of the tax base for IGD Management SIINQ S.p.A. explained primarily by the fact that the amortization of the properties could not be deducted as the company prepared its financial statements in accordance with international accounting standards and, therefore, the properties can no longer be amortized, but are measured at fair value.
The difference in **deferred tax** of €16,718 thousand is explained primarily by the release, in the consolidated financial statements at 31 December 2020, of the deferred tax liabilities recognized in prior years on the disparity between fair value and the amount valid for tax purposes of the Sarca mall owned by the subsidiary under the ordinary tax regime. This disparity was basically eliminated by IGD Management's exercise of the option granted by Art. 110 of Law Decree 104 of 14/08/2020 (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.

At 31 December 2021 €780 thousand in deferred tax assets were recognized on the past losses stemming from tax consolidation.

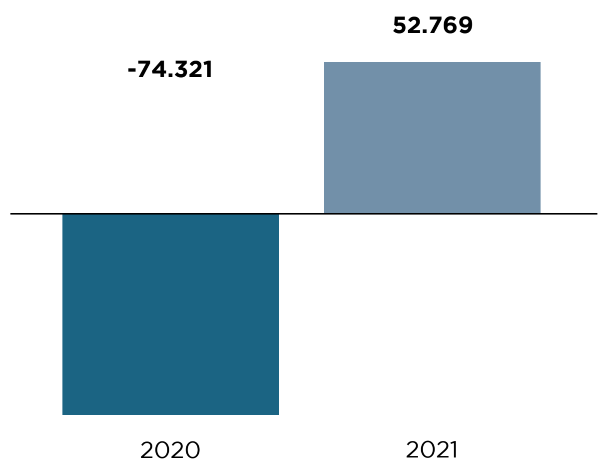
At 31 December 2021 **contingent assets/liabilities** for taxes reflect the cancellation of the IRAP (regional business tax) balance for 2019 and the first advance payment for 2020 as provided for by the "Decreto Rilancio" (Recovery Decree) published in the Gazzetta Ufficiale on 19 May 2020 following the EU limits imposed by the notion of "single undertaking" ("impresa Unica") under the Temporary Framework for state aid.

On 28 December 2021, IGD Management SIINQ S.p.A. opted to switch to SIINQ status with effect as from the financial year beginning on 1 January 2022. Therefore, it calculated the **SIINQ entry tax** as 20% of the overall gain produced by the difference between its properties' fair value and their value for tax purposes at the closing date of the last pre-SIINQ financial statements (31 December 2021). The tax amounts to €1,219 thousand.

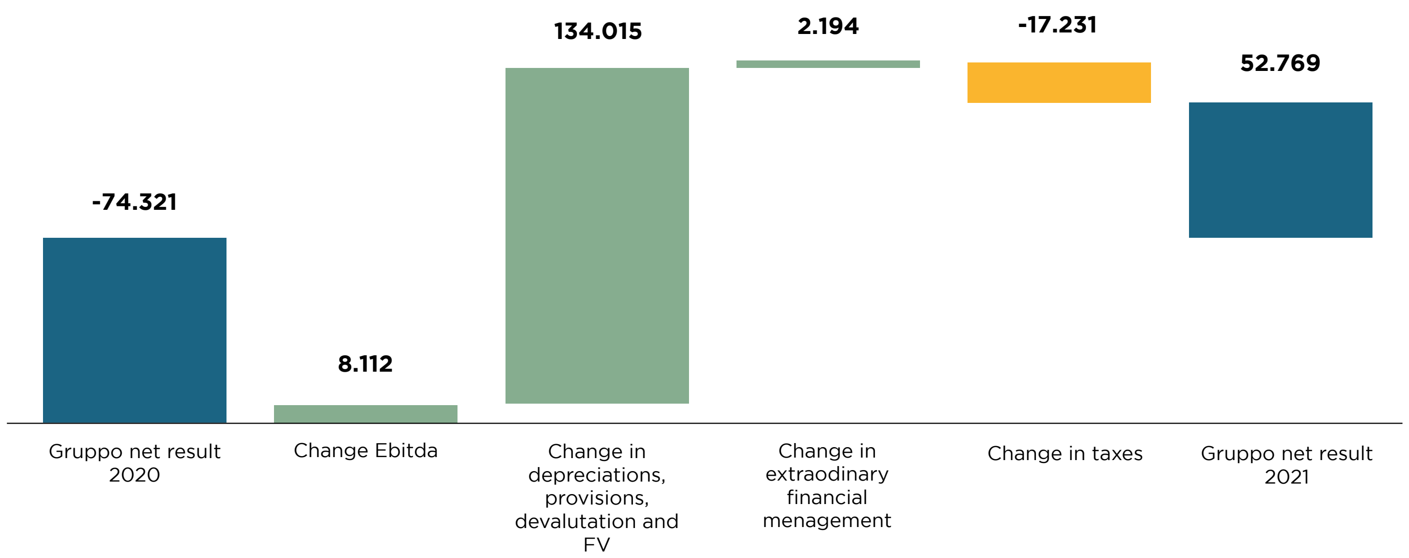
GROUP NET PROFIT

As a result of the above, the Group recorded a net profit of €52,769 thousand, an increase of €127,090 thousand compared to the loss of €74,321 thousand recorded at 31 December 2020

Group Profit/Loss



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



DIRECTORS' REPORT
2.2 2021 PERFORMANCE

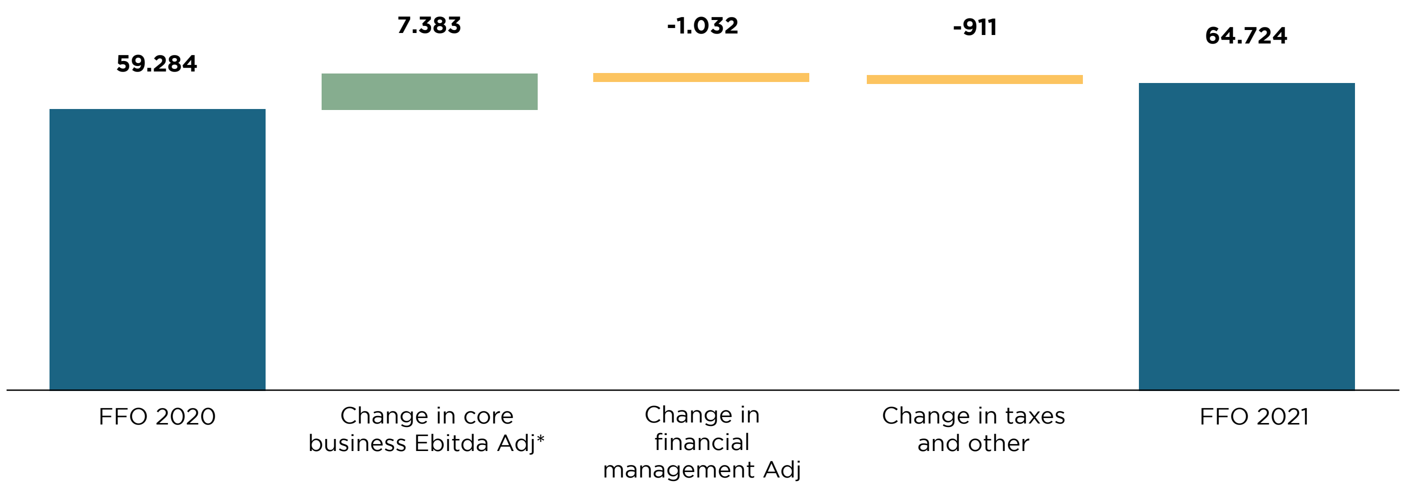
CORE BUSINESS FFO

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 €64,724 thousand at 31 December 2021, higher than in the prior year due to the increase in EBITDA, 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.

FUNDS FROM OPERATIONS	2021	2020	Δ	Δ%
Core business EBITDA*	**107.528**	**100.105**	**7.423**	**7,4%**
IFRS16 Adjustments (payable leases)	(10.353)	(10.313)	(40)	0,4%
Financial Management Adj	(30.594)	(29.562)	(1.032)	3,5%
Current taxes for the period Adj	(1.857)	(946)	(912)	96,4%
FFO	**64.724**	**59.284**	**5.440**	**9,2%**
Negative Carry	-	0	-	
FFO ADJ	**64.724**	**59.284**	**5.440**	**9,2%**

** Net of expenses considered non-recurring for the purposes of the FFO calculation, consistent with the EPRA guidelines for calculating EPRA Earnings*

*** Financial charges adj includes the impact of the negative carry, of IFRS 16, of IFRS 9 and the costs incurred for the early redemption of a bond and the issue of a new bond.*



**includes the one-off impact of COVID-19 for €7,202 thousand*

2.2.2 STATEMENT OF FINANCIAL POSITION AND FINANCIAL REVIEW

(AMOUNT IN THOUSAND OF EURO)	31/12/2021	31/12/2020	Δ	%
Fixed assets	2.093.176	2.234.484	(141.308)	-6,75%
Asset under construction and advanced payments	44.095	42.674	1.421	3,22%
Intangible assets	7.888	8.568	(680)	-8,62%
Other tangible assets	9.030	8.526	504	5,58%
Sundry receivables and other non current assets	127	129	(2)	-1,88%
Equity investments	25.765	151	25.614	99,41%
Assets held for sale	1.801	0	1.801	100,00%
NWC	24.504	30.421	(5.917)	-24,15%
Funds	(7.521)	(7.060)	(461)	6,13%
Sundry payables and other non current liabilities	(19.945)	(23.311)	3.366	-16,88%
Net deferred tax (assets)/liabilities	(11.702)	(10.286)	(1.416)	12,10%
Total use of funds	2.167.218	2.284.296	(117.077)	-5,40%
Total shareholders' equity	1.171.758	1.114.442	57.316	4,89%
Net (assets) and liabilities for derivative instruments	8.435	14.396	(5.961)	-70,67%
Net debt	987.025	1.155.458	(168.433)	-17,06%
Total sources	2.167.218	2.284.296	(117.078)	-5,40%

The main changes compared to 31 December 2021, relate to:

Investment property, which was €141,308 thousand lower due mainly to:

- the contribution of 5 hypermarkets (located in Livorno, Schio, Lugo, Pesaro and Senigallia) and 1 supermarket (in Cecina) to the real estate fund Juice whose carrying amount for IGD SIIQ was €139,118 thousand at 31 December 2020;

- extraordinary maintenance and fit-out work, of €9,722 thousand, relating mostly to reducing the size of the hypermarket at the Casilino center in Rome; earthquake proofing at La Favorita (Mantua), Centro d'Abruzzo (San Giovanni Teatino), and Porto Grande (Ascoli) shopping centers; fit-out work at Le Maioliche (Faenza) and Lame (Bologna) for the opening of two Pepco stores; and creation of a bike path at Clodì retail park (Chioggia) and compliance with fire safety regulations mainly at a few Romanian shopping centers;

- the reclassification from assets under construction and advances of work completed during the period, namely the remodeling of the space created as a result of the hypermarket reduction at Conè Shopping Center (Conegliano) for €594 thousand;

- fair value adjustments. Specifically, investment property was revalued by €27,427 thousand and written down by €27,579, for a net negative impact of €152 thousand;

- impairment of the right-of-use assets relating to the malls in the "Centro Nova", "Centro Piave" and "Fonti del Corallo" shopping centers based on the independent appraisals of €11,002 thousand, of which €10,859 thousand explained by the fair value adjustment of €143 thousand stemming from the writedown of leasehold improvements in the year;

• the reclassification to assets held for sale from right-of-use, of €1,353 thousand relating to the mall in the "Centro Piave" center pursuant to the sales agreement signed on 10 December 2021, effective as of 1 January 2022; for more information about the transaction refer to section 2.5 of this directors' report.

Assets under construction and advances, which showed an increase of €1,421 thousand attributable to:

• for €6,007 thousand, the continuation of work on Officine Storiche;

• for €347 thousand, restyling at the La Favorita center in Mantua;

• the remodeling of the spaces created by reducing the size of the hypermarkets under the agreement between IGD SIIQ and Coop Alleanza 3.0 – completed in 2020 – at the Conè center in Conegliano and Porto Grande in San Benedetto del Tronto for €301 thousand each;

• for €602 thousand, restyling work at Porto Grande shopping center in San Benedetto del Tronto;

• for €828 thousand, construction work on medium-sized retail spaces at Casilino shopping center in Rome;

• for €17 thousand, start of the planning work for the remodeling of the spaces created by reducing the size of the hypermarkets at the Tiburtino center in Guidonia;

• for €594 thousand, the reclassification to investment property of work completed on the remodeling of the spaces created by reducing the size of the hypermarkets which resulted in an increase in the size of the mall at the Conè center (Conegliano);

• for €5,697 thousand, the writedown of the work in progress at Officine Storiche (Porta a Mare project) and, for €35 thousand, the revaluation of the Portogrande expansion project;

• for €726 thousand, the net decrease in advances.

Intangible assets which were €680 thousand lower due mainly to:

• for €500 thousand, the consolidation differences of the Romanian subsidiary Win Magazin SA explained by currency adjustments;

• for €448 thousand, the reclassification to assets held for sale of goodwill relating to the mall at the "Centro Piave" center based on the sales agreement signed on 10 December 2021, effective as of 1 January 2022; for more information on the transaction see section 2.5 of this directors' report;

• the purchase of marketing software and long-term licenses;

• amortization recorded in the year.

Other plant, property and equipment which increased by €504 thousand due mainly to:

• the purchase of LED walls that were installed in the shopping malls;

• the depreciation recognized in the year.

Equity investments, which increased by €25,615 thousand due mainly to the constitution of the real estate investment fund Juice, the contribution to this fund of 5 hypermarkets, 1 supermarket and debt with a nominal value of €77,000 thousand and the subsequent sale of 60% of this equity investment. For more information see section 4.6.3 Note 20;

Assets held for sale of €1,801 thousand which includes the goodwill on the Centro Piave Shopping Center recognized as a result of the sales agreement signed on 10 December and effective as of 1 January 2022; for further information refer to section 2.5 of this directors' report.

The ***net working capital***, which was €5,917 thousand lower than at 31 December 2020 due mainly to:

• a decrease in net trade and related party receivables of €2,897 thousand attributable mainly to the higher collections in the year, including after the definition and signature of agreements with different tenants granting rebates for the period of closures in 2021 caused by the restrictions imposed to contain the Covid-19 pandemic;

• an increase in inventory of €3,532 thousand in the year linked to (i) work done amounting to €3,177 thousand, (ii) revaluation of €481 thousand, and (iii) the sale of one residential unit, two enclosed parking units and one parking place;

• an increase in other current assets of around €1,981 thousand due mainly to the increase in VAT credits pertaining to the subsidiary Porta Medicea;

• an increase in trade payables of €4,429 thousand due to the work resumed on freehold properties in the fourth quarter of the year and the different timing of payments with respect to the previous year;

• an increase of €2,952 thousand in other current liabilities explained mainly by (i) higher security deposits and (ii) the amount received for the sale, as from 1 January 2022, of the mall in the «Centro Piave» Shopping Center.

(IN THOUSANDS OF EURO)	31/12/2021	31/12/2020	Δ	Δ%
Work in progress inventory and advances	37.375	33.843	3.532	9,45%
Third parties trade receivables	15.415	18.260	(2.845)	-18,46%
Related party trade and other receivables	716	768	(52)	-7,26%
Other current assets	5.717	3.736	1.981	34,65%
Trade and other payables	16.062	12.091	3.971	24,72%
Debiti commerciali e altri debiti verso parti correlate correnti	950	492	458	48,21%
Current tax liabilities	2.967	1.814	1.153	38,86%
Other current liabilities	14.740	11.788	2.952	20,03%
Net working capital	**24.504**	**30.422**	**(5.918)**	**-24,15%**

• ***Provisions for risks and charges*** which showed an increase of €461 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 2021, *(v)* utilization of provisions for IMU payable in the future for the shopping centers Le Maioliche in Faenza and Tiburtino in Guidonia *(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 €11,702 thousand due to tax misalignments relating to (i) fair value adjustments of investment property which is not included in the SIIQ perimeter, and (ii) hedges (IRS).

• ***Payables and other non-current liabilities***, decreased by €3,366 thousand due mainly to the transfer of the security deposits relative to the 5 hypermarkets and the supermarket contributed to Fondo Juice. For more information on the transaction refer to section 4.6.3;

• The ***Group's net equity*** amounted to €1,171,758 thousand at 31 December 2021. The increase of €57,316 thousand is explained by:

(i) for approximately -€591 thousand, movements in the translation reserve for the translation of foreign currency financial statements;

(ii) an adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to €4,005 thousand for the parent company and to €1,133 for a subsidiary;

(iii) for €52,769 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 31 December 2021 was €5,961 thousand lower than in the prior year.

• The **net financial position** at 31 December 2021 was about €168.4 million lower than in the prior year. The changes are shown below:

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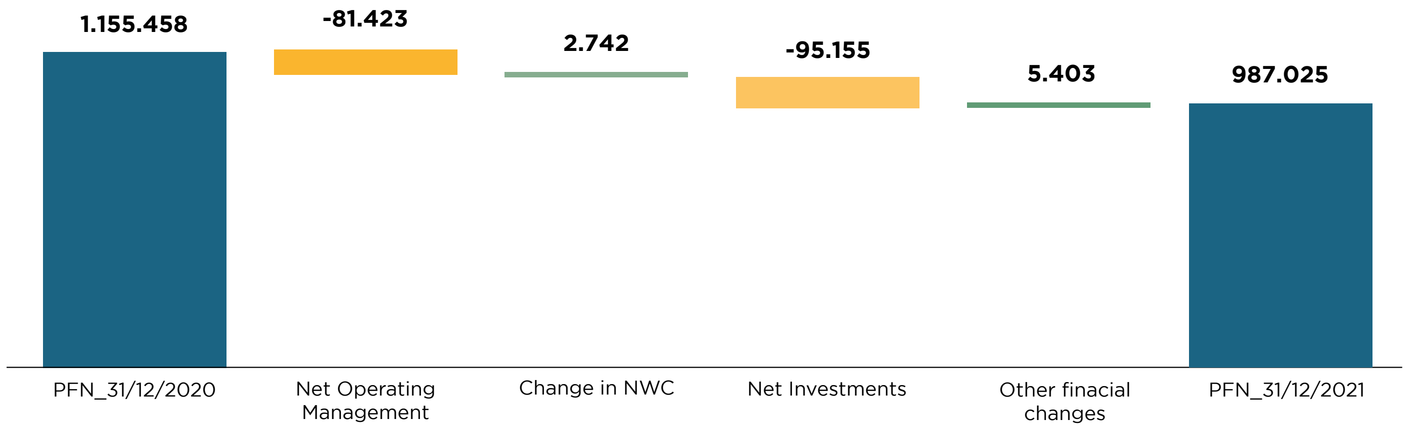
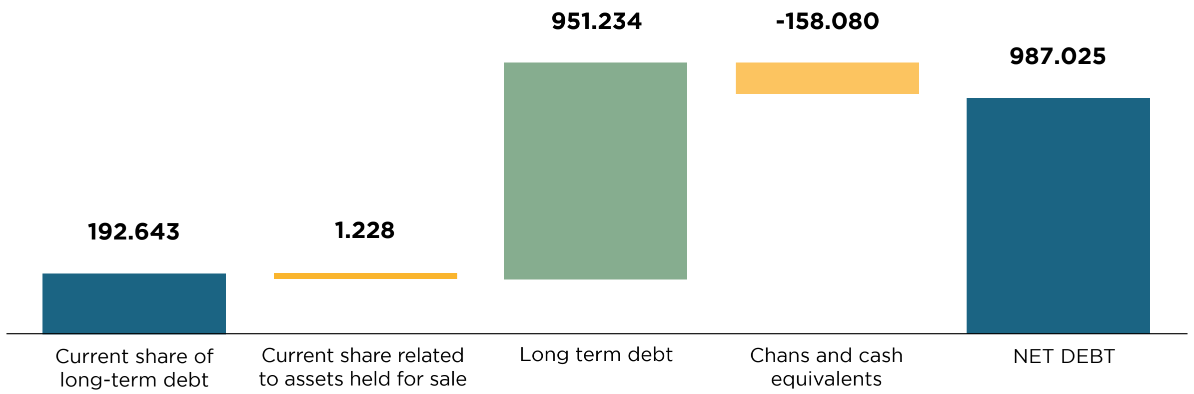
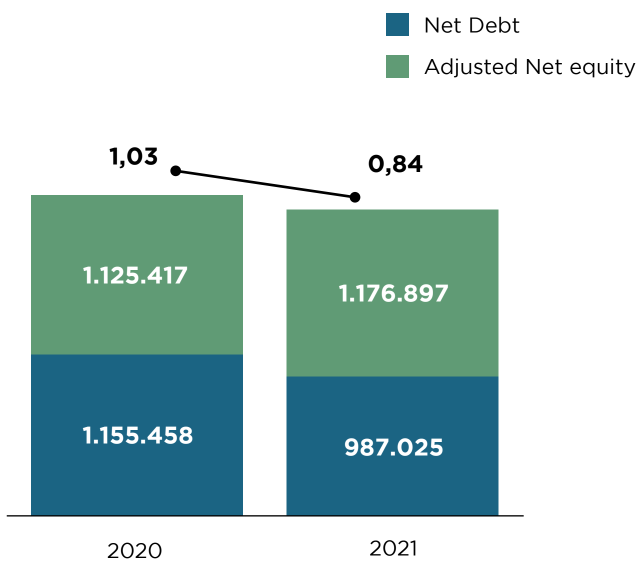


For more information about changes in the NFP please refer to the consolidated statement of cash flows in Chapter 4.5.

The breakdown of the net financial position is shown below:



The **gearing ratio** reflects the debt to equity ratio, including non-controlling interests but excluding the CFH reserves. The ratio came to 0.84 at 31 December 2021, showing improvement compared to the 1.03 recorded at 31 December 2020.



2.3 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 of for the whole portfolio. Given the different characteristics of the portfolio and the Italian market with respect to the Romanian one, the vacancy rate was calculated separately by asset class and for the two countries.

NET ASSET VALUE METRICS: are the main performance indicators that provide stakeholders with information about the fair value of the company's assets and liabilities.
In October 2019, 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 31 December 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.

EPRA Net Initial Yield (NIY): is a measure calculated as the annualized rental income (including variable and temporary revenue), less non-recoverable operating expenses, divided by the market value of the real estate assets, net of properties currently being developed.

EPRA "topped-up" NIY: is a measure calculated by making an adjustment to EPRA NIY based on the annualized rental income (including variable and temporary revenue) excluding any other temporary incentives such as discounted rent-free periods and step-up rents.

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

11 *European Public Real estate Association*
12 *See www.epra.com*

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EPRA Performance Measure	31/12/2021	31/12/2020
EPRA NRV/NAV (€'000)	1.197.354	1.145.827
EPRA NRV/NAV per share	€ 10,85	€ 10,38
EPRA NTA	1.189.467	1.137.258
EPRA NTA per share	€ 10,78	€ 10,31
EPRA NDV	1.151.244	1.149.534
EPRA NDV per share	€ 10,43	€ 10,42
EPRA Net Initial Yield (NIY)	5,8%	5,8%
EPRA 'topped-up' NIY	5,9%	5,9%
EPRA Vacancy Rate Malls Italy	6,1%	7,6%
EPRA Vacancy Rate Hpermkt Italy	0,0%	0,0%
EPRA Vacancy Rate Total Italy	4,9%	5,7%
EPRA Vacancy Rate Romania	5,4%	6,5%
EPRA Cost Ratios (including direct vacancy costs)	20,5%	20,4%
EPRA Cost Ratios (excluding direct vacancy costs)	17,5%	17,9%
EPRA Earnings (€'000)	€ 73.215	€ 62.941
EPRA Earnings per share	€ 0,66	€ 0,57

The NAV calculations at 31 December 2021 are shown below:

EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION	31/12/2021			31/12/2020		
Net Asset Value	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	1.171.758	1.171.758	1.171.758	1.114.442	1.114.442	1.114.442
Exclude:						
V) Deferred tax in relation to fair value gains of IP	17.161	17.161		16.989	16.989	
VI) Fair value of financial instruments	8.435	8.435		14.396	14.396	
VIII.A) Goodwill as per the IFRS balance sheet		(7.585)	(7.585)		(8.533)	(8.533)
VIII.B) Intangibles as per the IFRS balance sheet		(302)			(36)	
Include:						
IX) Fair value of fixed interest rate debt			(12.929)			43.625
X) Real estate transfer tax (estimate)				0	0	0
NAV	**1.197.354**	**1.189.467**	**1.151.244**	**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	**10,85**	**10,78**	**10,43**	**10,38**	**10,31**	**10,42**
Change % vs 31/12/2020	4,5%	4,6%	0,1%			

The NRV was 4.5% 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 4.6% 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 was in line with 31 December 2020 (+0.1%) due mainly, in addition to the above, the decrease in the fair value of debt calculated by discounting cash flows at a risk-free rate plus a market spread. This is explained by the use of a risk-free yield curve and the market spread updated based on conditions at 31 December 2021, in addition to a change in the composition of debt (in terms of both duration and cost).

DIRECTORS' REPORT
2.3 EPRA PERFORMANCE INDICATORS

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

EPRA NIY and "topped-up" NIY disclosure	Consolidated 31/12/2021					Consolidated 31/12/2020				
€'000	Italy	Romania	Total (no IFRS16)	Lease-hold	Total	Italiy	Romania	Total (no IFRS16)	Lease-hold	Total
Investment property – wholly owned	1.928.790	135.780	**2.064.570**	32.470	**2.097.040**	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)	75.902	0	**75.902**	0	**75.902**	72.060	0	72.060	0	**72.060**
Less developments	-243.512	0	**-243.512**	0	**-243.512**	-276.634	0	-276.634	0	**-276.634**
Completed property portfolio	1.761.180	135.780	**1.896.960**	32.470	**1.929.430**	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	**1.761.180**	**135.780**	**1.896.960**	**32.470**	**1.929.430**	**1.850.417**	**138.640**	**1.989.057**	**43.320**	**2.032.377**
Annualised cash passing rental income	106.020	9.752	**115.772**	11.962	**127.734**	112.289	9.519	121.808	12.433	**134.241**
Property outgoings	-13.545	-1.267	**-14.812**	-294	**-15.106**	-13.819	-1.187	-15.006	-365	**-15.371**
Annualised net rents A	**92.475**	**8.485**	**100.960**	**11.668**	**112.628**	**98.470**	**8.332**	**106.802**	**12.068**	**118.870**
Add: notional rent expiration of rent free periods or other lease incentives	1.104	410	**1.514**	183	**1.697**	964	282	1.246	26	**1.272**
Topped-up net annualised C	**93.579**	**8.895**	**102.474**	**11.851**	**114.325**	**99.434**	**8.614**	**108.048**	**12.094**	**120.142**
EPRA NIY A/B	5,3%	**6,2%**	**5,3%**	**35,9%**	**5,8%**	**5,3%**	**6,0%**	**5,4%**	**27,9%**	**5,8%**
EPRA "topped-up" NIY C/B	5,3%	**6,6%**	**5,4%**	**36,5%**	**5,9%**	**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 4.9%, lower than in the prior year (when it reached 5.7%), due to the decreased vacancy rate for malls (6.1% 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% at 31 December 2020 to 5.7%.

EPRA Performance Measure		Iper Italia	Gallerie Italia	Totale Italia	Romania
Estimated Rental Value of vacant space	A	-	6,06	6,06	0,51
Estimated rental value of the whole portfolio	B	33,7	100,0	125,2	9,4
EPRA Vacancy Rate	A/B	**0,00%**	**6,06%**	**4,84%**	**5,40%**

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

EPRA Cost Ratios	FY CONS 2021	FY CONS 2020
Include:		
(i) Administrative/operating expense line per IFRS income statement	-38.450	-38.924*
(ii) Net service charge costs/fees	3.732	3.979
(iii) Management fees less actual/estimated profit element	5.505	5.217
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits	12	1
(v) Share of Joint Ventures expenses		
Exclude (if part of the above):		
(vi) Investment Property depreciation		
(vii) Ground rent costs	11	2
(viii) Service charge costs recovered through rents but not separately invoiced		
EPRA Costs (including direct vacancy costs) (A)	**-29.190**	**-29.725**
(ix) Direct vacancy costs	-4.250	-3.645
EPRA Costs (excluding direct vacancy costs) (B)	**-24.939**	**-26.079**
(x) Gross Rental Income less ground rent costs - per IFRS	145.988	149.994*
(xi) Less: service fee and service charge costs components of Gross Rental Income (if relevant) (x)	-3.732	-3.979
(xii) Add: share of Joint Ventures (Gross Rental Income less ground rent costs)		
Gross Rental Income (C)	**142.256**	**146.015**
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**20,5%**	**20,4%***
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**17,5%**	**17,9%***

**Reflects the reclassification of Covid impacts recorded as less income for Euro 4,365 thousand from (i) Administrative/operating expense line per IFRS income statement, to (x) Gross Rental Income less ground rent costs - per IFRS.*

DIRECTORS' REPORT
2.3 EPRA PERFORMANCE INDICATORS

The EPRA cost ratio (including direct vacancy costs) is basically in line with 2021 as the drop in Epra Costs is proportionate to the decrease in Gross Rental Income.
The decrease in the Epra cost ratio (excluding direct vacancy costs) reflects the decrease in direct costs for vacancies which are not included in the calculation.

The estimated one-off impact of Covid-19 (of €6,301 thousand) recognized in credit losses (namely the "(i) Administrative/operating expense line of the IFRS income statement") was not included in this calculation nor were the temporary Covid-19 discounts agreed upon (namely in (x) Gross Rental Income less ground rent costs – per IFRS") which amounted to €901 thousand.

In 2021 and in the prior year, the Group only capitalized project management costs linked to the Porta a Mare project of around €19 thousand.

The Epra Earnings per share calculation is shown below:

EPRA Earnings & Earnings Per Share	FY CONS 2021	FY CONS 2020
Earnings per IFRS income statement	52.769	-74.321
EPRA Earnings Adjustments:		
(i) Changes in value of investment properties, development properties held for investment and other interests	16.333	146.018
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	781	72
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-29	223
(iv) Tax on profits or losses on disposals	8	-62
(v) Negative goodwill / goodwill impairment	0	3.952
(vi) Changes in fair value of financial instruments and associated close-out costs	1.041	1.053
(vii) Acquisition costs on share deals and non-controlling joint venture interests	0	0
(viii) Deferred tax in respect of EPRA adjustments	2.312	-13.994
(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	**73.215**	**62.941**
Company specific adjustments:		
(a) General provisions and depreciations	634	1.012
(b) Non-controlling interests in respect of the above	0	0
(c) Tax on profits or losses on disposals	-8	62
(d) Contingent tax	156	-151
(e) Other deferred tax	-1.321	-1.095
(f) Capitalized interests	0	0
(g) Current Tax	1.857	64
(h) Ground rent costs, adjustement financial results and non- recurring expenses	-8.445	-4.065
(i) Other Adjstument for no core activities	-1.363	513
Earnings & Earnings Per Share	**64.725**	**59.281**
Earnings Per Share		
Numero azioni*	110.341.903	110.341.903
Earnings Per Share	**0,66**	**0,57**

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 31 December 2021 shows a significant increase of €10,274 thousand or +16.3%. This increase is higher than the increase in FFO due mainly to the decrease in amortization and depreciation recorded with respect to 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/thousands)	31/12/2021	31/12/2020
Acquisitions	**0**	**0**
Development	**9.190**	**10.310**
Investment properties	**13.680**	**7.980**
Incremental lettable space	0	0
No incremental lettable space	3.820	1.999
Tenant incentives	0	0
Other material non-allocated types of expenditure	9.860	5.981
Capitalised interest (if applicable)	**0**	**0**
Total CapEx	**22.870**	**18.290**
Conversion from accrual to cash basis		
Total CapEx on cash basis	**22.870**	**18.290**

The group is not party to any joint ventures.

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

- **2.2.2 Statement of financial position and financial review**

- **2.5 Significant events in the year - Investments**

and the Explanatory Notes (section 4.6, 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.

The details relative to the revenues of the 10 largest tenants and the average residual duration of the leases refer to the section "Lease management" in chapter 2.1.1.

For the accounting standards used for the various asset classes please refer to the Explanatory Notes (chapter 4.6.2.1).

With regard to the real estate portfolio appraisals, the independent experts selected and the appraisal criteria used, please refer to section 2.6 The Real Estate Portfolio in the Directors' Report and section 4.6.3 Use of Estimates in the Explanatory Notes.

The reports issued by each independent expert on the appraisals made at 31 December 2021 are in section 2.7 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 2.6 The Real Estate Portfolio in the Directors' Report.

2.4 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 Euronext 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.

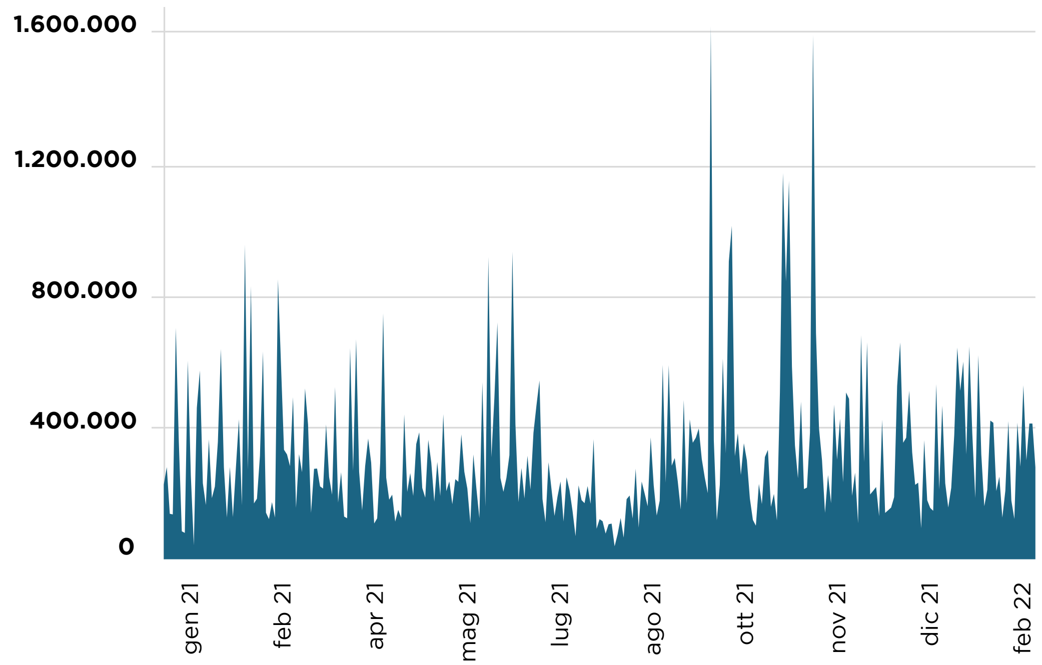
IGD is included in a number of index families.

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.

IGD has 10 independent and unsolicited ESG ratings, as well as one solicited rating from CDP. Compared to the six already obtained in 2020, the valuations in the four ratings received in 2021 are better. The main scores receive include: BBB from MSCI, higher than the BB assigned in 2020, B+ from Refinitiv, consistent with the prior year, 44 from Vigeo Eiris (vs. 38 in 2020), 77 from Gaia Research, higher than the 63 assigned last year, while ISS assigned the highest score, 1, to IGD's Corporate Governance. FTSE RUSSELL ESG rated IGD for the first time in 2021 and assigned a score of 3.1 out of 5.

VOLUMES OF IGD SHARES TRADED SINCE 4 JANUARY 2021

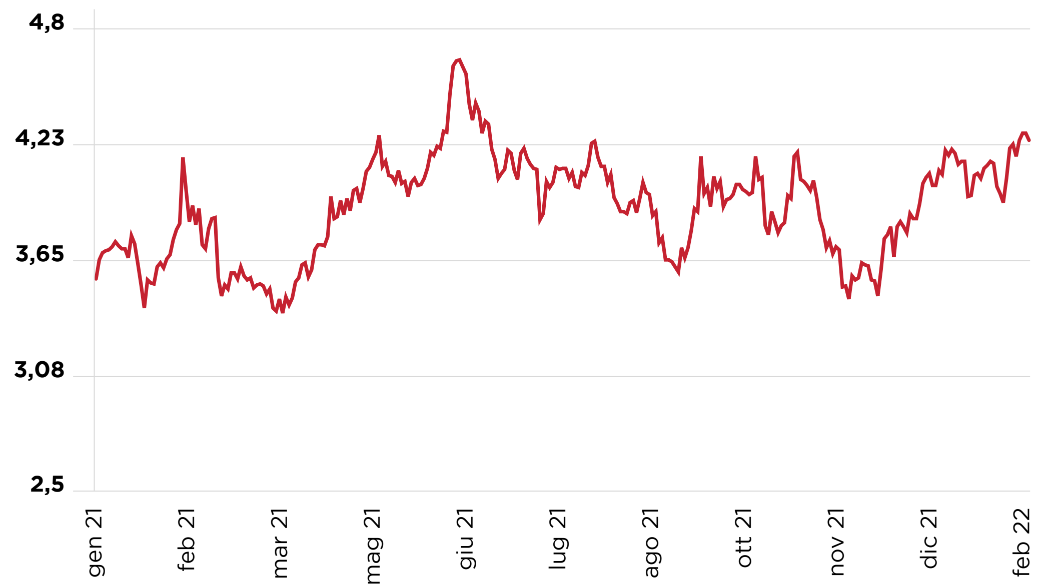


Source: Italian Stock Exchange data compiled by IGD

In 2021 an average of 314,462 IGD shares was traded each day, showing an increase of more than 20% compared to the 261,262 shares traded on average in 2020. The volume highs were reached mainly in the last four months of the year with a peak of 1.6 million shares on 17 September.

DIRECTORS' REPORT
2.4 THE STOCK

IGD'S STOCK PRICE SINCE 4 JANUARY 2021

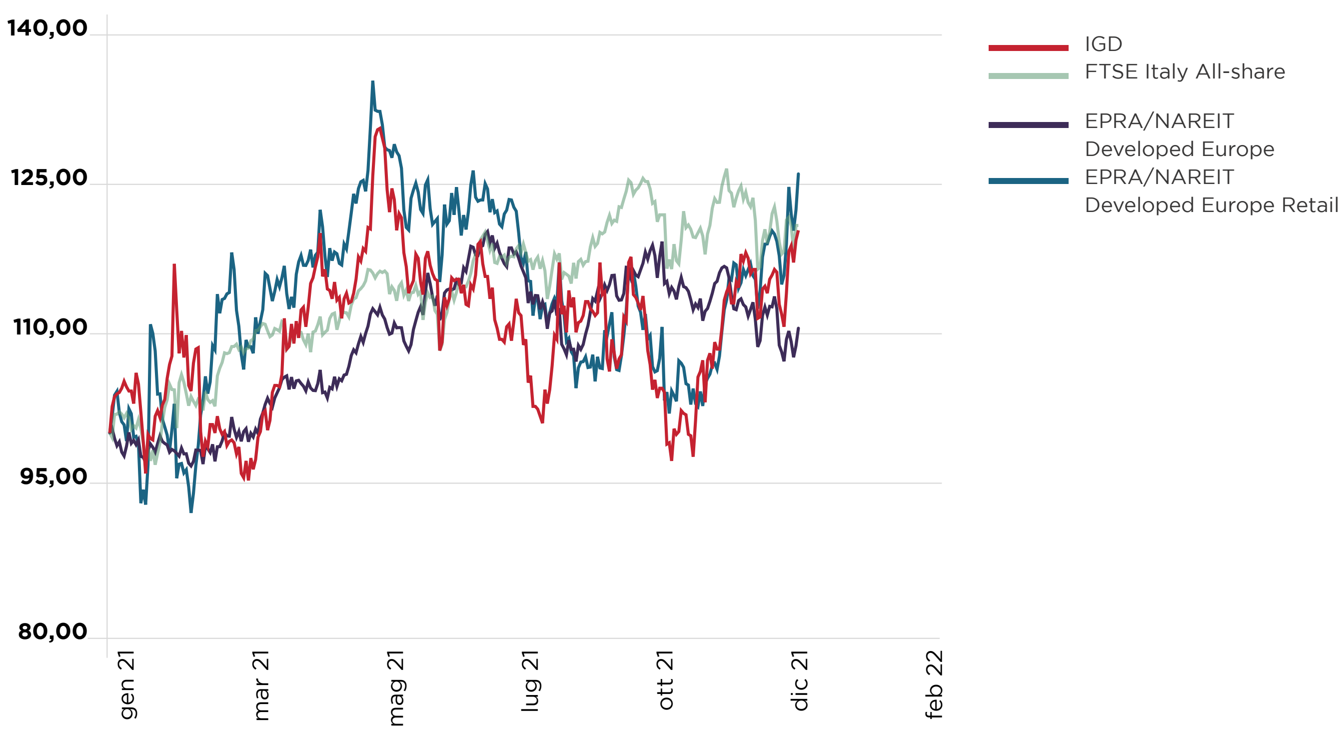


Source: Italian Stock Exchange data compiled by IGD

IGD's stock price rose 7.2% in 2021: from the price of €3.60 recorded at year-end 2020, the stock, in fact, closed at €3.86 on the last trading session of the year, 30 December 2021.

The 2021 high of €4.65 was reached on 14 June, while the period low of €3.39 was reached on 25 March.

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 and EPRA data compiled by IGD

The positive performance of IGD's stock price in 2021 (+7.2%) was better than the smaller increase (+2.4%) of the 'EPRA/NAREIT Developed Europe Retail, the European retail real estate index. The general European sector index, EPRA/NAREIT Developed Europe, rose 15.1%, while the Italian stock market index was even stronger and rose 23.7%.

These dynamics materialized in an environment that was generally very favorable for equity investments, particularly in the first part of the year. Even though the waves of Covid-19 impacted factors underlying the economic growth, in 2021 many stock indices reached historic highs, with unprecedented flows of new capital into the equity markets.

The monetary and fiscal stimulus begun already in 2020, in response to the grave crisis triggered by the pandemic, created the expectation that there would be a quick and robust recovery in corporate earnings once the progress made in the vaccine rollouts made it possible to eliminate the restrictions and spark an increase in investments and consumption.

In the second part of the year, even though the underlying mood of the stock markets remained positive, elements of uncertainty emerged relating to the solidity of the GDP growth expected to be seen in China and the contrasting interpretations of the global inflationary spikes in commodities.

In the first weeks of 2022 it then became increasingly clear that the spike in inflation, which could no longer be viewed as a temporary overheating of prices due to supply chain disruption caused by the pandemic, would lead to a revision of the central banks' accommodative policies. Investors have become increasingly nervous with the deterioration of the geopolitical scenario seen in the last few weeks, even though the stock markets are gradually getting used to the idea that the pandemic is moving toward less aggressive variants and that growth can remain solid and reasonably attractive even with a cost of money that is higher than in the past.

In 2021 the attention of investors in the real estate sector was on companies capable of maintaining sustainable growth in rents and effectively remarket the vacancies created when the Covid-19 restrictions were in place. The logistics segment was, once again, found to be the most compelling.

While the retail real estate segment index (in both 2021 and the first weeks of 2022) outperformed, IGD's stock was affected by the negative perception that investors have of the retail segment, even though the format of its shopping centers was not impacted by the anti-Covid restrictions to the same degree as the large malls without food anchors.
The resilience of tenants' sales in IGD's shopping centers demonstrated how the medium-sized, urban assets in the portfolio, deeply rooted in the community, allow for agility when adapting to the changing needs of shoppers.

The elements in the new 2024 Business Plan and the valid performance indicated by the results at 31 December 2021 highlight the advantages of this positioning.
This, along with the leases indexed to inflation and the attractive dividend yield that the Company can guarantee, create the conditions needed for investors to reconsider the market valuations of IGD's stock, including in light of the strong discount at which it trades against the year-end 2021 EPRA NRV NAV of **€10.85**.

Dividend

The 2020 dividend
As IGD SIIQ S.p.A. recorded a net loss in 2020, the distribution of a dividend was no longer mandatory. In light, also, of the need to preserve financial solidity and the investment grade profile of the corporate debt, as well as the uncertainty of the health crisis, on 25 February 2021 IGD's Board of Directors drafted a proposal to not distribute a dividend for 2020 which was approved during the Shareholders' Meeting held on 15 April 2021.

The 2021 dividend
The Board of Directors proposes that during the Annual General Meeting on 14 April 2022 shareholder approve the payment of a dividend of €0.35 per share. The dividend comprises: for 0.287588 euro cents, the mandatory portion generated by the SIIQ perimeter, and for 0.062412 euro cents, the reserves released as a result of the disposal of 5 hypermarkets and 1 supermarket. €10.2 million of these reserves remain as part of the mandatory portion to be distributed in 2023.

Investor relations and financial communication

Analyst coverage
At the end of 2021 the target consensus price of the five brokers covering IGD was €4.85. The majority of the analysts have buy recommendations (Buy, Accumulate or Outperform), while the recommendations of 2 analysts are neutral. No broker has issued a sell recommendation.

Presentations and meetings with investors
In 2021 IGD organized four conference calls:

25 February, to discuss the FY 2020 results;

- 6 May, to discuss the results for first quarter 2021;
- 6 August, to discuss results for first half 2021;
- 4 November, to discuss the results for the first nine months of 2021.

There were 160 participants in the conference calls, of which 99 were institutional investors: these figures are slightly higher than in 2020 when there were 149 participants, with 94 institutional investors.

Even though meetings with investors were still limited in 2021 due to the pandemic, IGD participated in a number of virtual events which made it possible to meet with 89 institutional investors, including 25 asset management companies for the first time.

In order to maintain a dialogue with equity portfolio managers IGD met with institutional investors during the virtual roadshows organized by IGD's specialist Intesa Sanpaolo-IMI held on 17 and 29 March, after the 2020 results were published. The company also participated in Borsa Italiana's Virtual STAR Conference (both the 25 May and 13 October editions) and the virtual roadshow organized by Banca Akros on 31 May. On the 15th and 16th of June, management also participated in the virtual event Mid&Small 2021 Spring organized by Virgilio IR and Borsa Italiana's Digital Italian Equity Sustainability Week on July 1st. On 7 September IGD was also present at the Consumer Day of the Italian Equity Week, also organized by Borsa Italiana, and at Morgan Stanley's annual conference held on 30 September. Lastly, on 15 November IGD took part in the fourth edition of Exane BNP Paribas's European Mid Cap CEO Conference and in the EPRA Virtual Corporate Access Day held on 24 November.

A series of virtual one-on-one meetings were also organized during the year with equity investors and bondholders interested in gaining a better understanding of specific aspects of IGD's historic performances and prospects.

Online communication
In 2021, the main goal for the online communication strategy was to give visibility to the content on the corporate website by optimizing graphics, speed and facilitating navigation.

In the 2021-2022 Italian Webranking, which Comprend developed in partnership with Lundquist, IGD received a total of 76.4 points, coming in 12th out of the 111 companies examined, higher than the 17th place seen in 2020. The 8.5 point increase in the score compared to the prior year, which made IGD one of 2021's best improvers, is attributable mainly to the improvement made in the following three areas:
- Governance, with a score that rose from 79% to 99%
- Sustainability, which went from 75% to 91%
- Press, which rose from 75% to 90%.

In 2021 IGD used social media proactively, with an active presence on LinkedIn, YouTube, Facebook and Twitter. More in detail, the focus on LinkedIn caused page views to increase 115% with respect to 2020.

Information provided by the IR team
2021 was the fourteenth consecutive year in which the quarterly newsletter, *IGD News&Views* , was made available in the Media section of IGD's website in Italian and English.

The Investor Relations team also continued with systematic Peer Group Analysis in order to update senior management on the operating performances and multiples of the European retail real estate companies.

The IR Board Report, which provides the Board of Directors with updated information about changes in the institutional shareholder base, analysts' consensus and IGD's multiples, was also prepared every quarter.

Awards received for corporate reporting
In September 2021 EPRA (the European Public Real Estate Association) gave IGD's Consolidated Annual Report 2020 the "EPRA BPR Gold Award" (Best Practice Recommendations) for the fourth year in a row. The Gold Award was given to IGD for having complied with all the Association's high standards and after examining the quality of the annual reports of 181 European real estate companies. As for the Corporate Sustainability Report 2020, for the seventh consecutive year IGD received the "EPRA sBPR Gold Award" (Sustainability Best Practice Recommendations) after the reports of 166 European real estate companies were analyzed.

Financial calendar 2022

24 February - Board of Directors' meeting to approve the draft separate and consolidated financial statements as at 31 December 2021.

14-15 April - Annual General Meeting convened to approve the financial statements for the year ending 31 December 2021 in first call and second call.

5 May - Board of Directors' meeting to approve the Interim Financial Report as at 31 March 2022.

4 August - Board of Directors' meeting to approve the Half-Year Financial Report as at 30 June 2022.

3 November - Board of Directors' meeting to approve the Interim Financial Report at 30 September 2022.

DIRECTORS' REPORT
2.5 SIGNIFICANT EVENTS IN THE YEAR

2.5 SIGNIFICANT EVENTS IN THE YEAR

The main events in 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 standalone 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 as follows: to cover the net loss reported at 31 December 2020 of €66,437,039.64 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.

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

On 22 September 2021 the merger and demerger deeds were filed with the Bologna Revenue Office.

DIRECTORS' REPORT
2.5 SIGNIFICANT EVENTS IN THE YEAR

On 5 August 2021 the Board of Directors examined and approved the half-year financial report at 30 June 2021.

In September 2021 IGD received the "EPRA BPR Gold Award" (Best Practice Recommendations) for its 2020 Consolidated Annual Report for the fourth year in a row. This prize testifies to IGD's continuous commitment to further increasing transparency and comparability in its communication, which benefits investors, the financial community and all the Group's stakeholders.

For the seventh year in a row, IGD also received the EPRA sBPR Gold Award for its Corporate Sustainability Report 2020 which was awarded after careful examination of the reports of 166 European real estate companies. This prize confirms the high standards achieved by IGD in terms of sustainability reporting.

On 30 September 2021 Fitch Ratings Ltd confirmed the Investment Grade rating of BBB- and changed the outlook from Negative to Stable. The revised outlook reflects the improved visibility for rental income, supported by the gradual increase in footfalls and the sales of the tenants in IGD's shopping centers.

On 25 November 2021 IGD signed the definitive contract, further to the preliminary agreement announced to the market on October 21, with Intermediate Capital Group ("ICG", a global asset management company, listed on the London Stock Exchange) for the sale, by IGD, of a property portfolio of hypermarkets and supermarkets for €140 million, consistent with the book value as at 30 June.

The portfolio comprises 5 hypermarkets (located in Livorno, Schio, Lugo, Pesaro and Senigallia) and 1 supermarket (in Cecina). All the properties sold are "stand alone" and not connected to IGD's freehold malls which reflects the Group's strategy to focus on full ownership of the shopping center (mall + hypermarket), allowing for greater flexibility and speed when responding to market changes and tenants' needs.

The transaction was finalized by transferring the entire real estate portfolio to "Fondo Juice" - a closed end real estate investment fund (an Italian REIF) managed by Savills Investment Management SGR S.p.A. - of which ICG will hold 60% of the quotas (Class A, with a preferential yield) through Corallo Lux Holdco S.a.r.l. (an ICG Group company) and IGD the remaining 40% (Class B, with a subordinated yield). The goal is to further enhance the portfolio over the next few years and sell it on the market at the best conditions possible.

Fondo Juice assumed debt of approximately €77 million, equal to 55% the value of the assets sold.

As a result of this transaction, IGD received roughly €115 million, net of the amount reinvested in Fondo Juice; these financial resources will allow Gruppo IGD to reduce the Loan-to-Value and, together with the available liquidity, cover almost all financial maturities through 2022. For more information on the transaction see section 4.6.5 Note 20.

- On 10 December 2021, IGD Service S.r.l., a wholly-owned subsidiary of IGD SIIQ S.p.A., signed a framework agreement with DoMa S.r.l. entailing:

- the sale by IGD Service S.r.l. to DoMa S.r.l. on 1 January 2022 of the mall at the Centro Piave center, for €1 million;

- a facility management contract under which IGD Service S.r.l. will manage the mall at Centro Piave for six years, renewable for an additional three years;

- the termination, on 1 January 2022, of the lease agreement for the mall at Centro Piave that was originally to expire on 30 June 2022.

On 14 December 2021 IGD SIIQ's Board of Directors examined and approved 2022-2024 Business Plan.

On 28 December 2021, IGD Management SIINQ S.p.A. opted to switch to SIINQ status with effect as from the financial year beginning on 1 January 2022. Adhesion to the special regime, in addition to compliance with the objective, subjective and statutory requirements applicable to the SIINQ, makes it mandatory to also draw-up the financial statements based on international accounting standards.

Through 31 December 2020 IGD Management SIINQ S.p.A. had prepared the financial statements in accordance with Italian accounting standards. The FY 2021 financial statements, in accordance with current laws governing SIINQs, was drawn up based on the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) and endorsed by the European Union.

Effective 1 January 2022, Daniele Cabuli resigned from his position as Chief Operating Officer and the Commercial Director (ad interim) in order to take early retirement. Mr. Cabuli also resigned from all positions held in Group companies.

Investments

As the Covid-19 health crisis continued, in the first nine months of 2021 all work underway was still 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.

In addition to the work described above, in the fourth quarter of 2021 the Group began work on the new spaces created by reducing the size of the hypermarket, as well as the restyling of the first floor of the Casilino center in Rome and the restyling at the La Favorita Shopping Center and Retail Park in Mantua, as well as at the Porto Grande center in San Benedetto del Tronto.

The investments made in 2021 are shown below:

	31/12/2021 Euro/mln
DEVELOPMENT PROJECTS:	
Porta a Mare project: Officine Storiche retail area (in progress)	6,01
Porta a Mare project (Trading) (in progress)	3,18
Restyling in progress	2,10
Restyling completed in 2021	0,30
Extraordinary maintenance	9,77
Altri	1,51
Other	**22,87**

Development projects

"Porta a Mare" Project
During the reporting period work continued on the residential portion of the Officine Storiche section for a total of around €3,177 thousand, as did work on the urban works in the Molo, Lips and Arsenale areas, while completion of the work on the retail portion was postponed to the first half of 2022 due to the pandemic, for a total of approximately €6,007 thousand. Twenty preliminary sales agreements/binding offers for residential units, 18 enclosed parking units and 5 parking places in the Officine Storiche area had been signed at 31 December 2021.

Lastly, in 2021 the sale of a residential unit and two enclosed parking units in the Mazzini section closed.

Restyling

In the fourth quarter of 2021 remodeling was completed at the Conè Shopping Center in Conegliano, as per the agreement signed between IGD SIIQ and Unicoop Tirreno to reduce the area of the hypermarket and consequently increase the size of the mall The costs incurred for the work done amounted to €301 thousand.

At 31 December 2021 work was still underway on:

- the restyling of the La Favorita Shopping Center and Retail Park in Mantua and the Porto Grande center in San Benedetto del Tronto. The work is expected to be completed by the second half of 2022. Work carried out in the year totaled €347 thousand and €602 thousand, respectively;

- the remodeling the spaces inside the Porto Grande center in San Benedetto del Tronto created by reducing the size of the hypermarket and, consequently, expand the shopping mall, as per the agreement signed between IGD SIIQ and Coop Alleanza 3.0. The remodeling of the spaces, previously part of the hypermarket, is expected to be completed in the first half of 2022. The work done at 31 December 2021 amounted to €301 thousand;

- creating new medium-sized retail areas at the Casilino center in Rome. The work is expected to be completed by the second half of 2022. The work completed at 31 December 2021 amounted to €829 thousand;

- planning the subdivision of the hypermarket at the Tiburtino center in Guidonia. The design work completed at 31 December 2021 amounted to €17 thousand.

La Favorita (MN) - Piazza food

Porto Grande - San Benedetto del Tronto - Ingresso principale

Extraordinary maintenance

In 2021, extraordinary maintenance continued for a total of €9,772 thousand, relating mainly to reducing the size of the hypermarket at the Casilino center in Rome, earthquake proofing at the La Favorita (Mantua), Centro d'Abruzzo (San Giovanni Teatino) and Porto Grande (Ascoli) centers, fit-outs at the Le Maioliche Shopping Center in Faenza and the Lame Shopping Center in Bologna, in preparation for the opening of two Pepco brand stores, the creation of a bike path at the Clodì Retail Park (Chioggia) and fire alarm system improvements, primarily at a few Romanian shopping centers.

Based on the fair value measurement of investment property, the value of this extraordinary maintenance was fully impaired at 31 December 2021.

2.6 THE REAL ESTATE PORTFOLIO

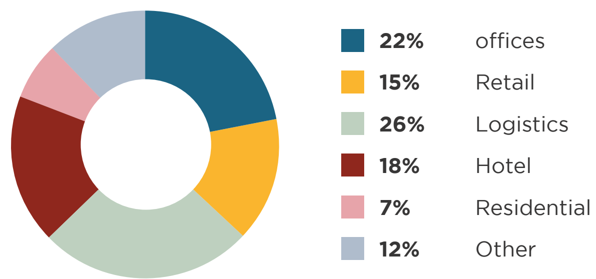
For a better understanding of the performance of Gruppo IGD SIIQ SPA's real estate portfolio in both Italy and Romania, below is a brief description of how the Italian and European retail real estate markets performed in 2021.

The European and Italian real estate market

In 2021 the Italian real estate market was still impacted by the restrictions and uncertainties caused by the Covid-19 pandemic, above all in the first half of the year. Beginning in the second half, with acceleration in the last quarter, real estate transactions began to recover and the total CRE (commercial real estate) transacted reached €10.2 billion, an increase of 13% compared to 2020. The recovery was supported by the easing of the restrictive measures which, together with the ECB's expansionary monetary policy, also brought international investors back to the domestic market which had become more competitive in terms of yields and politically more stable. The recovery in transactions affected basically the entire CRE market, albeit with different degrees of intensity. The logistics segment, with €2.7 billion transacted, the hotel segment with €1.9 billion, alternative with €1.2 billion and residential, with €0.7 billion, all reported strong growth compared to 2020 (including in excess of 80%); the amounts transacted for the office and retail segments, of €2.3 billion and €1.4 billion, respectively, were lower than in 2020 as they continued to be impacted by market uncertainty.

COMMERCIAL REAL ESTATE TRANSACTION IN ITALY IN 2021

2021 Retail investment breakdown in italy



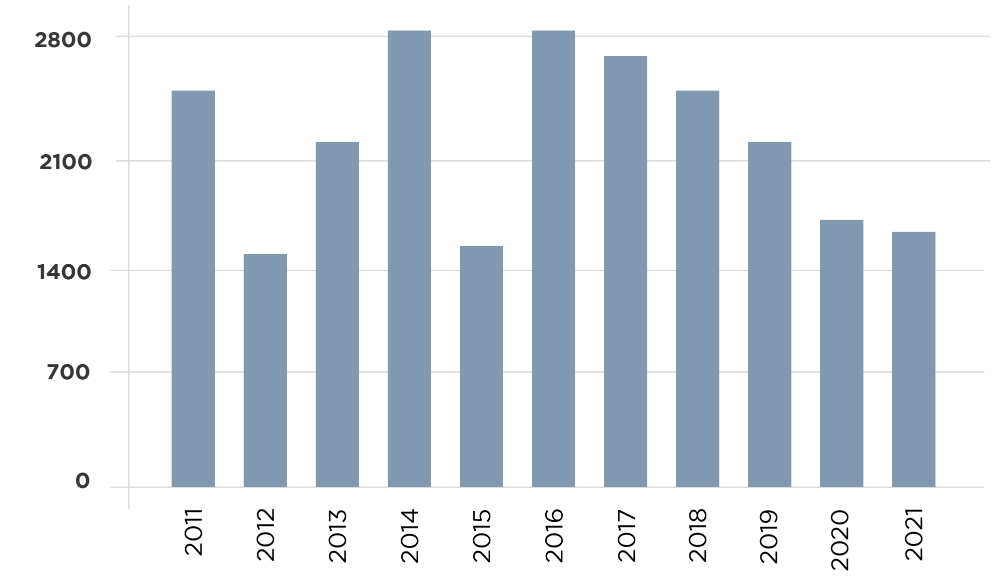
Source Cbre 13 January 2022

The Italian retail real estate market

Investments in the retail real estate market fell by 5% against the prior year to €1.4 billion in 2021, but showed clear signs of a recovery thanks to the strong acceleration seen in the last quarter when 79% of the year's transactions took place.
76% of the transactions involved high street prime assets. As for the out of town assets, at 12% of the total, the grocery format (Hyper/super) showed resilience, as did the retail parks with 7%. There were only a few shopping center deals of a limited size and in secondary locations for a total of just less than €100 million as investors were looking for advantageous opportunities and owners continued to adopt a wait-and-see attitude to sales.

At the end of 2021 the net yield for prime shopping centers reached 6.5% versus 3.5% for the high street segment. Rents/m² for prime shopping centers rose slightly €960/year.

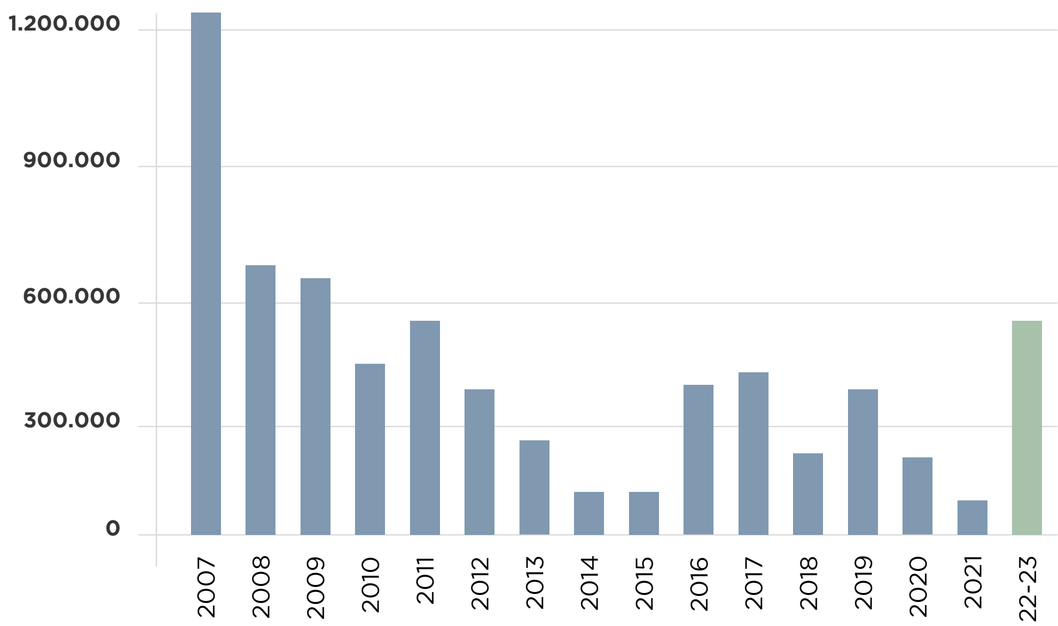
CHANGE IN RETAIL INVESTMENTS IN ITALY IN 2011-2021



Source CBRE 4Q2021

The stock and the retail sector pipeline

NEW RETAIL DEVELOPMENTS COMPLETED AND STILL UNDERWAY AT 31 DECEMBER 2021 (GLA >10,000 M2)



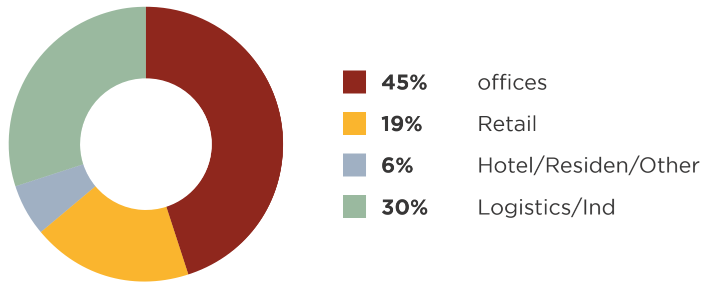
Fonte CBRE market snapshot- retail 4Q2021

DIRECTORS' REPORT
2.6 THE REAL ESTATE PORTFOLIO

The Romanian retail real estate market

In Romania commercial real estate investments totaled €920 million, an increase of 60% against the prior year. The breakdown by sector is shown below:

2021 Retail investment breakdown in romania



The retail sector accounted for 19% of the transactions in the year and the main investors came from other countries like Austria, the Czech Republic and Hungary.

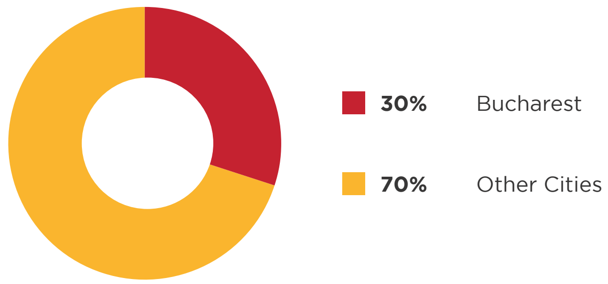
The pandemic slowed, but did not stop, the production of new modern commercial spaces. In 2021 103,000 square meters of new GLA was added and the total stock reached about 4 million square meters GLA.

The change in the composition of the stock, shifting more towards the retail park format to the detriment of the traditional shopping malls, continued. At year-end 2021, the ratio was 37% retail park vs/ 63% shopping malls while in the previous year shopping malls accounted for 65% of the total stock.

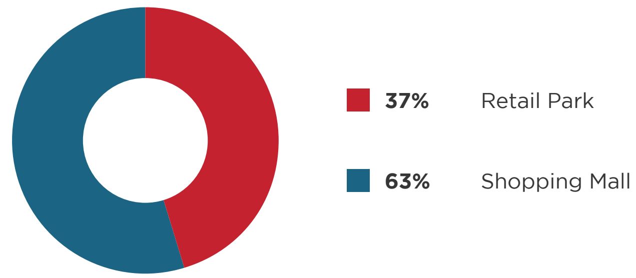
The capital Bucharest continues to be, by far, the city with the largest amount of retail GLA, but the new openings in Romania's other large cities caused the stock to rise by one percentage point in these areas and at year-end 2021 30% of the stock was in Bucharest and 70% in the other cities.

"Prime" retail yields were maintained at 7% in 2021.

Romania: Breakdown Stock Bucharest altre città della romania



Romania: retail stock per format



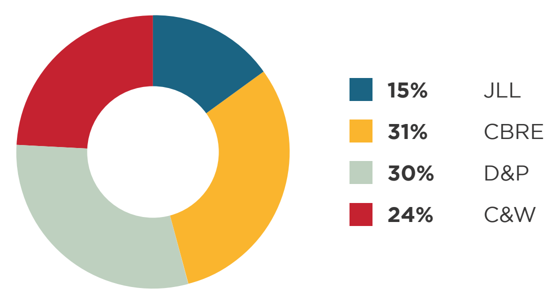
2.6.1 THE REAL ESTATE ASSETS

Based on the appraisals at 31 December 2021, Gruppo IGD SIIQ SPA's freehold real estate portfolio had a fair value of €2,140.47 million, to which the fair value of the leasehold properties (€32.47 million) should be added.

FREEHOLD ASSETS

Gruppo IGD SIIQ SPA's real estate portfolio is comprised of commercial retail properties (of which 92.54% is already generating revenue) and assets under construction. The assets generating revenue streams are found in Italy and Romania, while at 31 December 2021 the development projects were solely in Italy. The property appraisals are carried out by CBRE Valuation S.p.A. (hereinafter referred to as CBRE), Kroll (formerly Duff&Phelps), Cushman & Wakefield LLP (hereinafter C&W) and Jones Lang LaSalle S.p.A (JLL) whose mandates were renewed in 2020 for two more years.

IGD's portfolio breakdown by appraisals at 31.12.2021



The breakdown of fair value by appraiser at 31 December 2021 in Italy and Romania is shown below:

AMOUNTS IN EURO MILLION	FAIR VALUE 31.12.2021 TOTAL	FAIR VALUE 31.12.2021 ITALY	FAIR VALUE 31.12.2021 ROMANIA
C&W	525,06	525,06	0
CBRE	661,98	589,7	72,28
JLL	311,89	311,89	0
KROLL	641,54	578,04	63,5
Total IGD's portfolio	2.140,47	2.004,69	135,78

The fees paid to the independent appraisers at 31 December 2021 are shown below:

AMOUNT IN EURO THOUSAND	APPRAISALS FEES	OTHER FEES	TOTAL FEES
CBRE	130	747	877
KROLL	211	13	224
JLL	52	0	52
C&W	76	0	76
Total fees	469	760	1.229

"Other compensation" refers mainly to the advisory services rendered by a CBRE network company relative to the disposal of 5 hypermarkets and 1 supermarket.
The asset classes comprising the Group's real estate portfolio at 31 December 2021 are described below:

- "Hyper and super": in the second half of 2021, five hypermarkets and one supermarket, for a total GLA of 55,000 square meters, were sold. Two of the five hypermarkets sold were located in the Marche region, while one was in Tuscany, one was in Emilia-Romagna and one was in Veneto. The supermarket sold was in Tuscany. At 31 December 2021 this asset class comprised 19 properties, with a total GLA of about 173,500 m², found in 8 regions in Italy;

- "Malls and retail parks": 27 properties found in 12 regions in Italy. In the second half of 2021, the remodeling/reduction of the Tiburtino hypermarket was completed bringing the total GLA for malls and retail parks to 425,600 m²;

- "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 six properties with a GLA of about 9,150 m²;

- "Progetto Porta a Mare": a mixed-use real estate complex under construction with a residual SLP of approximately 51,821 m² 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 m² GLA;

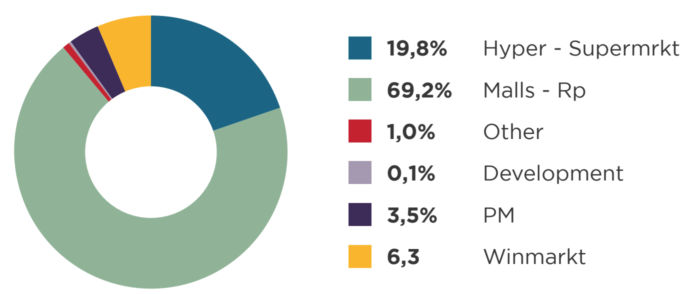
- "Winmarkt": a portfolio of 14 retail properties, and an office building, found throughout Romania covering a total area of approximately 94,000 m². The properties belonging to this asset class are centrally located in thirteen of Romania's largest cities, but none are found in the capital, Bucharest.

Gruppo IGD Siiq has 54 properties in Italy and can be broken down by asset class as follows:
- 19 hypermarkets and supermarkets
- 27 shopping malls and retail parks
- 1 development project
- 1 asset held for trading
- 6 other

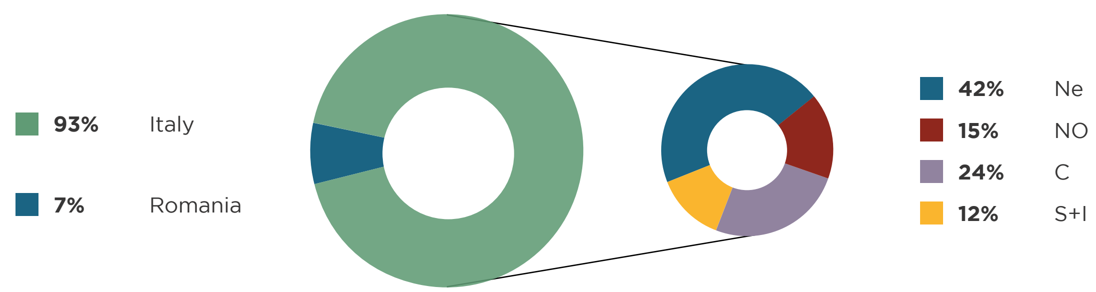
Gruppo IGD has 15 properties in Romania (the Winmarkt portfolio), broken down as follows:
- 14 shopping malls
- 1 office building

2

BREAKDOWN OF IGD'S REAL ESTATE PORTFOLIO AT 31.12.2021 BY ASSET CLASS



GEOGRAPHIC BREAKDOWN OF IGD'S PORTFOLIO IN ITALY AND ROMANIA AT 31 DECEMBER 2021



DIRECTORS' REPORT
2.6 THE REAL ESTATE PORTFOLIO

LEASEHOLD ASSETS

The leasehold assets comprise three Italian shopping malls, with a total GLA of around 31,800 m², found in Villanova di Castenaso (Bologna), San Donà di Piave (Venice) and Livorno.

MAP OF IGD'S REAL ESTATE PORTFOLIO IN ITALY AT 31.12.2021

E.Romagna:
8 Malls, 8 Hyper - super; 5 Other

Piedmont:
2 malls + RP

Lombardy:
3 malls

Liguria:
1 mall

Trentino:
1 mall

Veneto:
2 malls + RP, 2 hyper

Marche:
2 malls, 2 hyper,
1 development project

Abruzzo:
1 mall, 1 hyper

Campania:
1 mall, 1 hyper

Lazio:
2 malls, 3 hyper - super

Tuscany:
1 Asset held for trading, 2 Malls,
1 other

Sicily:
2 hyper, 2 malls

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

MAP OF WINMARKT'S REAL ESTATE PORTFOLIO IN ROMANIA AT 31.12.2021

15 freehold assets

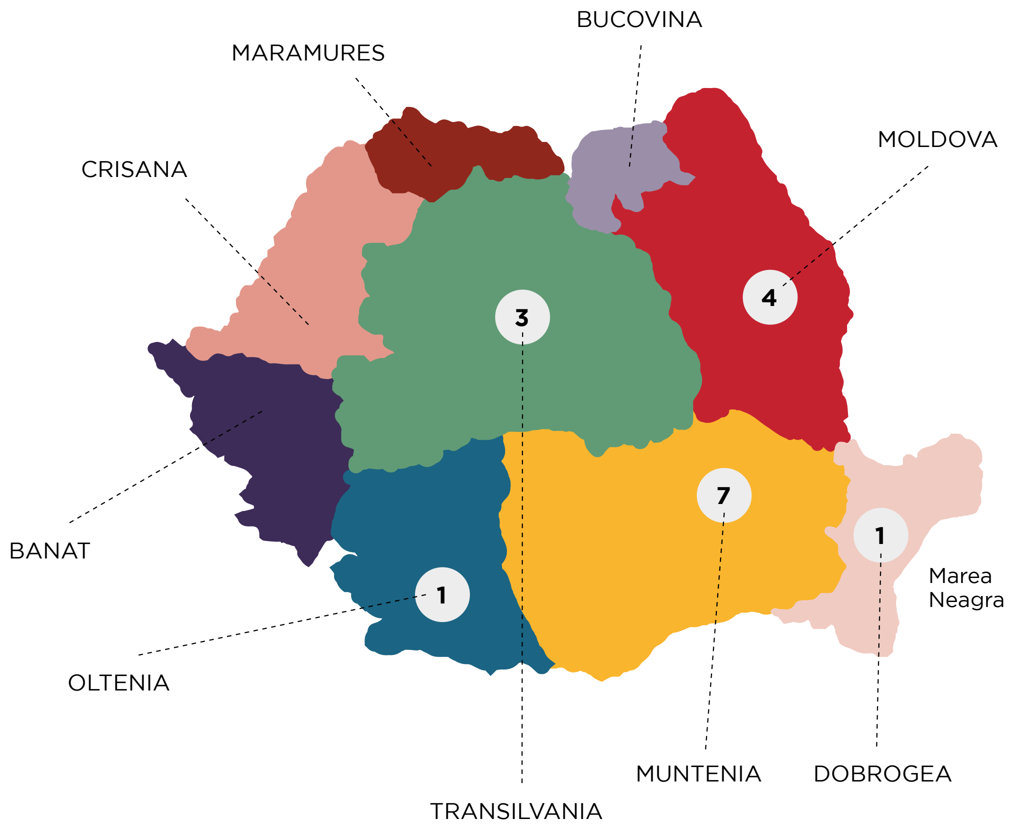
Muntenia:
6 malls,1 office building;

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:

DIRECTORS' REPORT
2.6 THE REAL ESTATE PORTFOLIO

ITALY

APPRAISER	ASSET	LOCATION	MALL AND RETAIL PARK GLA (SQM)	OTHER/ EXTERNAL AREAS	OWNERSHIP	OPENING DATE	DATE OF LAST EXTENSION/ RESTLYING/ REMODELING	% OWNED	FORM OF OWNERSHIP	NO. OF SHOPS	NO. OF MEDIUM SURFACES	NO. OF EXTERNAL AREAS	PARKING PLACES	MAIN BRANDS	FOOD ANCHOR	FOOD ANCHOR GLA
JLL	Galleria Commerciale Millennium Center	Rovereto (TN)	**7.683**	//	IGD MANAGEMENT SRL	**2004**	//	**100**	Freehold property (excluding supermkt and a portion of the malls)	**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**	Piena Proprietà (Hypermkt + Wholesale area + Fitness Area)					//	Ipercoop	**10.435**
JLL	Centro Commerciale ESP	Ravenna (RA)	**29951,58**	**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	Centro Commerciale e Retail Park Conè	Conegliano (TV)	**20559,36**	//	IGD SIIQ SPA	**2010**	**2019** Hyper remodeling - Mall extension 2021	**100**	Freehold property	**56**	**11**		**1.550**	Maison du Monde,Conbipel, H&M, Librerie Coop, Euronics, Scarpe&Scarpe, Stradivarius	Ipercoop	Nuova GLA ridotta **6.972** mq da dicembre 2019 -AV 4.356
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	Centro Commerciale Porto Grande	Porto d'Ascoli (AP)	**7460,09**	**543**	IGD SIIQ SPA	**2001**	**2019** Hyper remodeling - Mall extension and restyling 2021	**100**	Freehold property	**36**	**2**	**1**	**1.730**	Decathlon, Deichmann	Ipercoop	Nuova GLA ridotta **8.360** mq da dicembre 2019
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)	**25342,79**	//	IGD SIIQ SPA	**2009**	//	**100**	Freehold property	**42**	**12**		**2.400**	Deichmann, H&M, Trony, C&A, Decathlon, Bricofer	Ipercoop	NB nuova GLA ridotta 2019 mq **6.163** AV mq 3.906
C&W	Centro Commerciale Leonardo	Imola (BO)	**15015,95**	//	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)	**6139,03**	//	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)	**7.269**	**800**	IGD SIIQ SPA	**2002**	**2019** partial restyling and new MS PT	**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)	**6.083**	//	IGD SIIQ SPA	**2014**	//	**100**	Freehold property	**19**	**1**			Unieuro/Coop	Coop	**1.440**
CBRE	Galleria CC Luna	Sarzana (SP)	**3575,54**	//	IGD SIIQ SPA	**1992**	//	**100**	Freehold property (excluding hypermkt)	**38**	**1**			Piazza Italia, Kiko, GameStop, Camaieu	Ipercoop (not owned)	//
CBRE	Galleria CC Favorita	Mantova (MN)	**7399,74**	//	IGD SIIQ SPA	**1996**	**2007**	**100**	Freehold property (excluding hypermkt)	**33**	**4**			Ovs, Piazza Italia, Calliope, Deichmann	Ipercoop (not owned)	//
CBRE	Retail Park CC Favorita	Mantova (MN)	**6213,64**	//	IGD SIIQ SPA	**1996**	//	**100**	Freehold property (only building 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 hypermkt)	**93**	**3**		**2.854**	H&M, Unieuro, Toys, McDonald, Deichmann, Benetton	Conad (not owned)	//
CBRE	Galleria Commerciale Maremà	Grosseto (GR)	**17120,41**	//	IGD SIIQ SPA	**2016**	//	**100**	Freehold property (excluding hypermkt)	**45**	**6**		**3.000**	Piazza Italia, Decathlon, Zara, Bershka, Stradivarius, Pull & Bear	Ipercoop (not owned)	//
CBRE	Centro Commerciale Katanè	Gravina di Catania (CT)	**14934,58**	//	IGD SIIQ SPA	**2009**	//	**100**	Freehold property	**67**	**6**		**1.320**	Adidas, Euronics, H&M, Conbipel, Piazza Italia,	Ipercoop	**13.663**
KROLL	Centro Commerciale Tiburtino	Guidonia Montecelio (RM)	**36.055**	//	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**
KROLL	MS CC Fonti del Corallo	Livorno (LI)	**5.835**	//	IGD SIIQ SPA	**2003**	//	**100**	Freehold property (only hypermkt + MS from hyper reduction)		**5**			//	ved. Iper Fonti	

ITALY

APPRAI SER	ASSET	LOCATION	MALL AND RETAIL PARK GLA (SQM)	OTHER/ EXTER NAL AREAS	OWNERSHIP	OPENING DATE	DATE OF LAST EXTENSION/ RESTLYING/ REMODELING	% OWNED	FORM OF OWNERSHIP	NO. OF SHOPS	NO. OF MEDIUM SUR FACES	NO. OF EXTERNAL AREAS	PARK ING PLA CES	MAIN BRANDS	FOOD ANCHOR	FOOD ANCHOR GLA
KROLL	Galleria Commerciale Gran Rondò	Crema (CR)	**15.187**	//	IGD SIIQ SPA	**1994**	**2006**	**100**	Freehold property (excluding hypermkt)	**38**	**4**	presente distributore di proprietà Coop Lombardia	**1.280**	Oviesse, Promenade calzature	Ipercoop (not owned)	//
KROLL	Centro Commerciale Le Porte di Napoli	Afragola (NA)	**16.994**	//	IGD SIIQ SPA	**1999**	**2014**	**100**	Freehold property	**67**	**8**		**2.650**	Desigual; Euronics, H&M, Piazza Italia; Rosso Pomodoro	Ipercoop	**9.570**
KROLL	Galleria Commerciale Sarca	Sesto S. Giovanni (MI)	**23.672**	//	IGD MANAGEMENT SRL	**2003**	**2015**	**100**	Freehold property (excluding hypermkt)	**72**	**8**		**2.500**	OVS, H&M, Piazza Italia, Skyline cinema, Roadhouse, Scarpe&Scarpe , Rosso Pomodoro	Ipercoop (not owned)	//
KROLL	Galleria Commerciale e Retail Park Mondovicino	Mondovì (CN)	**17193,6**	//	IGD SIIQ SPA	**2007**	//	**100**	Freehold property (excluding hypermkt)	**42**	**9**		**4.500**	Jysk,OVS, Librerie.Coop, Brico IO, Foot Loker	Ipercoop (not owned)	//
KROLL	Centro Commerciale Darsena City	Ferrara (FE)	**16250,47**	//	IGD SIIQ SPA	**2005**	//	**50**	Freehold property	**15**	**2**		**1.320**	UCI, WeArena	Despar	**3.715**
KROLL	Galleria Commerciale I Bricchi	Isola d'Asti (AT)	**15.994**	245	IGD SIIQ SPA	**2009**	//	**100**	Freehold property (excluding hypermkt)	**24**	**5**		**1.450**	Deichmann	Il Gigante (not owned)	//
KROLL	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**
KROLL	Supermercato Aquileia	Ravenna (RA)	//	//	IGD SIIQ SPA		//	**100**	Freehold property (excluding hypermkt)					//		**2.250**
	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**
	Centro Nova	Villanova di Castenaso (BO)	**12.640**	//	CSII SPA e COPAIN HOLDING SPA	**1995**	**2008**	//	Master Leasing	**55**	**7**		**2.400**	H&M, Librerie Coop, Bershka, Pittarosso, Benetton; McDonald	Ipercoop	**18.268**
	Galleria CC Fonti del Corallo	Livorno (LI)	**7.054**	//	Fondo Mario Negri	**2003**	//	//	Master Leasing	**55**	**2**		**1.600**	Oviesse; Librerie Coop, Bata, Swarovski	Ipercoop	//

DIRECTORS' REPORT
2.6 THE REAL ESTATE PORTFOLIO

ROMANIA

SHOPPING CENTER	LOCATION	GLA SHOPPING CENTER (SQM)	NET SALLING AREA	CIRCULATION (SQM) RENTED	RENTABLE WAREHOUSE/ OFFICE	OWNERSHIP	OPENING DATE	DATE OF EXTENSION/ RESTYLING	EXPAND ING AREA	% OWNED	FORM OF OWNER SHIP	NO. OF SHOPS	NO. OF MEDIUM SUR FACES	PARK ING PLA CES	MAIN BRANDS	FOOD ANCHOR	FOOD ANCHOR GLA	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, B&B Collection, Leonardo, Altex, Fraher, Vodafone	Carrefour	**800**	**650**
Winmarkt	Tulcea	**3.963**	**3.777**	**5**	**182**	Win Magazin SA	**1972**	**2002**		**100**	Freehold property	**27**	//		Carrefour Market, dm drogerie, Leonardo, Big Fitness	Fraher	**405**	**405**
Winmarkt	Cluj Napoca	**7.651**	**5.704**	**85**	**1.510**	Win Magazin SA	**1983**	**2011**		**100**	Freehold property	**36**	//		Altex, Leonardo, dm drogerie, fast-food Pizzamania, Pepco	Carrefour	**1.338**	**1118**
Winmarkt	Bistrita	**5.131**	**4.799**	**61**	**392**	Win Magazin SA	**1984**	**2005**		**100**	Freehold property	**33**	//		Carrefour Market, Pepco, Eponge, Leonardo, Jolidon, Vodafone			
Winmarkt	Alexandria	**3.434**	**3.302**	**33**	**74**	Win Magazin SA	**1978**	**2013**		**100**	Freehold property	**31**	//		Altex, Telekom, B&B	Carrefour	**680**	**680**
Winmarkt	Slatina	**6.086**	**4.833**	**29**	**1.102**	Win Magazin SA	**1975**	**2005**		**100**	Freehold property	**22**	//		Carrefour, Reshoes, Jolidon	Carrefour	**553**	**505**
Winmarkt	Vaslui	**3.622**	**3.452**	**23**	**192**	Win Magazin SA	**1973**	**2006**		**100**	Freehold property	**26**	//		Pepco	Carrefour	**527**	**527**
Winmarkt	Turda	**2.515**	**2.231**	-	**284**	Win Magazin SA	**1981**	**2007**		**100**	Freehold property	**9**	//					
Winmarkt Junior	Ploiesti	**3.012**	**2.137**	**544**	**331**	Win Magazin SA				**100**	Freehold property	**2**	//					

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DIRECTORS' REPORT
2.6 THE REAL ESTATE PORTFOLIO

2.6.2 ANALYSIS BY ASSET CLASS OF THE FREEHOLD PORTFOLIO

In 2021 5 hypermarkets and 1 supermarket, for a total of 6 assets, all which belonged to the hyper/super asset class exited the perimeter of Gruppo IGD's real estate portfolio. The main changes affecting the different asset classes in the year are provided below.

AMOUNTS IN EURO MILLION	IGD GROUP INVESTMENT PROPERTY						DIRECT DEVELOPMENT INITIATIVES	PORTA A MARE PROJECT	TOTAL INVESTMENT PROPERTY, PLOTS OF LAND AND DEVELOPMENT INITIATIVES, ASSETS HELD FOR TRADING	RIGHTS TO USE (IFRS 16)	ASSETS HELD FOR SALE	TOTAL INVESTMENT PROPERTY, PLOTS OF LAND AND DEVELOPMENT INITIATIVES, ASSETS HELD FOR TRADING AND RIGHTS TO USE
	HYPERMARKETS AND SUPERMARKETS	SHOPPING MALLS ITALY	OTHER	TOTAL ITALY	TOTAL ROMANIA	TOTAL IGD GROUP	PLOTS OF LAND AND ANCILLARY COSTS	PORTA A MARE PROJECT (+)				
Book Value 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	0,00	2.309,01
Increases due to 2021 works	0,36	8,08	0,07	8,51	1,07	9,58	0,00	9,18	18,76	0,15	0,00	18,91
Assets disposal	(140,06)	0,00	0,00	(140,06)	0,00	(140,06)	0,00	(0,12)	(140,18)	0,00	0,00	(140,18)
Capital gains from asset disposal	0,94	0,00	0,00	0,94	0,00	0,94	0,00	0,00	0,94	0,00	0,00	0,94
Reclassification from assets under construction	0,00	0,59	0,00	0,59	0,00	0,59	0,00	0,00	0,59	0,00	0,00	0,59
Reclassification from spaces remodeling	(3,45)	3,45	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Reclassification to assets held for sale	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	(1,35)	1,35	0,00
Net revaluation/ writedowns	7,08	(3,79)	0,49	3,78	(3,93)	(0,15)	0,04	(5,22)	(5,33)	(11,00)	0,00	(16,33)
Book Value 31.12.2021	423,84	1.481,62	20,82	1.926,28	135,78	2.062,06	2,51	75,90	2.140,47	31,12	1,35	2.172,94

2.6.2.1 Italy

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, one to the Despar brand, one to the Familia brand and one to the Conad 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 31 December 2021 by the appraisers CBRE, KROLL, C&W and JLL based on the following percentages of FV:

HYPER/SUPER	31/12/2021
JLL	23%
CBRE	16%
KROLL	10%
C&W	51%
TOTAL	**100%**

The DCF method was used by all the appraisers for this asset class.

CBRE, C&W and JLL used a standard duration of 10 years for all the assets, while KROLL used a variable duration depending on the expiration of the lease held by the retailer and the estimated fair value of the space in the year the lease is up for renewal.
The fair value of this asset class reached €423.8 million in 2021, a decrease of -23.7% or €131.6 million compared to the prior year. The decrease is explained by the sale of 5 hypermarkets and 1 supermarket; like-for-like the fair value of this asset class was 1.74% of €7.2 million higher.
The average discount rate was 0.05% higher than in the prior year like-for-like, coming in at 6.34%, while the average gross cap out rate was lower by -0.05% like-for-like, coming in at 6.22%.
The weighted average gross initial yield was 6.06%, unchanged with respect to the prior year.
The occupancy rate for this asset class was unchanged at 100%.

SHOPPING CENTERS AND RETAIL PARKS

Shopping malls and retail parks were valued at 31 December 2021 by the appraisers CBRE, KROLL, C&W and JLL based on the following percentages of FV:

HYPER/SUPER	31/12/2021
JLL	14%
CBRE	30%
KROLL	35%
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; KROLL used a standard duration of 15 years.

The fair value of this asset class reached €1,481.6 million, an increase of 0.35% or €4.9 million with respect to the prior year.

The average discount rate was 0.04% higher than in the prior year, coming in at 7.10% and the average gross cap out came to 7.17% (+ 0.06%).

The average gross initial yield for this asset class came to 6.57%, an increase of 0.04% against the prior year.

The financial occupancy rate came to 93.94% at 31 December 2021, recovering 1.55% against 2020.

DEVELOPMENT PROJECTS

At 31 December 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 GLA of around 5,000 m².

"Development projects" were valued entirely by C&W using the residual method.

The fair value of this asset class reached an estimated €2.51 million at 31 December 2021, in line with the prior year.

PORTA A MARE PROJECT

The assets of Porta Medicea, owner of the Porta a Mare Project, were valued at 31 December 2021 entirely by the 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 has a total GLA of 296 m² (which refers to the last residential units completed which should be sole in the first half of 2022);
- Officine Storiche (retail, residential, parking and public parking) which has a total GLA of 20,537 m². Work began in first half 2015 and sales of residential units began in 2021;
- Lips (retail, tourist services, accommodations and temporary residences) which has a total GLA of 15,867 m²;
- Molo Mediceo (retail, services and temporary residences) which has a total GLA of 7,350 m²;

Arsenale (retail, temporary residences and parking) which has a total GLA of 7,771 m.

The fair value of this asset class reached €75.9 million at 31 December 2021, an increase of 5.33% or €5.8 million due to the progress made on the Officine residential and commercial section.

The fair value of the Porta a Mare Project at 31 December 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 2.79% bps or €0.565 million at 31 December 2021, coming in at €20.8 million.

"Other" was valued at 31 December 2021 by the appraisers Kroll and JLL based on the following percentages of FV:

OTHER	31/12/2021
JLL	1%
KROLL	99%
TOTAL	**100%**

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

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DIRECTORS' REPORT
2.6 THE REAL ESTATE PORTFOLIO

2.6.2.2 Romania

The Winmarkt properties were valued at 31 December 2021 by the appraisers CBRE and KROLL based on the following percentages of FV:

WINMARKT	31/12/2021
CBRE	53%
KROLL	47%
TOTAL	**100%**

The DCF method was used by both independent experts. KROLL applied a standard duration of 15 years and CBRE of 10 years.

The FV of this asset class came to €135.78 million, down 2.06% or €2.86 million compared to the prior year.

The average gross initial yield for the malls at 31 December 2021 was 0.27% higher than in the prior year, coming in at 7.61% in the wake of the lower fair value.

The average discount rate for malls was unchanged with respect to the prior year, coming in at 7.86%.

The average gross cap out for the malls reached 8.03%, showing an increase of 0.12% against the prior year.

The financial occupancy rate for the Winmarkt malls recovered throughout 2021 and reached 94.60% at 31 December, an increase of 1.05% against the prior year.

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

Summary at 31.12.2021:

	N° OF ASSET	GLA (SQM)	GROSS INITIAL YIELD	GROSS CAP OUT	WEGHTED DISCOUNT RATE	FINANCIAL OCCUPANCY	ANNUAL RENTAL VALUE/SQM	ERV/ SQM
Hypermarkets and supermarkets	19	173.350	6,06%	6,22%	6,34%	100%	150	145
Shopping malls Italy	27	425.585	6,57%	7,17%	7,10%	93,93%	225	235
Total hypermkt and malls Italy	46	598.935	6,45%	6,96%	6,93%	95,16%	202	209
Malls Romania	15	94.755	7,6%	8,03%	7,89%	94,60%	101	103
Total hypermkts and malls IGD Group	**61**	**693.390**	**6,53%**	**7,03%**	**6,99%**	**95,12%**	**188**	**194**

Summary at 31.12.2021:

	N° OF ASSET	GLA (SQM)	GROSS INITIAL YIELD	GROSS CAP OUT	WEGHTED DISCOUNT RATE	FINANCIAL OCCUPANCY	ANNUAL RENTAL VALUE/SQM	ERV/ SQM
Hypermarkets and supermarkets	25	228.000	6,02%	6,27%	6,28%	100%	148	148
Shopping malls Italy	27	423.000	6,53%	7,11%	7,06%	92,39%	228	235
Total hypermkt and malls Italy	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 hypermkts and malls IGD Group	**67**	**745.000**	**6,48%**	**6,99%**	**6,95%**	**93,94%**	**186**	**194**

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

Category	Book Value 31/12/2021	Accounting Method	Market Value 31/12/2021	Book Value 31/12/2020	Change
IGD GROUP REAL ESTATE INVESTMENTS					
Hypermarkets and supermarkets	423,84	fair value	423,84	558,97	(135,13)
Shopping malls Italy	1.481,62	fair value	1.481,62	1.473,29	8,33
Other	20,82	fair value	20,82	20,26	0,56
Total Italy	**1.926,28**		**1.926,28**	**2.052,52**	**(126,24)**
Shopping malls Romania	133,08	fair value	133,08	135,94	(2,86)
Other Romania	2,70	fair value	2,70	2,70	0
Total Romania	**135,78**		**135,78**	**138,64**	**(2,86)**
Total IGD's Group	**2.062,06**		**2.062,06**	**2.191,16**	**(129,10)**

Category	Book Value 31/12/2021	Accounting Method	Market Value 31/12/2021	Book Value 31/12/2020	Change
Plots of land and ancillary costs	2,51	adjusted cost / Fair value	2,51	2,47	0,04
Direct development initiatives	**2,51**	**adjusted cost / Fair value**	**2,51**	**2,47**	**0,04**

Category	Book Value 31/12/2021	Accounting Method	Market Value 31/12/2021	Book Value 31/12/2020	Change
Porta a Mare project*	75,90	adjusted cost / Fair value	75,90	72,06	3,84

Category	Book Value 31/12/2021	Accounting Method	Market Value 31/12/2021	Book Value 31/12/2020	Change
Rights to use (IFRS 16)	31,12	fair value	31,12	43,32	(12,20)
Total rights to use	**31,12**		**31,12**	**43,32**	**(12,20)**

Category	Book Value 31/12/2021	Accounting Method	Market Value 31/12/2021	Book Value 31/12/2020	Change
Assets held for sale	1,35	fair value	1,35	0,00	1,35
Assets held for sale	**1,35**		**1,35**	**0,00**	**1,35**

Investimenti Immobiliari, terreni e iniziative di sviluppo, immobili per trading e diritti d'uso	Book Value 31/12/2021	Market Value 31/12/2021	Book Value 31/12/2020	Change
Total	**2.172,94**	**2.171,59**	**2.309,01**	**(137,42)**

** The figure includes the portion of the retail units included in preliminary sales agreements with IGD SIIQ S.p.A. classified in the financial statements as work in progress and advances.*

The details of the main development projects are shown below:

PROJECT	TYPE	LOCATION	GLA	COMPLETION DATE	ESTIMATED INVESTMENT	BOOK VALUE AT 31.12.2021 (Mln/€)	% HELD	STATUS
PORTO GRANDE	Extension	Porto d'Ascoli (AP)	5.000 mq	01/06/2024	approx. 9,9 Mln/€	2,51	100%	Planning stage completed. All the building permits and authorisation for preletting activities have been issued
Total						**2,51**		

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2.7 REAL ESTATE APPRAISALS

CUSHMAN & WAKEFIELD

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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:	**25 JANUARY 2022**
VALUATION DATE:	**31 DECEMBER 2021**
OUR REFERENCE:	***VAL/CLI/IGD-GRUPPOIGD-CERTVALPERBILANCIO-211231-01-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-211231-01-ITA*.

Detailed reports relating to the Properties are enclosed under Section A of *Ref: IGD-GruppoIGD-CertVal-211231-01-ITA*.

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 June 2021. 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 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").

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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-211231-01-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-211231-01-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-211231-01-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-211231-01-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-211231-01-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,

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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-211231-01-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 COVID-19 pandemic and measures to tackle it continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning, 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:

€517,270,000
(Five hundred seventeen million two hundred and seventy 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-211231-01-ITA*.

As per your request we report in the following table the Values gross of purchaser's costs, which is equal to €525,064,249.

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

DIRECTORS' REPORT
2.7 REAL ESTATE APPRAISALS

CUSHMAN & WAKEFIELD

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-211231-01-ENG

For translation purposes only – Italian version legally binding

TO:	**GRUPPO IGD**
ATTENTION:	**MR. ROBERTO ZOIA**
PROPERTY:	**REAL ESTATE PORTFOLIO (excluding buildable land)**
REPORT DATE:	**25 JANUARY 2022**
VALUATION DATE:	**31 DECEMBER 2021**
OUR REFERENCE:	*VAL/CLI/IGD-GRUPPOIGDNOSVILUPPI-VALCERTPERBILANCIO-211231-01-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-211231-01-ITA*.

Detailed reports relating to the Properties are enclosed under Section A of *Ref: IGD-GruppoIGDNoSviluppi-CertVal-211231-01-ITA*.

1.2 THE PROPERTIES

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

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-211231-01-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.

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 June 2021. 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 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-211231-01-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-211231-01-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-211231-01-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-211231-01-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-211231-01-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 COVID-19 pandemic and measures to tackle it continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning, 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:

€514,800,000
(Five hundred fourteen million eight hundred 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-GruppoIGDNoSviluppi-CertVal-211231-01-ITA.*

As per your request we report the Value gross of purchaser's costs, which is equal to €522,554,147.

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-211231-01-ENG
For translation purposes only – Italian version legally binding

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 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

27 January 2022

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

31 December 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 31 December 2021:

€661,981,500.00 (SIX HUNDRED SIXTY-ONE MILLION NINE HUNDRED EIGHTY ONE 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 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.

DIRECTORS' REPORT
2.7 REAL ESTATE APPRAISALS

Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject property as at the Valuation date.

Sustainability Considerations

Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. 'Sustainability' is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historic land use.

Sustainability has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability requirements in their bids and the impact on market valuations.

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.

IGD SIIQ SPA | CBRE PROJECT REFERENCE 21-64VAL-0270
IGD SIIQ SPA
DATE OF VALUATION: 31 DECEMBER 2021

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

CBRE Valuation S.p.A.
Valuation & Advisory Services
Piazza degli Affari, 2
20123 Milano 21-64VAL-0250
Project reference: 21-64VAL-0270

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

27 January 2022

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

31 December 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 31 December 2021:

€586,080,000.00 (FIVE HUNDRED EIGHTY-SIX MILLION EIGHTY 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 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.

Sustainability Considerations

Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. 'Sustainability' is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historic land use.

Sustainability has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability requirements in their bids and the impact on market valuations.

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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21-64VAL-0250

DIRECTORS' REPORT
2.7 REAL ESTATE APPRAISALS

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Valuation Advisory

Valuation Certificate

Client: IGD SiiQ S.p.A.

Property: Retail Portfolio

12/2021 - FINAL

Property: Retail Portfolio 12/2021 - FINAL

1. Valuation Certificate

1.1. Subject properties

The retail portfolio under-analysis consists of 4 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
Supermercato Civitacastellana	Civita Castellana (LT)	Supermarket	3,020
Ipermercato Coné	Conegliano (VE)	Hypermarket	6,972
Galleria Commerciale + RP Coné	Conegliano VE)	Shopping Gallery + Retail Park	20,466
Ipermercato Malatesta	Rimini	Hypermarket	10,435
Area Fitness Malatesta	Rimini	Fitness area	882
Ipermercato ESP	Ravenna (RA)	Hypermarket	16,536
Galleria Commerciale ESP	Ravenna (RA)	Shopping Gallery	33,152
Galleria Millenium	Rovereto (TN)	Shopping Gallery	7,668

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, 31st of December 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."

 5

Property: Retail Portfolio 12/2021 - FINAL

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 9 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 9 months of 2021;
- Non- recoverable Landlord costs;
- Summary schedule of all additional income;

Property: Retail Portfolio 12/2021 - FINAL

- Forecast turnover rent generated in 2022;
- Asset summary identification schedules;
- ESG schedules.

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 € 303,615,000, while the sum of the rounded Gross Market Values is equal to € 311,886,000 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

KROLL
REAL ESTATE
ADVISORY GROUP

Agrate Brianza, 31st January 2022
Ref. n° 21222R09 – 21199R09

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 December 31st, 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, **KROLL Advisory S.p.A., Real Estate Advisory Group Division (hereinafter 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 December 31st, 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.

KROLL Advisory S.p.A.
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KROLL
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ADVISORY GROUP

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).

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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 December 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 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.

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REAG moreover:

- Carried out site inspections on the Properties located in Afragola (CC Porte di Napoli), Ferrara (CC Darsena City), Sesto San Giovanni (CC Sarca), Ravenna (via Aquileia), Mondovì (CC e RP Mondovicino), Isola d'Asti (CC I Bricchi), Chioggia (RP Clodì), Crema (Gran Rondò), Bologna (uffici e Virtus Arco Campus) in Italy, 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 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.

DIRECTORS' REPORT
2.7 REAL ESTATE APPRAISALS

KROLL REAL ESTATE ADVISORY GROUP

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.

KROLL REAL ESTATE ADVISORY GROUP

Given the above considerations

It is our opinion that, as of December 31st, 2021, the **Market Value** of the subject Properties can reasonably be expressed as follows:

Euro 641.540.000,00

(Euro Six Hundred Forty One Millions Five Hundred Forty Thousands/00)

The COVID-19 pandemic continues to have a global impact on world economies, although the year 2021 has seen a significant recovery, which, nationally, has resulted in a forecast a 6% recovery of the GDP for 2021 (against a drop of 8.9% in 2020). Over the course of 2021, a slowdown of the epidemic was witnessed, as the vaccination campaign progressed; the situation described was accompanied by a gradual relaxation of restrictions in the Spring of 2021, in addition to the introduction of the obligation of a "green pass", starting from August, as a condition to be able to carry out various types of activities.
The situation has improved considerably compared to past months, although there is still uncertainty linked to the duration of the vaccine effectiveness over time and the ever-present risk of the development of new, more transmissible and resistant variants of the Coronavirus. All the above being understood, the actual absence of restrictions and the contribution of the Recovery Fund "Next Generation EU", in addition to putting into effect measures for motivating the economy, sketch out a very positive picture for the Italian economy, with effects also expected on the real estate market and in the construction sector.
At the valuation date, real estate markets are again active in most of the asset classes, with a volume of transactions sufficient to support carrying out the valuation by means of market evidence. Market dynamics vary based on the specific sector and particular location.
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. By observing the volatile trend of markets and the still-clear effects of the pandemic on the real estate market, too, it is deemed timely to cautiously consider the conditions of uncertainty, even in a scenario of regained, post-pandemic normality of economic and production activities.
In view of the continuation of the pandemic and the readjustment of different markets, including the real estate market, the value judgment expressed 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, 31st January 2022

Ref. n° 21222R09 – 21199R09

KROLL Advisory 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.

