

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

INTERIM FINANCIAL REPORT

31/03/2022

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Corporate and Supervisory Bodies

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 (Chairman), Alessandra De Martino, Paolo Maestri

External Auditors

PricewaterhouseCoopers S.p.A.

Financial Reporting Officer

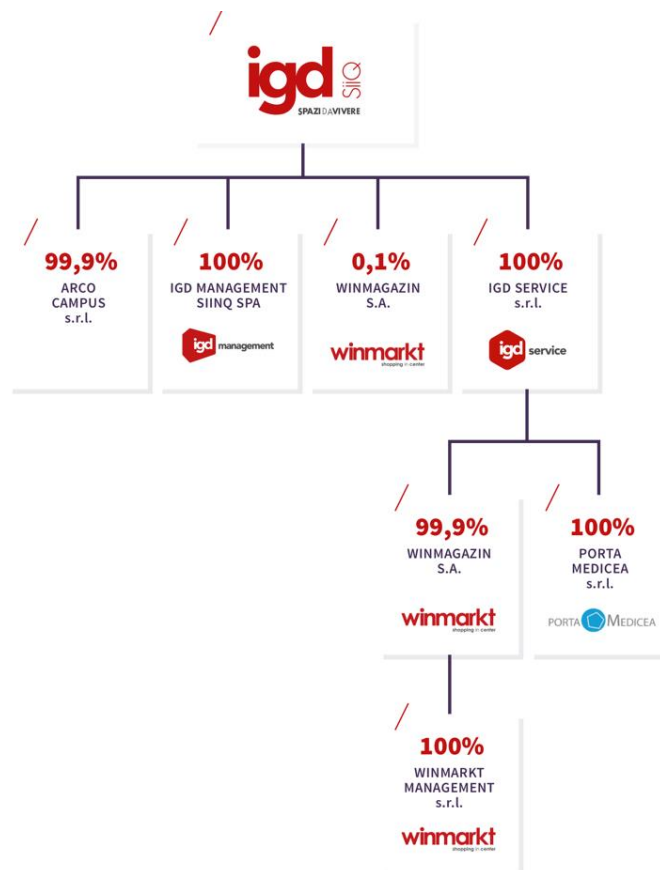
Carlo Barban

1. Gruppo IGD's Interim Financial Report

1.1. // Gruppo IGD

The first company in Italy to obtain SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) status in 2008, IGD is still the only retail real estate company that qualifies as a SIIQ.

Most of the Group's real estate assets are in Italy (93.7%). The foreign assets, which account for the remaining 6.3%, comprise the Winmarkt chain of shopping centers which IGD controls through Win Magazin S.a..



IGD SIIQ's perimeter of exempt operations includes the freehold assets found in Italy.

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 took effect 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 coincide with the statutory effects.

As a result of the reorganization, the properties pertaining to the Centro Sarca and Millennium Center shopping centers (owned previously 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 March 2022, in addition to the parent company, Gruppo IGD comprises:

- 100% of **IGD Management SIINQ S.p.A.**, owner of the shopping mall at CentroSarca in Milan and part of the Rovereto shopping mall;
- 99.99% 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 promotion of sports;
- 100% of **IGD Service S.r.l.**, which, in addition to owning the licenses for the Centro Sarca, Millennium Center, Gran Rondò and Darsena centers, also controls 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, Centro Piave and the Fonti del Corallo mall);
 - services which include mandates for the management of freehold and leasehold properties.

1.2. // Income statement review

The Group reported a consolidated net profit of €14,451 thousand at 31 March 2022, an increase of 40.4% compared to 31 March 2021.

FFO (Funds from Operations) was positive for €6,714 thousand, higher than in the same period of the prior year (+20.7%).

In the first quarter of 2022 no Covid impacts were recognized, while in the first quarter of 2021 the impact of Covid was estimated at €5.4 million, €5.2 million of which recognized as direct costs and €0.2 million as rebates which reduced rental income.

The consolidated operating income statement is shown below:

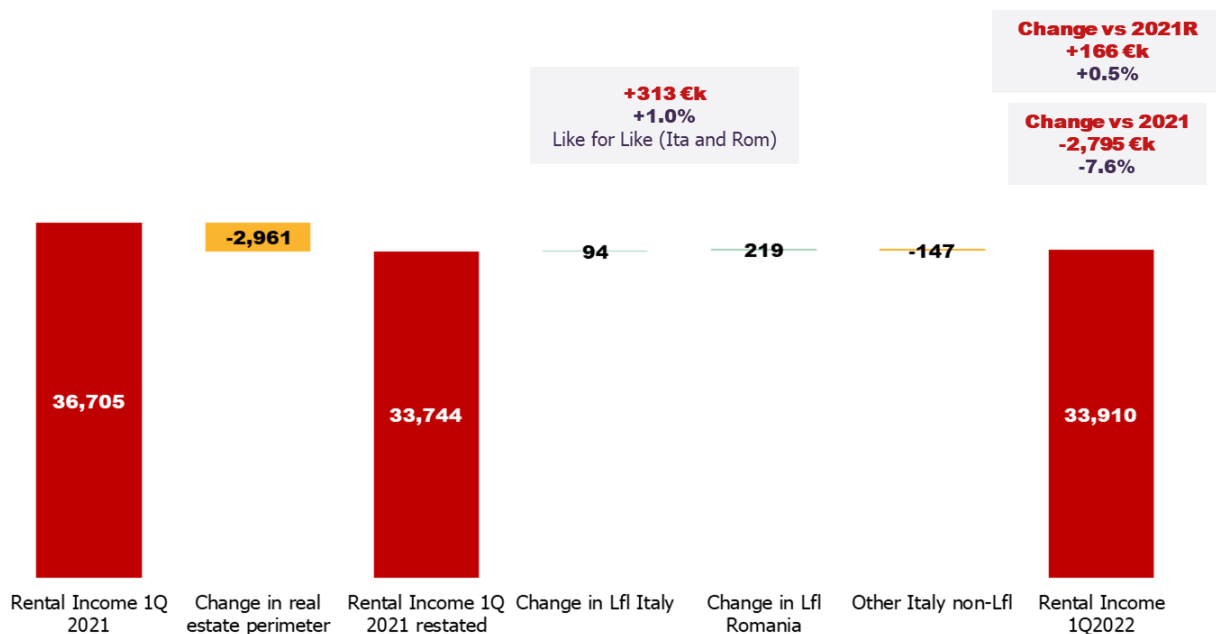
GROUP CONSOLIDATED	(a) 3/31/2022	(b) 3/31/2021	Δ (a)/(b)
Revenues from freehold rental activities	31,641	33,591	-5.8%
Revenues from leasehold rental activities	2,269	3,114	-27.1%
Total income from rental activities	33,910	36,705	-7.6%
Rents and payable leases	-1	-1	0.0%
Direct costs from rental activities	-5,220	-10,519	-50.4%
Net rental income	28,689	26,185	9.6%
Revenues from services	1,787	1,736	2.9%
Direct costs from services	-1,338	-1,357	-1.4%
Net services income	449	379	18.7%
HQ Personnel expenses	-1,893	-1,736	9.1%
G&A expenses	-1,104	-1,062	4.0%
CORE BUSINESS EBITDA (Operating income)	26,141	23,766	10.0%
<i>Core business Ebitda Margin</i>	<i>73.2%</i>	<i>61.8%</i>	
Revenues from trading	0	30	n.a.
Cost of sale and other costs from trading	-110	-159	-30.9%
Operating result from trading	-110	-129	-14.8%
EBITDA	26,031	23,637	10.1%
<i>Ebitda Margin</i>	<i>72.9%</i>	<i>61.4%</i>	
Impairment and Fair Value adjustments	-3,507	-4,137	-15.2%
Depreciation and provisions	-344	-259	32.6%
EBIT	22,180	19,241	15.3%
FINANCIAL MANAGEMENT	-7,575	-8,812	-14.0%
EXTRAORDINARY MANAGEMENT	427	0	n.a.
PRE-TAX RESULTS	15,032	10,429	44.1%
Taxes	-581	-139	n.a.
NET RESULT OF THE PERIOD	14,451	10,290	40.4%
(Profit/Loss) for the period related to third parties	0	0	n.a.
GROUP NET RESULT	14,451	10,290	40.4%

Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements (please refer to operating segment information).

