PRESS RELEASE

RESULTS FOR 1ST QUARTER 2023

- **Excellent operating performances: retailers' sales +12.7%; footfalls +9.4% (vs 1Q2022)**
- **Net rental income: €29.1 million (+4.9% LFL)**
- **FFO: €15.8 million (-5.6%)**
- **Loan-to-Value: 45.3%**

Bologna, 4 May 2023 Today the Board of Directors of **IGD - Immobiliare Grande Distribuzione SIIQ S.p.A. ("IGD"** or the **"Company")** examined and approved **the interim financial report as at 31 March 2023** during a meeting chaired by Rossella Saoncella.

Message from the Chief Executive Officer, Claudio Albertini

"Despite challenging external conditions, the good results confirm that IGD's shopping center model continues to be resilient and attractive. The performances of our assets show a positive trend and further improvement in footfalls and retailers' sales, with double-digit growth in almost all categories of merchandise.

In addition to the continuous work on asset management as per the Plan's strategic guidelines, in the last few months we focused our efforts on refinancing maturities, through the first half of 2024, which we expect to finalize soon" Claudio Albertini, IGD's Chief Executive Officer stated.

OPERATING PERFORMANCES

Italy

Despite what continued to be challenging external conditions, characterized by persistently high inflation and interest rates, as well as the conflict between Russia and Ukraine and the relative macroeconomic repercussions, in the first quarter of 2023 the Italian malls posted excellent operating performances: footfalls rose 9.4% against the first quarter of 2022 and the increase in retailers' sales was even higher, reaching 12.7%. There was significant, double-digit growth against 2022 in all the different categories of merchandise with the sole exception of electronics (-5.2%) in the wake of the particularly positive performances posted in 2021 and 2022. More in detail, excellent performances were posted by restaurants (+25.4%) and services (+10.1%), the categories hit the hardest by the pandemic in the last two years. A good performance (5.2% higher than in the first quarter of 2022) was also recorded by the Group's hypermarkets and supermarkets, which continue to act as anchor tenants for the shopping centers.

Occupancy continued to be high, reaching 95.3% at 31 March 2023, an increase of 52 bps compared to 31 March 2022 and down slightly (39 bps) with respect to 31 December 2022, due to a few strategic vacancies which are currently being remarketed.

Commercial activity continued in the first 3 months of the year: a total of **54 leases** were signed (2.4% of the Group's total rent) comprising renewals (39) and turnover (15). There was a downside of 4.5% (the figure updated in light of negotiations currently underway comes to -2.2%) on contracts that in 2022 increased by approximately 9% due to indexation.

Rent collection reached roughly 90% in the first quarter of 2023.

Romania

Occupancy was **97%,** an increase of 291 bps compared to 31 March 2022, but 101 bps lower than at 31 December 2022. The decrease against year-end 2022 is due primarily to three exits, amounting to around 1,200 square meters, at the Buzau, Turda and Alexandria centers. Pre-letting is, however, already at an advanced stage.

Commercial activity continued in the quarter and 180 leases were signed comprising renewals (112) and turnover (68), at rents which were largely stable.

Rent collection reached roughly 90% in the first quarter of 2023.

ECONOMIC-FINANCIAL RESULTS

Rental income came to €34.7 million, an increase of 2.3% compared to the same period of the prior year**.** More in detail, the increase in Italy is explained by the positive impact of leasing activities and adjustments for inflation (+€1.9 million for malls and +€0.3 million for hypermarkets), partially offset by temporary discounts by around €0.4 million and a slight increase in vacancies in the reporting period. Revenues for temporary spaces were higher (€0.1 mn). Romania made a positive contribution of +4.4% attributable to indexing and lower temporary discounts.

Core business Ebitda rose +2.5% to €26.8 million, with an EBITDA margin of 73.2%. The freehold margin (relative to freehold properties) reached 75.5%.

Financial charges amounted to €9.2 million which, net of the accounting impact of IFRS 16 and non-recurring expenses, were 22% higher than in the same period of the prior year. The change stems mainly from higher costs linked to the €215 million green loan and a new €20.9 mn loan, guaranteed by SACE, with higher interest rates compared to the average rates recorded in the previous years.