DIRECTORS' REPORT
2.8 THE SIIQ REGULATORY ENVIRONMENT AND INFORMATION ON THE COMPANY'S COMPLIANCE

2.8 THE SIIQ REGULATORY ENVIRONMENT AND INFORMATION ON THE COMPANY'S COMPLIANCE

The special SIIQ (Società di Investimento Immobiliare Quotate) regime was introduced in Art. 1, paragraphs 119 - 141, of Law n. 296 dated 27 December 2006 ("**the Founding Law**") and is governed by the Ministry of Economics and Finance's decree n. 174 dated 7 September 2007 ("**the Implementing Regulation**").

Pursuant to the law the income generated by rental activities is exempt from IRES and IRAP as long as the company distributes a minimum percentage of the income generated by this activity ("**Exempt Operations**").

Based on Legislative Decree n. 133 of 12 September 2014, converted as amended into Law n. 164 of 11 November 2014, exempt operations may also include the capital gains and losses relating to rental properties and interests held in SIIQ or SIINQ, as well as the income, capital gains and losses, relating to interests held in "qualified" real estate funds.

In order to fulfill the distribution requirements, the SIIQs must distribute (or risk losing their SIIQ status): (i) at least 70% of the distributable income generated by exempt operations upon approval of the full year financial statements; (ii) at least 50% of the capital gains generated by the sale of rental properties, interests in SIIQs or SIINQs, as well as in qualified real estate investment funds within two years of their realization.

The main characteristic of the special regime is, therefore, the possibility of benefitting from a specific system of taxation, once certain mandatory qualifications are complied with, based on which earnings are subject to taxation solely upon distribution to shareholders which basically inverts the system of taxation based on which income is subject to taxation when posted by the company rather than when distributed.

The current requirements for eligibility under the special regime can be summarized as follows:

Subjective requirements

- must be a joint stock company
- must reside in Italy for tax purposes or, with regard to companies with stable real estate businesses in Italy, in one of the countries, member of the European Union and party to the agreement to create a single European economic zone as indicated in the list appended to the decree issued by the Ministry of Treasury and Finance as per paragraph 1 of Art. 168-*bis* of the Uniform Income Tax Act
- shares must be traded on a regulated market

Statutory requirements

The corporate bylaws must include:

- rules which regulate investments
- limits on the concentration of investment and counterparty risk
- limits on the maximum financial leverage allowed

Objective requirements

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

The failure to comply with one of the most important conditions for 3 consecutive years will result in ineligibility under the special regime and the ordinary rules and regulations will be applied beginning as of the second of the three years considered.

Ownership requirements

- a single shareholder may not hold more than 60% of the voting rights exercisable in ordinary Shareholders' Meetings and more than 60% of the dividend rights, the so-called "**Control limit**"
- at least 25% of the float must be held by shareholders who, at the time the option is exercised, hold less than 2% of the voting rights exercisable in ordinary Shareholders' Meetings and less than 2% of the dividend rights, the so-called "**Float requisite**". This requisite is not applicable to companies that are already listed.

With regard to the verification of eligibility, based on the Founding Law the subjective and statutory requirements must be met before the option is exercised while the verification of the objective and ownership requirements is done after the close of the financial statements for the year in which the option was exercised, and subsequently verified after the close of every year.

COMPLIANCE WITH SUBJECTIVE, OBJECTIVE AND OWNERSHIP REQUIREMENTS

The subjective requirements were satisfied as IGD SIIQ SPA is a joint stock company, with headquarters and residing, for tax purposes, in Italy. Its shares are traded on the Mercato Telematico Azionario (MTA - screen-based stock market) managed by Borsa Italiana S.p.A. in the STAR segment.

Based on the parent company's financial statements at 31 December 2021, similar to year-end 2020, the objective requirements were all satisfied. The asset test, based on which the value of freehold rental properties must represent more than 80% of the total value of the real estate assets, and the profit test, based on which revenues from the rental of freehold properties or other property rights rental activities must total at least 80% of the positive entries in the income statement, were satisfied.

As for the ownership requirements, based on the information available to the company, no single shareholder holds more than 60% of the voting rights exercisable in ordinary Shareholders' Meetings and more than 60% of the dividend rights.

COMPLIANCE WITH STATUTORY REQUIREMENTS

With regard to the Statutory requirements, please note the following.

With regard to investments, it is expressly provided in Art. 4.3 lett. i) of the Company's bylaws that: "*the Company shall not, either directly or through its subsidiaries, invest more than 30 percent of its assets in a single property with urban and functional characteristics, except in the case of development plans covered by a single planning scheme, where portions of the property are covered by individual, functionally independent building permits, or equipped with urban works that are sufficient to guarantee connection to public services";*

The Company did not invest, either directly or through its subsidiaries, more than 30% of its assets in a single property with urban and functional characteristics.

With regard to the limits on the concentration of investment and counterparty risk, it is expressly provided in Art. 4.3 lett. ii) of the Company's bylaws that: "*income from a single tenant or from tenants belonging to a single group may not exceed 60 percent of total rental income*".

The income from a single tenant or tenants belonging to a single group did not exceed 60% of total rental income.

With regard to limits on the maximum financial leverage permitted, it is expressly provided in Art. 4.3 lett. ii) of the Company's bylaws that: *"the maximum permitted financial leverage, at a company or group level, is 85 percent of equity".*

Financial leverage, either at the group or company level, never exceeded 85% of equity.

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

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

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

With regard to 2020, in light of the loss recorded by the parent company IGD SIIQ S.p.A. the distribution requirement was waived and with a view to safeguarding financial stability, given the uncertainty stemming from the pandemic, on 25 February 2021 IGD's Board of Directors submitted a proposal not to distribute a dividend for 2020 which was approved during the Shareholders' Meeting held on 15 April 2021.

2.9 ORGANIZATION AND HUMAN RESOURCES

ORGANIZATIONAL STRUCTURE

During the year IGD worked in various areas related to organization and personnel in order to:

• maintain the stability of the company's workforce which, while lower by 2 heads, is in line with 2020;

• institute the IT Division, comprising a Manager and two other resources, which will support the project to internalize infrastructure and systems that in 2022 all the Group companies will be involved in;

• strengthen the Leasing team, after the exit of one resource, by adding two new Senior Leasors with many years of experience working for competitors;

• reorganize the HSE function, identifying strategic and operational activities, as well as streamline the relative responsibilities;

• implement the single merger by incorporation of RGD Ferrara 2013 S.r.l. and Millennium Gallery S.r.l. in IGD Management S.r.l and the proportional partial demerger of IGD Management post-merger into IGD Service S.r.l, which will result in the transfer of network personnel to the latter in order to streamline the Group's ownership structure;

• reorganize the divisions following the elimination of the Chief Operating Officer position after Daniele Cabuli retired. Effective 1.1.2022, Laura Poggi was appointed Director of the Commercial Department, Marketing and CSR and Carlo Barban is now in charge of Leasing, Credit Management and HR, in addition to the other divisions for which he was already responsible (Administration, Corporate and Legal Affairs and IT);

• reconfigure the Sustainability Committee for which the Director of Planning, Control and IR, Raffaele Nardi, is now responsible;

• reorganize the personnel involved in the management of the Quarto Nuovo center which is now managed by another property;

• replace other vacated positions (Marketing, Leasing, Administration) offering, where possible, colleagues development opportunities in a new role.

WORKFORCE AND TURNOVER

The workforce of Gruppo **IGD ITALIA** decreased by 2 heads.

The breakdown of Gruppo IGD ITALIA personnel by job level and gender is shown below:

	EXECUTIVE	MIDDLE MANAGERS	JUNIOR MANAGERS	CLERKS	OF WHICH FIXED TERMS	TOTAL	PERCENTAGE
MEN	5	14	31	12	1	62	46%
WOMEN	0	8	27	38	3	73	54%
TOTAL	5	22	58	50	4	135	
Percentage	4%	16%	43%	37%		100%	100%
Percentage of total employees					3%		

The breakdown of turnover in Gruppo IGD ITALIA personnel by job levels (including fixed term contracts) is shown below:

	HIRES (*)	RESIGNATIONS (*)	CHANGE
Executive	0	0	0
Middle Managers	1	2	-1
Junior Managers	2	2	0
Clercks	3	2	1
TOTAL	6	6	0

(*) escluse promozioni per Dir, Q e ID

The breakdown of Gruppo IGD ITALY personnel by job levels (including fixed term contracts) and company is shown below:

	EXECUTIVE	MIDDLE MANAGERS	JUNIOR MANAGERS	CLERKS	OF WHICH FIXED TERMS	TOTAL	PERCENTAGE
IGD SIIQ	5	14	29	29	2	77	57%
IGD SERVICE	0	8	29	20	2	57	42%
PORTA MEDICEA	0	0	1	0	0	1	1%<
TOTAL	5	22	59	49	4	135	100%
Percentage	4%	16%	44%	36%		100%	
Percentage of total employees					3%		

The number of fixed term contents went from 6 in 2020 to 4 in 2021 (4% of the indefinite contracts).

The turnover rate in Italy, calculated as the number of indefinite contracts terminated between 1.1.2021 al 31.12.2021 and compared to the fixed term contracts at 31.12.2021, came to 4.6% due to the resignations in the year, which were double 2020. While limited, this phenomenon is linked to what is referred to as the "Great Resignation"; namely the increase in voluntary resignations as professional and personal goals are redefined, a trend that was accentuated by the pandemic and the different ways of working (i.e. remotely). In Gruppo IGD the resignations are explained by retirement, long-distance moves and transfers, as well as alternative career choices (entrepreneurial instead of employee, technical instead of commercial).

The workforce at **Winmarkt ROMANIA** Group dropped by 9 heads (from 40 heads in 2020 to 31 heads in 2021). The decrease in the workforce in Romania, higher than in past years, is explained by retirement and a few organizational changes involving both the network and headquarters. At headquarters, it was decided to outsource legal functions, while internal career paths were developed aimed at promoting individual growth and employment stability. At the same time the network was reorganized with a decrease in shopping center managers in order to enhance the career paths of the area heads, entrusting them with the management of more shopping centers.

Turnover in Romania, namely terminations (excluding fixed term contracts) as a percentage of permanent employees at 31.12.2021 came to 30%.

The breakdown of the Winmarkt ROMANIA Group personnel by job level and gender is shown below:

	EXECUTIVES	MIDDLE MANAGERS	JUNIOR MANAGERS	CLERKS	TOTAL	PERCENTAGE
MEN	0	2	7	4	13	42%
WOMEN	0	4	3	11	18	58%
TOTAL	0	6	10	15	31	100%
Percentage	0%	19%	32%	48%	100%	

The breakdown of the Winmarkt ROMANIA Group personnel turnover by job level (including fixed term contracts) is shown below:

	HIRES	RESIGNATIONS	CHANGE
Executive	0	0	0
Middle Managers	0	1	-1
Junior Managers	1	3	-2
Clerks	3	9	-6
TOTAL	4	13	-9

2

The only fixed term contract (out of a total of 31 contracts) in Winmarkt is explained by a local regulation based on which an indefinite contract must be transformed into a fixed term contract, once retirement age is reached.

WELLNESS

2021 is the fifth year of life of IGD's Corporate Wellness Program.

IGD set up a Wellness Portal which allows employees to access a series of services made available by the company as part of the Corporate Wellness Program.

The goal is to increase the individual wellbeing of employees and their families in the community and have a positive impact on the organizational structure, as well as on the workplace environment.

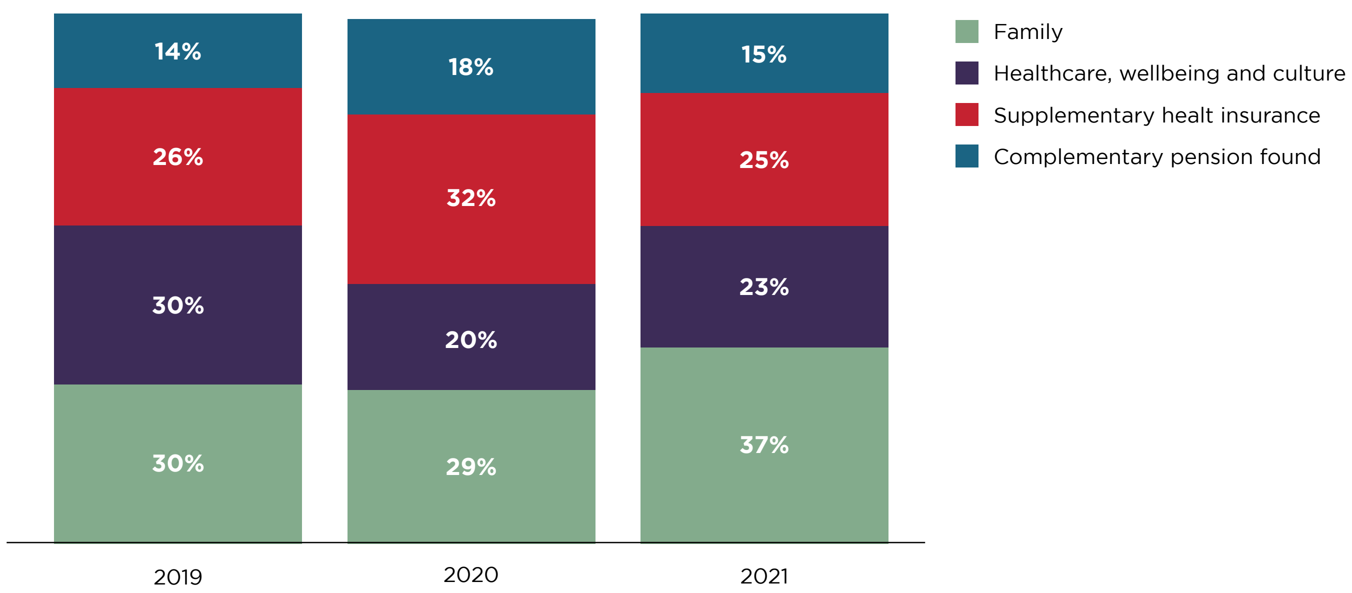
All permanent employees (with the exception of executives) have a personal budget (the same amount is provided proportionately to full and part time employees) which can be utilized during the year by using their personal passwords to access the portal.

Coupons and vouchers relating to courses and training, culture, recreation, supplemental retirement plans, social assistance and health insurance can be found on the portal.

100% of the 127 eligible employees took advantage of the program.

For part of 2021, employees had less time to enjoy leisure time benefits due to the Covid-19 restrictions. The category «Health-Wellbeing-Culture», however, gained in popularity as it became possible, thanks to the post-pandemic re-openings, to enjoy related activities (fitness, culture, entertainment, tourism, restaurants). "Family" was decidedly the most popular category while "Supplemental Health Insurance" and "Supplemental retirement plans", which in 2020 were the most sought after, fell slightly as the "budgets" used for other activities.

COMPARISON OF WELLNESS SERVICES USED



COMPENSATION POLICIES AND PROFESSIONAL DEVELOPMENT

In 2021, all employees in Italy with indefinite contracts (with the exception of those on long-term leaves of absence) were assigned company and individual targets as part of the company **incentive system** which provides for a bonus (variable compensation) of these targets are reached. The variable compensation paid in the year, related to targets achieved in 2020, reached 52% of the amount payable, 9 points lower than in the prior year. The difference is attributable mainly to the failure to reach targets, as well as the managers' decision to forgo the bonus given the uncertain economic environment caused by the pandemic.

75 employees, or 56.4% of the entire workforce, were involved in the yearly performance reviews (in line with the prior year). In 2021, once again, there were no merit based pay raises because IGD decided to suspend pay raises in light of the uncertain economic environment and the impact of the company's results. The deadlines of the career paths already undertaken or included in a contract, were however, respected and as a result 5 new career paths were started and 3 were terminated.

With regard to health and wellbeing, Gruppo IGD offered all employees the possibility of receiving **vaccinations,** free of charge, in hubs shared with the parent company. The company also continued to manage the pandemic, through both security personnel and the support of the internal Covid-19 Committee, while overseeing the compliance with the "Precautionary measures to contain the spread of Covid-19 infections" summarized in a document with the same name prepared in accordance with the law.

Lastly, as use of **smart working** has become increasingly widespread, at the end of 2021 IGD, in agreement with the labor unions, signed a temporary and experimental agreement for the first nine months of 2022 based on which employees of IGD SiiQ S.p.A. may work remotely for a maximum of two days per week.

In Romania 14 merit based pay raises were granted, in light of both the commitment demonstrated by employees during the pandemic and the results obtained.

TRAINING

In 2021 the training offered by Gruppo IGD was focused on the development of hard and soft skills.

The former included activities related to **H&S**, including the training for the "Biosafety" certification obtained in the fourth quarter of 2021, for headquarters and the largest shopping centers.

Mandatory courses relating to safety were offered to both new-hires and in order to renew expiring certifications. Lastly, an update on environmental regulations was offered to the entire network.

- Security courses focused on:
- training for new hires;
- five-year update for workers;
- training of supervisors;
- updates for the workers' safety representatives;
- fire safety training updates.
- first aid training.

Compliance courses focused on procurement procedures and the training program for new hires.

Training sessions were also provided to users of the new **CRM** system dedicated to shopping centers .

More advanced training relative **to specialized-technical know-how** was also offered, including language courses.

With regard to soft skills, managers and junior managers participated in a project which is based on the identification of individual and team preferences as to **how to learn**, **values** and **motivational levers**. Once these are identified, the purpose of the project is to foster communication and collaboration in the company. Upon completion of the course each participant received an individual report, prepared based on the answers to a questionnaire, which was looked at in-depth during a "one to one" meeting.

An experimental project "Digital Academy" was also launched in partnership with a Group supplier which provided the Shopping Center Managers with an online platform where courses focused on **digital and innovation** were offered. The training platform also provided users with the possibility to learn more about certain topics at their discretion (from marketing to management, from safety to communication, etc).

Training was provided primarily through **digital formats**, live or deferred, accompanied (when possible or necessary) by in-person classes (for example, safety training with in-person exercises). Virtual participation was the primary mode of presentation, consistent with legal obligations to contain the pandemic

In 2021, **129** employees, or 96.3% of the total, participated in at least one training course for a total of **2,046** hours (+83% compared to 2020) and a cost of €76,539.

TRAINING WINMARKT GROUP

In 2021, given the Covid-19 health crisis, it wasn't possible to provide the entire workforce with training as had been done in the past.

The problems associated with the pandemic also made it impossible to hold the usual company convention, a moment traditionally used for both announcements and exchanges between management, external parties invited to attend and the entire organization, as well as training through specific workshops.

A few employees, however, participated in courses designed in to increase their administrative, as well as marketing and PR, skills.

A more targeted activity was, however, organized which involved the leasing division, as well as specific training for the marketing and legal departments. The company convention will be organized once again in 2022

2.10 SUSTAINABILITY: STRATEGY AND PERFORMANCE 2021

IGD's sustainability strategy is tied directly to its business model: as a company who owns its assets, it has the tools needed to make structural changes. As the manager of the same assets, IGD can also define and implement actions that impact the daily life of the shopping centers. IGD, a real estate market player, has a long-term vision: for this reason, in 2011 IGD embarked on a structured sustainability path, working in 5 strategic areas which as of 2017 have been summarized in «Becoming Great»:

becoming
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- **GREEN:** Reduce environmental impact, contributing actively to the transition toward a "low carbon" economy in the countries where it operates;
- **RESPONSIBLE:** act responsibly;
- **ETHICAL:** work in an ethical way with all the stakeholders, putting in place the safeguards necessary for compliance with the law and behaviors that positively influence the context in which it operates;
- **ATTRACTIVE:** make its structures attractive, both when working on the assets and when managing the offer and the marketing activities;
- **TOGETHER:** act together with its stakeholders, strengthening not only the significant role of the shopping centers as local places to shop, but also the economic and social development of the community in which it operates.

IGD's sustainability strategy became an integral part of company planning as of the 2014-2016 Business Plan. It was included in the 2019-2021 Business Plan, in the *"Innovation and operating excellence"* section. In the new 2022-2024 Business Plan, approved by the Board of Directors on 14 December 2021, sustainability planning was included among the operational activities.

The strategy reflects IGD's commitment to sustainable growth, shaped by the United Nations' Sustainable Development Goals (SDGs), the millennium development goals defined by the United Nations. The adhesion to the United Nations' Global Compact, the world's largest corporate sustainability initiative, is also follows in this direction.

The foundation of IGD's sustainability strategy is comprised of the material topics based on which the company defines both the risks and the opportunities connected to the sustainable management of its business, as well as the goals to be reached over the life of the plan (2022-2024) and through 2030.

There are three elements that shape the implementation of the Company's strategy:

- Material issues
- Sustainability targets (connected to planning)
- The risks and related policies/actions

2.10.1 THE MATERIAL ISSUES

The first step in defining the sustainability strategy is to identify the material issues that are important to both the company and its stakeholders. Defining these issues makes it possible for the company to focus on the real issues that need to be addressed in terms of sustainability, avoiding the use of resources (human and economic) to achieve objectives that are not material.

In accordance with the GRI Standards, in 2017 IGD conducted a materiality analysis, in which top management was also involved, and identified the material issues. Each year the company assesses the need for any adjustments taking into account both the business and topics pertaining to stakeholders as part of a process that involves the Sustainability Committee first, followed by top management if significant changes with respect to the prior year need to be made.

In 2021 the company moved in two directions:

1. it confirmed the 12 material and 4 important issues defined in 2020, which already took account of the issues related to the pandemic;

2. it carried out an in-depth analysis of topics on the horizon in order to define what should be included in the new Sustainability plan, valid in the period 2022-2024 (and through 2030). Beginning in 2022, therefore, the issues identified will be added to those on the materiality matrix which may be modified if needed. .

green	responsible	ethical	attractive	together
• Climate change • Accessibility and mobility	• Good employment • Gender equality • Wellbeing, health and safety	• Governance, ethics and corruption	• Sustainable enhancement of the portfolio • Retail offer • Spaces to be lived in • Innovation	• Stakeholder engagement • Local communities

The material issues represent the cornerstones of the Sustainability strategy and its planning, as well as the topics reported on in the Sustainability Report. The risks, the relative policies and steps the Company is taking/will take over the next few years are identified for each material issue.

2.10.2 SUSTAINABILITY TARGETS (CONNECTED TO PLANNING)

2021 was the third and last year of the 2019-2021 plan. The actions taken during the year with respect to each goal, as well as an evaluation of the level to which the targets were achieved over the life of the Plan are reported below. Toward this end, the health situation impacted the ability to achieve the targets defined in the sustainability plan, making it more difficult to reach the targets related to deferrable investments and the organization of events at shopping centers.

The following scale was used to determine to what extent a 2019-2021 Plan target has been achieved:

In 2021 the content of the new sustainability plan was defined taking into account the company's strategic decision to consider sustainability as one of the Business Plan's key drivers, which should also be the object of a sizeable part of the total investments. This Plan also takes into account the increased attention that all the company's stakeholders (particularly institutions, investors and the financial community) are paying to sustainability, which is accompanied by changes in the legislative framework with specific initiatives relating to ESG topics in both Europe and Italy. IGD decided to include 41 quantitative targets in the plan for the period 2022-2024, while also identifying 22 strategic objectives (the ESG "ambitions") through 2030. For more complete information refer to the website at www.gruppoigd.it/sostenibilità

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TARGET	ACTIONS CARRIED OUT IN 2021	TARGET IN THE 2019-2021 PLAN	
Zeroing of co_2 emissions: Italy portfolo Nearly Zero-energy Building **by 2030**	Confirmed use of 100% energy from renewable sources	4/4	
Obtain **BREEAM certification for 80% of the flly-owned Malls in Italy by 2030**	Breeam certification renewed for Le Porte di Napoli and Katanè. Currently 30% of the Italian Malls are breeam certified.	4/4	
Continuation of installation of photovoltaic systems	No new Photovoltaic systems installed caused by the block/deferral of investments due to the pandemic.	3/4	Photovoltaic system installed as roof of part of the ESP Shopping Centre car park (Ravenna)
Awareness raising aimed at visitors by means of campaigns in the shopping. centres, and the carrying out of **across-the-board events regarding ESG issues**	awareness raising campaigns carried out on environmental isues at Shopping Centre level. No across-the-board event was cartied out due to the difficulty in organising events with gatherings	2/4	

* Other BREEAM certified Shopping Centres: Sarca, Tiburtino, Katané, Esp and Puntaditerro,

DIRECTORS' REPORT
2.10 SUSTAINABILITY: STRATEGY AND PERFORMANCE 2021

	TARGET	ACTIONS CARRIED OUT IN 2021	TARGET IN THE 2019-2021 PLAN	
r. responsible	**Definition of individual targets linked to CSR**	During the year a target linked to CSR was identified for the Directors. The aim of the next Plan will be to define sustainability targets also for other corporate roles	3/4	
	Training: focus on **soft skills** and on the importance of **cross functional work**	Soft skills activity aimed at corporate Directors and Managerial staff carried out	4/4	
	Advertising of avaiable jobs on the **corporate website** and on **Linkedin**	Job posting initiated on the website and on Linkedin in 2020, in 2021 altogether there were 4,163 views of the posts.	4/4	
	Third internal atmosphere assessment	Because of the ongoing changes linked to the handling of the pandemic, the Internal atmosphere assessment was postponed and induded in the new Sustainablty Plan.	1/4	
	Corporate welfare: increase in services	There was an increase in the services offered (in particular, travel and health services)	4/4	
	Wellbeing: definition of overall project	Bio Safety Certification obtained for 7 Shopping Centres, in addition to the headquarters	3/4	Due to the pandemic, the «wellbeing» project was revised and modified, with focus on the health and safety of the Shopping Centre vistors.
	Continution of projects regarding the **safety ofthe structures**	Monitoring activities continued with regard to the «dome skylights» project and to anti-seismic improvement in one Shopping Centre	3/4	During the three-year period the lifelines project regarding safety routes and fall protection systems and the ant-ram bollard project were completed. The project regarding the assessment of the safety conditions of the dome skylghts was launched and anti-seismic improvement work continued
e. ethical	**Obtain 1S037001:2016 certification in Italy in 2020.**	Certification obtained on 20 April 2020. In 2021 an audit was carried out as per the procedure and the appropriate actions to be implemented were defined	4/4	
	Legality Rating: confirm maximum score (3 stars) on the occasion of the two-year renewal	Legality Rating renewed with the maximum score in 2020.	4/4	
	Global compact: participation, bearing witness to IGD's commitment to **implement, circulate and promote the ten universal principles of the United Nations** on human rights, labour, environmental sustainability and the fight against corruption	Participation formalised at the end of 2020.	4/4	
a. attractive	**Sustainable enhancement of the portfolio:** carry out restyling activities with improvement in the environmental impact of 10 more Shopping Centres by 2030	Restyling work was started In Portogrande In San Benedetto del Tronto (Ascoli Piceno) and La Favorita in Mantua Shopping Centres	2/4	
	Definition of **national campaigns** to raise awareness in the Shopping Centres' visitors on issues in line with IGD's values	Campaigns not carried out due to the difficulty in organising events in the Shopping Centres. Individual charity initiatives associated with competitions were held with local assocations	2/4	
	Innovation: definition of the «digital strategy»	The Digital Plan was defined and the definition of the identified tools was completed. First lead generation targets achieved	4/4	
t. together	**Listening project regarding the expectations of millennials in relation to the Shopping Centre of the future**	Listening activity carried out in cooperation with Nomisma, the aim of which was to understand the needs and requirements of high school students regarding the pandemic period	4/4	
	Tenant engagement on **sustainability** issues	Engagement activity postponed until the 2022-2024 Plan.	1/4	
	Shopping Centre in the role of civic centre: cooperation with the local area fostering involvement and co-planning activities	The «Social Borgo» project (inside Centro Borgo in Bologna) was suspended due to the pandemic, the aim being to implement it as soon as health and safety conditions allow so.	2/4	

2.10.3 THE RISKS AND THE RELATIVE POLICIES/ ACTIONS

IGD monitors and manages overall risks through the Enterprise Risk Management system. This system, which is updated each year, takes into account both financial and non-financial risks, a few of which are tied to sustainability (like climate change, ethics, good employment and safety). Even though the Company is not required by law to prepare a Non- Financial Statement (pursuant to Legislative Decree 254/16, in implementation of EU Directive 2014/95/EU), IGD voluntarily worked to identify the risks connected to sustainability and classify them in relation to each material issue, while determining the policies/ actions to be taken to mitigate any negative effects or transform the positive ones into opportunity, aware of the importance that this process could have for the company's business.

Each year the Company evaluates how effective the actions undertaken to limit each risk have been and, at the same time, evaluates the need to make modify the risks identified. In 2021 two main changes were made:

- a few risks were changed, in order to reflect changes and new needs (for example, the rising costs of raw materials);
- the "opportunities" stemming from careful risk management were added.

More information on the risks is reported in the Sustainability Report in the chapter "Sustainability Strategy".

With regard, specifically, to climate change and the associated risks, beginning in 2019 IGD decided to address the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The purpose of the information requested is to foster greater understanding of IGD's approach to 4 areas: governance, strategy, risk management and the data/targets linked to climate change. Greater detail is provided in the chapter "Sustainability Strategy" in the 2021 Sustainability Report.

The steps taken and the results achieved in 2021

The Corporate Sustainability Report provides a yearly report on both the actions taken and the socio-environmental performance achieved by the Company in the year. The data and the information in the report are subject to Limited Assurance based on ISAE 3000 procedures. The 2021 Sustainability Report can be found on the corporate website at https://www.gruppoigd.it/sostenibilita/bilancio-di-sostenibilita/archivio-bilanci/

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2.11 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 2021, similar to 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 activated support initiatives providing one-off revisions of payment schedules (for the first, second and third quarters of 2021) and is concluding the 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 31 December 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 in 2022.

Looking at liquidity, after the early redemption in the first quarter of 2021 of the remaining outstanding balance of the "€300,000,000 2.500 per cent. Notes due 31 May 2021" for around €70.8 million, originally expiring in May 2021, and having completed the sale of a portfolio of 6 hypermarkets and 1 supermarket "stand alone" described in a prior section, at 31 December 2021 the Group had available liquidity of €158.1 million. Thanks to this cash on hand, the Group has the financial resources needed to cover almost all the 2022 financial maturities.

In light of the positive signals provided by the retail and operating performances, and assuming that the financial indicators will not be impacted directly by Covid-19 in the current year, the Company estimates that FFO will increase by around +9/10% in FY 2022.

This outlook is, however, based on the current market consensus which calls for growth in the main global economic indicators like GDP and consumption, as well as the assumption that there will be no further resurgence of the pandemic next fall.

It should be stressed, as mentioned above, that elements of uncertainty that the Company cannot control still exist, particularly with regard to the portfolio in Romania given the current state of the pandemic.

2.12 IGD SIIQ SPA'S AND THE GROUP'S PRIMARY RISKS AND UNCERTAINTIES

In the future the Group's earnings and financial situation could be influenced by a series of risk factors.

In order to systematically assess and monitor its risks, IGD SiiQ S.p.A. developed an integrated Enterprise Risk Management (ERM) system which conforms to the highest international standards and the COSO framework (promoted by the Committee of Sponsoring Organizations of the Treadway Commission). This system provides a systematic approach to identifying the primary corporate risks, making it possible to assess the potential negative effects in advance and organize control mechanisms. The ERM model used also makes it possible to test different risk scenarios with a view to assessing the total risk appetite.

The Company monitors the different risks in light of the strategic, operational and financial goals, as well as compliance, using a model based on Key Risk Indicators, which assists management in assessing the level of exposure.

The Group's primary risks are described below.

2.12.1 STRATEGIC RISKS:

Risk – global pandemics

Risk factors:

- Lower revenue
- Impact on the workforce
- Administrative decisions and/or operating restrictions
- Temporary closures of locations
- Inability of tenants to carry out retail operations and to remain solvent

Risk management:

During the Covid-19 crisis, the Company moved immediately to take actions consistent with its sustainability policies, relative to all its stakeholders, in order to address the impact of the pandemic. With regard to tenants, support initiatives were activated in order to make one-off changes to the invoicing of rents (monthly rather than quarterly) and payments, in addition the temporary rebates granted to tenants.

With regard to shopping center operations, a specific communication campaign was launched focused on compliance with preventive measures, hygiene and safety («Coronavirus Handbook»). Daily cleaning and sanitization of the interiors and systems was increased. Supervision of compliance with regulations was also strengthened.

In October 2021 IGD obtained BIOSAFETY TRUST CERTIFICATION for a portfolio of 7 Shopping Centers, as well as the offices located in Bologna. The certification scheme developed by the accrediting body RINA is the first management model introduced on the market which aims to prevent and minimize the spread of health infections in people caused by biological agents, such as those related to Covid-19.

The company's goal is to have 100% of the assets certified by 2024.

IGD also adopted "flexible work" for all headquarter personnel, while also guaranteeing controls inside the centers for which a Covid-19 procedure was defined (Shared Protocol) and making PPE available to all employees (hand sanitizer, masks, etc.). From a financial standpoint, the Company also took action in response to the events by, for example, revising, suspending and/or eliminating a few capex and deferrable investments, in the pipeline and not, reducing non-essential operating costs, and activating social safety nets.

A "Moving Forward" Plan was also prepared which includes specific targets and actions for the future.

2.12.1.2 Risk - changes in purchasing power (inflation, decreased consumption, etc.) and competition

Risk factors:

- radical change in the end customer's consumer habits, which could have an impact on IGD's business linked to the shopping center model;
- regulatory changes which could strongly impact the company's activities and negatively impact the Group's revenue and the value of its assets.

Risk management:

Periodically the Company monitors the Italian economic situation, particularly when defining or updating the Business plan or annual budget. The analyses include a study of Italy's principal macroeconomic indicators (GDP, consumption, family income, inflation, etc.).

While these studies are being conducted, the Company also carries out in-depth analyses of the competition and consumer trends, in light of the changes in consumer spending and inflation. Periodically, the Commercial Division analyzes the adequacy of the positioning and the offer with respect to the target, in order to take the steps needed to align commercial activities with marketing initiatives.

Great attention is also paid to the tenants' results. Management monitors the positioning achieved with respect

2

to the target positioning of each shopping center and any changes in the merchandising mix/tenant mix in the event of renewals, expansion and restructuring carried out consistent with the target positioning. The pricing analysis, which takes into account the target performance, is monitored based on the market and retailers' trends. The steps taken to support the retailers and any operational changes are shared with the Commercial Division. The relative budget is subject to approval by management.

Looking at changing consumer trends, the Company also carefully analyzes the merchandising mix in order to understand the relationship between services that cannot be replicated by e-commerce and traditional retailers. Particular attention is paid to introducing both destination stores and merchandise that is in line with the market trends in order to preserve the appeal of each shopping center in the relative catchment area.

With regard to the shopping centers in Romania, IGD's portfolio is well spread-out throughout the country which helps to diversify the risk connected to changes in the regional consumer trends.

Winmarkt's Commercial Division periodically monitors the status of the competition in the regions near its shopping centers; the Company responds to market threats by carrying out extraordinary maintenance, marketing initiatives and advertising campaigns aiming to increase the shopping centers' appeal and better meet customers' needs.

Risk - changes in the global market/socio-political/regulatory environment

Risk factors:

- strong inflationary pressure;
- general national/international economic crisis;
- regulatory changes which have a strong impact on the regulations that the Company must comply with.

Risk management:

The Company constantly analyzes changes in the level of consumer spending and inflation rates through market studies, including those of specialized professionals. Management monitors the country's market conditions and political situation by looking at economic and financial stability indicators, as well as regulatory changes (introduction of new European and Italian laws/regulations) that could impact the company's compliance.

With regard to the Romanian market, Management constantly monitors the Country's economic performance, checking the main economic and political stability indicators, like exchange rates, changes in the political scenario, the status of the European aid program, as well as any changes in local laws, in order to make sure no critical areas that could affect IGD's business have emerged.

The Company develops and maintains relationships with the Italian business and financial community, with institutions and national and international trade organizations in order to increase the flow of information and understanding of the local market; the Company also avails itself of specialized consultants.

Risk - failure to manage the impact that the penetration of e-commerce has on the business

Risk factors:

- radical change in the consumer habits of the final costumer with a growing preference to make purchases online which impacts IGD's business tied to the shopping center model.

Risk management:

The Marketing Department periodically monitors and analyzes the Company's and the sector's data vis-a-vis the performance of e-commerce: up until now the sectors most impacted by online competitors are tourism (travel organization, specifically), and payment services. The findings are always shared with the Commercial Division.

The Company participates in working groups of the national association of shopping centers (CNCC or Consiglio Nazionale dei Centri Commerciali) which discuss the controls that can be implemented in order to limit this risk and any contractual changes that could protect the Company.

The Company's current strategy focuses on two key aspects: on the one hand, the analysis and continuous fine tuning of the merchandise mix in order to introduce activities that cannot be substituted (like restaurants and personal services); on the other, the increasing integration between "online and offline", making shopping centers multichannel spaces (such as, for example, "Click & Collect and the use of lockers) with personalized communication and offers for visitors including by using the instruments developed in the digital Marketing Plan

Risk – relating to financial strategy and debt refinancing

Risk factors:

- failed/ unclear identification of the Company's financial strategy resulting in delays in debt refinancing which could affect the ability to access the best sources of funding and maintain an investment grade rating.

Risk management:

The Company's financial strategy is geared to maintaining rigorous financial discipline, consistent with the investment grade profile. The Company intends to improve its LTV and liquidity position by maintaining a significant portion of medium/long-term debt which typically accounts for more than 90% of the total debt. The Company uses different sources for funding and looks for the best conditions available on the capital markets, while also working to expand the investor base. Today the Company is rated by two agencies who have issued the following ratings: S& P BB+ with a stable outlook and Fitch BBB- with a stable outlook. When looking at liquidity, the rating agencies expect that the Company will refinance the most significant maturities in advance (about 12 months) and the Company has moved in this direction while, at the same time, working to limit the impact of the negative carry. In recent years IGD has used the most sophisticated types of financing and is capable of managing the preliminary and contractual phases.

The Company has cash on hand amounting to roughly €158 million at 31.12.2021, enough to cover the financial maturities for the next 12 months.

Risk – Strategy and composition of the tenant mix / merchandising mix

Risk factors:

- the shopping centers' positioning fails to attract the target customers found in the catchment area;
- merchandising mix does not meet the needs of the customers in the catchment area;
- tenant mix does not meet the needs of the customers in the catchment area.

Risk management:

The commercial planning activities are defined by the Commercial Division based on the positioning goals in order to mitigate the risk that the tenant mix and merchandising mix do not meet the customers' needs. The Company constantly monitors, including through the use of the updated internal sales data, the tenants' sales and the vacancy rates. All of the commercial choices made respect the policy defined by the Commercial Division and any atypical allocation of the space must be approved by the Commercial Division. Toward this end, the Commercial Division meets periodically in order to coordinate and check the steps taken in each region.

A tenant mix that meets qualitative standards is defined based on an assessment of the shopping center's location and a survey conducted, including with the support of specialized professionals, of the center's intrinsic characteristics and an evaluation of the region.

The Company also strengthened its ability to process data by creating an internal Marketing Department with a marketing analyst which guarantees a more detailed flow of information and allows for targeted commercial policies on different levels: shopping center, tenants, merchandise. Periodically the Company also conducts surveys of customers and tenants over the phone and in the centers in order to assess the level of customer satisfaction with the services offered and the events organized.

With regard to the Romanian market, the decisions made relative to the tenant mix are linked to the location of the shopping center (large regional/local footprint in the portfolio of retailers), and the presence of one or more anchors (food and non). The Company also uses benchmark analysis tools to monitor competitors, performances, footfalls and constantly monitors market trends (monitoring potential market and new comers) thanks also to an extensive presence in the country.

The company constantly checks changes in the Merchandising Mix and the Tenant mix through specific monthly reports in which the main performance indicators are looked at (Market Rent, occupancy, Merchandising Mix, Tenant Mix, weight of the international, national and local retailers, etc.). In the higher, less attractive floors the strategic choice has been made to introduce offices or service providers in order to maximize rents and negotiate longer term leases.

Risk – crisis of medium/large spaces (retail and hypermarkets)

Risk factors:

- crisis of hypermarket retailers which could affect occupancy of large areas in shopping centers and their appeal, along with the Company's revenue;
- crisis of large retail tenants which could affect occupancy of large areas in shopping centers and the Company's revenue.

Risk management:

The Company constantly monitors the shopping centers' performances and, if needed, remodels the shopping malls or recalculates rents in order to render them more sustainable over time, including as a result of any reductions made in the size of the hypermarkets. The Commercial Division defined a synergic commercial strategy for hypermarkets and malls, strengthening the collaboration between marketing and management, in order to improve the customer experience. When looking at tenants, factors like the ability to attract customers with merchandise that reflects market trends, are taken into consideration. The Company also began, a few years ago, to introduce new services and innovative restaurants, as well as entertainment, based on the new retail market trends.

Risk – Corporate Social Responsibility

Risk factors:

- Damaged reputation;
- Delays in development;
- Weakened customer relations;
- Erosion of shareholder value.

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2.12 IGD SIIQ SPA'S AND THE GROUP'S PRIMARY RISKS AND UNCERTAINTIES

Risk management:

The Company developed an acronym which reflects IGD's vision of sustainability and, at the same time, groups the material issues identified together. This acronym summarizes the Company's commitment to constant growth that is Green, Responsible, Ethical, Attractive, Together.

In 2021 the Group invested more than €1.8 million in improving the environmental sustainability of its structures. In addition to structural improvements, the Company also worked to raise shoppers', suppliers' and tenants' awareness about sustainability.

The Company is also committed to promoting quality employment for its employees, including through training and the continuous development of their expertise, and strives to work ethically through an effective governance system which reflects the best practices for listed companies, in line with the Corporate Governance Code approved by Borsa Italiana's Corporate Governance Committee.

Lastly the Company, works to make its shopping centers even more attractive though continuous enhancement of the malls' interiors and exteriors and is engaged in a continuous dialogue with its stakeholders in order to understand the needs and expectations, as well as assess the level of satisfaction with any decisions made or actions taken.

2.12.2 OPERATING RISKS:

Risk - natural disasters (earthquakes, floods) and damages caused by third parties

Risk factors:

- natural disasters (for example, floods, earthquakes, etc.);
- catastrophic events (for example, fires).

Risk management:

Given the type of business and its unique portfolio, the Company has taken out All Risk policies with a primary insurance company based on which each shopping center has annual coverage.

Based on the policy for the coverage of the risk that Group's assets could be damaged, each consortium of tenants and/or owners must stipulate its own All Risk policy with an insurance company.

With regard to third party liability, the insurance covers civil damages for which the Company may be liable in the event an accident should occur during the normal course of business and related activities, including ownership, rental and management of property and moveable assets. The consortia, the Commercial and the Asset Management, Development and Network Management Division all constantly check the quality and maintenance of the properties in order to understand if further steps must be taken to limit risk.

The Company's policy is to invest in the maintenance and quality of its properties. When renewing the insurance for its buildings, the Company added and/or changed coverage as needed. A dedicated appraiser was also assigned to monitor the appraisals of damages to buildings in order to ensure consistency in any investigations and faster settlement of any claims. The Company also developed a procedure for the updating and monitoring of outstanding claims on a quarterly basis.

In light of the growing attention paid to earthquakes as a result of the recent natural disasters that occurred in Italy, the Country is carrying out further studies of the potential risk factors and assessing whether changes should be made to controls and insurance coverage. In the last few years, the Company also negotiated further changes to the All Risk policy, increasing the amount insured for a few types of events deemed probable and potentially damaging. Lastly, in the second half of 2020 the Company renewed the All Risks Property – RCT/O policy with the support of an insurance broker which resulted in revised terms and conditions (ceilings, limits and deductibles) in order to improve the coverage and align it with the best markets standards. The characteristics of the coverages and areas in need of improvement with respect to best practices were verified during this analysis with a view to defining a placement strategy, as well as begin placement activities and negotiations with insurance companies. The targets identified were achieved by signing a specific insurance agreement with a new insurance company at better conditions.

Credit risk

Risk factors:

- credit recovery problems (for both Gruppo IGD and the consortia).

Risk management:

The tenants are subject to pre-contractual selection based on parameters linked to the business's financial soundness and P&L forecasts.

Analyses of potential clients are carried out, including with the help of specialized consultants, and focus on understanding potential risks for the Company.

All clients must guarantee their contractual obligations with sureties and/or security deposits. The Company constantly monitors the contractual relationship to ensure that the contractual obligations are being respected and in the event of default the company follows the internal procedures for credit management; in a few instances, involving well-known tenants of good standing, remedial measures may be taken. The credit positions of current and new tenants are constantly monitored through the use of a specific program which makes it possible to assess the credit history of each tenant, the level of risk associated with each tenant and the degree of solvency; this analysis is conducted each quarter, but monitored daily in order to constantly manage the measures taken or that need to be taken in terms of debt collection. This program makes it possible to: i) on the one hand, assess the solvency of potential new retailers and, on the other, ii) monitor the level of risk associated with current leases over time; this system also sends automatic alerts when a tenant's credit standing deteriorates.

The Commercial Division works closely with the Legal and Corporate Affairs Division and also prepares periodic reports on credit collection for Management and the control bodies.

The consortia now use the same monitoring and credit collection activities as the Company, creating synergies allowing for the implementation of flexible procedures and periodic sharing of detailed reports with IGD's Commercial Division, and the Administrative, Legal and Corporate Affairs Division, HR and IT.

More in detail, the payment schedules and credit positions of clients are updated constantly. Facility and administrative management services have been assigned by the consortia to IGD Service who works with external providers. These providers report periodically to IGD Management on the credit situation of the retailers and, if problems arise, decide which solutions to use. Lastly, again with a view to continuously improving credit management, the Company began a centralized invoicing process for consortia charges.

Asset valuation risk

Risk factors:

- global economic crisis;
- external events;
- changes in the domestic/international market which results in a significant writedown of the asset portfolio.

Risk management:

The shopping centers are located throughout the country which reduces the exposure to risks connected to regional phenomenon. The analysis of sales figures, along with the monitoring of commercial dynamics, receivables, renegotiations, footfalls and the support of the independent appraiser, help the management spot signs that changes are taking place in the retail real estate market. With regard to asset valuation, the Company avails itself of independent appraisers, specialized and selected to appraise the value of the freehold properties twice a year. In order to monitor the valuations, the Company may request a second appraisal from other independent appraisers.

Periodically the Company also runs sensitivity analyses involving the valuations of the portfolio assets in order to constantly monitor the effects that changes in the discount or cap rates, linked to the global economic environment, or revenue could have on the value of the assets. The Planning and Control Division evaluates the results of appraisals and verifies if there are any errors and rebuilds the discounted cash flow.

The monitoring of the indicators identified as part of the Enterprise Risk Management initiative supports the assessment of foreseeable changes in the level of this type of risk.

Contract risk

Risk factors:

- problems managing the contractual relationship with tenants;
- increased costs or loss of income.

Risk management:

The Company constantly monitors the relationships with its tenants through constant control of any breaches or violations of the agreements by the retailers and the Commercial Division's regional supervision. The Commercial Division is constantly in touch with the tenants by telephone, through meetings, including at headquarters, and any critical situations are analyzed to determine the steps that need to be taken. Each tenant is subject to selection based on parameters linked to financial solidity and the economic prospects of the business and credit history. Guarantees in the form of sureties and security deposits, typically equal to six months' rent, are also typically requested before the lease is signed.

The Company, furthermore, uses standard rent/lease agreements that may be revised/amended based on the conditions agreed upon with the tenant; if need be the Company may avail itself of outside consultants or the internal legal department in order to define specific or unusual contractual clauses.

As a result of the Covid-19 crisis, the Company recorded an increase in the number of disputes with retailers.

Vacancy risk

Risk factors:

- Failure to reach the level of occupancy expected at the shopping centers which could impact appeal and profitability.

Risk management:

The Company controls vacancy risk through promotional activities and incentive schemes involving current and potential tenants. Intense work is done in partnership with the tenants in order to ensure optimal occupancy, including through investments in promotional activities and launches.

The commercial team is comprised of highly experienced sector professionals who work to reach the Group's objectives in terms of revenue and occupancy.

Monitoring the occupancy of the different shopping centers and determining any steps that need to be taken to reach a vacancy rate that is close to zero are part of the daily asset management activities. The Company invests constantly in capex with a view to increasing the quality and appeal of the properties (including by changing layouts), adapting to changing market needs and/or changes in market conditions.

The Company carries out restyling activities (including not prime) in order to maintain a high degree of appeal and adapt to new consumer trends.

With regard to the Romanian market, the layout of the assets resembles a department store, with a vertical flow and several floors with retailer turnover risk and greater vacancies in the higher floors (3-4-5 floors). The commercial strategy is to achieve "full occupancy" of the properties (by offering lower rents on the higher floors), leveraging as much as possible on the appeal of the anchors (food and fashion).

Marketing was also carried out for each shopping center in order to attract customers and support small, local retailers.

Information technology risk

Risk factors:

- Problems connected with the correct functioning of the IT systems supporting the company's operations

Risk management:

The Company outsources the management of the IT systems.

The Financial Reporting Officer carried out a 262 IT Test and a review of the IT systems used by the Company for administrative and accounting purposes.

The Company deployed a software for the management of tenant leases, invoices and the reporting of the tenants' sales. Furthermore, following the update of the regulations governing Privacy, the Company took steps to comply with the new legislation. The assessment of the control system and the definition of a specific gap analysis was assigned to an external legal consultant.

The Company began the substitution and implementation of a range of applications and infrastructure, launching a tender and finding a new supplier of the information systems relating to administration, planning and control, finance and treasury. This will also improve the safeguarding of security and privacy.

The Company also added a new control role: IT Manager, who reports to the Director of Administration, Corporate and Legal Affairs, Leases, HR and IT.

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2.12.3 COMPLIANCE RISK

Fiscal risk

Risk factors:

- application of sanctions linked to violations of tax regulations,

- failure to meet the profit and asset requisites necessary to be eligible for SIIQ status,

- resulting in being ineligible for treatment under the SIIQ regime (in the event this situation is prolonged for the period provided for at law).

Risk management:

The Company, which was granted SIIQ status in 2008, has since then carefully monitored the associated tax risks; the transactions which impact the fiscal regime adopted directly or indirectly are carried out, with the support of the Administrative, Legal and Corporate Affairs division which constantly monitors any legislative changes and the internal administrative, accounting and tax procedures with the support of 2 internal resources.

Every six months (and more often in the event of corporate finance transactions) the Division conducts asset and profit tests in order to understand compliance, even future, with the regulations. The results of the tests are shared with management. The information found in financial reports and tax returns are also examined and controlled by external tax experts.

Privacy violation risk

Risk factors:

- application of sanctions linked to violations of regulations protecting data and privacy.

Risk management:

After the European Privacy Regulation ("GDPR") took effect, the Company worked to comply with the new regulation, under the supervision of the Administrative, Corporate and Legal Affairs Division and in collaboration with the General Services Office and an external provider of Coop Alleanza 3.0. The Company availed itself of a specialized legal consultant who supports the Data Protection Officer ("DPO"), appointed by the Company, with compliance. The consultant interfaces with the DPO (who is part of the Administrative, Corporate and Legal Affairs Division), as well as the General Services Division, responsible for the management of the IT systems which is outsourced to Coop Alleanza 3.0 soc.coop. At the end of 2018, following the introduction of the GDPR, all employees were provided with training on privacy and the findings of the periodic audits carried out have been reported to the Board of Directors.

Liability pursuant to Legislative Decree 231/01

Risk factors:

- sanctions associated with corporate liability for crimes committed pursuant to Legislative Decree 231/01.

Risk management:

The Company adopted the "Model for organization, management and control" pursuant to Legislative Decree 231/01 which defines the guidelines, rules and conduct that should govern the company's activities and which must be complied with in order to minimize the risk that the crimes referred to in Legislative Decree. 231/01 are committed, and which ensures maximum transparency and fairness in the company's business dealings.

The Company also adopted a Code of Conduct, an integral part of the MOG, applicable to all Group employees/ staff members, without exception, who must ensure that they and others comply with it when performing their duties.

Toward this end, the Supervisory Board, instituted in accordance with the Decree, carries out its control and supervisory duties with the support of a specialized consultant in order to monitor compliance with the Company's protocols and procedures, as well as the functioning of and compliance with the Organizational Model. The Supervisory Board was constantly updated as to the controls adopted by the Company relating to seismic risk, which was also monitored as part of the Enterprise Risk Management system, including with a view to the possible impact on health and safety.

The Supervisory Board constantly promotes the updating of and amendments to the Organizational Model to ensure that it complies with the law and that it adequately reflects the Group's organizational and business structure.

As of 2014, following the introduction of new offences relating to corruption between private parties, the lack of top management's conflicts of interest is verified each year. In 2018, after Law n. 179 of 30 September 2017 (the "whistleblowing" law) took effect, the Organizational Model was updated in order to introduce a new whistleblowing system which is accessible via the home page of the company's website to all the Company's staff members and which guarantees anonymous reporting.

In 2020 the Company obtained ISO 37001 "Anti-Bribery Management Systems" certification, which attests to compliance with the standards for anti-bribery management systems.

In 2020 the Organizational Model underwent extensive revision. More specifically, it was integrated with the Anti-Bribery System already implemented by the Company when it received the UNI ISO 37001:2016 certification issued by RINA Services S.p.A., an independent certifier accredited by Accredia (a national accrediting entity for certifications and inspections appointed by the government) and the Italian leader in compliance certification. The Company's current Organizational Model was updated to reflect the latest crimes introduced in Legislative Decree 231/2001.

2.12.3.4 Regulatory risk associated with being a listed company (Consob, Borsa)

Risk factors:

• Sanctions, reprimands and citations from the Market Management and Supervisory authorities

Risk management:

The Company pays the utmost attention to the legislation and regulations governing listed companies.

More in detail, Corporate & Legal Affairs, which is part of the Administrative, Legal and Corporate Affairs Division, Leases and Investor Relations, work to ensure compliance with the regulatory agencies and monitor any market disclosures. This process calls for the close collaboration of the internal divisions involved in order to ensure the correct handling of confidential information and the disclosing of documents and information regarding the company's administration, accounts and operations, under the supervision of the Chief Executive Officer and the Financial Reporting Officer.

After the EU Regulation n. 596/2014 ("MAR") took effect, the Company adopted a new procedure for the management, handling and disclosure of confidential and privileged information and instituted an Insider Registry. The market rules and regulations are constantly monitored in order to understand the possible ramifications for the Company.

2.12.3.5 Liability pursuant to Law 262/05

Risk factors:

sanctions associated with violations of the Financial Reporting Officer's responsibilities pursuant to Law 262/05.

Risk management:

The Company, in accordance with Legislative Decree n. 262 dated 28 December 2005, the Uniform Savings Act, adopted administrative and accounting control procedures related to financial disclosures in order to (i) ascertain whether or not the current Internal Control System provides reasonable certainty that the information represented in the financial statements is accurate and reliable; (ii) implement adequate administrative and accounting procedures to be used in drafting the separate and consolidated financial statements, as well as any other financial disclosures (in accordance with Law 262/2005); (iii) ensure that the administrative and accounting procedures are complied with during the period in which the above documents are being drawn up.

The implementation and verification of the Internal Control System pursuant to Legislative Decree 262/05 are carried out by internal resources as instructed by and under the supervision of the Financial Reporting Officer appointed by the Board of Directors in accordance with the law; verifications are carried out by Internal Audit.

The administrative-accounting system adopted pursuant to L.262/05 is monitored periodically in order to understand if the risk controls implemented as per risk assessments are effectively applied, as well as update of the same in light of activities carried out by the Administrative, Corporate and Legal Affairs, Leases, HR, IT division.

The Company adopted a specific model to assess administrative – accounting risks associated with financial reporting and updates this model continuously. The Company tests the adequacy and effective application of the administrative – accounting processes each year. The manual for the Financial Reporting Officer was also revised and all the administrative-accounting procedures were updated, specifically the procedures that impact reporting. The findings that emerge during the Testing 262 activities are analyzed periodically by the control bodies and the Board of Directors. The Company works constantly to make any changes recommended in order to continuously improve the administrative – accounting activities.

The Company began the substitution and implementation of a range of applications and infrastructure, launching a tender and finding a new supplier of the information systems relating to administration, planning and control, finance and treasury. This will also improve the safeguarding of security and privacy.

2.12.4 FINANCIAL RISKS

2.12.4.1 Risks associated with funding and cash

Risk factors:

• problems with treasury management and accessing resources.

Risk management:

Liquidity risk is managed through careful management of cash flow and is mitigated by the availability of substantial credit lines, committed and uncommitted.

The Finance Division monitors cash flow through the use of quarterly financial forecasts (updated on a rolling basis) and ensures that available liquidity is sufficient to meet the company's business needs, and also establishes the correct ratio between bank borrowings and capital market debt.

With regard to medium/long term debt, the Group finances itself using: (i) medium/long term floating rate mortgage and unsecured loans, and (ii) fixed rate bond loans. Medium/long term borrowings may contain covenants and the Finance Division monitors this aspect constantly including together with company management through the use of the Enterprise Risk Management system in order to understand the impact that any breaches of these covenants could have on strategic, operational, and financial risks, as well as compliance.

Financial commitments are covered by funding made available by financial institutions and available committed and uncommitted credit lines.

This risk is managed prudently in order to avoid, if unexpected events should occur, excessive expense which could have a further negative impact on the company's market reputation and financial-economic flexibility.

The Company equipped itself with tools make it possible to i) analyze and measure interest rate risk, ii) understand the methods used to gather data and information relative to executed contracts in order to manage the interest rate risk, iii) develop a single model for risk assessment and management, iv) identify and measure financial risk taking into account:

a) fair value;

b) cash flow sensitivity;

c) stress tests;

d) probability of default.

All the information pertinent to cash management and funding are managed by a single division. The figures are also integrated with the economic – financial figures of the Finance and Treasury Division by Planning and Control and included in the Business Plan.

During the Covid-19 emergency, the Company took steps to support its liquidity and safeguard financial balance, including the decision to not pay a dividend for 2020; reduction and/or elimination of a few capex and deferrable investments for a total of around €40 million. IGD also reduced nonessential operating costs and activated social safety nets.

In terms of finance, IGD renewed the committed credit lines referred to above through May and July 2023 and requested a government loan of €36.3 million, guaranteed for 90% by SACE.

This was done in order to provide the Company with maximum flexibility and the ability to meet future financial obligations in different operating environments, including particularly adverse ones.

2.12.4.2 Interest rate risk

Risk factors:

• volatile interest rates which could impact the financing of operations, as well as the use of available liquidity.

The Group finances itself through short-term credit lines, floating rate medium/long term mortgages and unsecured loans, as well as fixed rate bond issues, therefore if interest rates are raised it is exposed to the risk that financial expense could increase and that any refinancing could be more costly.

Risk management:

Interest rate risk is monitored constantly by the Finance and Treasury Division and Top Management.

Over the years the Company has gradually increased hedges of interest rate risk and reduced the level of debt in terms of LTV.

The Finance Division monitors any changes in the main financial-economic indicators that could possibly impact the company's performance.

To manage this risk, the Group has entered into IRS or Interest Rate Swap agreements which allow the Group to cover about 94% (at 31.12.2021) of its interest rate risk on medium/long term loans, including bond loans.

The Finance Division analyzes and measures interest rate risk and liquidity constantly in order to understand possible risk management solutions; furthermore, scouting activities are carried out periodically in order to find ways to reduce financing costs through bank borrowings and/or the debt capital markets. Today the Company is rated by two agencies who have issued the following ratings: S&P BB+ with a stable outlook and Fitch BBB- with a stable outlook. The only investment grade rating was assigned by Fitch.

Maintaining at least one investment grade rating ensures that the Step-Up Clause in a few outstanding bonds (for a total of around €500 million) will not be triggered. For this reason, the Finance Division verifies the parameters looked at by the two rating agencies in order to understand whether or not the step-up clause relative to a few outstanding bonds might be triggered. If the step-up clause were to be triggered, the economic impact on 2021 depends on the loss of all the investment grade ratings and would be effective as of the date on which this happens. The impact is limited insofar as:

• the €162 million bond, with an outstanding of about €154 million, is not subject to a step-up clause;

• the €300 million bond, with an outstanding of around €71 million, was redeemed in advance on 1 March 2021;

• based on the regulations of the €100 million bond, a coupon rate step of 1.25% will be applied to the current coupon;

• based on the regulations of the €400 million bond, a coupon rate step of 1.25% will be applied as of the following coupon payment. The next coupon payment will be made in November 2022.

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In all the above scenarios, if another investment grade rating were to be assigned, the step-up clause will not be applied using the same method describe above.

The risk management specific to this area is subject to periodic monitoring as part of the ERM process.

2.12.4.3 Exchange risk

Risk factors:

- fluctuations in the Romanian currency, RON;

which could result in the portfolio being written down and the default of Romanian retailers whose contracts are in Euro, but anchored to the RON.

Risk management:

The Romanian tenants' rents are in Euro but paid in RON; therefore, the company is exposed to the risk that changes in exchange rates could make it harder for retailers to meet their contractual obligations.

Currently IGD works to mitigate this risk by working constantly on the optimal merchandising and tenant mix, as well as on the management of the portfolio with a view to sustaining value, including through improvements. With a view to understanding the correct policies to adopt, the Company holds periodic coordination and control meetings in order to monitor the credit profile of the different shopping centers and tenants and decide which steps should be taken in this regard. The Company monitors the rent as a percentage of the tenant's sales.

The commercial policies are carefully defined and based on in depth research as to the market needs and the habits of the local consumers.

Toward this end the Group is assisted by a team of specialized professional comprised of corporate and local resources in order to understand the correct trade-off between acquired know-how, corporate development and local needs.

2.13 INTERCOMPANY AND RELATED PARTY TRANSACTIONS

With regard to related party and intercompany transactions, there are no transactions which qualify as unusual or atypical, as they fall within the Group's ordinary scope of operations and take place under arm's-length conditions.

With regard to the rules of corporate governance and the "Procedures for Related Party Transactions", please refer to Section 3.10, "Report on Corporate Governance and Ownership Structure".

Details of related party transactions carried out in 2021 are provided in a section of the notes to the financial statements.

2.14 TREASURY SHARES

IGD owned no treasury shares at 31 December 2021.

2.15 RESEARCH AND DEVELOPMENT

IGD SIIQ and the Group companies do not perform research and development activities.

2.16 SIGNIFICANT TRANSACTIONS

During the year closed on 31 December 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.

2.17 COMMENT ON THE PARENT COMPANY'S FINANCIAL AND ECONOMIC PERFORMANCE

The financial statements at 31 December 2021, being submitted to the shareholders for approval, show a net profit of €54,093 thousand. Total revenue and operating income amounted to €120,466 thousand, a decrease against the prior year of €1.2 million or 5.3%, attributable mainly to the contribution of 5 hypermarkets and 1 supermarket to Fondo Juice which was finalized on 25 November 2021. Operating costs including general expenses were lower than the previous year and rose slightly as a percentage of revenue from 26.8% to 26.4%. The operating costs include the notes of credit issued for discounts on rents already invoiced as part of the post-lockdown support provided to retailers.

EBIT was positive from €85 million, an increase of €117 million with respect to the prior year, due to decrease in writedowns of €0.3 million (versus €111.5 million at 31 December 2020).

Financial charges amounted to €32.3 million at 31 December 2021, €2.1 million lower than in the prior year.

The net financial position was roughly €158.9 million lower than in 2020.

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REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

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3. REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

CODE/CG CODE/CORPORATE GOVERNANCE CODE

the Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee.

CIVIL CODE/C.C.

the Italian Civil Code.

CG COMMITTEE/CORPORATE GOVERNANCE COMMITTEE

the Italian Committee for the Corporate Governance of listed companies, endorsed by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

BOARD

the Issuers' Board of Directors.

ISSUER OR COMPANY

the company Immobiliare Grande Distribuzione SIIQ S.p.A. referred to in this Report.

YEAR

financial year 2021, referred to in this Report.

CONSOB REGULATIONS FOR ISSUERS

the regulations for issuers approved by CONSOB with Resolution 11971 of 1999, as amended.

CONSOB MARKET REGULATIONS

the market regulations issued by Consob with Resolution 20249 of 2017.

CONSOB REGULATIONS FOR RELATED PARTY TRANSACTIONS

the Regulations issued by CONSOB pursuant to Resolution 17221 of 12 March 2010, as amended, for related party transactions.

REPORT

this Report on Corporate Governance and Ownership Structure, prepared pursuant to Art. 123-*bis* TUF.

REMUNERATION REPORT

the report on remuneration policy and compensation paid, prepared pursuant to Art. 123-*ter* TUF and Art. 84-*quater* of the CONSOB Regulations for Issuers.

Testo Unico della Finanza/TUF: Legislative Decree 58 of 24 February 1998.

Unless otherwise specified, the following terms are as defined in the CG Code: directors, executive directors [*see Q. Def. (1) and Q. Def (2)*], independent directors, significant shareholder, chief executive officer (CEO), Board of Directors, Board of Statutory Auditors, business plan, company with concentrated ownership, large company, sustainable success, top management.

3.1 COMPANY PROFILE

The Company has a traditional system of management and control founded on the centrality of the Board of Directors. The financial audit is performed by external auditors, in accordance with the law.

The Company's Corporate Governance model is based on: *(i)* the guiding role of the Board of Directors in matters of corporate strategy, as a whole and through specifically appointed committees with advisory and consulting functions; *(ii)* the transparency of business decisions within the Company and vis-à-vis the market; *(iii)* the definition of a remuneration policy for the directors and the managers with strategic responsibilities which complies with the Code; *(iv)* the efficiency and efficacy of the internal control and risk management system; *(v)* the strict governance of potential conflicts of interest; and *(vi)* clear procedures for transactions with related parties and for the treatment of corporate information. The Company's mission is to create value for all its stakeholders: shareholders and financial community, employees, visitors and local community, tenants and suppliers. The Company believes this is possible through sustainable growth.

The Board of Directors plays an active role in defining the Company's strategy, first and foremost through in-depth board discussions in which, on request, the Company's management participates in order to provide further information on specific agenda items. In addition, during the approval process for the 2022-2024 Business Plan, the Company organized special meetings involving the entire Board of Directors and members of the Board of Statutory Auditors, for the purpose of fine-tuning the plan and allowing open discussion of the Company's strategies prior to approval.

Regarding risk management policies, during specific meetings the Board of Directors, with input from the Internal Control Committee, took regular stock of the development of the Company's Enterprise Risk Management (ERM) project, which is periodically revised through structural risk assessment processes entailing the evaluation of new identified risks and their mitigation factors, with a view to integration with existing strategies taking account of the Company's organizational and business model. All such efforts figured into the new 2022-2024 Business Plan. In this regard, see Section 9.0 "Internal Control and Risk Management System – Control and Risks Committee." Likewise, with regard to compensation policies, with input from the Nominations and Remuneration Committee the Board of Directors has proposed some changes and additions to the bonus system in order to make performance targets more incisive and consistent with the Company's business and sustainability strategy, over a multi-year horizon, in order to create long-term value.

Again in 2021, the Company prepared a Corporate Sustainability Report which describes characteristics and strategy in terms of ESG, short-, medium- and long-term growth targets, and key results achieved during the year.

Every year the Company makes the Corporate Sustainability Report, certified and approved by IGD SIIQ S.p.A.'s Board of Directors, available to the public on its website at http://www.gruppoigd.it/en/sustainability/sustainability-report/.

At this time, the Company does not prepare a non-financial report pursuant to Legislative Decree 254/2016.

The Company qualifies as an SME pursuant to Art. 1.w-quater.1) TUF (capitalization below the threshold set by CONSOB[1]).

AVERAGE CAPITALIZION		
2021	2020	2019
429.290.348	424.586.990	665.917.325

The Company does not meet the definition of "large company" and/or "company with concentrated ownership" as set forth in Borsa Italiana's Corporate Governance Code.

1 *The TUF definition of an SME was modified by Art. 44-bis (1) of Decree Law 76 of 16 July 2020, converted into legislation by Law 120 of 11 September 2020. Before the change, TUF Art. 1 (1) w-quater.1 defined SMEs as small and medium enterprises with listed shares whose revenue (even before admission for trading) was less than €300 million, or that had a market capitalization of less than €500 million, specifying that "listed companies that exceed both of these limits for three years in a row do not qualify as SMEs." The change eliminated the revenue limit, so at the moment, SMEs are defined as small and medium enterprises with listed shares whose market capitalization is less than €500 million, and "listed companies that exceed that limit for three years in a row do not qualify as SMEs." The second paragraph of the decree law's Art. 44-bis also established a transitional phase under which "Issuers that on the effective date of the conversion of this decree into law [i.e., as of 15 September 2020] qualified as SMEs only on the basis of revenue will continue to qualify as such for two financial years following the one in course."*

3.2 INFORMATION ON OWNERSHIP STRUCTURE (PURSUANT TO ART. 123-BIS, PAR. 1, TUF) AT 24 FEBRUARY 2022

a) Share capital structure (pursuant to Art. 123-bis, par. 1, lett. a), TUF)

The share capital approved at the date of this Report totals €650,000,000.00 fully subscribed and paid-in, divided into 110,341,903 ordinary shares without a stated par value (see Table 1).

b) Share transfer restrictions (pursuant to Art. 123-bis, par- 1, letter b), TUF)

There are no restrictions and all shares are freely transferable.

c) Significant interests in share capital (pursuant to Art. 123-bis, par. 1, lett. c), TUF)

Based on the declarations received under Art. 120 of TUF and other information available to the Company, the shareholders with voting rights holding more than 5% of the company's ordinary share capital are those indicated in Table 1 "Significant interests in share capital" attached to this report (see Table 1).

d) Shares granting special rights (pursuant to Art. 123-bis, para. 1, lett. d), TUF)

The shares issued all have the same rights.

e) Stock sharing; exercise of voting rights (pursuant to Art. 123-bis, par. 1, lett. e), TUF)

There are no specific mechanisms which provide for employee share ownership.

f) Restrictions on voting rights (pursuant to Art. 123-bis, par. 1, lett. f), TUF)

There are no restrictions on voting rights.

g) Shareholder agreements (pursuant to Art. 123-bis, par. 1, lett. g), TUF)

There are no shareholder agreements deemed relevant pursuant to Art. 122 of TUF.

h) Provisions relating to change of control clauses (pursuant to Art. 123-bis, par.1, lett. h), TUF) and takeover bids (pursuant to Art. 104, par. 1-ter, and 104-bis, par. 1, TUF)

In the course of their normal business, the Company and group companies may stipulate agreements with financial partners which include clauses which grant each of the parties the right to rescind and/or amend said agreements and/or require repayment of the loan in the event the direct or indirect control of the company contracting party should change.

Without prejudice to the above, the Company:

(i) on 21 April 2015, made an offer to exchange outstanding bonds "€144,900,000 4.335 per cent. Notes due 7 May 2017" and "€150,000,000 3.875 per cent. Notes due 7 January 2019" with new senior notes "€162,000,000 2.65 per cent. Notes due 21 April 2022". The regulations for the notes "162,000,000 2.65 per cent. Notes due 21 April 2022" call for the issue of a put option that may be exercised by the note holders in the event control of the Company should change;

(ii) on 31 May 2016, issued senior fixed rate notes "€300,000,000 2.500 per cent. Notes due 31 May 2021" the regulations for which call for a put option that may be exercised by the note holders in the event control of the Company should change;

(iii) on 11 January 2017 issued, through a private placement, an unsecured non-convertible bond loan, for a nominal amount of €100 million, expiring January 2024, the regulations for which call for a put option that may be exercised by the note holders in the event control of the Company should change;

(iv) on 16 October 2018 stipulated an agreement for a 3-year EUR 200 million senior unsecured facility with BNP Paribas and a pool of other lenders which contains a mandatory early termination clause in the event control of the Company should change;

(v) on 28 November 2019, repurchased part of the notes "300,000,000 2.500 per cent notes due 31 May 2021" and the "€162,000,000 2.650 per cent. Notes due 21 April 2022" (outstanding notes) tendered as a result of the tender offer launched by BNP Paribas S.A., which settled on 22 November 2019. After the notes were repurchased, the Company requested the cancellation of the Existing Notes repurchased by IGD. At the same time, on 28 November 2019 the Company issued new fixed-rate senior notes "€400,000,000 2.125 per cent. Fixed Rate Notes due 28 November 2024" which call for the issue of a put option that may be exercised by the note holders in the event control of the Company should change;

(vi) on 13 January 2021, informed the market and the noteholders of the "€300,000,000 2.500 per cent. Notes due 31 May 2021" of its intention to exercise the early redemption option on the notes. Therefore, on 1 March 2021 IGD redeemed the fixed-rate senior bond loan "€300,000,000 2.500 per cent. Notes due 31 May 2021" by exercising the par call option provided for in the regulations;

(vii) on 16 October 2020, signed an agreement with Banca Monte dei Paschi di Siena for a 6-year €36.3 million loan, guaranteed by SACE as part of the Garanzia Italia program, which contains a mandatory early termination clause in the event control of the Company should change;

(viii) on 25 November 2021, signed an agreement with MPS Capital Services and Banco BPM for a five-year, €77 million loan – containing a mandatory early termination clause in the event control of the Company should change – to finance the real estate transaction involving the disposal of a portfolio of six hypermarkets and supermarkets, subsequently transferred to the closed-end real estate fund "Fondo Juice," of which IGD owns a non-controlling interest of 40%.

With regard to takeover bids, in the Company's bylaws there are no clauses which provide for exceptions to the passivity rule nor application of the neutrality rules.

a) Authority to increase share capital and authorizations to buy back shares (pursuant to Art. 123-bis, par. 1, lett. m), TUF)

The Board of Directors, pursuant to Art. 2443 of the Italian Civil Code has the right to, by 12 April 2022, increase share capital against payment, in one or more installments, by up to 10% of the current share capital, to be subscribed by parties selected by the Board of Directors including qualified investors and/or business partners and/or financial partners in Italy and abroad or shareholders of the Company – excluding pre-emption rights pursuant to Art. 2441, paragraph 4 (2), as long as the issue price corresponds to the shares' market price which must be confirmed in a report issued by the external auditors.

At the moment there is no authorization for the Company to purchase or sell treasury shares, pursuant to Art. 2357, par. 2 of the Civil Code.

The Company had no treasury shares at the date of this report.

b) Management and coordination (pursuant to Art. 2497 et seq. Italian Civil Code)

The Company, pursuant to Art. 2497 of the Italian Civil Code, is subject to the management and coordination of shareholder Coop Alleanza 3.0 soc.coop. which controls 40.92% of the Company's share capital.

As the Company is subject to the management and coordination of Coop Alleanza 3.0 soc. Coop., it is subject to Art. 16, paragraph 4 of the Consob Market Regulations, based on which the committees formed pursuant to the Code must comprise only independent directors.

OTHER INFORMATION

Indemnity of Directors (pursuant to Art. 123-bis, para 1, letter i), TUF)

With regard to information relative to any agreements between the Company and the Directors in the event of resignation, dismissal or termination following a takeover bid pursuant to Art. 123-bis, para 1, letter i), TUF, please refer to the Remuneration Report published in accordance with Art. 123-ter of TUF and available on the Company's website: http://www.gruppoigd.it/en/ governance/remuneration/.

Norms applicable to the appointment and replacement of directors, amendments to the corporate by-laws (pursuant to Art. 123-bis, par. 1, lett. l),TUF)

Rules for the appointment and replacement of directors, and for amendments to the corporate by-laws, are contained in Title V of the bylaws (General Meeting, Board of Directors) made available on the company's website: www.gruppoigd.it. Please refer to the "Board of Directors" section of this report for further information.

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3.3 COMPLIANCE (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETT. A), FIRST PART, TUF)

Since its IPO on 11 February 2005, the Company has adopted the Corporate Governance Code and has structured its corporate governance, i.e. its rules and standards of conduct, in a way that ensures efficient and transparent corporate bodies and control systems in line with the Code guidelines.

In January 2020, the Corporate Governance Committee adopted the Corporate Governance Code with effect from FY 2021. In 2020 and 2021, the Company implemented the process of updating its Corporate Governance Code in order to comply with Code recommendations, as discussed in greater detail below.

The January 2020 version of the Code is available on Borsa Italiana's website at: https://www.borsaitaliana.it/comitato-corporate-Governance/codice/2020.pdf.

In line with the best international practices relating to Corporate Governance and in light of the recommendations found in the Corporate Governance Code approved by Borsa Italiana's Corporate Governance Committee, the Company has also adopted its own Corporate Governance Regulations which, along with the other documents (corporate bylaws, Decree 231/01 Model for organization, management and control, Code of ethics, Regulations for shareholders' meetings, Procedures for related party transactions, Regulations for the management of privileged information, Internal dealing code, Anti-corruption Policy) – is an integral part of the group of self-governance instruments used by the Company.

In accordance with the law, this Report contains a general description of the corporate governance system adopted by the Company, along with information on the shareholder structure and application of the Corporate Governance Code, as per the "comply or explain" standard set out in the Code.

The Company's subsidiaries include two Romanian companies, WinMagazin S.A. and WinMarkt Management S.r.l., which, however, do not have any impact on the current structure of IGD's Governance.

3.4 BOARD OF DIRECTORS

3.4.1 ROLE OF THE BOARD OF DIRECTORS

The Board of Directors plays an active role in guiding and encouraging decision-making by carefully assessing information and documentation at its board meetings, including with input from its internal committees. The committees report to the Board of Directors, twice-yearly, on the work they have carried out and/or when specific issues are discussed; of particular note is the role of the Control and Risk Committee when it comes to the constant monitoring, as part of the ERM project, of the internal control and risk management system.

The Board of Directors and the Company's top management participated in seminars concerning the guidelines for drawing up the new 2022-2024 Business Plan, before its definitive approval.

The Chief Executive Officer routinely informs the Board of investor relations activities, using ad hoc reporting tools presented during Board meetings.

On 14 December 2021 the Board approved the "Policy for Dialogue with Shareholders and Other Stakeholders" which governs the tools of dialogue and the means of engagement and communication, in line with Code recommendations, the engagement policies adopted by institutional investors, proxy advisors and active managers, best international practices, the provisions of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 ("MAR"), and implementation protocols regarding the management and disclosure of inside information. For further information, see Section 12 of this Report.

Without prejudice to the duties assigned to it by law and the corporate bylaws or its specific functions within the Internal Control System, the Board of Directors:

a) examines and approves the business plan and/or the strategic plan of the Company and its Group, also on the basis of an analysis of issues relevant for the generation of value in the long term;

b) routinely monitors the implementation of the business plan and/or strategic plan and evaluates general business performance, periodically comparing actual results with forecasts;

c) defines the nature and level of risk deemed compatible with the Company's strategic objectives, including in its assessments all the factors deemed material to the Company's sustainable success;

d) defines the Company's corporate governance system and the structure of the Group it heads, and judges the adequacy of the organizational, administrative and accounting structure of the Company and its strategic subsidiaries, with particular reference to the internal control and risk management system;

e) resolves on the operations of the Company and its subsidiaries where such transactions are strategically, economically or financially significant for the Company; toward this end, it determines the general criteria to be used to define relevant transactions and ensures that the strategically significant subsidiaries submit any transactions that could have a significant impact on the Company to the Board of Directors for approval;

f) at the recommendation of the Chair of the Board of Directors in agreement with the Chief Executive Officer (responsible for the internal control and risk management system), updates the procedure for the management and disclosure of documents and information concerning the Company, with particular reference to inside information. For further details, see Section 5 of this Report.

Specifically, with reference to the above duties, in 2021 the Board of Directors:

- approved the 2022-2024 Business Plan, announced to the market on 14 December 2021;
- carefully analyzed the phases of the Enterprise Risk Management project, taking resolutions on the nature and level of risk deemed adequate and compatible with the Company's strategic objectives;
- approved the Company's new organizational structure further to the early retirement of the General Manager;
- approved the "Policy for Dialogue with Shareholders and Other Stakeholders";
- approved the Comprehensive Merger and Demerger Plan regarding various Group companies, authorizing them to pass the pertinent resolutions, for an effective date of 1 October 2021.

For other information on the Board of Directors regarding composition, functioning, appointment and review, remuneration policy, and the internal control and risk management system, see Sections 4, 8 and 9 of this Report.

3.4.2 APPOINTMENT AND REPLACEMENT (PURSUANT TO ART. 123-BIS, PARA. 1, LETT. L), FIRST PART, TUF)

Pursuant to Articles 16.2 and 16.3 of the bylaws, the directors are elected on the basis of preference lists which comply with the current laws relating to gender equality. In accordance with Art. 16.3 of the bylaws, lists could be submitted by shareholders who, alone or together with others, hold the interest determined in accordance with CONSOB (for 2021 equal to 4.5% of the Company's share capital, pursuant to Consob regulation n. 44 of 29 January 2021). The lists must be filed at the head office at least twenty-five days in advance of the first-call date of the meeting. Shareholders must prove possession of the shares needed to file voting lists by submitting the relative certification by the deadline for the publication of the list (namely at least 21 days prior to the Annual General Meeting). Pursuant to Art. 147-ter, paragraph 1-bis, TUF, ownership of the minimum amount needed to participate in the filing of a list is based on the number of shares officially held by the shareholder on the day the lists are filed with the Issuer.

The candidates must be numbered sequentially in the lists up to the number of seats to be filled. In accordance with the latest version of Art. 147 ter, fourth paragraph, of the TUF, Art. 16.3, last passage, of the bylaws states that every list must include at least two clearly indicated candidates who qualify as independent in accordance with the law. The lists which include three or more candidates must include candidates of both genders, as indicated in the notice of call for the Annual General Meeting, in order to ensure that the composition of the Board of Directors complies with current laws relating to gender equality.

In compliance with the bylaws, the lists must be filed along with the candidates' irrevocable acceptance of office (should they be elected), curriculum vitae, and statements confirming that there are no reasons for ineligibility and/or disqualification and that they meet the requirements set by law.

Art. 16.4 of the bylaws, reflecting the provisions of Art. 147-ter, paragraph 3 of the TUF, prohibits any shareholder from submitting or participating in the submission of more than one list. In keeping with the above, Art. 16.7 of the bylaws states that if more than one list is submitted, at least one director must be appointed from the minority list that receives a majority of the votes cast. Thus, if the candidates ranked with the highest quotients come from a single list, the candidate from the minority list who has earned the highest quotient will be elected in place of the candidate at the bottom of the ranking. Pursuant to Art. 16.7-bis of the bylaws – as introduced by the amendments approved by the shareholders meeting in ordinary session on 18 April 2013 – if the law relating to gender equality fails to be complied with as a result of the votes cast, the candidates belonging to the more represented gender with the least amount of votes on the list that receives the most votes will be replaced by the number of candidates on the same list needed to ensure compliance with the laws governing gender equality without prejudice to the minimum number of independent directors required under the law. In the event that not enough candidates of the least represented gender appear on the list that receives the greatest number of votes, the shareholders will appoint the directors of the least represented gender with the majority of votes required by law.

Art. 16.8 of the bylaws, on the subject of filling vacancies on the Board of Directors, combines the co-option system with the requirement that minority interests be represented and that at least two directors qualify as independent pursuant to Art. 147-ter, par. 3 of the TUF, as well as in accordance with the laws governing gender equality.

For information on the role of the Board of Directors and board committees in the processes of review, appointment and succession of directors, see Section 7 of this Report.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE
3.4 BOARD OF DIRECTORS

3.4.3 COMPOSITION (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETT. D) AND D-BIS), TUF)

IGD's Board of Directors is comprised of 11 members: 1 executive director/chief executive officer, with powers over the internal control system; 7 independent directors, including the chair; and 3 non-executive directors. All of the directors have professional qualifications and skills appropriate to their tasks. This was taken into account on occasion of the recent re-election of the Board, including in light of the opinion expressed by the outgoing Board of Directors on its size, composition and functioning with respect to the Company's complexity, as presented to the shareholders in view of the Annual General Meeting of 15 April 2021.

In the new Board composition, the profiles of the non-executive directors are such to ensure them a significant weight in the assumption of board resolutions and to provide for the effective monitoring of operations. A significant share of the directors – 7 out of 11 – qualify as independent.

The Board of Directors in office until 15 April 2021 (date of the Annual General Meeting that approved the 2020 financial statements) was comprised of the following 11 directors: Elio Gasperoni (Chair), Claudio Albertini (Chief Executive Officer), Rossella Saoncella (Deputy Chair), Gian Maria Menabò, Luca Dondi Dall'Orologio, Isabella Landi (co-opted to replace Sergio Lugaresi, who resigned), Elisabetta Gualandri, Livia Salvini, Alessia Savino, Eric Jean Véron, and Timothy Guy Michele Santini.

On 15 April 2021 the Annual General Meeting elected the current Board of Directors, which will serve until the date of the AGM called to approve the 2023 financial statements.

The current Board of Directors is made up of the following 11 directors: Rossella Saoncella (Chair), Claudio Albertini (Chief Executive Officer), Stefano Dall'Ara (Deputy Chair), Edy Gambetti, Antonio Rizzi, Silvia Benzi, Rossella Schiavini, Alessia Savino, Timothy Guy Michele Santini, Rosa Cipriotti, and Géry Robert-Ambroix.

During the Annual General Meeting held on 15 April 2021 which elected the current board, three lists were presented, by Coop Alleanza 3.0 soc. Coop. (List no. 1), Unicoop Tirreno soc. Coop. (List no. 2), and Europa Plus SCA SIF (List no. 3). The lists were submitted with all the documentation relating to the personal and professional characteristics of the candidates along with statements relating to their qualifications as independent and irrevocable acceptance of the appointment in the time period provided for under the law.

More in detail, from List no. 1, submitted by the majority shareholder Coop Alleanza 3.0 soc. Coop. (owner of 40.92% of the share capital), the following members were appointed: Rossella Saoncella, Stefano Dall'Ara, Claudio Albertini, Edy Gambetti, Antonio Rizzi, Silvia Benzi, and Rossella Schiavini. This list was voted by 43.37% of the shares represented in AGM.

From List no. 2, submitted by the shareholder Unicoop Tirreno soc. Coop. (which holds an interest of 7.87%), the director Alessia Savino was appointed. This list was voted by 7.87% of the shares represented in AGM.

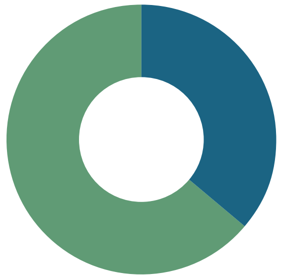
From List no. 3, submitted by the shareholder Europa Plus SCA SIF (which holds an interest of 4.50001%), the following directors were appointed: Timothy Guy Michele Santini, Rosa Cipriotti, and Géry Robert-Ambroix. This list was voted by 18.10% of the shares represented in AGM.

The directors Rossella Saoncella, Antonio Rizzi, Silvia Benzi, Rossella Schiavini, Timothy Guy Michele Santini, Rosa Cipriotti, and Géry Robert-Ambroix certified that they qualify as independent pursuant to TUF, the CONSOB Market Regulations and the Corporate Governance Code.

Tables 2 and Table 2-bis attached to this Report show the members of the Board of Directors in office during the year ended 31 December 2021, along with their status as executive or non-executive and/or independent members as per the Code, the date of initial appointment, and the committees formed.

DIRECTORS' INDIPENDENCE

The personal characteristics and professional experience of the single members of the Board of Directors as at the date of the present report, are provided below.



Rossella Saoncella
Chair of the Board of Directors

Born in 1954, Ms. Saoncella received a degree in Physics from the University of Bologna in 1977 and in 1978 completed a masters in Business Administration at IFOA. She was General Manager of the Granarolo Group through 2011 and, prior to 1993, an executive of the CONAD Group. Over the past few years, she has held administrative offices for municipalities in Emilia Romagna and she has been a Directors at HERA S.p.A. The number of offices held is shown in Table 2.

Claudio Albertini
CEO since May 2009 (Director since 2006)

Mr. Albertini, born in 1958, is registered in the order of Chartered Accountants and accounting experts in Bologna and in the register of auditors. He has been at the helm of IGD since May 2009, after having served as a member of the Company's Board for three years. For more than twenty years Mr. Albertini was part of the Gruppo Unipol where he ultimately acted as General Manager of Unipol Merchant. He is also a member of the Advisory Board of EPRA (European Public Real Estate Association) and of the Nominations Committee of ECSP (European Council of Shopping Places). He is chair of the Board of Directors of IGD Service S.r.l. The number of offices held is shown in Table 2.

Stefano Dall'Ara
Non-executive director

Born in 1963, Mr. Dall'Ara studied banking and finance at various universities in Italy, including Bocconi University in Milan and the University of Siena. He gained experience in the banking industry from 1984 to 2005, and in 1993 became a manager at Banca di Bologna. Since 2005, appointed first as executive and then as Finance Area Manager at Coop Adriatica, he has served as executive and non-executive director at many companies in the Coop and Unipol groups; in the financial, banking, insurance and real estate sectors; and, since 2011, in the pension fund industry. Since 2016, when he was named director of investee companies at Coop Alleanza 3.0, he has also begun to hold positions at companies, entities and associations in other sectors, such as trade, export, tourism and bookstores. He is currently chair of the Board of Directors of Robintur S.p.A., member of the Board of Directors of Cooperare S.p.A., chair of the Board of Directors of Cccfs s.c.a.r.l., member of the Board of Directors of Coop Reno s.c.a.r.l., member of the Board of Directors of Hope S.r.l., member of the Board of Directors of Parfinco S.p.A., Chair of the Board of Directors of BtExpert S.r.l., Chair of the Board of Directors of Via Con Noi S.r.l., Chair of the Board of Directors of Orchidea Viaggi S.r.l., member of the Board of Directors of Eataly World, Chair of the Board of Directors of Previdenza Cooperativa, member of the Board of Directors of Italian Coop Trade S.r.l., Deputy Chair of the Board of Directors of Fi.bo S.p.A., and Deputy Chair of the Board of Directors of Federazione Turismo Organizzato. The number of offices held is shown in Table 2.

Timothy Guy Michele Santini
Independent director

Born in 1966, he is a Modern Languages graduate and a professional member of The Royal Institution of Chartered Surveyors in England. He trained at Jones Lang LaSalle in London and worked in the European and Retail Teams, specializing in out-of-town retail. He spent over twenty years with Eurocommercial Properties where he was a senior director, responsible for the Italian activities of the Company. He reported directly to shareholders, analysts and the Board of Management. He set up the Italian offices of Eurocommercial and has bought, managed, refurbished and extended some of Italy's best-known shopping centers. Prior to focusing on Italy, he was active in the asset management of shopping centers in France and properties in Spain, Belgium and The Netherlands. He currently advises on the Italian retail market and assists individuals and companies through coaching and mentoring activities. The number of offices held is shown in Table 2.

Alessia Savino
Non-executive director

Born in 1967, she received a degree in Economics and Banking from Milan's Università Cattolica, and subsequently completed a master's program in Management Development at L. Bocconi's Business Management School in Milan. She is currently head of Finance and Administration at Unicoop Tirreno, where she has been working since February 2017. A finance expert, she has gained experience in both banking and business management as she has worked for two important banking groups and two multinational manufacturing companies. On the corporate side, she acted as General Manager and member of the Board of Directors of the Giorgio Armani Group's financial company for around 15 years; prior to this experience she acted as treasurer of the company Aprilia, today the Piaggio Group. As for banking, she was part of the corporate division's financial sector as head of securities trading for the joint venture of Credito Italiano and Natwest Bank of London, Banca CreditWest and, sub-

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sequently head of the division responsible for covering interest rate risk management of the banking group Credito Emiliano in Reggio Emilia. In addition, she is Deputy Chair and member of the Board of Directors of Sogefin, member of the Board of Directors of Factorcoop S.p.A., member of the Board of Directors of Enercoop Tirreno S.r.l., and member of the Board of Directors of Axis S.r.l. The number of offices held is shown in Table 2.

Edy Gambetti
Non-executive director

Mr. Gambetti was born in 1951 and earned a business degree from the University of Modena in 1976. He gained solid experience in management and later in corporate governance, serving as executive and non-executive director as well as legal representative. As an executive and an area manager, he has been a strategy and management expert for the mass retailing business within the Coop group, with related expertise in the management of hypermarkets and shopping centers. He has worked for consortiums within the sphere of Coop Italia and for diverse companies in the same business. In the mass retailing industry, he has also served as director and legal representative in the discount and logistics sectors. Since June 2019 he has been Deputy Chair of Coop Alleanza 3.0. He is also a member of the Board of Directors of Assicoop Modena&Ferrara S.p.A. and COIND Soc. Coop., Deputy Chair of Antenna Uno S.r.l. and Trmedia S.r.l., and Chair of the Board of Directors of Distribuzione Centro Sud S.r.l. The number of offices held is shown in Table 2.

Antonio Rizzi
Independent director

Mr. Rizzo was born in 1965 and has been a full professor of private law since 2011 at Tor Vergata University in Rome; a former magistrate, he has been a member of the Rome Bar Association since 2003 and of the register of cassation lawyers since 2007. He has sat on the Boards of Directors of listed companies and banks and has served as temporary administrator for companies under extraordinary administration.

He works in many fields: commercial law, contract law, banking and financial law, communications and e-commerce law, fiduciary company law, bankruptcy law, and environmental law. He has authored publications on general contract theory, corporate law and bankruptcy law. He is also an independent director of Unipolsai Insurance S.p.A. The number of offices held is shown in Table 2.

Silvia Benzi
Independent director

Born in 1975, she earned a business degree in 1999 from the University of Bologna, where she also earned a master's in corporate finance. Her professional career began as a financial analyst with the international investment banks JP Morgan and Kepler Cheuvreux, where she specialized in bank sector investing. She was then a consultant for PwC and a buy-side analyst of the European financial and real estate industry for a hedge fund in London. Since 2018 she has been Head of Investor Relations & Strategic Planning at Illimity Bank.

She has extensive experience in business strategy, strategic planning, M&A, investor relations, and change & transformation processes. Having worked at global investment banks of primary standing, she has significant international experience. She is also on the Board of Directors of Neprix S.r.l. The number of offices held is shown in Table 2.

Rosa Cipriotti
Independent director

Ms. Cipriotti, born in 1974, earned a business degree with honors in 1998 from La Sapienza University in Rome and in 2015 completed the General Management executive master program at Harvard Business School. A professional chartered accountant, she has more than 20 years' experience in investment banking, corporate finance and consulting, including at international firms with a global presence and a diverse client portfolio: private equity, holding companies, family businesses and multinationals. She is well versed in ordinary and extraordinary corporate finance, risk management, negotiation and strategy, and has corporate governance experience as an independent non-executive director of regulated, supervised international and domestic companies since 2013. She is familiar with numerous business sectors, with a particular focus on financial institutions, real estate, infrastructure and transport, retail and consumer, pharmaceuticals, and media and telecommunications. She also serves as a member of the Board of Directors of B4 Investimenti SGR S.p.A., DIG SICAF S.p.A., Prelios Credit Servicing S.p.A., Reversal SIM S.p.A. and Coeclerici S.p.A., standing auditor at Ecolombardia 4 S.p.A. and Istituti Ospedalieri Bergamaschi S.r.l., and sole director of Sigmagest S.p.A. The number of offices held is shown in Table 2.

Rossella Schiavini
Independent director

Ms. Schiavini, born in 1966, earned a political science degree from LUISS University in Rome in 1990 and an MSC in International Political Economy from the London School of Economics in 1991. She has many years' experience in Italian and international banking and finance (UK, EMEA) in the area of wholesale/corporate & investment banking. She has spent the last 10 years at Rabobank, where she served first as Country Head for Italy and, in 2011, as head of the Corporate Division for Europe based in London. Since 2016 she has worked mainly in corporate governance as a director of listed companies. From 2018 until April 2021 she served on the Board of Directors of Bper S.p.A. and as Chair of the Executive Committee. She is currently on the Board of Directors of Marr S.p.A. and Biesse S.p.A., in addition to IGD SIIQ S.p.A. Since 2017 she has focused on innovation and ecosystem start-up, working with Polihub, the innovation hub and business accelerator of Milan Polytechnic, as a tutor for innovation/acceleration programs and a business angel. The number of offices held is shown in Table 2.

Géry Robert-Ambroix
Independent director

Born in 1966, Mr. Robert-Ambroix earned a degree in Business Administration from HEC (Paris) in 1990. He has more than 20 years' experience in the shopping center business, earned in strategic roles at major listed firms in France: Managing Director and later CEO of Mercialys from 2005 to 2013, then Managing Director of the Carmila Group, CEO of Carmila Espana and CEO of Carmila Italia from 2013 to 2020. The number of offices held is shown in Table 2.

In compliance with the Code, the Directors take office only when they believe that they will be able to dedicate the time needed to carry out their duties diligently, including in light of their roles in any Board committees, as well as the workload connected to their professional activities, the number of and time dedicated to other offices held as director or statutory auditor in other companies as per the limits on multiple assignments described below, ensuring that this condition remains throughout their term of office.

The Directors, aware of the responsibilities inherent in the office held, must be constantly updated on the newest legislative and regulatory developments affecting the Company and its business.

The directors must comply with the Code of Ethics, the Internal Dealing Code and any other provisions with which the Company regulates the directors' conduct; the directors, like the Statutory Auditors, must treat any documents and information to which they might have access in the course of their duties with the maximum confidentiality.

Diversity

The Company's Board of Directors is comprised of individuals with different professional and personal profiles, including university professors, independent professionals and entrepreneurs, as well as company executives. The majority of the directors appointed qualify as independent under the Code and TUF.

As reported in Section 4.3, prior to the latest board election, the outgoing Board of Directors published its opinion on the future size and composition of the board and presented it to the shareholders ahead of the Annual General Meeting of 15 April 2021. The opinion also addressed the professional qualifications, experience, and skills expected of directors, including in light of the Company's size, complexity and strategy.

The current composition of the Board of Directors, also complies with legislation on gender equality (Law 160/2019, i.e. the Budget Law that amended Arts. 147-ter, par. 1-ter and 148, para. 1-bis TUF, introduced by Law 120/2011), based on which at least two fifths of the Board members have to be of the less represented gender, rounded up to the nearest whole number (this quota is applicable for six terms in a row, starting with the first board election after the Budget Law came into effect).

In this respect, on 5 November 2020 the Company's Board of Directors had amended the bylaws in order to comply with provisions relating to gender equality referred to in the Budget Law.

Given the above, at this time the Company does not find it necessary to adopt a formal Diversity Policy, as the diversity principle is satisfied in the board's current makeup.

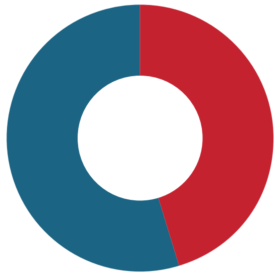
In its opinion meant to guide the shareholders when electing the new Board of Directors, the outgoing board emphasized the importance not only of diverse competencies but also of "soft skills," recommending that the shareholders prioritize certain characteristics (also with a view to formulating an expected profile for future IGD directors), such as:

- independent thought and integrity;
- sufficient time and energy in light of other commitments;
- ability to manage conflicts constructively;
- ability to interact with management;
- ability to integrate sustainability issues into business vision;
- shared understanding of strategic role;
- teamwork skills.

3

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE
3.4 BOARD OF DIRECTORS

GENDER QUOTAS IN THE BOARD OF DIRECTORS



Maximum number of appointments allowed in other companies

In order to regulate the maximum permitted number of appointments in other companies that a director may hold, the Company drafted specific regulations referred to as the "Limits to the maximum number of appointments allowed in other companies" which were approved by the Board of Directors on 13 December 2010, and updated on 26 February 2015 as per the opinion of the Nominations and Remuneration Committee. The regulations are available to the public on the Company's website: http://www.gruppoigd.it/en/governance/board-of-directors.

Based on the regulations, the term "maximum number" does not refer solely to the number of offices held, but also attributes a weight to each type of appointment in relation to the nature and size of the company, as well as the position held by IGD's directors in other companies, in light of the fact that more time is dedicated to certain positions than to others. In light of this consideration, IGD's Board of Directors held that the weight to be attributed to the office of chair or executive director be different, for example, than that of a non-executive/independent director or member of the Board of Statutory Auditors, also depending on whether the person serves on one or more Committees constituted within the Board of Directors. Lastly, the weight attributed to each office was also different based on the type and size of the company, and two sub-categories were established: Group A and Group B. Group A includes listed companies, financial institutions, banks, insurance companies or other large companies that meet the requirements listed in the Regulations. All the companies which are not part of Group A are automatically considered part of Group B. In light of these considerations, the Board listed the overall weight of the offices held in other companies which can be considered compatible with acting effectively as a director in IGD.

The composition of the Board of Directors as of the date of this Report was fully compliant with the regulations governing "Limits to the maximum number of appointments."

The number of offices held by directors in companies other than those of the IGD Group can be found in Table 2, attached to this Report.

3.4.4 FUNCTIONS OF THE BOARD OF DIRECTORS (PURSUANT TO ART. 123-BIS, PAR 2, LETT. D) TUF)

In line with the recommendations of the Corporate Governance Code, in May 2021 the Board of Directors approved a revision of the Corporate Governance Regulations to make them compliant with the new Corporate Governance Code, which defines the role, composition and operating rules of the Board of Directors including the procedures for scheduling, convening, conducting and recording the meetings of the Board, its committees and other bodies.

The Corporate Governance Regulations also set the procedures for providing information to the Directors, ensuring that information is furnished well in advance of Board meetings and assigning responsibility to the Chair of the Board of Directors, with support from the Secretary of the Board who provides impartial assistance and advice to the Board on every aspect relevant for the proper functioning of the corporate governance system.

Such information consists, for each agenda item, of highly detailed presentations describing the specific topic and, in some cases, of other supporting documentation and/or reports, which also contain the resolution proposals that the board's Chair, upon completion of the individual discussions, reads verbatim to the Board before calling for a vote which as a rule takes place by roll call.

Minutes of each meeting, with a note of all statements and clarifications made, are taken by the Secretary of the Board and are made available to the directors, as well as to the statutory auditors for their information, after the Board meeting is over so that each participant can make sure his or her statements are recorded accurately. Each set of minutes, as a rule, must be expressly approved during the next Board meeting.

To ensure that the directors effectively act as a board, meetings are held on the dates set in the financial calendar announced to the market in accordance with the Stock Exchange Instructions, and whenever a meeting proves necessary. The Board, at any rate, takes the steps necessary to effectively fulfill its duties.

The Chair of the Board of Directors, including at the request of one or more directors, and with the approval of the Chief Executive Officer, may invite executives of the Company to attend the Board meetings to provide in depth information about the items on the agenda.

The Board of Directors takes decisions on all operations within its sphere of responsibility – most of them specified in Section 4.1 – and each director is ensured the necessary amount of time, without limitation, to formulate his or her statements, comments, and requests for clarification.

On 14 December 2021, the Company published its financial calendar which includes the following Board of Directors meetings in 2022:

24 February 2022 Board of Directors' meeting to approve the separate and consolidated financial statements at 31 December 2021;

5 May 2022 Board of Directors' meeting to approve the Interim Management Statement at 31 March 2022;

4 August 2022 Board of Directors' meeting to approve the Half-year Financial Report at 30 June 2022;

3 November 2022 Board of Directors' meeting to approve the Interim Management Statement at 30 September 2022.

If the Company deems it opportune it may convene, in accordance with the bylaws, other Board of Directors' meetings in 2022.

Pursuant to Art. 17.3 of the bylaws, the Chair of the Board, assisted by the Secretary, calls and presides over meetings of the Board of Directors; conducts, coordinates and moderates the discussion and related activities; and announces the results of votes. He or she must ensure that the Board of Directors constantly pursues the strategic goals of the Company and the entire Group.