Net rental income

Rental income amounted to €33,910 thousand at 31 March 2022, a decrease of 7.6%.

For the sake of a more accurate comparison, following the disposal of the group of hypermarkets finalized at year-end 2021 and the termination of the master lease at the Centro Piave Shopping Center as of January 2022, the 2021 rental income was restated in order to take account of the change in perimeter and restated amounts to €33,743 thousand.



The increase of €166 thousand compared to 2021 restated, is explained by:

- revenue like-for-like in Italy (malls +0.3% and hypermarkets +0.2% due to reletting and new openings made in the fourth quarter of 2021, as well as ISTAT indexing for around 560 bp (€0.4 million), partially offset by commercial discounts for around €0.5 million (not recorded in 2021). Variable revenue and the temporary rentals rose. 37 leases (17 renewals and 20 turnover) were signed in the reporting period with an average downside of 3.0%;
- for -€147 thousand, lower revenue not like-for-like attributable to the remodeling underway at Conegliano and Casilino;
- for +€219 thousand, higher revenue like-for-like in Romania due to lower discounts. 104 leases (57 turnover and 47 renewals) were signed in the reporting period with an average downside of 3.45% on renewals.

The direct costs for the rental business amounted to €5,221 thousand. The decrease in costs is explained largely by the lack of net direct Covid impacts included among credit losses (which amounted to €5.2 million in 2021). Net of these items, property tax (IMU), maintenance, indemnities and other minor items were lower, while condominium fees were higher than in the first quarter of 2021.

Direct costs from rental activities

Net rental income amounted to €28,689 thousand, an increase of 9.6% against the same period of the prior year.



Net rental income freehold amounted to €26,549 thousand, up 14.2% with respect to the same period of the prior year. The margin is sizeable, coming in at 83.9% of revenue, which is higher than in the prior year due to lower direct costs.

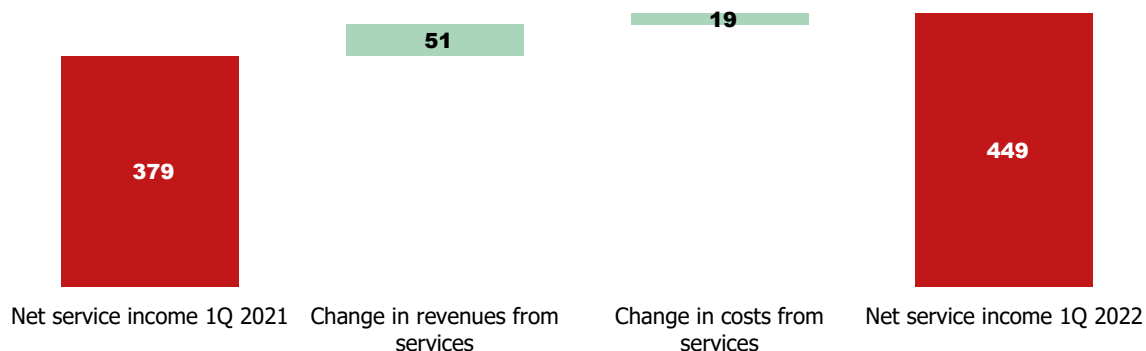
Net rental income leasehold amounted to €2,140 thousand, 27.0% lower than in the same period of the prior year.

Net services income

Revenue from services was higher than in the same period of the prior year. Most of this revenue comes from the facility management business (80.9% of the total or €1,446 thousand), in line with the previous reporting period. Revenue from pilotage was in line, while agency and other services (revenue from outsourcing services) was higher.

The direct costs for services amounted to €1,338 thousand, a decrease of €37 thousand (-1.4%) compared to the same period of the prior year.

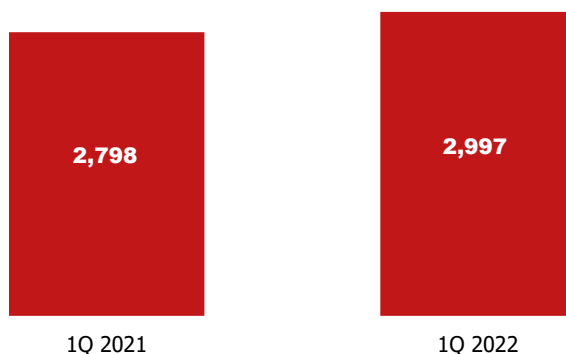
Net services income amounted to €449 thousand, an increase of 18.7% compared to the same period of the prior year, which rose as a percentage of services income from 21.8% in the same period of the prior year to 25.1%.



General expenses for the core business

General expenses for the core business, including payroll costs at headquarters, came to €2,997 thousand, higher (+7.9%) with respect to the €2,798 thousand posted in the first quarter of 2021 due mainly to an increase in payroll costs at headquarters, higher provisions for variable items and other costs.

These general operating costs came to 8.4% of core business revenue.

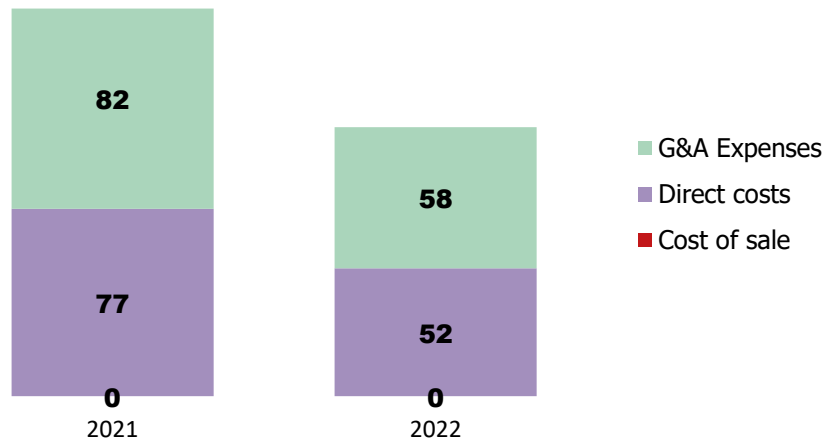


Operating results for trading

Trading posted an operating loss of €110 thousand, slightly higher with respect to the first quarter of 2021.