Funds from Operations (FFO) amounted to €15.8 million, down slightly (-5.6%) compared to 31 March 2022 due to the increase in financial charges described above.

ASSET MANAGEMENT

Investments amounted to around €4.5 million in 1Q2023, explained mainly by capex in Italy (€3.1 mn). The remainder was invested in the Porta a Mare project and capex in Romania.

Work continued on the Officine Storiche section of the mixed-use Porta a Mare project in Livorno which is expected to be inaugurated in September 2023: 16,000 square meters of retail space has already been almost entirely pre-let. In the first quarter 8 residential units were also sold with a cash-in for IGD of around €4.2 million and 7 binding offers are waiting to be closed. Out of a total of 42 units, only 10 have yet to be sold.

Work will begin shortly on the complete restyling of the mall, façade and parking at Centro Leonardo in Imola.

A PORTFOLIO IN CONTINOUS EVOLUTION: THE CASE STUDIES, PUNTADIFERRO AND TIBURTINO

The excellent performances recorded in the first quarter include two standouts, the Puntadiferro center in Forlì and Tiburtino in Rome, both subject to an effective review of the merchandising and tenant mix in 2022 which can now be seen in the results.

At Puntadiferro it became necessary to revisit the merchandising and tenant mix including due to the extensive development of the surrounding area where a retail park, with an offering which complements the center's, will be inaugurated. IGD worked to remodel the food court in the mall (with the introduction of healthy and traditional food purveyors), update the merchandising mix with higher profile and more attractive brands, as well as increase the availability of personal services. At 31 March 2023 the occupancy was very high at around 97% (it was around 85% at year-end 2021) and the center recorded excellent operating performances with footfalls and retailers' sales up 11.7% and 10.4%, respectively, compared to the first 3 months of 2022 (partial feedback as a few stores just opened).

The hypermarket at the Tiburtino center was remodeled which led to the expansion of the mall and a revision of the merchandising and tenant mix in order to make the center more attractive and competitive. The offering of the food court was expanded, as was the "home care" category, and well known domestic and international brands were added. As a result of all of this the center's occupancy at 31 March 2023 was very high, coming in at around 97.3% compared to 89.1% at year-end 2021 (including vacant spaces created as a result of the remodeling of the hypermarket), and, above all, excellent operating results were recorded with footfalls and retailers' sales up 15.3% and 19.3%, respectively, compared to the first 3 months of 2022.

FINANCIAL STRUCTURE

The **average cost of debt reached 3.18% at the end of March 2023**, due mainly to the two loans closed in the second half of 2022 at a cost which was higher than IGD's average cost of debt in 2022. **The interest cover ratio** or ICR **came to 3.0x.**

The net financial debt came to €966.34 million, approximately €11 million lower than at year-end 2022 due to the cash flow generated in the first quarter of 2023. The **Loan-to-Value was also lower at 45.3%.**

The current goal for financial management is to finalize a **loan of between €225 and €250 million with a pool of banks** which will be used to refinance the maturities through first half 2024.
The next sizeable maturity to refinance will be the €400 million bond which expires in November 2024.

DIVIDEND

As disclosed on 23 February 2023, the proposed dividend (as subsequently approved by the Annual General Meeting held on 13 April) is equal to **€0.30 per share** (total dividend to be distributed amounts to €33.1 mn) which represents a payout ratio on the year-end 2022 FFO of 49.3%.
The shares will go ex-div on 8 May 2023 (detachment of coupon n. 6) and the dividend will be payable as from 10 May 2023. In accordance with Art. 83- quater of Legislative Decree n.58 of 24 February 1998, the shareholders of IGD at 9 May 2023 (record date) will be entitled to receive the dividend.