Without prejudice to the call prerogatives guaranteed by law, meetings of the Board of Directors are called by the Chair, or the Chair's deputy, whenever this person sees fit or at the request of a majority of the directors. Art. 18 of the bylaws also provides for Board of Directors' meetings to be called by the Board of Statutory Auditors. Meetings are normally called by e-mail, with a follow-up to check the directors' availability to attend, at least five days in advance of the meeting. In urgent cases, meetings may be called two days in advance.

The power to call the Board of Directors' meetings granted to the Board of Statutory Auditors or by any member thereof complies with Art. 151, second paragraph of TUF.

The Board of Directors meets at the place specified in the notice of meeting, which may be the registered office or anywhere else in Italy.

The Chair of the Board of Directors, with assistance from the Secretary, shall ensure that the documentation relating to the items on the agenda is brought to the attention of the Directors and Statutory Auditors well in advance of the date of the Board meeting, also taking care that the advance information and the additional material provided during the meetings are suitable to allow the Directors to take informed action in fulfilling their duties[2].

The documentation relative to the Board meeting agendas is regularly made available to each director on the Company's website; directors may access it on an exclusive basis. The publication of the documentation is preceded by a notice sent by e-mail from a specific office within the Company. During 2021 the adequate notice period on average was equal to 2 (two) days.

During the meetings, the Chair of the Board of Directors assured an extensive discussion of the items on the agenda allowing a constructive debate, also thanks to the participation of the top management of the Company and its subsidiaries in order to provide the Board with relevant input.

Board meetings are presided over by the Chair or, if the Chair is unavailable, by the Deputy Chair (if appointed) or, if that person is unavailable, by the most senior director in terms of age.

The bylaws require the presence of at least one member of the Board of Statutory Auditors at all sessions of the Board of Directors, to ensure that the auditors are informed of the Company's activities and of the transactions having a significant impact on profitability, assets, liabilities, and financial position carried out by the Company or its subsidiaries, in particular those transactions in which they have an interest on their own or third parties' account; that are influenced by the party in charge of management and coordination; or that have been the subject of resolutions, debate or announcement during the course of the session. If no statutory auditor is present at a meeting of the Board of Directors, or if the procedures adopted in accordance with the preceding section do not guarantee that the auditors are informed on at least a quarterly basis, then according to the bylaws the Chair and/or the chief executive officer must report in writing on his or her activities to the Chair of the Board of Statutory Auditors. This report must be mentioned in the minutes of the first subsequent meeting of the Board of Statutory Auditors.

During the year the Board of Directors held 11 meetings, on 28 January 2021, 25 February 2021, 20 April 2021, 6 May 2021, 30 June 2021, 15 July 2021, 5 August 2021, 12 October 2021, 4 November 2021, 14 December 2021 and 29 December 2021, with regular attendance by the directors and at least one member of the Board of Statutory Auditors. The absentee rate was quite low and all absences were excused. Each meeting lasted an average of around 4 hours and 25 minutes. Some meetings of the Board of Directors were attended by Company executives and/or external parties, so they could provide specialized input on the topics up for debate.

Due to the Covid-19 emergency, the Board meetings were also held by audioconference, and when directors were physically present, they were assured proper distancing and use of personal protective equipment.

2 *Recommendation 12 (a) of the Code.*

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3.4.5 ROLE OF THE CHAIR OF THE BOARD OF DIRECTORS

The Chair of the Board of Directors acts as liaison between the executive director and the non-executive directors, relaying any requests and/or demands of the latter. He or she promotes the holding of special meetings – attended by the Company's top management – to ensure complete awareness of the Company's corporate governance system and type of business. He or she also encourages meetings of the independent directors as the best opportunity for them to share opinions, and ensures that meetings are held among all internal control bodies. The Chair coordinates the periodic Board review process. In general, he or she is available at every opportunity to meet the needs of the non-executive directors.

More specifically, the Chair of the Board of Directors ensured:
- that pre-meeting information – reviewed in advance – was thorough and provided sufficiently in advance of the meeting, assured by knowledge of the time it was sent;
- the coordination of activities between the Board committees and the Board itself, reserving to the Chairs of the respective committees – involved when the items on the specific Board meeting agenda made their presence relevant – the time necessary to explain the committee's actions;
- in consultation with the Chief Executive Officer, the participation at Board meetings – including at the request of individual directors – of the Company's executives in order to provide input on agenda items. In this regard the Chair assured executives' participation at Board meetings, when relevant to specific agenda items, in keeping with the opinions expressed by the Board of Directors;
- the organization of induction sessions, including with Company executives, to provide the newly elected Board of Directors with full awareness of the Company's corporate governance system, type of business and market, and to foster participation in the preliminary phases of drawing up the 2022-2024 Business Plan approved by the Board in December 2021;
- advance notice to the Board of Directors for the start of the Board review process, calling for full participation in the process and verifying its suitability in advance, with support from the earlier involved Nominations and Remuneration Committee, for the sake of full awareness of the review methodology;
- information to the Board regarding the investor relations events that are described each quarter by the Chief Executive Officer, who is responsible for dialogue with the shareholders.

Secretary

The Board of Directors, at the proposal of its Chair, appoints on each occasion a Secretary of the Board who as a rule is the Company's head of legal and corporate affairs and who has the required professional qualifications and experience in keeping with the Corporate Governance Regulations.

The Secretary's main role is to assist the Chair in certain activities, for example:

to coordinate the planning and organization of individual Board meetings, following the procedure for the supply of pre-meeting documentation, in compliance with the notice period which as a rule is two days in advance of the meeting;

to support the Committees in planning and organizing their meetings, ensuring that documentation is supplied in accordance with the notice period, which as a rule is two days in advance of the meeting, and to help the Committees prepare briefs for the Board of Directors;

in his or her capacity as head of legal and corporate affairs, at the invitation of the Chair, to explain corporate governance matters to the directors with a particular focus on laws and regulations;

to take meeting minutes, ensuring a complete record of statements made;

to intervene, at the Chair's specific invitation, regarding requests for clarification as to the functioning of the corporate governance system and/or other aspects of corporate governance.

3.4.6 EXECUTIVE DIRECTORS

Chief Executive Officer

During the meeting held on 20 April 2021, following the Annual General Meeting during which the new Board of Directors was elected, director Claudio Albertini was confirmed Chief Executive Officer (with primary responsibility for the Company's management) and granted the following powers:

1. to develop and propose – as agreed with the Chair – the policies and programs related to the company's real estate investments in accordance with the development plans approved by the Board of Directors;

2. to develop and propose the strategies and financial policies of the Company and the group in relation to the growth, profitability and risk objectives determined by the Board of Directors, with responsibility for their implementation; to ensure that objectives are pursued in accordance with the guidelines set by the Board of Directors;

3. to optimize the instruments and procedures of financial management and manage relations with the financial system;

4. to develop and propose strategies for organizational development and policies for hiring, managing and training human resources;

5. to recommend group accounting standards and operating principles to the Board of Directors and ensure that the interim and year-end financial statements (separate, administrative and consolidated) are properly formulated; to ensure compliance with group directives and with administrative and tax regulations and laws;

6. to coordinate the drafting of the business plans, annual budget and the relative reporting;

7. to monitor and coordinate any related activities: general services, any legal problems and fiscal implications;

8. to assume responsibility for the prompt and correct implementation of work on property carried out directly by the Company, in compliance with the plans, budgets, and timeframes approved by the Board of Directors;

9. to assume responsibility for operational supervision of the progress of turn-key contracts acquired from third parties;

10. to assume responsibility for the proper maintenance of real estate assets according to rental contracts between the Company and third parties and the budgets approved by the Board of Directors and in compliance with current laws;

11. to assume responsibility for preparing the annual plan of work and the respective budget forecasts, with regard to both new construction and maintenance, subject to the approval of the Board of Directors;

12. to interface, as agreed upon with the Chair, with the shareholder cooperatives, regarding any integration of the respective investment plans;

13. to perform the following functions within the internal control and risk management system:
- to identify the main business risks of the Company and its subsidiaries and submit them periodically to the Board of Directors for examination;
- to execute the guidelines defined by the Board of Directors, monitoring the planning, implementation and management of the internal control and risk management system, while constantly verifying their overall adequacy, efficacy and efficiency;
- to adapt this system to any change in operating conditions, the law or regulations;
- to ask Internal Audit to carry out verifications relating to specific operations and the compliance with rules and internal procedures in the execution of corporate transactions, informing the Chairs of the Control and Risk Committee and the Board of Statutory Auditors of the results;
- to inform the Control and Risk Committee in a timely manner of any problems and critical areas encountered while carrying out the above activities or otherwise learned, so that the Board of Directors may take the necessary measures.

In addition:

- to define, together with the Chair, the optimal size of the administrative bodies and select the Directors and Statutory Auditors, as well as the Chair, Deputy Chair and/or Chief Executive Officer of subsidiaries and affiliates so that the Chair may submit them to the Nominations and Remuneration Committee;
- to oversee the appointment of the main managerial positions within the Group;
- to define, together with the Chair, the proposals for the compensation of the Company's and Group's top management to be submitted to the Nominations and Remuneration Committee;
- to ensure that the Company's organizational, administrative and accounting functions are adequate in light of the size of the business.

Chair of the Board of Directors

The Board of Directors, meeting on 20 April 2021, elected as Chair Rossella Saoncella, who qualifies as independent pursuant to the applicable provisions of Legislative Decree 58/98 (TUF), the CONSOB Regulations, the Market Regulations, and the Corporate Governance Code. The Chair of the Board of Directors is not responsible for running the Company; that role, as mentioned above, lies with the Chief Executive Officer.

The Chair of the Board of Directors does not have managerial duties and performs the following functions:

1. to map out and propose – as agreed with the Chief Executive Officer and as per that person's proposal – the policies and programs related to the Company's real estate investments in accordance with the development plans approved by the Board of Directors;

2. to interface with the shareholder cooperatives regarding any update of the respective investment plans in the Shopping Centers segment.

The Chair of the Board is not the Company's controlling shareholder.

Executive Committee (pursuant to Art. 123-bis, para. 2, lett. d), TUF)

The Company has not appointed an Executive Committee.

Reporting to the Board of Directors

In accordance with Art. 23.2 of the bylaws and Art. 150 of TUF, the Board of Directors and the Board of Statutory Auditors must be informed at least once a quarter, when the Board meetings are held, on general performance, the business outlook, and the transactions most relevant in terms of size or characteristics carried out by the Com-

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pany or its subsidiaries. Specifically, the reporting body will inform the Board of Directors at least quarterly, when the Board holds its meetings. Such reporting is provided on the occasion of the Board's approval of the separate and consolidated financial statements for the year, the half-year, and the quarter. Each director may request that the deputized parties provide the Board with information regarding the Company's management. For the sake of complete and organized reporting, the Company has adopted guidelines setting the rules to be followed for compliance with the reporting obligations. The main purpose of these guidelines is to implement suitable corporate governance tools that are concrete examples of the recommendations found in the Code. By ensuring the transparency of the Company's management, the guidelines allow the efficient flow of information between the deputized parties and the Board, as recommended by the Code, in order to stress the centrality of the Board as a whole while also reinforcing the internal control functions. At the same time, the Board of Statutory Auditors is provided with information relevant to its supervisory activities pursuant to Art. 149 TUF.

3.4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR

Independent directors

The current Board includes 7 independent directors: Antonio Rizzi, Silvia Benzi, Rossella Schiavini, Timothy Guy Michele Santini, Rosa Cipriotti, Géry Robert-Ambroix and the Chair of the Board, Rossella Saoncella, who qualify as independent pursuant to the applicable provisions of Legislative Decree 58/98 (TUF), the CONSOB Regulations, the Market Regulations, and the Corporate Governance Code.

The number and the qualifications of the independent directors are suited to the Company's needs and the functioning of the Board, and to the formation of Board committees.

Regarding the Chair of the Board of Directors, Rossella Saoncella was indicated for the role by the shareholder Coop Alleanza 3.0 Soc. coop. in the documentation presented when submitting the voting list, taking account of the opinion expressed by the outgoing Board of Directors and of Ms. Saoncella's experience as Deputy Chair of the Board during its previous term.

On 17 December 2020, the Company's Board of Directors, in accordance with Art. 7 of the Corporate Government Code, adopted the criteria for assessing the significance of professional, economic and financial relationships, as well as additional compensation, when evaluating independent status. More in detail, during this meeting the Board of Directors established that "For the purposes of assessing the independence of each non-executive director pursuant to Art. 2 of the Corporate Governance Code, the following are considered to be significant, with the exception of specific circumstances to be evaluated on a case-by-case basis, with substance prevailing over form:

a) commercial, financial or professional relationships, existing or entered into in the last three years, with IGD or its subsidiaries or its parent company, or with the respective executive directors or top management, for which annual compensation is higher than at least one of the following thresholds:

(i) 5% of the director's annual income;

(ii) in the case the undertakings are with a company of which the director has control or is an executive director or a professional firm or company of which the director is a partner or an associate, 5% of the annual turnover generated directly by the director as part of the activities carried out with this company, professional firm or consultancy;

(iii) the amount of the annual compensation for acting as a non-executive director of IGD;

b) remuneration in addition to the fixed compensation for acting as a board member and being part of a committee as per the Corporate Governance Code and the current law, received in the current year or in the last three years from IGD, one of its subsidiaries or its parent company, which exceeds at least one of the following thresholds:

(i) 5% of the director's annual income;

(ii) the amount of the annual compensation for acting as a non-executive director of IGD.

The Company's Board of Directors verified compliance with the requirements for independent, non-executive directors provided for in the Code and in the TUF upon appointment and, as is customary, upon approval of the draft financial statements. The outcome of this evaluation was disclosed to the market.

Having examined the information provided and statements made by the directors, during the meeting held on 24 February 2022 the Board of Directors confirmed the independent status of Rossella Saoncella, Antonio Rizzi, Silvia Benzi, Rossella Schiavini, Timothy Guy Michele Santini, Rosa Cipriotti, and Géry Robert-Ambroix, who qualified as independent at the time of their appointment. During the same meeting on 24 February 2022 the independent directors stated that they still qualified as such pursuant to and in accordance with TUF, CONSOB Market Regulations and the Corporate Governance Code, including the lack of any other circumstances that would render them non-independent.

On 22 February 2022 the Board of Statutory Auditors verified that the criteria and procedures for assessing the independence of its directors were correctly applied by the Board.

The directors appointed, drawn from the lists presented on occasion of the recent election, have committed to maintaining their independence throughout their term in office or otherwise to resigning from the Board.

The independent directors met on 24 February to discuss the topics of greatest interest with respect to the functioning of the Board of Directors and the company's operation.

Lead independent director

In light of the separation of the offices of Board Chair and Chief Executive Officer and the fact that the office of Chair is not held by a person who controls the Company, the independent directors deemed it unnecessary to appoint a Lead Independent Director.

3.5 HANDLING OF CORPORATE INFORMATION

Procedure for the management of relevant and price sensitive information

In accordance with the Code recommendations, particularly with regard to price sensitive information pursuant to Art. 114, para. 1 TUF, in December 2006, the Company adopted an internal procedure for the secure, confidential management and disclosure of price sensitive information and documents. Furthermore, in accordance with Art. 115-bis TUF, the Company established a registry of the persons who have access to price sensitive information in June 2006.

After the EU Regulation 596/2014 ("MAR") took effect the Company adopted a Procedure for the Management, Handling and Public Disclosure of Confidential and Price Sensitive Information and the Registry of Insiders.

On 3 August 2018, the Company updated this procedure (the "Procedure for the Management of Relevant and Price Sensitive Information of IGD SIIQ S.p.A." or the "Procedure") in order to comply with the guidelines for the management of price sensitive information adopted by Consob in October 2017.

All directors, statutory auditors, executives and employees of the Company and/or its subsidiaries, as well as others who act in the name of or on behalf of the Company and/or its subsidiaries, who have access to the Company's confidential or price sensitive information in the course of their duties, are bound by the Procedure.

The Chief Executive Officer will determine whether or not information is privileged and/or price sensitive and, toward this end, may use company structures, the Corporate and Legal Affairs Division, and Investor Relations, as needed. When deemed opportune or necessary the Chief Executive Officer may request that this assessment be made by the Board of Directors.

If the Chief Executive Officer, with the support of the relative internal divisions, finds that information is relevant, he or she will add a new section to the Relevant Information List which will list the parties who have access to this information. The Chief Executive Officer, with the support of the relative internal divisions, will monitor any changes in the relevant information in order to understand whether or when this information may become price sensitive.

The Company discloses price sensitive information to the public as quickly as possible in a way which guarantees quick, equal, simultaneous access to the information throughout the European Union, as well as a complete, accurate and timely analysis of the information, by issuing a press release.

The Company may delay, under its own responsibility, public disclosure of the price sensitive information as long as the conditions called for in MAR are satisfied. The decision to delay disclosure is made by the Chief Executive Officer who works to guarantee that the price sensitive information is treated with the maximum confidentiality and that all necessary information is included in the Registry of Insiders, along with the timely registration of the individuals who have access to price sensitive information (the "Insider List"), maintained by the Company in accordance with the law.

The Insider List is divided into two distinct sections: one defined "occasional" which includes parties identified on a case-by-case basis who may have access to specific information; one defined "permanent" which includes those parties who always have access to price sensitive information

Internal dealing

In accordance with Art. 114, paragraph 7 of TUF and with the implementation provisions found in Arts. 152-*sexies et seq.* of the "Consob Issuer Regulations", effective as of January 2007 the Board of Directors adopted a procedure governing mandatory notification and conduct on the subject of transactions carried out by relevant persons and parties closely related to such persons on the Company's shares or on related financial instruments ("**Internal Dealing Procedure**"). The Internal Dealing Procedure has been updated in 2016 and lastly in 2018, in order to comply with the new rules introduced by MAR and the amendments to Consob Issuer Regulations.

For more information refer to the Internal Dealing Procedures available on the website at https://www.gruppoigd.it/en/governance/internal-dealing/ .

3.6 BOARD COMMITTEES (PURSUANT TO ART. 123-BIS, PAR. 2, LETT. D), TUF)

In full compliance with the Code recommendations, the Board of Directors has set up Board committees with advisory functions: (i) the Control and Risk Committee, (ii) the Nominations and Remuneration Committee (a single committee performing the functions the Code assigns to the Nominations Committee and the Remuneration Committee), and (iii) the Related Party Transactions Committee.

As the Company is subject to the management and coordination of Coop Alleanza 3.0 soc. Coop., pursuant to Art. 2497 of the Italian Civil Code, it is subject to Art. 16, paragraph 4 of the Consob Market Regulations, based on which the committees formed pursuant to the Code must comprise only independent directors as defined in these provisions. Therefore, all Committees are made up of independent directors, excluding the Chair of the Board of Directors, who is independent but is not a member of any committee.

The members of the above committees were appointed during the latest re-election of the Board of Directors – further to nominations by the Annual General Meeting of shareholders – held on 15 April 2021.

For further information on the Related Party Transactions Committee, see Section 10 of this Report.

The Corporate Governance Regulations adopted by the Company also govern the functioning of its committees, including the means of taking meeting minutes and the procedures for informing the committee members, specifying the deadlines for sending advance information and the methods of keeping such information confidential so as not to prejudice the timeliness and completeness of reporting.

The meetings of each Committee are recorded in minutes by the secretary appointed for the purpose. The Board is informed of their work during meetings convened to decide on the issues previously discussed by the committees.

The Committee chair reports on meetings at the first Board of Directors meeting convened to discuss the half-year accounts, and in any case, at least every six months.

Members of the Board of Statutory Auditors may attend the meetings of each Committee. The Committees are entitled to access the company information they need to perform their duties.

No director may attend a meeting of the Nominations and Remuneration Committee during which his/her compensation is being discussed. Notice of Committee meetings, which must specify the date, time, means of participation, and agenda, is sent to the members of the relevant committee on the recommendation of the committee chair, who is normally assisted by the Company's legal and corporate affairs division. As a rule, meetings are convened by e-mail with at least two days' notice.

In urgent cases, the notice period may be shorter, but not less than 24 hours. The notice of meeting is sent by the Company's executive secretariat, to the committee members and also to any other persons the committee chair has invited to attend the meeting.

Any documentation concerning the agenda is made available to the members, by the committee chair or secretary, sufficiently in advance.

The Company has not formed any Board committees other than those provided for by law or recommended by the Code.

3

RELAZIONE SUL GOVERNO SOCIETARIO E GLI ASSETTI PROPRIETARI
3.7 BOARD REVIEW AND SUCCESSION OF DIRECTORS - NOMINATIONS AND REMUNERATION COMMITTEE

3.7 BOARD REVIEW AND SUCCESSION OF DIRECTORS - NOMINATIONS AND REMUNERATION COMMITTEE

3.7.1 BOARD REVIEW AND SUCCESSION OF DIRECTORS

Consistent with Principle XIII of the Corporate Governance Code, in 2021 the Board of Directors once again reviewed the effectiveness of its own activities and the contribution of each of its members, through formalized self-evaluation procedures. More specifically, since 2007 the Board of Directors has placed the Nominations and Remuneration Committee, in the context of its role supporting the Board review process, in charge of checking the methodology used for the review process with assistance from the consulting firm Egon Zehnder. Egon Zehnder also assisted IGD with the implementation of the Succession Plan for the Chief Executive Officer and other key positions in the Company. More specifically, work is being done to support the professional growth of several individuals who are part of Company management.

The review process was carried out as follows:

1. questionnaires were sent to the 11 Directors;

2. the questionnaires filled out by the Directors were collected;

3. individual interviews were conducted with each Board member in order to add comments and/or further detail to the answers provided in the questionnaire;

4. the data included in the questionnaires and the considerations that emerged during the individual interviews were compiled;

5. the results were processed both singly, in anonymous form, and as an aggregate;

6. the findings were presented to the Nominations and Remuneration Committee and the Board of Directors.

The Board Review results were subsequently presented during the Board of Directors' meeting held on 24 February 2022.

The discussions with each director, based on the questionnaire, focused on the following topics:

1. Size, structure and composition of the Board of Directors

2. Independence, integration and training

3. Board meetings and decision-making processes

4. The role of the Chair of the Board of Directors

5. Relationships with the Directors and with Management

6. Information and presentations

7. Strategy and objectives

8. Risk management and controls

9. Structure, succession plans and compensation policies

10. Board committees

11. The Board of Statutory Auditors

12. Board dynamics, synthesis and benchmarking

For each topic, discussions concerned strengths and areas in need of improvement.

Based on the comments gathered and the subsequent analysis, at the end of the term the Board's assessment was as follows:

- The Board of Directors is generally satisfied with the work carried out relative to the size, composition, and concrete functioning of the Board and its committees, considering also the role it played in defining strategies and in monitoring business performance and the adequacy of the internal control and risk management system.

- In the coming years of its term, the Board intends to focus on the following topics:

  • IGD's future strategies and strategic dialogue with Coop Alleanza: the Board hopes for increased focus on the strategy and the importance of dialogue on this issue with the key shareholder.

  • Succession of the Chief Executive Officer – balance between internal and external recruiting: the directors stressed the need to put to good use the work done in previous years on the succession plan, and to brief the new Board accordingly. The first aspect of importance is strategic dialogue with the controlling shareholder to define the Company's future strategy and, on that basis, to make the best choice for succession.

  • Risk management: a qualified minority of the directors wished to spend more time at meetings discussing risk management.

Finally, the Board of Directors whose term expired on 15 April 2021, in view of the election of the new Board of Directors during the Annual General Meeting of Shareholders held on 15 April 2021:

(i) had expressed its opinion - in accordance with Code recommendations and considering the outcome of the Board review process conducted the previous year, with input from the Nominations and Remuneration Committee - on the optimal size and composition of the new Board. The opinion, published on the Company's website sufficiently in advance of when the AGM was convened, also addressed the professional qualifications, experience, and skills expected of directors, including in light of the Company's size, complexity, business objectives and strategy. In the notice convening the AGM that would re-elect the company's boards, the shareholders were therefore urged to read the outgoing Board's opinion and, for voting lists with a number of candidates exceeding half the members to be elected, to provide suitable information on the list's consistency with that opinion;

(ii) had asked the controlling shareholder to nominate, in accordance with the Code recommendations, its candidate for Chair of the Board;

(iii) had adopted, in January 2021, the Succession Plan for the Chief Executive Officer – developed with the consulting firm Egon Zehnder – in accordance with Recommendation 19e) of the Code.

3.7.2 NOMINATIONS AND REMUNERATION COMMITTEE

In 2012, having confirmed the organizational needs mentioned in the Code, the Board of Directors decided to combine the Remuneration Committee and the Nominations Committee along with the functions assigned to each.

The establishment of the "Nominations and Remuneration Committee" was decided for organizational purposes within the Board and because of the strong correlation between the competencies of the former Remuneration Committee and those of the former Nominations Committee pursuant to the Code. The Company verified that the members of the Remuneration Committee possess the same requirements relative to independence, professionalism and experience as the members of the Nominations Committee.

COMPOSITION AND FUNCTIONING OF THE NOMINATIONS AND REMUNERATION COMMITTEE (PURSUANT TO ART. 123-BIS, PARA. 2, LETTER D), TUF)

NOMINATIONS AND REMUNERATION COMMITTEE	
Timothy Guy Michele Santini	Chair (Indipendente)
Rossella Schiavini	(Independent)
Silvia Benzi	(Independent)

During the year, IGD's Nominations and Remuneration Committee was made up as follows:

(i) from 1 January 2021 to 15 April 2021: Rossella Saoncella (Chair), Livia Salvini and Timothy Guy Michele Santini, all independent directors;

(ii) from 20 April 2021 to 31 December 2021: Timothy Guy Michele Santini (Chair), Rossella Schiavini and Silvia Benzi, all independent directors.

The current Nominations and Remuneration Committee in office was appointed by the Board of Directors on 20 April 2021, following the re-election of the Board by the AGM of 15 April 2021.

The Nominations and Remuneration Committee consists of three non-executive independent directors appointed by the Board, which also appoints its Chair.

At least one member of the Committee has sufficient expertise and experience in finance or compensation policies, as determined by the Board of Directors at the time of appointment.[3]

When appointing the Nominations and Remuneration Committee, the Board of Directors, after reviewing the curricula of the independent directors who were candidates for the committee, verified that all of them possess at least one of the requirements in terms of knowledge and experience in finance and with remuneration policies.

The Committee meets with the frequency needed to perform its duties, and is in any case convened sufficiently ahead of the Board of Directors meeting during which its proposals will be discussed and resolved upon; it is provided with background documentation sufficient for making informed decisions.

3 *Recommendation no. 26 of the Corporate Governance Code*

In 2021 the Committee met 7 (seven) times, on 11 February, 16 February, 11 March, 25 March, 20 April, 30 June, and 25 November. All the members attended 100% of the meetings. The Chair of the Board of Statutory Auditors attended 6 (six) out of 7 (seven) of the meetings. More specifically, as from 15 April 2021, Chair Gian Marco Committeri attended 3 (three) meetings out of 3 (three).

The average duration of meetings in 2021 was 1 hour and 15 minutes. Proper minutes were taken during each meeting.

As a rule, at the invitation of the Committee Chair, the Committee meetings were attended by the Chair of the Board of Directors and the Chief Executive Officer, as well as the heads of Administration, Legal and Corporate Affairs, Contracts, HR and IT as specifically pertinent.

The Board of Statutory Auditors has a standing invitation to all meetings of the Nominations and Remuneration Committee.

The Chair of the Nominations and Remuneration Committee, after consulting the Chair of the Board of Directors and with assistance from its Secretary, is responsible for gathering recommendations and submitting topics to the Committee, ensuring that the proposals are complete with all information necessary for reaching a fully informed opinion.

The Secretary, appointed at every meeting, prepares the meeting minutes. As a rule, the minutes are submitted for the approval of the Nominations and Remuneration Committee through an exchange of emails between the Secretary and the Committee members.

No director may attend a meeting of the Nominations and Remuneration Committee during which his/her compensation is being discussed for submission to the Board of Directors.

Functions of the Nominations and Remuneration Committee

The functions that the Code attributes to the Nominations and Remuneration Committee have been assigned in accordance with the Code recommendations for the composition of such committees.

On the subject of nominations, the Nominations and Remuneration Committee assists the Board of Directors in:

a) the review process (self-evaluation) of the Board of Directors and its committees;

b) defining the optimal composition of the Board of Directors and its committees;

c) proposing candidates if it is necessary to co-opt a director;

d) preparing, updating, and implementing the plan, if any, for the succession of the Chief Executive Officer and other executive directors.

On the subject of remuneration, the Nominations and Remuneration Committee is responsible for:

e) helping the Board of Directors devise the remuneration policy;

f) submitting proposals and expressing opinions on the remuneration of executive directors and other key directors, and on the setting of performance targets for the payment of predeterminable, measurable bonuses tied largely to a long-term horizon;

g) monitoring the concrete application of the remuneration policy and verifying the actual achievement of performance targets;

h) periodically judging the adequacy and overall consistency of the remuneration policy for directors and top management.

The Nominations and Remuneration Committee also expresses opinions on:

- the criteria for appointing the Chief Operating Officer and Key Management Personnel, who are selected by the Board of Directors;

- the type of administrative body to be formed (single party or board), the number of members and the candidates to be presented for director, statutory auditor, chair and deputy chair of the Board of Directors, and the general manager and/or chief executive officer of subsidiaries and affiliates. To that end, it is the Chair of the Board of Directors who submits candidates for those offices to the Nominations and Remuneration Committee, in agreement with the Company's Chief Executive Officer.

The Board of Directors did not submit any voting lists for the recent re-election of the Board.

During the year the Nominations and Remuneration Committee, in the course of its duties:

- performed the necessary preliminary work, in particular by studying the methodology used for the review process of the Board of Directors and its committees;

- gave an advance opinion on the definition and optimal composition of the Board committees;

- implemented the plan for the succession of the General Manager on the occasion of that person's early retirement and elimination of the office held, and therefore: (i) gave an opinion for defining the new organization and managerial powers, (ii) gave an opinion on the appointment of a new Key Manager, further to elimination of the role of General Manager (Direttore Generale alla Gestione); (iii) gave an opinion on the composition of the board of directors and candidates for the main offices of director and statutory auditor, as well as chair and managing directors, of the subsidiaries, with respect to the new organization;

- helped the Board of Directors devise the remuneration policy, in particular by submitting recommendations and expressing opinions on the remuneration of executive directors and other key directors and on the setting of performance targets for the payment of short- and medium/long-term bonuses;

- judged the adequacy and overall consistency of the remuneration policy for directors and top management.

The Nominations and Remuneration Committee, in performing its duties, assures suitable functional and operational connections with the pertinent company units, having adequate financial resources to carry out its tasks and using external consultants under the terms established by the Board.

Detailed information about the functions of the "Nominations and Remuneration Committee" can be found in the Remuneration Report, published pursuant to Art. 123-*ter* of TUF, available on the website http://www.gruppoigd.it/en/governance/remuneration/.

3.8 DIRECTORS' REMUNERATION

This information can be found in the Report on Remuneration, published in accordance with Art. 123-*ter* of TUF, available on the Company's website http://www.gruppoigd.it/en/governance/remuneration/.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE
3.9 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - CONTROL AND RISKS COMMITTEE

3.9 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - CONTROL AND RISKS COMMITTEE

The Internal Control and Risk Management System ("ICRMS") consists of the set of rules, procedures and organizational structures designed to ensure that the business is run correctly and in line with the objectives agreed upon, through the proper identification, assessment and control of the primary risks facing the company with a view to creating medium/long term value for shareholders. The ICRMS ensures the safeguarding of the company's assets, the efficiency and efficacy of the company's operations, compliance with laws, regulations, bylaws and internal procedures, as well as the reliability of financial information. As the objective of the Internal Control System is, therefore, to guarantee the reliability, accuracy, dependability and the timeliness of the financial information, the system is considered an integral part of and not separate from the general risk management system adopted by the Company.

The Board of Directors, consistently with the Company's strategic guidelines, has defined the key principles of the Internal Control System including through the formation of specific committees with advisory and consulting functions.

This system is part of the Company's organizational and corporate governance structure and reflects the reference models, as well as national and international best practices, also in light of the changing rules.

More in detail, the planning, implementation and monitoring of IGD's ICRMS are modeled after the CoSo (Committee of Sponsoring Organizations of the Treadway Commission) Framework; with a view to continuous improvement, the Company develops and updates the system components constantly.

The CoSo Framework aims to:

- establish a definition of internal control that meets the needs of the different stakeholders;

- establish a reference model in relation to which companies and other organizations can assess the reliability of internal control;

- provide a common language for Management, Directors, Control Bodies, etc.

Under the CoSo Framework, there should be a correlation between the Company's objectives and the components of the Internal Control System.

The CoSo Framework identifies the following five components of the Internal Control System, which all share the three objectives of operational efficiency (management control), adequacy of reporting (administrative-accounting control), and compliance: (a) Control environment; (b) Risk assessment; (c) Control activities; (d) Information and communications; (e) Monitoring.

ICRMS planning activities are coordinated in keeping with the assessment of the risk level compatible with the issuer's strategic objectives, including with a view to the medium/long-term sustainability of its operations.

The components of the ICRMS are summarized below:

a) Control environment

The control environment refers to the organizational context in which the strategies and objectives are defined, the ways in which business activities are structured and the ways in which risks are identified and managed. This includes many elements, including the Company's ethics, expertise and development of personnel, the style with which operations are managed and the methods used to grant special mandates, powers and responsibilities. In line with the framework standards, the control environment includes the following five sub-elements:

(i) Commitment to integrity and ethical conduct

The Company has defined and shared its Code of Ethics with employees and staff members. This Code is an official document that contains all the standards underlying the Company's activity. The **top management** and the supervisory and control bodies which make up the internal control and risk management system help to ensure compliance with the conduct set out in the Code of Ethics. The Company is committed to pursuing economic, environmental and social sustainability for its stakeholders and issues a corporate sustainability report. Furthermore, in order to continuously improve and strengthen corporate governance, consolidate ethical business practices, protect integrity and offset the risk of corruption, in April 2020 the Company concluded the project designed to further strengthen its anti-corruption controls. This called for the design and implementation of the anti-corruption systems in accordance with the international norm, ISO 37001:2016 (in synergy with the other anti-corruption compliance tools already adopted) obtaining the relative certification. This path, begun in fall 2019, also compelled the adoption of an anti-corruption policy and the formation of a Supervisory Board, Top Management and Compliance Unit charged with monitoring the prevention of corruption.

(ii) Exercise of supervisory responsibilities

The group of individuals who comprise the Company's internal control and risk management system guarantee that the supervisory activities will be carried out in compliance with the law and regulations. More in detail, the different duties (which will be explained in greater detail below) are assigned to the Board of Directors, the Director in Charge of the Internal Control and Risk Management System, the Risk and Control Committee, the Board of Statutory Auditors, the Supervisory Board, the Financial Reporting Officer, and the Internal Audit Unit.

(iii) Definition of the Internal Control and Risk Management System's structures, reporting lines and responsibilities

The Internal Control and Risk Management System involves, to the extent of their expertise:

1. The Board of Directors, whose responsibility is to determine and pursue the strategic objectives of the Company and the entire Group, as well as define the nature and level of risk deemed compatible with the Company's objectives, including all the risks deemed material to medium/long-term sustainability;

2. the Director charged with creating and managing an effective Internal Control and Risk Management System;

3. the Control and Risks Committee, as the voice of the Board of Directors, formed in accordance with the Corporate Governance Code which must support, after having received adequate information, the evaluations and decisions made by the Board of Directors relating to the Internal Control and Risk Management System, as well as the decisions relating to the approval of the periodic financial reports;

4. the Head of Internal Audit is charged with verifying that the internal control and risk management system is functional and adequate and with adapting the Audit Plan to the outcome of the Enterprise Risk Management (ERM) process;

5. the Financial Reporting Officer who, by law, is charged with establishing adequate administrative and accounting procedures for the preparation of financial documents and reports;

6. the Board of Statutory Auditors, which oversees the effectiveness of the ICRMS;

7. the Supervisory Board, formed pursuant to Legislative Decree 231/01, which supervises compliance with the Code of Ethics and verifies the efficacy and adequacy of the Legislative Decree 231/01 Organizational, Management and Control Model;

8. the Governing Body, Top Management and the division responsible for compliance with anti-corruption measures.

The list of the relevant parties also includes: (i) Group Management which is responsible for first level internal controls and risk management; (ii) the divisions involved in second level controls with specific duties and responsibilities relative to the control of different areas/types of risk.

The Internal Control and Risk Management System, in line with regulations and best practices, can be broken down in the following levels:

- First level
monitored by the single operating lines, consistent with the controls made by those who carry out certain activities and the relative supervisors; it also ensures that operations are being carried out correctly;

- Second level
assigned to structures other than the operating lines, participates in the definition of methods to be used to measure, identify, assess and control risk (risk management); verifies compliance with laws and regulations (Compliance);

- Third level
assigned to Internal Audit which assesses the functioning of the entire internal control and risk management system, as well as the detection of unusual performances, procedural and regulatory violations, as well as the division responsible for compliance with anti-corruption measures.

All persons involved coordinate their activities to ensure the reliability and effectiveness of the ICRMS and to avoid overlaps. The results of the periodic supervisory/control operations are always shared with the internal control bodies, the Board Committees and the Board of Directors, including when they meet as a whole.

The Board of Directors ensures that the assessments and decisions made relating to the Issuer's risk exposure, the internal control system, the approval of the annual and half-year reports, as well as the relations between the Company and the external auditors are supported by an adequate exchange of information.

The Board of Directors, as part of its strategic supervision, defines the guidelines for the control systems in line with the Company's business risk previously determined by the Board.[4]

The Board, by law, must also periodically verify the adequacy of the control systems. Unforeseen events, however, may require further investigation in order to verify the efficacy of the controls in relation to particular situations.[5] The Board, therefore, is also responsible for the adoption of an adequate system in light of the business's characteristics.

Toward this end an efficient organization of the workflow is key to ensuring that any questions relating to internal control, in general, and risk management, in particular, are discussed with the Board after having been adequately briefed by the Control and Risk Committee.

4 *Note to Art. 6 of the Corporate Governance Code*

5 *Note to Art. 6 of the Corporate Governance Code*

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(iv) Commitment to recruit, develop and retain qualified resources

The Company promotes research and development activities in order to enhance the talent and professional expertise of its resources. The human resources management systems adopted foster the enhancement of professional know-how and incentivize the achievement of goals through specific bonus schemes and the development of employee training programs.

(v) Promotion of reliability

The Company promotes and enhances, at all levels, the reliability – in the broadest sense of the term – of organizational conduct, procedural management, IT, and internal and external communications.

b) Risk assessment

Risk assessment is viewed as an integral part of the system. In order to most effectively serve its control and risk management needs, as well as its complexity, status as a listed company and business dynamics, IGD developed an integrated model for risk management which is in line with renowned international Enterprise Risk Management (ERM) standards. As per these standards, risk assessment is carried out in line with a) above and is based on four sub-elements:

(i) Definition of appropriate objectives

The Company verifies that the planning, implementation and monitoring of the Internal Control and Risk Management System are in line with the Company's strategic, financial, operational and compliance goals.

(ii) Identification and assessment of risks

The risk management system adopted is constantly updated and developed by management in order to ensure that it is adequate in light of changes in the organizational structure or business.

Process risk management is assigned to Management which is responsible for risk assessment and definition of risk management tools. Toward this end, Management is responsible for the monitoring of risk based on an assessment as to the adequacy of the risk management controls in place, pointing out areas in need of attention and for which action plans should be adopted, without prejudice to the functions assigned to the Board of Directors and the Control and Risk Committee.

The methods used as part of the Group's ERM system call for the following:

- analysis of the business and changes in the market in order to identify any new risks;
- analysis of the risks identified, the organization of the risk management personnel and the risk control measures used, assessment of the risk identified by the management of Group companies;
- identification of the Key Risk Indicators (KRI) that make it possible to identify and assess the impact that the risks under examination could have on the company's performance;
- assessment of the level of risk coverage based on the control mechanisms used;
- prioritization of the risks and the steps to be taken, as well as risk tolerance analysis in accordance with the instructions received from the Group's top management and through an evaluation of the overall exposure and the potential risks impact on the strategic goals;
- the use of quantitative analysis which focuses on understanding the impact of different risk scenarios on the Plan targets and supports the assessment of risk exposure and appetite as effectively as possible;
- close monitoring on a rolling basis of the biggest risks and their controls;
- benchmark analyses of competitors/peers.

These Enterprise Risk Management procedures are updated based on the findings of specific risk assessments made by other control bodies (internal audit, system used to control accounting-administrative procedures pursuant to Law 262/05).

(iii) Identification and assessment of fraud risk

The Company pays particular attention to potential areas of exposure to the risk of fraud when planning, implementing and monitoring the Internal Control and Risk Management System. The ERM model identifies and assesses in the Risk Map an area of risk referred to as "Fraud committed by Company personnel or its stakeholders that could impact its assets and its reputation." The controls defined relating, in particular, to administrative and accounting operations, financial and treasury management, as well as property and retail management, also take into account aspects relating to fraud risk.

The assessments of this sort of risk take into account not only the results of the controls made by system personnel, but also the recommendations and action plans emerged as a result of internal audits and any observations made by the external auditors shared with the Company. With a view to continuously improving the system, the Company will continue to work on preventing fraud and the instruments used in this regard.

(iv) Identification and analysis of significant changes

As part of the Internal Control and Risk Management System, the risks analyzed and assessed are periodically verified and updated in light of strategies, the organizational model and the business operations. The Company, therefore, periodically updates the tools used to identify and assess risk (ERM system, Decree 231/01 Model for Organization, Management and Control, system used to control accounting-administrative procedures pursuant to Law 262/05) to ensure that they fit the Company's organizational and business characteristics, as well as the corporate strategy.

Toward this end, after the EU privacy regulation no. 2016/679 took effect, the Company worked to comply with the new regulation and identified, using its ERM model and Risk Map, an area of risk referred to as "Privacy risk – Sanctions connected to violations of regulations protecting data privacy." Controls call for (i) monitoring the relative regulations, (ii) updating company procedures, mandates and related company documentation, and (iii) training company personnel.

The Company also included the risk of "Legislative Decree 231/01 Liabilities" and "Law 262/05 Liabilities" in its ERM model and the relative risk map used to periodically assess the measures implemented in order to guarantee the adequacy and effectiveness of the relative models with respect to the law and the Company's organization.

c) Control activities

Control activities are defined in accordance with regulations, policies, guidelines and procedures that ensure that the risk management strategies adopted are executed correctly. In line with the framework standards and pursuant to the observations made in b) above, the control activities include the following three sub-elements:

(i) Definition and development of control activities

The control activities defined by IGD are based on the definition and deployment of a series of controls designed to mitigate risks of various types, including organizational, procedural, operational or relating to third party interests. The selection of the control activities is rooted in the risk identification and mapping carried out in accordance with the ERM model, the Decree 231/01 Model for Organization, Management and Control and the administrative-accounting control system pursuant to Law 262/05. As part of these assessment activities, the Company assesses the adequacy of the existing controls with respect to the level of risk identified and determines the steps that need to be taken to strengthen controls, in line with the control objectives defined and shared with Top Management. Implementation is periodically monitored by the system personnel based on his/her duties and responsibilities, including by way of specific monitoring of the main risks identified by interviewing management, gathering documentation and data analysis.

(ii) Selection and development of general controls for technology

Based on the Company's organizational model, a few support services are outsourced relating, for example, to the management of IT and infrastructures. In 2021 IGD called for tenders and chose a new supplier to manage its IT systems for administration, management planning and control, finance and treasury. This will also improve cybersecurity and privacy.

The Company hired a new IT Manager who reports to the Head of Administration, Legal and Corporate Affairs, Contracts, HR & IT.

(iii) Implementation of controls through policies and procedures

IGD, in line with the control objectives defined, as well as the best market practices and the methods adopted, defined a series of policies and procedures that govern conduct, as well as organizational and management practices (internal regulations and procedures). They form an integral part of internal regulations and procedures, along with the market procedures, administrative-accounting controls, the Model for Organization, Management and Control, and the procedures required by law.

d) Information and communication

Information is needed at all corporate levels in order to identify, assess and carry out the decisions made relative to the treatment of risk, as well as deploy the control activities defined in order to reach the goals defined. The correct functioning of the Internal Control and Risk Management System is based on an active sharing of the duties between the company divisions involved. An efficient Internal Control System strives to:

a) eliminate the methodological/organizational overlaps between the different control functions;

b) share the assessment methods used by the different control functions;

c) improve the communication between the control functions and corporate bodies;

d) reduce the risk of "partial" or "misaligned" information;

e) capitalize on the information and assessments made by the different control functions.

In line with the framework standards and pursuant to the observations made in c) above, the information and communication activities are defined based on the following three sub-elements:

(i) Use of relevant information

In order to provide the control activities with concrete support, the Company gathers and assesses relevant information. While the system is being monitored, information is gathered through interviews of management and based on self-assessment initiatives. The Company has also defined a set of Key Risk Indicators that are updated periodically in order to understand elements that could prove useful to understanding potential risks. Similarly,

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reporting lines and ways to manage information flows are determined by the Legislative Decree 231/01 Supervisory Board, Internal Audit and the Financial Reporting Officer. The management, control bodies and the Board of Directors are provided periodically with reports on the progress of the work being done and updates about any changes relative to the levels of the risks identified.

(ii) External communications

The Company promotes transparent and thorough external communications policies. Toward this end the Internal Control and Risk Management System, as well as the corporate events of potential interest to all stakeholders, are made public through the institutional channels adopted by the Company, namely periodic financial reporting, the Report on Corporate Governance and Ownership Structure, the corporate website www.gruppoigd.it and all the disclosures made available to the public by the Investor Relations department.

(iii) Internal communications

Internal communications must ensure that all appropriate company staff members are aware of the control and Governance rules and that management is updated constantly including with regard to any new provisions relating to the Internal Control and Risk Management System, as well as changes to internal rules. The internal communications system includes the training programs developed in order to provide management with an understanding of the procedures and controls defined by the Company. Information channels are in place through which top management and the control bodies are provided with useful information in order to improve the system or report any lack of compliance with the controls.

e) Monitoring

Information is needed at all corporate levels in order to identify, assess and carry out the decisions made relative to the treatment of risk, as well as deploy the control activities defined in order to reach the goals defined. In line with the framework standards and pursuant to the observations made in d) above, the risk assessment activities include the following two sub-elements:

(i) Continuous and periodic evaluations

In line with the procedures used to identify, assess, manage and monitor the risks defined by the system adopted, each system player is called upon periodically to report on the functioning of the system and its ability to contain risk within the defined limits as per the guidelines defined by the relative control bodies.

(ii) Evaluation and communication of any deficiencies

The periodic evaluation of the Internal Control and Risk Management System makes it possible to single out the areas in need of improvement in order to align the system with the relative control bodies' expectations and the level of risk that the Company can tolerate. The players and the bodies that are part of the Internal Control and Risk Management System are involved in the evaluation process and the communication of any deficiencies.

Main features of the Internal Control and Risk Management System in relation to the financial reporting process

Phases of the Internal Control and Risk Management System in relation to the financial reporting process

With regard to the internal controls implemented in relation to the financial reporting process, in prior years IGD has undertaken to comply with Law 262/05 by updating the accounting and administrative control models and has also executed the controls necessary to support the Financial Reporting Officer's certification process.

The above mentioned accounting and administrative control system represents the set of rules, procedures and internal tools used by the Company to ensure the reliability, accuracy, and timeliness of financial reporting.

The methods used by the Financial Reporting Officer in the development of the accounting and administrative control system are those described in specific guidelines drafted in this regard which are in line with the recommendations found in the CoSO Report, the model referred to in the guidelines issued by ANDAF for the Financial Reporting Officer.

As part of the financial reporting process, in order to understand the principal risks to which IGD and the Group are exposed, the Financial Reporting Officer works with the parties involved in the Company's and the Group's Enterprise Risk Management system (the working group initially dedicated to the launch of the ERM system) in order to identify and assess business risks.

The phases of the administrative-accounting control model are summarized below.

Identification of risks associated with financial reporting

During this phase the scope of the analysis is determined relative to the Group companies, the processes of the single companies, as well as the administrative-accounting risks and controls to be investigated further.

The Company constantly evaluates the scope of the analysis and makes any necessary changes and additions, including with regard to the companies operating in Romania. Risks are, therefore, identified for each individual administrative-accounting process.

Assessment of the risks associated with financial reporting

This activity calls for the assessment of financial reporting risk for both entities and processes, as well as for single transactions. Existing controls and the ability to effectively mitigate the risks inherent to administrative-accounting processes are checked.

Based on the approach used, both the risks relating to non-intentional errors and fraud are taken into account and controls are put into place to ensure that these risks are monitored, including as part of control protocols implemented in the context of other components of the overall internal control system.

The approach used also takes into account the manual and IT systems controls supporting the administrative-accounting procedures, namely the automatic IT controls for applications, general controls covering systems access, control of systems development and changes and, lastly, the adequacy of the IT structures. The control system, both on entity and general IT structural levels, is subject to analysis in order to understand how to deploy initiatives to strengthen it.

The analysis of procedures, risks and controls established based on the Financial Reporting Officer's work plan includes the updating of the model used to control accounting and administrative risk with constant risk assessment review pursuant to Law 262/05 and the introductions of new procedures as a result of the scoping reviews. The Financial Reporting Officer constantly monitors the adequacy of the controls identified, and carrying out, when necessary, corrective measures.

Identification of appropriate risk controls

Based on the work carried out to identify procedures, risks and controls, the Company plans the improvements needed to introduce and/or change controls, both general and for single processes. The administrative-accounting procedures are then updated accordingly. IGD's administrative-accounting procedures are defined and deployed in accordance with the organizational structure and corporate processes in place, both in Italy and in Romania. A specific analysis was done of the control system and the accounting IT systems in order to assess the adequacy of the controls with respect to the standards included in the Company's framework. The Company evaluates the need for and plans updates in order to ensure that the administrative-accounting procedures are in line with the Group's organization and functioning.

Evaluation of risk controls

The administrative-accounting procedures are monitored constantly; toward this end, specific testing activities are planned and carried out in order to ensure that the controls called for in the administrative-accounting procedures, as well as any corrective measures, are carried out correctly by the corporate divisions. These evaluations are carried out with respect to both the Italian and Romanian companies.

Roles and corporate bodies involved

The Internal Control and Risk Management System is based on the clear definition of the roles involved in the different phases of the planning, deployment, monitoring and updating of the system over time. These include the Board of Directors, the Control and Risk Committee, the Board of Statutory Auditors, the Director charged with creating and managing an effective internal control and risk management system, the Supervisory Board, the Financial Reporting Officer, Internal Audit, and Company management.

Based on the current Internal Control and Risk Management System, the Financial Reporting Officer must report to the Board Directors and participate in the coordination of the control activities.

Once again during the year, based on the evaluations of both the Control and Risk Committee, which looked at the Risk Management outcomes, and the Director in Charge of the Internal Control and Risk Management System, the audits carried out by the Financial Reporting Officer and the reports submitted by Internal Audit and the Supervisory Board, as well as the division responsible for compliance with anti-corruption measures, the Board of Directors assessed the adequacy, efficacy and functioning of the Internal Control and Risk Management System.

3.9.1. CHIEF EXECUTIVE OFFICER

During the meeting held on 20 April 2021, the Board of Directors also charged the Chief Executive Officer with the institution and maintenance of the Internal Control and Risk Management System.

During the year, the Chief Executive Officer:

- oversaw, with the support of the Control and Risks Committee, the identification of the company's main risks, as part of Enterprise Risk Management project, taking into account the activities carried out by the Company and its subsidiaries and periodically submitted them to the Board of Directors for review;
- executed the guidelines defined by the Board of Directors, overseeing the planning, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness as part of the Enterprise Risk Management Project;
- took care of adapting this system, in the context of the Enterprise Risk Management Project, to any changes in the operating conditions, as well as the regulatory and legislative framework;
- periodically informed the Control and Risks Committee of any problems and critical areas that might have emerged, with regard specifically to the pandemic risk

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in the reporting period – consistent with the prior year – which impacted operations in 2020 and 2021, so that opportune measures could be taken.

3.9.2 CONTROL AND RISKS COMMITTEE

The Control and Risks Committee was formed by the Board of Directors in accordance with Code rules[6].

COMPOSITION AND ROLE OF THE CONTROL AND RISK COMMITTEE (PURSUANT TO ART. 123-BIS, PAR. 2, LETT. D), TUF)

CONTROL AND RISK COMMITTEE THROUGH 15 APRIL 2021	
Elisabetta Gualandri	Chairman (Independent)
Luca Dondi Dall'Orologio	(Independent)
Isabella Landi	(Independent)

CONTROL AND RISK COMMITTEE AS FROM 20 APRIL 2021	
Rossella Schiavini	Chairman (Independent)
Rosa Cipriotti	(Independent)
Antonio Rizzi	(Independent)

The Control and Risk Committee comprises three independent Directors: Rossella Schiavini, Chairman, Rosa Cipriotti, and Antonio Rizzi, appointed by the Board of Directors, following the re-election of the Board during the AGM held on 15 April 2021.

Toward this end, upon appointment, the Board of Directors examined the curricula of the independent director candidates verifying that they met at least one of the requirements in terms of experience in accounting and finance having worked at least three years as: (i) managers in administration, finance and control departments of joint stock companies, or (ii) professional activities or as confirmed university professors in law, economics or finance, or (iii) managers of public bodies or public administrations active in the banking, financial and insurance sectors.

Overall, the Control and Risks Committee possesses adequate knowledge of the sector in which the Company operates, sufficient to assess the relative risks, as well as adequate experience in accounting and finance or risk management.

The Control and Risks Committee meets with the frequency needed to perform its duties, and is in any case convened when the Board of Directors meeting is called to examine the periodic financial reports; it can access the information and company divisions as needed to carry out its tasks.

The Control and Risks Committee meetings are overseen by the Chair and a secretary is appointed for each meeting who takes the minutes of the meeting which, typically, are subsequently submitted to the Risks and Control Committee for approval through an exchange of e-mails between the appointed secretary and the members of the Committee.

The Chair of the Control and Risks Committee, invites the Chief Executive Officer, in his quality as Director in Charge of the Internal Control and Risk Management System, to attend the meetings, as well as the Chair of the Board of Statutory Auditors or another statutory auditor appointed by him. The Chair of the Board of Directors are also invited to attend Committee meetings.

6 Recommendation 16 of the Code.

Functions of the Control and Risks Committee

The Control and Risks Committee supports the Board of Directors in carrying out the duties assigned to the Board relating to internal control and risk management.

More in detail, the Control and Risks Committee assists the Board of Directors with the following:

a) definition of the guidelines for the Company's internal control and risk management system consistent with the Company's strategies, assessing, at least once a year, the adequacy of the system with respect to the characteristics of the business and the risk profile assumed, as well as its effectiveness;

b) the appointment, dismissal and, in accordance with the company policies, the determination of the Head of Internal Audit's compensation, and ensures the adequacy of the resources dedicated to the Head of Internal Audit in light of the duties assigned. In the event the Internal Audit function is outsourced, entirely or for certain segments, ensures that the provider possesses the requisite professionalism, independence and organization and provides adequate motivation in the Report on Corporate Governance and Ownership Structure;

c) the approval, at least once a year, of the work program prepared by the Head of Internal Audit, after having consulted with the Board of Statutory Auditors and the Chief Executive Officer;

d) the assessment as to the need to adopt measures to ensure the effectiveness and impartiality of judgement of the other company divisions with specific internal control and risk management functions, verifying that the latter possess adequate professionalism and resources;

e) granting the Board of Statutory Auditors, or another body created specifically, the supervisory role envisaged in Art. 6.1, lett. b) of Legislative Decree n. 231/2001. The Board of Directors evaluates the need to appoint at least one non-executive director and/or member of the Board of Statutory Auditors and/or a head of the company's legal or control functions in order to ensure the coordination of the different parties involved in the Internal Control and Risk Management;

f) the evaluation, after having consulted with the Board of Statutory Auditors, of the findings in the independent auditors' report, any letters of opinion and additional reports addressed to the Board of Statutory Auditors;

g) the description, included in the Corporate Governance Report, of the main characteristics of the internal control and risk management system and the methods used to organize the parties involved, indicating the relative models and domestic and international best practices adhered to, providing an overall assessment of the system's adequacy, taking into account the choices made relative to the composition of the Supervisory Board referred to above in letter e)[7].

In assisting the Board of Directors with the Internal Control and Risk Management System, in addition to the above, the Control and Risks Committee carries out the following:

a) assesses, along with the Financial Reporting Officer and after having consulted with the external auditors and the Board of Statutory Auditors, the appropriateness of the accounting standards adopted and, if Groups are involved, their uniformity with a view to the preparation of the consolidated financial statements;

b) assesses whether or not the periodic financial and non-financial information provides a correct representation of the business model, the Company's strategy, the impact of its activities and the results achieved;

c) examines the content of the periodic financial and non-financial information relating to the Internal Control and Risk Management System;

d) expresses opinions about specific aspects relating to the identification of the main business risks and supports the assessments and decisions made by the Board of Directors relative to the management of risks inherent in prejudicial situations that the Board has been made aware of;

e) examines the periodic reports in which the internal control and risk management system is evaluated, along with any particularly relevant reports prepared by internal audit;

f) monitors the independence, adequacy, efficacy and efficiency of Internal Audit;

g) may request that Internal Audit perform audits of specific areas of operation, notifying the Chair of the Board of Statutory Auditors accordingly;

h) reports to the Board of Directors, at least every six months when the half-yearly and annual reports are approved, on its activity and on the adequacy of the Internal Control and Risk Management System;

i) assists the Board of Directors with the appointment of the members of the Supervisory Board, supporting the Board in the evaluation as to the need to appoint at least one non-executive director and/or member of the Board of Statutory Auditors and/or a head of the company's legal or control functions in order to ensure the coordination of the different parties involved in the Internal Control and Risk Management System;

7 Recommendation n. 33 of the Corporate Governance Code.

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l) the prerogatives of the Control and Risks Committee are open and other functions may be added;

m) the Board of Directors ensures that the Control and Risks Committee has the support needed to carry out the tasks assigned.

In 2021, the Control and Risks Committee (the "Committee") acknowledged that the current ERM model calls for the Enterprise Risk Management ("ERM") to be managed by the firm Ernst & Young ("E&Y") and that this process refers to both the Parent Company and controlled/consolidated companies.

IN 2021 the Committee met periodically with E&Y to examine:

- the method used to identify and assess risks;
- the 2021 risk map;
- the system of existing controls;
- and, lastly, the dashboard results relating to the Key Risk Indicators ("KRI") and the risks identified in the 2021 map.

The Committee also received updates on specific risks subject to in-depth analysis planned for 2021 (Module B "Risk Monitoring & reporting" of the ERM Plan 2021) which focused on monitoring the Risk 06/07 "Crisis of commercial and retail spaces" as well as Risk 03 "Failure to adequately manage the penetration of e-commerce and the impact on the business.

The Committee did not find any problems with the process nor the methods use and requested:

(i) a quarterly review of the risks using the KRI dashboard beginning in 2022;

(ii) to maintain the focus on the Module B strategic risks already identified, including the same in the quantitative and qualitative analyses as (competitor benchmarking, assessment of the impact and effectiveness of the mitigation actions);

(iii) to anticipate the risk assessment to take place after the approval of the new Business Plan and, therefore, to define a new ERM work plan for 2022.

With regard to Internal Audit, which has been outsourced to Grant Thornton Consultants Srl, the Committee received periodic feedback on the topics included in the 2021 Audit Plan; the Committee stated it was in favor of renewing the assignment for the three-year period 2022-2024 with the same company with a view to continuity; it also examined and expressed a favorable opinion of the 2022 Audit Plan draft which was approved by the Board of Directors when the IA assignment was renewed.

Lastly, in 2021 the Committee requested that the Administrative, Legal and Corporate Affairs Division provide a quarterly update about the status of the Receivables Portfolio and any critical areas, which it did promptly. The same process was also subject to a specific audit as per the 2021 Audit Plan.

On the basis of all this, the Committee confirmed that the existing internal control and risk management system meets the needs of the Company's business model.

In 2021 the Committee met 8 (eight) times on 28 January, 22 February, 20 April, 4 May, 30 June, 29 July, 29 October, 19 November.

97% of the members attended the meetings.

The Chair of the Board of Statutory Auditor attended 100% the meetings.

The meetings lasted an average of 1 (one) hour. Minutes were taken regularly at the meetings.

In carrying out its duties, the Control and Risks Committee ensures suitable functional and working connections with the competent corporate structures, as it has adequate financial resources to carry out its duties and may avail itself of external consultants within the terms established by the Board.

3.9.3 HEAD OF INTERNAL AUDIT

In 2021 the Company's Board of Directors, based on the proposal of the Chief Executive Officer, appointed Director in Charge of the Internal Control and Risk Management System and the favorable opinion of the Control and Risks Committee, and after consulting with the Board of Statutory Auditors, resolved to appoint Mario Galiano, of Grant Thornton Consultants srl, to act as Head of Internal Audit in outsourcing for the three-year period 2022-2023-2024 and is charged with verifying that the internal control and risk management system adopted by the Company is functional, adequate and consistent with the guidelines defined by the Board and, at the same time, approved the work plan for , 2022.

Grant Thornton Consultants S.r.l. is among the leading advisory firms, with renowned and consolidated experience and professional personnel organized and qualified in Internal Audit, Risk Management, Assessment of Internal Control Systems and Compliance. At the date of this report there are no assignments, contractual relationships or other elements which point to a conflict of interest between Grant Thornton Consultants S.r.l. and any of the companies belonging to Gruppo IGD.

The Board defined the remuneration for Internal Audit consistent with the company policies and market practices, assuring access to the resources needed to carry out the relative duties.

The Head of Internal Audit is not responsible for any operations and reports to the Board of Directors and has direct access to all the information needed to fulfill his role.

More in detail, during the year the Head of Internal Audit:

a) verified, continuously, as well as when specific needs arise and in accordance with international standards, the functioning and adequacy of the Internal Control and Risk Management System, based on an audit plan, prepared by the Head of Internal Audit and approved by the Board of Directors based on a structured analysis and prioritization of the main risks;

b) prepared periodic reports containing adequate information regarding the activities, how risk management is carried out, as well as the status of the plans defined. The periodic reports contain an evaluation as to the adequacy of the Internal Control and Risk Management System;

c) promptly prepared reports about important events;

d) sent the above reports to the Chair of the Board of Statutory Auditors, the Control and Risk Committee and the Board of Directors, as well as the Chief Executive Officer;

e) verifies, as part of the audit plan, the reliability of the IT accounting systems.

The Head of Internal Audit coordinates the ERM project – in order to guarantee that the process is carried out based on the analysis and prioritization of the main risks, ensuring that the Director in Charge of the Internal Control and Risk Management System, the Control and Risk Committee and, when requested, the Board of Directors, are provided with progress reports.

3.9.4 DECREE 231/2001 ORGANIZATIONAL MODEL

The internal control system is strengthened by the adoption of a specific organizational model, approved by the Board of Directors already in May 2006 (the "**Organizational Model**") and subsequently updated and revised as a result of changes in legislation. More in detail: (i) in 2018, a whistleblowing system was introduced pursuant to Law n. 179/2017 which calls for the creation of one or more communication channels through which top management and subordinates may anonymously report illicit behavior; (ii) in 2020 the Organizational Model underwent extensive revision. More specifically, it was integrated with the Anti-Bribery Management System already implemented by the Company when it received the UNI ISO 37001:2016 certification issued by RINA Services S.p.A., an independent certifier accredited by Accredia (a national accrediting entity for certifications and inspections appointed by the government) and the Italian leader in compliance certification.

The Company's current Organizational Model was updated to reflect the latest crimes introduced in Legislative Decree 231/2001.

The Organizational Model seeks to ensure that the system complies with Decree 231/2001 based on which companies may be held administratively liable for crimes committed by top managers and subordinates while carrying out their duties.

The Organizational Model is comprised of the parts described below:

a) a general part, which includes the disciplinary system that supports all the rules found in the Organizational Model;

b) the single parts dedicated to each group of crimes applicable to the Company;

c) the Matrix of Identification of Activities at Risk («MIAR») created based on the information deemed useful to the understanding of IGD's activities and organizational system;

d) the Code of Ethics, which contains the general principles of diligence, honesty and fairness guiding professional performance and inspiring conduct at the workplace;

e) the Supervisory Board which is charged with monitoring the effectiveness, adequacy and compliance with the Model.

The Supervisory Board may act independently and must ensure that the Model is constantly updated.

The Supervisory Board also provides the Board of Directors with information regarding the changes that need to be made to the Model in order to comply with norms and regulations and to reflect the business operations.

The Supervisory Board has hired a consulting company which provides the support necessary for the management and analysis of the information generated pursuant to Art. 6, par. 2, lett. d) of Legislative Decree 231/2001, as well as for the execution of specific audits deemed necessary based on the information gathered.

The current Supervisory Board, appointed by the Board of Directors on 20 April 2021, is comprised of Gilberto Coffari, Chair, Paolo Maestri and Alessandra De Martino.

The Supervisory Board will remain in office until the approval of the financial statements at 31 December 2023 by the AGM. The members of the Supervisory Board aren't from inside the Company and they have the specific expertise needed to effectively fulfill the duties assigned.

The Supervisory Board has two reporting lines: one that involves continuous communication with the Chair of the Board of Directors and the Board of Statutory Auditors and one that involves communicating with the Board of Directors every six months. The Supervisory Board also interfaces with the Control and Risks Committee, by way of the internal audit firm, in order to coordinate their respective control functions, without prejudice to the independence and different purposes of the two bodies. In

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light of this, the Company did not deem it necessary to appoint a non-executive director and/or a member of the Statutory Auditors and/or a head of the company's legal or control functions to act as a member of the Supervisory Board as the current configuration and coordination of the different parties involved in the internal control and risk management system was deemed adequate.

The Model is also available on the company's website at https://www.gruppoigd.it/en/governance/business-ethics/organizational-model/ .

3.9.5 EXTERNAL AUDITORS

The activities related to financial audit are carried out by a company selected by the shareholders from among those listed in Consob's specific roll and based on the motivated opinion of the Board of Statutory Auditors.

The Board of Directors, as it is responsible for the strategic supervision of the Internal Control and Risk Management System, with the support of the Control and Risks Committee, evaluates, after consulting with the Board of Statutory Auditors the findings in the independent auditors' report, any letters of opinion and additional reports addressed to the Board of Statutory Auditors.

On 18 April 2013 the shareholders, on the basis of the motivated opinion of the Board of Statutory Auditors, granted the company PricewaterhouseCoopers S.p.A. the financial audit assignment for the period 2013-2021.

3.9.6 FINANCIAL REPORTING OFFICER

On 13 December 2018, the Board of Directors, after having received a favorable opinion from the Board of Statutory Auditors, appointed Carlo Barban, the Company's Director of Administration, Corporate and Legal Affairs, Contracts, HR and IT, to act as the Financial Reporting Officer for an indefinite period of time, effective 1 January 2019, and assigned him his duties, as well as adequate powers and means.

In compliance with Art. 154-bis of TUF and Article 23.5 of the bylaws, the Board of Directors must appoint a Financial Reporting Officer, subject to the opinion of the Board of Statutory Auditors, who has matured at least five years of experience in a) administrative or control activities and who has had a supervisory role in companies or entities with assets of not less than €10 million, or b) professional activities, including as part of audit functions, strictly connected to business activities and functions that the officer is called up to perform.

The Financial Reporting Officer has access to adequate administrative and accounting procedures in order to draft the separate and, where provided for, the consolidated financial statements, as well as all other financial documents.

The Board of Directors must ensure that the Financial Reporting Officer has powers and means needed to carry out the duties assigned, as well as comply with the administrative and accounting procedures.

The Financial Reporting Officer must provide a written declaration which accompanies the announcements made by the Company to the market, as well as the interim and financial reports, attesting that the information contained reflects the underlying records, ledgers and accounting entries.

The Financial Reporting Officer, along with the executive director (s) must provide a report on the separate and consolidated (if prepared) yearly financial statements and on the half year report attesting that the administrative and accounting procedures used to prepare the separate and financial statements are adequate in light of the characteristics of the Company's business.

The Financial Reporting Officer must also attest that the separate and consolidated financial statements:

a) are drawn up in accordance with the international accounting standards recognized by the European Union pursuant to the European Parliament and European Council Regulation n. 1606/2002 of 19 July 2002;

b) correspond to the ledgers and accounting entries;

c) provide fair and truthful disclosures of the company's income statement, balance sheet and financial positions and the companies included in the scope of consolidation.

Lastly, the Financial Reporting Officer, along with the executive director (s), must attest that the directors' report accurately depicts the operating performance and results of both the Company and the businesses included in the scope of consolidation, as well as the main risks and uncertainties to which they are exposed

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During the year, the Board did not deem it necessary to adopt other measures to guarantee the effectiveness and impartiality of judgement of the other company divisions involved in the controls (Recommendation 33, d). The Board reserves the right to carry out other evaluations in this regard.

3.9.7 COORDINATION OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM PERSONNEL

The Company is aware that the different control functions were conceived by the legislator as part of a complex system which is effective because of the many parties and different points of view that each control function provides.

It is also clear that the effectiveness of the overall operations of the different control functions can benefit from the coordination of the different operators, while complying with the fundamental principle of independence and autonomy, above all when the objective of the controls coincides.

Toward this end, the Company promoted meetings between control bodies in order to facilitate the coordination of the activities, as reported below.

The Chair of the Board of Statutory Auditors (including in his function as Committee for the Internal Control of Financial Audit) will call a meeting with the Chair of the Control and Risks Committee with the frequency agreed upon and at least once a year to discuss the results of their respective control activities, to evaluate planning and the possible coordination of their respective activities. Toward this end, the Chairman of the Board of Statutory Auditors will not only coordinate the work of the statutory auditors, but will also act as the link with the other corporate entities involved in the supervision of the control systems.

Other parties may be invited to attend the meetings which, in addition to periodically, may be called anytime there is a specific need and may include, in addition to the respective committees and bodies, including not as a group, the Director in Charge of the Internal Control and Risk Management System, the Head of Internal Audit, the Financial Reporting Officer, the external audit firm and the Chairman of the Supervisory Board.

The meeting relative to 2021 was held on 3 August 2021 and 22 February 2022 and was attended by the Chair of the Control and Risks Committee, of the Board of Statutory Auditors, Internal Audit, the external auditors, the Director in Charge of the Internal Control and Risk Management System, Anti-corruption, and the Financial Reporting Officer.

During the year, the Chair of the Control and Risk Committee and the Chief Executive Officer - Director in Charge of the Internal Control and Risk Management System - met with the Head of Internal Audit:

a) to examine the yearly work plan in advance and suggest any changes that might need to be made with regard to the control activities scheduled by the Committee;

b) to receive and discuss the results of the activities carried out by the Head of Internal Audit, suggesting any other initiatives that might be called for.

The Chair of the Supervisory Board meets with the Head of Internal Audit to examine the yearly work plan relating to the control activities.

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3.10 DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

With regard to the transactions with related parties, as of 1 January 2011 the Company has applied the Procedure for Related Party Transactions approved on 11 November 2010 by the Board of Directors, as subsequently amended, after having received a favorable opinion from the Related Party Transactions Committee. The Procedures were updated on 1 July 2021, in accordance with the latest amendments to the Regulations for Related Party Transactions, the Regulations for Issuers and Market Regulations (resolutions n. 21624 and 21623) published by CONSOB on 11 December 2020 in implementation of Legislative Decree n. 49 of 10 June 2019 which transposed the European directive S*hareholder Rights Directive II*.

When the Procedure for Related Party Transactions was approved, the Company's Board of Statutory Auditors assessed the compliance of this procedure with the standards included in the Regulations for Related Party Transactions.

The purpose of the Procedure for Related Party Transactions is to define the rules governing the approval and execution of related party transactions entered into by the Company, directly or through its subsidiaries, in order to ensure the transparency, as well as the substantive and procedural fairness of the transaction.

The new notion of Related Party is defined based on the international accounting standards, adopted in accordance with Article 6 of the EC Regulation n. 1606/2002 of 19 July 2002. With regard to the perimeter of related parties, IGD voluntarily expanded the scope of the Procedure for Related Party Transactions to include Unicoop Tirreno Soc. Coop., currently a Company shareholder, as well as Unipol UGF, in light of the interests held in the parent company Coop Alleanza 3.0..

The Company formed the Related Party Transactions Committee in accordance with Art. 2391-bis of the Italian Civil Code and Art. 4, paragraphs 1 and 3, of CONSOB's Regulations for Related Party Transactions. The Related Party Transactions Committee comprises three independent directors appointed by the Board of Directors.

In order to verify the related party status of individuals in positions of power, responsible, directly or indirectly, for the planning, management and control of the Company's activities, including the directors (executive or not) (the "Executives with Strategic Responsibilities"), upon appointment they must issue a statement in which they declare under which circumstances, if any, they qualify as a related party so that the safeguards adopted in the Procedures for Related Party Transactions may be implemented.

When the Board of Directors is resolving on related party transactions, based on the Procedures for Related Party Transactions the any directors involved in the transaction must abstain from voting on the resolution but they can attend the meeting and take part in the Board's discussions. "Directors involved in the transaction" are those directors that have an interest in the transaction, either directly or through third parties, which conflicts with the Company's interest (as defined in the CONSOB's Regulations for Related Party Transactions).

Composition and functions of the Related Party Transactions Committee

The Related Party Transactions Committee currently in office was appointed by the Board of Directors after the shareholders re-elected the Board during the AGM held on 15 April 2021.

RELATED PARTY TRANSACTIONS COMMITTEE THROUGH 15 APRIL 2021	
Luca Dondi Dall'Orologio	Chair (Independent)
Livia Salvini	(Independent)
Eric Jean Véron	(Independent)

RELATED PARTY TRANSACTIONS COMMITTEE AS OF 20 APRIL 2021	
Antonio Rizzi	Chair (Independent)
Silvia Benzi	(Independent)
Robert-Ambroix Gery	(Independent)

The Related Party Transactions Committee meets with the frequency needed to perform its duties, and is, in any case, convened sufficiently ahead of the Board of Directors meeting during which its proposals will be discussed and resolved upon; it is provided with documentation sufficient for making informed decisions.

The Related Party Transactions Committee meetings are overseen by the Chair and a secretary is appointed for each meeting who takes the minutes of the meeting which, typically, are subsequently submitted to the Committee for approval through an exchange of e-mails between the appointed secretary and the members of the Committee.

In 2021, the Related Party Transactions Committee met 4 (four) times, on 25 February, 9 April, 28 June and 27 December. All the members attended 100% of the meetings.

The Chair of the Board of Statutory Auditors attended 3 (three) of the 4 (four) meetings.

The meetings lasted an average of around 55 (fifty-five) minutes.
The Procedures for Related Party Transactions can be found on the Company's website at https://www.gruppoigd.it/en/governance/committees/committee-for-related-party-transactions/..

3.11 BOARD OF STATUTORY AUDITORS

3.11.1 APPPOINTMENT AND REPLACEMENT

Pursuant to Art. 26.2 of the Bylaws, members of the Board of Statutory Auditors are elected on the basis of preference lists that must be filed at the registered office along with declarations in which each candidate states that he/she is not in violation of the limits for multiple assignments provided for under the law, as well as detailed information about each candidate's personal and professional background, at least twenty-five days in advance of the shareholders' meeting called for this purpose. The lists may be submitted by the shareholders or groups of shareholders holding the interest specified by CONSOB (for 2021 equal to 4.5% of the Company's share capital as specified in CONSOB Resolution n. 44 of 29 January 2021).

The appointment and substitution of the standing and alternate auditors pursuant to Art. 26.9 of the bylaws must be done in such a way as to guarantee that the composition of the Board of Statutory Auditors complies with the current law relating to gender equality.

Based on Art. 26 of the bylaws the members of the Board of Statutory Auditors are appointed as follows:

- from the list obtaining the highest number of votes, two standing auditors and two alternate auditors will be taken in the order in which they appear on the list;
- the third standing auditor and the third alternate auditor are drawn from the list with the second highest number of votes, in the order in which they appear.
- in the event the composition of the Board of Statutory Auditors fails to comply with the law relating to gender equality as a result of the votes cast, the candidates belonging to the more represented gender with the least amount of votes on the list that receives the most votes will be replaced by candidates on the same list needed to ensure compliance with the laws governing gender equality. In the event that not enough candidates of the least represented gender appear on the list that receives the greatest number of votes, the shareholders will appoint the missing standing and alternate statutory auditors of the least represented gender with the majority of votes required by law.

In the event of a tie between lists, a new ballot is held between these lists on which all shareholders present at the meeting shall vote. The candidates on the list winning a simple majority of votes are elected in such a way, however, as to ensure that the composition of the Board of Statutory Auditors complies with the current law relating to gender equality.

The first candidate on the list with the second highest number of votes will be appointed Chair of the Board of Statutory Auditors.

Candidates for statutory auditor must meet the requirements set by law. For the purposes of judging the qualifications of those with at least three years' experience in: (a) professional activities or as confirmed university professors in law, economics, finance or technical-scientific subjects closely related to the Company's business; or (b) management roles at public bodies or public administrations in sectors closely related to the Company's business, the following rules apply:

- all subjects per letter a) above that are associated with the real estate business or other sectors pertaining to real estate are considered to be closely related to the Company's business;
- sectors pertaining to real estate are those in which the parent companies operate, or those that may be controlled by or associated with companies operating in the real estate business.

Those whose situations are incompatible with the title and/or who do not satisfy the requirements of integrity and qualification established by law, and those who are standing auditors at more than five companies listed on regulated Italian markets, may not be elected as statutory auditors and, if elected, will forfeit their office. Positions held at parent companies, subsidiaries, or affiliates subject to the control of the same parent do not apply.

With regard to the Chair of the Board of Statutory Auditors, pursuant to Art. 148, par. 2 bis, TUF, the Chair was appointed by the Shareholders' Meeting from the minority list of candidates, in accordance with Articles 26.4 and 26.5 of the bylaws and the current norms and regulations based on which the first candidate on the minority list with the second highest number of votes will be appointed Chair of the Board of Statutory Auditors.

3.11.2 COMPOSITION AND ROLE OF THE BOARD OF STATUTORY AUDITORS (PURSUANT TO ART. 123-BIS, PARAGRAPH 2 (D) OF TUF)

During the year, IGD's Board of Statutory Auditors comprised:

(i) from 1 January 2021 through 15 April 2021, Anna Maria Allievi, Chair, Daniela Preite and Roberto Chiusoli, Standing Auditors, and Pierluigi Brandolini, Laura Macrì and Paolo Prandi, Alternate Auditors.

(iI) from 15 April 2021 through 31 December 2021, Gian Marco Committeri, Chairman, Massimo Scarafuggi and Daniela Preite, Standing Auditors, and Daniela Del Frate, Aldo Marco Maggi and Ines Gandini, Alternate Auditors.

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The current Board of Statutory Auditors was appointed during the Annual General Meeting held on 15 April 2021 and will remain in office through the date of the Shareholders' Meeting convened to approve the Annual Report 2023.

Massimo Scarafuggi and Daniela Preite, Standing Auditors, as well as Daniela Del Frate and Aldo Marco Maggi, Alternate Auditors, were on list n. 1 submitted by the majority shareholder Coop Alleanza 3.0 (who owns 40.92% of the share capital) for which 51.2% of the shares represented at the AGM voted.

The Chair of the Board of Statutory Auditors Gian Marco Committeri and the Alternate Auditor Ines Gandini were on list n. 3 submitted by the shareholder Europa Plus SCA SIF (who owns 4.5001% of the share capital), for which 17.94% of the shares represented at the AGM voted.

The personal characteristics and professional background of the single members of the Board of Statutory Auditors are described below.

Gian Marco Committeri
Chair of the Board of Statutory Auditors

Born in Turin in 1969, Mr. Committeri received a degree in Business Degree from Rome's "La Sapienza" in 1993. As of 1993 he is registered in the Role and Chartered Public Accountants and Accounting Experts in Rome and is partner of the Studio Tributario Associato (now Alonzo Committeri & Partners). He matured significant experience in tax and corporate advisory, particularly with regard to corporate finance transactions (M&A), the entertainment sector, copyright and real estate. His main advisory clients include private equity funds, leading players in cinema and television, and public entities. He holds a number of company directorships and statutory auditorships and is a member of advisory committees for closed-end real estate funds. He matured significant experience in the valuation of companies and specific assets. He is the author of numerous articles on tax matters published in important Italian magazines and periodicals (*Corriere Tributario, Il Fisco, La Gestione Straordinaria delle imprese*) as well as daily newspaper "*Il Sole 24 Ore*" (*Norme e Tributi*) and specialized websites. He also holds the offices listed in Table 4.

Daniela Preite
Standing Auditor

Born in 1969 in Ruffano (LE), Ms. Preite received a degree, with honors, in economics and banking from the University of Salerno and received a PhD in business economics from the University of Bari. She is an affiliate professor at SDA Bocconi School of Management and Professor of business economics at the University of Salento. Ms. Preite is Vice Chairman of Coop Lombardia, member of the Scuola Coop's BoD, as well as a statutory auditor at *Insieme Salute e di Cassa Mutualistica Interaziendale*. She is the author of numerous domestic and international publications on management issues. Topics of discussion and research at conventions in Italy and abroad include: Accounting and Financial Statements, Planning and Control, General Management, Performance, Accountability and Sustainability, Affiliate companies, Corporate Governance. She also holds the offices listed in Table 4.

Massimo Scarafuggi
Standing Auditor

Born in Florence in 1966, Mr. Scarafuggi received a degree in business economics from the University of Florence in 1991. After a brief experience in audit at the audit firm "Reconta Ernst & Young", he registered in the Role and Chartered Public Accountants and Accounting Experts in Florence and began working as a professional chartered accountant and in 1997 opened his own studio. Registered with the Role of Legal Auditors, he has served and serves as a statutory auditor and member of the Supervisory Board for banks (Cassa di Risparmio di Lucca Pisa Livorno S.p.A., Banca Ifigest S.p.A., Banca Area Pratese S.c., Banca di Pescia S.c.), asset management companies (Value Italy SGR S.p.A., QuattroR SGR S.p.A.) and listed companies (Aeroporto G. Marconi di Bologna S.p.A. and Montefibre S.p.A.), active in credit, finance and manufacturing, belonging to important Italian groups (Banco Popolare, Pirelli, Monte dei Paschi di Siena, Rekeep), with interests held by public entities and investment funds (Value Italy SGR S.p.A., 21 Investimenti SGR S.p.A., Star Capital SGR S.p.A.), maturing vast experience in corporate governance and control systems. He also acts as a court-appointed administrator for the District Court of Florence and has matured almost thirty years of experience in bankruptcy proceedings as a bankruptcy trustee, commissioner and judicial liquidator in various company volunteer arrangements (CVAs). He also holds the offices listed in Table 4.

The Board of Statutory Auditors supervises the work of the external auditors.

The Board of Statutory Auditors, also, prepares the motivated opinion based on which shareholders grant the assignment to the external auditors.

Pursuant to Art. 19 of Legislative Decree n. 39/2010, the Board of Statutory Auditors also acts as the Committee for Internal Control and Financial Audit

The statutory auditors, including individually, may carry out inspections and controls, as well as request that the Directors provide them with information about subsidiaries, about the status of corporate transactions or specific issues, or refer these requests directly to the subsidiaries' administrative and control bodies. The statutory auditors may ask the Head of Internal Audit to carry out audits of specific operating divisions or corporate transactions.

The Board of Statutory Auditors reports on its supervisory activities and any findings to the Annual General Meeting called to approve the full year financial statements in accordance with Art. 2364, paragraph 2, of the Italian Civil Code.

The statutory auditors may also submit proposals to the Annual General Meeting relating to the full year financial statements and their approval, as well as to other matters that they are responsible for.

The Board of Statutory Auditors (at least two statutory auditors), after having notified the Chairman of the Board of Directors, may call the Shareholders' Meetings, meetings of the Board of Directors and, if instituted, the Executive Committee.

The Board of Statutory Auditors, the external auditors, the Control and Risks Committee, as well as all the other entities involved in the supervision of the control systems, will exchange information about the execution of their assignments in a timely manner.

The Board of Statutory Auditors is, at any rate, invited to be proactive and not only reactive in its supervision. The Statutory Auditors should advise the Board of Directors as to the results of its controls so that the latter might implement any corrective measures needed.

The Chair of the Board of Statutory Auditors will not only coordinate the work of the statutory auditors, but will also act as the link with the other corporate entities involved in the supervision of the control systems.

The members of the Board of Statutory Auditors in office during the year, and any qualifications as independent as per current regulations, are listed in table 4, attached to this report.

In 2021 the Board of Statutory Auditors met 9 (nine) times on 22 February, 13 April, 20 April, 4 May, 29 July, 29 October, 15 November, 14 December and 20 December with average attendance at 81%. More in detail, attendance of the Board of Statutory Auditors in office as from 15 April 2021 attendance reached 100% for the Chair Gian Marco Committeri and the auditor Massimo Scarafuggi (attending 7 out of 7 meetings), while the auditor Daniela Preite attended 86% of the meetings (6 out of 7 meetings).

Each meeting lasted an average of 40 (forty) minutes. A few meetings were also held with, in particular, Company management, representatives of the external audit company, as well as the Control and Risk Committee

The composition of the Board of Statutory Auditors ensures the independence and professionalism of its function.

The members of the Board of Statutory Auditors are registered in the role of financial auditors and have been involved in legal auditing of accounts for a period of not less than three years and have matured at least three years of experience:

a) in administration or control activities or managerial positions at joint stock companies with share capital of not less than two million euros, or

b) in professional activities or as university professors in law, economics, finance or technical-scientific subjects closely related to the Company's business; or

c) management roles at public bodies or public administrations in sectors closely related to IGD's business.

All the members of the Board of Statutory Auditors also qualify as independent as defined in Art. 148, par. 3 of Legislative Decree n. 48/1998, as well as the Code (with regard, specifically, to the definition of "independent director" contained in the Code and in n. 7 and n. 9), also based on the criteria adopted by the Company's Board of Directors to assess the significance of the circumstances referred in points c) and d) of the Code's Recommendation n. 7.

Diversity criteria and policies

The Board of Statutory Auditors is currently comprised of individuals with different professional and personal profiles; the composition of the Board of Statutory Auditors also complies with current law governing gender equality as per Law 160/2019 (the "Budget Law") which amended Articles 147-ter, par. 1-ter, and 148, par. 1-bis, of TUF, introduced by Law 120/2011.

Based on the Budget Law at least two fifths of the standing auditors must be of the least represented gender and for boards comprised of three members in the event application of the criteria results in a fractional number, the number may be rounded to the lower amount. This provision is applicable for six consecutive mandates as of the first re-election of the Board subsequent to the date on which the Budget Law took effect.

On 5 November 2020, the Company's Board of Directors amended the bylaws in order to comply with provisions relating to gender equality referred to in the Budget Law.

In light of the above, to date the Company has not deemed it necessary to adopt a formal Diversity Policy as the current composition of the Board complies with the criteria for diversity.

Independence

All the members of the Board of Statutory Auditors meet the qualifications for independent directors envisaged in Recommendation 7 of the Corporate Governance Code. Toward this end, on 17 December 2020, the Company's Board of Directors, in accordance with Art. 7 of the Corporate Government Code, adopted the criteria for assessing the significance of professional, economic and financial relationships, as well as additional compensation, when evaluating independent status of the directors which also apply to the statutory auditors based on which the following are considered to be significant, with the exception of specific circumstances to be evaluated on a case-by-case basis, with substance prevailing over form:

a) commercial, financial or professional relationships, existing or entered into in the last three years, with IGD or its subsidiaries or its parent company, or with the respective executive directors or top management, for which annual compensation is higher than at least one of the following thresholds:

(i) 5% of the director's annual income;

(ii) in the case the undertakings are with a company of which the director has control or is an executive director or a professional firm or company of which the director is a partner or an associate, 5% of the annual turnover generated directly by the director as part of the activities carried out with this company, professional firm or consultancy;

(iii) the amount of the annual compensation for acting as a non-executive director of IGD;

b) remuneration in addition to the fixed compensation for acting as a board member and being part of a committee as per the Corporate Governance Code and the current law, received in the current year or in the last three years from IGD, one of its subsidiaries or its parent company, which exceeds at least one of the following thresholds:

(i) 5% of the director's annual income;

(ii) the amount of the annual compensation for acting as a non-executive director of IGD.

The independence of the members of the Board of Statutory Auditors is evaluated by the Board of Directors or the Board of Statutory Auditors in accordance with Recommendation 6 (namely right after the appointment, during the term in office, if needed and, at any rate, at least once a year.

More in detail, the Board of Statutory Auditors carries out the self-assessment consistent with the standards of conduct – issued by the National Board of Chartered Public Accountants and Accounting Experts – for the Boards of Statutory Auditors of listed companies, which were included in a specific report included in the agenda of the meeting held on 22 February 2022. The Board of Statutory Auditors confirmed its members compliance with the criteria envisaged in in the Code and TUF during the meeting held on 22 February 2022 and, subsequently, shared the outcome with the Board of Directors.

When carrying out this evaluation, the information provided by each member of the Board of Statutory Auditors was taken into account while also evaluating all the circumstances that could compromise independence pursuant to TUF and the Code, also in light of the criteria adopted by the Company's Board of Directors to assess the significance of the circumstances referred to in letters c) and d) of Code Recommendation n. 7.

Remuneration

The remuneration for acting as a statutory auditor is commensurate with the commitment required, the role held, as well as the Company's size and sector, and was determined during the AGM held on 15 April 2021 when the Board of Statutory Auditors was re-elected.

Management of interests

The Statutory Auditor who, on his own behalf or on behalf of third parties, has an interest in a specific Company transaction, shall inform the other Statutory Auditors and the Chair of the Board of Directors of the nature, terms, origin and extent of the interest in a timely and thorough manner.

3.12 RELATIONS WITH SHAREHOLDERS

Access to information

There is a specific section on the Company's website (http://eng.gruppoigd.it/Investor-Relations) which contains updated information about the Company's stock (performance, dividend, ownership structure, etc.), annual and periodic financial reports, press releases, presentations made by management to the financial community, the financial calendar and the corporate events calendar. Other information of potential interest to shareholders, including information relating to Shareholders' Meetings and the Company's governance system, can be found in the Governance section of the Company's website (https://www.gruppoigd.it/en/governance/).

All the relevant information is published and updated in real time in two languages (Italian and English) on the Company's website. The Company also uses other means to provide timely and easy access to information. Thanks to the use of a mailing list system, interested parties may register on the website http://www.gruppoigd.it/, and receive press releases, presentations, newsletters and financial reports immediately after they have been released to the market. In collaboration with the brokers that cover the Company's stock, road shows, meetings and conference calls (scheduled just after the annual and periodic financial results are published or when the business plan is presented) are organized which provide an opportunity for institutional investors to meet with top management. The presentations made to the financial community are published on the Company's website.

In order to promote an ongoing dialogue with shareholders, in general, and, specifically, with institutional investors, the Board of Directors has appointed an Investor Relations Manager, Claudia Contarini, and also formed instituted a specific company unit comprising the IR Manager, the Investor Relations team, which is part of the Planning, Control and IR Division, which reports directly to the Chief Executive Officer.

In order to guarantee that the Shareholders' Meetings are conducted in an orderly fashion, during the Shareholders' Meeting held on 26 March 2003, shareholders approved the current Regulations for Shareholder Meetings, subsequently updated, which are available on the corporate website at http://eng.gruppoigd.it/Governance/Shareholders-Meetings.

Dialogue with shareholders

On 14 December 2021 IGD's Board of Directors – as proposed by the Chair, prepared together with the Chief Executive Officer, approved the "Policy for Dialogue with Shareholders and Other Stakeholders", which takes into account the engagement policies adopted by institutional investors and asset managers, and is consistent with the recommendations of the Corporate Governance Code which the Company adheres to.

The Chair – duly informed by the Chief Executive Officer (who is responsible for the management of the dialogue) including with the support of Investor Relations – ensures that the Board of Directors is informed periodically, and in a timely manner, about significant events affecting how the Dialogue is carried out and could be affected.

Toward this end, each quarter the Chief Executive Officer, with the support of Investor Relations, prepares the IR Board Report which reports on the activities carried out by Investor Relations in the reporting period, the institutional events that the Company attended, research published by analysts and relative recommendations, as well as information about the stock's performance and the comparison with the main indices and peers.

The Company communicates and engages with the Shareholders and Stakeholders on an ongoing basis through: Investor Relations, press releases, shareholders' meetings, road shows, investor days, conference calls, investor meetings, the website, presentations of financial results and strategies, the newsletter, social media (Facebook, LinkedIn, YouTube, Sound cloud, Twitter).

Through the IR Manager, the Chief Executive Officer works to guarantee that the Stakeholders receive an adequate response to any valid and appropriate requests made, in accordance with the general principles defined in the Policy, company provisions relating to market abuse and any regulations in effect for listed companies.

The Policy is published on the Company's website www.gruppoigd.it, in the "Investor Relations" section (https://www.gruppoigd.it/en/investor-relations/) and in the "Governance" section (https://www.gruppoigd.it/en/governance/).

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3.13 SHAREHOLDERS' MEETINGS (EX ART. 123-BIS, PAR. 2, LETTER C) TUF)

In accordance with the law, the Shareholders' Meetings are convened as per the notice published on the Company's website and in at least one national daily newspaper.

Under Art. 125-bis TUF the notice of call must be published at least 30 days prior to the day in which the Shareholders' Meeting is to be held. The timeframe is different when the Shareholders' Meetings are called to (i) appoint members of the corporate bodies (i.e., 40 days prior to the day in which the Shareholders' Meeting is to be held); (ii) resolve on takeover bids (i.e. 15 days prior to the day in which the Shareholders' Meeting is to be held); and (iii) resolve on reducing share capital and appoint and remove a liquidator (i.e. 21 days prior to the day in which the Shareholders' Meeting is to be held).

Pursuant to Art. 12.2 of the bylaws, in order to attend and vote at the Shareholders' Meetings, shareholders must provide the Company with the certification issued by a licensed intermediary indicating the shareholdings recorded as of the seventh trading day prior to the date set for the Shareholders' Meeting in first call (the record date). Under Art. 83-sexies, Art.2, TUF, any movements in the shareholdings subsequent to this period will not be considered for the purposes of voting rights.

Pursuant to Art. 13 of the bylaws, those in possession of voting rights may be represented via a written proxy submitted in accordance with the law. The proxy may also be made by submitting a request with an electronic signature as well as by accessing a specific section on the Company's website or via certified e-mail submitted in accordance with the procedures indicated in the notice of call.

For each Shareholders' Meeting the Company may also designate, as indicated in the notice of call, a party to whom those entitled to do so may grant a proxy with voting instructions relative to all or a few of the items on the agenda in accordance with the law.

Shareholders may submit questions relating to the items on the agenda prior to the Shareholders' Meeting. The questions received prior to the Shareholders' Meeting will be answered, at the latest, during the meeting itself. The deadline for submitting questions to the Company prior to the Shareholders' Meeting is indicated in the notice of call. This deadline cannot be less than five trading sessions prior to the date of the Shareholders' Meeting in first or single call or the seventh day of trading prior to the date of the Shareholders' Meeting (the record date) if it is indicated in the notice of call that the Company will answer the questions received prior to the Shareholders' Meeting. In this case the answer will be provided at least two days prior to the Shareholders' Meeting including via a specific section of the Company's website. Proof of voting rights may be submitted subsequent to having sent the question provided it is received within three days of the record date. No answer is required when the information requested is available in a specific Q&A section of the Company's website

In order to guarantee that the Shareholders' Meetings are conducted in an orderly and organized manner, on 26 March 2003 the shareholders approved the Regulations for Shareholders' Meetings currently in effect (and last amended on 20 April 2011) which is available on the Company's website.

The current Regulations for Shareholder Meetings are designed to guarantee that the Shareholders' Meetings are conducted in an orderly fashion and in full respect of the rights of each shareholder to request clarifications in relation to certain issues being discussed, to express opinions and submit proposals.

Given the extended duration of the COVID-19 pandemic and in order to protect the health of shareholders, company representatives, employees, and consultants as much as possible, in 2021 the Company decided to once again exercise the option included originally in Art. 16, par, 4 of Legislative Decree n. 18 of 17 March 2020, converted, as amended, into law by Law n. 27 of 24 April 2020, most recently extended in Legislative Decree n. 228 of 30 December 2021, based on which those entitled to attend the Shareholders' Meeting may do so only through the Company's designated representative, Computershare S.p.A., as per Art. 135-undecies of Legislative Decree n. 58/98, in accordance with the methods detailed in the Notice of Call.

During the year the Board of Directors did not prepare motivated proposals to submit to the Shareholders' Meeting relating to:

a) selection and characteristics of the corporate governance model (traditional, one-tier, two-tier);

b) size, composition and appointment of the Board and term of its members;

c) definition of the shares' administrative and equity rights;

d) percentages relative to the exercise of the measures aiming to protect non-controlling interests;

as the current corporate governance system was found to meet the company's needs.

3.14 ADDITIONAL CORPORATE GOVERNANCE PRACTICES (PURSUANT TO ART. 123-BIS, PAR. 2, LETT. A) SECOND PART OF TUF)

The Company adopted the Decree 231/2001 Organizational Model as described in more detail in Section 9.4, to which reference should be made.

3.15 SUBSEQUENT EVENTS

No changes took place in the corporate governance structure following the end of the year.

3.16 COMMENTS ON THE LETTER RECEIVED FROM THE CHAIR OF THE ITALIAN CORPORATE GOVERNANCE COMMITTEE

The letter sent to the Company by the Chair of the Corporate Governance Committee on 3 December 2021 was quickly brought to the attention of the Board of Directors and the Board of Statutory Auditors by the Chair of the Board of Directors.

More in detail, the recommendations for 2022 were also brought to the attention of the independent directors during the first meeting convened specifically for this purpose, as well as, subsequently, of the whole Board of Directors.
The content of the recommendations was taken into account during the Board Review as it was the subject of specific questions included in the self-assessment questionnaire.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE
TABLES

TABLES

TABLE 1 "INFORMATION ON THE OWNERSHIP STRUCTURE AS AT 31 DECEMBER 2021

SHARE CAPITAL STRUCTURE				
	NO. OF SHARES	NO. OF VOTING RIGHTS	LISTED (LIST THE MARKETS) / NOT LISTED	RIGHTS AND OBLIGATIONS
Ordinary shares (specifying whether the possibility of increase the voting rights is envisaged)	110.341.903	110.341.903	Listed on the Euronext Milan the equity market organized and managed by Borsa Italiana S.p.A. – Euronext STAR segment (Stock Segment with High Requirements)	Shares are indivisible and each share gives right to one vote. Shares can be transferred and subject to real restrictions pursuant law
Preferential shares	-	-	-	-
Multiple-vote share	-	-	-	-
Other share categories with voting rights	-	-	-	-
Saving shares	-	-	-	-
Convertible saving shares	-	-	-	-
Other share categories without voting rights	-	-	-	-
Other	-	-	-	-

OTHER FINANCIAL INSTRUMENTS (WHICH GIVES RIGHT TO SUBSCRIBE NEW SHARES)				
	LISTED (LIST THE MARKETS) / NOT LISTED	NO. OF INSTRUMENTS CIRCULATING	CATEGORY OF SHARES AT THE SERVICE OF CONVERSION/EXERCISE	NO. OF SHARES AT THE SERVICE OF CONVERSION/ EXERCISE
Convertible bonds	-	-	-	-
Warrant	-	-	-	-

INFORMATION ON THE OWNERSHIP STRUCTURE			
DECLARANT	DIRECT SHAREHOLDER	% OF ORDINARY SHARES	% OF VOTING CAPITAL
Coop Alleanza 3.0	Coop Alleanza 3.0	**40,92%**	**40,92%**
Unicoop Tirreno*	Unicoop Tirreno	**9,97%**	**9,97%**
Europa Plus SCA SIF**	Europa Plus SCA SIF	**4,50%**	**4,50%**

**this percentage is based on the information provided to the Company by the shareholder Unicoop Tirreno*

***this percentage is based on the last Internal Dealing notice received by CONSOB from the shareholder Europa Plus SCA SIF and disclosed to the company as it exceeded the 3% threshold adopted by CONSOB during the Covid-19 pandemic, as well as information that the company had at the date of the Shareholders' Meeting held on 15 April 2021.*

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TABLE 2 "STRUCTURE OF THE BOARD OF DIRECTORS FROM 15 APRIL 2021 TO 31 DECEMBER 2021"

BOARD OF DIRECTORS													
OFFICE	MEMBER	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT*	IN OFFICE SINCE	IN OFFICE UNTIL	LIST (PRESENTERS) (**)	LIST (M/M) (***)	EXEC.	NON-EXEC.	INDEP. AS PER THE CODE	INDEP. AS PER THE TUF	NO. OF OTHER APPOINTMENTS (****)	ATTENDANCE (*****)
Chairman	Saoncella Rossella	**1954**	**15/04/2015**	**20/04/2021**	Approval of Financial Statements at 31/12/2023	Shareholders	**M**			**x**	**x**	**-**	**9/9**
Chief Executive Officer (CEO)•	Albertini Claudio	**1958**	**28/04/2006**	**20/04/2021**	Approval of Financial Statements at 31/12/2023	Shareholders	**M**	**x**				**1**	**9/9**
Vice Chairman	Dall'Ara Stefano	**1963**	**15/04/2021**	**20/04/2021**	Approval of Financial Statements at 31/12/2023	Shareholders	**M**		**x**			**14**	**9/9**
Director	Santini Timothy Guy Michele	**1966**	**01/06/2018**	**15/04/2021**	Approval of Financial Statements at 31/12/2023	Shareholders	**m**			**x**	**x**	**-**	**9/9**
Director	Savino Alessia	**1967**	**01/06/2018**	**15/04/2021**	Approval of Financial Statements at 31/12/2023	Shareholders	**m**		**x**			**4**	**9/9**
Director	Benzi Silvia	**1975**	**15/04/2021**	**15/04/2021**	Approval of Financial Statements at 31/12/2023	Shareholders	**M**			**x**	**x**	**1**	**9/9**
Director	Schiavini Rossella	**1966**	**15/04/2021**	**15/04/2021**	Approval of Financial Statements at 31/12/2023	Shareholders	**M**			**x**	**x**	**2**	**8/9**
Director	Rizzi Antonio	**1965**	**15/04/2021**	**15/04/2021**	Approval of Financial Statements at 31/12/2023	Shareholders	**M**			**x**	**x**	**1**	**9/9**
Director	Cipriotti Rosa	**1974**	**15/04/2021**	**15/04/2021**	Approval of Financial Statements at 31/12/2023	Shareholders	**m**			**x**	**x**	**8**	**8/9**
Director	Gambetti Edy	**1951**	**15/04/2021**	**15/04/2021**	Approval of Financial Statements at 31/12/2023	Shareholders	**M**		**x**			**6**	**8/9**
Director	Robert- Ambroix Gery	**1966**	**15/04/2021**	**15/04/2021**	Approval of Financial Statements at 31/12/2023	Shareholders	**m**			**x**	**x**	**-**	**9/9**

Indicate the number of meetings held during the year: 11
Indicate the quorum required to present lists for the election of one or more members by non-controlling interests (pursuant to Art. 147-ter TUF): the quorum established by CONSOB (for 2021 equal to 4.5% of the Company's share capital, pursuant to CONSOB regulation n. 44 of 29 January 2021)

NOTES
Symbols listed below must be entered in the "Office" column:
• This symbol indicates the administrator in charge of the internal control and risk management system.
° This symbol indicates the Lead Independent Director (LID)).
(*) Date of first appointment refers to the date on which the director was appointed to the Company's BoD for the first time (ever).
(**) This column indicates whether the director was elected from a list presented by shareholders ("Shareholders") or the Board of Directors ("BoD").
(***) This column indicates whether the director was elected from a Majority list "M" or a minority list "m";
(****) This column reports the number of directorships and statutory auditorships held in other listed or large companies.
(*****) This column indicates the director's attendance record at BoD and Board committee meetings (expressed as the number of meetings attended out of the number of meetings held, i.e.. 6/8; 8/8 etc.).