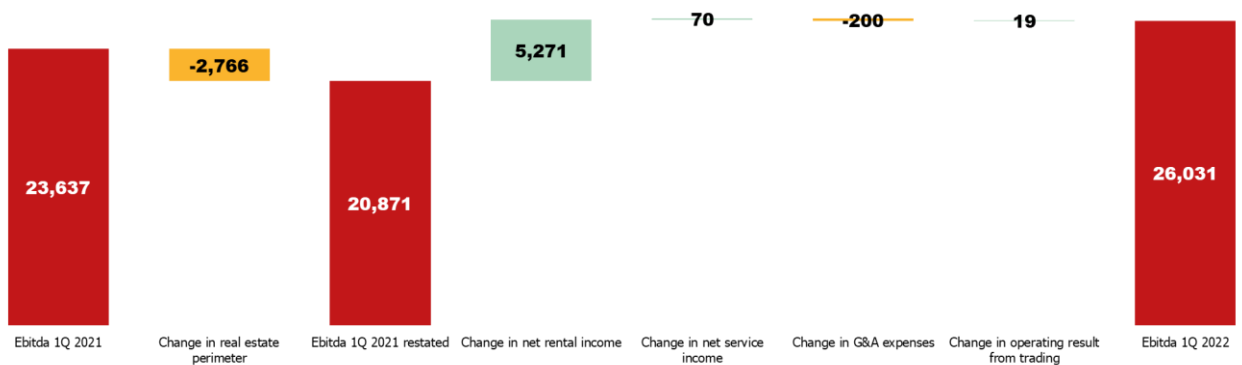
In this first quarter the Porta a Mare project did not generate any revenue (for more information refer to section 1.4). Binding preliminary sales agreements have been stipulated for 23 out of the 42 apartments up for sale, the closure of which depends on completion of works underway.

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

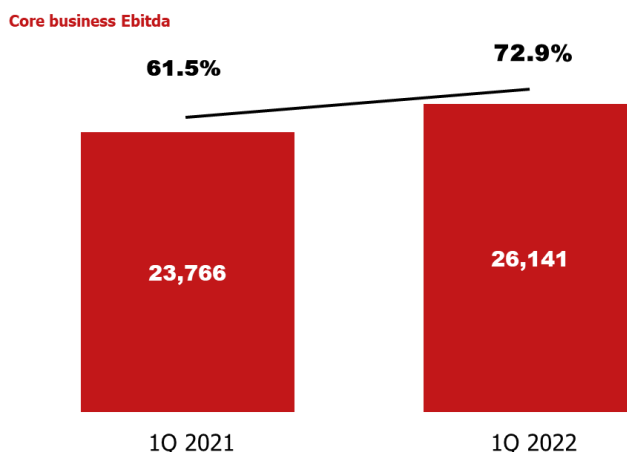


EBITDA

The core business EBITDA amounted to €26,141 thousand, 10.0% higher than in the same period of the prior year, while total EBITDA rose by 10.1% to €26,031 thousand. The changes in the components of total EBITDA in the first three months of 2022 are shown below.



The core business **EBITDA MARGIN** reached 72.9%, higher than in the same period of the prior year.



Fair value adjustments

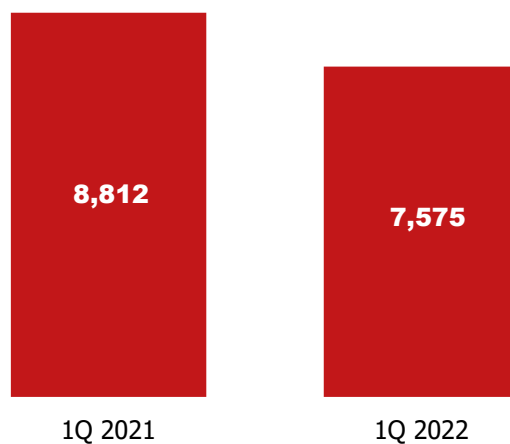
Fair value adjustments were negative for €3,507 thousand at 31 March 2022, lower than the €4,137 thousand recorded at 31 March 2021. The fair value impairment is attributable to:

- for €1,470 thousand, right of use assets stemming from IFRS 16;
- for €1,913 thousand, extraordinary maintenance of properties owned and rented by Gruppo IGD's Italian companies;
- for €124 thousand, extraordinary maintenance of properties owned by the Romanian subsidiary Win Magazin SA..

EBIT

EBIT amounted to €22,180 thousand, showing an increase of 15.3%; this change is attributable to the factors described above.

Financial income and charges



Financial charges went from €8,812 thousand at 31 March 2021 to €7,575 thousand at 31 March 2022. The decrease, of around €1,237 thousand, is attributable mainly to:

- lower financial charges on mortgages due to a decrease in the amount of principal;

- lower financial charges for IRS due to a decrease in the notional amount;
- lower IFRS 16 financial charges, including as a result of the termination of the lease for the mall at «Centro Piave»;
- lower financial charges on bond loans.

The average cost of debt (without considering recurring and non-recurring transaction costs) at 31 March 2022 was 2.16%, slightly lower than the 2.20% recorded at 31 December 2021, while the weighted average effective cost of debt went from 2.66% at 31 December 2021 to 2.58%.

The interest cover ratio (ICR), the ratio of Ebitda to interest expense, came to 3.43x, higher compared to the 3.20x posted at 31 December 2021.

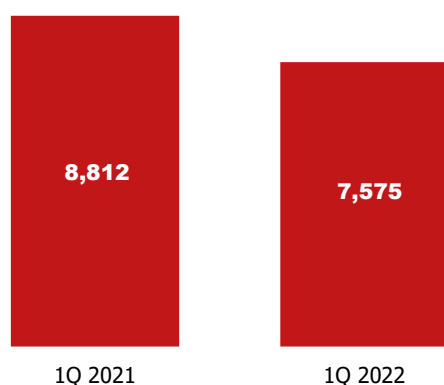
Taxes

	31/03/2022	31/03/2021	Change
Current taxes	390	296	94
Deferred tax assets liabilities/assets	203	(157)	360
Out-of-period income/charges	(12)	0	(12)
Income taxes	581	139	442

The tax burden, current and deferred, reached €581 thousand at 31 March 2022, an increase of €442 thousand against 31 March 2021.

Deferred tax assets of €613 thousand were recognized on the losses carried forward connected to tax consolidation.

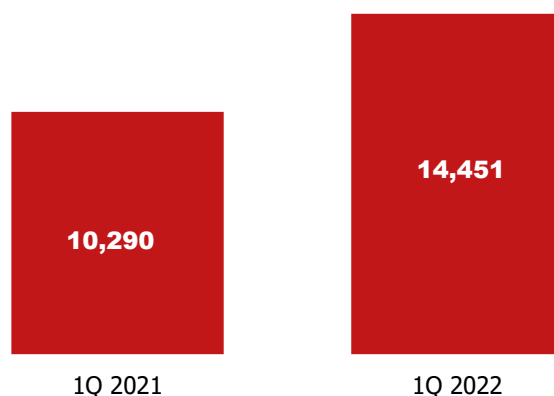
Current tax is €94 thousand higher than in the same period of the prior year due mainly to the increase in the profit posted by Group companies.