Operating income statement at 31 March 2023

GROUP CONSOLIDATED	(a) 1Q_2022	(c) 1Q_2023	Δ (c)/(a)
Revenues from freehold rental activities	31.6	32.5	2.6%
Revenues from leasehold rental activities	2.3	2.2	-1.9%
Total income from rental activities	**33.9**	**34.7**	**2.3%**
Rents and payable leases	0.0	0.0	1.4%
Direct costs from rental activities	-5.2	-5.6	7.6%
Net rental income	**28.7**	**29.1**	**1.3%**
Revenues from services	1.8	1.9	6.7%
Direct costs from services	-1.3	-1.4	3.1%
Net services income	**0.4**	**0.5**	**17.2%**
HQ Personnel expenses	-1.9	-1.9	1.1%
G&A expenses	-1.1	-0.9	-20.3%
CORE BUSINESS EBITDA (Operating income)	**26.1**	**26.8**	**2.5%**
Core business Ebitda Margin	*73.2%*	*73.2%*	
Revenues from trading	0.0	4.2	n.a.
Cost of sale and other costs from trading	-0.1	-4.3	n.a.
Operating result from trading	**-0.1**	**-0.1**	**-22.5%**
EBITDA	**26.0**	**26.7**	**2.6%**
Ebitda Margin	*72.9%*	*65.5%*	
Impairment and Fair Value adjustments	-3.5	-2.0	-42.1%
Depreciation and provisions	-0.3	-0.3	-6.9%
EBIT	**22.2**	**24.4**	**9.8%**
FINANCIAL MANAGEMENT	-7.6	-9.2	20.9%
EXTRAORDINARY MANAGEMENT	0.4	0.0	-100.0%
PRE-TAX RESULTS	**15.0**	**15.2**	**1.2%**
Taxes	-0.6	-0.4	-30.7%
NET RESULT OF THE PERIOD	**14.5**	**14.8**	**2.4%**
(Profit/Loss) for the period related to third parties	0.0	0.0	n.a.
GROUP NET RESULT	**14.5**	**14.8**	**2.4%**

N.B.: Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements.

"Carlo Barban, IGD S.p.A.'s Financial Reporting Officer, declares pursuant to para. 2, article 154-bis of Legislative Decree n. 58/1998 ("Testo Unico della Finanza" or TUF) that the information reported in this press release corresponds to the underlying records, ledgers and accounting entries".

Please note that in addition to the standard financial indicators provided for as per the IFRS, alternative performance indicators are also provided (for example, EBITDA) in order to allow for a better evaluation of the operating performance. These indicators are calculated in accordance with standard market procedures.

↗↗↗

IGD - Immobiliare Grande Distribuzione SIIQ S.p.A.

Immobiliare Grande Distribuzione SIIQ S.p.A. is one of the main players in Italy's retail real estate market: it develops and manages shopping centers throughout the country and has a significant presence in Romanian retail distribution. Listed on the Star Segment of the Italian Stock Exchange, IGD was the first SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) in Italy. IGD has a real estate portfolio valued at circa €2,080,9 million at 31 December 2022, comprised of, in Italy, 19 hypermarkets and supermarkets, 27 shopping malls and retail parks, 1 plot of land for development, 1 property held for trading and 6 other real estate properties. Following the acquisition of the company Winmark Magazine SA in 2008 14 shopping centers and an office building, found in 13 different Romanian cities, were added to the portfolio. An extensive domestic presence, a solid financial structure, the ability to plan, monitor and manage all phases of a center's life cycle, leadership in the retail real estate sector: these qualities summarize IGD's strong points.
www.gruppoigd.it

↗ **CONTACTS INVESTOR RELATIONS**

CLAUDIA CONTARINI
Investor Relations
+39 051 509213
claudia.contarini@gruppoigd.it

↗ **CONTACTS MEDIA RELATIONS**

IMAGE BUILDING
Cristina Fossati,
+39 02 89011300
igd@imagebuilding.it

The press release is also available on the website www.gruppoigd.it, in the Investor Relations section, and on the website www.imagebuilding.it, in the Press Room section.

↗↗↗

Please find attached the income statement, statement of financial position, statement of cash flows, and consolidated net financial position at 31 March 2023[1]

[1] The Interim Financial Report and the consolidated financial statements at 31 March 2023 of Gruppo Immobiliare Grande Distribuzione are unaudited.