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TABLE 2 – BIS "STRUCTURE OF THE BOARD OF DIRECTORS THROUGH 15 APRIL 2021"

CHART 2 - BIS: BOARD OF DIRECTORS STRUCTURE IN OFFICE UNTIL 15 APRIL 2021													
OFFICE	MEMBER	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT*	IN OFFICE SINCE	IN OFFICE UNTIL	LIST (PRESENTERS) (**)	LIST (M/M) (***)	EXEC.	NON-EXEC.	INDEP. AS PER THE CODE	INDEP. AS PER THE TUF	NO. OF THE OTHER APPOINTMENTS (****)	ATTENDANCE (*****)
Chairman•	Gasperoni Elio	**1953**	**15/04/2015**	**06/06/2018**	Approval of Financial Statements at 31/12/2020	Shareholders	**M**	**x**				**2**	**2/2**
Vice Chairman	Saoncella Rossella	**1954**	**15/04/2015**	**06/06/2018**	Approval of Financial Statements at 31/12/2020	Shareholders	**M**			**x**	**x**	**-**	**2/2**
Chief Executive Officer (CEO)	Albertini Claudio	**1958**	**28/04/2006**	**06/06/2018**	Approval of Financial Statements at 31/12/2020	Shareholders	**M**	**x**				**-**	**2/2**
Director	Menabò Gian Maria	**1959**	**01/06/2018**	**06/06/2018**	Approval of Financial Statements at 31/12/2020	Shareholders	**M**		**x**			**-**	**2/2**
Director	Véron Eric Jean	**1974**	**01/06/2018**	**06/06/2018**	Approval of Financial Statements at 31/12/2020	Shareholders	**m**			**x**	**x**	**14**	**2/2**
Director	Salvini Livia	**1957**	**19/04/2012**	**06/06/2018**	Approval of Financial Statements at 31/12/2020	Shareholders	**m**			**x**	**x**	**2**	**2/2**
Director	Dall'Orologio Dondi Luca	**1972**	**03/03/2016**	**06/06/2018**	Approval of Financial Statements at 31/12/2020	Shareholders	**M**			**x**	**x**	**2**	**2/2**
Director	Landi Isabella	**1964**	**05/11/2020**	**06/06/2018**	Approval of Financial Statements at 31/12/2020	Shareholders	**M**			**x**	**x**	**16**	**2/2**
Director	Santini Timothy Guy Michele	**1966**	**01/06/2018**	**06/06/2018**	Approval of Financial Statements at 31/12/2020	Shareholders	**m**			**x**	**x**	**-**	**2/2**
Director	Savino Alessia	**1967**	**01/06/2018**	**06/06/2018**	Approval of Financial Statements at 31/12/2020	Shareholders	**m**		**x**			**3**	**2/2**
Director	Gualandri Elisabetta	**1955**	**19/04/2012**	**06/06/2018**	Approval of Financial Statements at 31/12/2020	Shareholders	**M**			**x**	**x**	**3**	**2/2**

Indicate the number of meetings held during the year: 11
Indicate the quorum required to present lists for the election of one or more members by non-controlling interests (pursuant to Art. 147-ter TUF): the quorum established by CONSOB (for 2021 equal to 4.5% of the Company's share capital, pursuant to CONSOB regulation n. 44 of 29 January 2021)

NOTES
Symbols listed below must be entered in the "Office" column:
• This symbol indicates the administrator in charge of the internal control and risk management system.
° This symbol indicates the Lead Independent Director (LID)).
(*) Date of first appointment refers to the date on which the director was appointed to the Company's BoD for the first time (ever).
(**) This column indicates whether the director was elected from a list presented by shareholders ("Shareholders") or the Board of Directors ("BoD").
(***) This column indicates whether the director was elected from a Majority list "M" or a minority list "m";
(****) This column reports the number of directorships and statutory auditorships held in other listed or large companies.
(*****) This column indicates the director's attendance record at BoD and Board committee meetings (expressed as the number of meetings attended out of the number of meetings held, i.e.. 6/8; 8/8 etc.).

TABLE 3 "STRUCTURE OF THE BOARD COMMITTEES FROM 15 APRIL 2021 TO 31 DECEMBER 2021"

CONSIGLIO DI AMMINISTRAZIONE							
B.O.D.		RELATED PARTY COMMITTEE		CONTROL AND RISK COMMITTEE		NOMINATIONS AND COMPENSATION COMMITTEE	
OFFICE	MEMBER	(*)	(**)	(*)	(**)	(*)	(**)
Amministratore Indipendente da TUF e da Codice	Santini Timothy Guy Michele					3/3	C
Amministratore Indipendente da TUF e da Codice	Benzi Silvia	2/2	M			3/3	M
Amministratore Indipendente da TUF e da Codice	Schiavini Rossella			6/6	P	3/3	M
Amministratore Indipendente da TUF e da Codice	Cipriotti Rosa			5/6	M		
Amministratore Indipendente da TUF e da Codice	Rizzi Antonio	2/2	C	6/6	M		
Amministratore Indipendente da TUF e da Codice	Robert-Ambroix Gery	2/2	M				
-----------DIRECTORS WHO RESIGNED DURING THE YEAR UNDER REVIEW-----------							
MANAGER OF THE COMPANY/ OTHER	SURNAME NAME						
No. of meeting held during the year:		4		8		7	

NOTES:

(*) This column indicates directors attendance at committee meetings (indicate the number of meeting to which they attended with respect to the total numer of meeting; i.e. 6/8; 8/8 etc.).
(**) This column indicates the office held by the Director in the committee: "C": chairman; "M": member

TABLE 3-BIS "STRUCTURE OF THE BOARD COMMITTEES THROUGH 15 APRIL 2021"

CONSIGLIO DI AMMINISTRAZIONE							
B.O.D.		RELATED PARTY COMMITTEE		CONTROL AND RISK COMMITTEE		NOMINATIONS AND COMPENSATION COMMITTEE	
OFFICE	MEMBER	(*)	(**)	(*)	(**)	(*)	(**)
Amministratore Indipendente da TUF e da Codice	Rossella Saoncella					4/4	C
Amministratore Indipendente da TUF e da Codice	Eric Jean Véron	2/2	M				
Amministratore Indipendente da TUF e da Codice	Livia Salvini	2/2	M			4/4	M
Amministratore Indipendente da TUF e da Codice	Luca Dondi Dall'Orologio	2/2	C	2/2	M		
Amministratore Indipendente da TUF e da Codice	Isabella Landi			2/2	M		
Amministratore Indipendente da TUF e da Codice	Timothy Guy Michele Santini					4/4	M
Amministratore Indipendente da TUF e da Codice	Elisabetta Gualandri			2/2	C		
-----------DIRECTORS WHO RESIGNED DURING THE YEAR UNDER REVIEW-----------							
MANAGER OF THE COMPANY/ OTHER	SURNAME NAME						
No. of meeting held during the year:		4		8		7	

NOTES:

(*) This column indicates directors attendance at committee meetings (indicate the number of meeting to which they attended with respect to the total numer of meeting; i.e. 6/8; 8/8 etc.).
(**) This column indicates the office held by the Director in the committee: "C": chairman; "M": member

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TABLE 4 "STRUCTURE OF THE BOARD OF STATUTORY AUDITORS FROM 15 APRIL 2021 TO 31 DECEMBER 2021"

BOARD OF STATUTORY AUDITORS									
OFFICE	MEMBER	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT (*)	IN OFFICE SINCE	IN OFFICE UNTIL	LIST (M/M) (***)	INDEP. AS THE CODE	ATTENDANCE AT THE BOARD'S MEETINGS (***)	N. OF OTHER APPOINTMENTS (****)
Chairman	Committeri Gian Marco	1969	15/04/2021	15/04/2021	Approval of financial statements at 31/12/2023	m	x	7/7	33
Standing Auditor	Preite Daniela	1969	01/06/2018	15/04/2021	Approval of financial statements at 31/12/2023	M	x	6/7	4
Standing Auditor	Scarafuggi Massimo	1966	15/04/2021	15/04/2021	Approval of financial statements at 31/12/2023	M	x	7/7	5
Alternate	Del Frate Daniela	1965	15/04/2021	15/04/2021	Approval of financial statements at 31/12/2023	M			
Alternate	Maggi Aldo Marco	1965	15/04/2021	15/04/2021	Approval of financial statements at 31/12/2023	M			
Alternate	Gandini Ines	1968	15/04/2021	15/04/2021	Approval of financial statements at 31/12/2023	m			

Indicate the number of meetings held during the year: 9
Indicate the quorum required to present lists for the election of one or more members by non-controlling interests (pursuant to Art. 147-ter TUF): the quorum established by CONSOB (for 2021 equal to 4.5% of the Company's share capital, pursuant to CONSOB regulation n. 44 of 29 January 2021)

NOTES
(*) Date of first appointment refers to the date on which the statutory auditor was appointed to the Company's Board of Statutory Auditors for the first time (ever).
(**) This column indicates whether the director was elected from a Majority list "M" or a minority list "m";
(***) This column indicates the statutory auditor's attendance record at meetings of the Board of Statutory Auditors (expressed as the number of meetings attended out of the number of meetings held, i.e.. 6/8; 8/8 etc.)..
(****) This column reports the number of directorships and statutory auditorships held pursuant to Art. 148-bis TUF and its implementing provisions contained in CONSOB's Regulations for Issuers. The full list of offices held is published by CONSOB on its website pursuant to Art.144-quinquiesdecies of CONSOB's Regulations for Issuers.

TABLE 4-BIS "STRUCTURE OF THE BOARD OF STATUTORY AUDITORS THROUGH 15 APRIL 2021"

BOARD OF STATUTORY AUDITORS									
OFFICE	MEMBER	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT (*)	IN OFFICE SINCE	IN OFFICE UNTIL	LIST (M/M) (***)	INDEP. AS THE CODE	ATTENDANCE AT THE BOARD'S MEETINGS (***)	N. OF OTHER APPOINTMENTS (****)
Chairman	Allievi Anna Maria	1965	15/04/2021	01/06/2018	Approval of financial statements at 31/12/2020	m	x	2/2	8
Standing Auditor	Preite Daniela	1969	01/06/2018	01/06/2018	Approval of financial statements at 31/12/2020	M	x	1/2	4
Standing Auditor	Chiusoli Roberto	1964	28/04/2006	01/06/2018	Approval of financial statements at 31/12/2020	M	x	1/2	20
Alternate	Brandolini Pierluigi	1970	15/04/2015	01/06/2018	Approval of financial statements at 31/12/2020	M			
Alternate	Macri Laura	1970	01/06/2018	01/06/2018	Approval of financial statements at 31/12/2020	M			
Alternate	Prandi Paolo	1961	01/06/2018	01/06/2018	Approval of financial statements at 31/12/2020	m			

Indicate the number of meetings held during the year: 9
Indicate the quorum required to present lists for the election of one or more members by non-controlling interests (pursuant to Art. 147-ter TUF): the quorum established by CONSOB (for 2021 equal to 4.5% of the Company's share capital, pursuant to CONSOB regulation n. 44 of 29 January 2021)

NOTES
(*) Date of first appointment refers to the date on which the statutory auditor was appointed to the Company's Board of Statutory Auditors for the first time (ever).
(**) This column indicates whether the director was elected from a Majority list "M" or a minority list "m";
(***) This column indicates the statutory auditor's attendance record at meetings of the Board of Statutory Auditors (expressed as the number of meetings attended out of the number of meetings held, i.e.. 6/8; 8/8 etc.).
(****) This column reports the number of directorships and statutory auditorships held pursuant to Art. 148-bis TUF and its implementing provisions contained in CONSOB's Regulations for Issuers. The full list of offices held is published by CONSOB on its website pursuant to Art.144-quinquiesdecies of CONSOB's Regulations for Issuers.

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GRUPPO IGD: CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

INDEX

4. GRUPPO IGD: CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

4.1 CONSOLIDATED INCOME STATEMENT

IN THOUSANDS OF EUROS	NOTE	31/12/2021 (A)	31/12/2020 (B)	CHANGE (A)-(B)
Revenue	**1.1**	**145.095**	**145.578**	**(483)**
Revenues from third parties		106.974	105.674	1.300
Revenues from related parties		38.121	39.904	(1.783)
Other revenue	**2.1**	**6.443**	**6.388**	**55**
Other revenues from third parties		3.842	3.763	79
Other revenues from related parties		2.601	2.625	(24)
Revenues from property sales	**2.2**	**440**	**708**	**(268)**
Operating revenues	**1**	**151.978**	**152.674**	**(696)**
Change in inventory	**6**	2.771	2.594	177
Revenues and change in inventory		**154.749**	**155.268**	**(519)**
Construction costs for the period	**6**	(3.182)	(3.509)	327
Service costs	**3**	(14.688)	(13.409)	(1.279)
Service costs from third parties		(10.294)	(9.087)	(1.207)
Service costs from related parties		(4.394)	(4.322)	(72)
Cost of labour	**4**	(10.603)	(9.618)	(985)
Other operating costs	**5**	(17.129)	(19.423)	2.294
Total operating costs		**(45.602)**	**(45.959)**	**357**
Depreciations, amortization and provisions		(682)	(4.563)	3.881
(Impairment losses)/Reversals on work in progress and inventories		516	(3.152)	3.668
Provisions for doubtful accounts		(3.430)	(11.003)	7.573
Change in fair value		(16.850)	(142.866)	126.016
Depreciation, amortization, provisions, impairment and change in fair value	**7**	**(20.446)**	**(161.584)**	**141.138**
EBIT		**88.701**	**(52.275)**	**140.976**
Income/ (loss) from equity investments and asset disposal	**8**	**908**	**(72)**	**980**
Financial Income	**9**	**87**	**126**	**(39)**
Financial income from third parties		87	126	(39)
Financial charges	**9**	**(33.925)**	**(36.329)**	**2.404**
Financial charges from third parties		(33.924)	(36.322)	2.398
Financial charges from related parties		(1)	(7)	6
Net financial income (expense)		**(33.838)**	**(36.203)**	**2.365**
Pre-tax profit		**55.771**	**(88.550)**	**144.321**
Income taxes	**10**	(3.002)	14.229	(17.231)
NET PROFIT FOR THE PERIOD		**52.769**	**(74.321)**	**127.090**
Non-controlling interests in (profit)/loss for the period		0	0	0
Profit/(loss) for the period attributable to the Parent Company		**52.769**	**(74.321)**	**127.090**

4.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF EUROS	31/12/2021	31/12/2020
NET PROFIT FOR THE PERIOD	**52.769**	**(74.321)**
Other components of comprehensive income that will not be reclassified to profi/(loss)		
Recalculation of defined benefit plans	(3)	(42)
Tax effect	1	10
Total other components of comprehensive income that will not be reclassified to profi/(loss), net of tax effect	**(2)**	**(32)**
Effects of hedge derivatives on net equity		
Tax effect of hedge derivatives	6.716	3.875
Conversione reserve	(1.578)	(845)
Riserva di conversione	(589)	(97)
Total other components of comprehensive income that will be reclassified to profi/(loss)	**4.549**	**2.933**
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	**57.316**	**(71.420)**
Non-controlling interest profit/(loss) for the period	0	0
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	**57.316**	**(71.420)**

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GRUPPO IGD BILANCIO CONSOLIDATO AL 31 DICEMBRE 2021
4.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

4.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUROS	NOTE	31/12/2021 (A)	31/12/2020 (B)	CHANGE (A)-(B)
NON CURRENT ASSETS:				
Intangible assets				
Intangible assets with finite useful lives	12	303	35	268
Goodwill	13	7.585	8.533	(948)
		7.888	**8.568**	**(680)**
Property, plant, and equipment				
Investment property	14	2.093.176	2.234.484	(141.308)
Buildings	15	7.174	7.414	(240)
Plant and machinery	16	115	143	(28)
Equipment and other goods	16	1.741	969	772
Assets under construction and advance payments	17	44.095	42.674	1.421
		2.146.301	**2.285.684**	**(139.383)**
Other non-current assets				
Deferred tax assets	18	6.173	7.995	(1.822)
Sundry receivables and other non-current assets	19	127	129	(2)
Equity investments	20	25.765	151	25.614
Non-current financial assets	21	174	174	0
		32.239	**8.449**	**23.790**
TOTAL NON-CURRENT ASSETS (A)		**2.186.428**	**2.302.701**	**(116.273)**
CURRENT ASSETS:				
Work in progress inventory and advances	22	37.375	33.843	3.532
Trade and other receivables	23	15.490	18.260	(2.770)
Related party trade and other receivables	24	716	775	(59)
Other current assets	25	5.717	3.736	1.981
Cash and cash equivalents	26	158.080	117.341	40.739
TOTAL CURRENT ASSETS (B)		**217.378**	**173.955**	**43.423**
ASSETS HELD FOR SALE (C)		**1.801**	**0**	**1.801**
TOTAL ASSETS (A + B+C)		**2.405.607**	**2.476.656**	**(71.049)**
NET EQUITY:				
Share capital		650.000	650.000	0
Share premium reserve		0	30.058	(30.058)
Other reserves		467.300	499.131	(31.831)
Group profit (loss) carried forward		1.689	9.574	(7.885)
Group profit		52.769	(74.321)	127.090
Total Group net equity		**1.171.758**	**1.114.442**	**57.316**
Capital and reserves of non-controlling interests		0	0	0
TOTAL NET EQUITY (D)	27	**1.171.758**	**1.114.442**	**57.316**
NON-CURRENT LIABILITIES:				
Derivatives - liabilities	38	8.435	14.396	(5.961)
Non-current financial liabilities	29	951.408	1.135.707	(184.299)
Provisions for employee severance indemnities	30	3.391	3.267	124
Deferred tax liabilities	18	17.875	18.281	(406)
Provisions for risks and future charges	31	4.130	3.793	337
Sundry payables and other non-current liabilities	32	9.504	9.849	(345)
Related parties sundry payables and other non-current liabilities	32	10.441	13.462	(3.021)
TOTAL NON-CURRENT LIABILITIES (E)		**1.005.184**	**1.198.755**	**(193.571)**
CURRENT LIABILITIES:				
Current financial liabilities	33	192.643	137.266	55.377
Trade and other payables	35	16.137	12.091	4.046
Related parties trade and other payables	36	950	499	451
Current tax liabilities	37	2.967	1.814	1.153
Other current liabilities	38	14.740	11.789	2.951
TOTAL CURRENT LIABILITIES (F)		**227.437**	**163.459**	**63.978**
LIABILITIES LINKED TO ASSETS HELD FOR SALE (G)		**1.228**	**0**	**1.228**
TOTAL LAIBILITIES (H=E+F+G)		**1.233.849**	**1.362.214**	**(128.365)**
TOTAL NET EQUITY AND LIABILITIES (D+H)		**2.405.607**	**2.476.656**	**(71.049)**

IN THOUSANDS OF EUROS	NOTE	31/12/2021 (A)	31/12/2020 (B)	CHANGE (A)-(B)
NON-CURRENT LIABILITIES:				
Derivatives - liabilities	41	8.435	14.396	(5.961)
Non-current financial liabilities	29	951.408	1.135.707	(184.299)
Provisions for employee severance indemnities	30	3.391	3.267	124
Deferred tax liabilities	18	17.875	18.281	(406)
Provisions for risks and future charges	31	4.130	3.793	337
Sundry payables and other non-current liabilities	32	9.504	9.849	(345)
Related parties sundry payables and other non-current liabilities	32	10.441	13.462	(3.021)
TOTAL NON-CURRENT LIABILITIES (E)		**1.005.184**	**1.198.755**	**(193.571)**
CURRENT LIABILITIES:				
Current financial liabilities	33	192.643	137.266	55.377
Trade and other payables	35	16.137	12.091	4.046
Related parties trade and other payables	36	950	499	451
Current tax liabilities	37	2.967	1.814	1.153
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TOTAL CURRENT LIABILITIES (F)		**227.437**	**163.459**	**63.978**
LIABILITIES LINKED TO ASSETS HELD FOR SALE (G)	27	**1.228**	**0**	**1.228**
TOTAL LAIBILITIES (H=E+F+G)		**1.233.849**	**1.362.214**	**(128.365)**
TOTAL NET EQUITY AND LIABILITIES (D+H)		**2.405.607**	**2.476.656**	**(71.049)**

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4.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AMOUNT IN THOUSANDS OF EURO	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER RESERVE	PROFIT (LOSS) FROM PREVIOUS YEARS	PROFIT (LOSS) OF THE YEAR	GROUP NET EQUITY	NON-CONTROLLING INTEREST CAPITAL AND RESERVES	TOTAL NET EQUITY
Balance at 01/01/2021	**650.000**	**30.058**	**499.131**	**9.574**	**(74.321)**	**1.114.442**	**0**	**1.114.442**
Profit/(loss) for the years	0	0	0	0	52.769	52.769	0	52.769
Cash flow hedge derivative assessment	0	0	5.138	0	0	5.138	0	5.138
Other comprehensive income (losses)	0	0	(591)	0	0	(591)	0	(591)
Total comprehensive profit (losses)	**0**	**0**	**4.547**	**0**	**52.769**	**57.316**	**0**	**57.316**
Cover of 2020 loss								
Dividends not distributed previous years	0	0	1	0	0	1	0	1
2020 Loss cover and other reclassifications	0	(30.058)	(36.378)	(7.885)	74.321	0	0	0
Balance at 31/12/2021	**650.000**	**0**	**467.300**	**1.689**	**52.769**	**1.171.759**	**0**	**1.171.758**

IMPORTI IN MIGLIAIA DI EURO	CAPITALE SOCIALE	RISERVA SOVRAPPREZZO AZIONI	ALTRE RISERVE	UTILE (PERDITE) ESERCIZI PRECEDENTI	UTILE (PERDITA) DELL' ESERCIZIO	PATRIMONIO NETTO DEL GUPPO	CAPITALE E RISERVE DI TERZI	TOTALE PATRIMONIO NETTO
Balance at 01/01/2020	**749.738**	**30.058**	**416.065**	**2.562**	**12.591**	**1.211.014**	**0**	**1.211.014**
Profit/(loss) for the years	0	0	0	0	(74.321)	(74.321)	0	(74.321)
Cash flow hedge derivative assessment	0	0	3.030	0	0	3.030	0	3.030
Other comprehensive income (losses)	0	0	(129)	0	0	(129)	0	(129)
Total comprehensive profit (losses)	**0**	**0**	**2.901**	**0**	**(74.321)**	**(71.420)**	**0**	**(71.420)**
(Purchase)/Sales of treasury shares	0	0	(2)	0	0	(2)	0	(2)
Share capital reduction	(99.738)	0	(99.738)	0	0	0	0	0
Allocation of 2019 profit								
Dividends paid	0	0	(19.571)	(5.579)	0	(25.150)	0	(25.150)
To retained earning previous years	0	0	0	12.591	(12.591)	0	0	0
Balance at 31/12/2020	**650.000**	**30.058**	**499.131**	**9.574**	**(74.321)**	**1.114.442**	**0**	**1.114.442**

4.5 CONSOLIDATED STATEMENT OF CASH FLOWS

IN THOUSANDS OF EUROS	31/12/2021	44196
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit (loss) of the year	**52.769**	**(74.321)**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities		
Taxes of the year	3.002	(14.229)
Financial charges / (income)	33.838	36.203
Depreciation and amortization	682	611
Writedown of goodwill	0	3.952
Writedown of receivables	3.430	11.003
(Impairment losses) / reversal on work in progress	(516)	3.152
Changes in fair value - increases / (decreases)	16.850	142.866
Gains/losses from disposal - equity investments	(908)	72
Changes in provisions for employees and end of mandate treatment	1.454	1.389
CASH FLOW FROM OPERATING ACTIVITIES:	**110.601**	**110.698**
Financial charge paid	(27.400)	(29.344)
Provisions for employees, end of mandate treatment	(787)	(1.233)
Income tax	(991)	(788)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX:	**81.423**	**79.333**
Change in inventory	(3.051)	(2.594)
Change in trade receivables	(526)	(18.003)
Net change in other assets	(1.979)	(8.658)
Change in trade payables	4.422	(4.401)
Net change in other liabilities	(1.608)	8.357
CASH FLOW FROM OPERATING ACTIVITIES (A)	**78.681**	**54.034**
(Investments) in intangible assets	(302)	(8)
Disposals of intangible assets	0	0
Disposals of investment properties	113.819	0
(Investments) in tangible assets	(18.414)	(14.837)
Disposals of tangible assets	0	36
(Investments) in equity interests	52	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	**95.155**	**(14.809)**
Disposal/(purchase) of treasury shares	0	198
Capital gain/ (loss) on disposal of treasury shares	0	(200)
Distribution of dividends	0	(25.150)
Rents paid for financial leases	(8.925)	(7.991)
Collections for new loans and other financing activities	0	34.682
Loans repayments and other financing activities	(124.083)	(52.003)
CASH FLOW FROM FINANCING ACTIVITIES (C)	**(133.008)**	**(50.464)**
Exchange rate differences on cash and cash equivalents (D)	(89)	(97)
NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)	**40.739**	**(11.336)**
CASH BALANCE AT BEGINNING OF THE PERIOD	**117.341**	**128.677**
CASH BALANCE AT END OF THE PERIOD	**158.080**	**117.341**

GRUPPO IGD BILANCIO CONSOLIDATO AL 31 DICEMBRE 2021
4.6 NOTES TO THE FINANCIAL STATEMENTS

4.6 NOTES TO THE FINANCIAL STATEMENTS

4.6.1 GENERAL INFORMATION

The consolidated financial statements of Immobiliare Grande Distribuzione SIIQ S.p.A. at 31 December 2021 were approved and authorized for publication by the Board of Directors on 24 February 2022.

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.

4.6.2 SUMMARY OF ACCOUNTING STANDARDS

4.6.2.1 Preparation criteria

Statement of compliance with International Accounting Standards

The 2021 consolidated financial statements 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. The IFRS have been applied consistently to all reporting periods presented.

Reporting formats

The items in the statement of financial position have been classified as current or non-current, 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 31 March 2021 the IASB published "Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)," extending for one year the amendment issued in 2020, which gives lessees the option to account for Covid-19 related rent concessions without the need to determine from the contracts whether they constitute lease modifications as defined by IFRS 16. Therefore, lessees who took this option in 2020 accounted for the effects of rent concessions directly in the income statement as of the effective date of the concession. The 2021 amendment is only available to entities that took the option in 2020. The application of these amendments produced a miscellaneous gain of €1,296K, recognized under service costs.

On 27 August 2020, in light of the reform of interbank interest rates such as the IBOR, the IASB 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 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 31 December 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 them 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 amendment to have a significant impact on the consolidated financial statements;

4.6.2.2 Consolidation

a) Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the draft financial statements at 31 December 2021, prepared by the directors of the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies. Compared with 31 December 2020, the scope of consolidation as shown in the table below now includes the wholly-owned subsidiary IGD Service S.r.l.. As described in section 2.5, on 21 July 2021 the shareholders' meetings 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 spin-off plan, which calls for:

(i) the merger of RGD Ferrara 2013 S.r.l. and Millennium Gallery S.r.l. into IGD Management S.r.l. and

(ii) the proportional partial spin-off of IGD Management post-merger to the company IGD Service S.r.l. The reorganization and streamlining operation took place at carrying amounts among Group companies and has no impact on the consolidated financial statements.

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.

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NAME	REGISTERED OFFICE	COUNTRY	SHARE CAPITAL	CURRENCY	% OF CONSOLIDATED GROUP INTEREST	HELDBY	% OF SHARE CAPITAL HELD	ACTIVITIES
Parent Company								
IGD SIIQ S.p.A.	Bologna via trattati comunitari Europei 1957-2007	Italy	650.000.000,00	Euro				Shopping center management
Subsidiaries fully consolidated								
IGD Management SIINQ S.p.A.	Bologna via trattati comunitari Europei 1957-2007	Italy	20.000.000,00	Euro	100%	IGD SIIQ S.p.A.	100,00%	Shopping center management and services
IGD Service S.r.l	Bologna via trattati comunitari Europei 1957-2007	Italy	60.000.000,00	Euro	100%	IGD SIIQ S.p.A.	100,00%	Shopping center management and services
Porta Medicea S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	60.000.000,00	Euro	100%	IGD Service S.r.l.	100,00%	Construction and marketing company
Win Magazin S.A.	Bucarest	Romania	113.715,30	Lei	100%	IGD Service S.r.l. 99,9% IGD SIIQ S.p.A. 0,1%	100,00%	Shopping center management
Winmarkt management S.r.l.	Bucarest	Romania	1.001.000	Lei	100%	Win Magazin S.A.	100,00%	Agency and Facility management services
Arco Campus S.r.l.	Bologna via dell'Arcoveggio n.49/2	Italy	1.500.000,00	Euro	99,98%	IGD SIIQ S.p.A.	99,98%	Asset management, sport facilities and equipment management, construction, sale and rent of properties to be used for commercial and sport activities
Associated companies consolidated at net equity								
Fondo Juice	Milano, via San Paolo 7	Italy	64.165	Euro	40%	IGD SIIQ S.p.A.	40%	Hypermarkets/ supermarkets property

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.

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4.6 NOTES TO THE FINANCIAL STATEMENTS

NAME	TYPE OF CONTROL	% HELD	REGISTERED OFFICE
Owner consortium of Leonardo	Direct	52,00%	VIA AMENDOLA 129, IMOLA (BO)
Owner consortium of I Bricchi	Direct	72,25%	VIA PRATO BOSCHIERO, ISOLA D'ASTI (LOC MOLINI)
Owner consortium of Centrolame	Direct	66,43%	VIA MARCO POLO 3, BOLOGNA (BO)
Consortium of Katanè	Direct	53,00%	VIA QUASIMODO, GRAVINA DI CATANIA LOC SAN PAOLO
Consortium of Conè	Direct	65,78%	VIA SAN GIUSEPPE SNC, QUARTIERE DELLO SPORT CONEGLIANO (TV)
Consortium of La Torre-Palermo	Direct	55,04%	VIA TORRE INGASTONE, PALERMO LOC BORGONUOVO
Owner consortium of e Gran Rondò	Direct	48,69%	VIA G. LA PIRA n. 18. CREMA (CR)
Owner consortium of Fonti del Corallo	Direct	68,00%	VIA GINO GRAZIANI 6, LIVORNO
Owner consortium of Centrosarca	Direct	62,50%	VIA MILANESE, SESTO SAN GIOVANNI (MI)
Consortium of Porta a Mare Mazzini	Direct	80,90%	VIA G. D'ALESIO, 2 - LIVORNO
Consortium of Clodì	Direct	70,35%	S.S. ROMEA n. 510/B; CHIOGGIA (VE)
Consortium of Centro Le Maioliche	Direct	70,52%	VIA BISAURA N.13, FAENZA (RA)
Consortium of ESP	Direct	64,59%	VIA MARCO BUSSATO 74, RAVENNA (RA)
Owner consortium of Puntadiferro	Direct	62,34%	Piazzale della Cooperazione 4, FORLI' (FC)
Owner consortium of Commendone commercial area	Direct	52,60%	Via Ecuador snc, Grosseto
Consortium of Le Porte di Napoli	Direct	70,56%	Via S. Maria La Nuova, Afragola (NA)
Consortium of Darsena	Direct	77,12%	Via Darsena 75 - Ferrara (FE)
Consortium of Casilino	Direct	45,80%	Via Casilina 1011 - (Roma)

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4.6 NOTES TO THE FINANCIAL STATEMENTS

b) Consolidation methods

The consolidated financial statements include the financial statements of the parent company, IGD SIIQ S.p.A., its direct and indirect subsidiaries, and its associates at 31 December 2021. The subsidiaries' and associates' accounts are prepared each year using the same accounting standards as the parent. The main consolidation methods used to prepare the consolidated financial statements are as follows:

• subsidiaries are consolidated from the date control is effectively transferred to the Group, and cease to be consolidated from the date control is transferred outside the Group; control exists when the Group has the power, directly or indirectly, to influence a company's financial and managerial policies in such a way as to obtain benefits from its operations;

• subsidiaries are consolidated on a line-by-line basis, aggregating all financial statement items in full, regardless of the interest held. Only for the determination of net equity and net profit (loss) is the minority interest, if any, shown separately in the statement of financial position and the income statement;

• the carrying value of equity investments is eliminated against the assumption of their assets and liabilities;

• all intercompany assets, liabilities, income and losses, including unrealized profits deriving from transactions between Group companies, are completely eliminated;

• the financial statements of all IGD SIIQ Group companies that use a functional currency other than that used in the consolidated statements are translated into euros as follows:

- the assets and liabilities of each statement of financial position submitted are translated at the exchange rates in force on the reporting date;

- the revenue and costs of each income statement are converted at the average exchange rates for the period;

- all exchange gains and losses arising from this process are shown in the translation reserve under net equity.

• equity investments in joint ventures and associates are consolidated using the equity method. As such, the investment is initially carried at cost, which is then adjusted upward or downward to reflect changes in net equity after purchase. The adjustments are taken to the income statement in proportion to the Group's share of the company's profit or loss, taking into account any impact of preference shares or quotas held by third parties.

4.6.2.3 Intangible assets

Intangible assets are recognized at cost when it is likely that use of the asset will generate future economic benefits and when its cost can be reliably determined. Intangible assets acquired through business combinations are recognized at the market value defined as of the acquisition date, if that value can be reliably determined.

After their initial recognition, intangible assets are carried at cost. The useful life of intangible assets can be either finite or indefinite. Intangible assets with indefinite useful lives are not amortized but are subject to impairment testing each year, or more frequently, whenever there is any indication of impairment. Further to such testing, if the recoverable value of an asset is less than its book value, the latter is reduced to recoverable value. This reduction constitutes an impairment loss, which is immediately posted to the income statement. An asset's recoverable value is the higher of its net sale value or value in use. Value in use is the present value of expected cash flows generated by the asset. In order to assess losses in value, assets are aggregated to the lowest cash generating unit, i.e. the lowest level for which independent cash flows can be separately identified. In the case of an indicator implying recovery of the value lost, the asset's recoverable value is re-determined and the book value is increased to that new value. However, the increase in book value can never exceed the net book value that the fixed asset would have had if no impairment had occurred.

4.6.2.4 Business combinations and goodwill

Business combinations are accounted for using the purchase method. This requires the recognition at market value of the identifiable assets (including intangible assets previously not recognized) and identifiable liabilities (including contingent liabilities but excluding future restructuring) of the entity acquired. Transaction costs are recognized as soon as they are incurred.

Goodwill acquired in a business combination, which in the separate financial statements is incorporated into the value of the investment acquired, is calculated as the excess of the total consideration transferred, minority interests in net equity and the fair value of any previously held interest in the company over the acquisition-date fair value of the net assets acquired and the liabilities assumed. If the acquisition-date fair value of the net assets acquired and the liabilities assumed exceeds the sum of the consideration transferred, minority interests in net equity and the fair value of any previously held interest in the acquiree, the excess is recognized immediately as income arising from the transaction.

Minority interests in net equity, as of the acquisition date, can be measured at fair value or as a pro-quota proportion of the value of the net assets recognized for the acquiree. This choice is made on a case-by-case basis.

Any contingent consideration provided for in the acquisition agreement is measured at its acquisition-date fair value, and included in the value of the consideration transferred in the business combination for the purpose of determining goodwill. Subsequent changes in fair value that qualify as adjustments arising during the measurement period are included in goodwill retrospectively. Such changes are those caused by additional information, obtained during the measurement period (not to exceed one year from the business combination), regarding facts and circumstances that existed on the acquisition date.

In the case of business combinations achieved in stages, the interest previously held by the Group is remeasured at fair value as of the date control is acquired, and any resulting gain or loss is recognized in the income statement. Any amounts deriving from the previously held interest and reported in other comprehensive income or losses are reclassified to profit or loss as if the interest had been sold.

If the initial values of a business combination are incomplete at the end of the financial period in which it occurred, in the consolidated financial statements the Group uses provisional amounts for those elements that cannot be measured in full. The provisional amounts are adjusted during the measurement period to take account of new information on facts and circumstances existing on the acquisition date which, if known, would have affected the acquisition-date value of the assets and liabilities recognized.

Business combinations occurring before 1 January 2010 are reported according to the previous version of IFRS 3.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the acquirer's individual cash generating units or to the groups of cash generating units that are expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities are assigned to those units or groups of units. Each unit or group of units to which goodwill is so allocated:

• represents the lowest level within the Group at which the goodwill is monitored for internal management purposes;

• is not larger than a segment based on either the primary or secondary reporting format determined in accordance with IFRS 8 - Segment Reporting;

• when goodwill is part of a cash generating unit or group of cash generating units and the Group disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal. The goodwill transferred under these circumstances is measured on the basis of the relative values of the operation disposed of and the portion of the cash generating unit retained.

If the disposal concerns a subsidiary, the difference between the sale price and net assets plus accumulated translation differences and goodwill is recognized in profit or loss.

After first-time recognition, goodwill is decreased by accumulated impairment losses, determined as described below.

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 intangible assets. If the amount recoverable by the cash generating unit is lower than the carrying value attributed, then an impairment loss is recognized. Impairment losses on goodwill cannot be reversed in subsequent years. In the absence of trigger events, goodwill impairment tests are normally conducted once a year at 31 December; in 2021, given the impact of the COVID-19 pandemic, the amounts at 30 June were also tested.

4.6.2.5 Investment property and assets under construction

Investment property is real estate held in order to earn rent while appreciating in value over time.

Investment property is initially recognized at cost, including transaction expenses (as well as borrowing costs, where applicable), and is subsequently measured at fair value with changes reported in the income statement.

Any work on the properties is added to their carrying value only if it is likely to produce future economic benefits and if the cost can be reliably determined. Other maintenance and repair costs are recognized in the income statement when incurred.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this expenditure.

The market value of properties includes the value of their plant and machinery, as well as goodwill acquired.

Investment property is derecognized on disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses from the withdrawal or disposal of investment property are recognized to profit or loss in the period in which the withdrawal or disposal takes place.

Assets under construction, consisting of deposits and advance payments, are valued at cost. For land and accessory works on which investment property will be developed, once the building permits are obtained and/or the urban planning agreements signed, and once the procedure for obtaining administrative permits is completed and construction is underway, fair value can be reliably determined and the fair value method is therefore used. Until that time, the asset is recognized at cost, which is compared with recoverable amount at each reporting date in

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order to determine any loss in value. When construction or development of an investment property is completed, it is restated to "investment property."

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The fair value of investment property in accordance with IFRS 13 must reflect, among other things, rental income from current leases and other reasonable and supportable assumptions that market participants would use when pricing the asset under current market conditions.

As stated in paragraph 27 of IFRS 13, a fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, specifically:

a use that is physically possible takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g. the location or size of a property);

a use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning regulations applicable to a property);

a use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.

Highest and best use is determined from the perspective of market participants. An entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximize the value of the asset.

4.6.2.6 IAS 23 – Borrowing costs

Borrowing costs directly attributable to the purchase and construction of investment property and inventory, relating to both new constructions and extensions, are added to the carrying value of the property in question. Interest is capitalized provided that the augmented carrying amount of the asset does not increase beyond market value. The Group has not capitalized financial charges.

4.6.2.7 IFRS 16 – Leases

The Group holds operating leases for three malls at the Centro Nova, Centro Piave, and Fonti del Corallo shopping centers which are in turn leased to third parties, and for a parking area pertinent to the Centro d'Abruzzo shopping center".

In accordance with IFRS 16, upon signing a new operating lease of a significant amount and with a duration of more than one year, the Group recognizes a right-of-use asset of the same amount as the lease liability. The right-of-use asset is accounted for under property, plant and equipment ("investment property") and subject to independent appraisal to determine its fair value. At the end of each reporting period, the change in fair value is reported separately in the income statement.

To determine the fair value of every asset held under operating leases, the independent experts discount to present value the cash flows expected in the years covered by the lease. Unlike traditional real estate appraisals, the terminal value at the end of the explicit period is not considered.

The Group takes the exemption permitted by IFRS 16:5 (a) for short-term leases. Likewise, the Group opts for the exemption permitted by IFRS 16:5 (b) with respect to leases for which the underlying asset qualifies as low-value. For these contracts, the lease installments continue to be recognized in profit or loss on a straight line basis over the lease term.

4.6.2.8 Plant, machinery and equipment

Plant, machinery and equipment that are owned by IGD and are not attributable to investment property are recognized at cost, less commercial discounts and rebates, considering directly attributable expenses as well as an initial estimate of the cost of dismantling and removing the asset and restoring the site where it was located. Costs incurred after purchase are capitalized only if they increase the future economic benefits expected of the asset. All other costs (including financial expenses directly attributable to the purchase, construction or production of the asset) are recognized to profit or loss when incurred. The capitalized charge is recognized to profit and loss throughout the useful life of the tangible asset by means of depreciation. Depreciation is calculated on a straight-line basis over the asset's estimated useful life, as follows:

CATEGORY	RATE
Wiring, sprinkler system, compressed air	10%
HVAC system	15%
Fittings	20%
Computer to manage plants	20%
Special communication system - telephone	25%
Special plant	25%
Alarm / Security system	30%
Sundry equipment	15%
Office furnishing	12%
Cash registers and EPD machines	20%
Personal computers and machines	40%

An asset is subject to impairment testing whenever events or changes in circumstances indicate that its carrying value cannot be fully recovered. If the carrying value exceeds the recoverable amount, the asset is written down to reflect the impairment. An asset's recoverable value is the higher of its net sale value or value in use.

In measuring value in use, the discount rate used should be the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate sufficiently independent cash flows, the value is determined in relation to the cash generating unit to which the asset belongs. Impairment is charged to the income statement as depreciation. Impairment is reversed if the reasons cease to apply.

When an asset is sold or when its use is no longer expected to produce future economic benefits, it is derecognized and any loss or gain (calculated as the difference between the sale value and carrying value) is taken to profit or loss the year the asset is eliminated.

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4.6.2.9 Equity investments

For information on the accounting treatment of equity investments, see section 4.6.2.2 b - Consolidation methods.

4.6.2.10 Other non-current assets

Other non-current assets consist of deferred tax assets, financial assets relating to derivatives, and miscellaneous.

Receivables and other financial assets other than derivatives, to be held until maturity, are recognized at cost which corresponds to the fair value of the initial consideration paid plus transaction costs. The initial value recognized is subsequently adjusted to take account of the reimbursement of principal, any impairment losses, and amortization of the difference between the redemption value and the initial carrying value. Amortization is charged at the effective interest rate, corresponding to the rate which, upon first-time recognition, makes the present value of projected cash flows equal to the initial carrying amount (amortized cost method).

4.6.2.11 Inventory

Inventory is measured at the lower of cost and market value (which corresponds to fair value net of selling costs). The cost of inventory includes all purchase, transformation and other costs incurred to bring the inventory to its present location and condition. Given the nature of the Group's inventory, the specific cost method is used.

4.6.2.12 Trade and other receivables

Receivables are initially shown at fair value, which coincides with their face value less any impairment. For trade receivables, an impairment provision is made when there is an objective indication (e.g. the likelihood of insolvency or significant financial problems for the debtor) that the Company will not be able to recover all amounts due under the original terms and conditions. The carrying amount of the receivable is reduced by means of a separate provision. Impaired receivables are written off when they are found to be irrecoverable.

Commercial discounts on periods for which the revenue has already accrued are accounted for as forgiveness on the basis of IFRS 9, provided that no further contractual changes are negotiated with the customer. In these cases the receivable is reversed in the amount of the discount granted, with immediate effect on the income statement under "other operating costs," where losses on receivables are recognized.

4.6.2.13 Cash and cash equivalents

Cash and cash equivalents are recognized, depending on their nature, at face value or amortized cost. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, with an original maturity of no more than three months.

4.6.2.14 Financial receivables and other current financial assets

These consist mainly of financial assets held to maturity. This category includes financial assets with fixed or determinate payments and a set maturity, that the company plans and is able to hold until that time. They are initially valued at cost, and subsequently at amortized cost.

4.6.2.15 Financial receivables and other current financial assets

Assets held for sale and any assets and liabilities belonging to business divisions or equity investments held for sale are measured at the lower of book value at the time of classification of such items as held for sale and their fair value net of selling costs.

Any liabilities relating to business divisions held for sale are accounted for separately under liabilities associated with assets held for sale.

Any impairment losses recognized via application of this policy are recognized in the income statement, both in the case of write-down for alignment with fair value and in that of gains and losses stemming from subsequent changes in fair value.

4.6.2.16 Treasury shares

Treasury shares are recognized at cost and deducted from shareholders' equity. Any gains or losses generated by their subsequent sale are recognized in equity.

4.6.2.17 Financial liabilities

Financial liabilities consist of borrowings, trade payables and other payables.

They are initially recognized at fair value plus transaction costs; subsequently, they are carried at amortized cost which corresponds to their initial value, net of principal reimbursed, and adjusted upward or downward for the amortization of any differences between initial value and value at maturity (using the effective interest method).

4.6.2.18 General provisions

General provisions cover liabilities of a definite nature that are certain or likely to arise, but whose amount or timing were unknown at the close of the year. Provisions are recognized when they cover a present obligation (legal or constructive) that stems from a past event, if settlement of the obligation will likely involve an outflow in an amount that can be reliably estimated. The provision covers the best estimate of the amount the company would pay to settle the obligation or transfer it to third parties at the close of the financial period. If the effect is significant, provisions are determined by discounting projected cash flows at a pre-tax rate that reflects current market assessments of the time value of money. When cash flows are discounted, the increase in the provision due to the passing of time is recorded as a financial charge.

4.6.2.19 Employee benefits

Employee termination indemnities, which are mandatory for Italian companies pursuant to Law 297/1982 (trattamento di fine rapporto or TFR), qualify as defined benefit plans and are based, among other factors, on employees' working lives and on the compensation they receive during a pre-determined period of service. The liability for a defined benefit plan, net of any assets servicing the plan, is determined on the basis of actuarial assumptions and is recognized on an accruals basis consistently with the amount of service required to receive the benefits; the liability is valued by independent actuaries. Gains and losses arising from the actuarial calculation are taken to a specific reserve in the statement of comprehensive income under "other comprehensive income." The Group does not offer compensation in the form of share-based payments, as employees do not render services in exchange for shares or options on shares. In addition, the Group does not offer employee incentive plans in the form of share participation instruments.

4.6.2.20 Revenue

Revenue is recognized to the extent the Group is likely to enjoy the economic benefits and the amount can be reliably determined. It is shown at the market value of the consideration received, excluding discounts, rebates and taxes. The following recognition criteria must always be satisfied before revenue is posted to the income statement.

- Rent and business lease revenue

Rental income and business lease revenue from the Group's freehold and leasehold properties is recorded on an accruals basis, according to the rental and leasing contracts in force.

- Service income

Service income is recorded with reference to the state of completion of the transaction and only when the outcome of the service can be reliably estimated.

- Revenue from property sales

Revenue from property sales is recognized in profit or loss upon transfer of ownership or, for lease-to-own agreements, when the property is delivered.

4.6.2.21 Interest

Interest income and expense is recorded on an accruals basis with reference to the net value of the financial assets and liabilities concerned, using the effective interest rate.

4.6.2.22 Income taxes

a) Current taxes

Current tax liabilities for the present and previous years are measured as the amount expected to be paid to the tax authorities. The tax rates and laws used to calculate that amount are those that have been enacted or substantively enacted by the balance sheet date. Other taxes not related to income, such as those on property and capital, are booked to operating expenses.

b) Deferred taxes

Deferred taxes are calculated on temporary differences existing at the reporting date between the value of assets and liabilities for tax purposes and the value reported in the statement of financial position.

Deferred tax liabilities are recognized on all taxable temporary differences, except when they derive from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, except when the deferred tax asset associated with deductible temporary differences derives from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). The carrying value of a deferred tax asset is reviewed at each balance sheet date, and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Unrecognized deferred tax assets are also reviewed at each balance sheet date and are recognized to the extent that it becomes probable that sufficient taxable profit will be available. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on current tax rates and those in effect or substantively in effect by the balance sheet date, and considering the manner in which the temporary differences are expected to reverse. Income taxes relating to items that are credited or charged directly to equity are also charged or credited directly to equity and not to profit or loss.

4.6.2.23 Earnings per share

As required by IAS 33 (paragraph 66), the income statement presents the basic and diluted earnings per share for profit or loss from continuing operations attributable to the 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.

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of IGD SIIQ S.p.A. by the weighted average number of shares outstanding during the period.

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Diluted earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent by the weighted average number of shares outstanding, in accordance with paragraphs 19 and 26, plus the weighted average number of shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares shall be deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

4.6.2.24 Derecognition of financial assets and financial liabilities

a) Financial assets

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group still has the right to receive cash flows from the asset, but has a contractual obligation to pay these immediately and in full to a third party;
- the Group has transferred the right to receive cash flows from the asset and (a) has transferred substantially all risks and rewards of ownership of the financial asset or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the Group has transferred the right to receive cash flows from an asset and has neither transferred nor retained substantially all of the risks and rewards or has not lost control of the asset, then the asset is recognized to the extent of the Group's continuing involvement. Continuing involvement, which takes the form of a guarantee on the transferred asset, is recognized at the lower of the initial carrying value of the asset and the maximum amount that the Group could be required to pay.

b) Financial liabilities

A financial liability is derecognized when the underlying obligation is expired, canceled or discharged. Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, with any differences between carrying values recognized in profit or loss.

4.6.2.25 Derivative financial instruments

The Group holds derivative financial instruments for the purpose of hedging its exposure to the risk of interest rate changes affecting specific recognized liabilities. In accordance with IFRS 9, derivative financial instruments used for hedging qualify for hedge accounting only if:

a) at the inception of the hedge there is formal designation and documentation of the hedging relationship;

b) the hedge is expected to be highly effective;

c) the effectiveness of the hedge can be reliably measured;

d) the hedge is highly effective throughout the financial reporting periods for which it was designated.

All derivative financial instruments are measured at fair value. When the financial instruments qualify for hedge accounting, the following rules apply:

Fair value hedge - If a derivative financial instrument is designated as a hedge against changes in the fair value of an asset or liability attributable to a particular risk, the gain or loss arising from subsequent fair value accounting of the hedge is recognized in profit or loss. The part of the gain or loss from remeasuring the hedged item at fair value that is attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognized in profit or loss.

Cash flow hedge **-** If a financial instrument is designated as a hedge against exposure to variations in the cash flows of a recognized asset or liability or a forecast transaction that is highly probable, the effective portion of the gain or loss from remeasuring the instrument at fair value is recognized in a separate equity reserve. The cumulative gain or loss is reversed from the equity reserve and transferred to profit or loss the same year that the effects of the hedged transaction are recognized in profit or loss.

The ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss. If a hedging instrument is closed but the hedged transaction has not yet taken place, the cumulative gains and losses remain in the equity reserve and are restated to profit or loss when the transaction is realized or when a loss in value occurs. If the transaction is no longer expected to occur, the unrealized gains or losses still recognized in the equity reserve are immediately reclassified to profit or loss.

If hedge accounting does not apply, the gains or losses arising from measurement at fair value of the derivative financial instrument are recognized directly to profit or loss.

4.6.2.26 Parent company SIIQ status

A company with SIIQ (Società di Investimento Immobiliare Quotata) status, applicable to the parent company since 1 January 2008, can exclude rental income and the equivalent for the purposes of IRES (corporate income tax) and IRAP (regional business tax) (see also section 2.8 of the Directors' report to Gruppo IGD's consolidated financial statements).

At 31 December 2021, as at the end of previous years, IGD satisfied both the "asset test" and the "profit test" required to retain SIIQ status.

In accordance with the SIIQ rules, the company does maintain marginal operations other than property rental and the equivalent ("taxable operations").

Therefore, income from taxable operations has been subject to the standard rules of computation, while the SIIQ rules have been followed for income from exempt operations.

To determine the results of separate operations, subject to different accounting and tax treatment in accordance with paragraph 121 of Law 296/06, IGD SIIQ S.p.A. has kept separate accounts for exempt rental operations and taxable marginal operations.

Income from exempt operations therefore include revenue and costs typical of the property rental business, as well as those typical of operations considered to be equivalent.

Likewise, revenue and costs stemming from the company's remaining activities have been allocated to taxable operations.

Due to changes to the SIIQ rules introduced by Law 164 of 11 November 2014 ("Conversion into law, with amendments, of Decree 133 of 12 September 2014"), capital gains and losses on rental properties (whether realized or implicit in fair value measurements) are also included in exempt operations.

In accordance with paragraph 121 of Law 296/06 and with the clarifications contained in Revenue Office Circular 8/E of 7 February 2008, general, administrative and financial costs that cannot be directly attributed to exempt or taxable operations or allocated on the basis of objective parameters have been split according to the ratio of exempt revenue/income/dividends to total revenue/income/dividends.

As for properties (owned or held on the basis of other corporeal rights) forming part of rental package deals, the accurate and objective determination of the portion of fees pertaining to the real estate component has been ensured by making the exempt/taxable allocation on the basis of an expert appraisal to quantify the fair value of fees at each property that pertain to rent.

Likewise, the costs common to package deals as a whole (such as shopping center promotion and advertising costs) have been allocated to exempt and taxable operations in the same proportions used for rent. In this specific case, such a policy was thought to be more reliable and objective than an allocation based on the company's total revenue. Since these costs relate directly to the package deals and not to IGD's operations as a whole, their correlation with contractual fees is immediate and objective.

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4.6 NOTES TO THE FINANCIAL STATEMENTS

4.6.3 USE OF ESTIMATES

The preparation of the 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 31 December 2021, the following independent firms were selected: (i) CBRE Valuation S.p.A., (ii) KROLL S.p.A. (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. iassumptions 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). 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.

Gruppo IGD'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 31 December 2021. It does not include construction in progress (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.

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FAIR VALUE MEASUREMENTS 31/12/2021 AMOUNT IN € THOUSANDS	QUOTED PRICES (UNADJUSTED) IN ACTIVE MARKETS FOR IDENTICAL ASSETS OR LIABILITIES (LEVEL 1)	SIGNIFICANT INPUTS OBSERVABLE IN THE MARKET (LEVEL 2)	SIGNIFICANT INPUTS NOT OBSERVABLE IN THE MARKET (LEVEL 3)
Investment property in Italy:			
Shopping malls and retail parks	0	0	1.481.618
Hypermarkets and supermarkets	0	0	423.843
Residual portion of property	0	0	20.819
Total investment property in Italy	**0**	**0**	**1.926.279**
Investment property in Romania:			
Shopping malls	0	0	133.080
Office Building	0	0	2.700
Total investment property in Romania	**0**	**0**	**135.780**
IGD Group investment property	**0**	**0**	**2.062.059**
Porta a Mare project			
Porta a Mare project (*)	0	0	**38.570**
Total assets held for trading	**0**	**0**	38.570
Rights to use (IFRS 16)			
Rights to use (IFRS 16)	0	0	**31.117**
Total rights to use (IFRS 16)	0	0	**31.117**
Assets held for sale			
Assets held for sale (**)	0	0	1.353
Total assets held for sale	**0**	**0**	**1.353**
Total IGD Group investment property measured at fair value	**0**	**0**	**2.133.099**

(*) Project related to a retail portion of the Porta a Mare project recorded in asset under construction and measured at fair value

(**) Right to use Centro Piave shopping mall which has been sold on 1 January 2022

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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 rent per square meter.

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 31 December 2021:

PORTFOLIO	APPRAISAL METHOD	DISCOUNT RATE 31/12/2021		GROSS CAP OUT 31/12/2021		YEARLY RENT €/MQ 44561	
		MIN	MAX	MIN	MAX	MIN	MAX
TOTAL MALLS/RP	Income based (DCF)	6,20%	8,31%	5,89%	10,62%	7	515
TOTAL HYPER/SUPER-MKTS	Income based (DCF)	5,60%	7,26%	5,38%	8,00%	76	198
TOTAL WINMARKT	Income based (DCF)	6,50%	9,50%	6,25%	10,10%	37	204

PORTFOLIO	APPRAISAL METHOD	DISCOUNT RATE 31/12/2020		GROSS CAP OUT 31/12/2020		YEARLY RENT €/MQ 44196	
		MIN	MAX	MIN	MAX	MIN	MAX
TOTAL MALLS/RP	Income based (DCF)	6,20%	8,01%	5,93%	10,54%	10	497
TOTAL HYPER/SUPER-MKTS	Income based (DCF)	5,60%	7,25%	5,34%	6,98%	66	222
TOTAL WINMARKT	Income based (DCF)	6,50%	9,50%	6,18%	9,88%	41	205

In part because of the pandemic crisis, the discount rates increased for malls. Assumed yearly rent per square meter went down, as shown in the tables in section 2.6. Discount rates did not increase for hypermarkets.

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 31 December 2021 is reported below.

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.

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SENSITIVITY ANALYSIS AT 31 DECEMBER 2021

ASSET CLASS	HYPERMARKETS AND SUPERMARKETS	SHOPPING MALLS AND RETAIL PARKS	OTHER	INVESTMENT PROPERTY ROMANIA	TOTAL
Market value at 31/12/2021 +0.5 discount rate	**(16.227)**	**(56.252)**	**(1.148)**	**(4.760)**	**(78.387)**
Market value at 31/12/2021 -0.5 discount rate	**16.633**	**59.613**	**1.442**	**5.380**	**83.068**
Market value at 31/12/2021 +0.5 Gross cap out	**(20.245)**	**(58.585)**	**(768)**	**(4.500)**	**(84.098)**
Market value at 31/12/2021 -0.5 Gross cap out	**24.053**	**69.220**	**763**	**5.790**	**99.826**
Market value at 31/12/2021 + 0.5 discount rate +0.5 Gross cap out	**(35.275)**	**(111.862)**	**(1.807)**	**(9.170)**	**(158.114)**
Market value at 31/12/2021 31/12/2021 -0.5 discount rate -0.5 Gross cap out	**41.956**	**132.920**	**2.415**	**11.180**	**188.471**
Market value at 31/12/2021 +0.5 discount rate -0.5 Gross cap out	**6.743**	**9.234**	**(387)**	**430**	**16.020**
Market value at 31/12/2021 31/12/2021 -0.5 discount rate +0.5 Gross cap out	**(4.400)**	**(2.299)**	**681**	**470**	**(5.548)**

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 intangible assets.

Recoverable amount of equity investments

On the basis of the fund regulations, the recoverable amount of IGD's investment in the "Fondo Juice" real estate investment fund is strictly correlated with fair value and with the sale value of the property investments managed.

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 31 December is determined on the basis of annual earnings reports from the individual tenants, if available, and otherwise on the basis of monthly reports.

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.

4.6.4 SEGMENT REPORTING

IFRS 8 defines an operating segment as a component of an entity (i) that engages in business activities from which it may earn revenues and incur expenses, (ii) whose operating results are reviewed regularly by the entity's chief operating decision maker, and (iii) for which discrete financial information is available. Given the nature of its activities, the Group has three main operating segments: core business properties, services, and trading. For a more in-depth description of the core real estate and services segments, see section 2.1.1. Information on the trading segment is provided in the Directors' Report with reference to the Porta a Mare project. These segments also represent the highest levels of performance analysis by Group management.

In accordance with IFRS 8, the income statement and the statement of financial position are broken down below by operating segment, followed by a geographical breakdown of revenue from freehold properties.

INCOME STATEMENT	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20
Total revenues and operating income	**145.095**	**145.633**	**6.433**	**6.333**	**440**	**708**	**0**	**0**	**151.978**	**152.674**
Change in work in progress inventories	**0**	**0**	**0**	**0**	**2.771**	**2.594**	**0**	**0**	**2.771**	**2.594**
Direct costs (a)	(26.619)	(36.120)	(5.518)	(5.214)	(3.665)	(4.037)	0	0	(35.802)	(45.371)
G&A expenses (b)	0	0	0	0	0	0	(12.129)	(11.191)	(12.129)	(11.191)
Total operating costs (a)+(b)	**(26.619)**	**(36.120)**	**(5.518)**	**(5.214)**	**(3.665)**	**(4.037)**	**(12.129)**	**(11.191)**	**(47.931)**	**(56.562)**
(Depreciations and provisions)	(465)	(428)	0	0	(4)	(4)	(163)	(4.531)	(632)	(4.963)
(Impairment)/Reversals on work in progress and inventories	35	(798)	0	0	481	(2.354)	0	0	516	(3.152)
Change in fair value - Increases/(decreases)	(16.850)	(142.866)	0	0			0	0	(16.850)	(142.866)
Total depreciations, provisions, impairment and change in fair value	**(17.280)**	**(144.092)**	**0**	**0**	**477**	**(2.358)**	**(163)**	**(4.531)**	**(16.966)**	**(150.981)**
OPERATING RESULT	**101.196**	**(34.579)**	**925**	**1.119**	**23**	**(3.093)**	**(12.292)**	**(15.722)**	**89.852**	**(52.275)**
Income/Loss from equity investment and property sales	**0**	**0**	**0**	**0**	**0**	**0**	**(784)**	**(72)**	**(784)**	**(72)**
Financial income:	0	0	0	0	0	0	87	126	87	126
Financial charges:	0	0	0	0	0	0	(33.384)	(36.329)	(33.384)	(36.329)
Net financial income	**0**	**0**	**0**	**0**	**0**	**0**	**(33.297)**	**(36.203)**	**(33.297)**	**(36.203)**
PRE-TAX PROFIT	**101.196**	**(34.579)**	**925**	**1.119**	**23**	**(3.093)**	**(46.373)**	**(51.997)**	**55.771**	**(88.550)**
Income taxes for the period	0	0	0	0	0	0	(3.002)	14.229	(3.002)	14.229
NET PROFIT FOR THE PERIOD	**101.196**	**(34.579)**	**925**	**1.119**	**23**	**(3.093)**	**(49.375)**	**(37.768)**	**52.769**	**(74.321)**
Non-controlling interests in (profit)/loss for the period	0	0	0	0	0	0	0	0	0	0
Parent company share of net profit for the period	**101.196**	**(34.579)**	**925**	**1.119**	**23**	**(3.093)**	**(49.375)**	**(37.768)**	**52.769**	**(74.321)**

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BALANCE SHEET	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
- Investment property	2.093.176	2.234.484	0	0	0	0	0	0	2.093.176	2.234.484
- Assets under construction	44.095	42.674	0	0	0	0	0	0	44.095	42.674
Intangible assets	6.578	7.526	1.007	1.007	0	0	303	35	7.888	8.568
Other tangible assets	1.850	958	6	157	0	0	7.174	7.411	9.030	8.526
Non current assets held for sale	1.801	0	0	0	0	0	0	0	1.801	0
- Sundry receivables and other non current assets	0	0	0	0	0	0	127	129	127	129
- Equity investments	25.614	0	0	0	0	0	151	151	25.765	151
NWC	(8.548)	(470)	868	1.482	32.183	29.409	0	0	24.503	30.421
Funds	(5.668)	(5.512)	(1.808)	(1.555)	(43)	7	0	0	(7.519)	(7.060)
Sundry payables and other non current liabilities	(14.029)	(17.391)	0	0	(5.917)	(5.920)	0	0	(19.946)	(23.311)
Net deferred tax (assets)/ liabilities	(14.264)	(12.847)	0	0	2.562	2.561	0	0	(11.702)	(10.286)
Liabilities related to assets held for sale	(1.228)	0	0	0	0	0	87	0	(1.228)	0
Total use of funds	**2.129.377**	**2.249.422**	**73**	**1.091**	**28.785**	**26.057**	**7.755**	**7.726**	**2.165.990**	**2.284.296**
Total shareholders' equity	1.140.579	1.088.627	(801)	(548)	31.980	26.363	0	0	1.171.758	1.114.442
Net (assets) / liabilities for derivative instruments	8.435	14.396	0	0	0	0	0	0	8.435	14.396
Net debt	980.362	1.146.399	874	1.639	(3.195)	(306)	7.755	7.726	985.797	1.155.458
Total sources	**2.129.376**	**2.249.422**	**73**	**1.091**	**28.785**	**26.057**	**7.755**	**7.726**	**2.165.990**	**2.284.296**

REVENUES FROM FREEHOLD PROPERTIES	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20
	NORTH		CENTER-SOUTH-ISLANDS		WABROAD		TOTAL	
LEASE AND RETAIL INCOME	72.178	72.840	49.060	50.046	8.742	8.204	129.980	131.090
ONE-OFF REVENUES	29	5	35	0	0	0	64	5
TEMPORARY REVENUES	1.528	1.744	1.038	661	0	0	2.566	2.405
OTHER RENTAL INCOME	0	41	90	166	45	48	135	255
TOTAL	**73.735**	**74.630**	**50.223**	**50.873**	**8.787**	**8.252**	**132.745**	**133.755**

GRUPPO IGD BILANCIO CONSOLIDATO AL 31 DICEMBRE 2021
4.6 NOTES TO THE FINANCIAL STATEMENTS

4.6.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1) REVENUE AND OTHER INCOME

	NOTE	31/12/2021	31/12/2020	CHANGE
Revenue	**1.1**	**145.095**	**145.578**	**(483)**
Revenues from third parties		106.974	105.674	1.300
Revenues from related parties		38.121	39.904	(1.783)
Other revenue	**2.1**	**6.433**	**6.388**	**55**
Other revenues from third parties		3.842	3.763	79
Other revenues from related parties		2.601	2.625	(24)
Revenues from property sales	**2.2**	**440**	**708**	**(268)**
Operating revenues		**151.978**	**152.674**	**(696)**

In 2021 Gruppo IGD earned revenue and other income of €151,978K, including €440K from property sales (residential units in the Mazzini section of the Porta a Mare project). The decrease of €696K reflects a reduction of €483K in revenue and of €268K in income from the sale of trading properties. See the notes below for details.

NOTE 1.1) REVENUE

	NOTE	31/12/2021	31/12/2020	CHANGE
Freehold hypermarkets - Rents and business leases from related parties	a.1	34.673	36.462	(1.789)
Freehold hypermarkets - Rents and business leases from third parties	a.2	127	0	127
Leasehold hypermarkets - Business leases from related parties	a.3	122	121	1
Freehold supermarkets - Rents and business leases from related parties	a.4	1.260	1.340	(80)
Freehold supermarkets - Rents and business leases from third parties	a.5	235	235	0
TOTAL HYPERMARKETS/SUPERMARKETS	**a**	**36.417**	**38.158**	**(1.741)**
Freehold malls, offices and city center	**b.1**	**93.438**	**93.109**	**329**
Rents		**17.296**	**16.288**	**1.008**
To related parties		710	660	50
To third parties		16.586	15.628	958
Business leases		**76.142**	**76.821**	**(679)**
To related parties		901	914	(13)
To third parties		75.241	75.907	(666)
Leasehold malls	**b.2**	**11.627**	**11.197**	**430**
Rents		**645**	**607**	**38**
To related parties		118	104	14
To third parties		527	503	24
Business leases		**10.982**	**10.509**	**392**
To related parties		253	231	22
To third parties		10.729	10.359	370
Other contracts and temporary rents	**b.3**	**3.613**	**3.114**	**499**
Other contracts and temporary rents		3.529	3.042	487
Other contracts and temporary rents - related parties		84	72	12
TOTAL MALLS	**b**	**108.678**	**107.420**	**1.258**
GRAND TOTAL	**a+b**	**145.095**	**145.578**	**(483)**
of which related parties		38.121	39.904	(1.783)
of which third parties		106.974	105.674	1.300

Rent and business lease revenue decreased by €483K for the year.

Rent from freehold hypermarkets and supermarkets decreased by €1,741K, due mainly to the transfer finalized on 25 November 2021 of five hypermarkets and one supermarket to the "Fondo Juice" real estate investment fund, for which revenue was recognized up to the transfer date (see Note 20 for details of this operation).

Rent and business lease revenue from freehold malls and offices rose by €1,258K, chiefly as a result of:

- lower discounts granted to tenants in connection with Covid-19-related lockdowns;
- increased vacancy, in particular at the start of the year (a repercussion of the pandemic-related restrictions imposed by the Italian government); this was more than offset later in the year by new contracts, whose economic effects will be seen over time;
- lower revenue by the Romanian subsidiary.

Variable contract revenue amounts to roughly 1% of the Group's total revenue.

Except for Coop Alleanza 3.0, the Group does not earn more than 10% of its revenue from a single client. For information on transactions with Coop Alleanza 3.0, see Note 39.

Further details of trends in revenue can be found in Section 2.2.1 (Income statement review) of the Directors' Report.

NOTE 2.1) OTHER INCOME

	31/12/2021	31/12/2020	CHANGE
Out-of-period income/charges	171	49	122
Facility management revenues	3.140	3.308	(168)
Portfolio and rent management revenues	214	195	19
Pilotage and constructions revenues	169	93	76
Marketing revenues	128	90	38
Other income	20	28	(8)
Other revenues from third parties	**3.842**	**3.763**	**79**
Facility management revenues from related parties	2.507	2.537	(30)
Pilotage and contruction revenues from related parties	45	47	(2)
Marketing revenues vs related parties	19	12	7
Portfolio rent management revenues from related parties	30	29	1
Other revenues from related parties	**2.601**	**2.625**	**(24)**
Other revenues	**6.443**	**6.388**	**55**

Other income was essentially in line with the previous year.

Facility management revenue consists of fees for the management of leasehold shopping centers. The decrease reflects the expiration of the facility management contracts for the Quarto shopping center (Naples) and the Mercato Coperto in Ravenna.

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4.6 NOTES TO THE FINANCIAL STATEMENTS

NOTE 2.2) INCOME FROM THE SALE OF TRADING PROPERTIES

This came to €440K in 2021 and concerns one residential unit and two enclosed garage units in the Mazzini section of Porta a Mare. In 2020, two residential units, two enclosed garage units and two parking spaces were sold.

At 31 December 2021 the Group had preliminary sale agreements/irrevocable purchase offers for 20 residential units, 18 enclosed garage units, and 5 parking spaces in the Officine Storiche section of Porta a Mare, and for the remaining 2 residential units of the Mazzini section.

NOTE 3) SERVICE COSTS

	31/12/2021	31/12/2020	CHANGE
Service costs from third parties	**10.294**	**9.087**	**1.207**
Paid rents	237	229	8
Utilities	141	120	21
Promotional and advertising expenses	555	942	(387)
Centers management expenses for vacancies	1.401	1.103	298
Centers management expenses for ceiling to tenants' costs	1.702	1.968	(266)
Facility management administration costs	739	758	(19)
Insurances	972	880	92
Professional fees	238	111	127
Directors' and statutory auditors' fees	875	1.326	(451)
External auditing fees	273	249	24
Investor relations, Consob, Monte Titoli costs	436	474	(38)
Shopping center pilotage and construction costs	12	1	11
Consulting	2.130	1.211	919
Real estate appraisals fees	469	434	35
Maintenance and repair expenses	226	258	(32)
Out-of-period income/charges	(1.296)	(2.176)	880
Other costs of services	1.184	1.199	(15)
Service costs from related parties	**4.394**	**4.322**	**72**
Promotional and advertising expenses	0	63	(63)
Service	311	313	(2)
Centers management expenses for vacancies	2.004	1.837	167
Centers management expenses for ceiling to tenants' costs	1.979	2.011	(32)
Insurances	43	71	(28)
Directors' and statutory auditors' fees	52	20	32
Other costs of services	5	7	(2)
Service costs	**14.688**	**13.409**	**1.279**

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Service costs rose by €1,279K for the year.

Most of the increase in service costs from third parties (€1,207K) is explained by higher consulting expenses in connection with the transfer of properties and liabilities to Fondo Juice and the subsequent sale of 60% of the fund shares (see Note 20 for details) and by lower miscellaneous gains, amounting to €1,296K in 2021, for rent discounts arranged with the owners of Centro Nova, Centro Piave, and Fonti del Corallo for the period January - March 2021 due to the restrictive measures imposed by the government to contain the Covid-19 pandemic (in 2020 such discounts came to €2,176K). These increases were only partially offset by a decrease in costs for advertising and promotional events and in directors' and statutory auditors' fees, due to the provision made the previous year for the end-of-term benefits of directors.

Related party service costs increased by €72K because of greater costs for unlet space, only partially offset by a reduction in promotional expenses.

NOTE 4) COST OF LABOR

	31/12/2021	31/12/2020	CHANGE
Wages and salaries	7.924	7.149	775
Social security	2.021	1.832	189
Severance pay	489	492	(3)
Other costs	169	145	24
Cost of labour	**10.603**	**9.618**	**985**

The cost of labor was €985K higher than the previous year due mainly to the non-use in 2021 of government salary relief measures *(fondo di integrazione salariale)* in connection with the Covid-19 emergency, which were used in the second quarter of 2020.

The workforce is broken down by category below:

	31/12/2021	31/12/2020
Executives	5	5
Middle managers	28	30
Junior managers	68	69
Clerks	65	73
Total	**166**	**177**

NOTE 5) OTHER OPERATING COSTS

	31/12/2021	31/12/2020	CHANGE
IMU/TASI/Property tax	8.933	9.107	(174)
Other taxes	98	83	15
Contract registrations	387	387	0
Out-of-period income/charges	8	(25)	33
Membership fees	129	135	(6)
Discount on rents - Covid	7.107	9.217	(2.110)
Loss on receivables	109	84	25
Fuel and tolls	205	174	31
Other costs	153	261	(108)
Other operating costs	**17.129**	**19.423**	**(2.294)**

Other operating costs decreased by €2,294K with respect to the previous year. Most of the decrease is due to *(i)* the credit notes issued for discounts on rent already invoiced in the context of IGD's post-lockdown relief measures for tenants, accounted for in accordance with IFRS 9 and amounting to €7,107K (€2,110K less than in 2020), and *(ii)* the reduction in IMU (municipal property tax) as a result of some property register modifications for the Tiburtino shopping center in Guidonia.

NOTE 6) CHANGE IN WORK IN PROGRESS INVENTORY

	31/12/2021	31/12/2020	CHANGE
Construction costs for the period	3.182	3.509	(327)
Change in inventories for disposal	(411)	(915)	504
Change in inventory	**2.771**	**2.594**	**177**

The change in work in progress inventory relating to the land, buildings, and urban infrastructure works of the multifunctional complex in Livorno amounted to €2,771K in 2021, reflecting the work carried out during the year on the residential complex of the Officine section (€3,182K) net of the sale of residential units. See Note 22 for details.

NOTE 7) DEPRECIATION, AMORTIZATION, PROVISIONS AND FAIR VALUE CHANGES

	31/12/2021	31/12/2020	CHANGE
Amortization of intangible assets	(34)	(23)	(11)
Amortization of tangible assets	(510)	(450)	(60)
Impariment loss on goodwill	0	(3.952)	3.952
General provisions	(138)	(138)	0
Depreciations, amortization and provisions	**(682)**	**(4.563)**	**3.881**
Provisions for doubtful accounts	**(3.430)**	**(11.003)**	**7.573**
(Impairment losses)/Reversals on work in progress and inventories	**516**	**(3.152)**	**3.668**
Change in fair value	**(16.850)**	**(142.866)**	**126.016**
Depreciation, amortization, provisions, impairment and change in fair value	**(20.446)**	**(161.584)**	**141.138**

Amortization increased due to the purchase of software licenses.

Depreciation went up as a result of expenditure during the year, mostly for the installation of Led walls at every shopping center for the display of advertisements and mall information.

Other provisions reflect the estimated liability for two IMU (municipal property tax) disputes regarding La Torre (Palermo) shopping center, for which €113K has been provided, and Esp shopping center (Ravenna), for which €25K has been set aside.

Net allocations for doubtful accounts (performing, non-performing, and legal-action receivables) in Italy came to €2,940K in 2021, a decrease of €7,543K due to the changed pandemic situation with respect to the previous year. In addition, in 2021 an allocation of €490K was made to the special Covid-related provision for doubtful accounts to cover receivables that will not be collected as a result of the rent discounts granted for the final period of 2021 that were not yet formalized with the tenants as of 31 December.

(Impairment losses)/reversals on work in progress and inventory (+€516K) cover an impairment reversal of €35K for the expansion of Porto Grande (see Note 17), listed with assets under construction, to bring the carrying amount into line with the lower of cost and market value as stated in the appraisal of 31 December 2021; and an impairment reversal of €481K for the Officine (residential), Molo, Lips, and Arsenale sections on the basis of year-end independent appraisals;

Fair value changes, for a negative €16,850K, refer to: *(i)* net writedowns of €11,153K (see Note 14) to match the carrying value of investment property to market value at 31 December 2021; *(ii)* a writedown of €5,697K 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

	31/12/2021	31/12/2020	CHANGE
Income from assets disposal to Fondo Juice	942	0	942
Loss from equity investments in Fondo Juice	(34)	(72)	38
Income/ (loss) from equity investments and asset disposal	**908**	**(72)**	**980**

This item includes:

the capital gain on the transfer, based on independent appraisal, of five hypermarkets and one supermarket to Fondo Juice;

the capital loss on the sale to ICG of a 60% interest on Fondo Juice.

See Note 20 for details of the Juice transaction.

NOTE 9) FINANCIAL INCOME AND CHARGES

	31/12/2021	31/12/2020	CHANGE
Bank interest income	49	81	(32)
Other interests income and equivalents	9	8	1
Exchange rate (losses)/gains	29	37	(8)
Financial income from third parties	**87**	**126**	**(39)**
Financial income from related parties	**0**	**0**	**0**
Financial Income	**87**	**126**	**(39)**

Financial income decreased by €39K with respect to the previous year. Bank interest income was lower due to the reduction in excess cash beyond ordinary business needs, managed as part of a fiduciary mandate with Banca Nazionale del Lavoro.

	31/12/2021	31/12/2020	CHANGE
Interest expenses on security deposits	1	7	(6)
Financial charges from related parties	**1**	**7**	**(6)**
Interest expenses to banks	0	2	(2)
Amortized mortgage loan costs	5.175	5.923	(748)
Loans amortized costs	1.638	1.369	269
IRS spread	5.406	5.800	(394)
Bond financial charges	15.117	16.590	(1.473)
Bond amortized costs	3.435	3.664	(229)
Financial charges on leasing	33	41	(8)
Financial charges on IFRS 16	1.250	1.584	(334)
Other interests and charges	1.329	1.349	(20)
Amortized costs transferred to Fondo Juice	541	0	541
Financial charges from third parties	**33.924**	**36.322**	**(2.398)**
Financial charges	**33.925**	**36.329**	**(2.404)**

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4.6 NOTES TO THE FINANCIAL STATEMENTS

Financial charges went down by €2,404K.

Related party financial charges decreased due to the reduction in the legal interest rate in force.

Financial charges from third parties decreased by €2,398K, due primarily to:

- lower IRS spreads, reflecting both lower notional principal and the termination of various contracts once the loans being hedged were fully repaid;
- lower financial charges on bonds, after the redemption of the remaining bond loan liability of €71.8 million in March 2021;
- lower financial charges from 2020 to 2021 due to the adoption of IFRS 16;
- lower borrowing expense thanks to the reduction in balances due and final payments on certain mortgage loans.

At 31 December 2021, financial charges included the Group's share (€541K) of the costs incurred to take out the €77 million loan that was transferred to Fondo Juice, as explained in Note 20.

NOTE 10) INCOME TAXES

	31/12/2021	31/12/2020	CHANGE
Current taxes	1.857	1.013	844
Deferred tax liabilities/assets	(230)	(16.948)	16.718
Out-of-period income/charges - Provisions	156	(153)	309
Substitutive taxes on assets revaluation	0	1.859	(1.859)
SIINQ entry tax	1.219	0	1.219
Income taxes	**3.002**	**(14.229)**	**17.231**

Current and deferred taxes came to €3,002K, an increase of €17,231K with respect to 2020.

Most of the change in current taxes (+€844K) relates to the different calculation of the taxable income of IGD Management SIINQ S.p.A.: depreciation of properties was not deductible in 2021, because the company used international accounting standards to prepare its financial statements and properties are therefore no longer subject to depreciation but measured at fair value instead.

The €16,718K change in deferred taxes is mostly due to the reversal, in the 2020 consolidated financial statements, of the deferred tax liabilities recognized in previous years on the difference between the fair value and the value for tax purposes of the Sarca mall property, held by the non-SIIQ subsidiary IGD Management. That difference was essentially eliminated by IGD Management's decision, as provided for by Art. 110 of Decree Law 104 of 14 August 2020 (the "August Decree," converted into Law 126 of 13 October 2020), to realign the statutory and tax values and to revalue the property, including for tax purposes.

At 31 December 2021, out-of-period tax gains and losses included the reversal of the cancellation of the IRAP balance for 2019 and first advance payment for 2020 in accordance with the *"Decreto Rilancio"* published in Italy's Official Gazette on 19 May 2020, due to the EU limits imposed by the notion of "single undertaking" under the Temporary Framework.

On 28 December 2021, IGD Management SIINQ S.p.A. opted to switch to SIINQ status with effect from the financial year beginning on 1 January 2022. Therefore, it calculated the SIINQ entry tax as 20% of the overall gain produced by the difference between its properties' fair value and their value for tax purposes as of the closing date of the last pre-SIINQ financial statements (31 December 2021). The tax amounts to €1,219K.

RECONCILIATION OF INCOME TAX APPLICABLE TO PROFIT BEFORE TAXES	31/12/2021	31/12/2020
Pre-tax profit	**56.522**	**(88.552)**
Theoreticasl tax charges (rate 24%)	0	0
Profit resulting in the income statement	56.522	(88.552)
Increases:		
IMU - Property tax	8.327	8.481
Impairment on work in progress and inventories	0	2.611
Capital gains from Fondo Juice	21.153	0
Other increases	22.380	21.268
Decreases:		
Change in tax-exempt income	(70.568)	(51.656)
Deductible depreciations	(251)	(6.829)
Negative fair value	8.098	139.788
Other changes	(29.699)	(24.841)
Tax income	**15.962**	**270**
Use of past losses	**0**	**36**
Use of ACE benefit	**2.395**	**2.240**
Tax income net of losses and ACE benefit	**13.567**	**(2.006)**
Current taxes for the year	**2.043**	**698**
Income from tax consolidation	**(1.185)**	**0**
Current IRES for the year (a)	**857**	**698**
Difference between value and cost of production	**101.512**	**99.406**
Theoretical IRAP (3.9%)	3.959	3.877
Difference between value and cost of production	**101.512**	**99.406**
Changes:		
increases	30.474	12.751
decreases	(9.515)	(11.593)
Change in tax-exempt income	(105.300)	(87.116)
Other deductions	(6.118)	(8.920)
Taxable IRAP income	**11.053**	**4.528**
Current IRAP for the year (b)	**1.000**	**315**
Total current taxes (a+b)	**1.857**	**1.013**

Current taxes (IRES) for 2021 were generated mainly by the Romanian subsidiaries which reported positive taxable income.

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NOTE 11) EARNINGS PER SHARE

As required by IAS 33 (paragraph 66), the income statement presents the basic and diluted earnings per share for profit or loss from continuing operations attributable to the ordinary equity holders of IGD SIIQ S.p.A. The calculations have been made considering the effects of treasury shares held during the year. The information is provided on the basis of consolidated figures only, as provided for by IAS 33.

	31/12/2021	31/12/2020
Net profit attributable to IGD SIIQ S.p.A. shareholders	52.769	(74.321)
Diluted net profit attributable to IGD SIIQ S.p.A. shareholders	52.769	(74.321)
Weighted average number of ordinary shares for purposes of basic earnings per share	110.341.903	110.592.652
Weighted average number of ordinary shares for purposes of diluted earnings per share	110.341.903	110.592.652
Basic earnings per share	**0,478**	**(0,672)**
Diluted earnings per share	**0,478**	**(0,672)**

NOTE 12) INTANGIBLE ASSETS WITH FINITE USEFUL LIVES

	01/01/2020	INCREASE	DECREASE	RECLASSIFICATION	31/12/2020
Intangible assets with finite useful lives	50	8	0	(23)	35

	01/01/2021	INCREASE	DECREASE	RECLASSIFICATION	31/12/2021
Intangible assets with finite useful lives	35	302	0	(34)	303

Intangible assets with finite useful lives consist of expenses incurred for the design and registration of company trademarks and for business software. Trademarks are amortized over ten years and software over three years. During the year there were no impairment losses or reversals on intangible assets. The increases for the year consist of:

the purchase of software, for €29K, to operate the Led walls installed at shopping centers for the display of advertisements and mall information;

the purchase of software, for €59K, to monitor incoming traffic at shopping centers so it can be studied for the purpose of targeted marketing efforts;

the purchase of software, for €29K, for the planning and management of shopping center maintenance;

€185K in costs for the implementation of the integrated accounting, management and treasury system. At 31 December 2021 these costs were recognized as intangible assets under development, while awaiting the conclusion of the project in 2022.

NOTE 13) GOODWILL

	01/01/2020	INCREASE	IMPAIRMENT	RECLASSIFICATION	31/12/2020
Goodwill	**12.485**	**0**	**(3.952)**	**0**	**8.533**

	01/01/2021	INCREASE	IMPAIRMENT	RECLASSIFICATION	31/12/2021
Goodwill	**8.533**	**0**	**(500)**	**(448)**	**7.585**

Goodwill decreased by €948K, as a result of:

- a reduction of €500K for the Romanian subsidiary Win Magazin SA, for exchange rate adjustments;
- a reclassification to assets held for sale of €448K in goodwill for the mall at Centro Piave shopping center, due to the sale agreement signed on 10 December 2021, which will come into effect on 1 January 2022.

Goodwill has been allocated to the individual cash generating units (CGUs).

For each goodwill amount in the financial statements, the Group has indicated the pertinent CGU, distinguishing between:

(i) goodwill from the purchase of companies with investment property;

(ii) goodwill from the purchase of business units.

The first category consists of goodwill from the purchase of Win Magazin S.A., while the second is made up of goodwill from the purchase of the business units Winmarkt Management S.r.l., Centro Nova, San Donà, Darsena, Service, and Fonti del Corallo.

Below is the breakdown of goodwill by CGU at the end of 2021 and 2020:

GOODWILL	31/12/2021	31/12/2020
Win Magazin S.A.	4.909	5.409
Winmarkt Managem	1	1
Darsena	123	123
Fonti del Corallo	1.000	1.000
Centro Nova	546	546
Centro Piave	0	448
Service	1.006	1.006
Goodwill	**7.585**	**8.533**

Goodwill for Win Magazin refers to the consolidation difference that arose upon acquisition and first-time consolidation of Win Magazin S.A. 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 KROLL S.p.A. in accordance with the criteria described earlier in these notes. Specifically, this goodwill covers the possibility to sell properties owned by the subsidiary (through the equity investment) without incurring taxes. Therefore, recoverability derives from the tax savings that could be achieved from the investment's sale, and is measured on the basis of the deferred tax provision covering the higher book value of the property with respect to the tax-deductible amount.

The results of the impairment test are summarized below:

IMPAIRMENT TEST RESULT	RECOVERABLE AMOUNT	CARRYING AMOUNT	COVER / (IMPAIRMENT)
Winmagazin S.A.	**17.875**	**4.909**	**12.966**

The test 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 owned by the Group and third parties, 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,

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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 goodwill on Centro Piave was compared to the sale price for the business division.

The results of impairment tests are summarized below:

IMPAIRMENT TEST RESULT	RECOVERABLE AMOUNT	CARRYING AMOUNT	COVER / (IMPAIRMENT)
Centro Nova	1.569	546	1.023
Centro Piave	882	448	434
Darsena	455	123	332
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 "Service" CGU, 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.

At 31 December 2021, unlevered free cash flows were calculated using the data in the Group's Strategic Plan 2022-2024, approved by IGD SIIQ's Board of Directors on 14 December 2021.

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 4.67%;
- future cash flows estimated net of taxes;
- perpetuity growth rate (g) of 1%.

The impairment test showed that the goodwill recognized in the financial statements is recoverable and therefore no adjustments are necessary. Good will for Winmarkt

IMPAIRMENT TEST RESULT	RECOVERABLE AMOUNT	CARRYING AMOUNT	COVER / (IMPAIRMENT)
Service	7.866	1.012	6.854

Management S.r.l. was not tested for impairment as the amount is immaterial.

A second level 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 for the "Service" CGU. Unlevered free cash flows were calculated using the estimates in the Strategic Plan 2022-2024, approved by IGD SIIQ's Board of Directors on 14 December 2021.

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

- discount rate (WACC) of 4.67, 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 livello	2.779.420	2.165.576	613.844

The test did not suggest the need to adjust the amounts reported.

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 second level 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.

Finally, the Group ran sensitivity analyses to measure the impact that changes in the most significant unobservable inputs (WACC and growth rate), due to changes in the macroeconomic scenario, would have on the outcome of the second level impairment tests.

The two parameters were changed by +/-0.5%, individually and jointly, causing an increase/decrease in recoverable amount under second level impairment testing.

The results of the sensitivity analysis, from which no critical issues emerged, are shown below:

		TASSO DI CRESCITA "G"AMOUNT		
		0,5	0	-0,5
WACC	0,5	588.843	273.988	26.547
	0	1.031.821	613.845	296.093
	-0,5	1.640.837	1.061.029	639.189

NOTE 14) INVESTMENT PROPERTY

As required by IAS 40, the following table reconciles the opening and closing value of investment property, with increases, decreases, and changes in fair value shown separately.

	01/01/2020	INCREASE	DECREASE	DEVALUATION	SVALUTAZIONI	RECLASSIFICATION FROM ASSETS UNDER CONSTRUCTION	RECLASSIFICATION TO ASSETS HELD FOR SALE	31/12/2020
Investment property	2.310.414	6.405	0	12.729	(139.901)	1.510	0	2.191.157
Right-of-use IFRS16	54.800	196	0	0	(11.669)	0	0	43.327
Investment property	2.365.214	6.601	0	12.729	(151.570)	1.510	0	2.234.484

	01/01/2021	INCREASE	DECREASE	DEVALUATION	SVALUTAZIONI	RECLASSIFICATION FROM ASSETS UNDER CONSTRUCTION	RECLASSIFICATION TO ASSETS HELD FOR SALE	31/12/2021
Investment property	2.191.157	9.578	(139.118)	27.427	(27.578)	594	0	2.062.060
Right-of-use IFRS16	43.327	144	0	0	(11.002)	0	(1.353)	31.116
Investment property	2.234.484	9.722	(139.118)	27.427	(38.580)	594	(1.353)	2.093.176

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The changes in investment property since 31 December 2020 concern:

- the transfer to the Juice real estate fund of five hypermarkets (in Livorno, Schio, Lugo, Pesaro, and Senigallia) and one supermarket (in Cecina), whose carrying amount for IGD SIIQ was €139,118K. See Note 20 for details;

- extraordinary maintenance and fit-out work (€9,722K), mostly for reducing the size of the hypermarket at Casilino shopping center in Rome; earthquake proofing at La Favorita (Mantua), Centro d'Abruzzo (San Giovanni Teatino), and Porto Grande (Ascoli) shopping centers; fit-out work at Le Maioliche (Faenza) and Lame (Bologna) for the opening of two Pepco stores; creation of a bike path at Clodì retail park (Chioggia); and work on fire extinguishing systems, mostly at shopping centers in Romania;

- the reclassification from assets under construction and advances of work completed during the period, namely the remapping of Conè shopping center (Conegliano) using the surface area produced by the reduction in size of the hypermarket (€594K);

- fair value adjustments. Specifically, investment property was revalued in the amount of €27,427K and written down by €27,578K, for a net negative impact of €151K;

- 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 (€11,002K: €10,858K in fair value adjustments and €144K for the writedown of work on leaseholds during the year);

- the reclassification to assets held for sale of the right-of-use asset of €1,353K for the mall at Centro Piave shopping center, due to the sale agreement signed on 10 December 2021, which will come into effect on 1 January 2022.

For information on the main commitments relating to the extraordinary maintenance and restyling of freehold properties, see Note 43.

NOTE 15) BUILDINGS

	01/01/2020	INCREASE	DECREASE	AMORTIZATION	31/12/2020
Historical cost	10.114	15	0	0	10.129
Depreciation fund	(2.471)	0	0	(244)	(2.715)
Net book value	**7.643**	**15**	**0**	**(244)**	**7.414**

	01/01/2021	INCREASE	DECREASE	AMORTIZATION	31/12/2021
Historical cost	10.129	4	0	0	10.133
Depreciation fund	(2.715)	0	0	(244)	(2.959)
Net book value	**7.414**	**4**	**0**	**(244)**	**7.174**

This item refers to the purchase of the ground floor and first floor of the building that houses the head office. The change consists mostly of depreciation for the year.

NOTE 16) PLANT AND MACHINERY, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS

	01/01/2020	INCREASE	DECREASE	AMORTIZATION	CURRENCY TRANSLATION GAIN/LOSSES	31/12/2020
Historical cost	3.208	22	0	0	0	3.230
Depreciation fund	(3.047)	0	0	(40)	0	(3.087)
Plant and machinery	**161**	**22**	**0**	**(40)**	**0**	**143**
Historical cost	6.020	19	(36)	0	(42)	5.961
Depreciation fund	(4.854)	0	0	(166)	28	(4.992)
Equipment and other goods	**1.166**	**19**	**(36)**	**(166)**	**(14)**	**969**

	01/01/2021	INCREASE	DECREASE	AMORTIZATION	CURRENCY TRANSLATION GAIN/ LOSSES	31/12/2021
Historical cost	3.230	17	0	0	0	3.247
Depreciation fund	(3.087)	0	0	(45)	0	(3.132)
Plant and machinery	**143**	**17**	**0**	**(45)**	**0**	**115**
Historical cost	5.961	993	0	0	0	6.954
Depreciation fund	(4.992)	0	0	(221)	0	(5.213)
Equipment and other goods	**969**	**993**	**0**	**(221)**	**0**	**1.741**

Most of the changes in plant and machinery and equipment reflect the purchase and installation of Led walls at shopping centers for the display of advertisements and mall information, as well as depreciation for the year.

NOTE 17) ASSETS UNDER CONSTRUCTION

	01/01/2020	INCREASE	(WRITEDOWNS)/ REVALUATIONS	RECLASSIFICATION TO ASSETS UNDER CONSTRUCTION	RECLASSIFICATION TO INVESTMENT PROPERTIES	RICLASSIFICHE AINV. IMM.	31/12/2020
Assets under construction	39.209	8.178	(798)	(4.025)	859	(1.494)	41.929
Advance payments	1.618	2	0	0	(859)	(16)	745
Assets under construction and advance payments	**40.827**	**8.180**	**(798)**	**(4.025)**	**0**	**(1.510)**	**42.674**

	01/01/2021	INCREASE	(WRITEDOWNS)/ REVALUATIONS	RECLASSIFICATION TO ASSETS UNDER CONSTRUCTION	RECLASSIFICATION TO INVESTMENT PROPERTIES	RICLASSIFICHE A INV. IMM.	31/12/2021
Assets under construction	41.929	7.677	35	(5.697)	725	(594)	44.075
Advance payments	745	0	0	0	(725)	0	20
Assets under construction and advance payments	**42.674**	**7.677**	**35**	**(5.697)**	**0**	**(594)**	**44.095**

The change for the year in assets under construction and advances refers to:

- (i) ongoing work at Officine Storiche (€5,282K); (ii) restyling of La Favorita shopping center in Mantua (€347K); (iii) remapping of the shopping centers Conè (Conegliano) and Porto Grande (San Benedetto del Tronto) under the agreement between IGD SIIQ and Coop Alleanza 3.0 to reduce the size of the hypermarkets – completed in 2020 – and expand the shopping malls (€301K each); (iv) restyling work at Porto Grande (€602K); (v) construction work on medium-sized retail stores at Casilino shopping center in Rome (€828K); and (vi) early planning work for the remapping of Tiburtino shopping center in Guidonia following the reduction in size of the hypermarket (€16K);

- the reclassification to investment property of work completed during the period (€594K), namely the remapping of Conè shopping center (Conegliano) using the surface area produced by the reduction in size of the hypermarket;

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- the writedown of the Officine Storiche portion of the Porta a Mare project, nearing completion (€5,697K), and the revaluation of the Porto Grande expansion by €35K.

NOTE 18) DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities have been offset in accordance with paragraph 74 of IAS 12, given that: (i) the company is entitled to offset current tax assets and liabilities and (ii) the deferred tax assets and liabilities are associated with income taxes charged by the same tax jurisdiction. Net deferred tax assets reflect the deferred tax assets and liabilities of the Italian companies, while the deferred tax liabilities shown in the statement of financial position concern the Romanian subsidiary.

Deferred tax assets and deferred tax liabilities for the Italian companies are shown in detail below:

	31/12/2021	31/12/2020	CHANGE
Taxed funds	687	632	55
Financial derivatives	1.843	3.305	(1.462)
Impairment loss on inventories	2.559	2.559	0
Impairment loss on equity investment and financial receivables	289	289	0
Loss from tax consolidation	780	1.163	(383)
Other effect	67	164	(97)
IFRS 16	1.825	1.229	596
Total deferred tax assets	**8.050**	**9.341**	**(1.291)**

	31/12/2021	31/12/2020	CHANGE
Investment property	1.877	1.346	531
Deferred tax liabilities	**1.877**	**1.346**	**531**

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 market value;
- the recognition of deferred tax assets on mortgage hedging instruments (IRS);
- the application of IFRS 16;
- tax losses carried forward.

The change for the year in deferred tax assets is explained by the reduced taxation of mortgage hedging instruments (IRS) due to the decrease in their negative fair value, and the partial use of IGD's prior losses to eliminate the taxable income figuring in the tax consolidation.

Deferred tax liabilities refer mainly to the difference between the market value of investment property held by IGD Service and its value for tax purposes.

Given the likelihood of future taxable income, prior-year losses are expected to be used, so the deferred tax assets are likely to be recovered.

At 31 December 2021, for the Italian companies, the balance of deferred tax assets of €8,050K and deferred tax liabilities of €1,877K was a net asset of €6,173K.

	31/12/2021	31/12/2020	CHANGE
Net deferred tax assets	6.173	7.995	(1.822)
Net deferred tax liabilities	0	0	0
Total net deferred tax assets	**6.173**	**7.995**	**(1.822)**

Deferred tax liabilities refer to the investment property of the Romanian company Win Magazin SA. They cannot be offset against the net deferred tax assets described above because the two balances pertain to different tax jurisdictions.

	31/12/2021	31/12/2020	CHANGE
Investment property Romania	17.875	18.281	(406)
Deferred tax liabilities	**17.875**	**18.281**	**(406)**

Movements in deferred tax assets and liabilities are presented below.

	31/12/2020	2021 INCOME STATEMENT EFFECT	NET EQUITY EFFECT	CURRENCY CHANGE	31/12/2021
Net deferred tax assets Italy	7.995	(245)	(1.577)	0	6.173
Total net deferred tax assets	**7.995**	**(245)**	**(1.577)**	**0**	**6.173**

	31/12/2020	EFFETTO A CONTO ECONOMICO 2021	NET EQUITY EFFECT	CURRENCY CHANGE	31/12/2021
Deferred tax liabilities Romania	(18.281)	475	0	(69)	(17.875)
Total deferred liabilities	**(18.281)**	**475**	**0**	**(69)**	**(17.875)**
Total effects of the year		**230**	**(1.577)**	**(69)**	

NOTE 19) SUNDRY RECEIVABLES AND OTHER NON-CURRENT ASSETS

	31/12/2021	31/12/2020	VARIAZIONE
Security deposits	106	104	2
Due to other	21	25	(4)
Sundry receivables and other non-current assets	**127**	**129**	**(2)**

This item increased as a result of the security deposit paid to Enel in the context of the temporary conversion of an area at ESP shopping center to host a Covid-19 vaccination site.

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NOTE 20) EQUITY INVESTMENTS

	01/01/2021	INCREASE	DECREASE	31/12/2021
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
Fondo Juice	0	64.165	(38.499)	25.666
Equity investments in associates	**4**	**64.165**	**(38.499)**	**25.670**
Equity investments in other companies	**72**	**0**	**0**	**72**
Equity investments	**151**	**64.165**	**(38.551)**	**25.765**

During the first half of the year, IGD's interest in the management consortium of Centro Leonardo (Imola) decreased by €52K due to the reimbursement of its consortium fund share.

On 25 November 2021 IGD signed the definitive contract, further to the preliminary agreement announced to the market on October 21, with the global asset management firm Intermediate Capital Group (ICG) listed on the London Stock Exchange.

The contract entails IGD's sale of a portfolio of hypermarkets and supermarkets for €140 million, producing a capital gain of €942K over the book value at 31 December 2020 plus capital expenditure during the period. The hypermarkets and supermarkets sold are Schio, Lugo di Ravenna, Pesaro, and Cesano di Senigallia, leased to Coop Alleanza 3.0, and Cecina and Livorno, leased to Unicoop Tirreno.

The 2019-2021 Strategic Plan had already contemplated streamlining the real estate portfolio by €150-200 million through the disposal of some non-strategic assets, whose proceeds would be used first and foremost to reduce debt and leverage (Loan-to-Value or LTV). Because of the Covid-19 pandemic and its impacts on the global markets, the project was postponed to 2021.

The goal of achieving the plan's strategic and financial objectives while necessarily maintaining a healthy, efficient financial structure has drawn significant benefit from the deal, in particular through i) the reduction of LTV, ii) the intake of financial resources to cover upcoming deadlines in 2022, and iii) the improvement of the risk profile and consequent maintenance of an investment grade rating. These benefits are economically greater than the reduction in income from property rentals (€8.3 million on an annual basis) and the associated cash flows.

The operation took place by way of: i) the transfer of the entire property portfolio (€140 million) and associated debt (€77 million) to "Fondo Juice" - Fondo di Investimento Immobiliare Alternativo (an Italian alternative investment fund); ii) a capital increase of €1.1 million to provide Fondo Juice with the liquidity needed to cover operating costs; and iii) the sale of 60% of Fondo Juice shares, for €38 million, to Corallo Lux Holdco S.a.r.l. (a member of the ICG Group). Following the transaction, ICG therefore owns 60% of Fondo Juice (Class A shares with preferential returns) and IGD owns 40% (Class B shares with returns subordinate to yield and reimbursement of invested capital). The objective of Fondo Juice is to continue to increase the portfolio's value in the coming years and then sell it to the market for the highest price.

From the transaction IGD took in €115 million (€77 million deriving from a new loan that was then taken over by Fondo Juice, and €38 million for the sale of 60% of the fund shares), net of the amount reinvested in Fondo Juice; these financial resources have allowed IGD to significantly reduce its LTV, and in combination with its existing cash reserves, to have already covered nearly all its financial commitments maturing in 2022.

The Fund has a duration of 10 years and is managed by Savillis Investment Management SGR S.p.A. According to Fondo Juice's regulations, for decisions concerning relevant activities (identified when approving and modifying the initial business plan) and the disposal of properties, the fund manager will work with an Advisory Committee. That committee is made up of three members, one appointed by IGD and two by ICG, and takes decisions by either simple majority or unanimous vote.

To determine the proper accounting treatment of the interest in Fondo Juice, as required by IFRS 10, given the fund's governance structure and decision-making process as defined in its regulations and in consideration of applicable law, once the Fund's objectives were defined, its relevant activities were identified along with the persons who make decisions regarding those activities and the nature of the parties' rights in order to determine whether they are substantive or protective. Finally, IGD analyzed the variability of returns to which the parties are exposed as a function of their decision-making power. On the basis these assessments, management believes that IGD's powers are limited and geared mainly towards protecting its investment, so in accordance with IAS §28.10, in the consolidated financial statements IGD will recognize the investment in Fondo Juice as an associate using the equity method.

The main economic-financial figures for Fondo Juice at 31 December 2021 are provided below:

CATEGORY	44561
Investment property	141.900
Share capital	64.165
Financial debt	77.000
Revenues	832
Fair value of investment property	1.544
Group profit	1.938

NOTE 21) NON-CURRENT FINANCIAL ASSETS

	31/12/2021	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 €174K, net of a €430K writedown. In light of up-to-date information on the company's liquidation process, the Group believes that the remaining balance of the loan will be recovered.

NOTE 22) WORK IN PROGRESS INVENTORY

	01/01/2021	INCREASE	DECREASE	REVALUATIONS/ (WRITE-DOWNS)	31/12/2021
Progetto Porta a Mare	33.800	3.177	(126)	481	37.332
Advances	43	0	0	0	43
Work in progress inventory and advances	**33.843**	**3.177**	**(126)**	**481**	**37.375**

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 €3,177K; (ii) a decrease for the final sale of one property and two enclosed garage units (€126K); (iii) a writedown to adjust carrying amount to the lower of cost and appraised market value (€481K).