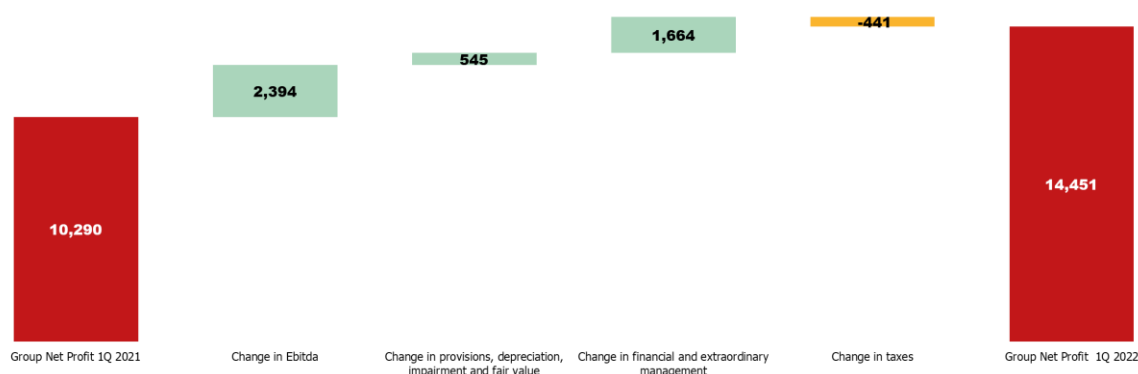
Group Net Profit

As a result of the above, the Group recorded a net profit of €14,451 thousand, an increase of 40.4% compared to the €10,290 thousand recorded at 31 March 2021.

Group Net Profit



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

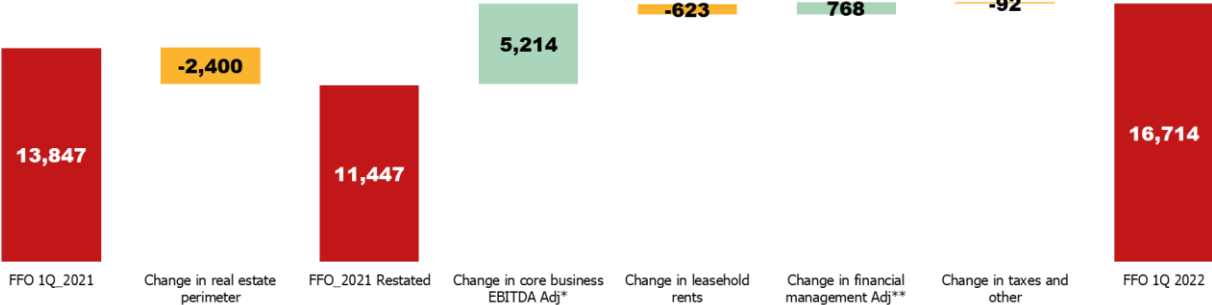


Core business FFO

FFO (Funds from Operations), an indicator used widely in the real estate sector (REITs), which measures the cash flow generated by a company's core business, came to €16,714 thousand at 31 March 2022, higher (+20.7%) than in same period of the prior year due to the improvement in EBITDA and lower financial charges adj., which includes the negative carry recorded in 2021, partially offset by an increase in rents payable and taxes. Restated the increase in FFO 2021 reaches €5,267 thousand (+46%).

Funds from Operations	1Q 2022	1Q 2021	Δ	Δ%
Core business EBITDA*	26,197	23,770	2,427	10.2%
IFRS16 Adjustments (Payable Leases)	(1,978)	(1,742)	(236)	13.5%
Financial Management Adj**	(7,116)	(7,884)	768	-9.7%
Current taxes for the period Adj.	(389)	(297)	(92)	31.1%
FFO	16,714	13,847	2,867	20.7%

*Net of 2021 non recurring expenses



1.3. // Statement of financial position and financial review

Gruppo IGD's statement of financial position at 31 March 2022 can be summarized as follows:

(amounts in thousand of euro)	31/03/2022	31/12/2021	▲	%
Fixed assets	2,091,707	2,093,176	(1,469)	-0.07%
Assets under construction and advanced payments	45,178	44,095	1,083	2.40%
Intangible assets	7,868	7,888	(20)	-0.25%
Other tangible assets	8,945	9,030	(85)	-0.95%
Sundry receivables and other non current assets	127	127	0	0.26%
Equity investments	25,765	25,765	0	0.00%
Assets held for sale	0	1,801	(1,801)	na
NWC	31,098	24,504	6,594	21.20%
Funds	(7,906)	(7,521)	(385)	4.87%
Sundry payables and other non current liabilities	(19,869)	(19,945)	76	-0.38%
Net deferred tax (assets)/liabilities	(13,046)	(11,702)	(1,344)	10.30%
Total use of funds	2,169,867	2,167,218	2,649	0.12%
Total shareholders' equity	1,190,103	1,171,758	18,345	1.54%
Net (assets) and liabilities for derivative instruments	3,425	8,435	(5,010)	-146.28%
Net debt	976,339	987,025	(10,686)	-1.09%
Total sources	2,169,867	2,167,218	2,649	0.12%

The principal changes in the first quarter compared to 31 December 2021, relate to:

- ✓ **Investment property**, which was €1,469 thousand lower due to:
 - for €981 thousand, the continuation of extraordinary maintenance relating primarily to improvements in the energy efficiency of systems at the Tiburtino, Casilino, Maremà and Centro d'Abruzzo shopping centers, as well as at a few Romanian shopping centers;
 - for €1,056 thousand, the reclassification of assets under construction and advances following completion in the period of the work done building mid-size stores at the Casilino Shopping Center in Rome;
 - impairment, based on the latest available fair value of investment property (appraisals at 31 December 2021), of extraordinary maintenance;
 - impairment of the right-of-use assets relating to the malls in the "Centro Nova" and "Fonti del Corallo" shopping centers based on changes in the independent experts' appraisals.
- ✓ **Assets under construction and advances**, which showed a decrease of €1,083 thousand attributable primarily to:
 - for €842 thousand, ongoing work at Officine Storiche;
 - for €75 thousand, restyling at the La Favorita Shopping Center in di Mantua;
 - for €285 thousand, the remodeling of Porto Grande Shopping Center in San Benedetto del Tronto pursuant to the agreement signed between IGD SIIQ and Coop Alleanza 3.0 to reduce the size of the hypermarket (completed in 2020) and increase the size of the mall;

- for €569 thousand, restyling at the Porto Grande Shopping Center in San Benedetto del Tronto;
 - for €277 thousand, construction of medium-sized stores at the Casilino Shopping Center in Rome;
 - for €36 thousand, planning for restyling at Leonardo Shopping Center in Imola;
 - for €1,056 thousand, the reclassification to investment property of work completed in the period relating to the medium-sized stores at the Casilino Shopping Center in Rome;
 - for €105 thousand, the increase in advances.
- ✓ **Other plant, property and equipment** which changed mainly to amortization and depreciation recognized in the reporting period;
- ✓ **Intangible assets**, which were €20 thousand lower, due mainly to:
- for €125 thousand, consolidation differences relating to the Romanian subsidiary Win Magazin SA explained by the foreign exchange adjustments;
 - the recognition of the transition to new accounting and management software as intangible assets under development;
 - amortization recognized in the reporting period.
- ✓ **Net working capital** which was €6,594 thousand higher compared to 31 December 2021 explained primarily by:
- an increase in trade and related party receivables of €642 thousand;
 - an increase in inventory of €286 thousand linked to the work done in the reporting period;
 - the increase in other current assets of around €544 thousand due mainly to higher prepaid expenses relating to insurance and other costs pertaining to the year but paid in first quarter 2022;
 - the increase in tax liabilities of around €1,922 thousand, relating mainly to the IMU (property tax) accruing in the first quarter;
 - the decrease in trade payables of €6,587 thousand due to a difference in timing compared to the prior year.