Consolidated income statement at 31 March 2023

(in thousands of Euros)	3/31/2023 (A)	3/31/2022 (B)	Change (A)-(B)
Revenue	**34,684**	**33,910**	**774**
Revenues from third parties	28,413	26,403	2,010
Revenues from related parties	6,271	7,507	(1,236)
Other revenue	**2,222**	**1,787**	**435**
Other revenues from third parties	1,348	1,073	275
Other revenues from related parties	874	714	160
Revenues from property sales	**4,190**	**0**	**4,190**
Operating revenues	**41,096**	**35,697**	**5,399**
Change in inventory	(3,821)	286	(4,107)
Revenues and change in inventory	**37,275**	**35,983**	**1,292**
Construction costs for the period	(272)	(286)	14
Service costs	(4,629)	(4,046)	(583)
Service costs from third parties	(3,160)	(3,096)	(64)
Service costs from related parties	(1,469)	(950)	(519)
Cost of labour	(2,769)	(2,616)	(153)
Other operating costs	(2,387)	(2,404)	17
Total operating costs	**(10,057)**	**(9,352)**	**(705)**
Depreciations, amortization and provisions	(636)	(344)	(292)
Provisions for doubtful accounts	(189)	(600)	411
Change in fair value	(2,029)	(3,507)	1,478
Depreciation, amortization, provisions, impairment and change i	**(2,854)**	**(4,451)**	**1,597**
EBIT	**24,364**	**22,180**	**2,184**
Income/ (loss) from equity investments and asset disposal	**0**	**427**	**(427)**
Financial Income	**64**	**66**	**(2)**
Financial income from third parties	64	66	(2)
Financial charges	**(9,221)**	**(7,641)**	**(1,580)**
Financial charges from third parties	(9,093)	(7,608)	(1,485)
Financial charges from related parties	(128)	(33)	(95)
Net financial income (expense)	**(9,157)**	**(7,575)**	**(1,582)**
Pre-tax profit	**15,207**	**15,032**	**175**
Income taxes	(403)	(581)	178
NET PROFIT FOR THE PERIOD	**14,804**	**14,451**	**353**
Non-controlling interests in (profit)/loss for the period	0	0	0
Profit/(loss) for the period attributable to the Parent Company	**14,804**	**14,451**	**353**

Consolidated statement of financial position at 31 March 2023

(in thousands of Euros)	3/31/2023 (A)	12/31/2022 (B)	Change (A)-(B)
NON CURRENT ASSETS:			
Intangible assets			
Intangible assets with finite useful lives	863	796	67
Goodwill	6,960	7,085	(125)
	7,823	**7,881**	**(58)**
Property, plant, and equipment			
Investment property	2,040,137	2,041,330	(1,193)
Buildings	6,938	6,998	(60)
Plant and machinery	84	86	(2)
Equipment and other goods	2,232	2,340	(108)
Assets under construction and advance payments	40,284	36,662	3,622
	2,089,675	**2,087,416**	**2,259**
Other non-current assets			
Deferred tax assets	2,780	2,537	243
Sundry receivables and other non-current assets	123	121	2
Equity investments	25,765	25,765	0
Non-current financial assets	176	174	2
	34,287	**34,911**	**(624)**
TOTAL NON-CURRENT ASSETS (A)	**2,131,785**	**2,130,208**	**1,577**
CURRENT ASSETS:			
Work in progress inventory and advances	25,476	29,297	(3,821)
Trade and other receivables	13,600	15,212	(1,612)
Related party trade and other receivables	1,590	1,242	348
Other current assets	8,056	7,748	308
Cash and cash equivalents	17,973	27,069	(9,096)
TOTAL CURRENT ASSETS (B)	**66,695**	**80,568**	**(13,873)**
TOTAL ASSETS (A + B)	**2,198,480**	**2,210,776**	**(12,296)**
NET EQUITY:			
Share capital	650,000	650,000	0
Other reserves	476,734	477,948	(1,214)
Group profit (loss) carried forward	(6,148)	16,167	(22,315)
Group profit	14,804	(22,315)	37,119
Total Group net equity	**1,135,390**	**1,121,800**	**13,590**
Capital and reserves of non-controlling interests	0	0	0
TOTAL NET EQUITY (D)	**1,135,390**	**1,121,800**	**13,590**
NON-CURRENT LIABILITIES:			
Derivatives - liabilities	597	199	398
Non-current financial liabilities	803,723	905,350	(101,627)
Provisions for employee severance indemnities	2,778	2,756	22
Deferred tax liabilities	16,648	16,636	12
Provisions for risks and future charges	5,327	4,644	683
Sundry payables and other non-current liabilities	9,451	9,387	64
Related parties sundry payables and other non-current liabilities	10,453	10,441	12
TOTAL NON-CURRENT LIABILITIES (E)	**848,977**	**949,413**	**(100,436)**
CURRENT LIABILITIES:			
Current financial liabilities	180,763	98,834	81,929
Trade and other payables	13,809	22,746	(8,937)
Related parties trade and other payables	2,176	1,845	331
Current tax liabilities	3,657	1,975	1,682
Other current liabilities	13,708	14,163	(455)
TOTAL CURRENT LIABILITIES (F)	**214,113**	**139,563**	**74,550**
TOTAL LAIBILITIES (H=E+F)	**1,063,090**	**1,088,976**	**(25,886)**
TOTAL NET EQUITY AND LIABILITIES (D+H)	**2,198,480**	**2,210,776**	**(12,296)**