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NOTE 23) TRADE AND OTHER RECEIVABLES

	31/12/2021	31/12/2020	CHANGE
Trade and other receivables	35.833	40.955	(5.122)
Provision for doubtful accounts	(20.343)	(22.695)	2.352
Trade and other receivables	**15.490**	**18.260**	**(2.770)**

Net trade receivables decreased by €2,770K due mainly to greater receipts during the year, in part as a result of the rent discounts agreed with various tenants for store closures in 2021 imposed by Covid-19 restrictions.

They are shown net of the provision for doubtful accounts, which reflects positions not considered to be fully recoverable.

Net allocations for doubtful accounts (performing, non-performing, and legal-action receivables) in Italy came to €3,447K in 2021. The allocation for the year was calculated based on the problems encountered with individual receivables recognized at 31 December 2021 and on all available information.

The Covid-related provision for doubtful accounts, formed at the end of 2020 with an allocation of €7,153K, was used in the amount of €4,323K to cover the discounts on 2020 rent granted to various shopping center tenants and was increased during the year by €490K.

The use of €5,773K from the provision concerns tenant discounts on 2020 rent as a result of the Covid-19 pandemic (€4,323K) and doubtful accounts/problem credits identified in previous years that were fully written off during the period (€1,450K).

Movements in the provision for doubtful accounts are reported below:

	31/12/2021	31/12/2020	CHANGE
Provision for doubtful account at the beginning of the period	**22.695**	**13.280**	**9.415**
Foreign exchange effect	(18)	(22)	4
Reverse	(5.773)	(1.561)	(4.212)
Write-down/(uses) interest on late payments	(8)	(5)	(3)
Provision	3.447	11.003	(7.556)
Provision for doubtful account at the end of the period	**20.343**	**22.695**	**(2.352)**

The following table shows receivables by geographical area:

	31/12/2021	31/12/2020	CHANGE
Receivables Italy	34.544	39.262	(4.718)
Provision for doubtful accounts	(19.487)	(21.583)	2.096
Net receivables Italy	**15.057**	**17.679**	**(2.622)**
Receivables Romania	1.289	1.693	(404)
Provision for doubtful accounts	(856)	(1.112)	256
Net receivables Romania	**433**	**581**	**(148)**
Total Net Receivables	**15.490**	**18.260**	**(2.770)**

NOTE 24) RELATED PARTY TRADE AND OTHER RECEIVABLES

	31/12/2021	31/12/2020	CHANGE
Coop Alleanza 3.0	85	180	(95)
Robintur s.p.a.	0	1	(1)
Librerie Coop s.p.a.	12	11	1
Alleanza Luce e Gas	25	20	5
Unicoop Tirreno s.c.a.r.l.	82	55	27
Cons. propr. del compendio com. del Commendone (GR)	1	0	1
Consorzio Cone'	17	52	(35)
Consorzio Clodì	8	0	8
Consorzio Crema (Gran Rondò)	76	0	76
Consorzio I Bricchi	45	36	9
Consorzio Katané	31	175	(144)
Consorzio Lame	115	43	72
Consorzio La Torre	45	5	40
Consorzio Porta a Mare	77	15	62
Consorzio Le Maioliche	5	23	(18)
Consorzio Punta di Ferro	13	12	1
Millennium Center	7	5	2
Consorzio Proprietari Centro Luna	6	10	(4)
Consorzio Esp	21	1	20
Fondo Juice	17	0	17
Consorzio La Favorita	13	10	3
Consorzio Le Porte di Napoli	2	34	(32)
Consorzio Casilino	13	78	(65)
Mercato Coperto Ravenna	0	9	(9)
Related party trade and other receivables	716	775	(59)

See Note 39 for details.

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GRUPPO IGD BILANCIO CONSOLIDATO AL 31 DICEMBRE 2021
4.6 NOTES TO THE FINANCIAL STATEMENTS

NOTE 25) OTHER CURRENT ASSETS

	31/12/2021	31/12/2020	CHANGE
Tax credits			
VAT credits	4.208	1.970	2.238
IRES credits	427	401	26
IRAP credits	30	175	(145)
Due from others			
Advances paid to suppliers	3	0	3
Accrued income and prepayments	822	894	(72)
Deferred costs	52	103	(51)
Other costs of services	175	193	(18)
Other current assets	**5.717**	**3.736**	**1.981**

Other current assets increased by €1,981K with respect to the previous year, due mainly to the higher VAT credits of IGD SIIQ and Porta Medicea S.r.l. as a result of work carried out during the year.

NOTE 26) CASH AND CASH EQUIVALENTS

	31/12/2021	31/12/2020	CHANGE
Cash and cash equivalents	158.001	117.249	40.752
Cash on hand	79	92	(13)
Cash and cash equivalents	**158.080**	**117.341**	**40.739**

Cash and cash equivalents at 31 December 2021 consisted mainly of current account balances at banks. The increase of €40,739K reflects cash generated during the year net of capital expenditure, mortgage loan payments, and bond loan redemptions, as well as the sale of 60% of Fondo Juice shares as described above.

NOTE 27) ASSETS HELD FOR SALE

ASSETS HELD FOR SALE	2021	2020
Goodwill of Centro Piave	448	0
Right to use of Centro Piave	1.353	0
Total assets held for sale	**1.801**	**0**

LIABILITIES RELATED TO ASSETS HELD FOR SALE	2021	2020
IFRS 16 Centro Piave Shot-term financial liabilities	1.228	0
Total Liabilities related to assets held for sale	**1.228**	**0**

On 10 December 2021, IGD Service S.r.l., a wholly-owned subsidiary of IGD SIIQ S.p.A., signed a framework agreement with DoMa S.r.l. entailing:

- the sale by IGD Service S.r.l. to DoMa S.r.l. on 1 January 2022 of the mall at Centro Piave shopping center, for €1 million;
- a facility management contract under which IGD Service S.r.l. will manage the mall at Centro Piave for six years, renewable for a further three years;
- the termination, on 1 January 2022, of the lease agreement for the mall at Centro Piave that was originally to expire on 30 June 2022.

In accordance with IFRS 5, at 31 December 2021 the Group therefore:

- reclassified goodwill on the Centro Piave shopping center (€448K) from "Goodwill" to "Assets held for sale;"
- reclassified the right-of-use asset arising from the application of IFRS 16 to the lease agreement for the mall at Centro Piave (€1,353K) from "Investment property" to "Assets held for sale;"
- reclassified the current financial payable of €1,228K, arising from the application of IFRS 16 to the lease agreement for the mall at Centro Piave, from "Current financial liabilities" to "Liabilities associated with assets held for sale."

NOTE 28) NET EQUITY

	31/12/2021	31/12/2020	CHANGE
Share capital	650.000	650.000	0
Share premium reserve	0	30.058	(30.058)
Other reserves	**467.300**	**499.131**	**(31.831)**
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	(5.373)	(4.784)	(589)
FTA IFRS 9 reserve	0	(4.354)	4.354
FTA IFRS 16 reserve	1.886	1.886	0
Recalculation of defined benefit plans	(47)	(39)	(8)
Cash flow hedge reserve	(4.663)	(8.668)	4.005
Fair value reserve	210.050	283.159	(73.109)
Subsidiaries cash flow hedge reserve	(1.173)	(2.306)	1.133
Recalculation of defined benefit plans subsidiaries	(55)	(61)	6
Avaiable reserve (from capitale reduction)	55.178	91.583	(36.405)
Other avaible reserve	81.497	8.388	73.109
Capital inrease reserve	0	(10.305)	10.305
Net profit (loss) of the year	**54.458**	**(64.747)**	**119.205**
Group profit (loss) carried forward	1.689	9.574	(7.885)
Group profit	52.769	(74.321)	127.090
Total Group net equity	**1.171.758**	**1.114.442**	**57.316**
Capital and reserves of non-controlling interests	**0**	**0**	**0**
Net Equity	**1.171.758**	**1.114.442**	**57.316**

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GRUPPO IGD BILANCIO CONSOLIDATO AL 31 DICEMBRE 2021
4.6 NOTES TO THE FINANCIAL STATEMENTS

Consolidated net equity at 31 December 2021 amounted to €1,171,758K, an increase of €57,316K for the year. The change is due to:

- movements in the reserve for the translation of foreign currency financial statements, for a negative €589K;
- the positive adjustment of cash flow hedge reserves pertaining to derivatives accounted for using the cash flow hedge method (€4,005K for the parent company and €1,133K for a subsidiary);
- Group's share of net income for the year (€52,769K);
- the reclassification of €31,738K from the fair value reserve to the distributable reserve due to the partial elimination of non-distributability pursuant to Art. 6 of Legislative Decree 38 of 28 February 2015, as a result of the fair value measurement of investment property at 31 December 2020;
- the reclassification of €42,965K from the fair value reserve to the distributable reserve due to the partial elimination of non-distributability pursuant to Art. 6 of Legislative Decree 38 of 28 February 2015, as a result of the transfer to Fondo Juice of the real estate portfolio consisting of five hypermarkets and one supermarket and consequent realization of their values.

RECONCILIATION BETWEEN NET EQUITY AND PROFIT (LOSS) OF IGD SIIQ S.P.A. AND THE CORRESPONDING CONSOLIDATED AMOUNTS:

RECONCILIATION BETWEEN PARENT COMPANY SEPARATE FINANCIAL STATEMENT AND CONSOLIDATED FINANCIAL STATEMENT	NET PROFIT		NET EQUITY	
	GROUP	NON-CONTROLLING INTEREST	GROUP	NON-CONTROLLING INTEREST
BALANCE SHOWN IN THE PARENT'S FINANCIAL STATEMENTS	**54.093**	**0**	**1.178.550**	**0**
Net equity and net profit of consolidated income	(2.775)	0	370.956	0
Reversals of dividends	(4.000)	0	0	0
Reversas of impairment losses on consolidated equity investments	5.451	0	0	0
Carrying value of consolidated equity investments	0	0	(382.386)	0
Effect of CFH reserve - subsidiaries	0	0	1.133	0
Effect of recalculation of defined benefit plans - subsidiaries	0	0	(2)	0
Adjustments of capital gains on the sale of assets from subsidiaries	0	0	(1410)	0
Allocation of differences to the assets of consolidated companies				
- Goodwill from consolidated Winmagazine S.A.	0	0	4.909	0
- Goodwill from consolidated Winmarkt Management SRL	0	0	1	0
- Goodwil from consolidated RGD Ferrara	0	0	7	0
BALANCE AS IN THE CONSOLIDATED FINANCIAL STATEMENTS	**52.769**	**0**	**1.171.758**	**0**

NOTE 29) 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	31/12/2021	31/12/2020	CHANGE
Mortgage loans		**427.579**	**453.199**	**(25.620)**
05 BreBanca IGD MONDOVICINO (Galleria)	23/11/2006 - 10/01/2023	685	1.998	(1.313)
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	27.172	31.158	(3.986)
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	4.023	4.838	(815)
01 Unipol Sarca	10/04/2007 - 06/04/2027	53.433	56.408	(2.975)
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	11.602	13.544	(1.942)
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	10.888	12.490	(1.602)
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	6.035	6.964	(929)
14 MPS Palermo (Galleria)	21/12/2010 - 30/11/2025	12.958	15.158	(2.200)
17 Carige Palermo IGD (Iper)	12/07/2011 - 30/06/2027	8.379	10.131	(1.752)
15 CentroBanca Cone (Galleria)	22/12/2010 - 31/12/2025	17.741	20.361	(2.620)
Ubi 5 Leonardo	19/04/2018 - 17/10/2023	41.448	43.418	(1.970)
Ubi 1 Lame Rp Favorita	19/04/2018 - 17/07/2023	1.864	4.356	(2.492)
BNL 125 ML LUNGO	01/01/2019-15/10/2023	123.461	122.612	849
BNL 75 ML LUNGO	01/01/2019-15/10/2023	75.000	75.000	0
Mps -sace	16/10/2020-30/09/2026	32.890	34.763	(1.873)
Debts for bonds		**492.786**	**642.882**	**(150.096)**
Bond 100 ML	11/01/2017- 11/01/2024	99.796	99.699	97
Bond 162 ML	21/04/2015 - 21/04/2022	0	152.468	(152.468)
Bond 400 ML	28/11/2019 - 28/11/2024	392.990	390.715	2.275
Due to other source of finance		**31.043**	**39.626**	**(8.583)**
Sardaleasing per sede Bologna	30/04/2009 - 30/04/2027	2.525	2.893	(368)
IFRS 16 Livorno m/l	01/01/2019- 31/03/2026	10.448	13.469	(3.021)
IFRS 16 Abruzzo m/l	01/01/2019- 31/12/2023	118	234	(116)
IFRS 16 Nova m/l	01/01/2019- 28/02/2027	17.952	21.802	(3.850)
IFRS 16 Piave m/l	01/01/2019- 01/01/2022	0	1.228	(1.228)
Non-current financial liabilities		**951.408**	**1.135.707**	**(184.299)**

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

NON-CURRENT FINANCIAL LIABILITIES	44196	AMORTIZED COSTS	RECLASSIFICATIONS	31/12/2021
Payables due to mortgages	453.199	1.546	(27.166)	427.579
Payables due to bonds	642.882	2.372	(152.468)	492.786
Payables due to IFRS16	36.733	0	(8.215)	28.518
Payables due to other sources of finance	2.893	0	(368)	2.525
TOTAL	1.135.707	3.918	(188.217)	951.408

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Mortgage loans are secured by properties. The change in 2021 concerns the reclassification to current financial liabilities of the principal falling due in the next 12 months.

Due to other sources of finance and for IFRS 16

This item covers the non-current portion of liabilities arising from:

the lease for HQ premises;

the use of IFRS 16 to account for the leases on the malls at Fonti del Corallo and Nova shopping centers and the parking lot at Centro d'Abruzzo.

Bonds

The change in bonds during the year is due to *(i)* the reclassification to current liabilities of the €162 million loan maturing in April 2022 and *(ii)* the amortization of transaction costs for outstanding bonds using the amortized cost method.

Details of outstanding bonds are presented in the table below:

DEBTS DUE TO BONDS	NON CURRENT PORTION	CURRENT PORTION				NON CURRENT PORTION	NON CURRENT PORTION		
	31/12/2020	31/12/2020	BOND ISSUE/REPAYMENT	ANCILLARY COSTS AMORTIZATION AT 31/12/2021	FINANCIAL CHARGES AT 31/12/2021	44561	44561	NOMINAL INTEREST RATE	ACTUAL INTEREST RATE
Bond 162 ML	153.600						153.600		
Additional costs	(1.132)			864			(268)		
Coupon rate 31.12.2020		2.815			(2.815)				
Paid interests					4.070				
Coupon rate 31.12.2021					2.815		2.815		
Total Bond 162 ML	**152.468**	**2.815**		**864**	**4.070**	**0**	**156.147**	**3,875%**	**4,17%**
Bond 300 ML		70.793	(70.793)						
Additional costs		(52)		53					
Coupon rate 31.12.2020		1.032			(1.032)				
Paid interests					1.329				
Coupon rate 31.12.2021									
Total Bond 300 ML	**0**	**71.773**	**(70.793)**	**53**	**297**	**0**	**0**	**2,500%**	**2,80%**
* including the Cash Flow Hedge Reserve effect									
Bond 100 ML	100.000					100.000			
Additional costs	(301)			97		(204)			
Coupon rate 31.12.2020		1.056			(1.056)				
Paid interests					2.250				
Coupon rate 31.12.2021					1.056		1.056		
Total Bond 100 ML	**99.699**	**1.056**		**97**	**2.250**	**99.796**	**1.056**	**2,250%**	**2,35%**
Bond 400 ML	400.000					400.000			
Additional costs	(9.285)			2.275		(7.010)			
Coupon rate 31.12.2020		756			(756)		0		
Paid interests					8.500				
Coupon rate 31.12.2021					756		756		
Total Bond 400 ML	**390.715**	**756**	**0**	**2.275**	**8.500**	**392.990**	**756**	**2,125%**	**2,76%**
Total bonds	**642.882**	**76.400**	**(70.793)**	**3.289**	**15.117**	**492.786**	**157.959**		
Cash Flow Hedge reserve (bond 300 ML)	**(145)**			**145**		**0**			
Total financial charges				**3.434**	**15.117**				

Covenants

The following table presents covenants on outstanding loans. All of the covenants were satisfied at 31 December 2021.

	NAME	GUARANTEES GIVEN	TYPE OF PRODUCT	END DATE	FINANCIAL "COVENANT"	INDICATOR I)	INDICATOR II)	INDICATOR III)	INDICATOR IV)
05	05 BreBanca IGD	Galleria Commerciale Mondovicino	Mortgage	10/01/23					
01	01 Unipol Larice	Sarca shopping mall	Mortgage	06/04/27	Certified consolidated financial statement: ratio of net debt (including derivative assets and liabilities) to net equity must not exceed 2.3	0,81			
06	06 Unipol Lungosavio IGD	Centro Commerciale Lungo Savio (Galleria)	Mortgage	31/12/23					
07	07 Carige Nikefin Asti	Galleria Commerciale I Bricchi	Mortgage	31/03/24					
08	08 Carisbo Guidonia IGD	Centro Commerciale Tiburtino	Mortgage	27/03/24	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	0,81			
09	09 Interbanca IGD	Centro Commerciale d'Abruzzo (Ipermercato); Centro Commerciale Porto Grande (Galleria, Ipermercato); Ipermercato CC Globo; Centro Commerciale Le Porte di Napoli (Ipermercato); Ipermercato CC Il Maestrale; Ipermercato CC Leonardo; Ipermercato CC Miralfiore	Loan	05/10/21	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	0,81			
10	10 Mediocredito Faenza IGD	Centro Commerciale Le Maioliche (Ipermercato)	Loan	30/06/29	IGD Siiq SpA financial statements: ratio of external net debt to equity + Intercompany loan must not exceed 2.70	0,83			
14	14 MPS Palermo	Centro Commerciale La Torre (Galleria)	Mortgage	30/11/25	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%	0,81	34,54%		
13	13 CR Veneto Mondovi	Retail Park Mondovicino	Mortgage	01/11/24	Certified consolidated financial statements: i) ratio of net debt (including derivative assets and liabilities) to net equity must not exceed 1.6	0,81			
17	17 Carige Palermo IGD	Centro Commerciale La Torre (Ipermercato)	Mortgage	30/06/27					
30	30 Ubi 1 lame_rp_fav	Centro Commerciale La Favorita (Galleria e Retail Park) e Centro Commerciale Lame (Galleria)	Mortgagebacked loan	17/07/23					
33	33 Ubi 5 leonardo	Centro Commerciale Leonardo (Galleria) e Centro Commerciale Centro Luna (Galleria)	Loan	17/10/23	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%	0,81	41,07%		
26	Notes 2,65% - 21/04/2022	unsecured	Bond	21/04/22	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]	46,84%	3,91	9,47%	1,71
28	Notes 2,25% - 11/01/2024	unsecured	Bond	11/01/24	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]	47,76%	3,43	10,88%	1,71
35	Notes 2,125% - 28/11/24	unsecured	Bond	28/11/24	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]	40,16%	3,91	9,47%	2,08
34	34 Syndicated Loan	unsecured	Syndicated loan	16/10/23	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]	46,84%	3,91	9,47%	1,71
36	35 Fin.to MPS Garanzia Italia	unsecured	Unsecured loan	16/10/26	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]	40,16%	3,91	9,47%	2,08

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4.6 NOTES TO THE FINANCIAL STATEMENTS

NOTE 30) PROVISION FOR EMPLOYEE SEVERANCE INDEMNITIES

	01/01/2020	ACTUARIAL (GAIN)/ LOSSES	REVERSE	PROVISION	FINANCIAL CHARGES IAS 19	31/12/2020
Provisions for employee severance indemnities	3.057	32	(181)	328	31	3.267
	01/01/2021	ACTUARIAL (GAIN)/ LOSSES	REVERSE	PROVISION	FINANCIAL CHARGES IAS 19	31/12/2021
Provisions for employee severance indemnities	3.267	2	(211)	314	19	3.391

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

The following charts show the demographic and financial assumptions used:

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.

Additional information

- sensitivity analysis, showing the impact in absolute terms of each reasonably possible change in actuarial hypotheses at the close of the year;
- amount of contribution for the following year;
- average financial duration of the liability for defined benefit plans;
- estimated payouts.

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	1.75%
Discount rate	1.09%
Increase in total compensation	Executives 2.5% White collar/Middle managers 1.0% Blue collar 1.0%
Increase in severance indemnity provision	2.813%

SENSITIVITY ANALYSIS OF MAIN VARIABLES ON TFR AT 31 DECEMBER 2021

	(Data in Euro/K)
Inflation rate +0.25% - Provison for employees severance indemnties:	3.297
Inflation rate -0,.5% - Provison for employees severance indemnties:	3.425
Discount rate +0.25 - Provison for employees severance indemnties:	3.445
Discount rate -0,25 - Provison for employees severance indemnties:	3.271
Turnover rate +1 - Provison for employees severance indemnties:	3.243
Turnover rate -1 - Provison for employees severance indemnties:	3.477

	(Data in Euro/K)
Service Cost 2021	299
Plan duration	19
Estimated payments year 1	145
Estimated payments year 2	102
Estimated payments year 3	109
Estimated payments year 4	303
Estimated payments year 5	252

NOTE 31) GENERAL PROVISIONS

	01/01/2021	UTILIZATION	PROVISION	31/12/2021
Provision for taxation	1.875	(190)	138	1.823
Consolidated Fund risks and future charges	1.176	(119)	0	1.057
Bonus provisions	742	(682)	1.190	1.250
Provisions for risks and future charges	**3.793**	**(991)**	**1.328**	**4.130**

Provision for taxation

This provision covers the charges that might arise from tax audits and other likely tax liabilities. Most of the increase consists of an additional allocation against pending IMU/ICI (local property tax) disputes, which mainly concern new classifications and cadastral rent calculations for the two shopping centers in Palermo and Ravenna (Esp). Decreases mostly concern:

- €39K for the payment of IMU (municipal property tax) assessments for the year 2009 concerning Le Maioliche shopping center in Faenza;
- €151K for the payment with reserve regarding an IMU dispute pending before the second-instance tax commission involving the Tiburtino shopping center (Guidonia) for the years 2014, 2015, and 2017.

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 payment made in the first half of 2021.

Other general provisions

These cover the risks arising from litigation in course and probable future expenses (€307K), and estimated end-of-term benefits for directors (€750K). The principal changes during the year were as follows:

- the use of €69K further to an out-of-court settlement reached with a tenant;
- the withdrawal of €50K in end-of-term benefits for directors considered to be in excess with respect to the amount allocated in prior years.

NOTE 32) SUNDRY PAYABLES AND OTHER NON-CURRENT LIABILITIES

	31/12/2021	31/12/2020	CHANGE
Deferred income		5.920	0
Advances due one year		800	0
Extension fees		500	(500)
Debt for SACE guarantee		1.083	(296)
Payable for substitute tax		1.240	(620)
Debt for SIINQ entry tax		0	975
Other liabilities		306	96
Sundry payables and other non-current liabilities		**9.849**	**(345)**

Deferred income concerns the City of Livorno for additional secondary urban infrastructure works as provided for by contract (€2,470K) and works to be delivered to Porta a Mare S.p.A. (€3,450K).

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

- a decrease of €500K due to the reclassification to current liabilities of the share of the extension fee payable in October 2022 to BNP Paribas in order to extend the duration of the €200 million loan to 2023;
- a decrease of €296K for the reclassification to current liabilities of the costs payable to SACE in 2022 as consideration for the guarantee backing the five-year, €36,300K loan obtained the previous year;
- a decrease of €620K for the reclassification to current liabilities 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 over the course of three years. This option was taken by the subsidiaries Millennium Gallery and IGD Management;
- an increase of €975K in SIINQ entry tax payable, covering the non-current portion of the tax due for the adoption of SIINQ status by IGD Management, which is being paid in five annual installments.

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Related party payables are shown below:

	31/12/2021	31/12/2020	CHANGE
Coop Alleanza 3.0	9.911	12.932	(3.021)
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	**10.441**	**13.462**	**(3.021)**

Security deposits refer to sums received for the leasing of hypermarkets and malls. During the year this item decreased by €3,021K due to the transfer of five hypermarkets and one supermarket to Fondo Juice; for details see Note 20. The sale of the Lugo, Maestrale, and Miralfiore hypermarkets and the Schio supermarket also entailed transferring to the Fund the security deposits originally paid to IGD SIIQ to guarantee lease payments.

Security deposits pay interest at the rates provided for by law.

See Note 39 for additional information.

NOTE 33) CURRENT FINANCIAL LIABILITIES

	DURATION	31/12/21	31/12/20	CHANGE
Mortgage loans		**27.328**	**51.418**	**(24.090)**
05 BreBanca IGD MONDOVICINO (Galleria)	23/11/2006 - 10/01/2023	1.316	1.250	66
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	817	769	48
09 Interbanca IGD	25/09/2006-05/10/2021	0	15.143	(15.143)
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	4.129	4.130	(1)
01 Unipol Sarca	10/04/2007 - 06/04/2027	3.000	3.006	(6)
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	1.952	1.830	122
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	1.682	1.687	(5)
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	933	933	0
14 MPS Palermo (Galleria)	21/12/2010 - 30/11/2025	2.229	2.172	57
17 Carige Palermo IGD (Iper)	12/07/2011 - 30/06/2027	1.753	1.715	38
15 CentroBanca Cone (Galleria)	22/12/2010 - 31/12/2025	2.640	2.640	0
Ubi 5 Leonardo	19/04/2018 - 17/10/2023	2.072	2.080	(8)
Ubi 1 Lame Rp Favorita	19/04/2018 - 17/07/2023	2.536	2.553	(17)
Ubi 2 Lame Rp Favorita	19/04/2018 - 17/10/2021	0	8.178	(8.178)
Ubi 3 Rp	19/04/2018 - 17/10/2021	0	3.332	(3.332)
Mps SACE	16/10/2020-30/09/2026	2.269	0	2.269
Due to other source of finance		**7.355**	**9.448**	**(2.093)**
Sardaleasing for Bologna Office	30/04/2009 - 30/04/2027	368	356	12
IFRS 16 Livorno current liabilities	01/01/2019- 31/03/2026	3.021	2.896	125
IFRS 16 Abruzzo current liabilities	01/01/2019- 31/12/2023	116	112	4
IFRS 16 Nova current liabilities	01/01/2019- 28/02/2027	3.850	3.686	164
IFRS 16 Piave current liabilities	01/01/2019- 01/01/2022	0	2.398	(2.398)
Debts for bonds		**157.960**	**76.400**	**81.560**
Bond 100 ML	11/01/2017- 11/01/2024	1.056	1.056	0
Bond 162 ML	21/04/2015 - 21/04/2022	156.148	2.815	153.333
Bond 300 ML	31/05/2016 - 31/05/2021	0	71.773	(71.773)
Bond 400 ML	28/11/2019 - 28/11/2024	756	756	0
Current financial liabilities		**192.643**	**137.266**	**55.377**

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

CURRENT FINANCIAL LIABILITIES	44196	COUPON OF THE YEAR	REPAYMENTS	AMORTIZED COSTS	RECLASSIFICATIONS	LIABILITIES LINKED TO ASSETS HELD FOR SALES RECLASSIFICATIONS	44561
Payables due to mortgages	51.418	0	(51.351)	95	27.166	0	27.328
Payables due to bonds	76.400	15.117	(86.942)	917	152.468	0	157.960
Payables due to IFRS16	9.092	0	(9.092)	0	8.215	(1.228)	6.987
Payables due to other sources of finance	356	0	(356)	0	368	0	368
TOTAL	**137.266**	**15.117**	**(147.741)**	**1.012**	**188.217**	**(1.228)**	**192.643**

Current financial liabilities with third parties include the current portion of lease payments on the new head office, the current portion of liabilities stemming from the adoption of IFRS 16, the current portion of outstanding mortgage and bond loans (including interest accrued), short-term bank borrowings, and financial payables to related parties in connection with the use of a pooled treasury account. The principal changes in current financial liabilities relate to:

- the repayment of principal falling due during the period on mortgage loans existing at the close of the previous year, and the reclassification of payments due within 12 months from non-current financial liabilities;
- the reclassification to current liabilities of the bond loan of an original amount of €162 million, to be redeemed on 21 April 2022;
- the reclassification to liabilities associated with assets held for sale of the remaining amount due for the mall at Centro Piave shopping center, due to the application of IFRS 16 further to the sale of Centro Piave and the simultaneous termination of the lease agreement signed on 10 December 2021 with effect from 1 January 2022.

NOTE 34) NET FINANCIAL POSITION

The table below presents the net financial position at 31 December 2021 and 31 December 2020, following the guidelines published by ESMA on 4 March 2021. At neither date does it include derivatives held for hedging purposes, which by nature do not constitute monetary assets or liabilities.

Uncommitted credit facilities with banks amount to €151 million, of which all was unutilized at the close of 2021.

Committed revolving credit facilities with banks, unutilized at 31 December 2021, amount to €60 million.

See the “Statement of financial position and financial review” section of the Directors’ Report for additional comments.

	31/12/2021	31/12/2020	CHANGE
Cash and cash equivalents	(158.080)	(117.341)	(40.739)
LIQUIDITY	**(158.080)**	**(117.341)**	**(40.739)**
Mortgage loans - current portion	27.328	51.418	(24.090)
Leasing - current portion	7.355	9.448	(2.093)
Bond loans - current portion	157.960	76.400	81.560
CURRENT DEBT	**192.643**	**137.266**	**55.377**
CURRENT FINANCIAL DEBT RELATED TO DISPOSAL ACTIVITIES	**1.228**	**0**	**1.228**
CURRENT NET DEBT	**35.791**	**19.925**	**15.866**
Non-current financial assets	(174)	(174)	0
Leasing - non-current portion	31.043	39.626	(8.583)
Non-current financial liabilities	427.579	453.199	(25.620)
Bond loans	492.786	642.882	(150.096)
NON-CURRENT NET DEBT	**951.234**	**1.135.533**	**(184.299)**
Net debt	**987.025**	**1.155.458**	**(168.433)**

Net debt improved by €168.4 million with respect to 31 December 2020, due mainly to:

- the effects of transferring investment property and related financing to Fondo Juice and the subsequent sale of 60% of the fund's shares;
- a decrease in payables as a result of applying IFRS 16;
- cash generated during the year net of capital expenditure and mortgage loan payments.

The gearing ratio is the ratio of net financial position to net equity, including non-controlling interests, net of cash flow hedge reserves. The ratio improved from 1.03 at 31 December 2020 to 0.84 at the end of 2021.

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 35) TRADE AND OTHER PAYABLES

	31/12/2021	31/12/2020	CHANGE
Trade payables within the year	16.137	12.091	4.046
Trade and other payables	**16.137**	**12.091**	**4.046**

Trade payables increased due to the recovery, during the fourth quarter, of work on investment property that in the second half of 2020 had slowed down because of the Covid-19 emergency, and also reflects the different timing of payments with respect to the previous year.

NOTE 36) RELATED PARTY TRADE AND OTHER PAYABLES

	31/12/2021	31/12/2020	CHANGE
Coop Alleanza 3.0	213	165	48
Unicoop Tirreno s.c.a.r.l.	284	3	281
Cons. propr. del compendio com. del Commendone (GR)	19	30	(11)
Consorzio prop. Fonti del Corallo	3	0	3
Consorzio Cone'	71	5	66
Consorzio Clodì	2	0	2
Consorzio Katané	20	5	15
Consorzio Lame	12	8	4
Consorzio Leonardo	54	16	38
Consorzio La Torre	24	21	3
Consorzio Porta a Mare	12	0	12
Consorzio Sarca	55	160	(105)
Consorzio Le Maioliche	4	5	(1)
Consorzio Punta di Ferro	82	13	69
Millennium Center	0	22	(22)
Consorzio Proprietari Centro Luna	1	5	(4)
Consorzio Esp	53	5	48
Consorzio La Favorita	0	10	(10)
Consorzio Le Porte di Napoli	35	20	15
Consorzio Casilino	4	6	(2)
Consorzio del centro commerciale Nuova Darsena	2	0	2
Related parties trade and other payables	**950**	**499**	**451**

The increase of €451K in related party payables refers chiefly to amounts due to Unicoop Tirreno S.c.a.r.l.

See Note 39 for additional information.

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NOTE 37) CURRENT TAX LIABILITIES

	31/12/2021	31/12/2020	CHANGE
Due to tax authorities for withholdings	709	688	21
Irap	835	0	835
Ires	226	242	(16)
VAT	327	260	67
Other taxes	6	4	2
Substitute tax	620	620	0
Debt for Entry tax regime SIINQ	244	0	244
Current tax liabilities	**2.967**	**1.814**	**1.153**

This item increased by €1,153K with respect to 2020 due mainly to changes in the amount due for IRAP (regional business tax) and the current portion of the substitute tax for adoption of SIINQ status by the subsidiary IGD Management.

In 2021, the first installment of €620K was paid toward the substitute tax for realignment and revaluation pursuant to Art. 110 of Decree Law 104 of 14 August 2020 (the "August Decree," converted into Law 126 of 13 October 2020), a liability that formed in 2020 for the subsidiaries IGD Management and Millennium Gallery (the latter was absorbed during the year by IGD Management).

NOTE 38) OTHER CURRENT LIABILITIES

	31/12/2021	31/12/2020	CHANGE
Social security	442	391	51
Accrued liabilities and deferred income	791	636	155
Insurance	8	8	0
Due to employees	968	842	126
Security deposits	8.319	7.016	1.303
Unclaimed dividends	2	2	0
Fee centro piave	1.000	0	1.000
Advances received due within the year	1.077	608	469
Amounts due to director for emoluments	249	321	(72)
Extension fees	500	500	0
Payables for Sace guarantee	296	320	(24)
Other liabilities	1.088	1.145	(57)
Other current liabilities	**14.740**	**11.789**	**2.951**

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These consist mainly of security deposits received from tenants.

The increase of €2,951K stems mainly from (i) greater security deposits paid to IGD against new rent and leasing contracts; and (ii) the amount received for the sale, as from 1 January 2022, of the mall at Centro Piave shopping center.

During the year IGD exercised its option to extend the duration of the €200 million loan for an additional year, until October 2022, against payment of an extension fee of €500K. At 31 December 2021 the second extension fee to extend the loan until October 2023 was reclassified to other non-current liabilities.

NOTE 39) 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	85	0	213	9.911	0	0	19	0
Robintur	0	0	0	0	0	0	5	0
Librerie Coop	12	0	0	0	0	0	0	0
Alleanza Luce e Gas	25	0	0	55	0	0	0	0
Unicoop Tirreno	82	0	284	25	0	0	232	0
Cons. propr. del compendio com. del Commendone (GR)	1	0	19	0	0	0	22	0
Consorzio prop. Fonti del Corallo	0	0	3	0	0	0	172	0
Consorzio Cone'	17	0	71	0	0	0	36	0
Consorzio Clodì	8	0	2	0	0	0	0	0
Consorzio Crema (Gran Rondò)	76	0	0	0	0	0	5	0
Consorzio I Bricchi	45	0	0	0	0	0	0	0
Consorzio Katané	31	0	20	0	0	0	142	0
Consorzio Lame	115	0	12	0	0	0	27	0
Consorzio Leonardo	0	0	54	0	0	0	75	0
Consorzio La Torre	45	0	24	0	0	0	153	0
Consorzio Porta a Mare	77	0	12	0	0	0	0	0
Consorzio Sarca	0	0	54	0	0	0	34	0
Distribuzione Centro Sud	0	0	0	450	0	0	0	0
Consorzio Le Maioliche	5	0	4	0	0	0	8	0
Consorzio Punta di Ferro	13	0	82	0	0	0	30	0
Millennium Center	7	0	0	0	0	0	0	0
Consorzio Proprietari Centro Luna	6	0	1	0	0	0	61	0
Consorzio Esp	21	0	53	0	0	0	75	0
Fondo Juice	17	0	0	0	0	0	0	0
Consorzio La Favorita	13	0	0	0	0	0	2	0
Consorzio Le Porte di Napoli	2	0	35	0	0	0	60	0
Consorzio Casilino	13	0	4	0	0	0	89	0
Consorzio del centro commerciale Nuova Darsena	0	0	2	0	0	0	31	0
Total	**716**	**0**	**949**	**10.441**	**0**	**0**	**1.278**	**0**
Amount reported	**59.223**	**174**	**31.773**	**20.565**	**1.145.279**	**126**		
Total increase/fecrease of the period							**18.716**	**0**
% of the total	**1,21%**	**0,00%**	**2,99%**	**50,77%**	**0,00%**	**0,00%**	**6,83%**	**0,00%**

	OPERATING REVENUES	FINANCIAL INCOME	TOTAL OPERATING COSTS	FINANCIAL CHARGES
Coop Alleanza 3.0	31.071	0	342	1
Robintur	300	0	0	0
Librerie Coop	940	0	0	0
Alleanza Luce e Gas	220	0	0	0
Unicoop Tirreno	4.166	0	20	0
Cons. propr. del compendio com. del Commendone (GR)	150	0	128	0
Consorzio Cone'	170	0	279	0
Consorzio Clodì	56	0	91	0
Consorzio Crema (Gran Rondò)	61	0	60	0
Consorzio I Bricchi	117	0	514	0
Consorzio Katané	210	0	203	0
Consorzio Lame	185	0	65	0
Consorzio Leonardo	235	0	103	0
Consorzio La Torre	204	0	471	0
Consorzio Porta a Mare	78	0	183	0
Consorzio Sarca	179	0	349	0
Distribuzione Centro Sud s.r.l.	1.411	0	0	0
Consorzio Le Maioliche	174	0	223	0
R.P.T. Robintur	10	0	0	0
Consorzio Punta di Ferro	168	0	239	0
Millennium Center	102	0	8	0
Consorzio Proprietari Centro Luna	164	0	21	0
Consorzio Esp	209	0	262	0
Fondo Juice	17	0	0	0
Consorzio La Favorita	125	0	33	0
Consorzio Le Porte di Napoli	0	0	163	0
Consorzio Casilino	0	0	311	0
Consorzio del centro commerciale Nuova Darsena	0	0	326	0
Total	**40.722**	**0**	**4.394**	**1**
Amount reported	**151.978**	**87**	**45.602**	**33.925**
% of the total	**26,79%**	**0,00%**	**9,64%**	**0,00%**

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 2021, including for retail premises, amounted to €31.0 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 year ended 31 December 2021, €300K in rent was received from Robintur S.p.A. and €10K 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 year, the Group received €940K 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 year, the Group received €220K 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 €1.4 million, 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. For the year, the Company received €4.2 million under these arrangements.

Transactions with other Group companies

Transactions with the direct and indirect subsidiaries Igd Management SIINQ S.p.A., Igd Service S.r.l., Porta Medicea S.r.l., Arco Campus S.r.l. and Win Magazin S.A. concern the following: (i) administrative, technical and financial services provided by IGD; (ii) loans granted to the subsidiaries Igd Management SIINQ S.p.A., Arco Campus S.r.l. and Igd Service S.r.l. and financial payables to the subsidiaries Igd Management SIINQ S.p.A. and Igd Service S.r.l. for use of the pooled account; (iii) the tax consolidation agreement with Igd Management SIINQ S.p.A., Igd Service S.r.l., and Porta Medicea S.r.l.

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 40) 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 (see section 2.12 of the Directors' Report). 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 93.82% 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 41 for quantitative information on derivatives.

The following table presents the sensitivity analysis of interest rate risk, showing the impact on equity and profit/loss, as required by IFRS 7.

The sensitivity analysis was conducted in consideration of the financial statement items that generate interest at floating rates or that are exposed to fair value changes, assuming parallel increases or decreases in the interest rate curves of each currency.

INTEREST RATE RISK									
INTEREST RATE RISK - EXPOSURE AND SENSITIVITY ANALYSIS	BENCHMARK	INCOME STATEMENT				NET EQUITY			
		SHOCK UP		SHOCK DOWN		SHOCK UP		SHOCK DOWN	
		31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Interest bearing assets	Euribor	1.581	1.173	(158)	(117)	0	0	0	0
Hot money	Euribor	0	0	0	0	0	0	0	0
Financial liabilities at a variable rate	Euribor	(3.218)	(3.217)	268	292	0	0	0	0
Derivative instruments									
- cash flow		2.495	2.414	(234)	(227)	0	0	0	0
- fair value		0	0	0	0	6.022	5.601	(597)	(574)
Total		**858**	**371**	**(124)**	**(52)**	**6.022**	**5.601**	**(597)**	**(574)**

The assumptions underlying the sensitivity analysis are as follows:

- medium- and long-term mortgage loans were analyzed according to exposure at the reporting date;
- ultra-short-term borrowings and deposits were analyzed according to exposure at the end of the year;
- the initial shift in the interest rate curve was assumed to be +100/-10 basis points (unchanged since the previous year);
- in determining changes associated with floating-rate financial instruments, it was assumed that no interest rates have already been set;
- the values affecting equity have been calculated as the difference between the fair values calculated with the shock-modified curve and the fair values of derivatives at the balance sheet date;
- The analysis assumes that all other risk variables remain constant.
- For the sake of comparison, the same measurement was conducted on 2020 and 2021.
- The method used to analyze and determine significant variables did not change since the previous year.

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.

The table below presents the maximum exposure to credit risk for balance sheet components, divided into categories, including derivatives with a positive fair value.

Where financial instruments are measured at fair value, the amounts shown represent current credit risk, but not the maximum exposure to credit risk that could arise in the future due to changes in fair value.

MAXIMUM EXPOSURE TO CREDIT RISK	2021	2020
Receivables and loan		
Sundry receivables and other assets	127	129
Trade and other receivables	0	0
Related party trade and other receivables	15.415	18.260
Other assets	716	775
Cash and cash equivalents	1.052	1.190
Financial receivables and other financial assets	158.001	117.341
Total	174	174
Totale	**175.485**	**137.869**

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.

Maturities are broken down below on the basis of undiscounted cash flows; the amounts shown take account of the first date on which payment can be requested.

The assumptions underlying the maturity analysis are as follows:

- for the future cash flows of long-term floating-rate payables, the forward rate curve at 31 December has been used;
- for the future cash flows of the fixed-rate bonds, the contractual flows have been used;
- for derivatives, the analysis includes those representing assets at 31 December, for which both outflows and inflows are shown, as their purpose is to hedge financial liabilities. At the balance sheet date, all derivatives had a negative fair value;
- amounts include cash flows from both the interest and the principal component.

The method used to analyze and determine significant variables did not change since the previous year.

	LIQUIDITY RISK							
MATURITY ANALYSIS AT 31 DECEMBER 2021	ON SIGHT	< 3 MONTHS	3 - 6 MONTHS	6 MONTHS - 1 YEAR	1 - 2 YEARS	2 - 5 YEARS	> 5 YEARS	TOTAL
LIABILITIES								
NON DERIVATIVE FINANCIAL INSTRUMENTS								
Mortgage	2.614	3.638	8.397	17.167	280.770	114.439	45.230	472.254
Leasing	33	66	66	167	345	1.230	935	2.841
Bond	1.125	0	157.670	9.625	10.750	509.625	0	688.794
Short-term credit lines	0	0	0	0	0	0	0	0
Related party payables	**3.772**	**3.703**	**166.134**	**26.959**	**291.865**	**625.292**	**46.165**	**1.163.890**
DERIVATIVE FINANCIAL INSTRUMENTS								
Derivative on rate risk	302	676	1.236	1.875	2.621	1.681	572	8.962
Total	**302**	**676**	**1.236**	**1.875**	**2.621**	**1.681**	**572**	8.962
Exposure at 31 December 2021	**4.074**	**4.379**	**167.370**	**28.834**	**294.486**	**626.973**	**46.737**	**1.172.852**

	LIQUIDITY RISK							
MATURITY ANALYSIS AT 31 DECEMBER 2020	ON SIGHT	< 3 MONTHS	3 - 6 MONTHS	6 MONTHS - 1 YEAR	1 - 2 YEARS	2 - 5 YEARS	> 5 YEARS	TOTAL
LIABILITIES								
NON DERIVATIVE FINANCIAL INSTRUMENTS								
Mortgage	7.571	3.662	13.345	31.359	31.556	378.843	57.818	524.154
Leasing	32	65	97	196	398	1.247	1.367	3.402
Bond	1.125	0	76.633	9.625	168.420	520.375	0	776.178
Short-term credit lines	0	0	0	0	0	0	0	0
Related party payables	**8.728**	**3.727**	**90.075**	**41.180**	**200.374**	**900.465**	**59.185**	**1.303.734**
DERIVATIVE FINANCIAL INSTRUMENTS								
Derivative on rate risk	477	775	1.525	2.402	3.783	5.544	572	15.078
Total	**477**	**775**	**1.525**	**2.402**	**3.783**	**5.544**	**572**	15.078
Exposure at 31 December 2020	**9.205**	**4.502**	**91.600**	**43.582**	**204.157**	**906.009**	**59.757**	**1.318.812**

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:

- keeping the net debt/equity ratio at 1x or below over the medium term (the ratio was 1.03x at 31 December 2020 and improved to 0.84x at the end of 2021);
- keeping the loan-to-value ratio (net of leasing installments due for the purchase of company premises) under 50% (it was 44.76% at the close of the year, an improvement over the 49.90% reported at the end of 2020).

NOTE 41) DERIVATIVE INSTRUMENTS

Gruppo IGD 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 with assistance from specialized firms 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 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.

FAIR VALUE - HIERARCHY	31/12/21	31/12/20	CHANGE	LEVEL
Derivative assets	0	0	0	2
Derivative liabilities	(8.435)	(14.396)	5.961	2
IRS net effect	**(8.435)**	**(14.396)**	**5.961**	

CONTRACTS IN DETAIL	"IRS 06 CARISBO 3.3495%"	"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 amount	1.998.208	4.072.556	7.901.250	5.430.075	4.843.906	4.072.556	7.901.250	7.901.250
Inception date	12/02/09	28/04/10	27/08/10	28/04/10	28/04/10	30/04/10	31/08/10	27/08/10
Maturity	10/01/23	31/03/24	27/03/24	28/03/24	29/12/23	28/03/24	27/03/24	27/03/24
IRS frequency	Semestrale	Trimestrale	Trimestrale	Trimestrale	Semestrale	Trimestrale	Trimestrale	Trimestrale
Bank rate	Euribor 6 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 6 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi
Customer rate	3,35%	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 amount	7.901.250	3.214.286	12.675.000	10.230.000	4.092.000	6.138.000	29.750.000
Inception date	27/08/10	12/07/11	12/07/11	12/09/11	12/09/11	12/09/11	08/06/17
Maturity	27/03/24	31/03/24	01/11/24	31/12/25	31/12/25	31/12/25	06/04/27
IRS frequency	Trimestrale	Trimestrale	Semestrale	Trimestrale	Trimestrale	Trimestrale	Trimestrale
Bank rate	Euribor 3 mesi	Euribor 3 mesi	Euribor 6 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi
Customer 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 39 BNP -0,21%"	"IRS 40 MPS -0,21%"	"IRS 41 BPM -0,21%"	"IRS 42 ICCREA -0,21%"	"IRS 38 BNP 0.075%"
Nominal amount	29.750.000	43.500.000	48.000.000	50.000.000	30.000.000	15.000.000	57.000.000
Inception date	08/06/17	17/01/19	15/10/21	15/10/21	15/10/21	15/10/21	15/10/21
Maturity	06/04/27	17/10/23	14/10/22	14/10/22	14/10/22	14/10/22	14/10/22
IRS frequency	Trimestrale	Trimestrale	Trimestrale	Trimestrale	Trimestrale	Trimestrale	Trimestrale
Bank rate	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi
Customer rate	0,59%	0,33%	-0,21%	-0,21%	-0,21%	-0,21%	0,08%

NOTE 42) SUBSEQUENT EVENTS

There are no significant subsequent events to report.

NOTE 43) COMMITMENTS

At 31 December 2021 the Group had the following major commitments:

- contract for the development of the Officine Storiche section (Livorno), for a remaining amount of €8.6 million;
- contract for the restyling of the Mantua property, for an amount of €3.0 million.

NOTE 45) 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.

GRUPPO IGD BILANCIO CONSOLIDATO AL 31 DICEMBRE 2021
4.6 NOTES TO THE FINANCIAL STATEMENTS

NOTE 46) IFRS 7 - "FINANCIAL INSTRUMENTS: DISCLOSURES"

Financial instruments are initially measured at fair value, and are subsequently measured depending on their classification, in accordance with IFRS 9.

For this purpose, financial assets are split into four categories:

- Financial assets measured at fair value through profit and loss: At 31 December 2021 the Group had no financial instruments in this category;
- Held to maturity investments: the Group has no financial instruments belonging to this category;
- Loans and receivables: in this category the Group has trade, financial and other receivables, and cash and deposits. They mature within 12 months and are therefore carried at face value (net of any impairment).
- Available for sale financial assets: the Group has no financial instruments belonging to this category.
- There are only two categories of financial liability:
- Financial liabilities measured at fair value through profit and loss. At 31 December 2021 the Group had no financial instruments in this category;
- Financial liabilities measured at amortized cost.

Classification in the statement of financial position

The Group's financial instruments are included in the statement of financial position as follows.

The item "Other non-current assets" covers sundry receivables and other non-current assets.

The item "Current assets" includes trade receivables, other current receivables, and cash and cash equivalents. "Cash and cash equivalents" include bank and post office deposits and cash and valuables on hand. The other assets consist of investments outstanding at the balance sheet date.

The item "Non-current liabilities" includes mortgage loans from banks, derivatives, the bond loan, sundry payables and security deposits.

The item "Current liabilities" covers short-term payables to banks, the current portion of medium/long-term loans, trade payables and other current payables.

The items in the statement of financial position are classified below according to the categories required by IFRS 9 at 31 December 2021 and 31 December 2020:

DATA AS AT 31 DECEMBER 2021	CARRYING VALUE										
	FINANCIAL ASSETS/LIABILITIES DESIGNATED AT FAIR VALUE	FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE HELD FOR TRADING	RECEIVABLES AND LOANS	FINANCIAL ASSETS HELD TO MATURITY	FINANCIAL ASSETS AVAILABLE FOR SALE	FINANCIAL LIABILITIES MEASURED AT AMORTIZED COSTS	HEDGING DERIVATIVES	TOTAL	OF WHICH CURRENT	OF WHICH NON CURRENT	FAIR VALUE
ASSETS											
Other non-current assets											
Sundry receivables and other non current assets	0	0	127	0	0	0	0	127	0	127	**127**
Equity investments	0	0	25.765	0	0	0	0	25765	0	25765	**25.765**
Non current financial assets	0	0	174	0	0	0	0	174	0	174	**174**
Current assets											
Trade and other receivables	0	0	15.415	0	0	0	0	15.415	15.415	0	**15.415**
Related party trade and other receivables	0	0	716	0	0	0	0	716	716	0	**716**
Other current assets	0	0	1.052	0	0	0	0	1.052	1.052	0	**1.052**
Cash and cash equivalents	0	0	158.001	0	0	0	0	158.001	158.001	0	**158.001**
TOTAL FINANCIAL ASSETS	**0**	**0**	**201.250**	**0**	**0**	**0**	**0**	**201.250**	**175.184**	**26.066**	**201.250**
LIABILITIES											
Financial liabilities											
Derivative liabilities	0	0	0	0	0	0	8.435	8.435	0	8.435	**8.435**
Due to banks	0	0	0	0	0	0	0	0	0	0	**0**
Leasing	0	0	0	0	0	2.893	0	2.893	368	2.525	**2.887**
Bond	0	0	0	0	0	650.746	0	650.746	157.960	492.786	**662.700**
Due to other sources of finance	0	0	0	0	0	36.733	0	36.733	8.214	28.519	**36.733**
Mortage loans	0	0	0	0	0	454.906	0	454.906	27.327	427.579	**455.887**
Non current liabilities											
Sundry payables and other non current liabilities	0	0	0	0	0	7.909	0	7.909	0	7.909	**7.909**
Related party sundry payables and other non current liabilities	0	0	0	0	0	10.441	0	10.441	0	10.441	**10.441**
Current liabilities											
Trade and other payables	0	0	0	0	0	16.062	0	16.062	16.062	0	**16.062**
Related party trade and other payables	0	0	0	0	0	950	0	950	950	0	**950**
Other current liabilities	0	0	0	0	0	14.740	0	14.740	14.740	0	**14.740**
TOTAL FINANCIAL LIABILITIES	**0**	**0**	**0**	**0**	**0**	**1.195.380**	**8.435**	**1.203.815**	**225.622**	**978.194**	**1.216.744**

DATA AS AT 31 DECEMBER 2020	CARRYING VALUE										
	FINANCIAL ASSETS/LIABILITIES DESIGNATED AT FAIR VALUE	FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE HELD FOR TRADING	RECEIVABLES AND LOANS	FINANCIAL ASSETS HELD TO MATURITY	FINANCIAL ASSETS AVAILABLE FOR SALE	FINANCIAL LIABILITIES MEASURED AT AMORTIZED COSTS	HEDGING DERIVATIVES	TOTAL	OF WHICH CURRENT	OF WHICH NON CURRENT	FAIR VALUE
ASSETS											
Other non-current assets											
Sundry receivables and other non current assets	0	0	129	0	0	0	0	129	0	129	**129**
Equity investments	0	0	151	0	0	0	0	151	0	151	**151**
Non current financial assets	0	0	174	0	0	0	0	174	0	174	**174**
Current assets											
Trade and other receivables	0	0	18.260	0	0	0	0	18.260	18.260	0	**18.260**
Related party trade and other receivables	0	0	775	0	0	0	0	775	775	0	**775**
Other current assets	0	0	1.190	0	0	0	0	1.190	1.190	0	**1.190**
Cash and cash equivalents	0	0	117.341	0	0	0	0	117.341	117.341	0	**117.341**
TOTAL FINANCIAL ASSETS	**0**	**0**	**138.020**	**0**	**0**	**0**	**0**	**138.020**	**137.566**	**454**	**138.020**
LIABILITIES											
Financial liabilities											
Derivative liabilities	0	0	0	0	0	0	14.396	14.396	0	14.396	**14.396**
Due to banks	0	0	0	0	0	0	0	0	0	0	**0**
Leasing	0	0	0	0	0	3.249	0	3.249	356	2.893	**2.986**
Bond	0	0	0	0	0	719.282	0	719.282	76.400	642.882	**706.730**
Due to other sources of finance	0	0	0	0	0	45.826	0	45.826	9.093	36.733	**45.826**
Mortage loans	0	0	0	0	0	504.617	0	504.617	51.512	453.105	**473.807**
Non current liabilities											
Sundry payables and other non current liabilities	0	0	0	0	0	8.609	0	8.609	0	8.609	**8.609**
Related party sundry payables and other non current liabilities	0	0	0	0	0	13.462	0	13.462	0	13.462	**13.462**
Current liabilities											
Trade and other payables	0	0	0	0	0	12.091	0	12.091	12.091	0	**12.091**
Related party trade and other payables	0	0	0	0	0	499	0	499	499	0	**499**
Other current liabilities	0	0	0	0	0	11.789	0	11.789	11.789	0	**11.789**
TOTAL FINANCIAL LIABILITIES	**0**	**0**	**0**	**0**	**0**	**1.319.424**	**14.396**	**1.333.820**	**161.740**	**1.172.080**	**1.290.195**

For each financial instrument, both carrying value and fair value are indicated. The two values coincide for most instruments, as their maturity is short term. They differ for long-term instruments, such as mortgage loans, leasing installments and bonds. To calculate the fair value of liabilities measured at amortized cost, the Group has discounted future cash flows to present value using a risk-free (zero coupon) curve estimated at 31 December, as reported by Bloomberg. The calculation takes account of the credit spread that banks would currently grant to IGD. 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 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. The fair value of financial liabilities was calculated using the credit spread that banks would grant to IGD SIIQ S.p.A. as of the measurement date. At 31 December 2021 the estimated credit spread was 1.7% (3.9% the previous year).

Collateral

Below is a list of financial assets pledged as collateral for contingent liabilities.

COLLATERAL GIVEN	CARRYING VALUE	
	2021	2020
Security deposits		
Sundry receivables and other assets	127	129

The following table shows the impairment of trade receivables:

IMPAIRMENT	IMPAIRMENT OF TRADE RECEIVABLES	
	2021	2020
Opening balance	**22.695**	**13.280**
Allocation for individual writedowns	3.447	10.998
Utilizations	(5.781)	(1.561)
Other movement	(18)	(22)
Total	**20.343**	**22.695**

Gains and losses from financial instruments

The table below reports the gains and losses from financial instruments held. These derive from the impairment of trade receivables and hedge derivatives.

For hedge derivatives, the table shows the amount of the differentials paid and collected. The effects of fair value changes of derivatives held by the parent company, charged to the cash flow hedge reserve under equity (net of the tax effects), came to a positive €3,528K in 2020 and a positive €4,005K in 2021. The effects of fair value changes in the derivatives held by consolidated subsidiaries, charged to a separate cash flow hedge reserve under equity (net of the tax effects), amounted to a negative €1,133K in 2021 and a negative €498K the previous year.

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INCOME AND LOSS FROM FINANCIAL INSTRUMENTS							
INCOME STATEMENT AT 31/12/2021	CARRYING VALUE						
	FINANCIAL ASSETS/ LIABILITIES MEASURED AT FAIR VALUE	FINANCIAL ASSETS/ LIABILITIES HELD FOR NEGOTIATIONS	RECEIVABLES AND LOANS	FINANCIAL ASSETS HELD TO MATURITY	FINANCIAL ASSETS AVAILABLE FOR SALE	FINANCIAL LIABILITIES MEASURED AT AMORTIZED COSTS	HEDGE DERIVATIVES
	31-DIC-21						
Net Profit (loss)							
Financial assets/liabilities	0	0	0	0	0	0	(5.406)
Trade and other receivables	0	0	(3.430)	0	0	0	0
Total	**0**	**0**	**(3.430)**	**0**	**0**	**0**	**(5.406)**

INCOME AND LOSS FROM FINANCIAL INSTRUMENTS							
INCOME STATEMENT AT 31/12/2020	CARRYING VALUE						
	FINANCIAL ASSETS/ LIABILITIES MEASURED AT FAIR VALUE	FINANCIAL ASSETS/ LIABILITIES HELD FOR NEGOTIATIONS	RECEIVABLES AND LOANS	FINANCIAL ASSETS HELD TO MATURITY	FINANCIAL ASSETS AVAILABLE FOR SALE	FINANCIAL LIABILITIES MEASURED AT AMORTIZED COSTS	HEDGE DERIVATIVES
	31-DIC-20						
Net Profit (loss)							
Financial assets/liabilities	0	0	0	0	0	0	(5.800)
Financial assets/liabilities	0	0	(11.003)	0	0	0	0
Total	**0**	**0**	**(11.003)**	**0**	**0**	**0**	**(5.800)**

The next table shows income and charges from financial assets and liabilities not measured at fair value:

INTEREST INCOME	2021	2020
Interest income on financial assets not measured at fair value		
Deposits	58	89
Related party receivables	0	0

INTEREST EXPENSES	2021	2020
Interest expenses on financial assets not measured at fair value		
Security deposits	1	7
Sundry payables and other liabilities	1.329	1.349
Financial liabilities		
Mortgages	7.354	7.292
Leasing	33	41
IFRS 16	1.250	1.584
Bond	18.552	20.254
Short term loans	0	2

4.7 MANAGEMENT AND COORDINATION

IGD SIIQ S.p.A. is a subsidiary of Coop Alleanza 3.0 Soc. Coop. of Villanova di Castenaso (province of Bologna) and is under the management and coordination of that company.

Pursuant to Article 2497 bis (4) of the Italian Civil Code, key figures from the latest approved financial statements of Coop Alleanza 3.0 Soc. Coop. are presented below.:

FINANCIAL STATEMENTS COOP ALLEANZA 3.0	YEAR 2020	YEAR 2021
BALANCE SHEET (ex art. 2424 C.C.)		
ASSET		
A) - SUBSCRIBED CAPITAL UNPAID	0	0
B) - FIXED ASSETS	3.871.438.028	3.955.593.678
C) - CURRENT ASSETS	2.731.711.544	3.108.410.927
D) - ACCRUED INCOME AND PRE-PAYMENTS	10.120.955	10.191.280
TOTAL ASSETS	**6.613.270.527**	**7.074.195.885**
LIABILITIES		
A) - NET EQUITY	1.720.584.845	1.916.744.674
B) - GENERAL PROVISIONS	105.567.083	96.661.509
C) - PROVISIONS FOR EMPLOYEES SEVERANCE INDEMNITIES	125.236.263	132.971.199
	4.658.663.932	4.924.111.513
D) - PAYABLES		
	3.218.404	3.706.990
E) - ACCRUED INCOME AND PRE-PAYMENTS		
	6.613.270.527	**7.074.195.885**
TOTAL LIABILITIES AND NET EQUITY		
MEMORANDUM ACCOUNT		
INCOME STATEMENT (ex art. 2425 C.C.)		
	4.213.362.446	4.029.067.042
A) - VALUE OF PRODUCTION		
	(4.322.635.297)	(4.265.490.445)
B) - COSTS OF PRODUCTION		
	35.042.646	103.399.141
C) - FINANCIAL INCOME AND CHARGES		
	(66.972.801)	(30.683.896)
D) ADJUSTMENT TO THE VALUE OF FINANCIAL ASSETS		
E) EXTRAORDINARY INCOME AND CHARGES	2.970.322	(243.460)
Income taxes for the period	**(138.232.684)**	**(163.951.618)**
PROFIT (LOSS) FOR THE PERIOD		

4.8 LIST OF SIGNIFICANT EQUITY INVESTMENTS

Below is a full list of significant equity investments held by IGD SIIQ S.p.A. at 31 December 2021.

NAME	REGISTERED OFFICE	COUNTRY	SHARE CAPITAL	CUR-RENCY	% OF CON-SOLIDATED GROUP INTEREST	HELDBY	% OF SHARE CAPITAL HELD	ACTIVITIES
Parent Company								
IGD SIIQ S.p.A.	Bologna via trattati comunitari Europei 1957-2007	Italy	650.000.000,00	Euro				Shopping center management
Subsidiaries fully consolidated								
IGD Management SIINQ S.p.A.	Bologna via trattati comunitari Europei 1957-2007	Italy	20.000.000,00	Euro	100%	IGD SIIQ S.p.A.	100,00%	Shopping center management and services
IGD Service S.r.l	Bologna via trattati comunitari Europei 1957-2007	Italy	60.000.000,00	Euro	100%	IGD SIIQ S.p.A.	100,00%	Shopping center management and services
Porta Medicea S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	60.000.000,00	Euro	100%	IGD Service S.r.l.	100,00%	Construction and marketing company
Win Magazin S.A.	Bucarest	Romania	113.715,30	Lei	100%	IGD Service S.r.l. 99,9% IGD SIIQ S.p.A. 0,1%	100,00%	Shopping center management
Winmarkt management S.r.l.	Bucarest	Romania	1.001.000	Lei	100%	Win Magazin S.A.	100,00%	Agency and Facility management services
Arco Campus S.r.l.	Bologna via dell'Arcoveggio n.49/2	Italy	1.500.000,00	Euro	99,98%	IGD SIIQ S.p.A.	99,98%	Asset management, sport facilities and equipment management, construction, sale and rent of properties to be used for commercial and sport activities
Associated companies consolidated at net equity								
Fondo Juice	Milano, via San Paolo 7	Italy	64.165	Euro	40%*	IGD SIIQ S.p.A.	40%	Hypermarkets/ supermarkets property

*as fully described in note 20, IGD SIIQ holds 25,224 class B shares equal to 40% of the fund capital

4.9 INFORMATION PURSUANT TO ART. 149 *DUODECIES* OF CONSOB'S REGULATIONS FOR ISSUERS

The following chart, prepared in accordance with Art. 149 *duodecies* of Consob's regulations for issuers, shows the fees pertaining to 2021 for external auditing and for services other than auditing rendered by the accounting firm or by entities in its network.

(amount in thousands of euro)	SERVICE PROVIDER	RECIPIENT	FEES IN 2021
Auditing	PricewaterhouseCoopers S.p.A.	IGD SIIQ S.p.A.	164
	PricewaterhouseCoopers S.p.A.	Società controllate: - IGD Management S.r.l. - Millennium Gallery S.r.l. - Porta Medicea S.r.l. - Arco Campus S.r.l.	57
	PricewaterhouseCoopers Audit S.r.l.	Società controllate Rumene	27
Sustainability report auditing	PricewaterhouseCoopers Advisory S.p.A.	Italia IGD SIIQ S.p.A.	25
Total			**273**

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4.10 CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

pursuant to Art. 81 ter of the Consob Regulation adopted with Resolution 11971 of 14 May 1999, as amended

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 year 2021.

2. We also confirm that:

2.1. the 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 performance, results, and current situation of the issuer and the companies in the consolidation, along with a description of the main risks and uncertainties to which they are exposed.

Bologna, 24 Februrary 2022

Claudio Albertini	*Carlo Barban*
Chief Executive Officer	Financial Reporting Officer

4.11 EXTERNAL AUDITORS' REPORT

Independent auditor's report

in accordance with article 14 of Legislative Decree N. 39 of 27 January 2010 and article 10 of Regulation (EU) N. 537/2014

To the shareholders of
Immobiliare Grande Distribuzione SIIQ SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Immobiliare Grande Distribuzione SIIQ SpA (hereinafter, also the "IGD Group"), which comprise the consolidated statement of financial position as of 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and the illustrative notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the IGD Group as of 31 December 2021, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree N. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Immobiliare Grande Distribuzione SIIQ SpA (hereinafter, also the "Company") pursuant to the regulations and standards on ethics and independence applicable to audits of consolidated financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were

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GRUPPO IGD BILANCIO CONSOLIDATO AL 31 DICEMBRE 2021
4.10 CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Valuation of investment properties, assets under construction and work in progress inventory *See notes N. 6, 7, 14, 17 and 22 and paragraphs "Summary of accounting standards" and "Use of estimates" of the illustrative notes to the consolidated financial statements as of 31 December 2021*	
As of 31 December 2021, IGD Group's investment properties and work in progress inventory are equal to, respectively, Euro 2,137.3 million (of which Euro 44.1 million relating to assets under construction) and Euro 37.4 million, totaling Euro 2,174.7 million, which represented 90.4% of total consolidated assets. Investment properties are measured at fair value in accordance with IAS 40 as endorsed by the European Union and work in progress inventory is measured at the lower of cost and net realizable value (which corresponds to fair value less cost to sell). Assets under construction are valued at cost less impairments, or at fair value if the procedure for obtaining administrative permits has been completed and construction is underway. The fair value of IGD Group's investment properties, assets under construction and work in progress inventory, which is based on appraisals carried out by independent experts (hereinafter, also the "Appraisers"), was of particular importance in auditing the IGD Group's consolidated financial statements and is a key audit matters of the audit as it is based on a complex process of estimate, made even more uncertain by the current market situation related to the Covid-19 pandemic, as well as on the use of assumptions that are impacted by future market conditions, specifically in relation to the estimated rental value and estimated vacancy	Our approach in auditing such financial statements items firstly included the understanding and evaluating of the methodologies and procedures defined by the Company and approved by the Board of Directors on 19 December 2013 and subsequently updated on 7 May 2019, to verify the independence and the competence of the independent Appraisers engaged to determine the fair value of investment properties, assets under construction and work in progress inventory, as well as the procedures dealing with the selection and rotation of the Appraisers and the sharing of information between IGD Group Management responsible for managing the real estate portfolio and the Appraisers. The audit approach therefore included testing of controls put in place by IGD Group over the aforementioned processes and procedures in order to verify the fair value measurement models prepared by the Appraisers as well as the results of such models. Based on our understanding, evaluating and testing of aforementioned controls, we therefore planned and performed substantive auditing tests on such financial statement line items. In this respect, we highlight that the tests of details on the real estate portfolio were performed on a sample of investments considered to be significant based on the risk

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
rates (i.e. the forecast percentage of investment property space that remains vacant), the rate used to capitalize the net rental income at the end of the measurement period and the rate used to discount the cash flows related to each investment property.	and size of each investments, with the aim to cover all kinds of investments and all the Appraisers involved, as well as to rotate the real estate portfolio selected by us. Specifically, we verified the reasonableness of the methodologies adopted and of the main assumptions reflected in the valuation models (discounted cash flow) through review and analysis of the appraisals prepared by the independent experts and discussions with IGD Group Management and the independent experts; such analyses and discussions were conducted involving the PwC experts in real estate valuation. Particular emphasis was placed on verifying the reasonableness of those variables, also assessed in the light of the market uncertainty related to the Covid-19 pandemic and the possible consequent impacts on the Company's business, that have the most significant impact in determining the fair value, like the estimated rental value, the estimated vacancy rate, the rate used to capitalise the net rental income at the end of the measurement period and the rate used to discount cash flows related to each investment property, with respect to the best practices normally adopted for the valuation of similar investment properties in the same real estate sector of IGD Group. With regard to assets under construction, we also verified the consistency between the estimated costs to complete the constructions, included in the valuation model, and the budget of costs approved by the Company's Board of Directors. We also verified on a sample basis the consistency between the cash flows included in the valuation models and the rents arising from the contracts signed with tenants, and between figures relating to insurance costs and the IMU property tax and related supporting documentation. For those investments selected, we also

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
	verified the mathematical accuracy of the valuation models prepared by the independent experts. Finally, taking into account that the fair value measurement of investment properties, assets under construction and work in progress inventory is based on the use of measurement models with unobservable inputs (Level 3 in the fair value hierarchy included in IFRS 13 as endorsed by the European Union), we verified the Company's disclosures in the illustrative notes to the consolidated financial statements regarding the methodology adopted to determine fair value, the estimate of inputs, the results of valuations and the fair value sensitivity analysis performed.
Accounting treatment of the sale transaction of some real estate investments *See notes N. 8 and 20 and paragraphs "Summary of accounting standards" and "Use of estimates" of the illustrative notes to the consolidated financial statements as of 31 December 2021* On 25 November 2021 the Company carried out a sale transaction of a real estate portfolio of 5 hypermarket e 1 supermarket (hereinafter also the "Portfolio") whose fair value at the closing date was appraised by an independent expert for some Euro 140 million. The sale transaction was carried out through: i) the preliminary contribution of the Portfolio and of a bank loan amounting to Euro 77 million to an Italian real estate reserved alternative investment fund named Fondo Juice, resulting in a 100% interest in the same fund (60% of Fondo Juice class A quotas with a preferential yield and 40% of Fondo Juice class B quotas with a yield subordinated to the yield and reimbursement of class A quotas); ii) the concurrent sale of Fondo Juice class A quotas for an amount of some Euro	Our audit approach preliminarily consisted of understanding the analysis performed by the Company of the derecognition of the net assets being part of the contributed Portfolio and of the qualification of the 40% investment in the Fondo Juice class B quotas as an associate, pursuant to the international accounting principle IAS 28 as adopted by the European Union. Subsequently, we carried out a critical analysis of the contractual documents, held discussions with the IGD Group management, as well as we read the Company's Board of Directors' minutes, also involving PwC network experts in the interpretation and application of

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
38 million to Corallo Lux HoldCo Sarl leading to a 40% interest held by IGD (class B quotas) and a 60% interest held by Corallo Lux HoldCo Sarl (class A quotas) in the Fondo Juice. Following an assessment carried out taking into particular account the governance of the Fondo Juice and the differents rights attached to the class A and class B quotas, the Company concluded that the Fondo Juice investment can be qualified as an associate, pursuant to the international accounting principle IAS 28 as adopted by the European Union. As a result of the loss of control by the IGD Group in the net assets sold, in the consolidated financial statements the Company adopted the following accounting treatment: i) Derecognition of the assets and liabilities being part of the contributed Portfolio; ii) Recognition of the 40% interest in the Fondo Juice at the fair value at the date of the loss of control. This was considered as a key audit matter for the statutory audit of the consolidated financial statements in consideration of the significant impact on the IGD Group assets and liabilities and of the complexity of the analysis of the related accounting treatment.	International Financial Reporting Standards. Moreover, we verified the accuracy of the entries related to the derecognition of the net assets contributed and to the classification of the Fondo Juice investment as an associate. We verified, also through the involvement of PwC network valuation experts, the reasonableness of the accounting estimates assessed by the Company related to the fair value of the Fondo Juice class B quotas, at the derecognition of the net assets sold date, pursuant to the international accounting principle IFRS 13 as adopted by the European Union. Finally, we verified the disclosures on the accounting treatment adopted by the Company in the consolidated financial statements.

Other matters

As required by law, the Company included in the illustrative notes to the consolidated financial statements the key figures of the latest financial statements of the entity which directs and coordinates its activities. Our opinion on the consolidated financial statements of Immobiliare Grande Distribuzione SIIQ SpA does not extend to those figures.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the

European Union, as well as with the regulations issued to implement article 9 of Legislative Decree N. 38/2005 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the IGD Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the Directors use the going concern basis of accounting unless they either intend to liquidate Immobiliare Grande Distribuzione SIIQ SpA or to cease operations, or have no realistic alternative but to do so.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, the IGD Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the IGD Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- We concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the IGD Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

GRUPPO IGD BILANCIO CONSOLIDATO AL 31 DICEMBRE 2021
4.10 CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

However, future events or conditions may cause the IGD Group to cease to continue as a going concern;

- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the IGD Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) N. 537/2014

On 18 April 2013, the Shareholders of Immobiliare Grande Distribuzione SIIQ SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2013 to 31 December 2021.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) N. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) N. 2019/815

The Directors of Immobiliare Grande Distribuzione SIIQ SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) N. 2019/815 concerning regulatory technical

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standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) N. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree N. 39/2010 and Article 123-bis, paragraph 4, of Legislative Decree N. 58/1998

The Directors of Immobiliare Grande Distribuzione SIIQ SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the IGD Group as of 31 December 2021, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) N. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree N. 58/1998, with the consolidated financial statements of the IGD Group as of 31 December 2021 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of IGD Group as of 31 December 2021 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree N. 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Bologna, 16 March 2022

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

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IGD SIIQ S.P.A. DRAFT SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2021

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5.1 INCOME STATEMENT

(IN EUROS)	NOTE	31/12/2021 (A)	31/12/2020 (B)	CHANGE (A)-(B)
Revenue	**1**	**119.318.137**	**120.737.180**	**(1.419.043)**
Revenues from third parties		77.497.362	76.855.048	642.314
Revenues from related parties		41.820.775	43.882.132	(2.061.357)
Other revenue	**2**	**1.148.121**	**913.777**	**234.344**
Other revenues from third parties		691.395	433.850	257.545
Other revenues from related parties		456.726	479.927	(23.201)
Revenues and change in inventory		120.466.258	121.650.957	(1.184.699)
Service costs	**3**	(11.594.663)	(10.750.671)	(843.992)
Service costs from third parties		(7.941.002)	(7.360.992)	(580.010)
Service costs from related parties		(3.653.661)	(3.389.679)	(263.982)
Cost of labour	**4**	(6.057.004)	(5.331.729)	(725.275)
Other operating costs	**5**	(14.155.033)	(16.507.482)	2.352.449
Total operating costs		**(31.806.700)**	**(32.589.882)**	**783.182**
Depreciations, amortization and provisions		(639.897)	(532.724)	(107.173)
(Impairment losses)/Reversals on work in progress and inventories		35.119	(256.958)	292.077
Provisions for doubtful accounts		(2.645.653)	(9.017.400)	6.371.747
Change in fair value		(378.704)	(111.212.086)	110.833.382
Depreciation, amortization, provisions, impairment and change in fair value	**6**	**(3.629.135)**	**(121.019.168)**	**117.390.033**
EBIT		**85.030.423**	**(31.958.093)**	**116.988.516**
Income/ (loss) from equity investments and asset disposal	**7**	**912.648**	**4.000**	**908.648**
Financial Income		**80.087**	**171.909**	**(91.822)**
Financial income from third parties		51.220	81.614	(30.394)
Financial income from related parties		28.867	90.295	(61.428)
Financial charges		**(32.384.326)**	**(34.539.232)**	**2.154.906**
Financial charges from third parties		(32.379.247)	(34.526.756)	2.147.509
Financial charges from related parties		(5.079)	(12.476)	7.397
Net financial income (expense)	**8**	**(32.304.239)**	**(34.367.323)**	**2.063.084**
Pre-tax profit		**53.638.832**	**(66.321.416)**	**119.960.248**
Income taxes	**9**	454.569	(115.624)	570.193
NET PROFIT FOR THE PERIOD		**54.093.401**	**(66.437.040)**	**120.530.441**

5.2 STATEMENT OF COMPREHENSIVE INCOME

(AMOUNT IN EURO)	31/12/2021	31/12/2020
NET PROFIT FOR THE PERIOD	**54.093.401**	**(66.437.040)**
Other components of comprehensive income that will not be reclassified to profit/(loss)		
Recalculation of defined benefit plans	(8.439)	(29.141)
Tax effect	334	6.994
Total other components of comprehensive income that will not be reclassified to profit/(loss), net of tax effect	**(8.105)**	**(22.147)**
Other components of comprehensive income that will be reclassified to profit/(loss)		
Effects of hedge derivatives on net equity	5.224.003	4.531.965
Tax effect of hedge derivatives	(1.218.877)	(1.004.222)
Total other components of comprehensive income that will be reclassified to profit/(loss)	**4.005.126**	**3.527.743**
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	**58.090.422**	**(62.931.444)**

IGD SIIQ S.P.A. PROGETTO DI BILANCIO DI ESERCIZIO AL 31 DICEMBRE 2021

5.3 STATEMENT OF FINANCIAL POSITION

(IN EUROS)	NOTE	31/12/2021 (A)	31/12/2020 (B)	CHANGE (A)-(B)
NON CURRENT ASSETS:				
Intangible assets				
Intangible assets with finite useful lives	10	289.625	25.079	264.546
Goodwill	11	1.000.000	1.000.000	0
		1.289.625	**1.025.079**	**264.546**
Property, plant, and equipment				
Investment property	12	1.781.635.133	1.912.265.817	(130.630.684)
Buildings	13	7.173.012	7.413.703	(240.691)
Plant and machinery	14	112.046	138.018	(25.972)
Equipment and other goods	14	1.124.574	329.415	795.159
Assets under construction and advance payments	15	27.882.640	26.044.757	1.837.883
		1.817.927.405	**1.946.191.710**	**(128.264.305)**
Other non-current assets				
Deferred tax assets	16	2.769.448	4.320.495	(1.551.047)
Sundry receivables and other non-current assets	17	83.542	82.562	980
Equity investments	18	212.097.920	186.473.918	25.624.002
		214.950.910	**190.876.975**	**24.073.935**
TOTAL NON-CURRENT ASSETS (A)		**2.034.167.940**	**2.138.093.764**	**(103.925.824)**
CURRENT ASSETS:				
Trade and other receivables	19	10.956.842	13.463.549	(2.506.707)
Related party trade and other receivables	20	397.100	325.324	71.776
Other current assets	21	1.740.323	1.333.339	406.984
Related parties other current assets	22	1.349.743	63.518	1.286.225
Related parties financial receivables and other current financial assets	23	94.072.500	93.208.810	863.690
Cash and cash equivalents	24	146.380.092	110.733.403	35.646.689
TOTAL CURRENT ASSETS (B)		**254.896.600**	**219.127.943**	**35.768.657**
TOTAL ASSETS (A + B)		**2.289.064.540**	**2.357.221.707**	**(68.157.167)**
NET EQUITY:				
Share capital		650.000.000	650.000.000	0
Share premium reserve		0	30.058.205	(30.058.205)
Other reserves		470.563.790	502.945.601	(32.381.811)
Profit (loss) carried forward		3.892.862	3.892.525	337
Net profit (loss) of the year		54.093.401	(66.437.040)	120.530.441
TOTAL NET EQUITY (D)	25	**1.178.550.053**	**1.120.459.291**	**58.090.762**
NON-CURRENT LIABILITIES:				
Derivatives - liabilities	39	6.736.621	11.202.543	(4.465.922)
Financial liabilities	26	880.022.871	1.056.269.785	(176.246.914)
Provisions for employee severance indemnities	27	1.975.548	1.929.299	46.249
Provisions for risks and future charges	28	3.692.680	3.537.916	154.764
Sundry payables and other liabilities	29	1.597.367	2.393.411	(796.044)
Related parties sundry payables and other liabilities	29	10.441.685	13.462.013	(3.020.328)
TOTAL NON-CURRENT LIABILITIES (E)		**904.466.772**	**1.088.794.967**	**(184.328.195)**
CURRENT LIABILITIES:				
Financial liabilities	30	185.792.213	128.176.484	57.615.729
Related parties financial liabilities	30	30.843	3.828.409	(3.797.566)
Trade and other payables	32	8.048.114	5.568.887	2.479.227
Related parties trade and other payables	33	901.671	515.237	386.434
Tax liabilities	34	671.923	709.260	(37.337)
Other liabilities	35	10.383.459	9.052.177	1.331.282
Related parties other liabilities	36	219.492	116.995	102.497
TOTAL CURRENT LIABILITIES (F)		**206.047.715**	**147.967.449**	**58.080.266**
TOTAL LIABILITIES (H=E+F)		**1.110.514.487**	**1.236.762.416**	**(126.247.929)**
TOTAL NET EQUITY AND LIABILITIES (D+H)		**2.289.064.540**	**2.357.221.707**	**(68.157.167)**

5.4 STATEMENT OF CHANGES IN EQUITY

(AMOUNT IN THOUSANDS OF EURO)	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER RESERVE	PROFIT (LOSS) FROM PREVIOUS YEARS	PROFIT (LOSS) OF THE YEAR	NET EQUITY
Balance at 01/01/2021	**650.000**	**30.058**	**502.946**	**3.892**	**(66.437)**	**1.120.459**
Profit/(loss) for the years	0	0	0	0	54.093	54.093
Cash flow hedge derivative assessment	0	0	4.005	0	0	4.005
Other comprehensive income (losses)	0	0	(8)	0	0	(8)
Totale utili (perdite) complessivo	**0**	**0**	**3.997**	**0**	**54.093**	**58.090**
Cover of 2020 loss						
Non distributed dividends in previous years	0	0	1	0	0	1
2020 Loss cover	0	(30.058)	(36.379)	0	66.437	0
Balance at 31/12/2021	**650.000**	**0**	**470.565**	**3.892**	**54.093**	**1.178.550**

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5.5 STATEMENT OF CASH FLOWS

(IN THOUSANDS OF EUROS)	31/12/2021	31/12/20
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit (loss) of the year	**54.093**	**(66.437)**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities		
Taxes of the year	(455)	116
Financial charges / (income)	32.304	34.368
Depreciation and amortization	640	533
Writedown of receivables	2.646	9.017
(Impairment losses) / reversal on work in progress	(35)	257
Changes in fair value - increases / (decreases)	378	111.212
Out of period (Income)/Loss - Equity investments and assets disposal	(908)	0
Changes in provisions for employees and end of mandate treatment	931	999
CASH FLOW FROM OPERATING ACTIVITIES:	**89.594**	**90.065**
Financial charge paid	(26.790)	(27.563)
Provision for employees and end of mandate treatment	(471)	(807)
Income tax	(153)	0
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX:	**62.180**	**61.695**
Change in trade receivables	(212)	(14.477)
Net change in other assets	(1.694)	1.508
Change in trade payables	2.866	(6.200)
Net change in other liabilities	(1.704)	(734)
CASH FLOW FROM OPERATING ACTIVITIES (A)	**61.436**	**41.792**
(Investments) in intangible assets	(293)	(7)
Disposals of intangible assets	0	0
Disposals of investment properties	113.819	0
(Investments) in tangible assets	(11.679)	(7.079)
Disposals of tangible assets	0	0
Equity (investments)	42	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	**101.889**	**(7.086)**
Change in non-current financial assets	(864)	(1.285)
Disposal/(purchase) of treasury shares	0	198
Capital gain/ (loss) on disposal of treasury shares	0	(200)
Distribution of dividends	0	(25.150)
Rents paid for financial leases	(2.923)	(2.615)
Collections for new loans and other financing activities	0	34.682
Loans repayments and other financing activities	(123.891)	(54.142)
CASH FLOW FROM FINANCING ACTIVITIES (C)	**(127.678)**	**(48.512)**
NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)	**35.647**	**(13.806)**
CASH BALANCE AT BEGINNING OF THE PERIOD	**110.733**	**124.539**
CASH BALANCE AT END OF THE PERIOD	**146.380**	**110.733**

5.6 NOTES TO THE FINANCIAL STATEMENTS

5.6.1 General information

The draft separate financial statements of Immobiliare Grande Distribuzione SIIQ S.p.A. at 31 December 2021 were approved and authorized for publication by the Board of Directors on 24 February 2022.

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.

5.6.2 SUMMARY OF ACCOUNTING STANDARDS

5.6.2.1 Preparation criteria

Statement of compliance with International Accounting Standards

The separate financial statements for 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. The IFRS have been applied consistently to all reporting periods presented with the exception of IFRS 16, as better explained in the section “Changes in accounting standards.”

Reporting formats

The items in the statement of financial position have been classified as current or non-current, 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 profit for non-cash items.

Presentation of the notes to the financial statements

To facilitate comprehension, all amounts below are expressed in thousands of euros (€/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 31 March 2021 the IASB published “Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16),” extending for one year the amendment issued in 2020, which gives lessees the option to account for Covid-19 related rent concessions without the need to determine from the contracts whether they constitute lease modifications as defined by IFRS 16. Therefore, lessees who took this option in 2020 accounted for the effects of rent concessions directly in the income statement as of the effective date of the concession. The 2021 amendment is only available to entities that took the option in 2020. The application of these amendments produced a miscellaneous gain of €416K for lower rent paid, recognized under service costs.
- On 27 August 2020, in light of the reform of interbank interest rates such as the IBOR, the IASB 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 had no effect on the Company’s separate 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 31 December 2021

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- 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 amendments to have a significant impact on the Company's separate 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 separate 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 amendment to have a significant impact on the Company's financial statements.

5.6.2.2 Intangible assets

Intangible assets are recognized at cost when it is likely that use of the asset will generate future economic benefits and when its cost can be reliably determined. Intangible assets acquired through business combinations are recognized at the market value defined as of the acquisition date, if that value can be reliably determined.

After their initial recognition, intangible assets are carried at cost. The useful life of intangibles can be either finite or indefinite. Intangible assets with indefinite useful lives are not amortized but are subject to impairment testing each year, or more frequently, whenever there is any indication of impairment. Further to such testing, if the recoverable value of an asset is less than its book value, the latter is reduced to recoverable value. This reduction constitutes an impairment loss, which is immediately posted to the income statement. An asset's recoverable value is the higher of its net sale value or value in use. Value in use is the present value of expected cash flows generated by the asset. In order to assess losses in value, assets are aggregated to the lowest cash generating unit, i.e. the lowest level for which independent cash flows can be separately identified. In the case of an indicator implying recovery of the value lost, the asset's recoverable value is re-determined and the book value is increased to that new value. However, the increase in book value can never exceed the net book value that the fixed asset would have had if no impairment had occurred.

5.6.2.3 Business combinations and goodwill

Business combinations are accounted for using the purchase method. This requires the recognition at market value of the identifiable assets (including intangible assets previously not recognized) and identifiable liabilities (including contingent liabilities but excluding future restructuring) of the entity acquired. Transaction costs are recognized as soon as they are incurred.

Goodwill acquired in a business combination, which in the separate financial statements is incorporated into the value of the investment acquired, is calculated as the excess of the total consideration transferred, minority interests in net equity and the fair value of any previously held interest in the company over the acquisition-date fair value of the net assets acquired and the liabilities assumed. If the acquisition-date fair value of the net assets acquired and the liabilities assumed exceeds the sum of the consideration transferred, minority interests in net equity and the fair value of any previously held interest in the acquiree, the excess is recognized immediately as income arising from the transaction.

Minority interests in net equity, as of the acquisition date, can be measured at fair value or as a pro-quota proportion of the value of the net assets recognized for the acquiree. This choice is made on a case-by-case basis.

Any contingent consideration provided for in the acquisition agreement is measured at its acquisition-date fair value, and included in the value of the consideration transferred in the business combination for the purpose of determining goodwill. Subsequent changes in fair value that qualify as adjustments arising during the measurement period are included in goodwill retrospectively. Such changes are those caused by additional information, obtained during the measurement period (not to exceed one year from the business combination), regarding facts and circumstances that existed on the acquisition date.

In the case of business combinations achieved in stages, the interest previously held by the Group is remeasured at fair value as of the date control is acquired, and any resulting gain or loss is recognized in the income statement. Any amounts deriving from the previously held interest and reported in other comprehensive income or losses are reclassified to profit or loss as if the interest had been sold.

If the initial values of a business combination are incomplete at the end of the financial period in which it occurred, in the financial statements the Company uses provisional amounts for those elements that cannot be measured in full. The provisional amounts are adjusted during the measurement period to take account of new information on facts and circumstances existing on the acquisition date which, if known, would have affected the acquisition-date value of the assets and liabilities recognized.

Business combinations occurring before 1 January 2010 are reported according to the previous version of IFRS 3.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the acquirer's individual cash generating units or to the groups of cash generating units that are expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities are assigned to those units or groups of units. Each unit or group of units to which goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes;

- is not larger than a segment based on either the primary or secondary reporting format determined in accordance with IFRS 8 - Segment Reporting;

- when goodwill is part of a cash generating unit or group of cash generating units and the Group disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal. The goodwill transferred under these circumstances is measured on the basis of the relative values of the operation disposed of and the portion of the cash generating unit retained.

If the disposal concerns a subsidiary, the difference between the sale price and net assets plus accumulated translation differences and goodwill is recognized in profit or loss.

After first-time recognition, goodwill is decreased by accumulated impairment losses, determined as described below.

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 intangible assets. If the amount recoverable by the cash generating unit is lower than the carrying value attributed, then an impairment loss is recognized. Impairment losses on goodwill cannot be reversed in subsequent years. The Company tests goodwill for impairment at 31 December of each year.

5.6.2.4 Investment property and assets under construction

Investment property is real estate held in order to earn rent while appreciating in value over time.

Investment property is initially recognized at cost, including transaction expenses (as well as borrowing costs, where applicable), and is subsequently measured at fair value with changes reported in the income statement.

Any work on the properties is added to their carrying value only if it is likely to produce future economic benefits and if the cost can be reliably determined. Other maintenance and repair costs are recognized in the income statement when incurred.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this expenditure.

The market value of properties includes the value of their plant and machinery, as well as goodwill acquired.

Investment property is derecognized on disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses from the withdrawal or disposal of investment property are recognized to profit or loss in the period in

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which the withdrawal or disposal takes place.

Assets under construction, consisting of deposits and advance payments, are valued at cost. For land and accessory works on which investment property will be developed, once the building permits are obtained and/or the urban planning agreements signed, and once the procedure for obtaining administrative permits is completed and construction is underway, fair value can be reliably determined and the fair value method is therefore used. Until that time, the asset is recognized at cost, which is compared with recoverable amount at each reporting date in order to determine any loss in value. When construction or development of an investment property is completed, it is restated to "investment property."

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The fair value of investment property in accordance with IFRS 13 must reflect, among other things, rental income from current leases and other reasonable and supportable assumptions that market participants would use when pricing the asset under current market conditions.

As stated in paragraph 27 of IFRS 13, a fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, more specifically,

- a use that is physically possible takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g. the location or size of a property);

- a use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning regulations applicable to a property);

- a use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.

Highest and best use is determined from the perspective of market participants. An entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximize the value of the asset.

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 specific valuation policies used, as certified in the appraisal report, were as follows:

- For malls and offices: discounted cash flow projections 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 hypermarkets and supermarkets: discounted cash flow projections 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 other properties: income method (DCF);

- for construction in progress (extensions and new constructions), the transformation method was used, based on the discounting of future rental income for the property net of construction costs and other expenses.

The above methods were applied individually to each property, according to their specific features.

5.6.2.5 IAS 23 - Borrowing costs

Borrowing costs directly attributable to the purchase and construction of investment property relating to both new constructions and extensions, are added to the carrying value of the property in question. Interest is capitalized provided that the augmented carrying amount of the asset does not increase beyond market value. The Company has not capitalized financial charges.

5.6.2.6 IFRS 16 – Leases

The Company holds an operating lease for a mall inside the Fonti del Corallo shopping center which is in turn leased to third parties.

In accordance with IFRS 16, upon signing a new operating lease of a significant amount and with a duration of more than one year, the Company recognizes a right-of-use asset of the same amount as the lease liability. The right-of-use asset is accounted for under property, plant and equipment ("investment property") and subject to independent appraisal to determine its fair value. At the end of each reporting period, the change in fair value is reported separately in the income statement.

To determine the fair value of every asset held under operating leases, the independent experts discount to present value the cash flows expected in the years covered by the lease. Unlike traditional real estate appraisals, the terminal value at the end of the explicit period is not considered.

The Company takes the exemption permitted by IFRS 16:5 (a) for short-term leases. Likewise, the Company has opted for the exemption permitted by IFRS 16:5 (b) with respect to leases for which the underlying asset qualifies as low-value. For these contracts, the lease installments continue to be recognized in profit or loss on a straight line basis over the lease term.

5.6.2.7 Plant, machinery and equipment

Plant, machinery and equipment that are owned by IGD and are not attributable to investment property are recognized at cost, less commercial discounts and rebates, considering directly attributable expenses as well as an initial estimate of the cost of dismantling and removing the asset and restoring the site where it was located. Costs incurred after purchase are capitalized only if they increase the future economic benefits expected of the asset. All other costs (including financial expenses directly attributable to the purchase, construction or production of the asset) are recognized to profit or loss when incurred. The capitalized charge is recognized to profit and loss throughout the useful life of the tangible asset by means of depreciation. Depreciation is calculated on a straight-line basis over the asset's estimated useful life, as follows:

CATEGORY	RATE
Wiring, sprinkler system, compressed air	10%
HVAC system	15%
Fittings	20%
Computer to manage plants	20%
Special communication system - telephone	25%
Special plant	25%
Alarm / Security system	30%
Sundry equipment	15%
Office furnishing	12%
Cash registers and EPD machines	20%
Personal computers and machines	40%

An asset is subject to impairment testing whenever events or changes in circumstances indicate that its carrying value cannot be fully recovered. If the carrying value exceeds the recoverable amount, the asset is written down to reflect the impairment. An asset's recoverable value is the higher of its net sale value or value in use.

In measuring value in use, the discount rate used should be the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate sufficiently independent cash flows, the value is determined in relation to the cash generating unit to which the asset belongs. Impairment is charged to the income statement as depreciation. Impairment is reversed if the reasons cease to apply.

When an asset is sold or when its use is no longer expected to produce future economic benefits, it is derecognized and any loss or gain (calculated as the difference between the sale value and carrying value) is taken to profit or loss the year the asset is eliminated.

5.6.2.8 Equity investments

Equity investments in subsidiaries are recognized at cost less any impairment. The positive difference, at the time of the acquisition, between the purchase cost and IGD's share of net equity at present values is therefore included in the carrying value of the investment.

Should IGD's share of the acquiree's losses exceed the carrying value of the investment, the investment is written off, and the Company's share of further losses is recognized as a liability provision if IGD is liable for this.

equity investments in joint ventures and associates are accounted for using the equity method. As such, the investment is initially carried at cost, which is then adjusted upward or downward to reflect changes in net equity after purchase. The adjustments are taken to the income statement in proportion to the Company's share of profit or loss, taking into account any impact of preference shares or quotas held by third parties.

5.6.2.9 Other non-current assets

Other non-current assets consist of deferred tax assets, financial assets relating to derivatives, and miscellaneous. Receivables and other financial assets other than derivatives, to be held until maturity, are recognized at cost which corresponds to the fair value of the initial consideration paid plus transaction costs. The initial value recognized is subsequently adjusted to take account of the reimbursement of principal, any impairment losses, and amortization of the difference between the redemption value and the initial carrying value. Amortization is charged at the effective interest rate, corresponding to the rate which, upon first-time recognition, makes the present value of projected cash flows equal to the initial carrying amount (amortized cost method).

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5.6.2.10 Trade and other receivables

Receivables are shown at fair value, which coincides with their face value less any impairment. For trade receivables, an impairment provision is made when there is an objective indication (e.g. the likelihood of insolvency or significant financial problems for the debtor) that the Company will not be able to recover all amounts due under the original terms and conditions. The carrying amount of the receivable is reduced by means of a separate provision. Impaired receivables are written off when they are found to be irrecoverable.

Commercial discounts on periods for which the revenue has already accrued are accounted for on the basis of IFRS 9, provided that no further changes are negotiated with the customer. in these cases the receivable is reversed in the amount of the discount granted, with immediate effect on the income statement.

5.6.2.11 Cash and cash equivalents

Cash and cash equivalents are recognized, depending on their nature, at face value or amortized cost.

Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, with an original maturity of no more than three months.

5.6.2.12 Financial receivables and other current financial assets

These consist mainly of financial assets held to maturity. This category includes financial assets with fixed or determinate payments and a set maturity, that the company plans and is able to hold until that time. They are initially valued at cost, and subsequently at amortized cost.

5.6.2.13 Treasury shares

Treasury shares are recognized at cost and deducted from shareholders' equity. Any gains or losses generated by their subsequent sale are recognized in equity.

5.6.2.14 Financial liabilities

Financial liabilities consist of borrowings, trade payables and other payables.

They are initially recognized at fair value plus transaction costs; subsequently, they are carried at amortized cost which corresponds to their initial value, net of principal reimbursed, and adjusted upward or downward for the amortization of any differences between initial value and value at maturity (using the effective interest method).

5.6.2.15 General provisions

General provisions cover liabilities of a definite nature that are certain or likely to arise, but whose amount or timing were unknown at the close of the year. Provisions are recognized when they cover a present obligation (legal or constructive) that stems from a past event, if settlement of the obligation will likely involve an outflow in an amount that can be reliably estimated.

The provision covers the best estimate of the amount the company would pay to settle the obligation or transfer it to third parties at the close of the financial period. If the effect is significant, provisions are determined by discounting projected cash flows at a pre-tax rate that reflects current market assessments of the time value of money. When cash flows are discounted, the increase in the provision due to the passing of time is recorded as a financial charge.

5.6.2.16 Employee benefits

Employee termination indemnities, which are mandatory for Italian companies pursuant to Law 297/1982 (*trattamento di fine rapporto* or TFR), qualify as defined benefit plans and are based, among other factors, on employees' working lives and on the compensation they receive during a pre-determined period of service. The liability for a defined benefit plan, net of any assets servicing the plan, is determined on the basis of actuarial assumptions and is recognized on an accruals basis consistently with the amount of service required to receive the benefits; the liability is valued by independent actuaries. Gains and losses arising from the actuarial calculation are taken to the statement of comprehensive income under "other comprehensive income". The Company does not offer compensation in the form of share-based payments, as employees do not render services in exchange for shares or options on shares. In addition, the Company does not offer employee incentive plans in the form of share participation instruments.

5.6.2.17 Revenue

Revenue is recognized to the extent the Company is likely to enjoy the economic benefits and the amount can be reliably determined. It is shown at the market value of the consideration received, excluding discounts, rebates and taxes. The following recognition criteria must always be satisfied before revenue is posted to the income statement:

- Rent and business lease revenue

  Rental income and business lease revenue from the Company's freehold and leasehold properties is recorded on an accruals basis, according to the rental and leasing contracts in force.

- Service income

  Service income is recorded with reference to the state of completion of the transaction and only when the outcome of the service can be reliably estimated.

5.6.2.18 Interest

Interest income and expense is recorded on an accruals basis with reference to the net value of the financial assets and liabilities concerned, using the effective interest rate.

5.6.2.19 Dividends

Dividends are recognized when the Company is entitled to their receipt.

5.6.2.20 Income taxes

a) Current taxes

Current tax liabilities for the 2021 and previous years are measured as the amount expected to be paid to the tax authorities. The tax rates and laws used to calculate that amount are those that have been enacted or substantively enacted by the balance sheet date.

Other taxes not related to income, such as those on property and capital, are booked to operating expenses.

b) Deferred taxes

Deferred taxes are calculated on temporary differences existing at the reporting date between the value of assets and liabilities for tax purposes and the value reported in the statement of financial position.

Deferred tax liabilities are recognized on all taxable temporary differences, except when they derive from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, except when the deferred tax asset associated with deductible temporary differences derives from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

The carrying value of a deferred tax asset is reviewed at each balance sheet date, and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Unrecognized deferred tax assets are also reviewed at each balance sheet date and are recognized to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on current tax rates and those in effect or substantively in effect by the balance sheet date, and considering the manner in which the temporary differences are expected to reverse.

Income taxes relating to items that are credited or charged directly to equity are also charged or credited directly to equity and not to profit or loss.

5.6.2.21 Derecognition of financial assets and financial liabilities

a) Financial assets

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Company still has the right to receive cash flows from the asset, but has a contractual obligation to pay these immediately and in full to a third party;
- the Company has transferred the right to receive cash flows from the asset and (a) has transferred substantially all risks and rewards of ownership of the financial asset or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the Company has transferred the right to receive cash flows from an asset and has neither transferred nor retained substantially all of the risks and rewards or has not lost control of the asset, then the asset is recognized to the extent of the Company's continuing involvement. Continuing involvement, which takes the form of a guarantee on the transferred asset, is recognized at the lower of the initial carrying value of the asset and the maximum amount that IGD could be required to pay.

b) Financial liabilities

A financial liability is derecognized when the underlying obligation is expired, canceled or discharged.

Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, with any differences between carrying values recognized in profit or loss.

5.6.2.22 Derivative financial instruments

The Company holds derivative financial instruments for the purpose of hedging its exposure to the risk of interest rate changes affecting specific recognized liabilities.

In accordance with IFRS 9, derivative financial instruments used for hedging qualify for hedge accounting only if:

a) at the inception of the hedge there is formal designation and documentation of the hedging relationship;

b) the hedge is expected to be highly effective;

c) the effectiveness of the hedge can be reliably measured;

d) the hedge is highly effective throughout the financial reporting periods for which it was designated.

All derivative financial instruments are measured at fair value. When the financial instruments qualify for hedge accounting, the following rules apply:

Fair value hedge - If a derivative financial instrument is designated as a hedge against changes in the fair value of an asset or liability attributable to a particular risk, the gain or loss arising from subsequent fair value accounting of the hedge is recognized in profit or loss. The part of the gain or loss from remeasuring the hedged item at fair value that is attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognized in profit or loss.

Cash flow hedge - If a financial instrument is designated as a hedge against exposure to variations in the cash flows of a recognized asset or liability or a forecast transaction that is highly probable, the effective portion of the gain or loss from remeasuring the instrument at fair value is recognized in a separate equity reserve. The cumulative gain or loss is reversed from the equity reserve and transferred to profit or loss the same year that the effects of the hedged transaction are recognized in profit or loss. The ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss. If a hedging instrument is closed but the hedged transaction has not yet taken place, the cumulative gains and losses remain in the equity reserve and are restated to profit or loss when the transaction is realized or when a loss in value occurs. If the transaction is no longer expected to occur, the unrealized gains or losses still recognized in the equity reserve are immediately reclassified to profit or loss.

If hedge accounting does not apply, the gains or losses arising from measurement at fair value of the derivative financial instrument are recognized directly to profit or loss.

5.6.2.23 SIIQ status

A company with SIIQ (Società di Investimento Immobiliare Quotata) status, applicable to IGD since 1 January 2008, can exclude rental income and the equivalent for the purposes of IRES (corporate income tax) and IRAP (regional business tax) (see also section 2.8 of the Directors' report).

At 31 December 2021, as at the end of previous years, IGD satisfied both the "asset test" and the "profit test" required to retain SIIQ status.

In accordance with the SIIQ rules, the company does maintain marginal operations other than property rental and the equivalent ("taxable operations").

Therefore, income from taxable operations has been subject to the standard rules of computation, while the SIIQ rules have been followed for income from exempt operations.

To determine the results of separate operations, subject to different accounting and tax treatment in accordance with paragraph 121 of Law 296/06, IGD SIIQ S.p.A. has kept separate accounts for exempt rental operations and taxable marginal operations.

Income from exempt operations therefore include revenue and costs typical of the property rental business, as well as those typical of operations considered to be equivalent.

Likewise, revenue and costs stemming from the company's remaining activities have been allocated to taxable operations.

Due to changes to the SIIQ rules introduced by Law 164 of 11 November 2014 ("Conversion into law, with amendments, of Decree 133 of 12 September 2014"), capital gains and losses on rental properties (whether realized or implicit in fair value measurements) are also included in exempt operations.