(amounts in thousand of euro)	31/03/2022	31/12/2021	▲	%
Inventories and advanced payments	37,661	37,375	286	0.76%
Third parties trade receivables	15,903	15,415	488	3.07%
Related parties trade and other receivables	870	716	154	17.70%
Other current assets	6,261	5,717	544	8.69%
Trade and other payables	10,100	16,062	(5,962)	-59.03%
Related parties trade and other payables	325	950	(625)	-192.31%
Tax liabilities	4,889	2,967	1,922	39.31%
Other liabilities	14,283	14,740	(457)	-3.20%
Net working capital	31,098	24,504	6,594	21.20%

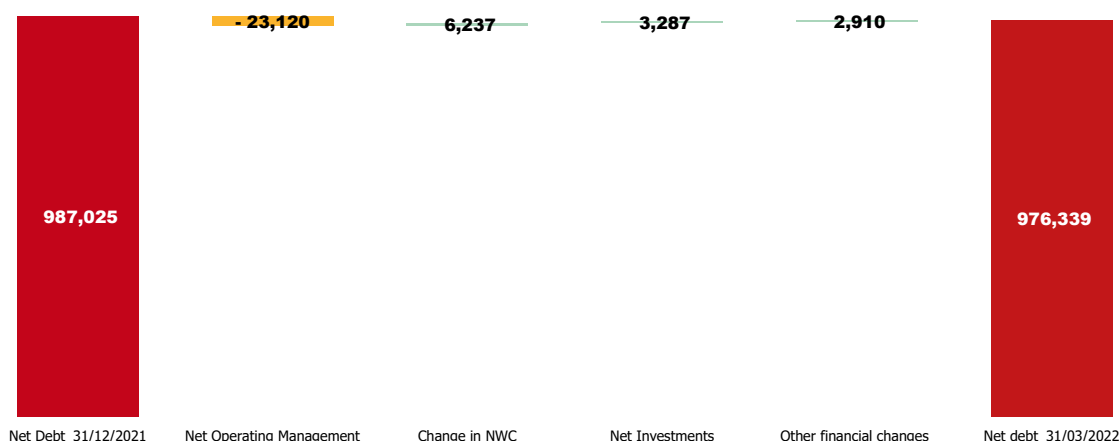
- ✓ **Provisions for risks and charges** which showed an increase of €385 thousand explained by: (i) the provisions made for bonuses payable to employees in 2022 which will be paid in

2023, (ii) provisions made for a few IMU disputes underway relative to the ESP (Ravenna) and La Torre (Palermo) shopping centers, (iii) earthquake proofing for which IGD is responsible at a few of the supermarkets and hypermarkets sold during the prior year.

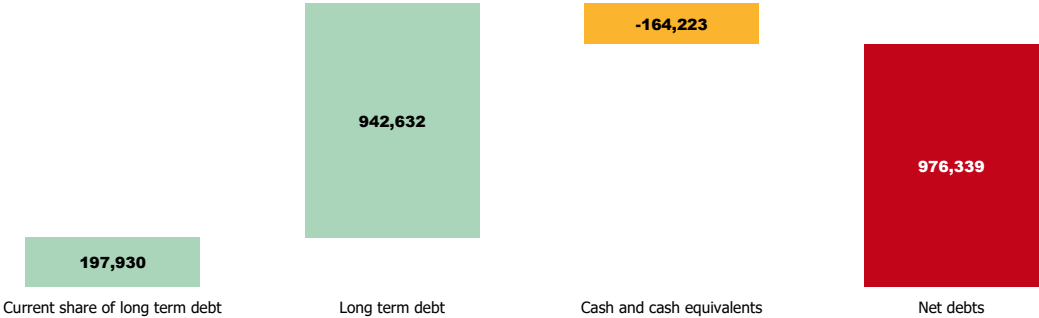
- ✓ The **Group’s net equity** amounted to €1,190,103 thousand at 31 March 2022. The increase of €18,345 thousand is explained mainly by:
 - an adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around +€2,131 thousand for the parent company;
 - an adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around +€1,887 thousand for a subsidiary;
 - for approximately -€124 thousand, movements in the translation reserve for the translation of foreign currency financial statements;
 - for €14,451 thousand, the Group’s portion of the profit realized in the reporting period.

- ✓ **Net liabilities for derivatives** were down against the prior year due to the fair value measurement of hedging instruments at 31 March 2022 which was €5,010 thousand higher than in the prior year.

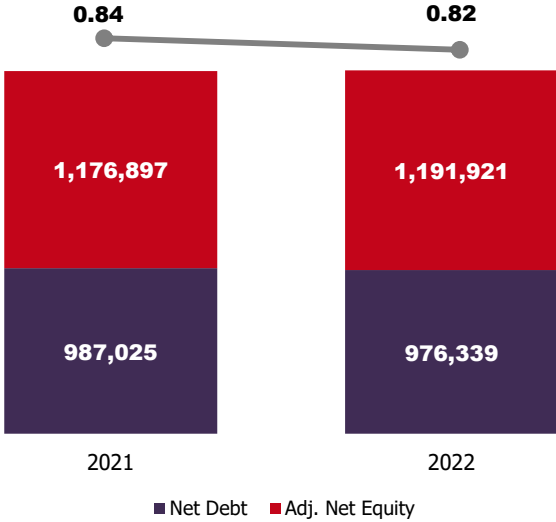
- ✓ The **net financial position** at 31 March 2021 was about €10.2 million lower than in the prior year. The changes are shown below



The item “Short term portion of long-term debt” shown in the net financial position includes the short-term portion of mortgages, leases, lease financing and bond debt.



The gearing ratio reflects the debt-to-equity ratio, including non-controlling interests but excluding the CFH reserves. The ratio came to 0.82 at 31 March 2022, lower than the 0.84 recorded at 31 December 2021.



1.4. // Significant events at 31 March 2022

Corporate events

On 24 February 2022 the Board of Directors approved the draft separate and consolidated financial statements for FY 2021, 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 twelfth Corporate Sustainability Report.

On 23 March 2022 IGD's Board of Directors approved the issue, by 31 July 2022, of EUR 500,000,000.00 in senior green, unsubordinated and non-convertible notes, subject to market conditions, to be offered to institutional investors in Italy and abroad.

On 28 March 2022 IGD decided to postpone the issue of the EUR 500,000,000.00 in senior green, unsubordinated and non-convertible notes, approved by the Board of Directors on 23 March 2022, until market conditions improve.

Investments

During the first quarter of 2022 the Group continued with development of the Porta a Mare – Officine project, restyling of the La Favorita center in Mantua and the Porto Grande center in San Benedetto del Tronto, as well as extraordinary maintenance. The construction of the new stores in the space created by reducing the hypermarket and the restyling of the first floor of the Casilino center in Rome were also completed in the period.

The investments made at 31 March 2022 are shown below:

	3/31/2022
	Euro/mn
Development projects:	
Porta a Mare project, Officine Storiche retail (in progress)	0.84
Porta a Mare project (Trading) (in progress)	0.29
Restyling in progress	0.97
Restyling ended in 2022	0.23
Extraordinary maintenance	0.98
Other	0.27
Total investments carried out	3.58

Development projects

"Porta a Mare" Project

Work on the residential portion of the Officine Storiche section continued in the first quarter for a total of around €286 thousand, as did urban planning works for the Molo, Lips and Arsenale sections, while work on the retail portion, which is expected to be completed by the second half of 2022, amounted to approximately €842 thousand. Twenty-three preliminary sales agreements/irrevocable offers, three of which in the first quarter of 2022, for residential units in the Officine Storiche area had been signed at 31 March 2022.