Consolidated statement of cash flows at 31 March 2023

(In thousands of Euros)	3/31/2023	31/03/2022
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit (loss) of the year	**14,804**	**14,451**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities		
Taxes of the year	403	581
Financial charges / (income)	9,157	7,575
Depreciation and amortization	636	180
Writedown of receivables	189	600
Changes in fair value - increases / (decreases)	2,029	3,507
Gains/losses from disposal - equity investments	0	(427)
Changes in provisions for employees and end of mandate treatment	312	271
CASH FLOW FROM OPERATING ACTIVITIES:	**27,530**	**26,738**
Financial charge paid	(6,256)	(3,420)
Income tax	(193)	(198)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX:	**21,081**	**23,120**
Change in inventory	3,821	(286)
Change in trade receivables	1,075	(1,242)
Net change in other assets	(553)	779
Change in trade payables	(8,606)	(6,587)
Net change in other liabilities	1,295	1,099
CASH FLOW FROM OPERATING ACTIVITIES (A)	**18,113**	**16,883**
(Investments) in intangible assets	(145)	(109)
Disposals of intangible assets	0	0
(Investments) in tangible assets	(4,457)	(3,178)
Disposals of tangible assets	0	0
(Investments) in equity interests	0	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	**(4,602)**	**(3,287)**
Rents paid for financial leases	(2,097)	(1,963)
Loans repayments and other financing activities	(20,503)	(5,491)
CASH FLOW FROM FINANCING ACTIVITIES (C)	**(22,600)**	**(7,454)**
Exchange rate differences on cash and cash equivalents (D)	(7)	1
NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)	**(9,096)**	**6,143**
CASH BALANCE AT BEGINNING OF THE PERIOD	**27,069**	**158,080**
CASH BALANCE AT END OF THE PERIOD	**17,973**	**164,223**

Consolidated net financial position at 31 March 2023

(In thousands of Euros)	3/31/2023	12/31/2022	Change
Cash and cash equivalents	(17,973)	(27,069)	9,096
LIQUIDITY	**(17,973)**	**(27,069)**	**9,096**
Mortgage loans - current portion	69,819	76,348	(6,529)
Leasing - current portion	7,655	7,674	(19)
Bond loans - current portion	103,287	1,812	101,475
CURRENT DEBT	**180,761**	**98,834**	**81,927**
CURRENT NET DEBT	**162,788**	**71,765**	**91,023**
Non-current financial assets	(174)	(174)	0
Leasing - non-current portion	21,499	23,370	(1,871)
Non-current financial liabilities	386,355	386,757	(402)
Bond loans	395,869	495,223	(99,354)
NON-CURRENT NET DEBT	**803,549**	**905,176**	**(101,627)**
NET DEBT	**966,337**	**976,941**	**(10,604)**