In accordance with paragraph 121 of Law 296/06 and with the clarifications contained in Revenue Office Circular 8/E of 7 February 2008, general, administrative and financial costs that cannot be directly attributed to exempt or taxable operations or allocated on the basis of objective parameters have been split according to the ratio of exempt revenue/income/dividends to total revenue/income/dividends.

As for properties (owned or held on the basis of other corporeal rights) forming part of rental package deals, the accurate and objective determination of the portion of fees pertaining to the real estate component has been ensured by making the exempt/taxable allocation on the basis of an expert appraisal to quantify the fair value of fees at each property that pertain to rent.

Likewise, the costs common to package deals as a whole (such as shopping center promotion and advertising costs) have been allocated to exempt and taxable operations in the same proportions used for rent. In this specific case, such a policy was thought to be more reliable and objective than an allocation based on the company's total revenue. Since these costs relate directly to the package deals and not to IGD's operations as a whole, their correlation with contractual fees is immediate and objective.

The tables below show the breakdown of profit into exempt and taxable income, as well as the calculations made to verify satisfaction of the asset test and profit test of the property rental and equivalent businesses (also see Section 2.8 of the Directors' Report):

INCOME STATEMENT OF TAXABLE AND EXEMPT INCOME (AMOUNTS IN EURO)	31/12/2021 TOTAL	31/12/2021 EXEMPT INCOME	31/12/2021 TAXABLE INCOME
Total revenues and operating income	**120.466.258**	**112.076.785**	**8.389.473**
Total operating costs	**(31.806.700)**	**(30.713.300)**	**(1.093.400)**
(Amortizations and provisions)	(3.285.550)	(2.959.000)	(326.550)
(Impairment)/Reversals of work in progress and inventories	35.119	35.119	0
Change in fair value - (increases) / (decreases)	(378.704)	2.967.239	(3.345.943)
EBIT	**85.030.423**	**81.406.843**	**3.623.580**
Equity investment results	**912.648**	**908.543**	**4.105**
Financial income	80.087	7.524	72.563
Financial charges	(32.384.326)	(30.162.935)	(2.221.391)
Financial management result	**(32.304.239)**	**(30.155.411)**	**(2.148.828)**
PRE-TAX PROFIT	**53.638.832**	**52.159.975**	**1.478.857**
Income taxes for the period	454.569	0	454.569
NET PROFIT FOR THE PERIOD	**54.093.401**	**52.159.975**	**1.933.426**

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IGD SIIQ S.P.A. PROGETTO DI BILANCIO DI ESERCIZIO AL 31 DICEMBRE 2021
5.6 NOTES TO THE FINANCIAL STATEMENTS

CONFIRMATION OF THE ECONOMIC RESULT (AMOUNTS IN EURO)	31/12/2021
Value of income from rental activities (exempt income)	112.076.785
Capital gains	0
Result from juice	942.463
Total (A)	**113.019.248**
Positive components	120.550.453
Capital gains	0
Result from juice	942.463
Total (B)	**121.492.916**
Income ratio (A/B)	**93,03%**

CONFIRMATION OF THE FINANCIAL CONDITIONS (AMOUNTS IN EURO)		31/12/2021
Rental properties		1.781.635.133
Assets under construction		27.882.641
Stakes in SIINQ		0
Stakes in closed real estate funds		25.666.000
Rights to use		(10.296.861)
Total rental properties, assets under construction and stakes in SIINQ	**A**	**1.824.886.913**
TOTAL ASSETS	**B**	**2.289.064.540**
Elements excluded from the ratio:	**C**	**(261.748.996)**
Cash on hands		(146.380.092)
Group companies loans		(94.072.500)
Trade receivables		(11.353.944)
IGD SIIQ Headquarters		(7.173.012)
Derivative assets		0
Deferred tax assets		(2.769.448)
Tax credits		0
Right to use		0
Total adjusted assets B-C=D	**D**	**2.027.315.544**
FINANCIAL RATIO A/D		**90,01%**

IGD SIIQ S.P.A. PROGETTO DI BILANCIO DI ESERCIZIO AL 31 DICEMBRE 2021
5.6 NOTES TO THE FINANCIAL STATEMENTS

5.6.3 USE OF ESTIMATES

The preparation of the separate 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 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

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, (iii) reputability and independence, and (iv) value for money. 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 31 December 2021, the following independent firms were selected: (i) CBRE Valuation S.p.A., (ii) Duff&Phelps Reag S.p.A. (formerly Real Estate Advisory Group 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.

In light of the current market situation resulting from the Covid-19 pandemic, the independent appraisal certificates included in the Directors' Report (Section 2.7, "Real estate appraisals") state some degree of uncertainty as to the fair value of properties at 31 December 2021 and on a forward-looking basis.

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). 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 volatility;

(iii) credit spreads;

d) market-corroborated inputs.

- Level 3 inputs are unobservable inputs for the asset or liability.

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

The following table shows IGD SIIQ investment property by type, measured at fair value at 31 December 2021. It does not include construction in progress (Porto Grande expansion, listed with assets under construction), which is measured at the lower of cost and appraised market value as opposed to fair value.

FAIR VALUE MEASUREMENTS 31/12/2021 AMOUNT IN THOUSANDS EURO	QUOTED PRICES (UNADJUSTED) IN ACTIVE MARKET FOR IDENTICAL ASSETS OR LIABILITIES (LEVEL 1)	SIGNIFICANT INPUTS OBSERVABLE ON THE MARKETS (LEVEL 2)	SIGNIFICANT INPUTS NOT OBSERVABLE ON THE MARKETS (LEVEL 3)
Investment property:			
Shopping malls and retail parks	0	0	1.330.675
Hypermarkets and supermarkets	0	0	423.844
Residual portion of properties	0	0	16.819
IGD SIIQ S.p.A. Investment property	**0**	**0**	**1.771.338**
Right to use (IFRS 16)			
Right to use (IFRS 16)	0	0	10.297
Total right to use(IFRS 16)	**0**	**0**	**10.297**
Total investment property measured at fair value	**0**	**0**	**1.781.635**

See section 4.6.3 ("Use of estimates") for further information.

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.

Recoverable amount of equity investments

On the basis of the fund regulations, the recoverable amount of IGD's investment in the "Fondo Juice" real estate investment fund is strictly correlated with fair value and with the sale value of the property investments managed.

Recoverability of deferred tax assets

The Company has deferred tax assets on deductible temporary differences and theoretical tax benefits for losses carried forward. In estimating recoverable value, the Company 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 31 December is determined on the basis of annual earnings reports from the individual tenants, if available, and otherwise on the basis of monthly reports.

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 Company 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 Company 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 Company monitors the status of such litigation and consults with its attorneys and with experts in law and taxation.

5.6.4 SEGMENT REPORTING

IFRS 8 defines an operating segment as a component of an entity (i) that engages in business activities from which it may earn revenues and incur expenses, (ii) whose operating results are reviewed regularly by the entity's chief operating decision maker, and (iii) for which discrete financial information is available. Given the nature of its activities, IGD has three main operating segments: core business properties, services, and trading. For a more in-depth description of the core real estate and services segments, see section 2.1.1. Information on the trading segment is provided in the Directors' Report with reference to the Porta a Mare project. These segments also represent the highest levels of performance analysis by management.

In accordance with IFRS 8, the income statement and the statement of financial position are broken down below by operating segment, followed by a geographical breakdown of revenue from freehold properties.

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INCOME STATEMENT	31-DIC-21	31-DIC-20	31-DIC-21	31-DIC-20	31-DIC-21	31-DIC-20	31-DIC-21	31-DIC-20	31-DIC-21	31-DIC-20
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
Total revenues and operating income	**119.396**	**120.737**	**1.070**	**914**	**0**	**0**	**0**	**0**	**120.466**	**121.651**
Change in work in progress inventories	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Direct costs (a)	(22.203)	(31.002)	(13)	(7)	0	0	0	0	(22.216)	(31.009)
G&A expenses (b)	0	0	0	0	0	0	(11.088)	(10.198)	(11.088)	(10.198)
Total operating costs (a)+(b)	**(22.203)**	**(31.002)**	**(13)**	**(7)**	**0**	**0**	**(11.088)**	**(10.198)**	**(33.304)**	**(41.207)**
(Depreciations and amortizations)	(333)	(420)	0	0	0	0	(307)	(513)	(640)	(933)
(Impairment losses)/Reversals on work in progess and inventories	35	(257)	0	0	0	0	0	0	35	(257)
Change in fair value - increases / (decreases)	(379)	(111.212)	0	0	0	0	0	0	(379)	(111.212)
Total depreciations, amortizations, provisions, impairment and fair value changes	**(677)**	**(111.889)**	**0**	**0**	**0**	**0**	**(307)**	**(513)**	**(984)**	**(112.402)**
OPERATING RESULT	**96.516**	**(22.154)**	**1.057**	**907**	**0**	**0**	**(11.395)**	**(10.711)**	**86.178**	**(31.958)**
Income/loss from equity investments and property sales	**0**	**0**	**0**	**0**	**0**	**0**	**(777)**	**4**	**(777)**	**4**
Financial income	0	0	0	0	0	0	80	172	80	172
Financial charges	0	0	0	0	0	0	(31.843)	(34.539)	(31.843)	(34.539)
Net financial result	**0**	**0**	**0**	**0**	**0**	**0**	**(31.763)**	**(34.367)**	**(31.763)**	**(34.367)**
PRE-TAX PROFIT	**96.516**	**(22.154)**	**1.057**	**907**	**0**	**0**	**(43.935)**	**(45.074)**	**53.638**	**(66.321)**
Income taxes for the period	0	0	0	0	0	0	455	(116)	455	(116)
NET PROFIT FOR THE PERIOD	**96.516**	**(22.154)**	**1.057**	**907**	**0**	**0**	**(43.480)**	**(45.190)**	**54.093**	**(66.437)**
(Income)/loss from non-controlling interests	0	0	0	0	0	0	0	0	0	0
Profit for the period of the Parent Company	**96.516**	**(22.154)**	**1.057**	**907**	**0**	**0**	**(43.480)**	**(45.190)**	**54.093**	**(66.437)**

5.6.5 NOTES TO THE SEPARATE FINANCIAL STATEMENTS

	NOTE	31/12/2021	31/12/2020	CHANGE
Revenue	**1**	**119.318**	**120.737**	**(1.419)**
Revenues from third parties		77.497	76.855	642
Revenues from related parties		41.821	43.882	(2.061)
Other revenue	**2**	**1.148**	**914**	**234**
Other revenues from third parties		691	434	257
Other revenues from related parties		457	480	(23)
Operating revenues		**120.466**	**121.651**	**(1.185)**

In 2021 IGD earned total revenue of €120,466K. The decrease of €1,185K reflects a reduction of €1,419K in revenue, partially offset by an increase of €234K in other income.

NOTE 1) REVENUE

	NOTE	31/12/2021	31/12/2020	CHANGE
Freehold hypermarkets - Rents and business leases from related parties	a.1	34.673	36.462	(1.789)
Freehold hypermarkets - Rents and business leases from third parties		127	0	127
Freehold supermarkets - Rents and business leases from related parties	a.3	1.260	1.340	(80)
Freehold supermarkets - Rents and business leases from third parties		235	235	0
TOTAL HYPERMARKETS/SUPERMARKETS	**a**	**36.295**	**38.037**	**(1.742)**
Freehold malls, offices and city center	**b.1**	**77.201**	**77.739**	**(538)**
Rents		**9.512**	**9.548**	**(36)**
To related parties		4.853	5.047	(194)
To third parties		4.659	4.501	158
Business leases		**67.689**	**68.191**	**(502)**
To related parties		901	914	(13)
To third parties		66.788	67.277	(489)
Leasehold malls	**b.2**	**3.251**	**3.010**	**241**
Rents		**206**	**206**	**0**
To related parties		32	32	0
To third parties		174	174	0
Business leases		**3.045**	**2.804**	**241**
To related parties		53	48	5
To third parties		2.992	2.756	236
Other contracts and temporary rents	**b.3**	**2.571**	**1.951**	**620**
Other contracts and temporary rents		2.522	1.912	610
Other contracts and temporary rents - related parties		49	39	10
TOTAL MALLS	**b**	**83.023**	**82.700**	**323**
GRAND TOTAL	**a+b**	**119.318**	**120.737**	**(1.419)**
of which related parties		41.821	43.882	(2.061)
of which third parties		77.497	76.855	642

Rent and business lease revenue decreased by €1,419K for the year.

Rent from freehold hypermarkets and supermarkets decreased by €1,742K, due mainly to the transfer finalized on 25 November 2021 of five hypermarkets and one supermarket to the "Fondo Juice" real estate investment fund, for which revenue was recognized up to the transfer date (see Note 18 for details of this operation).

Rent and business lease revenue from freehold malls and offices rose by €323K, chiefly as a result of

- lower discounts granted to tenants in connection with Covid-19-related lockdowns;
- increased vacancy, in particular at the start of the year (a repercussion of the pandemic-related restrictions imposed by the Italian government); this was more than offset later in the year by new contracts, whose economic effects will be seen over time;

Variable contract revenue amounts to roughly 1% of IGD's total revenue.

Except for Coop Alleanza 3.0, IGD does not earn more than 10% of its revenue from a single client. For information on transactions with Coop Alleanza 3.0, see Note 39.

Further details of trends in revenue can be found in Section 2.2.1 (Income statement review) of the Directors' Report.

NOTE 2) OTHER INCOME

	31/12/2021	31/12/2020	CHANGE
Out-of-period income/charges	166	48	118
Portfolio and rent management revenues	214	195	19
Pilotage and construction revenues	160	79	81
Marketing revenues	128	90	38
Other income	23	22	1
Other revenues from third parties	**691**	**434**	**257**
Refunds from related parties	53	55	(2)
Pilotage and construction revenues from related parties	64	57	7
Portfolio and rent management revenues from related parties	30	29	1
Administrative services from related parties	311	339	(28)
Other revenues from related parties	**458**	**480**	**(22)**
Other revenue	**1.149**	**914**	**235**

Other income increased by €235K with respect to the previous year. Other income from related parties decreased due to lower income from administrative services rendered to group companies, as a result of the Group reorganization and structural efficiency measures described in Section 2.5. All items of income from third parties increased since the previous year. The most significant increases concerned out-of-period income, pilotage revenue, and marketing income from the sale of advertising space on the Led wall panels that were installed during the year at every mall.

NOTE 3) SERVICE COSTS

	31/12/2021	31/12/2020	CHANGE
Service costs from third parties	**7.941**	**7.361**	**580**
Paid rents	67	59	8
Utilities	133	112	21
Promotional and advertising expenses	410	841	(431)
Centers management expenses for vacancies	1.033	952	81
Centers management expenses for ceiling to tenants' costs	1.091	1.274	(183)
Insurances	855	761	94
Professional fees	131	82	49
Directors' and statutory auditors' fees	838	1.293	(455)
External auditing fees	189	174	15
Investor relations, Consob, Monte Titoli costs	436	474	(38)
Shopping center pilotage and construction costs	12	0	12
Consulting	1.923	918	1.005
Real estate appraisals fees	357	308	49
Maintenance and repair expenses	175	244	(69)
Out-of-period income/charges	(431)	(831)	400
Other costs of services	722	700	22
Service costs from related parties	**3.654**	**3.389**	**265**
Paid rents	2	2	0
Promotional and advertising expenses	0	63	(63)
Service	311	313	(2)
Centers management expenses for vacancies	1.607	1.263	344
Centers management expenses for ceiling to tenants' costs	1.632	1.649	(17)
Insurances	43	71	(28)
Directors' and statutory auditors' fees	52	20	32
Other costs of services	7	8	(1)
Service costs	**11.595**	**10.750**	**845**

Service costs as a whole increased by €845K.

Most of the increase in service costs from third parties (€580K) is explained by higher consulting expenses in connection with the transfer of properties and liabilities to the Fondo Juice real estate fund and the subsequent sale of 60% of the fund shares (see Note 18 for details) and by lower miscellaneous gains, amounting to €416K in 2021, mostly for a rent discount arranged with the owner of Fonti del Corallo for the period January - March 2021 due to the restrictive measures imposed by the government to contain the Covid-19 pandemic (these came to €831K the previous year). These increases were only partially offset by a decrease in costs for advertising and promotional events and in directors' and statutory auditors' fees, due to the provision made the previous year for the end-of-term benefits of directors.

Related party service costs increased by €265K because of greater costs for unlet space, only partially offset by a reduction in promotional expenses.

The following table provides details of directors' and statutory auditors' fees for their work at the company. The fees indicated refer to compensation for 2021.

DIRECTORS AND STATUTORY AUDITORS	OFFICE	DATES IN OFFICE	END FO TERM	FEES
BOARD OF DIRECTORS				
Rossella Saoncella	**Vice Chairman**	01/01/21-15/04/21	2023 fy Approval	7.192
	Chairman	20/04/21-31/12/21	2023 fy Approval	52.260
	Director	01/01/21-31/12/21	2023 fy Approval	20.000
Elio Gasperoni	**Chairman**	01/01/21-15/04/21		21.576
	Director	01/01/21-15/04/21		5.753
Stefano Dall'Ara	**Vice Chairman**	20/04/21-31/12/21	2023 fy Approval	14.301
	Director	15/04/21-31/12/21	2023 fy Approval	17.534
Claudio Albertini	**Chief Executive Officer**	01/01/21-31/12/21	2023 fy Approval	300.000
	Director	01/01/21-31/12/21	2023 fy Approval	20.000
Elisabetta Gualandri	**Director**	01/01/21-15/04/21		5.753
Livia Salvini	**Director**	01/01/21-15/04/21		5.753
Luca Dondi Dall'Orologio	**Director**	01/01/21-15/04/21		5.753
Gian Maria Menabò	**Director**	01/01/21-15/04/21		5.753
Alessia Savino	**Director**	01/01/21-31/12/21	2023 fy Approval	20.000
Isabella Landi	**Director**	01/01/21-15/04/21		5.753
Eric Jean Veron	**Director**	01/01/21-15/04/21		5.753
Timothy Guy Michele Santini	**Director**	01/01/21-31/12/21	2023 fy Approval	20.000
Silvia Benzi	**Director**	15/04/21-31/12/21	2023 fy Approval	14.301
Rosa Cipriotti	**Director**	15/04/21-31/12/21	2023 fy Approval	14.301
Edy Gambetti	**Director**	15/04/21-31/12/21	2023 fy Approval	14.301
Antonio Rizzi	**Director**	15/04/21-31/12/21	2023 fy Approval	14.301
Rossella Schiavini	**Director**	15/04/21-31/12/21	2023 fy Approval	14.301
Gery Xavier Didier Robert Ambroix	**Director**	15/04/21-31/12/21	2023 fy Approval	14.301
COLLEGIO SINDACALE				
Anna Maria Allievi	**Chairman**	01/01/21-15/04/21		8.630
Roberto Chiusoli	**Standing Auditor**	01/01/21-15/04/21		5.753
Daniela Preite	**Standing Auditor**	01/01/21-31/12/21	2023 fy Approval	20.000
Gian Marco Committeri	**Chairman**	15/04/21-31/12/21	2023 fy Approval	21.452
Massimo Scarafuggi	**Standing Auditor**	15/04/21-31/12/21	2023 fy Approval	14.301

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COMMITTEES	OFFICE	DATES IN OFFICE	END FO TERM	FEES
CONTROL AND RISK COMMITTEE				
Elisabetta Gualandri	**Director (Chairman)**	01/01/21-15/04/21		3.452
Luca Dondi Dall'Orologio	**Director**	01/01/21-15/04/21		2.301
Isabella Landi	**Director**	01/01/21-15/04/21		2.301
Rosa Cipriotti	**Director**	20/04/21-31/12/21	2023 fy Approval	5.611
Antonio Rizzi	**Director**	20/04/21-31/12/21	2023 fy Approval	5.611
Rossella Schiavini	**Director (Chairman)**	20/04/21-31/12/21	2023 fy Approval	8.417
COMPLIANCE COMMITTEE				
Gilberto Coffari	**External (Chairman)**	01/01/21-31/12/21	2023 fy Approval	12.000
Alessandra De Martino	**External**	01/01/21-31/12/21	2023 fy Approval	8.000
Paolo Maestri	**External**	01/01/21-31/12/21	2023 fy Approval	8.000
NOMINATIONS AND COMPENSATION COMMITTEE				
Rossella Saoncella	**Director (Chairman)**	01/01/21-15/04/21		3.000
Livia Salvini	**Director**	01/01/21-15/04/21		3.000
Silvia Benzi	**Director**	20/04/21-31/12/21	2023 fy Approval	2.250
Timothy Guy Michele Santini	**Director (Chairman)**	20/04/21-31/12/21	2023 fy Approval	5.250
Rossella Schiavini	**Director**	20/04/21-31/12/21	2023 fy Approval	2.250
RELATED PARTY COMMITTEE				
Livia Salvini	**Director**	01/01/21-15/04/21		1.500
Luca Dondi Dall'Orologio	**Director**	01/01/21-15/04/21		1.500
Eric Jean Veron	**Director**	01/01/21-15/04/21		1.500
Silvia Benzi	**Director**	20/04/21-31/12/21	2023 fy Approval	1.500
Antonio Rizzi	**Director**	20/04/21-31/12/21	2023 fy Approval	1.500
Gery Xavier Didier Robert Ambroix	**Director**	20/04/21-31/12/21	2023 fy Approval	1.500

For further details, see the Remuneration Report prepared in accordance with the law.

NOTE 4) COST OF LABOR

The cost of labor is detailed below:

	31/12/2021	31/12/2020	CHANGE
Wages and salaries	4.456	3.865	591
Social security	1.211	1.091	120
Severance pay	290	297	(7)
Other costs of services	100	79	21
Cost of labour	**6.057**	**5.332**	**725**

The cost of labor was €725K higher than the previous year due mainly to the non-use in 2021 of government salary relief measures (fondo integrazione salariale) in connection with the Covid-19 emergency, which were used in the second quarter of 2020.

Severance pay includes contributions to supplementary funds in the amount of €103K.

The workforce is broken down by category below:

	31/12/2021	31/12/2020
Executives		5
Middle managers		15
Junior managers		24
Clerks		36
Total		**80**

NOTE 5) OTHER OPERATING COSTS

	31/12/2021	31/12/2020	CHANGE
IMU/TASI/Property tax	7.661	7.857	(196)
Other taxes	85	71	14
Contract registrations	295	304	(9)
Out-of-period income/charges	1	2	(1)
Membership fees	129	135	(6)
Losses on receivables	171	48	123
Covid effets - losses for discounts on rents	5.585	7.820	(2.235)
Fuel and tolls	109	92	17
Other costs of services	119	178	(59)
Other operating costs	**14.155**	**16.507**	**(2.352)**

Other operating costs decreased by €2,352K with respect to the previous year. Most of the decrease is due to *(i)* the credit notes issued for discounts on rent already invoiced in the context of IGD's post-lockdown relief measures for tenants, accounted for in accordance with IFRS 9 and amounting to €5,585K (€2.2 million less than in 2020), and *(ii)* the reduction in IMU (municipal property tax) as a result of some property register modifications for the Tiburtino shopping center in Guidonia.

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NOTE 6) DEPRECIATION, AMORTIZATION, REVALUATIONS AND FAIR VALUE CHANGES

	31/12/2021	31/12/2020	CHANGE
Amortization of intangible assets	(28)	(14)	(14)
Amortization of tangible assets	(474)	(381)	(93)
Provisions for risks	(138)	(138)	0
Depreciations, amortization and provisions	**(640)**	**(533)**	**(107)**
Provisions for doubtful accounts	**(2.646)**	**(9.017)**	**6.371**
(Impairment losses)/Reversals on work in progress and inventories	**35**	**(257)**	**292**
Change in fair value	**(378)**	**(111.212)**	**110.834**
Depreciation, amortization, provisions, impairment and change in fair value	**(3.629)**	**(121.019)**	**117.390**

- Amortization increased by €14K due to the purchase of software licenses during the year. Depreciation went up by €93K, mainly because of the installation of Led walls at every shopping center for the display of advertisements and mall information.

- Other provisions reflect the estimated liability for two IMU (municipal property tax) disputes regarding La Torre (Palermo) shopping center, for which €113K has been provided, and Esp shopping center (Ravenna), for which €25K has been set aside.

- Net allocations for doubtful accounts (performing, non-performing, and legal-action receivables) in Italy came to €2,156K in 2021, a decrease of €7,543K due to the changed pandemic situation with respect to the previous year. In addition, in 2021 an allocation of €490K was made to the special Covid-related provision for doubtful accounts set up the previous year, to cover receivables that will not be collected as a result of the rent discounts granted for the final period of 2021 that were not yet formalized with the tenants as of 31 December.

- (Impairment losses)/reversals on work in progress (+€35K) concern the revaluation of the Porto Grande expansion, listed under assets under construction and carried at the lower of cost and appraised fair value.

- The item "Fair value changes" (totaling €378K) covers *(i)* a revaluation of €23,864K and a writedown of €20,897K carried out to match the carrying value of investment property to appraised market value at 31 December 2021 (See Note 12 for details of movements in investment property); and (ii) a writedown of €3,345K due to the adoption of IFRS 16 and the consequent adjustment of right-of-use assets to independently appraised fair value as of 31 December 2021.

NOTE 7) INCOME/(LOSS) FROM EQUITY INVESTMENTS AND PROPERTY SALES

	31/12/2021	31/12/2020	CHANGE
Income/(loss) from property sales	942	0	942
Dividends	4	4	0
Capital losses from Fondo Juice	(34)	0	(34)
Income/ (loss) from equity investments and asset disposal	**912**	**4**	**908**

This item includes:

- the capital gain on the transfer, based on independent appraisal, of five hypermarkets and one supermarket to Fondo Juice;

- the capital loss on the sale to ICG of a 60% interest on Fondo Juice;

- dividends from the subsidiary Win Magazin SA.

See Note 18 for details of the Juice transaction.

NOTE 8) FINANCIAL INCOME AND CHARGES

	31/12/2021	31/12/2020	CHANGE
Bank interest income	43	76	(33)
Other interests income and equivalents	8	5	3
Financial income from third parties	**51**	**81**	**(30)**
Interest income from related parties	**29**	**90**	**(61)**
Financial income from related parties	**29**	**90**	**(61)**
Financial Income	**80**	**171**	**(91)**

Financial income decreased by €91K with respect to the previous year. Bank interest income was lower due to the reduction in excess cash beyond ordinary business needs, managed as part of a fiduciary mandate with Banca Nazionale del Lavoro.

Financial income from related parties consists of interested, charged at going market rates, on loans granted to subsidiaries. The decrease since the previous year is explained by the negative trend in the Euribor, the benchmark rate for this calculation, and the extinction of various loans in the context of the reorganization of the Group's structure.

	31/12/2021	31/12/2020	CHANGE
Interest expenses on security deposits	1	7	(6)
Interest expenses to related party	4	6	(2)
Financial charges from related parties	**5**	**13**	**(8)**
Interest expenses to banks	0	2	(2)
Interest expenses loan	5.174	5.833	(659)
Amortized mortgage loan costs	1.613	1.354	259
IRS spread	4.737	5.185	(448)
Bond financial charges	15.117	16.590	(1.473)
Bond amortized costs	3.434	3.664	(230)
Leasing financial charges IAS 17	33	41	(8)
Financial charges IFRS 16	452	561	(109)
Other interests and charges	1.278	1.296	(18)
Charges from Fondo Juice	541	0	541
Financial charges from third parties	**32.379**	**34.526**	**(2.147)**
Financial charges	**32.384**	**34.539**	**(2.155)**

Financial charges went down by €2,155K.
Related party financial charges decreased due to the reduction in the legal interest rate in force.
Financial charges from third parties decreased by €2,147K, due primarily to:

- lower IRS spreads, reflecting both lower notional principal and the termination of various contracts once the loans being hedged were fully repaid;

- lower financial charges on bonds, after the redemption of the remaining bond loan liability of €71.8 million in March 2021;

- lower financial charges from 2020 to 2021 due to the adoption of IFRS 16;

- lower borrowing expense thanks to the reduction in balances due and final payments on certain mortgages.

At 31 December 2021, financial charges included the Group's share (€541K) of the costs incurred to take out the €77 million loan that was transferred to Fondo Juice, as explained in Note 18.

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NOTE 9) INCOME TAXES

	31/12/2021	31/12/2020	CHANGE
Current taxes - IRES	(1.185)	0	(1.185)
Current taxes - IRAP	305	232	73
Deferred tax	332	(24)	356
Out-of-period income/charges - Provisions	93	(92)	185
Income taxes	**(455)**	**116**	**(571)**

Overall income taxes came to a positive €455K.

IRES amounted to €1,185K as a result of the tax consolidation process. In 2020 the tax consolidation produced a loss against which, for the sake of prudence, no deferred tax assets nor consolidation income were provided. In 2021, the tax consolidation produced positive taxable income that was zeroed out through the use of prior tax losses and the transfer to the consolidation of a portion of IGD's ACE benefit not used to reduce its own taxable income. The transfer led to the recognition of income from the tax consolidation that lowered the amount of IRES due. The use of prior tax losses entailed the recognition of additional income from the tax consolidation for the portion of losses against which, in previous years, no deferred tax assets had been recognized and the reversal of deferred tax assets recognized in previous years on prior losses for €383K.

IRAP current taxes increased by €73K compared with the previous year.

At 31 December 2021, out-of-period tax gains and losses reflect the reversal of the effects of cancellation of the first advance IRAP payment for 2020 in accordance with the "Decreto Rilancio" published in Italy's Official Gazette on 19 May 2020, due to the EU limits imposed by the notion of "single undertaking" under the Temporary Framework.

See Note 16 for movements in deferred tax liabilities and deferred tax assets.

RECONCILIATION OF INCOME TAXES APPLICABLE TO PROFIT BEFORE TAXES	31/12/2021	31/12/2020
Pre-tax profit	**53.639**	**(66.321)**
Theoretical tax charges (rate 24%)	12.873	(15.917)
Profit resulting in the income statement	53.639	(66.321)
Increases:		
IMU - Property tax	7.645	7.800
Negative fair value	20.897	120.407
Impairment on asset under construction	0	257
Impairment losses	2.810	8.520
Ifrs16	3.798	3.638
Fiscal capital gain from Fondo Juice	21.153	0
Other increases	1.803	2.023
Decreases:		
Change in tax-exempt income	(70.568)	(51.656)
Depreciations	(2)	(3)
Positive fair value	(23.864)	(12.272)
IMU - Property tax (ires deductible portion)	(4.574)	(4.667)
Ifrs16	(3.460)	(3.446)
Financial use of provision of doubtful accounts	(4.111)	0
Civil capital gains from Fondo uice	(942)	0
Other decreases	(1.829)	(2.041)
Tax income	2.395	2.239
Use of ACE benefit	**2.395**	**2.239**
Tax income net of losses	0	0
Lower current taxes recognized directly in equity	0	0
Current taxes for the year	0	0
Income from tax consolidation	(1.185)	0
IRAP tax credit	0	0
Total current taxes for the year	(1.185)	0
Differenc between value and cost of production	**94.562**	**93.012**
Theoretical IRAP (3.9%)	3.688	3.627
Differenc between value and cost of production	**94.562**	**93.012**
Changes:		
Increases	29.692	9.185
Decreases	(5.122)	(3.594)
Change in exempt income	(105.300)	(87.116)
Other deductions	(6.028)	(5.550)
Taxable IRAP income	**7.804**	**5.937**
Lower taxes for IRAP recognized directly in equity	**0**	**0**
Current IRAP for the year	**305**	**232**

NOTE 10) INTANGIBLE ASSETS WITH FINITE USEFUL LIVES

	01/01/2020	INCREASE	DECREASE	AMORTIZATION	31/12/2020
Intangible assets with finite useful lives	32	7	0	(14)	25

	01/01/2021	INCREASE	DECREASE	AMORTIZATION	31/12/2021
Intangible assets with finite useful lives	25	293	0	(28)	290

Intangible assets with finite useful lives consist of expenses incurred for the design and registration of company trademarks and for business software. Trademarks are amortized over ten years and software over three years. During the year there were no impairment losses or reversals on intangible assets. The increases for the year consist of:

the purchase of software, for €25K, to operate the Led walls installed at shopping centers for the display of advertisements and mall information;

the purchase of software, for €54K, to monitor incoming traffic at shopping centers so it can be studied for the purpose of targeted marketing efforts;

the purchase of software, for €29K, for the planning and management of shopping center maintenance;

€185K in costs for the implementation of the integrated accounting, management and treasury system. At 31 December 2021 these costs were recognized as intangible assets under development, while awaiting the conclusion of the project in 2022.

NOTE 11) GOODWILL

	01/01/2020	INCREASE	DECREASE	AMORTIZATION	31/12/2020
Goodwill	**1.000**	**0**	**0**	**0**	**1.000**

	01/01/2021	INCREASE	DECREASE	AMORTIZATION	31/12/2021
Goodwill	**1.000**	**0**	**0**	**0**	**1.000**

Goodwill has been attributed to the individual cash generating units (CGUs).

Below is the breakdown of goodwill by CGU at the end of 2021 and 2020:

GOODWILL	31/12/2021	31/12/2020
Fonti del Corallo	1.000	1.000
Goodwill	**1.000**	**1.000**

Goodwill for the CGU Fonti del Corallo pertains to business management for the property not owned by the Company. The recoverable amount was inferred from the purchase and sale contract with the building's owner, to be finalized in 2026. 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 impairment test showed that the goodwill recognized in the financial statements is recoverable and therefore no adjustments are necessary.

NOTE 12) INVESTMENT PROPERTY

As required by IAS 40, the following table reconciles theincreases, decreases, and changes in fair value shown opening and closing value of investment property, withseparately.

	01/01/2020	INCREASE	DECREASE	REVALUATION	DEVALUATION	RECLASSIFICATION FROM ASSETS UNDER CONSTRUCTION	31/12/2020
Investment property	1.999.612	5.652	0	12.272	(120.407)	1.494	1.898.623
Right-of-use IFRS16	16.714	6	0	0	(3.077)	0	13.643
Investment property	**2.016.326**	**5.658**	**0**	**12.272**	**(123.484)**	**1.494**	**1.912.266**

	01/01/2021	INCREASE	DECREASE	REVALUATION	DEVALUATION	RECLASSIFICATION FROM ASSETS UNDER CONSTRUCTION	31/12/2021
Investment property	1.898.623	8.272	(139.118)	25.847	(22.880)	594	1.771.338
Right-of-use IFRS16	13.643	0	0	0	(3.346)	0	10.297
Investment property	**1.912.266**	**8.272**	**(139.118)**	**25.847**	**(26.226)**	**594**	**1.781.635**

The changes in investment property since 31 December 2020 concern:

- the transfer to the Juice real estate fund of five hypermarkets (in Livorno, Schio, Lugo, Pesaro, and Senigallia) and one supermarket (in Cecina), whose carrying amount for IGD SIIQ at 25 November 2021 was €139,118K. See Note 18 for details;

- extraordinary maintenance and fit-out work (€8,272K), mostly for reducing the size of the hypermarket at Casilino shopping center in Rome; earthquake proofing at La Favorita (Mantua), Centro d'Abruzzo (San Giovanni Teatino), and Porto Grande (Ascoli) shopping centers; fit-out work at Le Maioliche (Faenza) and Lame (Bologna) for the opening of two Pepco stores; and creation of a bike path at Clodì retail park (Chioggia);

- the reclassification from assets under construction and advances of work completed during the period, namely the remapping of Conè shopping center (Conegliano) using the surface area produced by the reduction in size of the hypermarket (€594K);

- fair value adjustments. Specifically, investment property was revalued by €25,847K and written down by €22,880K, for a net positive impact of €2,967K on the income statement;

- the writedown of the right-of-use asset for the mall at Fonti del Corallo (€3,346K) on the basis of independent appraisals.

For the calculation of fair value and analysis of the real estate portfolio, see section 2.6 ("The real estate portfolio") in this Annual Report.

NOTE 13) BUILDINGS

	01/01/2020	INCREASE	DECREASE	AMORTIZATION	31/12/2020
Historical cost	10.114	15	0	0	10.129
Depreciation fund	(2.471)	0	(244)	0	(2.715)
Net book value	**7.643**	**15**	**(244)**	**0**	**7.414**

	01/01/2021	INCREASE	DECREASE	AMORTIZATION	31/12/2021
Historical cost	10.129	3	0	-	10.132
Depreciation fund	(2.715)	0	(244)	-	(2.959)
Net book value	**7.414**	**3**	**(244)**	**-**	**7.173**

This item refers to the purchase of the ground floor and first floor of the building that houses the head office. The change consists mostly of depreciation for the year.

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NOTE 14) PLANT AND MACHINERY, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS

	01/01/2020	INCREASE	DECREASE	AMORTIZATION	31/12/2020
Historical cost	323	15	0	0	338
Depreciation fund	(160)	0	0	(40)	(200)
Plant and machinery	**163**	**15**	**-**	**(40)**	**138**
Historical cost	3.162	19	0	0	3.181
Depreciation fund	(2.755)	0	0	(97)	(2.852)
Equipment and other goods	**407**	**19**	**-**	**(97)**	**329**

	01/01/2021	INCREASE	DECREASE	AMORTIZATION	31/12/2021
Historical cost	338	13	0	0	351
Depreciation fund	(200)	0	0	(39)	(239)
Plant and machinery	**138**	**13**	**-**	**(39)**	**112**
Historical cost	3.181	987	0	0	4.168
Depreciation fund	(2.852)	0	0	(191)	(3.043)
Equipment and other goods	**329**	**987**	**-**	**(191)**	**1.125**

Most of the changes in plant and machinery and equipment reflect the purchase and installation of Led walls at shopping centers for the display of advertisements and mall information, as well as depreciation for the year.

NOTE 15) ASSETS UNDER CONSTRUCTION

	01/01/2020	INCREASE	(IMPAIRMENT LOSSES)/REVERSALS	RECLASSIFICATION	RECLASSIFICATION	31/12/2020
Assets under construction	3.892	1.372	(257)	77	(1.494)	3.590
Advance payments	22.532	0	0	(77)	0	22.455
Assets under construction and advance payments	**26.424**	**1.372**	**(257)**	**0**	**(1.494)**	**26.045**

	01/01/2021	INCREASE	(IMPAIRMENT LOSSES)/REVERSALS	RECLASSIFICATION	RECLASSIFICATION	31/12/2021
Assets under construction	3.590	2.397	35	0	(594)	5.428
Advance payments	22.455	0	0	0	0	22.455
Assets under construction and advance payments	**26.045**	**2.397**	**35**	**0**	**(594)**	**27.883**

The change for the year in assets under construction and advances refers to:

- restyling work at La Favorita shopping center in Mantua (€347K);
- the remapping of the shopping centers Conè (Conegliano) and Porto Grande (San Benedetto del Tronto) under the agreement between IGD SIIQ and Coop Alleanza 3.0 to reduce the size of the hypermarkets – completed in 2020 – and expand the shopping malls (€301K each);
- restyling work at Porto Grande shopping center in San Benedetto del Tronto (€603K);
- construction work on medium-sized retail stores at Casilino shopping center in Rome (€828K);
- early planning work for the remapping of Tiburtino shopping center in Guidonia following the reduction in size of the hypermarket (€17K);
- the reclassification to investment property of work completed during the period (€594K), namely the remapping of Conè shopping center (Conegliano) using the surface area produced by the reduction in size of the hypermarket;
- the revaluation of the Porto Grande expansion (€35K).
- See section 2.6 on the real estate portfolio for further details.

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5.6 NOTES TO THE FINANCIAL STATEMENTS

NOTE 16) NET DEFERRED TAX ASSETS

Deferred tax assets and liabilities have been offset in accordance with paragraph 74 of IAS 12, given that: *(i)* the company is entitled to offset current tax assets and liabilities and *(ii)* the deferred tax assets and liabilities are associated with income taxes charged by the same tax jurisdiction. Therefore, "net deferred tax assets" reflect deferred tax assets and liabilities.

Deferred tax assets are shown in detail below:

	31/12/21	31/12/20	CHANGE
Taxed provisions	147	97	50
IAS 19	6	6	0
Financial derivatives	1.473	2.691	(1.218)
Loss from tax consolidation	780	1.163	(383)
IFRS 16 Livorno	363	363	0
Deferred tax asset	**2.769**	**4.320**	**(1.551)**

Deferred tax assets mainly originate from:

- taxed provisions, such as the provision for doubtful accounts and the bonus provision;
- the recognition of deferred tax assets on mortgage hedging instruments (IRS);
- tax losses carried forward.

The changes during the year mostly refer to:

- the reversal of deferred tax assets on mortgage hedging instruments (IRS) due to the decrease in their negative fair value;
- the reversal of deferred tax assets due to the partial use of prior losses, as a result of the tax consolidation process for the year.

Given the likelihood of future taxable income, the remaining prior-year losses are expected to be used, so the rest of the deferred tax assets are likely to be recovered.

DEFERRED TAX ASSET	BALANCE AT 31/12/2020						BALANCE AT 31/12/2021	
			INCREASES	DECREASES	INCREASES	DECREASES		
	TEMPORARY DIFFERENCE	DEFERRED TAX ASSETS	TEMPORARY DIFFERENCE		DEFERRED TAX ASSETS		TEMPORARY DIFFERENCE	DEFERRED TAX ASSETS
TFR Provisions - Ias 19*	165	6	17	0	0	0	182	6
Doubtful account	905	75	260	70	62	17	1.095	120
Variable salary	1.349	21	753	482	13	7	1.620	27
Loss front ax consolidation	4.848	1.163	0	1.596	0	383	3.252	780
Irs operation*	11.215	2.692	0	5.079	0	1.219	6.136	1.473
IFRS 16 Livorno	1.513	363	0	0	0	0	1.513	363
TOTAL	**19.995**	**4.320**	**1.030**	**7.227**	**75**	**1.626**	**13.798**	**2.769**

* effect charged or credited directly to equity

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5.6 NOTES TO THE FINANCIAL STATEMENTS

NOTE 17) SUNDRY RECEIVABLES AND OTHER NON-CURRENT ASSETS

	31/12/2021	31/12/2020	CHANGE
Security deposits	84	82	2
Due to other	0	1	(1)
Sundry receivables and other non-current assets	**84**	**83**	**1**

This item increased as a result of the security deposit paid to Enel in the context of the temporary conversion of an area at ESP shopping center to host a Covid-19 vaccination site.

NOTE 18) EQUITY INVESTMENTS

Equity investments are detailed in the table below:

	01/01/2021	INCREASE	DECREASE	VARIATION AREA/EXTRAORD.OPERATIONS	31/12/2021
IGD Management SIINQ S.p.a.	170.183	0	0	(100.217)	69.966
Millennium Gallery s.r.l.	14.463	0	0	(14.463)	0
Arco Campus s.r.l.	1.441	0	0	0	1.441
Win Magazin S.A.	186	0	0	0	186
IGD Service s.r.l.	0	10	0	114.734	114.744
Cons. propr. del compendio com. del Commendone (GR)	6	0	0	0	6
Consorzio prop. Fonti del Corallo	7	0	0	0	7
Consorzio I Bricchi	4	0	0	0	4
Consorzio Leonardo	52	0	(52)	0	0
Consorzio Punta di Ferro	6	0	0	0	6
Equity investment in subsidiaries	**186.348**	**10**	**(52)**	**54**	**186.360**
RGD Ferrara 2013 s.r.l.	54	0	0	(54)	0
Fondo Juice	0	64.165	(38.499)	0	25.666
Equity investments in associates	**54**	**64.165**	**(38.499)**	**(54)**	**25.666**
Equity investments in other companies	**72**	**0**	**0**	**0**	**72**
Equity investments	**186.474**	**64.175**	**(38.551)**	**0**	**212.098**

During the first half of the year, IGD's interest in the management consortium of Centro Leonardo (Imola) decreased by €52K due to the reimbursement of its consortium fund share.

On 2 July, the company IGD Service S.r.l. was formed with fully paid-in share capital of €10K. It is a wholly-owned subsidiary of IGD SIIQ. In the context of the Group's reorganization and streamlining, the subsidiaries Millennium Gallery S.r.l. and Rgd Ferrara 2013 S.r.l. were absorbed by Igd Management S.r.l. As a result, the value of the shareholdings in Millennium Gallery S.r.l. and Rgd Ferrara 2013 S.r.l. were added to the value of the investment in Igd Management S.r.l. Subsequently, a partial demerger took place through which the subsidiary Igd Management S.r.l. transferred part of its equity to the subsidiary Igd Service S.r.l. This decreased the value of the investment in Igd Management S.r.l. by €114,734K and increased the value of the investment in Igd Service S.r.l. by the same amount.

On 25 November 2021 IGD signed the definitive contract, further to the preliminary agreement announced to the market on October 21, with the global asset management firm Intermediate Capital Group (ICG) listed on the London Stock Exchange.

The contract entails IGD's sale of a portfolio of hypermarkets and supermarkets for €140 million, producing a capital gain of €942K over the book value at 31 December 2020 plus capital expenditure during the period. The hypermarkets and supermarkets sold are Schio, Lugo di Ravenna, Pesaro, and Cesano di Senigallia, leased to Coop Alleanza 3.0, and Cecina and Livorno, leased to Unicoop Tirreno.

The 2019-2021 Strategic Plan had already contemplated streamlining the real estate portfolio by €150-200m through the disposal of some non-strategic assets, whose proceeds would be used first and foremost to reduce debt and leverage (Loan-to-Value or LTV). Because of the Covid-19 pandemic and its impacts on the global markets, the project was postponed to 2021.

The goal of achieving the plan's strategic and financial objectives while necessarily maintaining a healthy, efficient financial structure has drawn significant benefit from the deal, in particular through i) the reduction of LTV, ii) the intake of financial resources to cover upcoming deadlines in 2022, and iii) the improvement of the risk profile and consequent maintenance of an investment grade rating. These benefits are economically greater than the reduction in income from property rentals (€8.3 million on an annual basis) and the associated cash flows.

The operation took place by way of: i) the transfer of the entire property portfolio (€140 million) and associated debt (€77 million) to "Fondo Juice" - Fondo di Investimento Immobiliare Alternativo (an Italian alternative investment fund); ii) a capital increase of €1.1 million to provide Fondo Juice with the liquidity needed to cover operating costs; and iii) the sale of 60% of Fondo Juice shares, for €38 million, to Corallo Lux Holdco S.a.r.l. (a member of the ICG Group). Following the transaction, ICG therefore owns 60% of Fondo Juice (Class A shares with preferential returns) and IGD owns 40% (Class B shares with returns subordinate to yield and reimbursement of invested capital). The objective of Fondo Juice is to continue to increase the portfolio's value in the coming years and then sell it to the market for the highest price.

From the transaction IGD took in €115 million (€77 million deriving from a new loan that was then taken over by Fondo Juice, and €38 million for the sale of 60% of the fund shares), net of the amount reinvested in Fondo Juice; these financial resources have allowed IGD to significantly reduce its LTV, and in combination with its existing cash reserves, to have already covered nearly all its financial commitments maturing in 2022.

The Fund has a duration of 10 years and is managed by Savillis Investment Management SGR S.p.A. According to Fondo Juice's regulations, for decisions concerning relevant activities (identified when approving and modifying the initial business plan) and the disposal of properties, the fund manager will work with an Advisory Committee. That committee is made up of three members, one appointed by IGD and two by ICG, and takes decisions by either simple majority or unanimous vote.

To determine the proper accounting treatment of the interest in Fondo Juice, as required by IFRS 10, given the fund's governance structure and decision-making process as defined in its regulations and in consideration of applicable law, once the Fund's objectives were defined, its relevant activities were identified along with the persons who make decisions regarding those activities and the nature of the parties' rights in order to determine whether they are substantive or protective. Finally, IGD analyzed the variability of returns to which the parties are exposed as a function of their decision-making power. On the basis these assessments, management believes that IGD's powers are limited and geared mainly towards protecting its investment, so in accordance with IAS §27.10, in the separate financial statements IGD will recognize the investment in Fondo Juice as an associate using the equity method.

The main economic-financial figures for Fondo Juice at 31 December 2021 are provided below:

	31/12/2021
Investment property	141.900
Share capital	64.165
Financial debt	77.000
Revenues	832
Fair value of Investment property	1.544
Group profit	1.938

For investments in subsidiaries deemed to be significant, carrying value was compared with recoverable amount, calculated as equity value, or the sum of unlevered free cash flows discounted to present value for the explicit forecast period, the present value of the terminal value calculated after the last year of the explicit period, and the net financial position as of the measurement date.

Recoverable amount was calculated using projected operating cash flows for each company, which derive from the 2022-2024 strategic plan approved by the Board of Directors on 4 December 2021.

For periods beyond the third year, the Company 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:

- The discount rate (WACC) was 4.67%;
- future cash flows estimated net of taxes;
- A perpetual growth rate (g) of 1% was assumed in the projection, except for Arco Campus, for which a g rate of 2% was used given the characteristics of its single rental contract.

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The results of impairment tests are summarized below:

figures in euro thousands

IMPAIRMENT TEST RESULT	EQUITY VALUE PRO QUOTA	CARRYING AMOUNT	COVER / (IMPAIRMENT)
IGD Management SIINQ S.p.a.	105.800	69.967	35.833
IGD Service S.r.l.	291.002	114.734	176.268
Arco Campus S.r.l.	3.120	1.441	1.679

The test did not suggest the need to adjust the amounts reported and therefore this item is unchanged with respect to the prior year.

Finally, the Company ran sensitivity analyses to measure the impact that changes in the most significant unobservable inputs (WACC and growth rate), due to changes in the macroeconomic scenario, would have on the outcome of the impairment tests of equity investments.

The two parameters were changed by +/-0.5%, individually and jointly, causing an increase/decrease in recoverable amount under second level impairment testing.

The results of the sensitivity analysis, from which no critical issues emerged, are shown below:

COVER	IGD MANAGEMENT SIINQ S.P.A.	IGD SERVICE S.R.L.	ARCO CAMPUS S.R.L
WACC +0,5%	16.912	153.373	851
WACC -0,5%	60.724	206.388	2.888
Growth rate g +0,5%	59.047	204.360	2.828
Growth rate g -0,5%	18.185	154.914	892
WACC +0,5% - Growth rate g +0,5%	34.395	174.529	1.631
WACC +0,5% - Growth rate g -0,5%	3.173	136.747	284
WACC -0,5% - Growth rate g +0,5%	92.934	245.365	4.743
WACC -0,5% - Growth rate g -0,5%	37.290	178.032	1.727

NOTE 19) TRADE AND OTHER RECEIVABLES

	31/12/2021	31/12/2020	CHANGE
Trade and other receivables	27.180	31.586	(4.406)
Provision for doubtful accounts	(16.223)	(18.122)	1.899
Trade and other receivables	**10.957**	**13.464**	**(2.507)**

Net trade receivables decreased by €2,507K due mainly to greater receipts during the year, in part as a result of the rent discounts agreed with various tenants for store closures in 2021 imposed by Covid-19 restrictions.

They are shown net of the provision for doubtful accounts, which reflects recovery estimates on problem credits.

Net allocations for doubtful accounts (performing, non-performing, and legal-action receivables) in Italy came to €2,645K in 2021. The allocation for the year was calculated based on the problems encountered with individual receivables recognized at 31 December 2021 and on all available information.

The Covid-related provision for doubtful accounts, formed at the end of 2020 with an allocation of €5,728K, was used in the amount of €3,413K to cover the discounts on 2020 rent granted to various shopping center tenants and was increased during the year by €490K.

Movements in the provision for doubtful accounts are displayed below:

	31/12/2021	31/12/2020	CHANGE
Provision for doubtful account at the beginning of the period	**18.122**	**10.079**	**8.043**
Reverse	(4.537)	(970)	(3.567)
Write-down/(uses) interest on late payments	(7)	(4)	(3)
Provision	2.645	9.017	(6.372)
Fondo svalutazione crediti di fine esericizio	**16.223**	**18.122**	**(1.899)**

Receivables are written down based on an analysis of each tenant's position.

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5.6 NOTES TO THE FINANCIAL STATEMENTS

NOTE 20) RELATED PARTY TRADE AND OTHER RECEIVABLES

	31/12/2021	31/12/2020	CHANGE
Coop Alleanza 3.0	71	171	(100)
Robintur s.p.a.	0	1	(1)
Librerie Coop s.p.a.	12	11	1
Alleanza Luce e Gas	25	20	5
Unicoop Tirreno s.c.a.r.l.	82	55	27
Cons. propr. del compendio com. del Commendone (GR)	1	0	1
Consorzio Cone'	17	0	17
Consorzio Clodì	8	0	8
Consorzio Crema (Gran Rondò)	1	0	1
Consorzio I Bricchi	9	0	9
Consorzio Katané	1	0	1
Consorzio Porta a Mare	53	13	40
IGD Service S.r.l.	11	0	11
Porta Medicea S.r.l.	3	0	3
IGD Management SIINQ s.p.a.	35	35	0
Consorzio Le Maioliche	3	0	3
Consorzio Punta di Ferro	13	12	1
Consorzio Proprietari Centro Luna	5	6	(1)
Consorzio Esp	21	1	20
Fondo Juice	17	0	17
Consorzio La Favorita	9	0	9
Related party trade and other receivables	**397**	**325**	**72**

NOTE 21) OTHER CURRENT ASSETS

	31/12/2021	31/12/2020	CHANGE
Tax credits			
VAT credits	832	68	764
IRES credits	414	400	14
IRAP credits	27	115	(88)
Due from others			
Accrued income and prepayments	370	552	(182)
Deferred costs	0	92	(92)
Other costs of services	97	106	(9)
Other current assets	**1.740**	**1.333**	**407**

Other current assets increased by a total of €407K with respect to the previous year. In particular:

tax receivables increased to reflect the credit accrued on VAT settlement for the month of December, mostly as a result of greater work on investment property during the fourth quarter;

deferred costs had a balance of zero at the end of 2021 due to the conclusion of the projects for which they had been allocated last year.

NOTE 22) RELATED PARTY OTHER CURRENT ASSETS

	31/12/2021	31/12/2020	CHANGE
Receivables from tax consolidation			
Igd Service S.r.l.	133	0	133
Igd Management SIINQ S.p.a.	1.217	0	1.217
RGD Ferrara S.r.l.		64	(64)
Total receivables from tax consolidation	**1.350**	**64**	**1.286**

At 31 December 2020 the amount due from the tax consolidation referred to the subsidiary RGD Ferrara S.r.l., which had contributed negative taxable income to the consolidation, giving rise to a receivable for the Company. At the end of 2021 this item consisted of the receivables due from Igd Service S.r.l. and Igd Management SIINQ S.p.A. which, unlike the other subsidiaries, contributed positive taxable income to the scheme.

NOTE 23) FINANCIAL RECEIVABLES AND OTHER CURRENT FINANCIAL ASSETS

	31/12/2021	31/12/2020	CHANGE
To other related parties	94.073	93.114	959
To associates	0	95	(95)
Related parties financial receivables and other current financial assets	**94.073**	**93.209**	**864**

The amount due from associates, referring to the loan originally of €150K granted in 2013 to RGD Ferrara 2013 S.r.l., was fully repaid during the year.

Receivables from other related parties consist of loans granted to the subsidiaries Igd Service S.r.l. and Arco Campus S.r.l., plus interest charged at the 3-month Euribor plus 50 basis points. Details of the major outstanding loans are provided below:

- loan originally granted to Igd Management SIINQ S.p.A. in previous years: €15 million. No movements during the year, but as part of the Group reorganization and streamlining described earlier, the loan was transferred by way of the demerger to the subsidiary Igd Service S.r.l.;
- loan originally granted to Igd Management SIINQ S.p.A. in previous years: €69,729K. During the year, an additional €5 million was disbursed and the subsidiary made payments in the amount of €4 million. The balance at 1 October 2021, €70,729K, was then transferred by way of the demerger to the subsidiary Igd Service S.r.l., to which an additional €2,500K was disbursed for a balance of €73,229K at 31 December 2021;
- loan granted to Arco Campus S.r.l.: €2,562K. With €2,608K outstanding at the end of 2020, during the year the subsidiary made payments of €46K.
- There are also receivables arising from the use of Group treasury accounts, due from:
  - Igd Service S.r.l. for €2,917K;
  - Porta Medicea S.r.l. for €365K.

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NOTE 24) CASH AND CASH EQUIVALENTS

	31/12/2021	31/12/2020	CHANGE
Cash and cash equivalents	146.346	110.691	35.655
Cash on hand	34	42	(8)
Cash and cash equivalents	**146.380**	**110.733**	**35.647**

Cash and cash equivalents at 31 December 2021 consisted mainly of current account balances at banks. The increase of €35,647K reflects cash generated during the year net of capital expenditure, mortgage loan payments, and the effects of the transfer of properties to and the sale of 60% of the shares of Fondo Juice.

NOTE 25) NET EQUITY

	31/12/2021	31/12/2020	CHANGE
Share capital	650.000	650.000	0
Share premium reserve	0	30.058	(30.058)
Other reserves	**470.565**	**502.946**	**(32.381)**
Legal reserve	130.000	130.000	0
Result treasury share sale effect	0	(233)	233
Bond issue reserve	0	14.865	(14.865)
FTA IFRS 9 reserve	0	(4.354)	4.354
FTA IFRS 9 reserve	(1.450)	(1.450)	0
Recalculation of defined benefit plans	(47)	(39)	(8)
Cash flow hedge reserve	(4.663)	(8.668)	4.005
Fair value reserve	210.050	283.159	(73.109)
Reserve available	55.177	91.583	(36.406)
Other reserves	81.498	8.388	73.110
Capital increase reserve	0	(10.305)	10.305
Group profit (loss) carried forward	3.892	3.892	0
Group profit	54.093	(66.437)	120.530
Net Equity	**1.178.550**	**1.120.459**	**58.091**

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As approved by the annual general meeting of 15 April 2021, during the year the Company: *(i)* covered the 2020 loss of €66,437K by using €30,058 from the share premium reserve and €36,406K from the distributable reserve; *(ii)* covered the capital increase reserve, with a negative balance of €10,305K, by using the bond issue reserve which now has a balance of zero; *(iii)* covered the reserve for treasury shares, with a negative balance of €233K, by using the bond issue reserve; *(iv)* covered the FTA IFRS 9 reserve, with a negative balance of €4,354K, by using the bond issue reserve and €26K from the share premium reserve.

Other movements in net equity were the result of:

the adjustment of the cash flow hedge reserves relating to outstanding contracts, by €4,005K;

the adjustment of the reserve for the recalculation of defined benefits (€8K);

the reclassification of €31,738K from the fair value reserve to the distributable reserve due to the partial elimination of non-distributability pursuant to Art. 6 of Legislative Decree 38 of 28 February 2015, as a result of the fair value measurement of investment property at 31 December 2020;

the reclassification of €42,965K from the fair value reserve to the distributable reserve due to the partial elimination of non-distributability pursuant to Art. 6 of Legislative Decree 38 of 28 February 2015, as a result of the transfer to Fondo Juice of the real estate portfolio consisting of five hypermarkets and one supermarket and consequent realization of their values;

the recognition of the profit for the year in the amount of €54,093K.

Pursuant to Civil Code Article 2427, paragraph 7 *bis*, the components of net equity are shown along with their origin, possibility for use and eligibility for distribution.

The fair value reserve incorporates the revaluation reserve pursuant to Law 266/2005, for €150,411,622 net of the substitute tax of €20,510,676.

ITEM/DESCRIPTION	AMOUNT	ELIGIBILITY FOR USE	AMOUNT AVAILABLE	AMOUNT DISTRIBUTABLE	SUMMARY OF THE USES MADE IN THE PAST THREE YEARS	
					DUE TO NEGATIVE RESERVE COVERAGE	DUE TO OTHER REASONS
Capital	**650.000**					
Capital reserves:						
Available reserves (deriving from capital reduction)	55.177	A, B, C	55.177	55.177		
Total capital reserves	**55.177**		55.177	55.177		
Profit reserves:						
Legal reserve*	130.000	B				
Fair value reserve	210.050	B				
FTA IFRS9 reserve	(1.450)	A, B, C **	(1.450)	(1.450)		
Cash Flow Hedge reserve	(4.663)	---				
Recalculation of defined benefit plans	(47)	---				
Distributable reserves	81.498	A, B, C	81.498	81.498		
New profit/loss	3.892	A, B, C	3.892	3.892		
Total profit reserve	**419.280**		83.940	83.940		
Total reserve	**474.457**		139.117	139.117		

Legenda:
A: for capital increase
B: for loss coverage
C: for shareholder distribution
* Legal reserve contains capitl for € 117,758 thousands
** Negative reserves reduce the available positive reserves

NOTE 26) 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	31/12/21	31/12/20	CHANGE
Mortgage loans		**374.146**	**396.791**	**(22.645)**
05 BreBanca IGD MONDOVICINO (Galleria)	23/11/2006 - 10/01/2023	685	1.998	(1.313)
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	27.172	31.158	(3.986)
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	4.023	4.838	(815)
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	11.602	13.544	(1.942)
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	10.888	12.490	(1.602)
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	6.035	6.964	(929)
14 MPS Palermo (Galleria)	21/12/2010 - 30/11/2025	12.958	15.158	(2.200)
17 Carige Palermo IGD (Iper)	12/07/2011 - 30/06/2027	8.379	10.131	(1.752)
15 CentroBanca Cone (Galleria)	22/12/2010 - 31/12/2025	17.741	20.361	(2.620)
Loan Ubi 5 Leonardo	19/04/2018 - 17/10/2023	41.448	43.418	(1.970)
Loan Ubi 1 Lame Rp Favorita	19/04/2018 - 17/07/2023	1.864	4.356	(2.492)
Loan BNL 125M LT	01/01/2019 - 15/10/2023	123.461	122.612	849
Loan BNL 75M LT	01/01/2019 - 15/10/2023	75.000	75.000	0
Loan Mps - Sace	16/10/2020 - 30/09/2026	32.890	34.763	(1.873)
Debt for bonds		**492.786**	**642.882**	**(150.096)**
Bond 100 ML	11/01/2017- 11/01/2024	99.796	99.699	97
Bond 162 ML	21/04/2015 - 21/04/2022	0	152.468	(152.468)
Bond 400 ML	28/11/2019 - 28/11/2024	392.990	390.715	2.275
Due to other source of finance		**13.091**	**16.596**	**(3.505)**
Sardaleasing for Bologna office	30/04/2009 - 30/04/2027	2.525	2.893	(368)
IFRS 16 Livorno LT liabilities	01/01/2019- 31/03/2026	10.448	13.469	(3.021)
IFRS 16 Abruzzo LT liabilities	01/01/2019- 31/12/2023	118	234	(116)
Non current financial liabilities		**880.023**	**1.056.269**	**(176.246)**

Movements during the year are shown below:

NON CURRENT FINANCIAL LIABILITIES	31/12/20	AMORTIZED COST	RECLASSIFICATIONS	31/12/21
Payables due to mortgages	396.791	1.520	(24.165)	374.146
Payables due to bonds	642.882	2.372	(152.468)	492.786
Payables due to IFRS16	13.703	0	(3.137)	10.566
Payables due to other source fo finance	2.893	0	(368)	2.525
TOTAL	**1.056.269**	**3.892**	**(180.138)**	**880.023**

Mortgage loans

Mortgage loans are secured by properties. The change in 2021 reflects the reclassification to current financial liabilities of the principal falling due in the next 12 months.

Due to other sources of finance and for IFRS 16

This item covers the non-current portion of liabilities arising from:

- the lease for HQ premises;
- the adoption of IFRS 16 for the mall at Fonti del Corallo shopping center and the parking lot at Centro d'Abruzzo.

Bonds

The change in bonds during the year is due to (i) the reclassification to current liabilities of the €162 million loan maturing in April 2022 and (ii) the amortization of transaction costs for outstanding bonds using the amortized cost method.

Details of outstanding bonds are presented in the table below:

DEBITI PER PRESTITI OBBLIGAZIONARI	NON CURRENT PORTION	CURRENT PORTION				NON CURRENT PORTION	CURRENT PORTION		
	31/12/20	31/12/20	BOND ISSUE/ REPAYMENT	COSTS AMORTI-ZATION AT 31/12/2021	FINANCIAL CHARGES AT 31/12/2021	31/12/21	31/12/21	NOMINAL INTEREST RATE	ACTUAL INTEREST RATE
Bond 162 ML	153.600						153.600		
Additional costs	(1.132)			864			(268)		
Coupon rate 31.12.2020		2.815			(2.815)				
Paid interests					4.070				
Coupon rate 31.12.2021					2.815		2.815		
Total Bond 162 ML	**152.468**	**2.815**		**864**	**4.070**	**0**	**156.147**	**3,875%**	**4,17%**
Bond 300 ML		70.793	(70.793)						
Additional costs		(52)		53					
Coupon rate 31.12.2020		1.032			(1.032)				
Paid interests					1.329				
Coupon rate 31.12.2021									
Total Bond 300 ML	**0**	**71.773**	**(70.793)**	**53**	**297**	**0**	**0**	**2,500%**	**2,80%**
* including the Cash Flow Hedge Reserve effect									
Bond 100 ML	100.000					100.000			
Additional costs	(301)			97		(204)			
Coupon rate 31.12.2020		1.056			(1.056)				
Paid interests					2.250				
Coupon rate 31.12.2021					1.056		1.056		
Total Bond 100 ML	**99.699**	**1.056**		**97**	**2.250**	**99.796**	**1.056**	**2,250%**	**2,35%**
Bond 400 ML	400.000					400.000			
Additional costs	(9.285)			2.275		(7.010)			
Coupon rate 31.12.2020		756			(756)		0		
Paid interests					8.500				
Coupon rate 31.12.2021					756		756		
Total Bond 400 ML	**390.715**	**756**	**0**	**2.275**	**8.500**	**392.990**	**756**	**2,125%**	**2,76%**
Total bonds	**642.882**	**76.400**	**(70.793)**	**3.289**	**15.117**	**492.786**	**157.959**		
Cash Flow Hedge reserve (bond 300 ML)	**(145)**			**145**		**0**			
Total financial charges				**3.434**	**15.117**				

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5.6 NOTES TO THE FINANCIAL STATEMENTS

Covenants

The following table presents covenants on outstanding loans.
All of the covenants were satisfied at 31 December 2021.

	NAME	GUARANTEES GIVEN	TYPE OF PRODUCT	END DATE	FINANCIAL "COVENANT"	INDICATOR I)	INDICATOR II)	INDICATOR I II)	INDICATOR IV)
05	05 BreBanca IGD	Mondovicino shopping mall	Mortgage	10/01/23					
06	06 Unipol Lungosavio IGD	Sarca shopping mall	Mortgage	31/12/23					
07	07 Carige Nikefin Asti	Lungo Savio shopping center (Mall)	Mortgage	31/03/24					
08	08 Carisbo Guidonia IGD	Tiburtino shopping center	Mortgage	27/03/24	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	0,81			
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	Loan	05/10/21	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	0,81			
10	10 Mediocredito Faenza IGD	Le Maioliche shopping center (Hypermarket)	Contratto di Finanziamento	30/06/29	IGD Siiq SpA financial statements: ratio of external net debt to equity + Intercompany loan must not exceed 2.70	0,83			
14	14 MPS Palermo	La Torre shopping center (Mall)	Mortgage	30/11/25	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%	0,81	34,54%		
13	13 CR Veneto Mondovi	Mondovicino Retail Park	Mortgage	01/11/24	Certified consolidated financial statements: i) ratio of net debt (including derivative assets and liabilities) to net equity must not exceed 1.6	0,81			
17	17 Carige Palermo IGD	La Torre shopping center (Hypermarket)	Mortgage	30/06/27					
30	30 Ubi 1 lame_ rp_fav	La Favorita shopping center (Mall and Retail Park) and Lame shopping center (Mall)	Contratto di apertura di credito con garanzia ipotecaria	17/07/23					
33	33 Ubi 5 leonardo	Leonardo shopping center (Mall) and Centro Luna shopping center (Mall)	Loan	17/10/23	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%	0,81	41,07%		
26	Notes 2,65% - 21/04/2022	unsecured	Bond	21/04/22	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]	46,84%	3,91	9,47%	1,71
28	Notes 2,25% - 11/01/2024	unsecured	Bond	11/01/24	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]	47,76%	3,43	10,88%	1,71
35	Notes 2,125% - 28/11/24	unsecured	Bond	28/11/24	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]	40,16%	3,91	9,47%	2,08
34	34 Syndicated Loan	unsecured	Syndicated loan	16/10/23	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]	46,84%	3,91	9,47%	1,71
36	35 Fin.to MPS Garanzia Italia	unsecured	Unsecured loan	16/10/26	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]	40,16%	3,91	9,47%	2,08

NOTE 27) PROVISION FOR EMPLOYEE SEVERANCE INDEMNITIES

Movements in the provision for employee severance are shown below:

	01/01/2021	ACTUARIAL (GAIN)/ LOSSES	REVERSE	PROVISION	FINANCIAL CHARGES IAS 19	31/12/2021
Provisions for employee severance indemnities	1.929	8	(148)	177	10	1.976

	01/01/2020	ACTUARIAL (GAIN)/ LOSSES	REVERSE	PROVISION	FINANCIAL CHARGES IAS 19	31/12/2020
Provisions for employee severance indemnities	1.847	22	(149)	191	18	1.929

The following charts show the demographic and financial assumptions used:

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.

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%

Additional information

- sensitivity analysis, showing the impact in absolute terms of each reasonably possible change in actuarial hypotheses at the close of the year;
- amount of contribution for the following year;
- average financial duration of the liability for defined benefit plans;
- estimated payouts.

FINANCIAL ASSUMPTIONS	2021
Cost of living increase	1.75%
Discount rate	1.09%
Increase in total compensation	Executives 2.5% White collar/Middle managers 1.0% Blue collar 1.0%
Increase in severance indemnity provision	2.813%

Sensitivity analysis of main variables on TFR at 31 December 2021

Inflation rate +0,25% - Provision for employees severance indemnities:	1.942,05
Inflation rate -0,25% - Fondo TFR:	2.014,41
Discount rate +0,25 - Fondo TFR:	2.026,66
Discount rate -0,25 - Fondo TFR:	1.927,18
Turnover rate +1 - Fondo TFR:	1.911,73
Turnover rate -1 - Fondo TFR:	2.044,71

Service Cost 2021	180,47
Plan duration	18,30

Estimated payments, year 1	62,21
Estimated payments, year 2	61,53
Estimated payments, year 3	66,22
Estimated payments, year 4	256,73
Estimated payments, year 5	165,95

NOTE 28) GENERAL PROVISIONS

	01/01/2021	USE	PROVISION	31/12/2021
Provision for taxation	1.875	(189)	138	1.824
Consolidated Fund risks and future charges	1.174	(119)	0	1.055
Bonus provisions	489	(428)	753	814
Provisions for risks and future charges	**3.538**	**(736)**	**891**	**3.693**

Provision for taxation

This provision covers the charges that might arise from tax audits and other likely tax liabilities. Most of the increase consists of an additional allocation against pending IMU/ICI (local property tax) disputes, which mainly concern new classifications and cadastral rent calculations for the two shopping centers in Palermo and Ravenna (Esp). Decreases mostly concern:

€39K for the payment of IMU (municipal property tax) assessments for the year 2009 concerning Le Maioliche shopping center in Faenza;

€150K for the payment with reserve regarding an IMU dispute pending before the second-instance tax commission involving the Tiburtino shopping center (Guidonia) for the years 2014, 2015, and 2017.

Bonus provision

The bonus provision covers the variable compensation that will be paid to employees in 2022 on the basis of the Company's 2021 estimated results. The utilization refers to the payment made in the first half of 2021.

Other general provisions

These cover the risks arising from litigation in course and probable future expenses (€305K), and estimated end-of-term benefits for directors (€750K). The principal changes during the year were as follows:

the use of €69K further to an out-of-court settlement reached with a tenant;

the withdrawal of €50K in end-of-term benefits for directors considered to be in excess with respect to the amount allocated in prior years.

NOTE 29) SUNDRY PAYABLES AND OTHER NON-CURRENT LIABILITIES

	31/12/2021	31/12/2020	CHANGE
Extension fees	0	500	(500)
Deferred income	800	800	0
Payable for guarantee SACE	787	1.083	(296)
Other liabilities	11	11	0
Sundry payables and other non-current liabilities	**1.598**	**2.394**	**(796)**

Movements in this item were as follows:

- a decrease of €500K due to the reclassification to current liabilities of the share of the extension fee payable in October 2022 to BNP Paribas in order to extend the duration of the €200 million loan to 2023;
- a decrease of €296K for the reclassification to current liabilities of the costs payable to SACE in 2022 as consideration for the guarantee backing the five-year, €36,300K loan obtained the previous year.

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5.6 NOTES TO THE FINANCIAL STATEMENTS

Below are the details of related party payables:

	31/12/2021	31/12/2020	CHANGE
Coop Alleanza 3.0 Soc. Coop	9.912	12.932	(3.020)
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	**10.442**	**13.462**	**(3.020)**

Security deposits refer to sums received for the leasing of hypermarkets and malls. During the year this item decreased by €3,020K due to the transfer of five hypermarkets and one supermarket to Fondo Juice; for details see Note 18. The sale of the Lugo, Maestrale, and Miralfiore hypermarkets and the Schio supermarket also entailed transferring to the Fund the security deposits originally paid to IGD SIIQ to guarantee lease payments.

They pay interest at the rates provided for by law.

NOTE 30) CURRENT FINANCIAL LIABILITIES

	DURATION	31/12/2021	31/12/20	CHANGE
Mortgage loans		**24.328**	**48.412**	**(24.084)**
05 BreBanca IGD MONDOVICINO (Galleria)	23/11/2006 - 10/01/2023	1.316	1.250	66
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	817	769	48
09 Interbanca IGD	25/09/2006 - 05/10/2021	0	15.143	(15.143)
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	4.129	4.130	(1)
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	1.952	1.830	122
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	1.682	1.687	(5)
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	933	933	0
14 MPS Palermo (Galleria)	21/12/2010 - 30/11/2025	2.229	2.172	57
17 Carige Palermo IGD (Iper)	12/07/2011 - 30/06/2027	1.753	1.715	38
15 CentroBanca Cone (Galleria)	22/12/2010 - 31/12/2025	2.640	2.640	0
Ubi 5 Leonardo	19/04/2018- 17/10/2023	2.072	2.080	(8)
Ubi 1 Lame Rp Favorita	19/04/2018 - 17/07/2023	2.536	2.553	(17)
Ubi 2 Lame Rp Favorita	19/04/2018 - 17/10/2021	0	8.178	(8.178)
Ubi 3 Rp	19/04/2018 - 17/10/2021	0	3.332	(3.332)
Mps sace	16/10/2020 30/09/2026	2.269	0	2.269
Due to other source of finance		**3.505**	**3.364**	**141**
Leasing IGD Office	30/04/2009 - 30/04/2027	368	356	12
IFRS 16 Livorno current liabilities	01/01/2019 - 31/03/2026	3.021	2.896	125
IFRS 16 Abruzzo current liabilities	01/01/2019 - 31/12/2023	116	112	4
Debts for bonds		**157.960**	**76.400**	**81.560**
Bond 100 ML	11/01/2017 -11/01/2024	1.056	1.056	0
Bond 162 ML	21/04/2015 - 21/04/2022	156.148	2.815	153.333
Bond 300 ML	31/05/2016 - 31/05/2021	0	71.773	(71.773)
Bond 400 ML	28/11/2019 - 28/11/2024	756	756	0
Non-current financial liabilities		**185.793**	**128.176**	**57.617**
Related parties non - current financial liabilities		**31**	**3.828**	**(3.797)**

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Movements in current financial liabilities are as follows:

CURRENT FINANCIAL LIABILITIES	31/12/20	COUPON OF THE YEAR	REMBOURS-MENTS	AMORTIZED COST	RECLASSIFICA-TIONS	31/12/21
Payables due to mortgages	48.412	0	(48.344)	95	24.165	24.328
Payables due to bonds	76.400	15.117	(86.942)	917	152.468	157.960
Payables due to IFRS16	3.008	0	(3.008)	0	3.137	3.137
Payables due to other source of finance	356	0	(356)	0	368	368
TOTAL	**128.176**	**15.117**	**(138.650)**	**1.012**	**180.138**	**185.793**

Current financial liabilities with third parties include the current portion of lease payments on the new head office, the current portion of liabilities stemming from the adoption of IFRS 16, the current portion of outstanding mortgage and bond loans (including interest accrued), and financial payables to related parties in connection with the use of a treasury account. The principal changes in current financial liabilities relate to:

the repayment of principal falling due during the period on mortgage loans existing at the close of the previous year, and the reclassification of payments due within 12 months from non-current financial liabilities;

the redemption of the €300 million bond during the first quarter of the year;

the reclassification to current liabilities of the €162 million bond loan due to be redeemed on 21 April 2022;

the final payments closing out the loan contracts "Interbanca," "Finanziamento UBI 2 Lame Rp Favorita," and "Finanziamento UBI 3 Rp."

The reduction in related party liabilities (€3,797K) reflects the decrease in the amount due for use of the treasury account to the subsidiary Igd Management SIINQ S.p.A. (from €3,828K at the end of 2020 to €31K at 31 December 2021), plus interest accrued.

NOTE 31) NET FINANCIAL POSITION

The table below presents the net financial position at 31 December 2021 and 31 December 2020, following the guidelines published by ESMA on 4 March 2021. At neither date does it include derivatives held for hedging purposes, which by nature do not constitute monetary assets or liabilities.

	31/12/2021	31/12/2020	CHANGE
Cash and cash equivalents	(146.380)	(110.733)	(35.647)
Financial receivables and other current financial assets vs. related parties	(94.073)	(93.209)	(864)
LIQUIDITY	**(240.453)**	**(203.942)**	**(36.511)**
Current financial liabilities vs. related parties	31	3.828	(3.797)
Mortgage loans - current portion	24.328	48.412	(24.084)
Leasing - current portion	3.505	3.364	141
Bond loans - current portion	157.960	76.400	81.560
CURRENT DEBT	**185.824**	**132.004**	**53.820**
CURRENT NET DEBT	**(54.629)**	**(71.938)**	**17.309**
Leasing - non-current portion	13.091	16.596	(3.505)
Non-current financial liabilities	374.146	396.791	(22.645)
Bond loans	492.786	642.882	(150.096)
NON-CURRENT NET DEBT	**880.023**	**1.056.269**	**(176.246)**
Net debt	**825.394**	**984.331**	**(158.937)**

Net debt decreased by €158.9 million with respect to 31 December 2020, due mainly to:

the transfer of properties to and the sale of 60% of the shares of Fondo Juice (see Note 18 for details);

a decrease in payables as a result of applying IFRS 16;

cash generated during the year net of capital expenditure and mortgage loan payments.

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 32) TRADE AND OTHER PAYABLES

	31/12/2021	31/12/2020	CHANGE
Trade payables within	8.048	5.569	2.479
Trade and other payables	**8.048**	**5.569**	**2.479**

Trade payables increased due to the recovery, during the fourth quarter, of work on investment property that in the second half of 2020 had slowed down because of the Covid-19 emergency, and also reflects the different timing of payments with respect to the previous year.

NOTE 33) RELATED PARTY TRADE AND OTHER PAYABLES

	31/12/2021	31/12/2020	CHANGE
Coop Alleanza 3.0	213	165	48
Unicoop Tirreno s.c.a.r.l.	284	3	281
Cons. propr. del compendio com. del Commendone (GR)	19	30	(11)
Consorzio prop. Fonti del Corallo	3	0	3
Consorzio Cone'	71	5	66
Consorzio Clodì	2	0	2
Consorzio Katané	20	5	15
Consorzio Lame	12	8	4
Consorzio Leonardo	54	16	38
Consorzio La Torre	24	21	3
Igd Service S.r.l.	18	0	18
Rgd Ferrara 2013	0	188	(188)
IGD Management SIINQ S.p.a.	0	12	(12)
Consorzio Le Maioliche	4	5	(1)
Consorzio Punta di Ferro	82	13	69
Consorzio Proprietari Centro Luna	1	5	(4)
Consorzio Esp	53	5	48
Consorzio La Favorita	0	9	(9)
Consorzio Le Porte di Napoli	36	19	17
Consorzio Casilino	4	6	(2)
Consorzio del centro commerciale Nuova Darsena	2	0	2
Related parties trade and other payables	**902**	**515**	**387**

Most of the increase in related party payables (+€387K) reflects the different distribution payments. See Note 37 for details.

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NOTE 34) CURRENT TAX LIABILITIES

	31/12/2021	31/12/2020	CHANGE
Irpef/additional regional and municipality tax	514	482	32
Irap	158	0	158
VAT	0	228	(228)
Current tax liabilities	**672**	**710**	**(38)**

There was little change in this item, as the amount due at the end of 2020 for the December VAT settlement was offset at 31 December 2021 by the current liability for IRAP.

NOTE 35) OTHER CURRENT LIABILITIES

	31/12/2021	31/12/2020	CHANGE
Social security	289	231	58
Accrued income and prepayments	486	291	195
Insurance	8	8	0
Due to employees	578	427	151
Security deposits	6.891	5.813	1.078
Unclaimed dividends	2	2	0
Amounts due to director for emoluments	249	321	(72)
Extension fees	500	500	0
Due for guarantee SACE	296	320	(24)
Other liabilities	1.084	1.139	(55)
Other current liabilities	**10.383**	**9.052**	**1.331**

The largest component of this item is deposits received from tenants, whose increase produced most of the change for the year.

During the year IGD exercised its option to extend the duration of the €200 million loan for an additional year, until October 2022, against payment of an extension fee of €500K. At 31 December 2021 the second extension fee to extend the loan until October 2023 was reclassified to other non-current liabilities.

NOTE 36) RELATED PARTY OTHER CURRENT LIABILITIES

	31/12/2021	31/12/2020	CHANGE
Due to tax consolidations			
IGD Management SIINQ S.p.a.	52	79	(27)
Millennium Gallery S.r.l.	0	18	(18)
Porta Medicea S.r.l.	167	20	147
Related parties other current liabilities	**219**	**117**	**102**

NOTE 37) 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 LIABIL-ITIES	FINANCIAL PAYABLES	SUNDRY RECEIVABLES AND OTHER NON-CURRENT ASSETS	FIXED ASSETS - INCREASES	FIXED ASSETS - DECREASES
Coop Alleanza 3.0	71	0	213	9.912	0	0	19	0
Robintur s.p.a.	0	0	0	0	0	0	5	0
Librerie Coop s.p.a.	12	0	0	0	0	0	0	0
Alleanza Luce e Gas	25	0	0	55	0	0	0	0
Unicoop Tirreno s.c.a.r.l.	82	0	287	25	0	0	232	0
Cons. propr. del compendio com. del Commendone (GR)	1	0	19	0	0	0	22	0
Consorzio prop. Fonti del Corallo	0	0	3	0	0	0	172	0
Consorzio Cone'	17	0	71	0	0	0	36	0
Consorzio Clodì	8	0	2	0	0	0	0	0
Consorzio Crema (Gran Rondò)	1	0	0	0	0	0	5	0
Consorzio I Bricchi	9	0	0	0	0	0	0	0
Consorzio Katané	1	0	20	0	0	0	142	0
Consorzio Lame	0	0	12	0	0	0	27	0
Consorzio Leonardo	0	0	54	0	0	0	75	0
Consorzio La Torre	0	0	24	0	0	0	153	0
Consorzio Porta a Mare	53	0	0	0	0	0	0	0
Distribuzione Centro Sud s.r.l.	0	0	0	450	0	0	0	0
Igd Management SIINQ S.p.a.	35	0	52	0	0	0	0	0
Porta Medicea S.r.l.	3	366	167	0	0	0	0	0
Igd Service S.r.l.	11	91.145	15	0	0	0	0	0
Arco Campus S.r.l.	0	2.562	0	0	0	0	0	0
Consorzio Le Maioliche	3	0	4	0	0	0	8	0
Consorzio Punta di Ferro	13	0	82	0	0	0	30	0
Consorzio Proprietari Centro Luna	5	0	1	0	0	0	61	0
Consorzio Esp	21	0	53	0	0	0	75	0
Fondo Juice	17	0	0	0	0	0	0	0
Consorzio La Favorita	9	0	0	0	0	0	2	0
Consorzio Le Porte di Napoli	0	0	36	0	0	0	60	0
Consorzio Casilino	0	0	4	0	0	0	89	0
Consorzio del centro commerciale Nuova Darsena	0	0	2	0	0	0	31	0
Total	**397**	**94.073**	**1.121**	**10.442**	**0**	**0**	**1.244**	**0**
Amount reported	**13.092**	**94.073**	**19.555**	**12.040**	**1.065.814**	**88**		
Total increase/decrease of the period							**11.967**	**(139.118)**
% out of the total	**3,03%**	**100,00%**	**5,73%**	**86,73%**	**0,00%**	**0,00%**		

IGD SIIQ S.P.A. PROGETTO DI BILANCIO DI ESERCIZIO AL 31 DICEMBRE 2021
5.6 NOTES TO THE FINANCIAL STATEMENTS

	OPERATING REVENUES	FINANCIAL INCOME	TOTAL OPERATING COSTS	FINANCIAL CHARGES
Coop Alleanza 3.0	30.935	0	342	1
Robintur s.p.a.	214	0	0	0
Librerie Coop s.p.a.	740	0	0	0
Alleanza Luce e Gas	220	0	0	0
Unicoop Tirreno s.c.a.r.l.	4.166	0	20	0
Cons. propr. del compendio com. del Commendone (GR)	0	0	128	0
Consorzio Cone'	0	0	279	0
Consorzio Clodì	0	0	91	0
Consorzio I Bricchi	0	0	514	0
Consorzio Katané	1	0	203	0
Consorzio Lame	0	0	65	0
Consorzio Leonardo	0	0	103	0
Consorzio La Torre	1	0	471	0
Consorzio Porta a Mare	0	0	183	0
Distribuzione Centro Sud s.r.l.	1.411	0	0	0
Idg Service S.r.l.	955	5	0	0
Igd Management SIINQ S.p.a.	3.397	22	3	4
Porta Medicea S.r.l.	129	2	0	0
Arco Campus S.r.l.	5	0	0	0
Win Magazine S.A.	12	0	0	0
Winmarkt Management S.r.l.	5	0	0	0
Consorzio Le Maioliche	0	0	223	0
R.P.T. Robintur	10	0	0	0
Consorzio Punta di Ferro	10	0	239	0
Consorzio Proprietari Centro Luna	49	0	21	0
Consorzio Esp	1	0	262	0
Fondo Juice	17	0	0	0
Consorzio La Favorita	0	0	33	0
Consorzio Le Porte di Napoli	0	0	163	0
Consorzio Casilino	0	0	311	0
Total	**42.278**	**29**	**3.654**	**5**
Amount reported	**120.465**	**81**	**31.805**	**32.385**
% out of the total	**35,10%**	**35,80%**	**11,49%**	**0,02%**

The Company 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 2021, including for retail premises, amounted to €31.0 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 year ended 31 December 2021, €214K in rent was received from Robintur S.p.A. and €10K 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 year, the Company received €740K under these arrangements.

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 year, the Company received €220K under this arrangement, and also has payables for security deposits received.

Transactions with Distribuzione Centro Sud S.r.l. (a company held 70% by Coop Alleanza 3.0 Soc. Coop. E and 30% by Unicoop Tirreno Soc. Coop.) refer to the lease to that company of the Guidonia and Afragola hypermarkets for €1.4 million, 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. For the year, the Company received €4.2 million under these arrangements.

Transactions with other Group companies

Transactions with the direct and indirect subsidiaries Igd Management SIINQ S.p.A., Igd Service S.r.l., Porta Medicea S.r.l., Arco Campus S.r.l., and Win Magazin S.A. concern the following: (i) administrative, technical and financial services provided by IGD; (ii) loans granted to the subsidiaries Igd Management SIINQ S.p.A., Arco Campus S.r.l., and Igd Service S.r.l. and financial payables to the subsidiaries Igd Management SIINQ S.p.A. and Igd Service S.r.l. for the use of pooled accounts; (iii) the tax consolidation agreement with Igd Management SIINQ S.r.l., Igd Service S.r.l., and Porta Medicea S.r.l.

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 38) MANAGEMENT OF FINANCIAL RISK

In the course of business, IGD 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 (see section 2.12 of the Directors' Report). 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 fixed-interest bond loans, so it determines its risk of increased 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 93.82% of the Company'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.

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See Note 40 for quantitative information on derivatives.

The following table presents the sensitivity analysis of interest rate risk, showing the impact on equity and profit/loss, as required by IFRS 7.

The sensitivity analysis was conducted in consideration of the financial statement items that generate interest at floating rates or that are exposed to fair value changes, assuming parallel increases or decreases in the interest rate curves of each currency.

INTEREST RATE RISK									
INTEREST RARE RISK - EXPOSURE AND SENSITIVITY ANALYSIS	BENCHMARK	INCOME STATEMENT				NET EQUITY			
		SHOCK UP		SHOCK DOWN		SHOCK UP		SHOCK DOWN	
		31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Interest bearing assets	Euribor	1.464	1.107	(146)	(111)	0	0	0	0
Hot money	Euribor	0	0	0	0	0	0	0	0
Financial liabilities at a variable rate	Euribor	(2.713)	(2.781)	237	248	0	0	0	0
Derivatives									
- cash flow		1.943	1.968	(179)	(182)	0	0	0	0
- fair value		0	0	0	0	5.607	2.864	(570)	(292)
Total		**694**	**294**	**(88)**	**(45)**	**5.607**	**2.864**	**(570)**	**(292)**

The assumptions underlying the sensitivity analysis are as follows:

medium- and long-term mortgage loans were analyzed according to exposure at the reporting date;

ultra-short-term borrowings and deposits were analyzed according to exposure at the end of the year;

the initial shift in the interest rate curve was assumed to be +100/-10 basis points (unchanged since the previous year);

in determining changes associated with floating-rate financial instruments, it was assumed that no interest rates have already been set;

the values affecting equity have been calculated as the difference between the fair values calculated with the shock-modified curve and the fair values of derivatives at the balance sheet date;

The analysis assumes that all other risk variables remain constant.

For the sake of comparison, the same measurement was conducted on 2012 and 2011.

The method used to analyze and determine significant variables did not change since the previous year.

Foreign exchange risk

IGD uses the euro as its accounting currency for all purchases and sales.

Price risk

The Company 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. IGD 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 Company'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.

The table below presents the maximum exposure to credit risk for balance sheet components, divided into categories, including derivatives with a positive fair value.

Where financial instruments are measured at fair value, the amounts shown represent current credit risk, but not the maximum exposure to credit risk that could arise in the future due to changes in fair value.

MAXIMUM EXPOSURE TO CREDIT RISK	2021	2020
Receivables and loan		
Sundry receivables and other assets	84	83
Trade and other receivables	10.957	13.464
Related party trade and other receivables	397	325
Other assets	467	750
Cash and cash equivalents	146.346	110.691
Financial receivables and other financial assets	94.073	93.209
Total	**252.324**	**218.522**

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 Company'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.

Maturities are broken down below on the basis of undiscounted cash flows; the amounts shown take account of the first date on which payment can be requested.

The assumptions underlying the maturity analysis are as follows:

- for the future cash flows of long-term floating-rate payables, the forward rate curve at 31 December has been used;
- for the future cash flows of the fixed-rate bonds, the contractual flows have been used;
- for derivatives, the analysis includes those representing assets at 31 December, for which both outflows and inflows are shown, as their purpose is to hedge financial liabilities. At the balance sheet date, all derivatives had a negative fair value;
- amounts include cash flows from both the interest and the principal component.

The method used to analyze and determine significant variables did not change since the previous year.

	LIQUIDITY RISK							
MATURITY ANALYSIS AT 31 DECEMBER 2021	**ON SIGHT**	**< 3 MONTHS**	**3 -6 MONTHS**	**6 MONTHS - 1 YEAR**	**1 - 2 YEARS**	**2 - 5 YEARS**	**> 5 YEARS**	**TOTAL**
LIABILITIES								
NON DERIVATIVE FINANCIAL INSTRUMENTS								
Mortgages	1.864	3.638	7.637	15.613	277.481	103.712	3.396	413.341
Leasing	33	66	66	167	345	1.230	935	2.842
Bond	1.125	0	157.670	9.625	10.750	509.625	0	688.795
Short-term credit lines	0	0	0	0	0	0	0	0
Related party payables	31	0	0	0	0	0	0	31
Total	**3.053**	**3.704**	**165.373**	**25.405**	**288.576**	**614.567**	**4.331**	**1.105.009**
DERIVATIVE FINANCIAL INSTRUMENTS								
Derivative on rate risk	136	676	1.077	1.587	2.228	1.101	0	6.805
Total	**136**	**676**	**1.077**	**1.587**	**2.228**	**1.101**	**0**	6.805
Exposure at 31 December 2021	**3.189**	**4.380**	**166.450**	**26.992**	**290.804**	**615.668**	**4.331**	**1.111.814**

	LIQUIDITY RISK							
MATURITY ANALYSIS AT 31 DECEMBER 2020	**ON SIGHT**	**< 3 MONTHS**	**3 -6 MONTHS**	**6 MONTHS - 1 YEAR**	**1 - 2 YEARS**	**2 - 5 YEARS**	**> 5 YEARS**	**TOTAL**
LIABILITIES								
NON DERIVATIVE FINANCIAL INSTRUMENTS								
Mortgages	6.815	3.662	12.595	29.860	28.560	369.722	13.151	464.366
Leasing	32	65	97	196	398	1.247	1.367	3.402
Bond	1.125	0	76.633	9.625	168.420	520.375	0	776.179
Short-term credit lines	(0)	0	0	0	0	0	0	(0)
Related party payables	3.828	0	0	0	0	0	0	3.828
Total	**11.801**	**3.727**	**89.325**	**39.681**	**197.378**	**891.345**	**14.518**	**1.247.775**
DERIVATIVE FINANCIAL INSTRUMENTS								
Derivative on rate risk	477	775	1.525	2.402	3.783	5.544	572	15.078
Total	**477**	**775**	**1.525**	**2.402**	**3.783**	**5.544**	**572**	15.078
Exposure at 31 December 2020	**12.278**	**4.501**	**90.850**	**42.083**	**201.161**	**896.889**	**15.090**	**1.262.852**

IGD SIIQ S.P.A. PROGETTO DI BILANCIO DI ESERCIZIO AL 31 DICEMBRE 2021
5.6 NOTES TO THE FINANCIAL STATEMENTS

NOTE 39) DERIVATIVE INSTRUMENTS

The Company has engaged in derivative contracts for the use of interest rate swaps. The fair value of derivatives for which no active market exists is determined with assistance from specialized firms 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 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.

FAIR VALUE - HIERARCHY	31/12/21	31/12/20	VARIAZIONE	LIVELLO
Derivative assets	0	0	0	2
Derivative liabilities	(6.737)	(11.203)	4.466	2
IRS net effect	**(6.737)**	**(11.203)**	**4.466**	

The contracts are detailed below:

CONTRACTS IN DETAIL	"IRS 06 CARISBO 3.3495%"	"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%"
Contracts in detail	1.998.208	4.072.556	7.901.250	5.430.075	4.843.906	4.072.556	7.901.250
Inception date	12/02/09	28/04/10	27/08/10	28/04/10	28/04/10	30/04/10	31/08/10
Maturity	10/01/23	31/03/24	27/03/24	28/03/24	29/12/23	28/03/24	27/03/24
IRS frequency	Semestrale	Trimestrale	Trimestrale	Trimestrale	Semestrale	Trimestrale	Trimestrale
Bank rate	Euribor 6 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 6 mesi	Euribor 3 mesi	Euribor 3 mesi
Customer rate	3,35%	3,29%	2,30%	3,27%	3,41%	3,25%	2,30%

CONTRACTS IN DETAIL	"IRS 19 CARISBO 2.30%"	"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%"
Contracts in detail	7.901.250	7.901.250	3.214.286	12.675.000	10.230.000	4.092.000	6.138.000
Inception date	27/08/10	27/08/10	12/07/11	12/07/11	12/09/11	12/09/11	12/09/11
Maturity	27/03/24	27/03/24	31/03/24	01/11/24	31/12/25	31/12/25	31/12/25
IRS frequency	Trimestrale	Trimestrale	Trimestrale	Semestrale	Trimestrale	Trimestrale	Trimestrale
Bank rate	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 6 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi
Customer rate	2,30%	2,29%	2,80%	3,25%	2,43%	2,43%	2,43%

CONTRACTS IN DETAIL	"IRS 31 UBI 0.333%"	"IRS 39 BNP -0,21%"	"IRS 40 MPS -0,21%"	"IRS 41 BPM -0,21%"	"IRS 42 ICCREA -0,21%"	"IRS 38 BNP 0.075%"
Contracts in detail	43.500.000	48.000.000	50.000.000	30.000.000	15.000.000	57.000.000
Inception date	17/01/19	15/10/21	15/10/21	15/10/21	15/10/21	15/10/21
Maturity	17/10/23	14/10/22	14/10/22	14/10/22	14/10/22	14/10/22
IRS frequency	Trimestrale	Trimestrale	Trimestrale	Trimestrale	Trimestrale	Trimestrale
Bank rate	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi	Euribor 3 mesi
Customer rate	0,33%	-0,21%	-0,21%	-0,21%	-0,21%	0,08%

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IGD SIIQ S.P.A. PROGETTO DI BILANCIO DI ESERCIZIO AL 31 DICEMBRE 2021
5.6 NOTES TO THE FINANCIAL STATEMENTS

NOTE 40) COMMITMENTS

At 31 December 2021 the Company had the following major commitment: contract for the restyling of the Mantua property, for an amount of €3 million.

NOTE 41) DISPUTES

At 31 December 2021 there were no significant disputes involving IGD SIIQ S.p.A.

NOTE 42) 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.

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.

NOTE 43) IFRS 7 - "FINANCIAL INSTRUMENTS: DISCLOSURES"

Financial instruments are initially measured at fair value, and are subsequently measured depending on their classification, in accordance with accounting standard IFRS 9.

For this purpose, financial assets are split into four categories:

- Financial assets measured at fair value through profit and loss: at 31 December 2021 the Company had no financial instruments in this category;

- Loans and receivables: in this category the Company has trade, financial and other receivables, and cash and deposits. They mature within 12 months and are therefore carried at face value (net of any impairment).

- Available for sale financial assets: the Company has no financial instruments belonging to this category.

There are only two categories of financial liability:

- Financial liabilities measured at fair value through profit and loss. At 31 December 2021 the Group had no financial instruments in this category;

- Financial liabilities measured at amortized cost.

Classification in the statement of financial position

The Company's financial instruments are included in the statement of financial position as follows. The item "Other non-current assets" covers sundry receivables and other non-current assets, including derivative instruments. The item "Current assets" includes trade receivables, other current receivables, and cash and cash equivalents. "Cash and cash equivalents" include bank and post office deposits and cash and valuables on hand. The other assets consist of investments outstanding at the balance sheet date. The item "Non-current liabilities" includes mortgage loans from banks, derivatives, the bond loan, sundry payables and security deposits. The item "Current liabilities" covers short-term payables to banks, the current portion of medium/long-term loans, trade payables and other current payables. The items in the statement of financial position are classified below according to the categories required by IAS 39 at 31 December 2021 and 31 December 2020:

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IGD SIIQ S.P.A. PROGETTO DI BILANCIO DI ESERCIZIO AL 31 DICEMBRE 2021
5.6 NOTES TO THE FINANCIAL STATEMENTS

DATA AT 31 DICEMBRE 2021	CARRYING VALUE										
	FINANCIAL ASSETS/LIABILITIES DESIGNATED AT FAIR VALUE	FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE HELD FOR TRADING	RECEIVABLES AND LOANS	FINANCIAL ASSETS HELD TO MATURITY	FINANCIAL ASSETS AVAILABLE FOR SALE	FINANCIAL LIABILITIES AT AMORTIZED COSTS	HEDGING DERIVATIVES	TOTAL	OF WHICH CURRENT	OF WHICH NON CURRENT	FAIR VALUE
ASSETS											
Other non-current assetsi											
Sundry receivables and other non-current assets	0	0	54	0	0	0	0	54	0	54	**54**
Equity investments	0	0	212.098	0	0	0	0	212.098	0	212.098	**212.098**
Non current financial assets	0	0	0	0	0	0	0	0	0	0	**0**
Current assets											
Trade and other receivables	0	0	10.957	0	0	0	0	10.957	10.957	0	**10.957**
Related party trade and other receivables	0	0	397	0	0	0	0	397	397	0	**397**
Other current assets	0	0	467	0	0	0	0	467	467	0	**467**
Related party financial receivables and other current financial assets	0	0	94.073	0	0	0	0	94.073	94.073	0	**94.073**
Cash and cash equivalents	0	0	146.346	0	0	0	0	146.346	146.346	0	**146.346**
TOTAL FINANCIAL ASSETS	**0**	**0**	**464.392**	**0**	**0**	**0**	**0**	**464.392**	**252.240**	**212.152**	**464.392**
LIABILITIES											
Financial liabilitie											
Derivative liabilities	0	0	0	0	0	0	6.737	6.737	0	6.737	**6.737**
Due to banks	0	0	0	0	0	0	0	0	0	0	**0**
Leasing	0	0	0	0	0	2.893	0	2.893	368	2.525	**2.887**
Bond	0	0	0	0	0	650.746	0	650.746	157.960	492.786	**662.700**
Due to other source of finance	0	0	0	0	0	36.733	0	36.733	8.214	28.519	**36.733**
Mortgage loans	0	0	0	0	0	398.472	0	398.472	24.328	374.145	**401.216**
Related party financial payables	0	0	0	0	0	31	0	31	31	0	**31**
Non current liabilitiesi											
Sundry payables and other non current financial liabilities	0	0	0	0	0	1.597	0	1.597	0	1.597	**1.597**
Related party sundry payables and other non current financial	0	0	0	0	0	10.442	0	10.442	0	10.442	**10.442**
Current liabilities											
Trade and other payables	0	0	0	0	0	8.048	0	8.048	8.048	0	**8.048**
Related party trade and other payables	0	0	0	0	0	902	0	902	902	0	**902**
Other current liabilities	0	0	0	0	0	10.383	0	10.383	10.383	0	**10.383**
TOTAL FINANCIAL LIABILITIES	**0**	**0**	**0**	**0**	**0**	**1.120.248**	**6.737**	**1.126.985**	**210.234**	**916.751**	**1.141.676**

DATA AT 31 DECEMBER 2020	CARRYING VALUE										
	FINANCIAL ASSETS/LIABILITIES DESIGNATED AT FAIR VALUE	FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE HELD FOR TRADING	RECEIVABLES AND LOANS	FINANCIAL ASSETS HELD TO MATURITY	FINANCIAL ASSETS AVAILABLE FOR SALE	FINANCIAL LIABILITIES AT AMORTIZED COSTS	HEDGING DERIVATIVES	TOTAL	OF WHICH CURRENT	OF WHICH NON CURRENT	FAIR VALUE
ASSETS											
Other non-current assets											
Sundry receivables and other non-current assets	0	0	83	0	0	0	0	83	0	83	**83**
Equity investments	0	0	186.473	0	0	0	0	186473	0	186473	**186.473**
Non current financial assets	0	0	0	0	0	0	0	0	0	0	**0**
Current assets											
Trade and other receivables	0	0	13.464	0	0	0	0	13.464	13.464	0	**13.464**
Related party trade and other receivables	0	0	325	0	0	0	0	325	325	0	**325**
Other current assets	0	0	750	0	0	0	0	750	750	0	**750**
Related party financial receivables and other current financial assets	0	0	93.209	0	0	0	0	93.209	93.209	0	**93.209**
Cash and cash equivalents	0	0	110.733	0	0	0	0	110.733	110.733	0	**110.733**
TOTAL FINANCIAL ASSETS	**0**	**0**	**405.037**	**0**	**0**	**0**	**0**	**405.037**	**218.481**	**186.556**	**405.037**
LIABILITIES											
Financial liabilities											
Derivative liabilities	0	0	0	0	0	0	11.203	11.203	0	11.203	**11.203**
Due to banks	0	0	0	0	0	0	0	0	0	0	**0**
Leasing	0	0	0	0	0	3.249	0	3.249	356	2.893	**2.986**
Bond	0	0	0	0	0	719.282	0	719.282	76.400	642.882	**706.730**
Due to other source of finance	0	0	0	0	0	16.712	0	16.712	3.008	13.703	**16.712**
Mortgage loans	0	0	0	0	0	3.828	0	3.828	3.828	0	**3.828**
Related party financial payables	0	0	0	0	0	445.204	0	445.204	48.507	396.697	**423.695**
Non current liabilities											
Sundry payables and other non current financial liabilities	0	0	0	0	0	2.394	0	2.394	0	2.394	**2.394**
Related party sundry payables and other non current financial	0	0	0	0	0	13.462	0	13.462	0	13.462	**13.462**
Current liabilities											
Trade and other payables	0	0	0	0	0	5.569	0	5.569	5.569	0	**5.569**
Related party trade and other payables	0	0	0	0	0	515	0	515	515	0	**515**
Other current liabilities	0	0	0	0	0	9.052	0	9.052	9.052	0	**9.052**
TOTAL FINANCIAL LIABILITIES	**0**	**0**	**0**	**0**	**0**	**1.219.267**	**11.203**	**1.230.469**	**147.235**	**1.083.234**	**1.196.146**

For each financial instrument, both carrying value and fair value are indicated. The two values coincide for most instruments, as their maturity is short term. They differ for long-term instruments, such as mortgage loans, leasing installments and bonds. To calculate the fair value of liabilities measured at amortized cost, the Group has discounted future cash flows to present value using a risk-free (zero coupon) curve estimated at 31 December, as reported by Bloomberg. The calculation takes account of the credit spread that banks would currently grant to IGD. 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 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.