Restyling

In the first quarter of 2022 work on the new medium-sized stores at the Casilino center in Rome was completed. The costs incurred for work done in the quarter amounted to €228 thousand.

At 31 March 2021 work was also still underway on:

- restyling of the La Favorita Shopping Center and Retail Park in Mantua and the Porto Grande Shopping Center in San Benedetto del Tronto which is expected to be completed by the second half of 2022. The costs incurred for the work done in the quarter amounted to €75 thousand and €569 thousand, respectively;
- remodeling of the spaces inside the Porto Grande center in San Benedetto del Tronto created by reducing the size of the hypermarket, which increased the size of the mall, pursuant to the agreement signed between IGD SIIQ and Coop Alleanza 3.0. The work is expected to be completed in the first half of 2022. Costs incurred for the work completed in the reporting period totaled €285 thousand at 31 March 2022;
- planning the restyling of the Leonardo Shopping Center in Imola which is expected to be completed in 2023. The costs incurred in the reporting period amounted to €36 thousand.





La Favorita (MN) – Food court



Porto Grande – San Benedetto del Tronto – Main entrance

Extraordinary maintenance

In the first quarter of 2022, extraordinary maintenance continued for a total of €981 thousand, relating mainly to work done to improve the energy efficiency of systems at the Tiburtino, Casilino, Maremà, and Centro d’Abruzzo centers, as well as a few Romanian shopping centers. Based on the fair value measurement of investment property, the value of the extraordinary maintenance was fully impaired at 31 March 2022.

1.5. // Subsequent events

During the Annual General Meeting held on 14 April 2022, IGD's shareholders approved the 2021 financial statements of IGD SIIQ S.p.A., as presented during the Board of Directors meeting held on 24 February 2022, which closed with a net profit of €54,093,401.45.

Shareholders also resolved to distribute a dividend of €0.35 per share. The total dividend payable, calculated based on the number of IGD shares outstanding at 24 February 2022 (110,341,903 ordinary 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, utilization of the reserves released following the disposal of 5 hypermarkets and 1 supermarket finalized during the year.

The net earnings generated by exempt operations to be distributed amount to €38,619,666.05 or €0.35 per share.

Lastly, during the Annual General Meeting shareholders resolved to grant the statutory audit assignment for the period 2022-2030 to the firm Deloitte & Touch S.p.A..

On 21 April 2022 the residual amount outstanding on €162 million in notes of €153.6 million, as well as interest, was repaid at the expiration date.

1.6.// Outlook

In light of the good results achieved, albeit with the maximum caution given the particularly unstable global environment and the effects of the Covid-19 pandemic (even if residual), we confirm the guidance disclosed to the market when the Business Plan 2022-2024 was presented on 14 December 2021.

2. GRUPPO IGD's CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2022

2.1 // Consolidated income statement

<i>(in thousands of Euros)</i>	31/03/2022	31/03/2021	Change
	(A)	(B)	(A)-(B)
Revenue	33,910	36,705	(2,795)
Revenues from third parties	26,403	26,789	(386)
Revenues from related parties	7,507	9,916	(2,409)
Other revenue	1,787	1,736	51
Other revenues from third parties	1,073	1,092	(19)
Other revenues from related parties	714	644	70
Revenues from property sales	0	30	(30)
Operating revenues	35,697	38,471	(2,774)
Change in inventory	286	774	(488)
Revenues and change in inventory	35,983	39,245	(3,262)
Construction costs for the period	(286)	(792)	506
Service costs	(4,046)	(3,134)	(912)
Service costs from third parties	(3,096)	(2,234)	(862)
Service costs from related parties	(950)	(900)	(50)
Cost of labour	(2,616)	(2,637)	21
Other operating costs	(2,404)	(2,617)	213
Total operating costs	(9,352)	(9,180)	(172)
Depreciations, amortization and provisions	(344)	(159)	(185)
Provisions for doubtful accounts	(600)	(6,528)	5,928
Change in fair value	(3,507)	(4,137)	630
Depreciation, amortization, provisions, impairment and change i	(4,451)	(10,824)	6,373
EBIT	22,180	19,241	2,939
Income/ (loss) from equity investments and asset disposal	427	0	427
Financial Income	66	31	35
Financial income from third parties	66	31	35
Financial charges	(7,641)	(8,843)	1,202
Financial charges from third parties	(7,608)	(8,843)	1,235
Financial charges from related parties	(33)	0	(33)
Net financial income (expense)	(7,575)	(8,812)	1,237
Pre-tax profit	15,032	10,429	4,603
Income taxes	(581)	(139)	(442)
NET PROFIT FOR THE PERIOD	14,451	10,290	4,161
Non-controlling interests in (profit)/loss for the period	0	0	0
Profit/(loss) for the period attributable to the Parent Company	14,451	10,290	4,161

2.2 // Consolidated statement of comprehensive income

(amounts in thousand of euro)	3/31/2022	3/31/2021
NET PROFIT FOR THE PERIOD	14,451	10,290
Other components of comprehensive income that will not be reclassified to profit/(loss)		
Other components of comprehensive income that will not be reclassified to profit/(loss), net of tax effects	0	0
Other components of comprehensive income that will be reclassified to profit/(loss):		
Effects of hedge derivatives	5,162	2,111
Tax effects of hedge derivatives	(1,144)	(472)
Conversion reserve	(124)	(51)
Total other components of comprehensive income that will be reclassified to profit/(loss):	3,894	1,588
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	18,345	11,878
Non-controlling interest	0	0
TOTAL PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	18,345	11,878