The fair value of financial liabilities was calculated using the credit spread that banks would grant to IGD SIIQ S.p.A. as of the measurement date. At 31 December 2021 the estimated credit spread was 1.70% (3.90% the previous year).

Collateral

Below is a list of financial assets pledged as collateral for contingent liabilities.

COLLATERAL GIVEN	CARRYING VALUE	
	2021	2020
Security deposits		
Sundry receivables and other assets	84	83

The following table shows the impairment of trade receivables:

IMPAIRMENT	IMPAIRMENT OF TRADE RECEIVABLES	
	2021	2020
Opening balance	**18.122**	**10.079**
Allocation for individual writedown	2.645	9.017
Utilizations	(4.537)	(970)
Other movements	(7)	(4)
Total	**16.223**	**18.122**

Gains and losses from financial instruments

The table below reports the gains and losses from financial instruments held. These derive from securities trading, the impairment of trade receivables, and hedge derivatives.

For hedge derivatives, the table shows the amount of the differentials paid and collected. The effects of fair value changes charged to the cash flow hedge reserve under equity (net of the tax effects) came to a positive €4,005K in 2021 and a positive €3,528K in 2020.

INCOME AND LOSS FROM FINANCIAL INSTRUMENTS

INCOME STATEMENT 31/12/2021	CARRYING VALUE						
	FINANCIAL ASSETS/ LIABILITIES MEASURED AT FAIR VALUE	FINANCIAL ASSETS/ LIABILITIES MEASURED AT FAIR VALUE HELD FOR TRADING	RECEIVABLES AND LOANS	FINANCIAL ASSETS HELD TO MATURITY	FINANCIAL ASSETS AVAILABLE FOR SALE	FINANCIAL LIABILITIES AT AMORTIZED COSTS	HEDGING DERIVATIVES
	31-DIC-21						
Net gain (loss)							
Financial assets/liabilities							(4.737)
Trade and other receivables			(2.645)				
Total	0	0	**(2.645)**	0	0	0	**(4.737)**

INCOME AND LOSS FROM FINANCIAL INSTRUMENTS

INCOME STATEMENT 31/12/2020	CARRYING VALUE						
	FINANCIAL ASSETS/ LIABILITIES MEASURED AT FAIR VALUE	FINANCIAL ASSETS/ LIABILITIES MEASURED AT FAIR VALUE HELD FOR TRADING	RECEIVABLES AND LOANS	FINANCIAL ASSETS HELD TO MATURITY	FINANCIAL ASSETS AVAILABLE FOR SALE	FINANCIAL LIABILITIES AT AMORTIZED COSTS	HEDGING DERIVATIVES
	31-DIC-20						
Net gain (loss)							
Financial assets/liabilities							(5.185)
Trade and other receivables			(9.017)				
Total	0	0	**(9.017)**	0	0	0	**(5.185)**

The next table shows income and charges from financial assets and liabilities not measured at fair value:

INTEREST INCOME	2021	2020
Interessi attivi su attività finanziarie non valutate al fair value		
Deposits	51	81
Related party receivables	29	90

INTEREST EXPENSES	2021	2020
Interest expenses on financial liabilities not measured at fair value		
Security deposits	1	7
Sundry payables and other liabilities	1.278	1.296
Payables to parent company	4	6
Financial liabiltiies		
Mortages	7.328	7.187
Leasing	33	41
IFRS 16	452	561
Bond	18.551	20.254
Short term loans	0	2

5.7 PROPOSAL FOR APPROVAL OF THE FINANCIAL STATEMENTS, ALLOCATION OF THE 2021 PROFIT AND DISTRIBUTION OF DIVIDENDS

Dear shareholders,

We submit the separate financial statements of IGD SIIQ S.p.A. at 31 Decemeber 2021 for your approval, which close with a net profit of € 54,093,401.45. Subject to the approval of the draft financial statements for the year ending 31 December 2021 and the Directors' Report on Operations, we propose:

1. To allocate the Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A. 2021 net profit, equal to € 54,093,401.45 as follows:
   - Allocating € 6,557,849 of the net profit to Fair Value Reserve, relative to the fair value of the real estate portfolio. Consequently, the fair value reserve, relative to the fair value of the real estate portfolio, will go from € 210,050,105.49 to € 216,607,954.49;
   - allocating € 13,869,118.24 of the net profit to the distributable earnings reserve, specifying that this sum derives from exempt operations;
   - allocating € 1,933,427.01 of the net profit to the distributable earnings reserve, specifying that this sum derives from taxable operations;
   - allocating € 31,733,007.20 of the net profit to dividends, specifying that this sum derives from exempt operations.
2. To distribute a dividend per share equal to € 0.35 to 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 the Company's shares outstanding at 24 February 2022, equal to 110,341,903 ordinary shares, amounts to € 38,619,666,05, to be taken from:
   - for € 31,733,007.20, distributable income derived entirely from exempt operations;
   - for € 6,886,658.85, using a portion of the reserves released as a result of the dispsal of 5 hypermarkets and a supermarket completed during the year.
3. To grant the Chairman and the Chief Executive Officer, jointly or severally, the power to determine the exact number of shares entitled to receive dividends and the exact amount of the dividends to be distributed.

Bologna, 24 Febrauary 2022

THE CHAIRMAN

ROSSELLA SAONCELLA

5.8 MANAGEMENT AND COORDINATION

IGD SIIQ S.p.A. is a subsidiary of Coop Alleanza 3.0 Soc. Coop. of Villanova di Castenaso (province of Bologna) and is under the management and coordination of that company.

Pursuant to Article 2497 bis (4) of the Italian Civil Code, key figures from the latest approved financial statements of Coop Alleanza 3.0 Soc. Coop. are presented below:

FINANCIAL STATEMENTS COOP ALLEANZA 3.0	ESERCIZIO 2020	ESERCIZIO 2019
BALANCE SHEET (ex art. 2424 C.C.)		
ASSET		
A) - UBSCRIBED CAPITAL UNPAID	0	0
B) - FIXED ASSETS	3.871.438.028	3.955.593.678
C) - CURRENT ASSETS	2.731.711.544	3.108.410.927
D) - ACCRUED INCOME AND PRE-PAYMENTS	10.120.955	10.191.280
TOTAL ASSETS	**6.613.270.527**	**7.074.195.885**
LIABILITIES		
A) - NET EQUITY	1.720.584.845	1.916.744.674
B) - GENERAL PROVISIONS	105.567.083	96.661.509
C) - PROVISIONS FOR EMPLOYEES SEVERANCE INDEMNITIES	125.236.263	132.971.199
D) - PAYABLES	4.658.663.932	4.924.111.513
E) - ACCRUED INCOME AND PRE-PAYMENTS	3.218.404	3.706.990
TOTAL LIABILITIES AND NET EQUITY	**6.613.270.527**	**7.074.195.885**
MEMORANDUM ACCOUNT		
INCOME STATEMENT (ex art. 2425 C.C.)		
A) - VALUE OF PRODUCTION	4.213.362.446	4.029.067.042
B) - COSTS OF PRODUCTION	(4.322.635.297)	(4.265.490.445)
C) - FINANCIAL INCOME AND CHARGES	35.042.646	103.399.141
D) ADJUSTMENT TO THE VALUE OF FINANCIAL ASSETS	(66.972.801)	(30.683.896)
E) EXTRAORDINARY INCOME AND CHARGES		
Income taxes for the period	2.970.322	(243.460)
PROFIT (LOSS) FOR THE PERIOD	**(138.232.684)**	**(163.951.618)**

5.9 INFORMATION PURSUANT TO ART. 149 *DUODECIES* OF CONSOB'S REGULATIONS FOR ISSUERS

The following chart, prepared in accordance with Art. 149 *duodecies* of Consob's regulations for issuers, shows the fees pertaining to 2021 for external auditing and for services other than auditing rendered by the accounting firm or by entities in its network.

(AMOUNTS IN THOUSANDS OF EURO)	SERVICE PROVIDER	RECIPIENT	FEES IN 2021
Auditing	PricewaterhouseCoopers S.p.A.	IGD SIIQ S.p.A.	164
Sustainability report auditing	PricewaterhouseCoopers Advisory S.p.A.	IGD SIIQ S.p.A.	25
Total			**189**

5.10 CERTIFICATION OF THE SEPARATE FINANCIAL STATEMENTS

ATTESTAZIONE DEL BILANCIO D'ESERCIZIO

AI SENSI DELL'ART. 81-ter DEL REGOLAMENTO CONSOB ADOTTATO CON
DELIBERA 11971 DEL 14 MAGGIO 1999
E SUCCESSIVE MODIFICHE ED INTEGRAZIONI

1. I sottoscritti Claudio Albertini, in qualità di Amministratore Delegato, Carlo Barban, in qualità di Dirigente Preposto alla redazione dei documenti contabili societari della IGD SIIQ S.p.A., attestano, tenuto anche conto di quanto previsto dall'art. 154-bis, terzo e quarto comma, del D.lgs. 58/98:
   - l'adeguatezza in relazione alle caratteristiche dell'impresa e
   - l'effettiva applicazione delle procedure amministrative e contabili per la formazione del bilancio d'esercizio nel corso dell'esercizio 2021.

2. Si attesta, inoltre, che:
   1. Il Bilancio d'esercizio:
      a) è redatto in conformità ai principi contabili internazionali applicabili riconosciuti nella Comunità europea ai sensi del regolamento (CE) n. 1606/2002 del Parlamento Europeo e del Consiglio, del 19 luglio 2002;
      b) corrisponde alle risultanze dei libri e delle scritture contabili;
      c) è idoneo a fornire una rappresentazione veritiera e corretta della situazione patrimoniale, economica e finanziaria dell'emittente.

   2.2. La relazione sulla gestione comprende un'analisi attendibile dell'andamento e del risultato della gestione nonché della situazione dell'emittente, unitamente alla descrizione dei principali rischi e incertezze cui è esposto.

Bologna, 24 febbraio 2022

Amministratore Delegato	Dirigente Preposto alla Redazione dei documenti contabili societari
Claudio Albertini	*Carlo Barban*

5.11 ATTACHMENTS

CERTIFICATION PURSUANT TO ART. 16 CONSOB RESOLUTION 20249/2017

IN ACCORDANCE WITH ART. 2.6.2 OF THE REGULATIONS FOR MARKETS ORGANIZED AND MANAGED BY BORSA ITALIANA S.P.A.

Pursuant to Article 2.6.2 of the Regulations for Markets Organized and Managed by Borsa Italiana S.p.A., it is hereby declared that Immobiliare Grande Distribuzione SIIQ S.p.A., under the management and control of Coop Alleanza 3.0 S.c.a.r.l., meets the listing conditions stated in Art. 16 of Consob Resolution 20249 of 28 February 2017.

24 February 2022

For the Board of the Directors
The Chairman of the Board of Directors
(Rossella Saoncella)

LIST OF EQUITY INVESTMENTS

NAME	REGISTERED OFFICE	COUNTRY	SHARE CAPITAL	NET RESULT (€)	NET EQUITY (€)	% HELD	CONTROL	CARRYING VALUE
IGD Management SIINQ SpA	Bologna via trattati comunitari Europei 1957-2007	Italy	20.000.000 (euro)	2.274.975	80.754.325	100%	IGD SIIQ S.p.A.	69.967.081
IGD Service S.r.l	Bologna via trattati comunitari Europei 1957-2007	Italy	60.000.000 (euro)	(1.329.353)	124.553.570	100%	IGD SIIQ S.p.A.	114.743.673
Arco Campus S.r.l.	Bologna via dell'Arcoveggio n.49/2	Italy	1.500.000 (euro)	50.013	1.570.644	99,98%	IGD SIIQ S.p.A.	1.506.779
Consorzio I Bricchi (*)	Isola D'Asti (Loc. Molini) Via prato boschiero	Italy	6.000 (euro)	0	5.998	72%	IGD SIIQ S.p.A.	4.335
Consorzio proprietari C.C. Leonardo (*)	Imola (Bologna) Via Amendola 129	Italy	100.000 (euro)	0	100.000	52%	IGD SIIQ S.p.A.	0
Consorzio proprietari C.C. Fonti del Corallo (*)	Livorno Via Gino Garziani 6	Italy	10.000 (euro)	0	12.400	68%	IGD SIIQ S.p.A.	6.800
Consorzio proprietari del Compendio commerciale del Commendone (*)	Grosseto Via Ecuador	Italy	10.000 (euro)	0	10.000	52,60%	IGD SIIQ S.p.A.	6.039
Consorzio Puntadadiferro (*)	Forlì, Piazzale della Cooperazione 4	Italy	10.000 (euro)	0	10.000	62%	IGD SIIQ S.p.A.	6.234
Fondo Juice (**)	Milano, via San Paolo 7	Italy	64.165 (euro)	1.938	64.184	40%*	IGD SIIQ S.p.A.	25.666

(*) Figures refer to the financial statements for the year ended 31 December 2020.

(**) As discussed in Note 18, IGD SIIQ holds 25,224 Class B shares equal to 40% of the fund's capital.

5.12 EXTERNAL AUDITORS' REPORT

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Independent auditor's report

in accordance with article 14 of Legislative Decree N. 39 of 27 January 2010 and article 10 of Regulation (EU) N. 537/2014

To the shareholders of
Immobiliare Grande Distribuzione SIIQ SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Immobiliare Grande Distribuzione SIIQ SpA (hereinafter, also the Company), which comprise the statement of financial position as of 31 December 2021, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and the illustrative notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Immobiliare Grande Distribuzione SIIQ SpA as of 31 December 2021, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree N. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of Immobiliare Grande Distribuzione SIIQ SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332285039 - **Verona** 37135 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

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IGD SIIQ S.P.A. PROGETTO DI BILANCIO DI ESERCIZIO AL 31 DICEMBRE 2021
5.11 ATTACHMENTS

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Valuation of investment properties and assets under construction *See notes N. 6, 12 and 15 and paragraphs "Summary of accounting standards" and "Use of estimates" of the illustrative notes to the financial statements as of 31 December 2021.* As of 31 December 2021 Immobiliare Grande Distribuzione SIIQ SpA's investment properties and assets under construction are equal to, respectively, Euro 1,781.6 million and Euro 27.9 million, totaling Euro 1,809.5 million, which represented 79% of total assets. Investment properties are measured at fair value in accordance with IAS 40 as endorsed by the European Union and assets under construction are valued at cost less impairments, or at fair value if the procedure for obtaining administrative permits has been completed and construction is underway. The fair value of Company's investment properties and assets under construction, which is based on appraisals carried out by independent experts (hereinafter, also the "Appraisers"), was of particular importance in auditing the Company's financial statements and is a key audit matters of the audit as it is based on a complex process of estimate, made even more uncertain by the current market situation related to the Covid-19 pandemic, as well as on the use of assumptions that are impacted by future market conditions, specifically in relation to the estimated rental value, the estimated vacancy rates (i.e. the forecast percentage of investment property space that remains vacant), the rate used to capitalize the net rental income at the end of the measurement period and the rate used to discount the cash flows related to each investment property.	Our approach in auditing such financial statements items firstly included the understanding and evaluating of the methodologies and procedures defined by the Company and approved by the Board of Directors on 19 December 2013 and subsequently updated on 7 May 2019 to verify the independence and the competence of the independent the Appraisers engaged to determine the fair value of investment properties and assets under construction, as well as the procedures dealing with the selection and rotation of the Appraisers and the sharing of information between Company Management responsible for managing the real estate portfolio and the Appraisers. The audit approach therefore included testing of controls put in place by the Company over the aforementioned processes and procedures in order to verify the fair value measurement models prepared by the Appraisers as well as the results of such models. Based on our understanding, evaluating and testing of aforementioned controls, we therefore planned and performed substantive auditing tests on such financial statement line items. In this respect, we highlight that the tests of details on the real estate portfolio were performed on a sample of investments considered to be significant based on the risk and size of each investments, with the aim to cover all kinds of investments and all the Appraisers involved, as well as to rotate the real estate portfolio selected by us. Specifically, we verified the reasonableness of the methodologies adopted and of the main

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	assumptions reflected in the valuation models (discounted cash flow) through review and analysis of the appraisals prepared by the independent experts and discussions with Company Management and the independent experts; such analyses and discussions were conducted involving the PwC experts in real estate valuation. Particular emphasis was placed on verifying the reasonableness of those variables, also assessed in the light of the market uncertainty related to the Covid-19 pandemic and the possible consequent impacts on the Company's business, that have the most significant impact in determining the fair value, like the estimated rental value, the estimated vacancy rate, the rate used to capitalize the net rental income at the end of the measurement period and the rate used to discount cash flows related to each investment property, with respect to the best practices normally adopted for the valuation of similar investment properties in the same real estate sector of the Company. With regard to assets under construction, we also verified the consistency between the estimated costs to complete the constructions, included in the valuation model, and the budget of costs approved by the Company's Board of Directors. We also verified on a sample basis the consistency between the cash flows included in the valuation models and the rents arising from the contracts signed with tenants and between figures relating to insurance costs and the IMU property tax and related supporting documentation. For those investments selected, we also verified the mathematical accuracy of the valuation models prepared by the independent experts. Finally, taking into account that the fair value measurement of investment properties and assets under construction is based on the use of measurement models with unobservable inputs (Level 3 in the fair value hierarchy included in IFRS 13 as endorsed by the

IGD SIIQ S.P.A. PROGETTO DI BILANCIO DI ESERCIZIO AL 31 DICEMBRE 2021
5.11 ATTACHMENTS

	European Union), we verified the Company's disclosures in the illustrative notes to the financial statements regarding the methodology adopted to determine fair value, the estimate of inputs, the results of valuations and the fair value sensitivity analysis performed.
Accounting treatment of the sale transaction of some real estate investments *See notes N. 7 and 18 and paragraphs "Summary of accounting standards" and "Use of estimates" of the illustrative notes to the financial statements as of 31 December 2021*	
On 25 November 2021 the Company carried out a sale transaction of a real estate portfolio of 5 hypermarket e 1 supermarket (hereinafter also the "Portfolio") whose fair value at the closing date was appraised by an independent expert for some Euro 140 million. The sale transaction was carried out through: i) the preliminary contribution of the Portfolio and of a bank loan amounting to Euro 77 million to an Italian real estate reserved alternative investment fund named Fondo Juice, resulting in a 100% interest in the same fund (60% of Fondo Juice class A quotas with a preferential yield and 40% of Fondo Juice class B quotas with a yield subordinated to the yield and reimbursement of class A quotas); ii) the concurrent sale of Fondo Juice class A quotas for an amount of some Euro 38 million to Corallo Lux HoldCo Sarl leading to a 40% interest held by IGD (class B quotas) and a 60% interest held by Corallo Lux HoldCo Sarl (class A quotas) in the Fondo Juice. Following an assessment carried out taking into particular account the governance of the Fondo Juice and the differents rights attached to the class A and class B quotas, the Company concluded that the Fondo Juice investment can be qualified as an associate, pursuant to the international accounting principle IAS 28 as adopted by the European Union.	Our audit approach preliminarily consisted of understanding the analysis performed by the Company of the derecognition of the net assets being part of the contributed Portfolio and of the qualification of the 40% investment in the Fondo Juice class B quotas as an associate, pursuant to the international accounting principle IAS 28 as adopted by the European Union. Subsequently, we carried out a critical analysis of the contractual documents, held discussions with the IGD Group management, as well as we read the Company's Board of Directors' minutes, also involving PwC network experts in the interpretation and application of International Financial Reporting Standards. Moreover, we verified the accuracy of the entries related to the derecognition of the net assets contributed and to the classification of the Fondo Juice investment as an associate. We verified, also through the involvement of PwC network valuation experts, the reasonableness of the accounting estimates assessed by the Company related to the fair value of the Fondo Juice class B quotas, at the derecognition of the net assets sold date, pursuant to the international accounting

As a result of the loss of control by the Company in the net assets sold, in the financial statements the Company adopted the following accounting treatment: i) Derecognition of the assets and liabilities being part of the contributed Portfolio; ii) Recognition of the 40% interest in the Fondo Juice at the fair value at the date of the loss of control. This was considered as a key audit matter for the statutory audit of the financial statements in consideration of the significant impact on the Company assets and liabilities and of the complexity of the analysis of the related accounting treatment.	principle IFRS 13 as adopted by the European Union. Finally, we verified the disclosures on the accounting treatment adopted by the Company in the financial statements.

Other matters

As required by law, the Company included in the illustrative notes to the financial statements the key figures of the latest financial statements of the entity which directs and coordinates its activities. Our opinion on the financial statements of Immobiliare Grande Distribuzione SIIQ SpA does not extend to those figures.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree N. 38/2005 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the Directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- We concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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5.11 ATTACHMENTS

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From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) N. 537/2014

On 18 April 2013, the shareholders of Immobiliare Grande Distribuzione SIIQ SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending from 31 December 2013 to 31 December 2021.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) N. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) N. 2019/815

The Directors of Immobiliare Grande Distribuzione SIIQ SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) N. 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) N. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree N. 39/2010 and Article 123-bis, paragraph 4, of Legislative Decree N. 58/1998

The Directors of Immobiliare Grande Distribuzione SIIQ SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Company as of 31 December 2021, including their consistency with the relevant financial statements and their compliance with the law.

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We have performed the procedures required under auditing standard (SA Italia) N. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree N. 58/1998, with the financial statements of Immobiliare Grande Distribuzione SIIQ SpA as of 31 December 2021 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Immobiliare Grande Distribuzione SIIQ SpA as of 31 December 2021 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree N. 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Bologna, 16 March 2022

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

5.13 BOARD OF STATUTORY AUDITORS' REPORT

IMMOBILIARE GRANDE DISTRIBUZIONE

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

Registered Office Via Trattati Comunitari Europei 1957-2007 n. 13 Bologna, Italy

REA 458582 Company Register no. 00397420399

Share capital: €650,000,000.00 fully paid-in

Company under the management and control of Coop Alleanza 3.0 Soc. Coop.

Statutory auditors' report to the Annual General Meeting of IGD Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata (SIIQ) S.p.A. pursuant to Art. 153 of Legislative Decree 58/1998 and Art. 2429 of the Italian Civil Code

* * * * *

2021 Annual Report

Dear shareholders:

The Board of Statutory Auditors, pursuant to Art. 153 of Legislative Decree 58/1998 (the Consolidated Finance Act) and Art. 2429 of the Italian Civil Code, is required to report to the shareholders during the general meeting on the board's supervisory activities during the year and on any findings of omission or inappropriate conduct.

The Board of Statutory Auditors is also called upon to comment on any proposals relating to the financial statements, their approval, and the agenda items for the Annual General Meeting.

Preliminarily it is acknowledged that the Board of Statutory Auditors, in its current composition, was appointed by the Shareholders' Meeting of April 15, 2021.

During the year the Board of Statutory Auditors carried out its duties in accordance with the Italian Civil Code, Legislative Decrees 58/1998 and 39/2010,

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and the by-laws, as well as applicable special laws and the provisions issued by the stock exchange regulator (Commissione Nazionale per le Società e la Borsa or Consob) while also taking into account the recommendations of the Italian Accounting Profession.

Through the date on which this report was prepared, we have proceeded with the control and supervisory activities assigned to us by law in compliance with the instructions issued by Consob on the subject of corporate control.

During the year, the Board of Statutory Auditors gathered the information necessary to fulfill its duties through *ad-hoc* meetings as well as direct contact with in-house personnel and by attending the meetings of the Board of Directors. Members of the Board of Statutory Auditors also attended the meetings of various committees, most notably the Internal Control Committee, the Nominations and Compensation Committee, and the Related Party Transactions Committee, and exchanged information with the external auditor PriceWaterhouseCoopers S.p.A. (hereinafter also referred to as "PWC" or the "External Auditors"), the Internal Audit division, the Financial Reporting Officer and the Supervisory Board pursuant D.Lgs 231/2001.

The Board of Statutory Auditors notes that the separate and consolidated financial statements for the year ended 31 December 2021 were prepared in accordance with the IAS/IFRS (International Accounting Standards and International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB), ratified by the European Commission and currently in effect. When necessary, reference was made to the guidelines issued by the IASB or the International Financial Reporting Interpretations Committee (IFRIC), or the documents prepared by the Italian Accounting Profession (*OIC* or *Organismo Italiano di Contabilità*).

Without prejudice to the above, the information called for in Consob Bulletin no. 1025664 of 6 April 2001, as subsequently amended, is provided below.

In drafting this report, we have therefore followed the format and numbering specified in the above mentioned Consob bulletin.

I. DESCRIPTION OF TRANSACTIONS WITH A MAJOR IMPACT ON THE BALANCE SHEET, INCOME STATEMENT AND FINANCIAL POSITION

The most relevant corporate events in 2021 are summarized below:

- On 13 January 2021 IGD, published a notice informing the noteholders that the Company had decided to exercise the option for early redemption of the Notes "¤300,000,000 2.500 per cent. Notes due 31 May 2021" (ISIN: XS1425959316), outstanding for an aggregate principal amount of ¤70,793,000,. On 1 March 2020 the Notes were redeemed in full.
- On 25 February 2021 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.
- on 15 April 2021 IGD's shareholders, meeting in ordinary session, 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.
- 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 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 fiscal optimization

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- On 22 September 2021 the merger and demerger deeds were filed with the Bologna Revenue Office.

- On 30 September 2021 Fitch Ratings Ltd confirmed the Investment Grade rating of BBB- and changed the outlook from Negative to Stable. The revised outlook reflects the improved visibility for rental income, supported by the gradual increase in footfalls and the sales of the tenants in IGD's shopping centers.

- On 25 November 2021 IGD signed the definitive contract, further to the preliminary agreement announced to the market on October 21, with Intermediate Capital Group ("ICG", a global asset management company, listed on the London Stock Exchange) for the sale, by IGD, of a property portfolio of hypermarkets and supermarkets for ¤140 million, consistent with the book value as at 30 June. The transaction was finalized by transferring the entire real estate portfolio to "Fondo Juice" - a closed end real estate investment fund (an Italian REIF) managed by Savills Investment Management SGR S.p.A. - of which ICG will hold 60% of the quotas (Class A, with a preferential yield) through Corallo Lux Holdco S.a.r.l. (an ICG Group company) and IGD the remaining 40% (Class B, with a subordinated yield). The goal is to further enhance the portfolio over the next few years and sell it on the market at the best conditions possible.

- As a result of this transaction, IGD received roughly ¤115 million, net of the amount reinvested in Fondo Juice; these financial resources allowed Gruppo IGD to reduce the Loan-to-Value and, together with the available liquidity, cover almost all financial maturities through 2022.

- On 10 December 2021, IGD Service S.r.l., a wholly-owned subsidiary of IGD SIIQ S.p.A., signed a framework agreement with DoMa S.r.l. entailing:

  - the sale by IGD Service S.r.l. to DoMa S.r.l. on 1 January 2022 of the mall at the Centro Piave, for ¤1 million;

  - a facility management contract under which IGD Service S.r.l. will manage the mall at Centro Piave for six years, renewable for an additional three years;

  - the termination, on 1 January 2022, of the lease agreement for the mall at Centro Piave that was originally to expire on 30 June 2022.

- On 28 December 2021, IGD Management SIINQ S.p.A. opted to switch to SIINQ status with effect as from the financial year beginning on 1 January 2022. Adhesion to the special regime, in addition to compliance with the objective, subjective and statutory requirements applicable to the SIINQ, makes it mandatory to also draw-up the financial statements based on international accounting standards. Through 31 December 2020 IGD Management SIINQ S.p.A. had prepared the financial statements in accordance with Italian accounting standards. The FY 2021 financial statements, in accordance with current laws governing SIINQs, was drawn up based on the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) and endorsed by the European Union.

The Parent Company's performance and financial position can be summarized as follows.

The 2021 financial statements, submitted for the approval of the Annual General Meeting, close with a net profit of ¤54,093 thousand. Total revenue and other income came to ¤120,466 thousand, a decrease of ¤1.2 million (-5.3%) on the previous year, attributable mainly to the disposal, on 25 November 2021, of 5 hypermarkets and 1 supermarkets to Fondo Juice, as described above. Operating costs (including overheads) went down, impacting from 26.8% to 26.4% of revenue. Operating costs include also the notes of credit issued for discounts on rents already invoiced as part of the post-lockdown support provided to retailers.

At ¤85 million, EBIT was ¤117 million higher than in 2020 due to the lower decrease in the fair value of the property portfolio equal to ¤0.3 million (the decrease in fair value was equal to €111.5 million at 31 December 2020).

Financial charges amounted to ¤32.3 million at 31 December 2021, ¤2.1 million lower than in the prior year.

The net financial position was around ¤158.9 million lower than in 2020.

In 2021 the Board of Statutory Auditors received information about the transactions with a major impact on the balance sheet, income statement and financial position carried out by the company and its subsidiaries, by attending board of directors' meetings and sitting with top management, as well as with Internal Audit and the financial audit company (PWC). The Chief Executive Officer always informed the Board of Statutory Auditors about the impact of the pandemic and compliance with the different decrees issued by the authorities in a timely manner.

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To the extent of our knowledge, these transactions were not manifestly imprudent or hazardous, present no potential conflict of interest, do not violate shareholder resolutions, and are not liable to compromise the company's financial soundness.

The Directors' Report that you have received provides ample and complete information about these transactions. Please refer to that report for details of the transactions and the reasons why they were undertaken by the Board of Directors, which approved them in accordance with the law and the company by-laws. The Board of Statutory Auditors acknowledges the content of the Directors' Report and has no particular observations to make in this regard.

The Board of Statutory Auditors also acknowledges that at 31 December 2021, IGD SIIQ S.p.A. still complied with the subjective, statutory, and objective requirements called for under the special SIIQ or società di investimento immobiliare quotate (REIT or real estate investment trust) system introduced by Art. 1 of Law 296 of 27 December 2006 – the 2007 Budget Law – as well as Art. 3 of Ministerial Decree 174 of 7 September 2007.

During the year that just closed (2021) the Company did not approve distribution of any dividend.

II. III. UNUSUAL AND/OR ATYPICAL TRANSACTIONS, INCLUDING TRANSACTIONS WITH OTHER GROUP COMPANIES AND RELATED PARTIES; EVALUATION OF THE INFORMATION PROVIDED BY THE DIRECTORS REGARDING ATYPICAL AND/OR UNUSUAL TRANSACTIONS, INCLUDING INTERCOMPANY AND RELATED PARTY TRANSACTIONS

Based on the Directors' Report and the information provided by the Board of Directors or received from the Chief Executive Officer or the management team, the Board of Statutory Auditors finds that no unusual or atypical transactions were carried out with group companies, third parties or related parties.

In keeping with the recommendations of the Corporate Governance Code, with particular reference to price sensitive information pursuant to Art. 114(1) of the Consolidated Finance Act (TUF) and line with the enactment of EU Regulation 596/2014 ("MAR"), the company adopted a Policy for the Management, Handling and Public Disclosure of Confidential and Price Sensitive Information and the Registry of Insiders.

On 29 December 2021, the Board of Directors, in light of the favorable opinion expressed by the Committee for Related Party Transactions on 27 December 2021 relative to a Framework Agreement signed on 7 November 2018 with Coop Alleanza 3.0 (regarding the reduction of the size of the hypermarkets found inside the "Katanè" and "La Torre" Shopping Center), agreed to sign the Addition to the Agreement which extends the term of the agreement from 31 December 2021 through 31 May 2022. More specifically, the company received a communication on 22 December 2021from Coop Alleanza 3.0. with which it is communicated:

- That Coop, decided to look for a partner which, thanks to a stronger presence in and better understanding of Sicily, could continue the commercial business with better prospects for a sustainable operation and long-term growth;
- That as a result of this search, on 5 August 2021, Coop signed an agreement with NEW FDM S.p.A. – Gruppo Radenza ("Radenza") – subject to conditions precedent to be fulfilled in December 2021– for the sale of the entire Coop Sicilia Business Unit (including the relative lease agreements and various contractual obligations). Based on this agreement, Coop and Radenza will stipulate a master franchising agreement so that Radenza may continue to operate the hypermarkets as "Coop" brand stores;
- That the agreement with Radenza is expected to be finalized on 27 December 2021, and effective as from 1 January 2022;
- That Coop Alleanza 3.0 requests to IGD, in order to allow for a review of the situation after the transfer of the Coop Sicilia Business Unit to Radenza, a new extension of the 2018 Framework Agreement, as subsequently amended, through 31 May 2022, so that Radenza and IGD may proceed with a good faith negotiations – upon consultation and with the support of Coop – in order to find an overall and definitive solution for the Katanè Hypermarket and the La Torre Hypermarkt, which is alternative to the one provided for in the Framework Agreement and which is consistent with the operatios that Radenza is committed to pursuing in the long-term;
- That until new lease agreements between IGD and Radenza are signed, the current agreements will continue to be in effect based on which – unless IGD

gran early release – Coop Alleanza 3.0 will be responsible for the obligations as lessor pursuant to Art. 36 of Law 392/1978.

IV. COMMENTS AND PROPOSALS RELATING TO THE FINDINGS FOUND IN THE EXTERNAL AUDITORS' REPORTS AND THE ADDITIONAL REPORT

The financial audit assignment was granted to PriceWaterhouseCoopers S.p.A. for the period 2013 – 2021, during the Annual General Meeting held on 18 April 2013 based on the Board of Statutory Auditors' detailed proposal and technical-economic analyses in accordance with the law.

The consolidated and separate financial statements at 31 December 2021 were audited by PriceWaterhouseCoopers S.p.A. whose reports, prepared pursuant to Art. 14 of Legislative Decree 39 of 27 January 2010 and Art. 10(39) of EU Regulation 537/2014, were issued on 16 March 2022.

With regard to the opinions and the certifications relative to the financial statements included in the audit report, the external auditors:

- confirmed that the separate and consolidated financial statements of IGD SIIQ S.p.A. and the IGD Group correctly and truthfully represent the company's financial position, performance and cash flows for the year ended 31 December 2021, in accordance with the IFRS adopted by the European Union, as well as the provisions passed in implementation of Art. 9 of Legislative Decree 38/2005;
- stated that the Directors' Report relating to the separate and consolidated financial statements at 31 December 2021 and specific information contained in the report on corporate governance and ownership structure drafted pursuant to Art. 123-bis (4) TUF were prepared in accordance with the law;
- stated, pursuant to Art. 14(2)(e) of Legislative Decree 39/2010, based on the knowledge and understanding of the business acquired during the audit, that it has nothing to report in this regard.
- Issued an opinion relative to the compliance of the draft separate and consolidated financial statements included in the Annual Report with EU regulation 2019/815, supplementing EC Directive 2004/109.

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On 16 March 2022 the External Auditors presented another report to the Board of Statutory Auditors in accordance with Art. 11 of EU Regulation 537/2014, stating that they had found no deficiencies in the internal control system relating to the financial reporting process worthy of being pointed out to the heads of governance.

In the additional report the External Auditors, in accordance with Art. 6 of EU Regulation 537/2014, also informed the Board of Statutory Auditors that no situations compromising independence had materialized.

V. INAPPROPRIATE CONDUCT AND ACTIONS TAKEN UNDER ARTICLE 2408 OF THE ITALIAN CIVIL CODE

In 2021 and up to this writing, the Board of Statutory Auditors received no reports from shareholders of inappropriate conduct pursuant to Art. 2408 of the Italian Civil Code, hence no actions were taken in this regard.

VI. COMPLAINTS RECEIVED AND ACTIONS TAKEN

In 2021 and up to this writing, the Board of Statutory Auditors has not received any complaints from shareholders and/or from third parties, nor is it aware that the company has received any reports or complaints from shareholders and/or third parties, hence it has taken no action in this regard.

VII. ADDITIONAL ASSIGNMENTS GRANTED TO THE EXTERNAL AUDITORS AND THEIR COSTS

PriceWaterhouseCoopers S.p.A. was granted the financial audit assignment for the separate and consolidated financial statements effective as of the approval of the 2021 annual report, and is also tasked with giving its opinion of the accuracy of the Directors' Report and the information presented in the Report on Corporate Governance and Ownership Structure pursuant to paragraph 1 letters c, d, f, l, m and paragraph 2 letter b of Art. 123 bis of Legislative Decree 58/1998. The cost of these services in 2021 was ¤164 thousand. The external auditors and/or other entities belonging to the same group also received ¤25 thousand for auditing the Corporate Sustainability Report. The financial audit of the Romanian subsidiaries (Win Magazin S.A. e Winmarkt Management S.r.l.) was performed by PriceWaterhouseCoopers Audit S.r.l., which received fees of ¤27 thousand for these services.

PriceWaterhouseCoopers S.p.A. also served as external auditors for the following subsidiaries: (i) IGD Management S.r.l.; (ii) IGD Service S.r.l.; (iii) Porta Medicea S.r.l. and (iv) Arco Campus S.r.l. Total fees came to ¤57 thousand.

The Board of Statutory Auditors acknowledges that the Directors, in compliance with Art. 149 *duodecies* of the Regulations for Issuers, disclosed the entire amount paid in 2020 to PriceWaterhouseCoopers S.p.A. and/or other entities belonging to the same group for both audit and other services. That amount was ¤273 thousand.

VIII. ASSIGNMENTS GRANTED TO COMPANIES AFFILIATED WITH THE EXTERNAL AUDITORS AND THEIR COSTS

The Board of Statutory Auditors is not aware of any assignments made in 2021 to companies connected to the financial audit company PricewaterhouseCoopers S.p.A. on a continuous basis.

IX. OPINIONS ISSUED BY THE BOARD OF STATUTORY AUDITORS IN 2021 AS REQUIRED BY LAW

In 2021 the Board of Statutory Auditors issued opinions when required by law, the by-laws or Consob regulations. Our opinions and key observations include:

- the opinion expressed relative to the additional compensation granted to the Chairman, Vice Chairman and the Chief Executive Officer;
- the hearing for the appointment of the Supervisory Board pursuant to D. Lgs. 231/2001;
- the hearing for the granting of additional compensation to members of the Board committees;
- the opinion expressed relative to the payment to the Chief Operating Officer and Commercial Director, Daniele Cabuli, effective 1 January 2022 exit incentive;
- the hearing for the approval of the proposal to renew the Head of Internal Audit assignment to verify the adequacy of the internal control and risk management system;
- the opinion on the appointment of a new Executive with Strategic Responsibilities;
- the opinion relating to the approval of the Report on Remuneration and the compensation paid to the Board of Directors, the Board of Statutory Auditors, the Chief Executive Officer and Executives with Strategic Responsibilities.

X. FREQUENCY AND NUMBER OF MEETINGS HELD BY THE BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS

Typically, the Board of Directors meets according to the financial calendar disclosed to the market in compliance with stock exchange regulations. The Board also meets as needed and when deemed opportune to examine specific topics which could impact the company's operations. In 2021, 11 (eleven) meetings were held, on 28 January, 25 February, 20 April, 6 May, 30 June, 15 July, 5 August, 12 October, 4 November, 14 December and 29 December.

The Board of Directors may invite company executives to attend the Board meetings in order to provide in-depth information about the items on the agenda. The Board of Directors may also invite external consultants to attend when deemed appropriate and/or necessary in order to provide specialized information and/or opinions.

The current composition of the Board of Directors complies with the law relating to equal gender opportunity (Law 160/2019 the so-called "Budget Law" which amended Articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis, of TUF, introduced by Law 120/2011).

As in the prior year, the Board of Directors hired Egon Zehnder International S.p.A. to perform a board review in order to assess the size, composition and functioning of the Board of Directors and its committees.

The results of the review were presented during the Board of Directors meeting of 24 February 2022 and are discussed in the Report on Corporate Governance and Ownership Structure.

The Board of Statutory Auditors met 9 (nine) times in 2021, on 22 February, 13 April, 20 April, 4 May, 29 July, 20 October, 15 November, 14 December and 20 December.

The Board of Statutory Auditors also attended the meetings of the Board of Directors and:, i)the meetings of the Internal Control Committee; (ii) the meetings of the Nominations and Compensation Committee; and (iii) the meetings of the Committee for Related Party Transactions. The Board of Statutory Auditors

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5.13 BOARD OF STATUTORY AUDITORS' REPORT

also encouraged and attended meetings with the company's top management, the External Auditors, and the Internal Audit department.

The Board of Statutory Auditors coordinates and guides the Internal Control and Internal Audit Committee pursuant to Art. 19 of Legislative Decree 39/2010. In accordance with the recommendations contained in Art. 7 of the Corporate Governance Code (edition of July 2018), the company has included operating methods in its own governance rules that strive to simplify coordination of control functions. These include a requirement for all of the control functions to meet at least once a year in order to discuss the issues they have faced during the period. In 2021 two meetings were organized: in August 2021 for the presentation of the audit of the half-yearly report at 30.06.2021, and, in February 2022, to discuss the draft financial statements for FY 2021.

XI. OBSERVATIONS REGARDING COMPLIANCE WITH THE PRINCIPLES OF CORRECT ADMINISTRATION, THE LAW AND THE CORPORATE BY-LAWS

It is the opinion of this Board of Statutory Auditors that the company is run competently and in accordance with the law and the company's by-laws. The structure of powers and delegated authority is deemed appropriate to the company's size and operations and is adequately described in the Directors' Report. We have nothing to report regarding the directors' activities and actions. We wish to emphasize that we did verify, within the limits of our responsibilities, compliance with the principles of correct administration through direct inspections; information received from department heads; meetings with the Financial Reporting Officer, Internal Audit, the Internal Control Committee, and the Nominations and Compensation Committee; and information exchanged with the External Auditors. More specifically, the Board of Statutory Auditors attended the Board of Directors' meetings in order to verify that the resolutions approved by the directors were in compliance with the law and the company's by-laws and were supported by appropriate opinions and studies generated internally or, when necessary, by professionals and/or external experts, particularly with regard to the economic and financial feasibility of the transactions and their compatibility with the company's best interests.

The financial reporting officer regularly attended our meetings, by right or by invitation, in order to explain and participate in the discussion of the agenda items. Other managers with Strategic Responsibilities also attended the meetings based on the specific topics on the agenda.

In accordance with CONSOB Notice 1/21 of 16 February 2021, the Board of Statutory Auditors paid particular attention to Company's planning activities, taking into account the possible impact that the pandemic could have on targets and business risks.

XII. COMMENTS ON THE ORGANIZATIONAL STRUCTURE

To the extent of its responsibility, the Board of Statutory Auditors verified and monitored the adequacy and proper functioning of the company's organizational structure.

The organizational structure appears to be adequate and to meet the company's needs, and we have no comments nor anything to report in this regard.

We did not find any particular deficiencies, critical areas or situations worth mentioning in this report with respect to the functioning of the corporate bodies, divisions, systems and procedures, having acknowledged the improvements made to render the organizational structure more efficient.

The organization and services, both internal and outsourced, were found to be adequate and in compliance with the law and to guarantee correct, effective and efficient operations.

The statutory auditors found no problem areas and/or significant development to report relative to the company's organizational structure. We found no deficiencies, i.e. situations to report relating to the effective functioning of corporate bodies, divisions, systems and procedures.

Effective 1 January 2022, Daniele Cabuli tendered his resignation in order to take early retirement and, consequently, the Board of Directors, after having received the opinion of the Nominations and Remuneration Auditors, resolved to eliminate the role of Chief Operating Officer and appointed a Commercial Director, held by the latter ad interim, redistributing the other powers and functions granted to Cabuli within the organization. As a result of the early retirement, Mr. Cabuli also resigned from all positions held in Group companies.

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XIII.COMMENTS ON THE INTERNAL CONTROL SYSTEM

The Board of Statutory Auditors evaluated and verified the adequacy of the company's internal control system, including through periodic meetings with (i) the financial reporting officer, (ii) Internal Audit, (iii) the Internal Control Committee, (iv) the Supervisory Board pursuant D.Lgs. 231/2001, (v) the head external auditor, and (vi) the director in charge of the internal control and risk management system, (vii) the Anti-Corruption Division appointed relating to ISO37001certification, as well as through documentation provided by the company and discussions with top management. We found no significant shortcomings in this regard.

The internal audit activities were outsourced to a company specialized in this area which periodically reported to the Board of Statutory Auditors, the Internal Control Committee, and the Supervisory Board on its actions and progress, mentioning specific operational needs wherever necessary and recommending the most appropriate means of implementing the Plan of Work.

The Head of Internal Audit also coordinates the Enterprise Risk Management (ERM) process, ensuring that reports are provided to the director in charge of the internal control and risk management system, the Internal Control Committee, and, if necessary, the Board of Directors. In 2021 the audit of the controls called for in Risk Control Matrix 262 was carried out on behalf of the financial reporting officer by Internal Audit, which is outsourced to Mario Galiano, senior partner of Grant Thornton Consultants S.r.l. The yearly report prepared by the financial reporting officer confirms the mapping of all the processes, risks and controls of all the in-scope companies of the IGD Group and the Romanian affiliates.

The Internal Control Committee and the Supervisory Board per Decree 231/2001 made their reports available during the year.

Based on the controls carried out and the information obtained during periodic meetings with the Internal Control Committee, Internal Audit, the external auditors, the financial reporting officer, the director in charge of internal control and risk management, and the Supervisory Board created as part of the Organizational Model pursuant to Legislative Decree 231/01, we found that the internal control system is reliable and timely, and adequately meets the needs of the company and its operations.

Data and documentation related to the proposed agendas of the Board of Directors meetings and the various committee meetings was provided ahead of time in the most efficient and discrete way possible.

Based on the evaluations made during our supervisory activities and on the work done by the Internal Control Committee, at the end of 2021 the Board of Statutory Auditors had nothing of concern to report and found the overall internal control system to be adequate. In our opinion the internal control system does not present significant deficiencies, without prejudice to ongoing reviews of and improvements to organizational systems and methods, and was found to be reliable, effective and efficient.

XIV. COMMENTS ON THE ADMINISTRATIVE-ACCOUNTING SYSTEM AND ITS ABILITY TO PROVIDE A FAIR REPRESENTATION OF PERFORMANCE

The Board of Statutory Auditors evaluated and verified the adequacy of the administrative-accounting system and its ability to represent performance correctly, through information provided by company divisions, direct inspection of company documentation, and examination of the reports provided by the external auditors PriceWaterhouseCoopers S.p.A. and by Internal Audit.

The administrative-accounting system was found to be adequate and to have met the company's needs in 2021, in terms of both resources dedicated and professional expertise.

The External Auditors tested the accounting and administrative procedures and found these to be reliable. They also noted that the accounting records of operations were correct and the books were properly kept. PriceWaterhouseCoopers S.p.A. confirmed the thoroughness of the financial information provided, as well as the accounting standards used to prepare the consolidated and separate financial statements, and had no particular comments in this regard. The firm also validated the completeness and accuracy of the Directors' Report to the financial statements.

Though the statutory auditors are not specifically responsible for financial audit duties under Art. 2409 bis of the Italian Civil Code, as these are assigned to the External Auditors, we found on the basis of information received and inspections made pursuant to Civil Code Articles 2403 et seq that as a whole, the administrative-accounting system is adequate and reliable and that results of operations are accurately and promptly recorded.

The Board of Statutory Auditors has nothing to report concerning the adequacy of the administrative-accounting system and its ability to provide a fair representation of performance.

The chief executive officer and the financial reporting officer certified without reservation the accounting information contained in the separate and consolidated financial statements at 31 December 2021, as well as the information found in the Directors' Report relating to performance and the operating results, as well as the description of the risks and uncertainties to which the company is exposed. They also provided the certification called for by Art. 81 ter of Consob Regulation 11971 of 14 May 1999, as amended.

XV. COMMENTS ON THE ADEQUACY OF INFORMATION PROVIDED TO SUBSIDIARIES UNDER ART. 114 OF LEGISLATIVE DECREE 58/1998 – MANAGEMENT AND COORDINATION ACTIVITIES

The Board of Statutory Auditors verified the adequacy of the information provided by the company to its subsidiaries pursuant Art. 114 of Legislative Decree 58/98 and found that the disclosure requirements provided for by law had been satisfied.

With regard to close functional and operational ties and the presence of key IGD SIIQ S.p.A. personnel at the subsidiaries, the company guarantees a correct and adequate flow of information supported by suitable documentation and accounting records.

There are no concerns about the instructions given to subsidiaries in order to acquire the information necessary for prompt compliance with the reporting obligations set by law.

The company is, therefore, fully able to comply with the law as concerns the reporting of significant events and production of the consolidated financial statements.

Likewise, it is fully able to exercise management and coordination of its subsidiaries as expressly contemplated by law.

The Board of Statutory Auditors acknowledges that IGD SIIQ S.p.A. is subject to the management and coordination of shareholder Coop Alleanza 3.0 Soc. Coop.

XVI. COMMENTS ON MEETINGS HELD WITH THE EXTERNAL AUDITORS

The Board of Statutory Auditors, through direct inspections and information obtained from the external auditors PriceWaterhouseCoopers S.p.A., verified compliance with all current laws and regulations regarding the preparation and drawing up of the separate and consolidated financial statements and the accompanying Directors' Report.

The statutory auditors met with the External Auditors responsible for both the accounting controls under Art. 2409 bis of the Italian Civil Code and the audit of the consolidated and separate financial statements, exchanging information as required under Art. 150 of Legislative Decree 58 dated 24 February 1998.

With PWC attention was paid, in particular, to the application of the accounting standards both already implemented and to the most effective way to recognize the significant economic and financial items in the financial statements. Nothing that needed to be reported pursuant to Art. 155(2) of Legislative Decree 58 of 24 February 1998 emerged during these periodic meetings.

During these meetings the External Auditors found no irregularities, problem areas or omissions in the company's accounts worthy of reporting to the Board of Directors or the Board of Statutory Auditors. On these occasions we informed the External Auditors of the Board of Statutory Auditors' activities and of the relevant and significant corporate events of which we are aware.

XVII.COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Since its shares were admitted for trading (11 February 2005), the company has followed its own Corporate Governance regulations in order to comply with the standards and recommendations included in the Corporate Governance Code prepared by Borsa Italiana's Committee for Corporate Governance of Listed Companies in order to regulate compliance with laws and regulations and the composition, responsibilities and role of the corporate bodies in charge of company management. Over the years, the company has changed its governance rules in order to comply with the latest version of the Corporate Governance Code.

With regard to the last edition of the Corporate Governance Code, in effect as of 1 January 2021, the Company took further steps to comply with the new version, lastly by adopting a Policy for the management of dialogue with shareholders and other stakeholders.

In full compliance with the Code recommendations, the Board of Directors has set up Board committees with advisory functions: The Internal Control Committee, the Nominations and Compensation Committee, and the Committee for Related Party Transactions, the latter was mandatory as per CONSOB regulations for governing related party transactions.

As IGD is subject to the management and coordination of shareholder Coop Alleanza 3.0 Soc. Coop. based on Art. 2497 of the Italian Civil Code, it is subject to the provisions of Art. 16(41) of Consob's Market Regulations, based on which the committees recommended in the codes of conduct relating to corporate governance promoted by market regulators should comprise solely independent directors.

The members of the above mentioned committees were appointed during the Board of Directors' meeting held on 20 April 2021 after shareholders appointed the new Board of Directors during the AGM held on 15 April 2021

More specifically, – consistent with the previous renewal of the corporate bodies – given the ownership structure and the company's governance, it was deemed no longer necessary to institute a Chairman's Committee. The following committees remain:

- the Nominations and Compensation Committee was formed in 2012, in compliance with the Corporate Governance Code, by combining the Compensation Committee and the Nominations Committees into a single body. It consists of three non-executive independent directors: Timothy Guy Michele Santini (chair), Silvia Benzi and Rossella Schiavini. As a rule, at the invitation of the Committee Chair, the Committee meetings were attended by the Chair of the Board of Directors and the Chief Executive Officer, as well as the heads of Administration, Legal and Corporate Affairs, Contracts, HR and IT as specifically pertinent. The Board of Statutory Auditors is entitled to attend all the meetings of the Nominations and Remuneration Committee. The Committee met 7 (seven) times in 2021, on 11 February, 16 February, 11 March, 25 march, 20 April, 30 June and 25 November and the chairman of the Board of Statutory Auditors Gian Marco Committieri starting from 15 April 2021 attended 3 (three) out of 3 (three) meetings;
- the Control and Risk Committee is comprised of three non-executive independent directors: Rossella Gualandri (chair), Rosa Cipriotti, and Antonio Rizzi. In 2021 the Committee met 8 (eight) times, on 28 January, 22 February, 20 April, 4 May, 30 June, 29 July, 29 October, and 19 November. The chairman of the Board of Statutory Auditors, or another statutory auditor appointed by the chairman,attends the meetings of the Internal Control Committee as does the Chief Executive Officer as director in charge of the internal control and risk management system from 15 April 2021. The chairman of the Board of Statutory Auditors, and on occasion some of the other statutory auditors, attended all the meetings held in 2021;
- the Committee for Related Party Transactions was formed in order to comply with Art. 2391 bis of the Italian Civil Code and Art. 4 of Consob's Regulations for Related Party Transactions and is currently comprised of three non-executive independent directors: Antonio Rizzi (chair), Silvia Benzi, and Robert Ambroix Gery. In 2021 the committee met 4 (four) times, on 25 February, 9 April, 28 June and 27 December. As of 15 April 2021 the Board of Statutory Auditors has attended just one meeting on 28 June 2021.

The company has deemed it useful to describe the methods used to coordinate control activities, as described below.

The chairman of the Internal Control Committee and the chairman of the Board of Statutory Auditors (including in its role as internal control and financial audit committee), meet with self-determined frequency and at least one a year, as convened by the chairman of the Board of Statutory Auditors, to compare the results of their respective control activities and to assess planning and any coordination of their operations. To this end, the chairman of the Board of Statutory Auditors not only coordinates the work of the statutory auditors but is also a reference point for other corporate bodies involved in control systems.

Other parties may be invited to attend the meetings which, in addition to periodically, may be called anytime there is a specific need and may include, in addition to the respective committees and bodies, including not as a group, the Chief Executive Officer (Director in Charge of the Internal Control and Risk Management System), the Head of Internal Audit, the Financial Reporting Officer, the external audit firm, the Chairman of the Supervisory Board pursuant to D. Lgs. 231/2001, as well as Compliance.

As mentioned above, two meetings of all the control bodies were convened in 2021, on the occasion of the approval of the half-yearly financial report and the annual financial report.

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The company has also formed a Supervisory Board pursuanto to D.Lgs 231/2001 with three members: Gilberto Coffari (chair), Paolo Maestri, and Alessandra De Martino. In 2021 it met six times on the basis of the company's needs, working with Internal Audit on monitoring and controls.

In conclusion, and having verified operations during the year, the Board of Statutory Auditors expresses a positive opinion of the company's corporate governance system.

XVIII. CLOSING REMARKS

Dear shareholders:

We conclude this report by confirming that all of the corporate bodies, the heads of the administrative and operating departments, Internal Audit, and the external auditors PricewaterhouseCoopers S.p.A. cooperated with us fully during our supervisory activities.

We have found no omissions, inappropriate conduct, imprudent transactions, or irregularities worthy of mention; thus there are no circumstances discovered during our work that require reporting to the supervisory authorities or disclosure in this report.

We have no comments to make in this regard.

The Chief Executive Officer and the structures involved always informed the Board of Statutory Auditors about the compliance with the different decrees issued by the authorities to limit the spread of the Covid-19 pandemic in a timely manner. As for the Annual General Meeting convened on 14 April 2022, the Board of Statutory Auditors notes that pursuant to Legislative Decree n. 228 of 30 December 2021 (*Mille proroghe*) which called for an extension of the emergency provisions relative to shareholders' meetings adopted as a result of the pandemic, established originally the Cura Italia Decree (Art. 106 of the decree- law n. 18 of 17 March 2020, converted into law with amendments in Law n. 27 of 24 April 2020) through 31 July 2022 and converted, with amendments, into Law n.15 of 25 February 2022, published in the Official Gazette n. 49 of 28 February 2022, the Shareholders' Meetings, in ordinary and extraordinary session, may be closed-door meetings, which allows the company to indicate in the notices of call that instruments like proxy and electronic voting may be used, that attendance of the meeting via conference/video call is allowed and that the physical presence of the shareholders in one place is not necessary.

The Directors' Report also contains information about the compensation policy and the remuneration paid to the directors, statutory auditors, and managers with strategic responsibilities, as well as information on the shares of the company held by such individuals. Again, we have no comments to make in this regard.

* * * * *

Dear shareholders:

In concluding this report, we would like to express our sincerest thanks to all those who have assisted us in the course of our work and for the vote of confidence you expressed by appointing us.

Bologna, 16 March 2022

The Board of Statutory Auditors

Gian Marco Committeri   Daniela Preite   Massimo Scarafuggi

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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 As-

GLOSSARY

sets 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 31 December 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.

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SPAZI DA VIVERE

Immobiliare Grande Distribuzione
Società di Investimento Immobiliare Quotata S.p.A.
abbreviated IGD SIIQ SpA

REPORT ON THE REMUNERATION POLICY AND COMPENSATION PAID 2022

pursuant to Art.123 ter para 3-ter and 6 of Legislative Decree
24 February 1998, n. 58 (Testo Unico della Finanza – TUF)

approved by the Board of Directors on 24 February 2022

Available at **www.gruppoigd.it**

SPAZI DA VIVERE

GLOSSARY

2022-2024 Business Plan
Board of Directors
Code/Corporate Governance Code
EBITDA
FAR
FFO
Group
IGD/the Company/the Parent Company
KPI
Long Term Incentive Plan (LTIP)
LTV
Managers with Strategic Responsibilities
Recipients
Regulations for Issuers
Remuneration Policy
Report
Top Management
TSR
TUF

GLOSSARY

2022-2024 BUSINESS PLAN

The business plan for the years 2022-2024 approved by the Board of Directors on 14 December 2021.

BOARD OF DIRECTORS

IGD's Board of Directors.

CODE/CORPORATE GOVERNANCE CODE

The Corporate Governance Code for listed companies, as approved by the Corporate Governance Committee constituted by Borsa Italiana S.p.A. (the Italian Stock Exchange), ABI, ANIA, Assogestioni, Assonime and Confindustria, in effect at the time of this Report.

EBITDA

Earnings Before Interests, Taxes, Depreciation and Amortization

FAR

Fixed annual remuneration, calculated for the full year based on the gross monthly salary paid in December of the prior year, comprised of basic salary plus management bonuses (the calculation relative to variable compensation is, therefore, made net of any increases/adjustments made for seniority, any ad personam allowances and any and all other items or indemnities).

FFO

Funds from Operations

GROUP

IGD and the companies its controls pursuant to Art. 93 of TUF

IGD/THE COMPANY/THE PARENT COMPANY

Immobiliare Grande Distribuzione SIIQ S.p.A.

KPI

Key Performance Indicator

LONG TERM INCENTIVE PLAN (LTIP)

A medium/long-term incentive plan tied to targets in the 2021-2024 Business Plan.

LTV

Loan to Value

MANAGERS WITH STRATEGIC RESPONSIBILITIES

The managers identified by the Board of Directors in accordance with Art. 65, paragraph 1-quater, of the Regulations for Issuers.

RECIPIENTS

Group Directors, the Chief Executive Officer and the Managers with Strategic Responsibilities

REGULATIONS FOR ISSUERS

The regulations for issuers issued by CONSOB in Resolution n. 11971 of 14 May 1999, as amended

REMUNERATION POLICY

The remuneration policy approved by the Board of Directors on 24 February 2022, described in Part I of this Report that the Company intends to adhere to this year.

REPORT

The Report on the Remuneration Policy and Compensation Paid: comprising Section I, the Remuneration Policy, and Section II, which described the compensation paid (or to be paid) for the prior year, in accordance with the policy in effect at the time.

TOP MANAGEMENT

The Managers with Strategic Responsibilities

TSR

Total Shareholder Return (%) = [(CP-PP)+Div)]/PP

where:

CP (Current Price) is calculated as IGD's average share price in 2024

PP (Purchase Price) is calculated as IGD's average share price in 2021

Div: Dividend per share paid in 2022-2024

TUF

Legislative Decree n. 58 dated 24 February 1998, as amended.

REPORT ON THE REMUNERATION POLICY
DETAILED GLOSSARY

SECTION I
REMUNERATION POLICY

1. REMUNERATION POLICY

A. Bodies or parties involved in the preparation, approval and possible review of the Remuneration Policy, respective roles, as well as the bodies or parties responsible for the correct implementation of the Policy
B. Scope, composition (distinguishing between non-executive and independent directors), skills and functions and any further measures aimed at avoiding or managing conflicts of interest
C. Compensation and working conditions of Gruppo IGD's employees taken into account when preparing the Policy
D. Name of any independent experts called upon to assist with the drafting of the Remuneration Policy
E. Purpose of the Remuneration Policy, underlying principles, duration and any changes in the Policy with respect to the last Policy approved by the shareholders
F. Description of the policies pertaining to fixed and variable compensation, the proportion of the variable component with regard to total compensation, the difference between short- and long-term variable compensation
G. Policy regarding non-cash benefits
H. Variable components: description of the underlying financial and non-financial performance targets, distinction between short and medium/long term variables, and information on the connection between any change in results and remuneration
I. Criteria used to establish the achievement of performance targets used to assign shares, options, other financial instruments and other components of variable compensation
J. Information about the impact that the Remuneration Policy and variable compensation, more specifically, have on the business strategy and protecting the company's long-term interests
K. The vesting period, any deferred payment mechanisms, deferment periods, the criteria used to determine these periods and, if provided for, corrective mechanisms relative to the variable component
L. Information relating to holding financial instruments after their acquisition, holding periods and the criteria used to determine the length of these periods
M. Termination allowance
N. Additional insurance coverage and pension plans
O. Pay policy for: (i) independent directors, (ii) committee members and (iii) carrying out special assignments
P. Compensation policies of other companies
Q. Elements and conditions of the Remuneration Policy which may be overridden in the presence of exceptional circumstances

2. PAY POLICY FOR MEMBERS OF THE BOARD OF STATUTORY AUDITORS

SECTION II
REMUNERATION OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS AND THE MANAGERS WITH STRATEGIC RESPONSIBILITIES IN 2021

PART ONE
ITEMS COMPRISING REMUNERATION

1. **Remuneration paid to the members of the Board of Directors, the Board of Statutory Auditors, the Chief Operating Officer, as well as the aggregate amount paid to the Managers with Strategic Responsibilities**

   1.1 Board of Directors

   1.1.1 Chief Executive Officer
   1.1.2 Chair of the Board of Directors
   1.1.3 Vice Chair of the Board of Directors
   1.1.4 Other members of the Board of Directors
   1.1.5 Members of the Board Committees
   1.1.5.1 Control and Risk Committee
   1.1.5.2 Related Party Transactions Committee
   1.1.5.3 Nominations and Compensation Committee

   1.2 Board of Statutory Auditors

   1.3 Chief Operating Officer

   1.4 Managers with Strategic Responsibilities

2. **Termination allowances**

3. **Exceptions to the Remuneration Policy**

4. **Adjustments of the variable compensation**

5. **Comparison figures**

PARTE TWO
TABLES

SECTION III
INFORMATION ON THE INTERESTS HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS, THE CHIEF OPERATING OFFICER AND THE MANAGERS WITH STRATEGIC RESPONSIBILITIES

SEZIONE I REMUNERATION POLICY

1. REMUNERATION POLICY

A. BODIES OR PARTIES INVOLVED IN THE PREPARATION, APPROVAL AND POSSIBLE REVIEW OF THE REMUNERATION POLICY, RESPECTIVE ROLES, AS WELL AS THE BODIES OR PARTIES RESPONSIBLE FOR THE CORRECT IMPLEMENTATION OF THE POLICY

The Remuneration Policy – Section I of the Report – pursuant to Art. 123-ter of TUF is subject to the binding approval of the shareholders as resolved during the Annual General Meeting held to approve the FY financial statements.

Each year the Board of Directors defines and reviews the Remuneration Policy, along with any amendments, as proposed by the Nominations and Compensation Committee (see letter b) below), after having consulted with the Board of Statutory Auditors.

The Nominations and Compensation Committee is chiefly responsible for the correct implementation of the Remuneration Policy, along with the Chief Executive Officer and the Board of Directors.

B. SCOPE, COMPOSITION (DISTINGUISHING BETWEEN NON-EXECUTIVE AND INDEPENDENT DIRECTORS), SKILLS AND FUNCTIONS AND ANY FURTHER MEASURES AIMED AT AVOIDING OR MANAGING CONFLICTS OF INTEREST

The Nominations and Compensation Committee, which presented the Board of Directors with the proposed Remuneration Policy, is comprised of the number of directors set by the Board of Directors upon appointment. The Nominations and Compensation Committee members are all non-executive, independent members and at least one member possesses adequate understanding of and experience in finance or compensation policies as assessed by the Board of Directors upon appointment.

On 20 April 2021, the Board of Directors appointed independent directors Timothy Guy Michele Santini (Chair), Rossella Schiavini and Silvia Benzi to the Nominations and Compensation Committee.

The Nominations and Compensation Committee submits proposals and provides recommendations relating to remuneration in order to ensure that the compensation of the Company's directors, the Managers with Strategic Responsibilities and directors of subsidiaries are determined in such a way as to retain and motivate the individuals with the professional characteristics needed to successfully manage the Company and the Group.

The Nominations and Compensation Committee has the following functions:

- **In relation to nominations, assists the Board of Directors with the following:**

a. self-assessment of the Board of Directors and its committees;

b. determines the optimal composition of the Board of Directors and its committees;

c. selects candidates to be co-opted to the Board;

d. prepares, updates and implements succession plans for the Chief Executive Officer and any Executive Directors[1];

- **In relation to remuneration:**

e. assists the Board of Directors with the drafting of the Remuneration Policy;

f. submits proposals or expresses opinions to the Board of Directors regarding remuneration of the Chief Executive Officer and other Directors holding special offices, as well as the performance targets linked to variable compensation that are predetermined, measurable and linked, to a significant extent, to long-term results ;

g. monitors the application of the Remuneration Policy and, more specifically, verifies that the targets were actually reached;

h. assesses periodically the adequacy and the overall coherence of the Remuneration Policy for the directors and top management .

as well as,

i. expresses opinions to the Board regarding the compensation of the Chair, Vice Chair and/or Chief Executive Officers and/or General Managers of the subsidiaries deemed strategic based on the proposals submitted by the Chair and the Parent Company's Chief Executive Officer;

j. expresses opinions to the Board of Directors regarding temporary exceptions to the Remuneration Policy in light of exceptional circumstances after having complied with the Procedure for Related Party Transactions;

k. expresses opinions on the proposals regarding the overall compensation to be paid to the Board members of the subsidiaries;

l. reports to the Company's shareholders on how the Committee is fulfilling its duties.

1 *Reccomendation n. 19 of the Corporate Governance Code*
2 *Recommendation n. 27 of the Corporate Governance Code*
3 *Recommendation n. 25 of the Corporate Governance Code*

In accordance with Recommendation 26 of the Corporate Governance Code, directors do not attend meetings of the Nominations and Compensation Committee during which their remuneration is being discussed.

In carrying out its duties, the Nominations and Compensation Committee ensures adequate functional and operational ties with the relative corporate structures.

Activities of the Nominations and Compensation Committee

The Nominations and Compensation Committee generally carries out the following activities:

- assists with the Board of Directors' self-assessment;
- verifies the adequacy and overall coherence of the Remuneration Policy for directors and top management;
- monitors the application of the Remuneration Policy and verifies that the performance targets were actually reached;
- submits proposals relative to the implementation of the Remuneration Policy, particularly with regard to the performance targets set in the short-term and medium/long-term incentive plans;
- expresses opinions to the Board regarding the compensation of the Chair, Vice Chair and/or Chief Executive Officers and/or General Managers of the subsidiaries deemed strategic based on the proposals submitted by the Chair and the Parent Company's Chief Executive Officer;
- in-depth analysis, including through benchmarking: i) of the pay positioning of the recipients of the Remuneration Policy, ii) the effectiveness of the Remuneration Policy in terms of pay-for-performance and the contribution to achieving sustainable success, iii) the gender pay gap, iv) the policies relating to diversity and inclusion in the human resources management of all Group employees;
- monitors the relative regulatory framework.

C. COMPENSATION AND WORKING CONDITIONS OF GRUPPO IGD'S EMPLOYEES TAKEN INTO ACCOUNT WHEN PREPARING THE POLICY

When preparing the Remuneration Policy, the Company took the compensation and working conditions of its employees into account.

D. NAME OF ANY INDEPENDENT EXPERTS CALLED UPON TO ASSIST WITH THE DRAFTING OF THE REMUNERATION POLICY

The Board of Directors did not call upon any independent experts to assist with the preparation of the Remuneration Policy.

E. PURPOSE OF THE REMUNERATION POLICY, UNDERLYING PRINCIPLES, DURATION AND ANY CHANGES IN THE POLICY WITH RESPECT TO THE LAST POLICY APPROVED BY THE SHAREHOLDERS

The Company's Remuneration Policy is key to the Company's sustainable success and takes into account the need to attract, retain and motivate the people who possess the expertise and professional standing that the role held requires.

More in detail, the remuneration of the Chief Executive Officer, Directors holding special offices and the Managers with Strategic Responsibilities aims to:

- attract, motivate and retain highly qualified professional managers;
- to involve and incentivize the management deemed key to achieving the Company's and the Group targets;
- to promote the medium/long term creation of value for shareholders taking into account the interest of all the Company's relevant stakeholders;
- to create a strong link between remuneration and the performance of the Company and the Group.

For the other Directors, pursuant to Recommendation 29 of the Corporate Governance Code, the Remuneration Policy provides for compensation consistent with the expertise, professional standing and commitment required to fulfil the duties assigned by the Board of Directors and the Board committees, but remuneration is not linked to the Company's results (see the following paragraph o).

The Company's Board of Directors approved the Remuneration Policy on 24 February 2022, based on the proposal submitted by the Nominations and Compensation Committee which met on 31 January 2022 and 18 February 2022.

The Remuneration Policy, which is reviewed each year, was updated to reflect the Group's three-year Business and Sustainability Plans as per the 2022-2024 Business Plan approved by the Board of Directors on 14 December 2021.

A copy of the Remuneration Policy is given to the Chief Executive Officer, the Directors holding special offices, the non-executive Directors and the Managers with Strategic Responsibilities.

In light of the new 2022-2024 Business Plan, the recommendations of the Corporate Governance Committee, the view expressed by the Proxy Advisor and the analysis of the compensation policies of a group European peer (Wereldhave, Carmila, EuroCommercial Properties, Klepierre and Mercialys), the Nominations and Compensation Committee proposed that the following changes be made to the Remuneration Policy which were approved during the Annual General Meeting (AGM) held on 15 April 2021:

- the weight of the **short-term variable component of the Chief Executive Officer's compensation, tied to reaching the following updated yearly performance targets, was reduced from 75% to 65%**:

  - consolidated core business EBITDA margin with a margin of plus or minus 100 bps with respect to the budget, approved by the Board of Directors on 14 December 2021, for 22.5% of the variable component;

  - consolidated FFO with a margin of plus or minus 2%, with respect to the budget, approved by the Board of Directors on 14 December 2021, for 22.5% of the variable component;

and is tied to reaching the **following updated individual performance targets**:

  - improvement, with respect to the prior year, in two unsolicited ESG ratings, for 15% of the variable component.

  - overall improvement, with respect to the prior year, in the scores received by sections 7 (Strategy and goals) and 8 (risk control and management) of the annual Board Review approved by the Company's Board of Directors, for 5% of the variable component;

- the weight of the **variable component of the Chief Executive Officer's** 3-year **Long-Term Incentive Plan was increased from 25% to 35%** and is **subject to** reaching the economic-financial and ESG **targets referred to in the 2022-2024 Business Plan**:

  - LTV of 43%, with a margin of plus or minus 2%, for 12.5% of the variable component;

  - Minimum TSR of 50%, for 12.5% of the variable component;

  - Average degree to which the 41 ESG targets in the 2022-2024 Business Plan have been achieved above 85%, for 10% of the variable component.

- **the maximum short-term variable component of the Managers with Strategic Responsibilities, tied to reaching yearly performance targets, was raised from 30% to 32.5% of** the FAR paid to the manager at 31 December of the year prior to the one in which the variable compensation is paid.

- the weight of the **short-term variable component of the Managers with Strategic Responsibilities'** compensation, tied to reaching the following updated yearly performance targets, **was reduced from 75% to 65%**:

  - consolidated core business EBITDA margin with a margin of plus or minus 100 bps with respect to the budget, approved by the Board of Directors on 14 December 2021, for 22.5% of the variable component;

  - consolidated FFO with a margin of plus or minus 2%, with respect to the budget, approved by the Board of Directors on 14 December 2021, for 22.5% of the variable component;

and is tied to reaching two or more individual performance targets, defined by the Chief Executive Officer, based on the Company's organizational structure, the duties of each Manager, the strategic projects in which the Director is involved and the level of responsibility, for 20% of the variable component.

- **the maximum variable compensation payable under the Long-Term Incentive Plan of the Managers with Strategic Responsibilities, tied to reaching yearly performance targets, was raised from 10% to 17.5% of the FAR** paid to the manager in the three years prior to the one in which the variable compensation is paid.

- the weight of the variable component of the **Managers with Strategic Responsibilities'** 3-year Long-Term Incentive Plan was increased from 25% to 35% and is subject to reaching the economic-financial and ESG targets referred to in the 2022-2024 Business Plan:

  - LTV of 43%, with a margin of plus or minus 2%, for 12.5% of the variable component;

  - Minimum TSR of 50%, for 12.5% of the variable component;

  - Average degree to which the 41 ESG targets in the 2022-2024 Business Plan have been achieved above 85%, for 10% of the variable component.

- The maximum over-performance bonus payable was increased from **5% to 10% of the fixed compensation** determined by the Board of Directors. Over-performance is achieved if the LTV at the end of the 2022-2024 Business Plan is below 40%, with a margin of +/-2%.

- The **provisions made for the Chief Operating Officer were removed** as the role was eliminated effective as of 31 December 2021.

F. DESCRIPTION OF THE POLICIES PERTAINING TO FIXED AND VARIABLE COMPENSATION, THE PROPORTION OF THE VARIABLE COMPONENT WITH REGARD TO TOTAL COMPENSATION, THE DIFFERENCE BETWEEN SHORT- AND LONG-TERM VARIABLE COMPENSATION

The Corporate Governance Code recommends that, with respect to the Chief Executive Officer, the Directors holding special offices, and the Managers with Strategic Responsibilities, the Remuneration Policy should provide for fixed and the variable compensation that is commensurate with the strategic goals, in the best long-term interest and sustainability of the Company, as well as the risk management policies, taking into account the characteristics of the business and the sector of operation.

With regard to variable compensation, the Corporate Governance Code recommends that the remuneration for the Chief Executive Officer, the Directors holding special offices, and the Managers with Strategic Responsibilities be defined based on the following criteria:

- the fixed and variable components should be fairly balanced;
- the variable components should be a significant part of the total remuneration;
- limits should be set for the variable components;
- the performance targets should be determined in advance, measurable and tied, to a large extent, to the long-term;
- the performance targets should be consistent with the Company's strategic goals and aimed at promoting sustainable success including, where applicable, non-financial parameters;
- the payment of a significant portion of the variable component must be deferred for an adequate period of time with respect to its vesting.

In accordance with Recommendation 27, lett. a) of the Code and in light of the above, it is confirmed that the ratio of fixed to variable compensation of the Chief Executive Officer and the Managers with Strategic Responsibilities was determined based on the Company's strategic goals and in the best long-term interest and sustainability of the Company, as well as the risk management policies, taking into account the characteristics of the business and the sector of operation. The balance between the fixed and the variable compensation is adequate and consistent with the Remuneration Policy.

With regard to the remuneration of the Executive Directors and/or the Directors holding special offices, the Board of Directors, as proposed by the Nominations and Compensation Committee, resolved that the Chief Executive Officer alone should receive variable compensation as the per the terms described below.

The remuneration of the other Directors comprises solely a fixed component, commensurate with the commitment asked of each director, including in light of the participation in Board committees. Given the nature of these assignments, no agreements relating to indemnities at the end of the mandate are envisaged.

Without prejudice to the rules for variable compensation outlined in this report, the employment relationship with Managers with Strategic Responsibilities is governed by the national labor contract for managers of cooperative businesses ("CCNL") particularly with regard to non-cash benefits.

- For transfers which imply a change of residency, the following are paid:
  - moving costs;
  - additional cost for housing similar to the housing in the place of origin, for a period to be agreed upon between the parties and, at any rate, not less than 18 months (rent for proprietary homes in the place of origin will be established based on market rates);
  - an indemnity of one month's pay or thee month's pay if the manager has dependents.
- If the employment relationship is terminated, the employee severance (TFR) will be settled in accordance with the law.
- a notice of termination will be sent by the company 7 months in advance to employees who have been with the company for less than two years, an additional 15 days will be added for each extra year of service, for up to a maximum of 5 months. If the Manager does not receive a notice, the Manager is entitled to an indemnity equal to the compensation that would have been received.
- in the event of termination without just cause, the Manager is entitled to an indemnity of between 12 and 24 months of compensation. This indemnity is automatically increased to 8 months of pay in the event the Manager has been with the company for more than 5 years or is between the age of 49 and 62 years old, with the exception of the Manager who is eligible for retirement.
- The Manager is entitled to the following forms of additional assistance:
  - for on and off the job accidents. In the case of death or permanent disabilities, the indemnity will reach 5 or 6 times the FAR, respectively, for up to the maximum allowed under CCNL;
  - death for any reason. The indemnity decreases based on the age bracket as defined in the CCNL;
  - permanent disability due to sickness. If the disability exceeds the percentage defined in the CCNL, an indemnity defined in the CCNL will be paid;
  - supplementary health insurance for the Manager and close family members as defined in the CCNL which will be paid out of a specific provision.
- The Manager benefits from supplementary pension plans to which the amounts accrued are transferred as follows:

- by depositing all the TFR or 50% of the TFR (in the case of supplementary pension plans dated before 28/04/1993);
- making additional voluntary contributions, based on the regulations of the pension fund selected.

Toward this end, the employer and the managers are responsible for making a total contribution of 7%of the annual compensation used to calculate the TFR, for up to a maximum €100,000.00 per annum, of which the employer is responsible for 6% and the manager 1%.

In line with the above, based on the Remuneration Policy, the **Chief Executive Officer's** remuneration comprises:

1. a **fixed portion** composed of:
   - the compensation for each director approved during the Ordinary Shareholders' Meeting held when the Board of Directors was appointed; and
   - the compensation approved by the Board of Directors, based on the Nominations and Compensation Committee's proposal and indications of the Board of Statutory Auditors, pursuant to Articles 25.1 of the bylaws and 2389, par. 3, of the Italian Civil Code, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions;
2. a **variable portion** to be established by the Board of Directors based on the proposal submitted by the Nominations and Compensation Committee, after having consulted with the Board of Statutory Auditors, linked to achieving certain performance targets, which follow:

(i) **for 65%, a short- term variable component**, tied to reaching yearly performance targets which include:

- core business consolidated EBITDA margin with a margin of plus or minus 100 bps with respect to the budget approved by the Board of Directors held on 14 December 2021 (22.5% of the variable component);
- consolidated FFO with a margin of plus or minus 2% with respect to the budget approved by the Board of Directors held on 14 December 2021 2021 (22.5% of the variable component);

and individual performance targets:

- improvement, with respect to the prior year, in two unsolicited ESG ratings from independent agencies, for 15% of the variable component.
- overall improvement, with respect to the prior year, in the scores received by sections 7 (Strategy and goals) and 8 (risk control and management) of the annual Board Review approved by the Company's Board of Directors, for 5% of the variable component

The amount of the variable compensation will be determined based on the performance targets as follows:

- if the target is achieved 100% of the variable compensation owed will be paid, while
- if the target fails to be reached, no variable compensation will be owed.

The KPI and targets for the short-term variable compensation of the Chief Executive Officer are shown below:

KPI - CEO			TARGET	
Short term variable remuneration portions	**% change**	**% Gross Annual earnings**	**Achieved**	**Not achieved**
Yearly performance targets:				
Core business consolidated EBITDA margin	22,5%	11,25%	> -100bp vs budget	< -100 bp vs budget
Consolidated FFO	22,5%	11,25%	> -2% vs budget	< -2% vs budget
Individual performance targets:				
Improvement unsolicited ESG rating	15%	7,5%	>2 agencies vs previous year	<2 agencies vs previous year
Score section 7 and 8 Board Review	5%	2,5%	improvement vs previous year	deterioration vs previous year
TOTAL	**65%**	**32,5%**		

Based on the Compensation Policy, the total short-term variable compensation payable to the Chief Executive Officer may not exceed 32.5% of the fixed salary determined by the Board of Directors.

Each year the Nominations and Compensation Committee must verify if the annual performance targets have been reached or not subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for the year, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions. The results of this verification will be resolved upon by the Board of Directors during the next meeting held.

(ii) **for 35%, a three-year Long-Term Incentive Plan,** subject to achieving the economic-financial and ESG targets included in the 2022-2024 Business Plan, namely:

- LTV of 43%, with a margin of plus or minus 2%, for 12.5% of the variable component;
- Minimum TSR of 50%, for 12.5% of the variable component;
- Average degree to which the 41 ESG targets in the 2022-2024 Business Plan have been achieved above 85%, for 10% of the variable component.

The amount of the variable compensation will be determined based on the economic-financial and ESG targets in the 2022-2024 Business Plan, as follows:

- if the target is achieved, 100% of the variable compensation owed will be paid, while
- if the target fails to be reached, no variable compensation will be owed.

The KPI and targets for the variable compensation under the LTI Plan for the Chief Executive Officer are shown below:

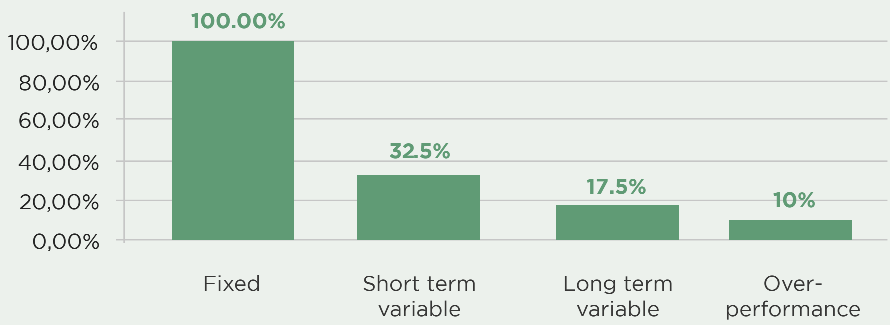
KPI - CEO			TARGET	
Medium-long term variable remuneration portions	**% change**	**% Gross Annual earnings**	**Achieved**	**Not achieved**
LTV (43%)	12,5%	6,25%	< +2%	> +2%
TSR	12,5%	6,25%	>50%	<50%
Average degree of achievement of the ESG targets of the 2022-2024 BP	10,0%	5,0%	>85%	<85%
TOTAL	**35%**	**17,5%**		

Based on the Remuneration Policy, the **variable compensation payable under the LTI Plan to the Chief Executive Officer may not exceed 17.5% of the fixed compensation approved by the Board of Directors** for the relative three-year period.

3. Another **variable component**, determined by the Board of Directors, as proposed by the Nominations and Remuneration Committee after having consulted with the Board of Statutory Auditors, **in the event of over-performance which amounts to 10.0% of the fixed compensation** approved by the Board of Directors. The over-performance incentive will be paid if the Loan to Value called for at the end of the 2022 – 2024 Business Plan is below 40%, with a margin of +-2%.

Each year the Nominations and Compensation Committee must verify if the medium/long-term and over-performance targets have been reached or not subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for 2024, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions. The results of this verification will be resolved upon by the Board of Directors during the next meeting held.

COMPONENTS OF THE CEO REMUNERATION



DEFERRED PAYMENT

The payment of the variable component to the Chief Executive Officer will be deferred for an appropriate period of time with respect to its vesting. The Company's practice is to pay the variable compensation at the end of the first six-month period subsequent to the end of the vesting period.

Based on the Remuneration Policy, the compensation of the **Managers with Strategic Responsibilities** comprises:

1. a fixed component which consists in the FAR (Fixed Annual Remuneration) called for in the individual contract signed by the Company and the Managers with Strategic Responsibilities which is line with the national labor contract for managers of cooperative businesses that governs the employment relationship. The FAR aims to adequately remunerate the unique expertise needed to fulfill the duties assigned, the breadth of the responsibilities, as well as the overall contribution made to achieving business results;

2. a variable component tied to the achievement of the following performance goals:

(i) **for 65%, a short-term variable component, tied to reaching yearly performance targets which include**:

- core business consolidated EBITDA margin with a margin of plus or minus 100 bps with respect to the budget approved by the Board of Directors held on 14 December 2021 (22.5% of the variable component);

- consolidated FFO with a margin of plus or minus 2% with respect to the budget approved by the Board of Directors held on 14 December 2021 2021 (22.5% of the variable component);

- two or more individual performance targets, defined by the Chief Executive Officer, based on the Company's organizational structure, the duties of each Manager, the strategic projects in which the Director is involved and the level of responsibility, for 20% of the variable component.

The amount of the variable compensation will be determined based on the performance targets as follows:

- if the target is exceeded, 100% of the variable compensation will be paid,

- if the target is achieved, 60% of the variable compensation will be owed

- if the target fails to be reached, no variable compensation will be owed.

The KPIs and targets for the short-term variable compensation of the Managers with Strategic Responsibilities are shown below:

KPI - MANAGERS				TARGET	
Short term variable remuneration portions	% change	% Gross Annual earnings	exceeded	Achieved	Not achieved
Yearly performance targets:					
Core business consolidated EBITDA margin	22,5%	11,25%	> +100bp vs budget	between -100bp and +100bp vs budget	< -100bp vs budget
Consolidated FFO	22,5%	11,25%	> +2% vs budget	between -2% and +2% vs budget	< -2% vs budget
Individual performance targets	20%	10%			
TOTAL	65%	32,5%			

Based on the Compensation Policy, **the maximum short-term variable compensation payable to the Managers with Strategic Responsibilities may not exceed 32.5% of the FAR** paid to the manager at 31 December of the year prior to the one in which the variable compensation is paid.

Each year the Nominations and Compensation Committee must verify if the annual performance targets have been reached or not subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for the relative year, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions. The results of this verification will be resolved upon by the Board of Directors during the next meeting held.

(ii) for 35%, a three-year Long-Term Incentive Plan based on which payment of the bonus is tied to achieving the economic-financial and ESG targets found in the 2022-2024 Business Plan, namely:

- LTV of 43%, with a margin of plus or minus 2%, for 12.5% of the variable component;
- Minimum TSR of 50%, for 12.5% of the variable component;
- Average degree to which the 41 ESG targets in the 2022-2024 Business Plan have been achieved above 85%, for 10% of the variable component.

The amount of the variable compensation will be determined based on the economic-financial and ESG targets in the 2022-2024 Business Plan, as follows:

- if the target is achieved, 100% of the variable compensation owed will be paid, while
- if the target fails to be reached, no variable compensation will be owed.

The KPI and targets for the variable compensation under the LTI Plan for the Managers with Strategic Responsibilities are shown below:

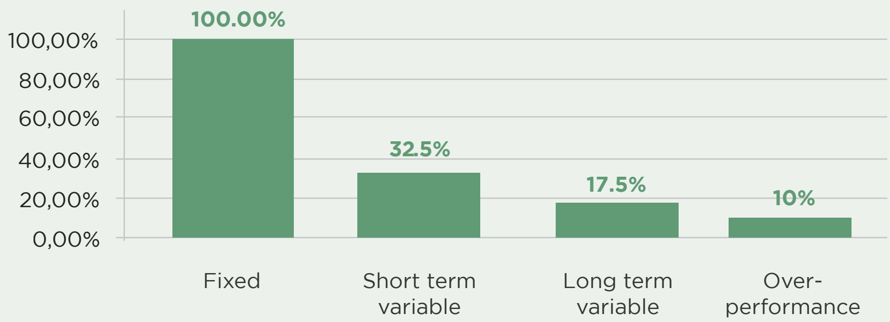
KPI - MANAGERS			TARGET	
Medium-long term variable remuneration portions	% change	% Gross Annual earnings	Achieved	Not achieved
LTV (43%)	12,5%	6,25%	< +2%	> +2%
TSR	12,5%	6,25%	>50%	<50%
Average degree of achievement of the ESG targets of the 2022-2024 BP	10,0%	5,0%	>85%	<85%
TOTAL	35%	17,5%		

Based on the Remuneration Policy, the variable compensation payable under the LTI Plan to the Managers with Strategic Responsibilities may not exceed 17.5% of the Manager's FAR for the relative three-year period.

3. another variable component in the event of over-performance which amounts to 10.0% of the FAR. The over-performance incentive will be paid if the Loan to Value called for at the end of the 2022 – 2024 Business Plan is below 40%, with a margin of +-2%.

Each year the Nominations and Compensation Committee must verify if the three-year medium/long-term and the overperformance targets have been reached or not subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for 2024, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions. The results of this verification will be resolved upon by the Board of Directors during the next meeting held.

COMPONENTS OF THE REMUNERATION OF MANAGERS WITH STRATEGIC RESPONSIBILITIES



PAYMENT DEFERRAL

The payment of the variable component to the Managers with Strategic Responsibilities will be deferred for an appropriate period of time with respect to its vesting. The Company's practice is to pay the variable compensation at the end of the first six-month period subsequent to the end of the vesting period.

G. POLICY REGARDING NON-CASH BENEFITS

As of the date of this Report, the Company has yet to adopt a policy regarding non-cash benefits. With regard to the Managers with Strategic Responsibilities, the provisions relative to supplementary assistance (i.e., life insurance policies and insurance for permanent disabilities) found in the national labor contract for managers of cooperative businesses apply.

H. VARIABLE COMPONENTS: DESCRIPTION OF THE UNDERLYING FINANCIAL AND NON-FINANCIAL PERFORMANCE TARGETS, DISTINCTION BETWEEN SHORT AND MEDIUM/LONG TERM VARIABLES, AND INFORMATION ON THE CONNECTION BETWEEN ANY CHANGE IN RESULTS AND REMUNERATION

Please refer to letter **F** above.

I. CRITERIA USED TO ESTABLISH THE ACHIEVEMENT OF PERFORMANCE TARGETS USED TO ASSIGN SHARES, OPTIONS, OTHER FINANCIAL INSTRUMENTS AND OTHER COMPONENTS OF VARIABLE COMPENSATION

The individual performance targets used in the Remuneration Policy to calculate the payment of variable compensation were defined largely based on economic-financial and ESG targets, as well as the creation of medium/long-term value for shareholders.

The targets were identified in the documents to be approved by the Board of Directors (2022-2024 Business Plan, separate financial statements, consolidated financial statements, annual board review), or in reports prepared by third parties, which allows for transparency in the calculations and various reports.

J. INFORMATION ABOUT THE IMPACT THAT THE REMUNERATION POLICY AND VARIABLE

COMPENSATION, MORE SPECIFICALLY, HAVE ON THE BUSINESS STRATEGY AND PROTECTING THE COMPANY'S LONG-TERM INTERESTS

Based on the Remuneration Policy the performance goals, the numerical targets and the payment of the variable compensation have to be in line with the Company's risk management policy. The Remuneration Policy is key to the sustainable success of the Company.

The Company found the LTIP 2022-2024 (tied to the 2022-2024 Business Plan) to be the most effective way to focus management on the long-term creation of value for shareholders. Under the LTIP 2022-2024, in fact, the medium-long term compensation is payable only if the targets established have been reached at the end of the three-year period.

K. THE VESTING PERIOD, ANY DEFERRED PAYMENT MECHANISMS, DEFERMENT PERIODS, THE CRITERIA USED TO DETERMINE THESE PERIODS AND, IF PROVIDED FOR, CORRECTIVE MECHANISMS RELATIVE TO THE VARIABLE COMPONENT

As of the date of this Report, the Company does not have any share-based incentive plans.

Provisions have been introduced which allow the Company to include clawback clauses in employment contracts based on which all or part of the variable compensation paid (including deferred amounts) to the Chief Executive Officer and the Managers with Strategic Responsibilities, shall be refunded within three years of payment (or withheld) if the relative corporate functions prove that the same was made on the basis of data that were manifestly incorrect.

L. INFORMATION RELATING TO HOLDING FINANCIAL INSTRUMENTS AFTER THEIR ACQUISITION, HOLDING PERIODS AND THE CRITERIA USED TO DETERMINE THE LENGTH OF THESE PERIODS

As indicated in letter **K**, no share-based incentive plans are contemplated in the Remuneration Policy.

M. TERMINATION ALLOWANCE

The Remuneration Policy does not provide for any indemnities for the directors in the event of advance termination of the directorship or if it is not renewed, with the exception of what is described below:

- In the event the mandate is terminated or is not renewed, the Chief Executive Officers will be paid: (i) a termination allowance equal to 15 months of the fixed salary for the office determined by the Board of Directors; (ii) another payment, after a non-compete agreement between the Company and the Chief Executive Officer has been signed, equal to 15 months of the fixed salary for the office determined by the Board of Directors. These amounts will be paid only in the event of (i) termination without just cause or if the mandate is not renewed; (ii) the CEO tenders just cause resignation.

- As for the Managers with Strategic Responsibilities, in the instance of a consensual termination of employment, without prejudice to the national labor contract for managers of cooperatives (specifically the part about severance payments), no termination allowances are provided for. Any settlements and/or indemnities other than those expressly provided for in this Policy, will be the subject of a prior opinion and/or proposal of the Nominations and Compensation Committee and the Committee for Related Party Transactions, as well as resolved upon by the Board of Directors, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions.

With regard to the Managers with Strategic Responsibilities, in the event the work carried out or the position held within the Company should change and, as a result, the Manager is no longer counted among the recipients of the Renumeration Policy, an adjusted parameter will be used to calculate the incentive or redefine the performance targets based on the amount of time the Manager was a Remuneration Policy recipient for the purposes of the LTI Plan, without prejudice to the verification needed to determine if the targets set were achieved and actually pay the incentive.

More in detail:

- in the event of termination by mutual consent, with the written agreement of IGD, or termination without cause or just cause as per Art. 2119 of the Italian Civil Code or just cause resignation as per Art. 2119 of the Italian Civil Code, or termination of a directorship without just cause or just cause resignation by the director, the provisions of this Remuneration Policy will be applied, unless more favorable conditions were adopted by the Company;

- termination with just cause pursuant to and in accordance with Art. 2119 of the Italian Civil Code and termination with cause or resignation without just cause of a Recipient pursuant to Art. 2119 of the Italian Civil Code or termination with just cause or resignation without just cause of a director, will result in the automatic exclusion from the Incentive Plan and, consequently, incentives not yet paid will be cancelled immediately and will, therefore, have no effect.

- A similar exclusion will be applied to Recipients who are in a period of notice following resignation or termination or subject to disciplinary proceedings pursuant to Art. 7 of Law n. 300/70 on the date of the Nominations and Remuneration Committee's target verification.

- Unless more favorable conditions have been adopted by the Company, a similar exclusion will be applied when, on the date of the Nominations and Remuneration Committee's target verification, the Recipient is on leave and/or suspended from the employment relationship for a period equal to or more than 3 months from said date, with the exception of maternity, paternity or parental leave.

The provisions of this section will be applied in the event the employment

N. ADDITIONAL INSURANCE COVERAGE AND PENSION PLANS

The Chief Executive Officer, some directors, and the Managers with Strategic Responsibilities are not covered under insurance and pension plans, other than what is provided under the national labor contract for managers of cooperatives.

Please refer to letter **F**.

O. PAY POLICY FOR: (I) INDEPENDENT DIRECTORS, (II) COMMITTEE MEMBERS AND (III) CARRYING OUT SPECIAL ASSIGNMENTS

The Company, in light of the definition of executive directors found in the Corporate Governance Code, considers all directors non executive with the exception of the Chief Executive Officer.

As indicated in letter **F** above, the Company resolved to award the Chief Executive Officer variable compensation as per the terms and conditions indicated. The remuneration of the non executive Directors and the Chair of the Board of Directors is not linked to the Company's and/or the Group's economic results.

The remuneration of the non executive directors as indicated in item f) above, consists solely in the fixed emolument set by the shareholders.

The directors, members of the Control and Risk Committee receive additional compensation as resolved by the Board of Directors, while the directors, members of the Nominations and Compensation Committee and the Committee for Related Party Transactions receive an attendance fee for each meeting attended as resolved by the Board of Directors, subject to approval by the Nominations and Compensation Committee.

The Chair of the Board of Directors and the Vice Chair are paid an additional annual fixed salary for their respective offices, as determined by the Board of Directors, based on the Nominations and Compensation Committee's proposal.

P. COMPENSATION POLICIES OF OTHER COMPANIES

Please refer to letter **E**.

Q. ELEMENTS AND CONDITIONS OF THE REMUNERATION POLICY WHICH MAY BE OVERRIDDEN IN THE PRESENCE OF EXCEPTIONAL CIRCUMSTANCES

Pursuant to Art. 123-ter, paragraph 3-bis of TUF, the Company may temporarily override the Remuneration Policy in the presence of exceptional circumstances, namely situations in which it is necessary to override the Policy in order to pursue the long-term interests and overall sustainability of the Company or ensure its ability to remain on the market.

The events that could impact the incentive system, to be evaluated case-by-case, may include: i) extraordinary transactions or capital transactions involving the Company and/or the Group, ii) regulatory changes which could impact the Group's business, or iii) any extreme market turbulence (including, for example, material changes in the national and international global market conditions or monetary policy) without prejudice to regulatory and legal constraints.

Any temporary waivers of the Remuneration Policy must be approved by the Board of Directors, after having consulted with the Nominations and Compensation Committee, without prejudice to Regulation n. 17221 of 12 March 2010 and the Procedure for related party transactions adopted by the Company.

As a result of the Board of Directors' approval process, all the parties involved must abstain from participating in any Board discussions in this regard and voting on any subsequent resolutions.

Without prejudice to the above, the following elements of the Policy may be overridden:

- the fixed and variable components of the compensation paid to the recipients of the Policy including, for example, the weight of these components as a percentage of total compensation, the performance targets to which payment of the variable components is linked, the vesting terms, as well as any share-based incentives;
- provisions relating to bonuses or one-off emoluments;
- provisions relating to possible severance and/or the amount of severance payable upon termination of office or the working relationship.

The Board of Directors' will determine the duration of the waiver and the specific elements of the Policy to be overridden as per the above.

2. PAY POLICY FOR MEMBERS OF THE BOARD OF STATUTORY AUDITORS

The remuneration of the Board of Statutory Auditors is not linked to the Company's economic results and, therefore, consists solely in the fixed emolument.

Pursuant to Art. 2402 of the Italian Civil Code and Art. 26.11 of the bylaws, the compensation of the Board of Statutory Auditors is determined by IGD's shareholders.

During the Annual General Meeting held on 15 April 2021, shareholders set the annual gross compensation for the Chair of the Board of Statutory Auditors at €30,000.00 and the annual gross compensation of the Standing Auditors at €20,000.00.

The relative expenses incurred by the Statutory Auditors will also be reimbursed.

SECTION II REMUNERATION OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS AND THE MANAGERS WITH STRATEGIC RESPONSIBILITIES IN 2021

This part of the Remuneration Report contains the compensation owed the members of the Board of Directors, the Board of Statutory Auditors, the Chief Operating Officer who remained in office through 31.12.2021, as well as the Managers with Strategic Responsibilities for 2021.

Pursuant to Art. 123-ter, paragraph 6, of TUF, the shareholders will pass a non-binding resolution for or against this part of the Compensation Report.

PART ONE ITEMS COMPRISING REMUNERATION

A clear and comprehensive description of the items comprising the remuneration of the members of the Board of Directors, the Board of Statutory Auditors, and the Chief Operating Officer, as well as the aggregate amount paid to the Managers with Strategic Responsibilities in 2021, is provided in this section of Part II.

The remuneration of the Chief Executive Officer, the Chief Operating Officer, as well as the Managers with Strategic Responsibilities, is structured in such a way as to ensure that management's actions are aligned with the achievement of long-term results insofar as:

- the medium/long-term variable compensation incentivizes management to reach the goals of the Business Plan;

- the long-term variable component of remuneration accounts for a significant part of the total remuneration of the Company's management, and intends to strengthen the alignment of management's interest in achieving the most important goal, creating sustainable value for shareholders over the medium/long-term, as well as attract, motivate and retain highly skilled professionals, capable of successfully managing the Company and the Group.

1. REMUNERATION PAID TO THE MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS, THE CHIEF OPERATING OFFICER, AS WELL AS THE AGGREGATE AMOUNT PAID TO THE MANAGERS WITH STRATEGIC RESPONSIBILITIES

1.1 BOARD OF DIRECTORS

1.1.1 CHIEF EXECUTIVE OFFICER

In 2021 the Chief Executive Officer was Director Claudio Albertini.

Mr. Albertini was appointed Chief Executive Officer by IGD's Board of Directors on 20 April 2021, after the recent renewal of the Board of Directors was approved by shareholders during the AGM held on 15 April 2021.

Below is a description of the items comprising the Chief Executive Officer's remuneration in 2021.

- Fixed component, comprising:
    - a yearly gross salary of €20,000.00 for acting as a member of the Board of Directors, as resolved during the AGM held on 15 April 2021 and consistent with the resolution approved during the AGM held on 1 June 2018;
    - a yearly gross salary of €300,000.00 for acting as Chief Executive Officer, as resolved during the Board of Directors meeting held on 20 April 2021 and consistent with the resolution approved during the meeting held on 6 June 2018. The amount of the fixed compensation was approved by the Board of Directors, as per the recommendations of the Nominations and Compensation Committee and after having consulted with the Board of Statutory Auditors in accordance with Articles 25.1 of the corporate bylaws and 2389, paragraph 3, of the Italian Civil Code.
- Variable component: a significant part of the Chief Executive Officer's remuneration is linked to specific Company performance targets.

SHORT-TERM VARIABLE COMPENSATION

In 2020, the short-term variable compensation is equal to 75% of the total variable compensation - set at a maximum of 37.5% of the fixed remuneration determined by the Board of Directors.

Consistent with the Remuneration Policy approved by the AGM held on 11 June 2020, payment of this bonus is subject to achieving predetermined performance targets:

- 25% of the short-term variable compensation is linked to the consolidated EBITDA margin with a margin of plus or minus 1% with respect to the budget;
- 25% of the variable compensation to the earnings per share with an increase versus the prior year, like-for-like excluding treasury shares, between 5% and plus 5%;
- other qualitative objectives, identified by the Board of Directors, as recommended by the Nominations and Compensation Committee, 25% of the short-term variable compensation.

The Nominations and Remuneration Committee verified whether or not the targets had been reached during the meetings held on 11 March 2021 and 25 March 2021.

In 2021 the Chief Executive Officer did not receive any short-term variable compensation for 2020 as he formally waived any entitlements given the particularly delicate economic situation caused by the persistence of the Covid-19 pandemic and the non-recurring impact of the crisis on the Group's 2020 results.

The short-term variable compensation for 2021 comprised 75% of the total variable compensation, for up to a maximum of 37.5% of the fixed compensation set by the Board of Directors.

Consistent with the Remuneration Policy approved during the AGM held on 15 April 2021, payment of this incentive is subject to the achievement of specific yearly performance targets:

- consolidated core business EBITDA margin with a margin of plus or minus 1% with respect to the budget, approved by the Board of Directors on 28 January 2021, for 25% of the variable component;
- earnings per share with an increase versus the prior year, like-for-like excluding treasury shares, of plus or minus 5%, for 25% of the variable component.

and the following individual performance targets:

- the drafting of a training and coaching program, to be offered as from 2022, focused on implementing the recommendations made in the succession plan recently approved for 12.5% of the variable component;

- improvement, with respect to the prior year, in the ESG rating provided by at least 2 independent agencies, for 12.5% of the variable component.

Each year the Nominations and Compensation Committee must verify if the annual performance targets have been reached or not subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for the year, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions. The results of this verification will be resolved upon by the Board of Directors during the next meeting held.

MEDIUM/LONG-TERM VARIABLE COMPENSATION

Based on the LTI Plan 2019-2021 medium/long-term variable compensation accounts for 25% of the total variable compensation and may not exceed 12.5% of the fixed compensation set by the Board of Directors.

Consistent with the Remuneration Policy approved during the AGM held on 15 April 2021, payment of this bonus is subject to achieving the three-year economic-financial targets found in the 2019-2021 Business Plan (each of which accounts for 50% of the bonus):

- the Loan to Value must be maintained below 45%;

- cumulative FFO must amount to €258 million.

Lastly an over-performance incentive, equal to 5% of the fixed compensation, will be paid if the Loan to Value referred to in the Business Plan 2019 – 2021 is below 43% at the end of 2021.

Each year the Nominations and Compensation Committee must verify if the three-year medium/long-term and the overperformance targets have been reached or not subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for 2021, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions. The results of this verification will be resolved upon by the Board of Directors during the next meeting held.

Please refer to Art. 2 below for information on termination allowances.

1.1.2 CHAIR OF THE BOARD OF DIRECTORS

In 2021 the Chair of the Board of Directors was Elio Gasperoni for the period 1 January 2021 – 15 April 2021 and, subsequently, from 15 April 2021 to 31 December 2021, it was Rossella Saoncella.

Mr. Gasperoni was appointed Chair of the Board of Directors by IGD's Board of Directors on 6 June 2018 after the renewal of the Board of Directors was approved by shareholders during the AGM held on 1 June 2018. Ms. Saoncella was appointed Chair of the Board of Directors by IGD's Board of Directors on 20 April 2021, after the recent renewal of the Board of Directors was approved by shareholders during the AGM held on 15 April 2021.

The Chair's remuneration is not tied to the Company's economic results and, therefore, is comprised solely of a fixed component.

The Chairman's total compensation comprises:

- a yearly gross salary of €20,000.00 for acting as a member of the Board of Directors, as resolved during the AGM held on 21 April 2021, and consistent with the resolution approved during the AGM held on 1 June 2018, as well as

- a yearly gross compensation of €75,000.00 for acting as Chair, as resolved during the Board of Directors meeting held on 20 April 2021 and consistent with the resolution approved during the meeting held on 6 June 2018.

No termination allowances will be recognized in the event the Chairship is terminated.

1.1.3 VICE CHAIR OF THE BOARD OF DIRECTORS

The Vice Chair's remuneration is not tied to the Company's economic results and, therefore, is comprised solely of a fixed component.

In 2021 the Vice Chair of the Board of Directors was the director Rossella Saoncella, for the period 1 January 2021 – 15 April 2021 and subsequently, from 15 April 2021 to 31 December 2021, director Stefano Dall'Ara, appointed by IGD's Board of Directors on 20 April 2021, after the recent renewal of the Board of Directors was approved by shareholders during the AGM held on 15 April 2021.

The total remuneration of the Vice Chair is broken down as follows:

- a yearly gross salary of €20,000.00 for acting as a member of the Board of Directors as resolved during the AGM held on 15 April 2021 and consistent with the resolution approved during the previous AGM held on 1 June 2018;

- compensation of €25,000,00 for acting as Vice Chair paid for the period, as resolved during the Board of Directors held on 20 April 2021 and consistent with the resolution approved during the meeting held on 6 June 2018.

No termination allowances will be recognized in the event the Vice Chairship is terminated.

1.1.4 OTHER MEMBERS OF THE BOARD OF DIRECTORS

The remuneration of the members of the Board of Directors is not tied to the Company's economic results and, therefore, is comprised solely of a fixed component.

During the AGM held on 15 April 2021 shareholders appointed IGD's Board of Directors comprised of the following directors: Claudio Albertini (Chief Executive Officer, appointed by the Board of Directors on 20 April 2021), Rossella Saoncella (Chair, appointed by the Board of Directors on 20 April 2021), Stefano Dall'Ara (Vice Chair appointed by the Board of Directors on 20 April 2021), Edy Gambetti, Antonio Rizzi, Silvia Benzi, Rossella Schiavini, Alessia Savino, Timothy Santini, Rosa Cipriotti, Robert-Ambroix Gery.

During the AGM, meeting in ordinary session, shareholders also set the annual gross compensation for each member of the Board of Directors at €20,000.00, as resolved during the AGM held on 1 June 2018.

No termination allowances will be recognized in the event the Directorships are terminated.

1.1.5 MEMBERS OF THE BOARD COMMITTEES

1.1.5.1 Control and Risk Committee

The directors, members of the Control and Risk Committee, receive additional fixed compensation as resolved by the Board of Directors.

In 2021 the IGD's Control and Risk Committee comprised the independent directors Elisabetta Gualandri (Chair), Luca Dondi Dall'Orologio and Isabella Landi through 15 April 2021. Following the renewal of the current Board of Directors, the independent directors Rossella Schiavini (Chair), Rosa Cipriotti and Antonio Rizzi were appointed members of the Control and Risk Committee by the Board on 21 April 2021.

On 20 April 2021 the Board of Directors approved a gross compensation of €12,000.00 for the Chair and €8,000.00 for each of the Committee members, as also resolved by the Board of Directors on 6 June 2018.

1.1.5.2 Related Party Transactions Committee

The directors who are members of the Related Party Transactions Committee receive a gross attendance fee of €750.00 for each Committee meeting attended as determined by the Board of Directors on 20 April 2021.

In 2021 IGD's Related Party Transactions Committee comprised independent directors Luca Dondi Dall'Orologio (Chair), Livia Salvini and Eric Jean Vèron through 15 April 2021. Following the renewal of the current Board of Directors, the independent directors Antonio Rizzi (Chair) Silvia Benzi and Robert-Ambroix Gery were appointed members of the Related Party Transactions Committee by the Board on 21 April 2021. More in detail, the Related Party Transactions Committee met 4 times in 2021: on 25 February 2021 and 9 April 2021, in the pre-15 April configuration, and on 28 June 2021 and 27 December 2021, in the current configuration. In 2021, therefore, the members of the Related Party Transactions Committee in office through 15 April 2021(Luca Dondi Dall'Orologio, Livia Salvini and Eric Jean Véron) received a gross compensation of €1,500.00 (for attending 2 meetings) and the current members of the Related Party Transactions Committee appointed by the Board on 21 April 2021(Antonio Rizzi, Silvia Benzi and Robert-Ambroix Gery) received a gross compensation of €1,500.00 (for attending 2 meetings).

1.1.5.3 Nominations and Compensation Committee

The directors who are members of the Nominations and Compensation Committee receive a gross attendance fee of €750.00 for each Committee meeting attended as determined by the Board of Directors on 20 April 2021.

In 2021 IGD's Nominations and Compensation Committee comprised independent directors Rossella Saoncella (Chair), Livia Salvini and Timothy Guy Michele Santini through 15 April 2021. Following the renewal of the current Board of Directors, the independent directors Timothy Santini (Chair), Rossella Schiavini and Silvia Benzi were appointed members of the Nominations and Compensation Committee by the Board on 21 April 2021.

More in detail, the Nominations and Compensation Committee met 4 times in 2021, on 11 February, 16 February, 11 March and 25 March, in the pre-15 April configuration and 3 times, 20 April, 30 June and 25 November, in the current configuration.

In 2021, therefore, the members of the Nominations and Compensation Committee in office through 15 April 2021 (Rossella Saoncella, Timothy Guy Michele Santini and Livia Salvini) received a gross compensation of €3,000.00 (for attending 4 meetings), and the current members of the Related Party Transactions Committee (Timothy Santini, Rossella Schiavini and Rosa Cipriotti) received a gross compensation of €2,250.00 (for attending 3 meetings).

1.2 BOARD OF STATUTORY AUDITORS

The remuneration of the members of the Board of Statutory Auditors is not tied to the Company's economic results and, therefore, is comprised solely of a fixed component.

In 2021 IGD's Board of Statutory Auditors comprised: Anna Maria Allievi (Chair), Daniela Preite and Roberto Chiusoli (Standing Auditors) through 15 April 2021. Following the renewal of the Board of Statutory Auditors, during the AGM held on 15 April 2021 shareholders appointed n Marco Committeri (Chair), Daniela Preite and Massimo Scarafuggi (Standing Auditors) and during the same meeting set the annual gross compensation at €30,000.00 for the Chair and €20,000.00 for the other Standing Auditors, as also resolved by the shareholders during the AGM held on 1 June 2018.

1.3 CHIEF OPERATING OFFICER

In 2021 the Chief Operating Officer was Daniele Cabuli through his early retirement, effective 31.12.2021.

The compensation received by the Chief Operating Officer in 2021 can be broken down as follows:

- Gross fixed salary: €190,522.00;
- Gross non-cash benefits: €20,977.06;
- Gross Variable compensation: as indicated below

In 2020, the Chief Operating Officer's short-term variable compensation represented 75% of the total variable compensation and could not exceed 30% of the FAR.

Consistent with the Remuneration Policy approved during the AGM held on 11 June 2020, payment of this incentive was subject to reaching the following performance objectives:

- consolidated core business EBITDA margin with a margin of plus or minus 1% with respect to the budget for 20% of the variable component;
- earnings per share with an increase versus the prior year, like-for-like excluding treasury shares, of plus or minus 5%, for 5% of the variable component;

and the following individual performance targets:

- total core business revenue in line with the budget;
- FFO in line with the budget.

The Nominations and Remuneration Committee verified whether or not the targets had been reached during the meetings held on 11 March 2021 and 25 March 2021.

In 2021 the Chief Operating Officer did not receive any short-term variable compensation for 2020 as he formally waived any entitlements given the particularly delicate economic situation caused by the persistence of the Covid-19 pandemic and the non-recurring impact of the crisis on the Group's 2020 results.

The short-term variable compensation for 2021 comprised 75% of the total variable compensation, for up to a maximum of 30% of the fixed compensation.

Consistent with Remuneration Policy approved during the AGM held on 15 April 2021, payment of this incentive is subject to the achievement of specific yearly performance targets:

- consolidated core business EBITDA margin with a difference of plus or minus 1% with respect to the budget, approved by the Board of Directors on 28 January 2021, for 20% of the variable component;
- earnings per share with an increase versus the prior year, like-for-like excluding treasury shares, of plus or minus 5%, for 5% of the variable component;

and the following individual performance targets:

- total core business revenue in line with the budget approved by the Board of Directors on 28 January 2021, for 15% of the variable component;
- FFO with the budget approved by the Board of Directors on 28 January 2021, for 20% of the variable component;
- improvement, with respect to the prior year, in the ESG rating provided by at least 2 independent agen-

cies, for 15% of the variable component.

In light of the Chief Operating Officer's early retirement effective 31.12.2021, the short-term portion of the variable compensation for 2021 was calculated in advance at € [10.513,35], equal to the average of the short-term variable components in 2019 and 2020. The Nominations and Remuneration Committee was informed of this calculation during the meeting held on 31 January 2022.

The Chief Operating Officer is also a beneficiary under the LTI Plan 2019-2021 which accounts for 25% of the total variable compensation and may not exceed 10% of the FAR received in the three years prior to payment - subject to achieving the three-year economic-financial targets found in the 2019-2021 Business Plan (each of which represents 50% of the bonus):

- the Loan to Value must be maintained below 45%; and
- cumulative FFO must amount to €258 million.

Lastly an over-performance incentive, equal to 5% of the fixed compensation, will be paid if the Loan to Value referred to in the Business Plan 2019 – 2021 is below 43% at the end of 2021.

In light of the Chief Operating Officer's early retirement effective 31.12.2021, the medium/long-term compensation referred to in the 2019-2021 LTI Plan was calculated in advance € [26,283.37]. The Nominations and Remuneration Committee was informed of this calculation during the meeting held on 31 January 2022.

In 2021, given the resignation tendered by Mr. Cabuli due to early retirement, during the meeting held on 15 July 2021 the Board of Directors, taking into account the opinion of the Nominations and Remuneration Committee and after consulting with the Board of Statutory Auditors, resolved to pay Mr. Cabuili an exit bonus (payment of which was deferred to the effective date of his resignation) of €200,000.00 (refer to Section II, Art. 2 and Table 1 Termination Allowances).

In 2021 the Chief Operating Officer did not receive any short-term variable compensation for 2020 as he formally waived any entitlements.

1.4 MANAGERS WITH STRATEGIC RESPONSIBILITIES

The Managers with Strategic Responsibilities have been identified from among members of the Company's Operating Division; namely the director of Administration, Legal and Corporate Affairs, Carlo Barban, the director of the Asset Management, Development and Network Management, Robero Zola, and the director of the Finance Division, Andrea Bonvicini, and the director of Planning, Control and Investor Relations, Raffaele Nardi.

In accordance with current law governing individual disclosure, the components of the compensation paid to the Managers with Strategic Responsibilities in 2021 are shown below in aggregate amounts as none of the Managers with Strategic Responsibilities received total compensation that was higher than the highest total compensation received by the members of the Board of Directors, the Board of Statutory Auditors or the Chief Operating Officer.

- Gross fixed compensation: €560,694.00[4];
- Gross non-cash benefits: €64,692.20;
- Variable component: as indicated below.

In 2020, the Managers with Strategic Responsibilities' short-term variable compensation represented 75% of the total variable compensation and could not exceed 30% of the FAR.

Consistent with the Remuneration Policy approved during AGM held on 11 June 2020, payment of this incentive was subject to reaching the following performance objectives:

- consolidated core business EBITDA margin with a margin of plus or minus 1% with respect to the budget, for 20% of the variable component;
- earnings per share with an increase versus the prior year, like-for-like excluding treasury shares, of plus or minus 5%, for 5% of the variable component;
- two or more individual performance goals defined on the basis of the role of each Manager with Strategic Responsibilities, the strategic projects in which he/she was involved and the level of responsibility, for 50% of the variable component.

The Nominations and Remuneration Committee verified whether or not the targets had been reached during the meetings held on 11 March 2021 and 25 March 2021.

In 2021 the Managers with Strategic Responsibilities did not receive any short-term variable compensation for 2020 as they formally waived any entitlements given the particularly delicate economic situation caused by the persistence of the Covid-19 pandemic and the non-recurring impact of the crisis on the Group's 2020 results.

4 *This is all encompassing; any compensation owed for assignments in companies controlled by IGD will be waived and are paid back to the company in full*

The short-term variable compensation for 2021 comprised 75% of the total variable compensation, for up to a maximum of 30% of the FAR.

Consistent with Remuneration Policy approved during the AGM held on 15 April 2021, payment of this incentive is subject to the achievement of specific yearly performance targets:

- consolidated core business EBITDA margin with a margin of plus or minus 1% with respect to the budget, approved by the Board of Directors on 28 January 2021, for 20% of the variable component;

- earnings per share with an increase versus the prior year, like-for-like excluding treasury shares, of plus or minus 5%, for 5% of the variable component;

- two or more individual performance goals defined each year by the Chief Executive Officer and/or the Chief Operating Officer based on the Company's organizational structure, the role of each Manager, the strategic projects in which he/she was involved and the level of responsibility, for the remaining 50% of the variable component;

Each year the Nominations and Compensation Committee must verify if the annual performance targets have been reached or not subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for the year, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions. The results of this verification will be resolved upon by the Board of Directors during the next meeting held.

The Managers with Strategic Responsibilities are also beneficiaries under the LTI Plan 2019-2021 which accounts for 25% of the total variable compensation and may not exceed 10% of the FAR received in the three years prior to payment - subject to achieving the three-year economic-financial targets found in the 2019-2021 Business Plan (each of which represents 50% of the bonus):

- the Loan to Value must be maintained below 45%; and

- cumulative FFO must amount to 258 million.

Lastly an over-performance incentive, equal to 5% of the FAR, will be paid if the Loan to Value referred to in the Business Plan 2019 – 2021 is below 43% at the end of 2021.

Each year the Nominations and Compensation Committee must verify if the three-year medium/long-term and the overperformance targets have been reached or not subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for 2021, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions. The results of this verification will be resolved upon by the Board of Directors during the next meeting held.

For more information about the termination allowances, please refer to section 2 below.

No specific agreements are in place which call for the payment of an indemnity if the event of early termination of the employment relationships, with the exception of what is provided for in Art. 2 below.

2. TERMINATION ALLOWANCES

On 26 February 2019 the Board of Directors, in accordance with the recommendations of the Nominations and Compensation Committee, approved the following indemnities for the Chief Executive Officer in the event of termination: (i) a termination allowance equal to 15 months of the fixed salary paid to the Chief Executive Officer; (ii) another payment, after a non-compete agreement between the Company and the Chief Executive Officer has been signed, equal to 15 months of the fixed salary paid to the Chief Executive Officer. These amounts will be paid only if the event of (i) termination without just cause or if the mandate is not renewed; (ii) the CEO tenders just cause resignation.

Without prejudice to the above, the regulations for the LTIP, applicable to the 2021 Remuneration Policy, approved by Board of Directors on 27 February 2020, based on the proposal of the Nominations and Compensation Committee and the favorable opinion of the Board of Statutory Auditors, relative to the Chief Executive Officer, the Chief Operating Office and the Managers with Strategic Responsibilities, govern the termination or resolution of the employment contract.

More in detail, the LTIP governs situations involving:

i. termination by mutual consent, with the written agreement of IGD
ii. termination of one of the Plan beneficiaries without just cause pursuant to Art. 2119 of the Italian Civil Code
iii. resignation of one of the Plan beneficiaries for just cause pursuant to Art. 2119 of the Italian Civil Code
iv. termination without just cause or just cause resignation tendered by the Chief Executive Officer.

In the above instances, the indemnity will be recalculated and the performance targets will be redefined on the basis of the amount of time the party was part of the Company. No indemnity will be paid in the event of termination for just cause pursuant to and in accordance with Art. 2119 of the Italian Civil Code and termination with cause or unjustified resignation pursuant to Art. 2119 of the Italian Civil Code of one of the Plan beneficiaries, or in the event of termination with cause or resignation without cause of a director.

With regard to the Chief Operating Officer and the Managers with Strategic Responsibilities, if the working relationship is terminated – for whatever reason – any severance will be paid in accordance with the national labor contract for managers of cooperatives, without prejudice to any prior individual agreements still in effect at the date upon which this report was presented. In the event the working relationship with the Chief Operating Officer and the Managers with Strategic Responsibilities is terminated, any settlements and/or indemnities other than those expressly provided for in this Policy, will be the subject of a prior opinion and/or proposal of the Nominations and Compensation Committee and the Committee for Related Party Transactions, as well as resolved upon by the Board of Directors, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions.

3. EXCEPTIONS TO THE REMUNERATION POLICY

At the approval date of this Report, no unusual circumstances emerged such that exceptions needed to be made to the Remuneration Policy approved during the Shareholders' Meeting held on 11 June 2020.

4. ADJUSTMENTS OF THE VARIABLE COMPENSATION

In 2021 no corrections were made to the variable components of compensation, after the fact.

5. COMPARISON FIGURES

The following information relative to 2020 and 2021 is detailed in the following table:

a. the Company's results

b. total remuneration of the Directors, Standing Auditors and the Company's Chief Operating Officer;

c. total average annual gross compensation for full-time Group personnel employed full-time at 31.12.2021, other than those listed in b) above.

€ mln	2020	2021
Core business EBITDA	99,4	107
Core business EBITDA MARGIN	65,4%	70,8%
FFO	59,3	64,7
LTV	49,9%	44,8%
EPS	-0,67	0,48
NAV (€/share)	10,38	10,85

€	2020	2021
Chief Executive Officer[1]	338.750	451.250
Chief Operating Officer[2]	219.812	230.774
Chairman of the BoD Elio Gasperoni	95.000	27.329
Rossella Saoncella/Vice-Chairman until 15/04/21 and Chairman since 20/04/21[3]	48.750	82.452
Vice-Chairman Stefano Dall'Ara	NA	31.836
Independent Director Silvia Benzi	NA	18.051
Independent Director Rosa Cipriotti	NA	19.912
Independent Director Luca Dondi Dall'Orologio	29.500	9.555
Non executive Director Edy Gambetti	NA	14.301
Independent Director Elisabetta Gualandri	32.000	9.205
Independent Director Sergio Lugaresi (until 28/09/20) + Independent Director Isabella Landi (coopted from 5/11/20)[4]	25.322	8.055
Non executive Director Gian Maria Menabò	20.000	5.753
Independent Director Antonio Rizzi	NA	21.412
Independent Director Gery Robert-Ambroix	NA	15.801
Independent Director Livia Salvini	25.250	10.253
Independent Director Guy Michele Santini	23.750	25.250
Non executive Director Alessia Savino	20.000	20.000
Independent Director Rossella Schiavini	NA	24.968
Independent Director Eric Jean Veron	21.500	7.253
Chairman of the Statutory Auditors Anna Maria Allievi	30.000	8.630
Chairman of the Statutory Auditors Gian Marco Committeri	NA	21.452
Standing Auditor Roberto Chiusoli	20.000	5.753
Standing Auditor Daniela Preite	20.000	20.000
Standing Auditor Massimo Scarafuggi	NA	14.301
Employees (average Gross Annual Earnings)[5]	42.376	45.648

(1) *The 2021 figure includes the estimated short-term compensation and LTI for 2021; the Nominations and Remuneration Committee will verify whether or not the 2021 targets were achieved subsequent to the date on which the Board of Directors approves the draft separate and consolidated financial statements for 2021. The figure for 2020 only includes the estimated LTI for 2020. The 2020 short-term compensation was expressly waived by the Chief Executive Officer. Refer to Art. 1.*

(2) *The 2021 figure includes the estimated short-term compensation and LTI for 2021. The 2021 figure does not include the exit bonus for early retirement. The figure for 2020 only includes the estimated LTI for 2020. The 2020 short-term compensation was expressly waived by the Chief Operating Officer. Refer to Art. 1.*

(3) *The 2021 figure includes the compensation received for the different assignments held during the year.*

(4) *The 2021 figure includes the compensation received for the different assignments held during the year.*

(5) *The 2021 figure comprises the contractual FAR (which includes all the fixed elements of compensation) of the personnel employed at 31.12.2021, excluding the Executives, as well as the variable compensation foreseen for 2021. The 2020 figure comprises the contractual FAR (which includes all the fixed elements of compensation) of the personnel employed at 31.12.2020, excluding the Executives, as well as the variable compensation for 2020.*

PART TWO TABLES

The compensation paid in 2021 to the Board of Directors, the Board of Statutory Auditors, the Chief Operating Officer and the Managers with Strategic Responsibilities is shown in the following tables, including the amounts paid to parties who held these positions even for just a short period of time during the year.

TABLE 1: COMPENSATION PAID TO THE MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS, THE CHIEF OPERATING OFFICER AND THE MANAGERS WITH STRATEGIC RESPONSIBILITIES

BOARD OF DIRECTORS

FIRST AND LAST NAME	OFFICE	DATES IN OFFICE	END OF TERM		FIXED COMPENSATION	COMPENSATION FOR COMMITTEE MEMBERSHIP
Elio Gasperoni	Director and Chair	01/01/2021 15/04/2021	Terminated	Compensation from IGD	€ 27.328,77 (1)	
				Compensation from subsidiaries and affiliates		
				Total	**€ 27.328,77**	
Rossella Saoncella	Director and Chair Director and Vice Chair Member of the NRC	15/04/2021 31/12/2021 01/01/2021 15/04/2021	Approval of 2023 financial statements Terminated	Compensation from IGD	€ 79.452,05 (2)	€ 3.000,00
				Compensation from subsidiaries and affiliates		
				Total	**€ 79.452,05**	**€ 3.000,00 (3)**
Claudio Albertini	Chief Executive Officer	01/01/2021 31/12/2021	Approval of the 2023 Annual Report	Compensation from IGD	€ 320.000,00 (4)	
				Compensation from subsidiaries and affiliates		
				Total	**€ 320.000,00**	
Stefano Dall'Ara	Director and Vice Chair	15/04/2021 31/12/2021	Approval of the 2023 Annual Report	Compensi in IGD	€ 31.835,62 (6)	
				Compensi in società controllate e collegate		
				Total	**€ 31.835,62**	

(1) Fixed emolument comprising (i) compensation for acting as a director, as resolved during the AGM held on 1 June 2018, paid through 15 April 2021 and (ii) the compensation paid for acting as Chair, as resolved by the Board of Directors on 6 June 2018, paid through 15 April 2021.
(2) Fixed emolument comprising (i) the compensation for acting as a director, as resolved during the AGM held on 1 June 2018, paid through 15 April 2021, (ii) the compensation for acting as a director, as resolved during the AGM held on 15 April 2021, paid as from 15 April 2021, (iii) the compensation paid for acting as Vice Chair as resolved by the Board of Directors on 6 June 2018, paid through 15 April 2021 and (iv) the compensation paid for acting as Chair, as resolved by the Board of Directors on 20 April 2021, paid as from 20 April 2021.
(3) Compensation for attending meetings of the NRC through 15 April 2021.
(4) Fixed emolument comprising (i) the compensation for acting as a director, as resolved during the AGM held on 1 June 2018, paid through 15 April 2021,

NON SHARE BASED COMPENSATION		NON-CASH BENEFITS	OTHER COMPENSATION	TOTAL	*FAIR VALUE* OF THE COMPENSATION	TERMINATION ALLOWANCES
BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
				€ 27.328,77		
				€ 27.328,77		
				€ 82.452,05		
				€ 82.452,05		
€ 131.250,00 (5)				€ 451.250,00		
€ 131.250,00				**€ 451.250,00**		
				€ 31.835,62		
				€ 31.835,62		

(ii) the compensation for acting as a director, as resolved during the AGM held on 15 April 2021, paid as from 15 April 2021, (iii) compensation for acting as Chief Executive Officer, as resolved by the Board of Directors on 6 June 2018, paid through 15 April 2021, and (iv) the compensation paid for acting as Chief Executive Officer, as resolved by the Board of Directors on 20 April 2021, paid as from 20 April 2021.
(5) *This includes an estimate (a) of the amount of short-term variable compensation payable for up a maximum of 37.5% of the fixed compensation (which includes the compensation for acting as Chief Executive Officer as resolved by the BoD of 300,000.00 per year) for 2021 and (b) the amount payable to the Chief Executive Officers against the LTI Plan 2019-2021 for 2021 for up to a maximum of 12.50% the fixed compensation. This incentive will be paid in 2022.*
(6) *Fixed emolument comprising (i) the compensation for acting as a director, as resolved during the AGM held on 15 April 2021, paid as from 15 April 2021, and (ii) the compensation paid for acting as Vice Chair, as resolved by the Board of Directors on 20 April 2021, paid as from 20 April 2021.*

TABLE 1 - CONTINUED:

BOARD OF DIRECTORS

FIRST AND LAST NAME	OFFICE	DATES IN OFFICE	END OF TERM		FIXED COMPENSATION	COMPENSATION FOR COMMITTEE MEMBERSHIP
Silvia Benzi	Director Member of the NRC Member of the CRC	15/04/2021 31/12/2021 20/04/2021 31/12/2021	Approval of the 2023 Annual Report	Compensation from IGD	€ 14.301,37 (7)	€ 3.750,00 (8)
				Compensation from subsidiaries and affiliates		
				Total	**€ 14.301,37**	**€ 3.000,00**
Rosa Cipriotti	Director Member of the CRC	15/04/2021 31/12/2021 20/04/2021 31/12/2021	Approval of the 2023 Annual Report	Compensation from IGD	€ 14.301,37 (9)	€ 5.610,96 (10)
				Compensation from subsidiaries and affiliates		
				Total	**€ 14.301,37**	**€ 5.610,96**
Luca Dondi Dall'Orologio	Director Member of the CRC Member of the RPTC	01/01/2021 15/04/2021	Terminated	Compensation from IGD	€ 5.753,42 (11)	€ 3.801,37 (12)
				Compensation from subsidiaries and affiliates		
				Total	**€ 5.753,42**	**€ 3.801,37**
Edy Gambetti	Director	15/04/2021 31/12/2021	Approval of the 2023 Annual Report	Compensation from IGD	€ 14.301,37 (13)	
				Compensation from subsidiaries and affiliates		
				Total	**€ 14.301,37**	

(7) *Fixed emolument approved during the AGM held on 15 April 2021, paid as from 15 April 2021.*
(8) *Compensation for attending the meetings of the NRC and RPTC held as of 20 April 2021.*
(9) *Fixed emolument approved during the AGM held on 15 April 2021, paid as from 15 April 2021.*
(10) *Compensation for attending meetings of the CRC as of 20 April 2021.*
(11) *Fixed emolument approved during the AGM held on 1 June 2018, paid through 15 April 2021.*
(12) *Compensation for attending meetings of the CRC and RPTC through 15 April 2021.*
(13) *Fixed emolument approved during the AGM held on 15 April 2021, paid as from 15 April 2021.*

NON SHARE BASED COMPENSATION		NON-CASH BENEFITS	OTHER COMPENSATION	TOTAL	*FAIR VALUE* OF THE COMPENSATION	TERMINATION ALLOWANCES
BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
				€ 18.051,37		
				€ 18.051,37		
				€ 19.912,33		
				€ 19.912,33		
				€ 9.554,79		
				€ 9.554,79		
				€ 14.301,37		
				€ 14.301,37		

TABLE 1 - CONTINUED:

BOARD OF DIRECTORS						
FIRST AND LAST NAME	**OFFICE**	**DATES IN OFFICE**	**END OF TERM**		**FIXED COMPENSATION**	**COMPENSATION FOR COMMITTEE MEMBERSHIP**
Elisabetta Gualandri	Director Member of the CRC	15/04/2021 31/12/2021	Terminated	Compensation from IGD	€ 5.753,42 (14)	€ 3.452,05 (15)
				Compensation from subsidiaries and affiliates		
				Total	**€ 5.753,42**	**€ 3.452,05**
Isabella Landi	Director Member of the CRC	01/01/2021 15/04/2021	Terminated	Compensation from IGD	€ 5.753,42 (16)	€ 2.301,37 (17)
				Compensation from subsidiaries and affiliates		
				Total	**€ 5.753,42**	**€ 2.301,37**
Gian Maria Menabò	Director	01/01/2021 15/04/2021	Terminated	Compensation from IGD	€ 5.753,42 (18)	
				Compensation from subsidiaries and affiliates		
				Total	**€ 5.753,42**	
Antonio Rizzi	Director Member of the RPTC Member of the CRC	15/04/2021 31/12/2021 20/04/2021 31/12/2021	Approval of the 2023 Annual Report	Compensation from IGD	€ 14.301,37 (19)	€ 7.110,96 (20)
				Compensation from subsidiaries and affiliates		
				Total	**€ 14.301,37**	**€ 7.110,96**

(14) *Fixed emolument approved during the AGM held on 1 June 2018, paid through 15 April 2021.*
(15) *Compensation for attending meetings of the CRC through 15 April 2021.*
(16) *Fixed emolument approved during the AGM held on 1 June 2018, paid through 15 April 2021.*
(17) *Compensation for attending meetings of the CRC through 15 April 2021.*
(18) *Fixed emolument approved during the AGM held on 1 June 2018, paid through 15 April 2021.*
(19) *Fixed emolument approved during the AGM held on 15 April 2021, paid as from 15 April 2021.*
(20) *Compensation for attending meetings of the CRC and RPTC as of 20 April 2021.*

NON SHARE BASED COMPENSATION		NON-CASH BENEFITS	OTHER COMPENSATION	TOTAL	*FAIR VALUE* OF THE COMPENSATION	TERMINATION ALLOWANCES
BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
				€ 9.205,48		
				€ 9.205,48		
				€ 8.054,79		
				€ 8.054,79		
				€ 5.753,42		
				€ 5.753,42		
				€ 21.412,33		
				€ 21.412,33		

TABLE 1 - CONTINUED:

BOARD OF DIRECTORS						
FIRST AND LAST NAME	**OFFICE**	**DATES IN OFFICE**	**END OF TERM**		**FIXED COMPENSATION**	**COMPENSATION FOR COMMITTEE MEMBERSHIP**
Gery Xavier Didier Robert-Ambroix	Director Member of the RPTC	15/04/2021 31/12/2021 20/04/2021 31/12/2021	Approval of the 2023 Annual Report	Compensation from IGD	€ 14.301,37 (21)	€ 1.500,00 (22)
				Compensation from subsidiaries and affiliates		
				Total	**€ 14.301,37**	**€ 1.500,00**
Livia Salvini	Director Member of the NRC Member of the RPTC	01/01/2021 15/04/2021	Terminated	Compensation from IGD	€ 5.753,42 (23)	€ 4.500,00 (24)
				Compensation from subsidiaries and affiliates		
				Total	**€ 5.753,42**	**€ 4.500,00**
Timothy Guy Michele Santini	Director Member of the NRC	01/01/2021 31/12/2021	Approval of the 2023 Annual Report	Compensation from IGD	€ 20.000,00 (25)	€ 5.250,00 (26)
				Compensation from subsidiaries and affiliates		
				Total	**€ 20.000,00**	**€ 5.250,00**
Alessia Savino	Director	01/01/2021 31/12/202	Approval of the 2023 Annual Report	Compensation from IGD	€ 20.000,00 (27)	
				Compensation from subsidiaries and affiliates		
				Total	**€ 20.000,00**	

(21) *Fixed emolument approved during the AGM held on 15 April 2021, paid as from 15 April 2021.*
(22) *Compensation for attending meetings of the RPTC as of 20 April 2021.*
(23) *Fixed emolument approved during the AGM held on 1 June 2018, paid through 15 April 2021.*
(24) *Compensation for attending meetings of the NRC and RPTC through 15 April 2021.*
(25) *Fixed emolument comprising (i) the compensation for acting as a director, as resolved during the AGM held on 1 June 2018, paid through 15 April 2021, and (ii) the compensation for acting as a director, as resolved during the AGM held on 15 April 2021, paid as from 15 April 2021.*
(26) *Compensation for attending meetings of the NRC (re-appointed a member by the Board of Directors on 20 April 2021).*
(27) *Fixed emolument comprising (i) the compensation for acting as a director, as resolved during the AGM held on 1 June 2018, paid through 15 April 2021, and (ii) the compensation for acting as a director, as resolved during the AGM held on 15 April 2021, paid as from 15 April 2021.*

NON SHARE BASED COMPENSATION		NON-CASH BENEFITS	OTHER COMPENSATION	TOTAL	*FAIR VALUE* OF THE COMPENSATION	TERMINATION ALLOWANCES
BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
				€ 15.801,37		
				€ 15.801,37		
				€ 10.253,42		
				€ 10.253,42		
				€ 25.250,00		
				€ 25.250,00		
				€ 20.000,00		
				€ 20.000,00		

TABLE 1 - CONTINUED:

BOARD OF DIRECTORS						
FIRST AND LAST NAME	**OFFICE**	**DATES IN OFFICE**	**END OF TERM**		**FIXED COMPENSATION**	**COMPENSATION FOR COMMITTEE MEMBERSHIP**
Rossella Schiavini	Director Member of the NRC Member of the CRC	15/04/2021 31/12/2021 20/04/2021 31/12/2021	Approval of the 2023 Annual Report	Compensation from IGD	€ 14.301,37 [28]	€ 10.666,44 [29]
				Compensation from subsidiaries and affiliates		
				Total	**€ 14.301,37**	**€ 10.666,44**
Eric Jean Veron	Director Member of the RPTC	01/01/2021 15/04/2021	Terminated	Compensation from IGD	€ 5.753,42 [30]	€ 1.500,00 [31]
				Compensation from subsidiaries and affiliates		
				Total	**€ 5.753,42**	**€ 1.500,00**
Anna Maria Allievi	Chair	01/01/2021 15/04/2021	Terminated	Compensation from IGD	€ 8.630,14 [32]	
				Compensation from subsidiaries and affiliates		
				Total	**€ 8.630,14**	
Gian Marco Committeri	Chair	15/04/2021 31/12/2021	Approval of the 2023 Annual Report	Compensation from IGD	€ 21.452,05 [33]	
				Compensation from subsidiaries and affiliates		
				Total	**€ 21.452,05**	

(28) *Fixed emolument approved during the AGM held on 15 April 2021, paid as from 15 April 2021.*
(29) *Compensation for attending meetings of the NRC and CRC as of 20 April 2021.*
(30) *Fixed emolument approved during the AGM held on 1 June 2018, paid through 15 April 2021.*
(31) *Compensation for attending meetings of the RPTC through 15 April 2021.*
(32) *Fixed emolument approved during the AGM held on 1 June 2018, paid through 15 April 2021.*
(33) *Fixed emolument approved during the AGM held on 15 April 2021, paid as from 15 April 2021.*

NON SHARE BASED COMPENSATION		NON-CASH BENEFITS	OTHER COMPENSATION	TOTAL	*FAIR VALUE* OF THE COMPENSATION	TERMINATION ALLOWANCES
BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
				€ 24.967,81		
				€ 24.967,81		
				€ 7.253,42		
				€ 7.253,42		
				€ 8.630,14		
				€ 8.630,14		
				€ 21.452,05		
				€ 21.452,05		

TABLE 1 - CONTINUED:

BOARD OF DIRECTORS						
FIRST AND LAST NAME	**OFFICE**	**DATES IN OFFICE**	**END OF TERM**		**FIXED COMPENSATION**	**COMPENSATION FOR COMMITTEE MEMBERSHIP**
Roberto Chiusoli	Standing Auditor	01/01/2021 15/04/2021	Terminated	Compensation from IGD	€ 5.753,42 (34)	
				Compensation from subsidiaries and affiliates		
				Total	**€ 5.753,42**	
Daniela Preite	Standing Auditor	01/01/2021 31/12/2021	Approval of the 2023 Annual Report	Compensation from IGD	€ 20.000,00 (35)	
				Compensation from subsidiaries and affiliates		
				Total	**€ 20.000,00**	
Massimo Scarafuggi	Standing Auditor	15/04/2021 31/12/2021	Approval of the 2023 Annual Report	Compensation from IGD	€ 14.301,37 (36)	
				Compensation from subsidiaries and affiliates		
				Total	**€ 14.301,37**	
Daniele Cabuli	Chief Operating Officer		31.12.2021(employ-ment relationship terminated)	Compensation from IGD	€ 190.522,00	
				Compensation from subsidiaries and affiliates		
				Total	**€ 190.522,00**	
Managers with Strategic Responsibilities (4)	Chief Operating Officer		31.12.2021(employ-ment relationship terminated)	Compensation from IGD	€ 560.694,00	
				Compensation from subsidiaries and affiliates		
				Total	**€ 560.694,00**	

(34) *EFixed emolument approved during the AGM held on 1 June 2018, paid through 15 April 2021.*
(35) *Fixed emolument comprising (i) the compensation for acting as a standing auditor, as resolved during the AGM held on 1 June 2018, paid through 15 April 2021, and (ii) the compensation for acting as a standing auditor, as resolved during the AGM held on 15 April 2021, paid as from 15 April 2021.*
(36) *Fixed emolument approved during the AGM held on 15 April 2021, paid as from 15 April 2021.*
(37) *This is the estimated amount of the variable component for 2021, both the short-term portion and the portion relative to the 2019-2021 LTI Plan for 2021.*
(38) *This refers to the insurance premiums paid yearly for supplementary assistance (life insurance policies and insurance for permanent disabilities) called for in the national labor contract for managers of cooperative businesses and subsequent agreements.*

NON SHARE BASED COMPENSATION		NON-CASH BENEFITS	OTHER COMPENSATION	TOTAL	*FAIR VALUE* OF THE COMPENSATION	TERMINATION ALLOWANCES
BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
				€ 5.753,42		
				€ 5.753,42		
				€ 20.000,00		
				€ 20.000,00		
				€ 14.301,37		
				€ 14.301,37		
€ 19.274,47 (37)		€ 20.977,06 (38)		€ 230.773,53		€ 352.060,56 (39)
€ 19.274,47		€ 20.977,06		**€ 230.773,53**		€ 352.061,56
€ 173.912,85 (40)		€ 64.692,20 (41)				€ 352.060,56
€ 173.912,85		€ 64.692,20		**€ 799.299,05**		€ 352.061,56

__(39)__ These relate to components of employee severance (respectively: an indemnity of 200,000.00 approved by the Board of Directors on 15.07.2021, TFR of 94,211.53 and supplementary pension fund TFR of 57,849.03).
__(40)__ This is the estimated amount of the variable component for 2021, both the short-term portion and the portion relative to the 2019-2021 LTI Plan for 2021
__(41)__ This refers to the insurance premiums paid yearly for supplementary assistance (life insurance policies and insurance for permanent disabilities) called for in the national labor contract for managers of cooperative businesses and subsequent agreements.

The compensation paid to the Chief Executive Officer, the Chief Operating Officer and the Managers with Strategic Responsibilities is detailed in the following table

TABLE 2: MONETARY INCENTIVE PLANS FOR THE CHIEF EXECUTIVE OFFICER, THE CHIEF OPERATING OFFICER AND MANAGERS WITH STRATEGIC RESPONSIBILITIES

BOARD OF DIRECTORS			
FIRST AND LAST NAME	**OFFICE**		**PLAN**
Claudio Albertini	Chief Executive Officer	Compensation from IGD	2021 short-term variable compensation
			LTI Plan 2019- 2021
			2020 short-term variable compensation
		Compensation from subsidiaries and affiliates	
		Total	
Daniele Cabuli	Chief Operating Officer	Compensation from IGD	2021 short-term variable compensation
			LTI Plan 2019- 2021
			2020 short-term variable compensation
		Compensation from subsidiaries and affiliates	
		Total	
Managers with Strategic Responsibilities (n. 4)	-	Compensation from IGD	Short-term variable compensation 2021
			2019-2021LTI Plan
			Short-term variable compensation 2020
		Compensation from subsidiaries and affiliates	
		Total	

(42) *Whether or not the 2021 performance targets were reached will be verified definitively after the draft 2021 financial statements have been approved. The incentive will be paid in 2022.*
(43) *This refers to estimated medium/long-term variable compensation for 2021 relative to the 2019-2021 LTI Plan, subject to achieving the economic-financial targets in the 2019-2021 Business Plan.*
Achievement of these targets must be verified by the NRC after the Board of Directors has approved the draft 2021separate and consolidated financial statements. The bonus will be paid in 2022.
(44) *This refers to estimated medium/long-term variable compensation for 2021 relative to the 2019-2021 LTI Plan, subject to achieving the economic-financial targets in the 2019-2021 Business Plan.*
Achievement of these targets must be verified by the NRC after the Board of Directors has approved the draft 2021separate and consolidated financial statements. The bonus will be paid in 2022.
(45) *This is the short-term variable compensation for 2020 which was expressly waived by the Chief Executive Officer. Therefore, the amount paid is zero.*
(46) *This amount refers to the Chief Operating Officer's variable short-term compensation for 2021 calculated after the employment relationship was terminated and retirement benefits accessed.*
(47) *This amount refers to the Chief Operating Officer's medium/long-term compensation for 2021 owed under the 2019-2021 LTI Plan, calculated after the employment relationship was terminated and retirement benefits accessed.*
(48) *This amount refers to the Chief Operating Officer's medium/long-term compensation for 2019 and 2020 under the 2019-2021 LTI Plan, subject to achieving financial-economic goals (of the 2019-2021 Business Plan), calculated after the employment relationship was terminated and retirement benefits accessed.*

YEARLY BONUS			BONUS OF PREVIOUS YEARS			OTHER BONUSES
PAYABLE	DEFERRED	DEFERMENT PERIOD	NO LONGER PAYABLE	PAYABLE/PAID	STILL DEFERRED	
€ 112.500,00 (42)						
€ 18.750,00 (43)				€ 37.500,00 (44)		
€ 0				€ 0 (45)		
€ 131.250,00				**€ 37.500,00**		
€ 10.513,35 (46)						
€ 8.761,12 (47)				€ 17.522,25 (48)		
€ 0				€ 0 (49)		
€ 19.274,47				**€ 17.522,25**		
€ 148.694,47 (50)						
€ 25.218,38 (51)				€ 50.436,75 (52)		
€ 0				€ 0 (53)		
€ 173.912,85				**€ 50.436,75**		

(49) *This is the short-term variable compensation for 2020, payable in 2021, which was expressly waived by the Chief Operating Officer. Therefore, the amount paid is zero.*
(50) *Whether or not the 2021 performance targets were reached will be verified definitively after the draft 2021 financial statements have been approved. The incentive will be paid in 2022.*
(51) *This refers to estimated medium/long-term variable compensation for 2021 relative to the 2019-2021 LTI Plan, subject to achieving the economic-financial targets in the 2019-2021 Business Plan.*
Achievement of this targets must be verified by the NRC after the Board of Directors has approved the draft 2021 separate and consolidated financial statements. The bonus will be paid in 2022.
(52) *This refers to estimated medium/long-term variable compensation for 2019 and 2020 relative to the 2019-2021 LTI Plan, subject to achieving the economic-financial targets in the 2019-2021 Business Plan.*
Achievement of this targets must be verified by the NRC after the Board of Directors has approved the draft 2021separate and consolidated financial statements. The bonus will be paid in 2022.
(53) *This is the short-term variable compensation for 2020, payable in 2021, which was expressly waived by the Managers. Therefore, the amount paid is zero*

SECTION III INFORMATION ON THE INTERESTS HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS, THE CHIEF OPERATING OFFICER AND THE MANAGERS WITH STRATEGIC RESPONSIBILITIES

The following table shows the interests held by the members of the Board of Directors and the Board of Statutory Auditors in IGD and its subsidiaries.

BOARD OF DIRECTORS IN OFFICE AT 31/12/2021						
NAME	OFFICE	COMPANY IN WHICH INTEREST IS HELD	N. OF SHARES HELD AT THE END OF 2020	NO. OF SHARES PURCHASED	NO. OF SHARES SOLD	NO. OF SHARES HELD AT THE END OF 2021
Rossella Saoncella	Chair of the BoD		-			-
Claudio Albertini	CEO	IGD	20.355	-	-	20.355
Stefano Dall'Ara	Vice Chair of the BoD		-			-
Silvia Benzi	Director		-			-
Rosa Cipriotti	Director		-			-
Edy Gambetti	Director		-			-
Antonio Rizzi	Director		-			-
Gery Xavier Didier Robert-Ambroix	Director		-			-
Timothy Guy Michele Santini	Director		-			-
Alessia Savino	Director		-			-
Rossella Schiavini	Director		-			-

BOARD OF STATUTORY AUDITORS IN OFFICE AT 31/12/2021						
NAME	**OFFICE**	**COMPANY IN WHICH INTEREST IS HELD**	**N. OF SHARES HELD AT THE END OF 2020**	**NO. OF SHARES PURCHASED**	**NO. OF SHARES SOLD**	**NO. OF SHARES HELD AT THE END OF 2021**
Gian Marco Committeri	Chair of the Board of Statutory Auditors		-			-
Daniela Preite	Standing Auditor		-			-
Massimo Scarafuggi	Standing Auditor		-			-

The following table shows the interests held by the Chief Operating Officer in IGD and its subsidiaries.

BOARD OF STATUTORY AUDITORS IN OFFICE AT 31/12/2021						
NAME	**OFFICE**	**COMPANY IN WHICH INTEREST IS HELD**	**N. OF SHARES HELD AT THE END OF 2020**	**NO. OF SHARES PURCHASED**	**NO. OF SHARES SOLD**	**NO. OF SHARES HELD AT THE END OF 2021**
Daniele Cabuli	Chief Operating Officer	IGD	17.640			17.640

The following table shows the interests held by Managers with Strategic Responsibilities in IGD and its subsidiaries.

BOARD OF STATUTORY AUDITORS IN OFFICE AT 31/12/2021					
NUMBER OF MANAGERS WITH STRATEGIC RESPONSIBILITIES	**COMPANY IN WHICH INTEREST IS HELD**	**N. OF SHARES HELD AT THE END OF 2020**	**NO. OF SHARES PURCHASED**	**NO. OF SHARES SOLD**	**NO. OF SHARES HELD AT THE END OF 2021**
4	IGD	33.568			33.568

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igd SIIQ
SPAZI DA VIVERE

ALLEGATO "Q" AL REP. 44313/28466

ELENCO PARTECIPANTI

NOMINATIVO PARTECIPANTE / DELEGANTI E RAPPRESENTATI	Parziale	Totale	RISULTATI ALLE VOTAZIONI Ordinaria 1 2 3 4 5	Straordinaria 6 7 8
COMPUTERSHARE S.P.A. RAPPR. DESIGNATO IN QUALITA' DI SUBDEL. 135-NOVIES TUF (ST. TREVISAN) IN PERSONA DI CLAUDIO CATTANEO - PER DELEGA DI	0			
1199 SEIU HEALTH CARE EMPLOYEES PENSION FUND	292.396		F F F C F	F F C
ABERDEEN STANDARD OEIC IV - ASI GLOBAL REIT TRACKER FUND	14.916		F F F C F	F C C
ABU DHABI PENSION FUND	87.854		F F C C F	F C C
ACADIAN INTERNATIONAL SMALL CAP EQUITY II FUND LLC	18.855		F F F C F	F C C
ACADIAN INTERNATIONAL SMALL CAP FUND	478.910		F F F C F	F C C
ACADIAN NON US MICROCAP EQUITY FUND LLC	52.459		F F F C F	F C C
ACADIAN NON-US SMALL-CAPLONG-SHORT EQUITY FUND LLC C/O ACADIAN ASSET MANAGEMENT LLC	95.302		F F F C F	F C C
AEGON CUSTODY B.V.	75.984		F F F C F	F C C
AGIALLIANZ STRATEGIEFONDS STABILITAET	5.150		F F C A F	F C C
AGIALLIANZ STRATEGIEFONDS WACHSTUM	108.306		F F C A F	F C C
AGIALLIANZ STRATEGIEFONDS WACHSTUM PLUS	181.413		F F C A F	F C C
ALASKA PERMANENT FUND CORPORATION	95		F F F C F	F C C
ALASKA PERMANENT FUND CORPORATION	67		F F C C F	F C C
ALBERTA INVESTMENT MANAGEMENT CORPORATION	13.133		F F F F F	F F F
ALGERT GLOBAL EQUITY MARKET NEUTRAL MASTER FUND LP	38.439		F F F F F	F F F
ALLIANZ GLOBAL INVESTORS GMBH FOR ALLIANZ STRATEGIEFONDS BALANCE	75.122		F F C A F	F C C
ALLIANZ GLOBAL INVESTORS GMBH FOR PREMIUMMANDAT KONSERVATIV	4.997		F F C A F	F C C
ALLIANZGI-FONDS DSPT	3.886		F F C A F	F C C
ALTRIA CLIENT SERVICES MASTER RETIREMENT TRUST	9.054		F F F C F	F C C
AMP INTERNATIONAL PROPERTY INDEX FUND HEDGED	20.896		F F C C F	F C C
AMUNDI INDEX FTSE EPRA NAREIT GLOBAL	44.107		F F F C F	F C C
ANNE RAY FOUNDATION	26.700		F F F F F	F F F
ARAMCO US RETIREMENT INCOME PLAN TRUST	572		F F C C F	F C C
ARIZONA STATE RETIREMENT SYSTEM	16.734		F F F C F	F F F
ARROWSTREET (CANADA) INTERNATIONAL DEVELOPED MARKET EX US FUND I	37.975		F F F C F	F C C
ARROWSTREET ACWI ALPHA EXTENSION FUND V (CAYMAN) LIMITED	22.693		F F F C F	F C C
ARROWSTREET COLLECTIVE INVESTMENT TRUST	52.811		F F F C F	F C C
ARROWSTREET INTERNATIONAL EQUITY EAFE ALPHA EXTENSION CIT	18.718		F F F C F	F C C
ARROWSTREET US GROUP TRUST	31.916		F F F C F	F C C
ARROWSTREET US GROUP TRUST - ARROWSTREET GLOBAL EQUITY - ALP	5.609		F F F C F	F C C
ARROWSTREET US GROUP TRUST ARROWSTREET INTERNATIONAL EQUITY	41.797		F F F C F	F C C
AS ACWI EX US AETF U NON FLIP	63.098		F F F C F	F C C
AS GBL EQ - ALP EX FD NON FLIP	67.099		F F F C F	F C C
AS INT EQ EAFE AE CIT NON FLIP	11.758		F F F C F	F C C
AUSTRALIAN RETIREMENT TRUST	1.582		F F C C F	F C C
AUSTRALIANSUPER	96.621		F F F F F	F F F
AWARE SUPER	70.571		F F F F F	F F F
BERNSTEIN FUND INC INTERNATIONAL SMALL CAP PORTFOLIO	568.856		F F F C F	F F C
BLACKROCK ASSET MANAGEMENT SCHWEIZ AG ON BEHALF OF ISHARES WORLD EX SWITZERLAND SMALL CAP EQUITY	627		F F F C F	F F F
BLACKROCK AUTHORISED CONTRACTUAL SCHEME I	14.490		F F F C F	F F F
BLACKROCK CDN GLOBAL DEVELOPED REAL ESTATE INDEX FUND	91.785		F F F C F	F F F
BLACKROCK INDEX SELECTION FUND	24.602		F F F C F	F F F

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ELENCO PARTECIPANTI

NOMINATIVO PARTECIPANTE DELEGANTI E RAPPRESENTATI	Parziale	Totale	RISULTATI ALLE VOTAZIONI Ordinaria 1	2	3	4	5	Straordinaria 6	7	8
BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	701.549		F	F	F	C	F	F	F	F
BLACKROCK MSCI EAFE SMALL CAP EQUITY INDEX FUND B (EAFESMLB)	15.835		F	F	F	C	F	F	F	F
BLK MAGI FUND A SERIES TRUST	711		F	F	F	C	F	F	F	F
BNP PARIBAS EASY - FTSE EPRA NAREIT DEVELOPED EUROPE EX UK GREEN CTB	11.375		F	F	C	F	C	C	F	C
BNP PARIBAS EASY - FTSE EPRA/NAREIT DEVELOPED EUROPE	30.831		F	F	C	F	C	C	F	C
BNP PARIBAS EASY-FTSE EPRA NAREIT GLOBAL DEVELOPED GREEN CTB	623		F	F	C	F	C	C	F	C
BNP PARIBAS FUND III N.V. - BNP PARIBAS ESG GLOBAL PROPERTYSECURITIES INDEX FUND	3.230		F	F	C	F	C	C	F	C
BNP PARIBAS FUNDS - US GROWTH	215.854		F	F	C	F	C	C	F	C
BNY MELLON GLOBAL FUNDS PLC	1		F	F	F	C	F	F	C	C
CAISSE DES DEPOTS ET CONSIGNATIONS	66.935		F	F	C	C	F	F	C	C
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM	4.229		F	F	F	F	F	F	F	F
CC & L INTERNATIONAL EQUITY FUND	102		F	F	F	C	F	F	C	C
CC AND L Q MARKET NEUTRAL FUND	56		F	F	F	C	F	F	C	C
CC AND L Q MARKET NEUTRAL FUND II	450		F	F	F	C	F	F	C	C
CC&L GLOBAL EQUITY FUND	366		F	F	F	C	F	F	C	C
CC&L Q GLOBAL EQUITY MARKET NEUTRAL MASTER FUND LTD..	925		F	F	F	C	F	F	C	C
CC&L Q GROUP GLOBAL EQUITY FUND	60		F	F	F	C	F	F	C	C
CC&L Q INTERNATIONAL SMALL CAP EQUITY FUND	279		F	F	F	C	F	F	C	C
CC&L Q MARKET NEUTRAL FUND	66		F	F	F	C	F	F	C	C
CFSIL - COLONIAL FIRST STATE GLOBAL ASSET MANAGEMENT MULTI SECTOR TRUST I	602		F	F	F	F	F	F	F	F
CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	8.996		F	F	F	C	F	F	F	C
CITY OF NEW YORK GROUP TRUST	134.074		A	F	F	C	F	F	C	C
CITY OF PHILADELPHIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	1.563		F	F	F	C	F	F	F	C
COLLEGE RETIREMENT EQUITIES FUND	16.950		F	F	F	F	F	F	F	C
COMMONWEALTH GLOBAL PROPERTY SECURITIES FUND 4	43.833		F	F	F	C	F	F	C	C
COMMONWEALTH OF PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES RETIR	26.667		F	F	F	F	F	F	F	F
CONNECTICUT GENERAL LIFE INSURANCE COMPANY	496		F	F	F	C	F	F	F	F
CONSTELLATION DEFINED CONTRIBUTION RETIREMENT PLAN TRUST	10.321		F	F	F	C	F	F	C	C
CONSTELLATION PENSION MASTER TRUST	16.941		F	F	F	C	F	F	C	C
COX ENTERPRISES INC MASTER TRUST	925		F	F	F	F	F	F	F	F
CUBIST CORE INVESTMENTS, L.P. C/O POINT72	40.428		F	F	F	C	F	F	C	C
CUSTODY BANK OF JAPAN, LTD	81.131		F	F	F	C	F	F	C	C
CUSTODY BANK OF JAPAN, LTD. AS TRUSTEE FOR MIZUHO TRUST & BANKING CO., LTD. AS TRUSTEE FOR BLACKROCK DEVELOPED	660		F	F	F	C	F	F	F	F
CUSTODY BANK OF JAPAN, LTD. RE: SMTB DEVELOPED COUNTRY REIT INDEX HEDGED MOTHER FUND	6.703		F	F	F	F	F	F	F	F
DAIWA GLOBAL REIT INDEX MOTHER FUND	6.930		F	F	F	F	F	F	F	F
DAIWA SEKAI REIT INDEX MOTHER FUND	166		F	F	F	F	F	F	F	F
DEVELOPED REAL ESTATE INDEX FUND B(GREITB)	19.073		F	F	F	C	F	F	F	F
DIGITAL FUNDS STARS EUROZONE	20.507		F	F	F	C	F	F	C	C
EMN ASC FUND LP	25.475		F	F	F	F	F	F	F	F
ENSIGN PEAK ADVISORS INC	62.755		F	F	F	C	F	F	C	C
EQ ADVISORS TRUST - 1290 VT REAL ESTATE PORTFOLIO	1.275		F	F	F	C	F	F	F	C
ESTRELLA	11.229		F	F	F	F	F	F	C	C
EXELON CORPORATION DEFINED CONTRIBUTION RETIREMENT PLANS MASTER TRUST	12.147		F	F	F	C	F	F	C	C
EXELON CORPORATION PENSION MASTER RETIREMENT TRUST	23.931		F	F	F	C	F	F	C	C
FIRST TRUST FTSE EPRA NAREIT DEVELOPED MARKETS REAL ESTATE	1.169		F	F	F	C	F	F	C	C

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ELENCO PARTECIPANTI

NOMINATIVO PARTECIPANTE DELEGANTI E RAPPRESENTATI	Parziale	Totale	RISULTATI ALLE VOTAZIONI Ordinaria 1 2 3 4 5	Straordinaria 6 7 8
FIS GROUP COLLECTIVE INVESTMENT TRUST	28.800		F F F C F	F C C
FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST..	827		F F F F F	F C F
FORD MOTOR COMPANY OF CANADA LIMITED PENSION TRUST	260		F F C C F	F C C
FUTURE FUND INVESTMENT COMPANY NO.2 PTY LTD	129.045		F F C C F	F C C
GOVERNMENT EMPLOYEES SUPERANNUATION BOARD	21.153		F F F C F	F F F
GOVERNMENT OF NORWAY	321.201		F F F F F	F F F
HILLSDALE GLOBAL SMALL CAP EQUITY FUND.	91.300		F F F C F	F C C
HSBC ETFS PLC NORTH WALL QUAY	8.874		F F C C F	F C C
IAM NATIONAL PENSION FUND	6.345		F F F C F	F F C
IBM 401(K) PLUS PLAN TRUST	60.574		F F C C F	F C C
ILLINOIS STATE BOARD OF INVESTMENT	79.300		F F F F F	F F F
INDIANA PUBLIC RETIREMENT SYSTEM	2.489		F F F C F	F F F
INTERNATIONAL EQUITY FUND	16.911		F F F C F	F C C
INTERNATIONAL MONETARY FUND	22.596		F F F C F	F F F
INTERNATIONAL MONETARY FUND	19.635		F F C C F	F C C
INTERNATIONAL PAPER COMPANY COMMINGLED INVESTMENT GROUP TRUST	936		F F F C F	F C C
INTERNATIONAL TILTS MASTER PORTFOLIO OF MASTER INVESTMENT PORTFO	104.464		F F F C F	F C C
ISHARES CORE MSCI EUROPE ETF	77.218		F F F C F	F F F
ISHARES DEVELOPED REAL ESTATE INDEX FUND OF BLACKROCK FUNDS	88.873		F F F C F	F F F
ISHARES GLOBAL LISTED PROPERTY INDEX FUND	7.158		F F F C F	F F F
ISHARES GLOBAL REIT ETF	132.205		F F F C F	F F F
ISHARES III PUBLIC LIMITED COMPANY	13.470		F F F C F	F F F
ISHARES INTERNATIONAL DEVELOPEDPROPERTY ETF	4.054		F F F C F	F F F
ISHARES INTERNATIONAL DEVELOPEDREAL ESTATE ETF	18.228		F F F C F	F F F
ISHARES MSCI EAFE SMALL-CAP ETF	137.942		F F F C F	F F F
ISHARES MSCI EUROPE SMALL-CAP ETF	5.937		F F F C F	F F F
ISHARES VII PLC	68.177		F F F C F	F F F
KAISER LEON	750		F F F F F	F F F
KAISER PERMANENTE GROUP TRUST	4		F F C C F	F C C
LEGAL AND GENERAL ASSURANCE (PENSIONS MANAGEMENT) LIMITED	254.652		F F C C F	F C C
LEGAL AND GENERAL ICAV.	2.641		F F C C F	F C C
LOCKHEED MARTIN CORPORATION MASTER RETIREMENT TRUST..	123.208		F F F C F	F C C
LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	4.280		F F F C F	F C C
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATI	10.986		F F F C F	F C C
LYXINDX FUND - LYXOR MSCI EMU	19.159		F F F C F	F C C
LYXOR FTSE ITALIA MID CAP PIR	295.315		F F F C F	F C C
MACKENZIE INTERNATIONAL QUANTITATIVE SMALL CAP FUND	7.912		F F F F F	F F F
MACKENZIE INTERNATIONAL QUANTITATIVE SMALL CAP MASTER FUND C	15.455		F F F F F	F F F
MACQUARIE TRUE INDEX GLOBAL REAL ESTATE SECURITIESFUND	37.961		F F F C F	F C C
MAN FUNDS XII SPC-MAN 1783 III SP	2.557		F F F F F	F F F
MANULIFE GLOBAL FUND (SICA	13.000		F F F C F	F C C
MARGARET A. CARGILL FOUNDATION	10.000		F F F F F	F F F
MERCER GE INTERNATIONAL EQUITY FUND	[illegible]		F F F C F	F C C
MERCER INTERNATIONAL EQUITY FUND	78.368		F F F C F	F C C
MERCER PRIVATE WEALTH REAL ASSET POOL	2.578		F F F C F	F C C
MERCER QIF CCF	5.548		F F C C F	F C C
MERCER QIF FUND PLC	6.297		F F C C F	F C C
MERCER UCITS COMMON CONTRACTUALFUND	64.139		F F C C F	F C C

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ELENCO PARTECIPANTI

NOMINATIVO PARTECIPANTE			RISULTATI ALLE VOTAZIONI Ordinaria	RISULTATI ALLE VOTAZIONI Straordinaria
DELEGANTI E RAPPRESENTATI	Parziale	Totale	1 2 3 4 5	6 7 8
METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND	46.400		F F C C F	F C C
MISSOURI EDUCATION PENSION TRUST	42.413		F F F C F	F C C
MONTANA BOARD OF INVESTMENTS	353		F F F C F	F C C
MREF INVESTMENT COMPANY NO. 2 PTY LTD	20.708		F F C C F	F C C
MSCI ACWI EX-U.S. IMI INDEX FUND B2	2.316		F F F C F	F F F
MSCI EMU IMI INDEX FUND B (EMUIMIB)	23		F F F C F	F F F
MTBJ LTD AS TRUSTEE DEVELOPED MARKETS REIT INDEX MOTHER FUND	1.085		F F F C F	F C C
MUL- LYX FTSE IT ALL CAP PIR	7.986		F F F C F	F C C
MULTI-MANAGER INTERNATIONAL EQUITY STRATEGIES FUND	56.617		F F F F F	F F F
MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO	31.823		F F F C F	F C C
NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST	22.317		F F F C F	F C C
NEW YORK STATE COMMON RETIREMENT FUND	81.190		F F F C F	F C C
NEW YORK STATE TEACHERS RETIREMENT SYSTEM	13.788		F F F C F	F C C
NEWBURG NOMINEES LIMITED AS CUSTODIAN FOR INVESTORS WHOLESALE GLOBAL PROPERTY (INDEX) TRUST	6.966		F F F C F	F F F
NFS LIMITED	5.957		F F C C F	F C C
NORTHERN FUNDS GLOBAL REAL ESTATE INDEX FUND	28.578		F F F F F	F C F
NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	157.557		F F F F F	F C F
NORTHERN TRUST UCITS COMMON CONTRACTUAL FUND	67.995		F F F F F	F C F
NORTHERN TRUST UCITS FGR FUND	37.478		F F F F F	F C F
NTGI-QM COMMON DAILY ALL COUNTRY WORLD EX-US INVESTABLE MARKET INDEX FUND - NON LENDING	3.099		F F F F F	F C F
ONEPATH GLOBAL LISTED PROPERTY (HEDGED) INDEX POOL	30.864		F F F C F	F C C
ONEPATH GLOBAL SHARES - SMALL CAP (UNHEDGED) INDEXPOOL	2.673		F F F C F	F C C
ONEPATH WHOLESALE GLOBAL SMALLER COMPANIES SHARE TRUST	42.313		F F F C F	F C C
PENSION BENEFIT GUARANTY CORPORATION	152.274		F F F C F	F C C
PENSION RESERVES INVESTMENT TRUST FUND	109.892		F F F C F	F C C
PFIZER INC MASTER TRUST	1.125		F F F C F	F C C
POLICEMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO	34.832		F F F C F	F C C
PREMIUMMANDAT BALANCE	11.203		F F C A F	F C C
PREMIUMMANDAT DYNAMIK	23.104		F F C A F	F C C
PUBLIC AUTHORITY FOR SOCIAL INSURANCE	638		F F F F F	F C F
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	4.700		F F F C F	F C C
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	1		F F C C F	F C C
PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	128.078		F F F F F	F F F
RETIREMENT BOARD OF ALLEGHENY COUNTY	1		F F F C F	F C C
RETURN TO WORK CORPORATION OF SOUTH AUSTRALIA	2.521		F F C C F	F C C
ROCHE U.S. RETIREMENT PLANS MASTER TRUST	132.478		F F F C F	F C C
RUSSELL INVESTMENT COMPANY PLC	21.078		F F F F F	F F F
SCHWAB INTERNATIONAL SMALLCAP EQUITY ETF	112.665		F F F F F	F F F
SEGALL BRYANT & HAMILL INTERNATIONAL SMALL CAP TRUST	46.774		F F F C F	F C C
SEGALL BRYANT HAMILL INTERNA	38.073		F F F C F	F C C
SHELL CANADA 2007 PENSION PLAN	499		F F F C F	F F F
SHELL PENSIONS TRUST LIMITED AS TRUSTEE OF SHELL CONTRIBUTORY PENSION FUND	9.710		F F F C F	F C C
SHELL TRUST (BERMUDA) LIMITED AS TRUSTEE OF THE SHELL INTERNATIONAL PENSION FUND	317		F F F C F	F C C
SHELL TRUST (BERMUDA) LTD AS TRUSTEE OF THE SHELL OVERSEAS CONTRIBUTORY PENSION FUND	5.112		F F F C F	F C C
SHINKO SHILLER GLOBAL REIT FUND(FUND WRAP)	1.217		F F F C F	F C C
SIM GLOBAL BALANCED TRUST.	2.324		F F F C F	F C C

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ELENCO PARTECIPANTI

NOMINATIVO PARTECIPANTE			RISULTATI ALLE VOTAZIONI Ordinaria	Straordinaria
DELEGANTI E RAPPRESENTATI	Parziale	Totale	1 2 3 4 5	6 7 8
SOUTHERN CALIFORNIA UNITED FOOD AND COMMERCIAL WORKERS UNIONS AND FOOD EMPLOYERS JOINT PENSION	52.362		F F F C F	F C C
SPDR PORTFOLIO DEVELOPED WORLD EXUS ETF	111.757		F F C C F	F C C
SPDR PORTFOLIO EUROPE ETF	837		F F C C F	F C C
SPDR S&P INTERNATIONAL SMALL CAP ETF	2.554		F F C C F	F C C
SSB MSCI EAFE SMALL CAP INDEX SECURITIES LENDING COMMON FND	24.747		F F C C F	F C C
SSGA SPDR ETFS EUROPE I PUBLIC LIMITED COMPANY	32.283		F F C C F	F C C
SSGA SPDR ETFS EUROPE II PUBLICLIMITED COMPANY	11.957		F F C C F	F C C
SST GLOB ADV TAX EXEMPT RETIREMENT PLANS	227.224		F F C C F	F C C
STATE OF WISCONSIN INVESTMENT BOARD	11.900		F F F C F	F C C
STATE STREET GLOBAL ALL CAP EQUITY EXUS INDEX PORTFOLIO	1.368		F F C C F	F C C
STATE STREET GLOBAL REAL ESTATENONLENDING COMMON TRUST FUND	107.273		F F C C F	F C C
STATE TEACHERS RETIREMENT SYSTEM OF OHIO	3.541		F F F C F	F C C
STELLAR INSURANCE, LTD.	2.881		F F C C F	F C C
STEWARDSHIP PARA GLB	2.264		F F F C F	F C C
STICHTING AHOLD DELHAIZE PENSIOEN	17.302		F F F C F	F C C
STICHTING BEDRIJFSPENSIOENFONDS VOOR HET SCHILDERS AFWERK LIF	14.214		F C C F F	C F F
STICHTING PENSIOENFONDS HORECA AND CATERING	3.317		F F F F F	F C F
STICHTING PHILIPS PENSIOENFONDS	9.455		F F F C F	F F F
STICHTING SHELL PENSIOENFONDS	16.008		F F F C F	F C C
STICHTING SPOORWEGPENSIOENFONDS	29.203		F F F F F	C C F
STRATEGIC GLOBAL PROPERTY FUND	19.028		F F F C F	F C C
SUPER DIRECTIONS FUND	11.798		F F C C F	F C C
TEACHERS RETIREMENT SYSTEM OF LOUISIANA	1		F F F C F	F C C
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	157.010		F F F C F	F C C
TEXTRON INC MASTER TRUST	119.800		F F F F F	F F F
THE BANK OF IRELAND STAFF PENSIONS FUND	5.277		F F C C F	F C C
THE BNYM INT LIMITED AS TRUSTEE OF ISHARES GLOBAL PROPERTY SECURITIES EQUITY INDEX FUND UK	138.845		F F F C F	F F F
THE CBF CHURCH OF ENGLAND INVESTMENT FUND	28.054		F F C C F	F C C
THE CLEVELAND CLINIC FOUNDATION	24.984		F F F C F	F C C
THE MASTER TRUST BANK OF JAPAN, LTD. RE: NISSAY DEVELOPED REIT INDEX MOTHER FUND	1.126		F F F C F	F C C
THE MASTER TRUST BANK OF JAPAN, LTD. RE: NISSAY GLOBAL REIT MOTHER FUND	4.388		F F F C F	F C C
THE NOMURA TRUST AND BANKING C	16.424		F F F C F	F C C
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	2.181		F F F C F	F C C
TRUST LAB GLOBAL DYNAMIC ALLOCATION PORTFOLIO	6.221		F F F C F	F F C
TWO SIGMA EQUITY RISK PREMIA PORTFOLIO LLC.	23.390		F F F C F	F C C
TWO SIGMA WORLD CORE FUND LP	35.720		F F F C F	F C C
UBS FUND MANAGEMENT (SWITZERLAND) AG ON BEHALF OF ZURICH INVESTINSTITUTIONAL FUNDS	35.633		F F C C F	F C C
UBS FUND MANAGEMENT (SWITZERLAND) AG.	78.443		F F C C F	F C C
UBS LUX FUND SOLUTIONS	13.232		F F C C F	F C C
UNISUPER	19.260		F F F F F	F F F
UNIVERSAL-INVESTMENT-GESELLSCHAFT MBH ON BEHALF OF EPOTIF MASTERFONDS	4.058		F F F F F	F F F
VANECK VECTORS FTSE INTERNATIONAL PROPERTY (HEDGED) ETF AURORA PLACE	5.917		F F F F F	F F F
VANGUARD DEVELOPED MARKETS INDEX FUND	454.881		F F F F F	F F F
VANGUARD ESG INTERNATIONAL STOCK ETF	22.995		F F F F F	F F F
VANGUARD EUROPEAN STOCK INDEX FUND	139.453		F F F F F	F F F

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ELENCO PARTECIPANTI

NOMINATIVO PARTECIPANTE			RISULTATI ALLE VOTAZIONI Ordinaria					Straordinaria		
DELEGANTI E RAPPRESENTATI	Parziale	Totale	1	2	3	4	5	6	7	8
VANGUARD FIDUCIARY TRUST COMPANY DEVELOPED MARKETS INDEX TRUST	2.060		F	F	F	F	F	F	F	F
VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST	91.489		F	F	F	F	F	F	F	F
VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	327.148		F	F	F	F	F	F	F	F
VANGUARD FTSE ALL WORLD EX US SMALL CAP INDEX FUND	246.001		F	F	F	F	F	F	F	F
VANGUARD FTSE DEVELOPED ALL CAPEX NORTH AMERICA INDEX ETF	6.934		F	F	F	F	F	F	F	F
VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	844		F	F	F	F	F	F	F	F
VANGUARD GLOBAL EX-U.S. REAL ESTATE INDEX FUND, A SERIES OF VANG	256.411		F	F	F	F	F	F	F	F
VANGUARD INTERNATIONAL PROPERTY SECURITIES INDEX FUND	65.233		F	F	F	F	F	F	F	F
VANGUARD INTERNATIONAL SMALL COMPANIES INDEX FUND	8.129		F	F	F	F	F	F	F	F
VANGUARD INVESTMENT SERIES PUBLIC LIMITED COMPANY	18.641		F	F	F	F	F	F	F	F
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	868.435		F	F	F	F	F	F	F	F
VANGUARD TOTAL WORLD STOCK INDEX FUND	63.816		F	F	F	F	F	F	F	F
VERDIPAPIRFONDET KLP AKSJEGLOBAL SMALL CAP INDEKS I	8.102		F	F	F	C	F	F	C	C
VIF ICVC VANGUARD FTSE GLOBAL ALL CAP INDEX FUND	160		F	F	F	F	F	F	F	F
VIRGINIA RETIREMENT SYSTEM	3		F	F	F	C	F	F	C	C
WASHINGTON STATE INVESTMENT BOARD	4.987		F	F	C	C	F	F	C	C
WBW TRUST NUMBER ONE	486		F	F	F	C	F	F	C	C
WEST VIRGINIA INVESTMENT MANAGEMENT BOARD	38.630		F	F	F	C	F	F	C	C
XTRACKERS INTERNATIONAL REAL ESTATE ETF	30.001		F	F	F	C	F	F	C	C
XTRACKERS MSCI EUROZONE HEDGED EQUITY ETF	129		F	F	F	C	F	F	C	C
		12.594.872								
COMPUTERSHARE S.P.A. RAPPRESENTANTE DESIGNATO IN QUALITA' DI DELEGATO 135-UNDECIES TUF IN PERSONA DI CLAUDIO CATTANEO - PER DELEGA DI	0									
COOP ALLEANZA 3.0 SOC. COOP.	45.153.442		F	F	F	F	F	F	F	F
COOP LIGURIA SOCIETA' COOPERATIVA DI CONSUMO	722.550		F	F	F	F	F	F	F	F
COOP LOMBARDIA SOC. COOP.	2.678.879		F	F	F	F	F	F	F	F
COOPERATIVA RENO SCARL	23.017		F	F	F	F	F	F	F	F
EUROPA + SCA SIF-RES OPPORTUNITY	4.633.285		F	F	F	F	F	F	C	F
UNICOOP TIRRENO SOCIETA' COOPERATIVA A.R.L.	11.001.625		F	F	F	F	F	F	F	F
di cui 1.350.000 azioni in garanzia a :FACTORCOOP;										
		64.212.798								

Legenda:

1 BILANCIO AL 31.12.2023
2 DESTINAZIONE UTILE DI ESERCIZIO
3 I SEZIONE - POLITICA IN MATERIA DI REMUNERAZIONE
4 II SEZIONE - POLITICA IN MATERIA DI REMUNERAZIONE
5 CONFERIMENTO INCARICO REVISIONE LEGALE DEI CONTI
6 ATTRIBUZIONE DELEGA AL CDA PER AUMENTARE IL CAPITALE SOCIALE A PAGAMENTO NEI LIMITI DEL 10%
7 ATTRIBUZIONE DELEGA AL CDA AD AUMENTARE IL CAPITALE SOCIALE A PAGAMENTO CON ESCLUSIONE DEL DIRITTO DI OPZIONE
8 PROPOSTA DI MODIFICA DEGLI ARTICOLI 10 E 20 DELLO STATUTO SOCIALE

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Attachment "R" to rep. n. 44313/28466

BYLAWS

"IMMOBILIARE GRANDE DISTRIBUZIONE SOCIETÀ DI INVESTIMENTO IMMOBILIARE QUOTATA S.p.A."

SECTION I - NAME, REGISTERED OFFICE, DURATION

Article 1

1.1 The Company's name is **"Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A."** or, in abbreviated form**, "IGD SIIQ S.p.A."**

Article 2

2.1 The Company's registered office is in Bologna (Province of Bologna), Italy.

2.2 The Board of Directors may open and close secondary offices, representative offices, and branches in Italy or abroad and transfer the registered office within Italy.

Article 3

3.1 The Company's duration is until December 31, 2050 (two thousand fifty) and may be extended by resolution of the shareholders. The right of withdrawal does not apply to shareholders who have not voted in favor of the extension.

SECTION II - COMPANY PURPOSE

Article 4

4.1 The Company's sole purpose is any activity or operation in the real estate sector, on its own or third parties' behalf, including but not limited to the purchase, sale, swap, construction, renovation and restoration, management and administration of properties for any use or purpose including through the assumption and/or assignment of contracts or concessions; the development of initiatives in the real estate sector; the submission of bids in national or international calls for tenders; and the establishment, purchase, sale, swap, and cancellation of real estate rights; this excludes real estate agency and brokerage activities and the trading or operation of businesses or commercial concerns, including retail activities.

4.2 Within the scope of its business purpose, the Company may conduct surveys and research as well as commercial, industrial, financial, movable property, and real estate transactions; it may assume equity investments and interests in other companies and businesses with activities similar or related to its own, excluding transactions with the public; it may enter into mortgage agreements and engage in borrowing of any form or duration, issue collateral or personal guarantees, backed by movable and real property, including sureties, pledges and mortgages securing its own obligations or those of companies and enterprises in which it has interests or equity investments; and it may engage in all other activities or transactions that are related to, associated with, or useful for the fulfillment of its business purpose. Excluded from the above are all public solicitations of investment governed by Legislative Decree 385 of September 1, 1993, and investment services as defined by Legislative Decree 58 of February 24, 1998.

4.3 The above activities will be governed by the following rules relating to investments and to limits on risk concentration and financial leverage: (i) the Company shall not, either directly or through its subsidiaries, invest more than 30 percent of its assets in a given property with a single identity for zoning and functional purposes, except in the case of development plans covered by a single planning scheme, where portions of the property covered by individual, functionally independent building permits, or equipped with urban works that are sufficient to guarantee connection to public services, cease to have a single identity; (ii) income from a single tenant or from tenants belonging to a single group may not exceed 60 percent of total rental income; (iii) the maximum permitted financial leverage, at company or group level, is 85 percent of equity. The above limits may be exceeded in exceptional circumstances or in circumstances beyond the Company's control. Unless otherwise in the interests of the shareholders and/or the Company, the limits in paragraphs (i) and (ii) may not be exceeded for more than 24 months, or the limit in paragraph (iii) for more than 18 months.

Article 5

5.1 For all matters concerning their relations with the Company, shareholders are domiciled for all legal purposes at the address reported in the shareholders' ledger. Changes will be effective vis-à-vis the Company only if notified in writing by the shareholders, with proof of the Company's receipt.

SECTION III - SHARE CAPITAL, SHARES, BONDS

Article 6

6.1 The share capital is EUR 650,000,000.00 (six hundred fifty million/00), represented by 110,341,903 (one hundred ten million, three hundred forty-nine thousand, nine hundred three) ordinary shares without a stated par value.

6.2 The share capital may be increased, including through the assignment of receivables and goods in kind. Shares may be issued that have rights other than those of the pre-existing shares, within the confines of applicable law.

6.3 Pursuant to Article 2441, paragraph 4 of the Italian Civil Code, when a capital increase is carried out it is possible to exclude shareholders' pre-emption rights for up to 10 percent of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares and this is confirmed in a report prepared specifically by the external auditors.

6.4 The Board of Directors may increase share capital, for cash, in a divisible manner, on one or more occasions, by up to 10% of the pre-existing share capital, by 14 April 2027, through the issue of new ordinary shares without a stated par value reserved for parties to be identified by the Board of Directors – including Italian or foreign qualified and/or industrial and/or financial investors or shareholders of the Company - excluding preemption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, provided that the issue price corresponds to the shares' market value and this is confirmed in a report prepared specifically by the external auditors.

For the purposes of the power so granted, the Board of Directors is given the broadest of powers to determine, for each tranche, the number, the dividend rights of the shares to be issued and the issue price (including any share premium), in accordance with the law.

6.5 The Shareholders' Meeting held in extraordinary session on 14 April 2022 resolved to grant the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, the power to increase share capital, for cash, in a divisible manner, on one or more occasions, by up to a maximum of EUR 65,000,000 (sixty-five million and zero

hundredths), including any share premium, by 14 April 2027, through the issue of new ordinary shares without a stated par value, excluding preemption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, to be made through contributions in kind pursuant to Art. 2440, provided they relate to the Company's purpose (including, for example, property, equity investments, business and/or business branches), with the faculty to make use of the provisions in Art. 2343-ter of the Italian Civil Code.
For the purposes of the power so granted, the Board of Directors is given the broadest of powers to determine, for each tranche, the number, the dividend rights of the ordinary shares to be issued and the issue price (including any share premium), in accordance with the law, taking into account the prevailing conditions of the financial markets at the time of the actual launch of the transaction, the performance of the Company's shares, along with the application of any discounts consistent with market practices for similar transactions.

Article 7

7.1 The shares are indivisible and each share carries the right to one vote.

Article 8

8.1 The shares may be transferred or subject to encumbrance as provided for by law.

Article 9

9.1 The Company may issue bonds, including bonds convertible into its own shares or shares of its subsidiaries or associates and bonds with warrants, as well as other securities, as provided for by law. The company may purchase its own shares.

SECTION IV - SHAREHOLDERS' MEETINGS

Article 10

10.1 The validly convened shareholders' meeting represents all shareholders, and the resolutions taken at the meeting, in accordance with the law and these bylaws, are binding for all shareholders even if absent or dissenting from the vote.
10.2 Shareholders' meetings are ordinary or extraordinary as provided for by law and are held at the registered office – unless resolved otherwise by the Board of Directors and provided it is in Italy. If provided for in the notice of call, the Shareholders' Meeting may also be held solely via means of telecommunication without any indication of the place where the meeting is to be convened using the methods indicated to intervene in or attend the meeting, in accordance with the law and in compliance with current legislation and regulations.
10.3 protocol for shareholders' meetings is formalized in a set of Regulations. The Regulations and any changes thereto are approved by the ordinary shareholders' meeting.

Article 11

11.1 The ordinary shareholders' meeting is called at least once a year, to approve the financial statements, within 120 days of the close of the business year or within 180 days if the conditions set by Article 2364 of the Italian Civil Code are met.
11.2 Shareholders' meetings are called by publishing a notice on the company's website in accordance with the law. The same notice may set another date for a possible second calling of the meeting, as well as other sessions, should a quorum not be reached at the previous meetings.

11.3 The directors will call a Shareholders' meeting in the event shareholders representing at least one twentieth of the share capital should make such a request and if the items to be discussed are listed in the request.
11.4 Even if not called as specified above, shareholders' meetings are valid provided that the entire share capital is represented and the meeting is attended by a majority of directors and statutory auditors. In this case, the directors and statutory auditors who are absent must be informed promptly of the resolutions taken.

Article 12

12.1 Meetings may be attended by all shareholders with voting rights.
12.2 In order to attend and vote at the shareholders' meetings, shareholders must provide the Company with the certification issued by a licensed intermediary indicating the shareholdings recorded as of the seventh trading day prior to the date set for the Shareholders' Meeting in first call.

Article 13

13.1 All those shareholders holding voting rights may be represented via written proxy submitted including via e-mail in accordance with the law.
13.2 The proxy may also be submitted via the specific form and section found on the Company's website or, alternatively, via certified e-mail to the e-mail address specified in the notice of call for each meeting.
13.3 The Company may designate, for each Shareholders' Meeting and as per the notice of call, a party to whom all the shareholders with voting rights may grant a proxy with voting instructions for all or part of the items included on the agenda in accordance with the law.

Article 14

14.1 Shareholders' meetings are chaired by the chairman of the Board of Directors or, if that person is absent or unavailable, by the vice chairman (if appointed) or, if the latter is absent or unavailable, by the most senior director in terms of age. In default of the above, the shareholders' meeting elects its own chairman by majority vote.
14.2 The chairman of the meeting is assisted by a secretary, who need not be a shareholder and who is elected by majority vote of those attending.

Article 15

15.1 The validity of shareholders' meetings and their resolutions is determined as provided for by law.

SECTION V - BOARD OF DIRECTORS

Article 16

16.1 The Company is administered by a Board of Directors composed of seven to nineteen members. They are elected by the shareholders' meeting, which first determines their number, for up to three financial years and their term expires on the date of the shareholders' meeting called to approve the financial statements for their final year in office. They are eligible for re-election pursuant to Article 2383 of the Italian Civil Code. To take office as a director, a candidate must possess the qualifications required by laws and regulations.
16.2 Directors are elected on the basis of preference lists, in such a way as to ensure that the composition of the Board of Directors complies with the law regarding gender equality.

16.3 The lists may be presented by individual shareholders or groups of shareholders who together hold voting shares representing the requisite amount of share capital under the Consob regulations and must be submitted to the company's registered office at least 25 days before the day in which the meeting is to be held in first call. The certification as to the ownership of the requisite number of shares must be submitted to the Company's registered office by the deadline for the publication of the list.
Each list must include at least two clearly indicated candidates who qualify as independent. The lists which include a number equal to or greater than three candidates must also include candidates of different genders, as indicated in the notice of call for the Shareholders' Meeting, in order to guarantee that the composition of the Board of Directors complies with the laws governing gender equality.
Any lists which fail to observe the above conditions will be null and void.
16.4 No shareholder, parent company, subsidiary, or sister company as defined by Article 93 of Legislative Decree 58/1998, including members of a shareholders' agreement belonging to a voting trust relevant under the terms of Article 122 of Legislative Decree 58/1998, may submit or participate in the submission of more than one list or vote for a list other than the one they submitted or participated in submitting, including by proxy or through a trust. Participation and votes expressed in violation of the above will not be attributed to any list. When the shareholders submit their lists, they must also file the candidates' irrevocable acceptance of office (should they be elected); the curriculum vitae of each candidate; and statements confirming that there are no reasons for ineligibility and/or disqualification and that each candidate meets the requirements for the specific office set by law and these bylaws.
16.5 No one can be a candidate on more than one list. Acceptance of candidacy on more than one list is grounds for disqualification.
16.6 Each shareholder may vote for one list only. The votes obtained by each list are divided by one, two, three, four, five—and so forth—according to the number of directors to be elected. These quotients are assigned to the candidates on the list, in the order in which they appear, and are then sorted into a single decreasing ranking.
16.7 The candidates obtaining the highest quotients are those elected. In case of a tie for the last directorship to be filled, the winning candidate is the one from the list with the highest number of votes; if the number of votes is equal, the eldest candidate shall prevail. If just one list is submitted or if no list is submitted, the shareholders will disregard the above procedure and vote according to the majorities established by law. If more than one list is submitted, at least one director must be drawn from a minority list; therefore, if in accordance with the above criteria all of the winning candidates come from a single list, the last candidate in the ranking will be replaced by the candidate from the minority lists who has obtained the highest quotient.
16.7-bis In the event, after voting and application of the mechanisms above, the laws governing gender equality fail to be complied with, the candidates belonging to the more represented gender which – based on the order of the lists – have received the least number of votes on the list which received the most votes overall, will be substituted by the first candidates who were not elected from the same list of the least represented gender, without prejudice to the mandatory number of independent directors required at law. If there are not enough candidates of the least represented

gender on the list that received the greatest number of votes, the shareholders will vote according to the majorities established at law in order to ensure that the requirement is met.
16.8 If one third of its members leave office, excluding from this count any co-opted directors not yet confirmed by the shareholders, the entire Board of Directors shall step down and the chairman shall call a shareholders' meeting to elect a new Board of Directors. Without prejudice to the above, if one or more directors leaves office during the course of a financial year, the procedure indicated below shall be followed pursuant to Article 2386 of the Italian Civil Code:
i) the Board of Directors appoints cooptees from the same list as the Directors who have ceased to hold office, starting with the first unsuccessful candidate, taking care to ensure that the Board of Directors includes the minimum number of independent members as required by laws and regulations, and also complies with the laws governing gender equality;
ii) if there are no candidates left on this list who have not already been elected, the Board of Directors replaces the directors who have ceased to hold office without observing the procedure specified in point (i), taking care to ensure that the Board of Directors includes the minimum number of independent members as required by laws and regulations, and also complies with the laws governing gender equality.
Article 17
17.1 The Board of Directors elects a chairman from among its members, unless the shareholders have appointed one. The Board of Directors may also elect a vice chairman.
17.2 In the event of the chairman's absence or unavailability, he is replaced in all of his powers by the vice chairman, or in the absence or unavailability of the latter, by the Chief Executive Officer.
17.3 The chairman calls and presides over meetings of the Board of Directors and the Executive Committee (where appointed), guiding, coordinating and moderating the discussion and course of action and announcing the outcome of resolutions.
Article 18
18.1 Without prejudice to the call prerogatives granted by law to the Board of Statutory Auditors or to one or more of its members, meetings of the Board of Directors are called by the chairman, or the person acting on the chairman's behalf, whenever this person sees fit or at the request of a majority of the directors or at the request of the Executive Committee (where appointed). The Board of Directors meets at the place specified in the notice of meeting, which may be the registered office or anywhere else in Italy.
18.2 As a rule, meetings are called by telegram, fax, or other means as long as this ensures proof of receipt at the domicile of each member of the Board at least five days in advance of the meeting. In urgent cases, meetings may be called two days in advance.
The statutory auditors are informed of the meeting according to the same terms described above.
Article 19
19.1 Board meetings are presided over by the chairman or, if the chairman is

unavailable, by the vice chairman (if appointed) or, if the vice chairman is unavailable, by the most senior director in terms of age.

19.2 For each meeting the Board of Directors, at the chairman's proposal, elects a secretary who may or may not be a member and who will sign the minutes of the meeting.

Article 20

20.1 For Board meetings to be valid, they must be attended by the majority of directors in office. Board members may also participate by teleconference, as long as all participants can be identified and their identification is noted in the minutes. In this case, each participant must have the opportunity to contribute to the discussion, express opinions, and vote on resolutions in real time.

20.2 Resolutions are passed by a majority of those attending; the vote of the person chairing the meeting prevails in the event of a tie. Resolutions concerning the sale of properties or portions of buildings used for the retail sale of food and other products (hypermarkets or supermarkets) must be passed by at least two thirds of the members of the Board of Directors.

20.3 The Board of Directors may take valid resolutions even if a meeting is not formally called, provided that all of its members and all standing auditors are present.

Article 21

21.1 The resolutions taken by the Board of Directors are noted in the minutes which are transcribed in the minutes book, kept as provided for by law, and signed by the chairman and the secretary of the meeting.

Article 22

22.1 The Company's management is the exclusive province of the Board of Directors, which is invested with the broadest powers of ordinary and extraordinary administration and may take all actions it deems necessary for implementing and achieving the corporate purpose, excluding only those that are reserved to the shareholders' meeting by law or these bylaws. The Board of Directors may resolve with respect to (i) the merger or demerger of subsidiaries when this is allowed by law; (ii) the amendments to the corporate bylaws made in order to comply with the law. The Board of Directors may submit resolutions in this regard to the Shareholders' Meeting for approval. In accordance with the Procedure for Related Party Transactions adopted by the Company:

(a) shareholders, in accordance with Art. 2364, para. 1, n. 5, of the Italian Civil Code may authorize the Board of Directors to undertake material transactions with related parties, which are not reserved for the Shareholders' Meeting, despite the negative opinion of the Committee for Related Party Transactions as long as, without prejudice to the majorities established at law, the majority of the non-related shareholders with voting rights do not vote against the transaction and as long as said non-related shareholders represent at least 10% of the share capital with voting rights;

(b) in the event the Board of Directors intends to submit a material related party transaction which is reserved for the shareholders to the Shareholders' Meeting for approval despite of or without taking account of observations made by the Committee for Related Party Transactions, the transaction may be entered into only in the event the resolution is approved by a majority and in accordance with the conditions referred

to in letter a) above;
(c) the Board of Directors or delegated bodies may, in accordance with the exemptions listed in the Procedure, authorize the Company, directly or through its subsidiaries, to enter into urgent related party transactions which are not reserved for the Shareholders' Meetings and which do not need to be approved by the latter.
22.2 The members of the Board of Statutory Auditors attend the shareholders' meetings and the meetings of the Board of Directors. The presence of at least one member of the Board of Statutory Auditors at all sessions of the Board of Directors ensures that the statutory auditors are informed of the Company's activities and of the transactions having a significant impact on profitability, assets, liabilities, and financial position carried out by the Company or its subsidiaries, in particular those transactions in which they have an interest on their own or third parties' account, that are influenced by the party in charge of management and coordination, or that have been the subject of resolutions, debate or announcement during the course of the session.
If no statutory auditor is present at a meeting of the Board of Directors, or if the procedures adopted pursuant to the above paragraph do not guarantee that the auditors are informed on at least a quarterly basis, then the Chairman and/or the Chief Executive Officer shall report in writing on his or her activities to the Chairman of the Board of Statutory Auditors within three months. This report must be mentioned in the minutes of the first subsequent meeting of the Board of Statutory Auditors.
Article 23
23.1 The Board of Directors may delegate its powers, within the confines of Article 2381 of the Italian Civil Code and determining the limits of such authority, to an Executive Committee comprised of some of its members and/or to one or more members given the title of managing director(s).
23.2 The parties deputized by the Board of Directors in accordance with Article 23.1 shall report at least once per quarter to the Board of Directors and the Board of Statutory Auditors on general performance, the business outlook, and the transactions most relevant in terms of size or characteristics carried out by the Company or its subsidiaries.
23.3 Each director may ask the deputized parties to provide the Board with information on the Company's management.
23.4 If there is no deputized party, the Board of Directors retains all of the powers and duties attributed to the managing body by law and these bylaws.
23.5 The Board of Directors shall appoint a financial reporting officer, based on the recommendations of the Board of Statutory Auditors, with at least five years' experience in: a) administration or control activities or managerial tasks at entities with equity of not less than EUR ten million, or b) professional activities, including auditing, that are closely related to the company's operations and to the usual responsibilities of a financial reporting officer.
Article 24
24.1 The chairman of the Board of Directors has signing authority for the Company and shall represent it before any legal or administrative authority and vis-à-vis third parties; if the chairman is absent or unavailable, this authority is held by the vice

chairman (if appointed), or by the most senior director in terms of age if the vice chairman is also absent or unavailable. Unless otherwise resolved, legal representation is also held by each managing director appointed in accordance with Article 23.
24.2 The signature of the vice chairman, where appointed, serves as proof to third parties of the chairman's absence or unavailability. The senior director's signature serves as proof to third parties of the absence or unavailability of the chairman and the vice chairman (where appointed).
24.3 Company representation for individual deeds or categories of deed may be granted to Company employees or third parties by the legitimate legal representatives pursuant to Article 24.1.

Article 25

25.1 The members of the Board of Directors and of the Executive Committee receive fees as determined by the ordinary shareholders' meeting. The resolution, once taken, is also valid for subsequent years until the shareholders' meeting determines otherwise. In addition, the directors and Executive Committee members are entitled to be reimbursed for any expenses incurred in office and to receive per diem payments in the amount decided by the shareholders' meeting. The Board of Directors, after consulting the statutory auditors, establishes the compensation for directors with particular responsibilities, including the chairman.

SECTION VI – BOARD OF STATUTORY AUDITORS

Article 26

26.1 The Board of Statutory Auditors is comprised of three standing auditors and three alternates, who are elected by the shareholders' meeting as provided for by law. The statutory auditors must hold the qualifications required by law, the bylaws, and all other applicable regulations.
26.2 The standing auditors and alternates are elected on the basis of preference lists, which are submitted as laid down in Articles 16.2 et seq. of the bylaws. The lists which include a number equal to or greater than three candidates must also include candidates of different genders, as indicated in the notice of call for the Shareholders' Meeting, in order to guarantee that the composition of the Board of Statutory Auditors complies with the laws governing gender equality.
For each list, by the respective deadlines mentioned above, a statement must be filed in which the individual candidates declare, under their own responsibility, that they would not hold more than the maximum number of positions allowed by law, along with thorough documentation on each candidate's personal and professional background.
26.3 From the list obtaining the highest number of votes, two standing auditors and two alternate auditors will be taken in the order in which they appear on the list. The third standing auditor and the third alternate auditor will be drawn from the list with the second highest number of votes, in the order in which they appear.
In the event the composition of the Board of Statutory Auditors, after voting, fails to comply with the laws governing gender equality, the candidates belonging to the more represented gender which – based on the order with which they appear on the list for their respective sections – receive the least number of votes on the list which received the most votes overall will be substituted by the first candidates who were not elected

from the same list of the least represented gender in the number needed to fulfill the legal requirement. If there are not enough candidates of the least represented gender on the list that received the highest number of votes for each section, the Shareholders will appoint the missing standing and alternate auditors according to the majorities established at law in order to ensure that the requirement is met.
In the event of a tie between lists, a new ballot is held between these lists on which all shareholders present in general meeting shall vote. The candidates on the list winning a simple majority of votes shall be elected in such a way as to ensure that the composition of the Board of Statutory Auditors complies with the current law governing gender equality.
26.4 The chairman of the Board of Statutory Auditors is the first candidate on the list receiving the second highest number of votes.
26.5 If just one list has been submitted, the shareholders' meeting casts its vote on that list. If the list obtains the relative majority, the first three candidates appearing on it are elected as standing auditors, while the fourth, fifth and sixth names are appointed as alternates, in such a way as to ensure that the composition of the Board of Statutory Auditors complies with the current law governing gender equality; the candidate at the top of the list becomes the chairman of the Board of Statutory Auditors.
26.6 If no lists are submitted, the Board of Statutory Auditors and its chairman are elected by the shareholders' meeting according to the majorities established by law, in such a way as to ensure that the composition of the Board of Statutory Auditors complies with the current law governing gender equality.
26.7 If the Board of Statutory Auditors has been elected via the preference list system, any outgoing auditor is replaced by the alternate drawn from the same list. In the event the Board of Statutory Auditors formed as a result of the replacement done in accordance with the above fails to comply with the law governing gender equality, the second alternate auditor on the same list will be appointed. In the event it becomes necessary, subsequently, to substitute the other auditor from the list that received the greatest number of votes, the other auditor on the same list will be appointed.
If both the standing auditor elected from the minority list and the alternate elected from that list cease to hold office, the auditor is replaced by the next-ranking candidate on that same list or, if that person is unavailable, by the first candidate on the minority list receiving the second highest number of votes.
If the chairman of the Board of Statutory Auditors needs to be replaced, the chairmanship is assumed by the other standing auditor from the list to which the outgoing chairman belonged.
26.8 If a replacement cannot be made in the manner described above, a shareholders' meeting shall be called to complete the Board of Statutory Auditors by relative majority vote.
26.9 Candidates for statutory auditor must meet the requirements set by law. The appointment and substitution of standing and alternate statutory auditors pursuant to Articles 26.7 and 26.8 above will be done in such a way as to guarantee that the composition of the Board of Statutory Auditors complies with the laws governing gender equality.
The following will be considered when assessing the qualifications of individuals with

at least three years' experience relating to:
a) professional activities or as confirmed university professors in law, economics, finance or technical-scientific subjects closely related to the Company's business;
b) management roles at public bodies or public administrations in sectors closely related to the Company's business, subject to the following rules:
- all subjects per letter a) above that are associated with the real estate business or other sectors pertaining to real estate are considered to be closely related to the Company's business;
- sectors pertaining to real estate are those in which the parent companies operate, or those that may be controlled by or associated with companies operating in the real estate business.
26.10 The statutory auditors serve for three years and may be re-elected. Those whose situations are incompatible with the title and/or who do not satisfy the requirements of integrity and qualification, as established by law, may not be elected as statutory auditors and, if elected, lose office.
26.11 The shareholders determine the statutory auditors' annual compensation at the time they are elected. The statutory auditors are entitled to reimbursement for expenses incurred in office.
Article 27
27.1 Financial auditing is performed by an external auditing firm with the qualifications required by law.
27.2 The ordinary shareholders' meeting grants the auditing assignment, at the recommendation of the statutory auditors, and approves the auditing fees for the full duration of the assignment.
SECTION VII – FINANCIAL STATEMENTS AND PROFITS
Article 28
28.1 The fiscal year ends on December 31 of each year.
28.2 During the course of the year and within the confines of the law, the Board of Directors may make advance dividend payments to the shareholders.
28.3 The shareholders' meeting votes on the distribution of profits as provided for by law. Profits may be assigned as specified in Article 2349 of the Italian Civil Code.
28.4 Dividends not collected within five years of the date they become payable shall revert to the Company and be placed directly in the reserves.
SECTION VIII – DISSOLUTION AND WINDING UP
Article 29
29.1 If the Company is dissolved, the shareholders' meeting shall determine the liquidation procedure and appoint one or more liquidators, setting their powers and compensation.
SECTION IX – GENERAL PROVISIONS
Article 30
30.1 For all matters not addressed in these bylaws, the provisions of the Italian Civil Code and of any special laws on the subject shall apply.
Article 31
31.1 Articles 16.2, 16.3, 16.7-*bis*, 16.8, 26.1, 26.2, 26.3, 26.5, 26.6, 26.7, 26.9, the purpose of which is to guarantee compliance with the law relative to gender equality,

will be applied to the first six renewals of the Board of Directors and the Board of Statutory Auditors subsequent to when the provisions of Law n. 160 of 27 December 2019, published in *Gazzetta Ufficiale* or *G.U.* n. 304 of 30 December 2019 take effect.
31.2 Pursuant to Art. 26.1 three alternate statutory auditors are to be appointed to the Board of Statutory Auditors for the first six renewals of the assignment granted to the Board of Statutory Auditors subsequent to effective date of Law n. 160 dated 27 December 2019. When the first Board of Statutory Auditors is to be appointed after the sixth renewal subsequent to said effective date, two alternate statutory auditors are to be appointed.
Signed Rossella Saoncella – DANIELA CENNI