2.3 // Consolidated statement of financial position

<i>(in thousands of Euros)</i>	31/03/2022 (A)	31/12/2021 (B)	Change (A)-(B)
NON CURRENT ASSETS:			
Intangible assets			
Intangible assets with finite useful lives	408	303	105
Goodwill	7,460	7,585	(125)
	7,868	7,888	(20)
Property, plant, and equipment			
Investment property	2,091,707	2,093,176	(1,469)
Buildings	7,118	7,174	(56)
Plant and machinery	105	115	(10)
Equipment and other goods	1,722	1,741	(19)
Assets under construction and advance payments	45,178	44,095	1,083
	2,145,830	2,146,301	(471)
Other non-current assets			
Deferred tax assets	4,850	6,173	(1,323)
Sundry receivables and other non-current assets	127	127	0
Equity investments	25,765	25,765	0
Non-current financial assets	174	174	0
	30,916	32,239	(1,323)
TOTAL NON-CURRENT ASSETS (A)	2,184,614	2,186,428	(1,814)
CURRENT ASSETS:			
Work in progress inventory and advances	37,661	37,375	286
Trade and other receivables	15,903	15,490	413
Related party trade and other receivables	870	716	154
Other current assets	6,261	5,717	544
Cash and cash equivalents	164,223	158,080	6,143
TOTAL CURRENT ASSETS (B)	224,918	217,378	7,540
ASSETS HELD FOR SALE (C)	0	1,801	(1,801)
TOTAL ASSETS (A + B+C)	2,409,532	2,405,607	3,925
NET EQUITY:			
Share capital	650,000	650,000	0
Other reserves	471,194	467,300	3,894
Group profit (loss) carried forward	54,458	1,689	52,769
Group profit	14,451	52,769	(38,318)
Total Group net equity	1,190,103	1,171,758	18,345
Capital and reserves of non-controlling interests	0	0	0
TOTAL NET EQUITY (D)	1,190,103	1,171,758	18,345
NON-CURRENT LIABILITIES:			
Derivatives - liabilities	3,425	8,435	(5,010)
Non-current financial liabilities	942,806	951,408	(8,602)
Provisions for employee severance indemnities	3,365	3,391	(26)
Deferred tax liabilities	17,896	17,875	21
Provisions for risks and future charges	4,541	4,130	411
Sundry payables and other non-current liabilities	9,428	9,504	(76)
Related parties sundry payables and other non-current liabilities	10,441	10,441	0
TOTAL NON-CURRENT LIABILITIES (E)	991,902	1,005,184	(13,282)
CURRENT LIABILITIES:			
Current financial liabilities	197,930	192,643	5,287
Trade and other payables	10,100	16,137	(6,037)
Related parties trade and other payables	325	950	(625)
Current tax liabilities	4,889	2,967	1,922
Other current liabilities	14,283	14,740	(457)
TOTAL CURRENT LIABILITIES (F)	227,527	227,437	90
LIABILITIES LINKED TO ASSETS HELD FOR SALE (G)	0	1,228	(1,228)
TOTAL LAIBILITIES (H=E+F+G)	1,219,429	1,233,849	(14,420)
TOTAL NET EQUITY AND LIABILITIES (D+H)	2,409,532	2,405,607	3,925

2.4 // Consolidated statement of changes in equity

	Share capital	Other reserve	Profit (loss) from previous year	Profit (loss) of the year	Group net equity	Non-controlling interest capital and reserves	Total net equity
<i>(Amounts in thousands of euro)</i>							
Balance at 01/01/2022	650,000	467,300	1,689	52,769	1,171,758	0	1,171,758
Profit/(loss) for the year	0	0	0	14,451	14,451	0	14,451
Cash flow hedge derivative assessment	0	4,018	0	0	4,018	0	4,018
Other comprehensive income (losses)	0	(124)	0	0	(124)	0	(124)
Total comprehensive profit (losses)	0	3,894	0	14,451	18,345	0	18,345
Allocation of 2021 profit							
Allocation of 2021 profit	0	0	52,769	(52,769)	0	0	0
Balance at 31/03/2022	650,000	471,194	54,458	14,451	1,190,103	0	1,190,103

	Share Capital	Share premium reserve	Other reserves	Net profit/(loss) of previous year	Group net profit/(loss) of the period	Group net equity	Non-controlling interests capital and reserves	Total net equity
<i>(In thousands of Euro)</i>								
Balance on 01/01/2021	650,000	30,058	499,131	9,574	(74,321)	1,114,442	0	1,114,442
Profit of the period	0	0	0	0	10,290	10,290	0	10,290
Cash flow hedge derivative assessment	0	0	1,639	0	0	1,639	0	1,639
Other comprehensive income (losses)	0	0	(51)	0	0	(51)	0	(51)
Total comprehensive profit (losses)	0	0	1,588	0	10,290	11,878	0	11,878
Allocation of 2020 profit								
Dividends paid	0	0	0	0	0	0	0	0
Fair Value reclassification	0	0	0	0	0	0	0	0
To previous year profit	0	0	0	(74,321)	74,321	0	0	0
Balance at 31/03/2021	650,000	30,058	500,719	(64,747)	10,290	1,126,320	0	1,126,320

2.5 // Consolidated statement of cash flows

<i>(In thousands of Euros)</i>	31/03/2022	31/03/2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit (loss) of the year	14,451	10,290
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities		
Taxes of the year	581	139
Financial charges / (income)	7,575	8,812
Depreciation and amortization	180	159
Writedown of receivables	600	6,528
Changes in fair value - increases / (decreases)	3,507	4,137
Gains/losses from disposal - equity investments	(427)	0
Changes in provisions for employees and end of mandate treatment	271	343
CASH FLOW FROM OPERATING ACTIVITIES:	26,738	30,408
Financial charge paid	(3,420)	(5,252)
Income tax	(198)	(188)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX:	23,120	24,968
Change in inventory	(286)	(774)
Change in trade receivables	(1,242)	(10,771)
Net change in other assets	779	(1,096)
Change in trade payables	(6,587)	973
Net change in other liabilities	1,099	3,433
CASH FLOW FROM OPERATING ACTIVITIES (A)	16,883	16,733
(Investments) in intangible assets	(109)	(64)
Disposals of intangible assets	0	0
(Investments) in tangible assets	(3,178)	(3,101)
Disposals of tangible assets	0	0
(Investments) in equity interests	0	52
CASH FLOW FROM INVESTING ACTIVITIES (B)	(3,287)	(3,113)
Rents paid for financial leases	(1,963)	0
Loans repayments and other financing activities	(5,491)	(84,048)
CASH FLOW FROM FINANCING ACTIVITIES (C)	(7,454)	(84,048)
Exchange rate differences on cash and cash equivalents (D)	1	(51)
NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)	6,143	(70,479)
CASH BALANCE AT BEGINNING OF THE PERIOD	158,080	117,341
CASH BALANCE AT END OF THE PERIOD	164,223	46,862

2.6 // Net financial position

The table below shows the net financial position at 31 March 2022 and 31 December 2021. At neither date does it include derivatives held for hedging purposes, which by nature do not constitute monetary assets or liabilities.

The net financial position at 31 March 2022 is about €10.7 million lower than at 31 December 2021 due mainly to

- a decrease in payables stemming from IFRS 16 application; and
- the cash generated in the first quarter of 2022 net of investments made and the payment of installments due on a few mortgages.

The revocable credit facilities with banks, unutilized at 31 March 2022, amount to €151 million. Committed revolving credit facilities with banks, unutilized at 31 March 2022, amount to €60 million.

See the section "Statement of financial position and financial review" and the statement of cash flows for more information.

	31/03/2022	31/12/2021	Change
<i>(In thousands of Euros)</i>			
Cash and cash equivalents	(164,223)	(158,080)	(6,143)
LIQUIDITY	(164,223)	(158,080)	(6,143)
Mortgage loans - current portion	29,740	27,328	2,412
Leasing - current portion	7,435	7,355	80
Bond loans - current portion	160,755	157,960	2,795
CURRENT DEBT	197,930	192,643	5,287
CURRENT DEBT RELATED TO ASSETS HELD FOR SALES	0	1,228	(1,228)
CURRENT NET DEBT	33,707	35,791	(2,084)
Non-current financial assets	(174)	(174)	0
Leasing - non-current portion	29,128	31,043	(1,915)
Non-current financial liabilities	420,351	427,579	(7,228)
Bond loans	493,327	492,786	541
NON-CURRENT NET DEBT	942,632	951,234	(8,602)
NET DEBT	976,339	987,025	(10,686)

2.7 // Preparation criteria and scope of consolidation

2.7.1 General information

The interim financial report of Immobiliare Grande Distribuzione at 31 March 2022 was approved and authorized for publication by the Board of Directors on 5 May 2022.

IGD SIIQ S.p.A. is a subsidiary of and subject to the management and coordination of Coop Alleanza 3.0. Soc. Coop.

2.7.2 Summary of accounting standards

2.7.2.1 Preparation criteria

Declaration of conformity with international accounting standards

The interim financial information (unaudited) was prepared in accordance with Art. 154-ter of Legislative Decree 58/1998, as per the IFRS (International Financial Reporting Standards) issued by IASB (International Accounting Standards Board) and approved by the European Union, and with the instructions issued in implementation of 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) which at 30 September 2021 were endorsed as per the procedure outlined in EC Regulation 1606/2002.

The accounting standards, accounting policies, and valuation methods are the same as those used to prepare the consolidated financial statements at 31 December 2021, to which the reader should refer. The valuation and reporting of book values are based on the international accounting standards and their interpretations currently in effect; they are, therefore, subject to modification in order to reflect any changes that may occur between this writing and 31 December 2022 as a result of the European Commission's future endorsement of new standards, new interpretations or guidelines of the International Financial Reporting Interpretation Committee (IFRIC).

Income statement figures are provided for the quarter under review and the period between the beginning of the year and the close of the quarter. The figures are compared with figures for the same periods of the prior year. The figures in the statement of financial position are provided at 31 March 2022 and at 31 December 2021. Therefore, comments on income statement items refer to a comparison with the same period of the prior year (31 March 2021), while balance sheet items are compared with the previous quarter (31 December 2022).

The use of estimates broadly reflects the practice followed in the year-end financial statements.

The consolidated financial statements, tables and notes are expressed in thousands of euros, unless specified otherwise.

2.7.2.2 Consolidation

Scope of consolidation

The consolidated financial statements were drawn up on the basis of the draft financial statements at 31 March 2022, 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. The scope of consolidation has not changed since 31 December 2021. Pursuant to Consob Circular DEM/6064293 of 28 July 2006, below is a list of Group companies showing the location of their registered office, share capital in the local currency and consolidation method. The interests held directly or indirectly by IGD SIIQ S.p.A. and each of its subsidiaries are also specified.

Name	Registered office	Country	Share Capital	Currency	% of consolidated Group interest	Held by	% of share capital held	Activities
Parent Company								
IGD SIIQ S.p.A.	Bologna via trattati comunitari Europei 1957-2007	Italy	650,000,000.00	Euro				Shopping center management
Subsidiaries fully consolidated								
IGD Management SIIQ 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	64,165.00	Euro	40%*	IGD SIIQ S.p.A.	40.00%	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.

2.7.3 Segment reporting

The income statement and the statement of financial position are broken down below by business segment in accordance with IFRS 8, followed by a geographical breakdown of revenue from freehold properties.

INCOME STATEMENT	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
Total revenues and operating income	33,910	36,705	1,787	1,736	0	30	0	0	35,697	38,471
Change in work in progress inventories	0	0	0	0	286	774	0	0	286	774
Direct costs (a)	(5,221)	(10,520)	(1,338)	(1,357)	(396)	(933)	0	0	(6,955)	(12,810)
G&A Expenses (b)	0	0	0	0	0	0	(2,997)	(2,798)	(2,997)	(2,798)
Total operating costs (a) + (b)	(5,221)	(10,520)	(1,338)	(1,357)	(396)	(933)	(2,997)	(2,798)	(9,952)	(15,608)
(Depreciations and provisions)	(252)	(215)	(16)	0	(1)	(1)	(75)	(43)	(344)	(259)
(Impairment)/Reversals on work in progress and inventories	0	0	0	0	0	0	0	0	0	0
Change in fair value - Increases/(decreases)	(3,507)	(4,137)	0	0	0	0	0	0	(3,507)	(4,137)
Total depreciations, provisions, impairment and change in fair value	(3,759)	(4,352)	(16)	0	(1)	(1)	(75)	(43)	(3,851)	(4,396)
OPERATING RESULT	24,930	21,833	433	379	(111)	(130)	(3,072)	(2,841)	22,180	19,241
Income/Loss from equity investments and property sales	0	0	0	0	0	0	427	0	427	0
Financial income:	0	0	0	0	0	0	66	31	66	31
Financial charges:	0	0	0	0	0	0	(7,641)	(8,843)	(7,641)	(8,843)
Net financial income	0	0	0	0	0	0	(7,575)	(8,812)	(7,575)	(8,812)
PRE TAX PROFIT	24,930	21,833	433	379	(111)	(130)	(10,220)	(11,653)	15,032	10,429
Income taxes for the period	0	0	0	0	0	0	(581)	(139)	(581)	(139)
NET PROFIT FOR THE PERIOD	24,930	21,833	433	379	(111)	(130)	(10,801)	(11,792)	14,451	10,290
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	24,930	21,833	433	379	(111)	(130)	(10,801)	(11,792)	14,451	10,290

BALANCE SHEET	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
- Investment property	2,091,707	2,231,246	0	0	0	0	0	0	2,091,707	2,231,246
- Assets under construction	45,179	44,182	0	0	0	0	0	0	45,179	44,182
Intangible assets	6,453	7,526	1,007	1,007	0	0	408	93	7,868	8,626
Other tangible assets	1,821	1,603	6	149	0	0	7,117	7,349	8,944	9,101
- Sundry receivables and other non current assets	0	0	0	0	0	0	126	129	126	129
- Equity investments	27	0	0	0	0	0	25,738	99	25,765	99
NWC	(5,382)	(2,223)	1,040	2,223	35,435	32,434	0	0	31,093	32,434
Funds	(5,964)	(5,677)	(1,929)	(1,655)	(12)	9	0	0	(7,905)	(7,323)
Sundry payables and other non current liabilities	(13,951)	(18,290)	0	886	(5,918)	(5,919)	0	0	(19,869)	(23,323)
Net deferred tax assets/liabilities	(15,610)	(13,207)	0	0	2,562	2,562	0	0	(13,048)	(10,645)
Total use of funds	2,104,280	2,245,160	124	2,610	32,067	29,086	33,389	7,670	2,169,860	2,284,526
Total shareholders' equity	1,158,012	1,096,800	(923)	238	33,013	29,282	0	0	1,190,102	1,126,320
Net (assets)/liabilities for derivative instruments	3,424	12,827	0	0	0	0	0	0	3,424	12,827
Net debt	942,844	1,135,533	1,047	2,372	(946)	(196)	33,389	7,670	976,334	1,145,379
Total sources	2,104,280	2,245,160	124	2,610	32,067	29,086	33,389	7,670	2,169,860	2,284,526

REVENUES FROM FREEHOLD PROPERTIES	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	NORTH		CENTER-SOUTH-ISLANDS		ABROAD		TOTAL	
LEASE AND RENTAL INCOME	17,638	18,375	10,902	12,662	2,266	2,038	30,806	33,075
ONE-OFF REVENUES	10	0	2	0	0	0	12	0
TEMPORARY REVENUES	535	210	281	170	0	0	816	380
OTHER RENTAL INCOME	0	0	0	134	7	2	7	136
TOTAL	18,183	18,585	11,185	12,966	2,273	2,040	31,641	33,591

2.8 // Certification of the interim management statement pursuant to Art.154-bis (2) of Legislative Decree 58/98

The financial reporting officer of IGD SIIQ SpA, hereby declares, in accordance with Art. 154-bis (2) of Legislative Decree 58/98 that the figures in the Interim Financial Report Statement at 31 March 2022 correspond to the company's records, ledgers and accounting entries.

Bologna, 5 May 2022

Carlo Barban
Financial Reporting Officer