

PRESS RELEASE

IGD PRESENTS THE NEW 2025-2027 BUSINESS PLAN "COMMITTED TO CHANGE"

- **The primary objective of the new Business Plan is to embark on a growth path with a return to consistent and sustainable dividend distribution**
- **Main economic and financial targets as of 2027:**
 - **Net Rental Income: like for like increase ~ +16%¹ (vs. 2024E)**
 - **Core business Ebitda: ~ €98 million¹ (organic growth of ~ +16% vs. 2024E)**
 - **Funds From Operations: ~ € 48 million (~ +41% vs. ~ €34 million 2024E)**
- **The Company intends to improve the main financial KPIs, maintaining an investment grade profile, recently confirmed, and bringing Loan to Value to around 40% at year-end 2027**

Bologna, 21 November 2024 – Yesterday evening, in a meeting chaired by Antonio Rizzi, the Board of Directors of IGD - Immobiliare Grande Distribuzione SIIQ S.p.A. ("IGD" or the "Company") examined and approved the 2025-2027 Business Plan.

"Today we are presenting the 2025-2027 Business Plan, which builds on a solid foundation of recent improvements and actions that have streamlined our operations, to which the change in governance and the subsequent organizational adjustments also contributed. The activities undertaken to optimize our financial profile are also well underway and we expect to see positive results in the next few months" **Roberto Zoia, IGD's Chief Executive Officers stated.** *"The new Plan, which focuses on growth and a return to dividend distribution, is the result of the work of a strong team that is devoting its best efforts and skills to achieving the set targets and bringing operational and financial performance to best-in-class levels in the industry. I am confident, and I speak on behalf of the entire Board of Directors, that we will be able to handle challenges in our favour, that have recently weighed on our results as well as on our stock performance. We will embark on a growth path to return to fully express the value that IGD can generate."*

¹ Taking into account the impact of planned disposal of non-core assets and the conclusion of 2 masterleases.

PRIORITIES IN THE 2025-2027 BUSINESS PLAN:

1. Optimize the Group's financial profile and reduce costs;
2. Maximize value creation from core business activities;
3. Enhance attractiveness of IGD portfolio through targeted and ESG compliant investments.

1. OPTIMIZE THE GROUP'S FINANCIAL PROFILE AND REDUCE COSTS

The first line of action **IGD intends to take is to redefine** the Group's **financial profile, eliminating the current concentration of maturities** in 2027 and extending debt duration.

More in detail, given the sizable portfolio of unencumbered assets (€1.1 billion as of 30 September 2024) the Company is focusing on **one or more refinancing transactions with a pool of banks**, with whom the discussions are already at an advanced stage; the resources gathered will make it possible to **repay the two bonds currently outstanding²**, which have burdensome contractual terms and clauses.

The Company will also continue to monitor the debt capital markets to take advantage of any additional, beneficial opportunities that may arise, leveraging also on the Investment Grade profile that it recently confirmed and intends to maintain.

IGD will work to lower costs and improve the main KPIs, focusing particularly on reducing financial leverage, thanks also to the disposals called for over the timespan of the plan.

The Plan, in fact, includes **around €100 million in disposals of non-core assets which will be used entirely to reduce the Group's financial leverage**.

The disposal targets include:

- Assets in Romania for around €70 million³; this disposal would also reduce operating and structural costs related to the branch company
- 3 prestigious areas still to be developed (with planning in the authorization phase) included in the Porta a Mare project in Livorno for approximately € 20 million; areas which currently are not generating revenue for the Group
- Other minor non-core assets for around € 10 million; these assets have reduced margins and lend themselves to a possible change in intended use.

The Loan to Value at year-end 2027 is, therefore, expected to improve, reaching approximately 40% (compared to 44.8% as of 30 September 2024).

² Bond "€310,006,000 Fixed Rate Step Up Notes due 17th May 2027" (outstanding amount €220,006,000); Bond "€57,816,000 Fixed Rate Step Up Notes due 17th May 2027, formerly the €400,000,000 Rate Notes due 28th November 2024" (outstanding amount €57,816,000)

³ The remainder of the Romanian portfolio could be sold after the Plan timespan.

2. MAXIMIZE VALUE CREATION FROM CORE BUSINESS ACTIVITIES

IGD aims to expand the landlord-tenant relationship, with a view to innovation, for the entire duration of the contract, going beyond the mere contractual approach of renting space and offering a true “IGD shopping center ecosystem”.

The relationship with the tenants will be increasingly focused on building a long-term partnership characterized by greater contract flexibility and a tailor-made approach for tenants and locations, enriching contracts with high value-added property services, as well as digital and communication tools.

From a commercial standpoint, the priority will continue to be the inclusion of new traffic-generator brands and the ongoing adjustment of the merchandising mix, finding new merchandise segments and testing new formats (through pop ups or temporary stores), with a view to enriching the shopping experience to increase the reference catchment area. A few, less attractive areas which can be transformed into services for shopping centers and tenants, in order to maximize occupancy and further enhance the portfolio, have also been identified.

Over the next three years IGD will focus on improving its operating performance, specifically occupancy and the average contract duration (expressed by the KPIs WALB⁴ and WALT⁵).

By 2027 the Company intends to bring average occupancy of the Italian and Romanian malls, net asset disposals, to 98% and 99%, respectively. The Company also intends to bring the average WALB to 2.5 years and the average WALT to around 4.2 years for the Italian malls by 2027; the WALB for the Romanian portfolio is expected to reach 3 years by 2027, while the WALT should be around 5.4 years.

A new **Services business unit dedicated to the management of third-party assets** was also created. This is a non-capital-intensive business that IGD has been involved in for years, but which intends to strengthen significantly. The Company intends to position itself in the retail real estate market **as the reference point for asset management and other advanced services**, with the vision of a property company that aims to maintain assets as functional and flexible as possible in order to preserve their value over time.

The objective over the timespan of the Plan is to increase the network of assets under management, with the possibility of capturing new opportunities and generating an annual margin of around € 2 million.

All of the actions above will have a positive impact on the main economic KPIs and contribute to reaching the Plan's 2027 targets:

- **An increase in net rental income like for like (by 2027) of around +16%**, compared to 2024E; all of this thanks also to a new organization which calls for greater regional leverage and direct management of the assets
- **Core business Ebitda 2027: ~ € 98 million** (organic growth up ~+16% compared to 2024E)
- **Funds from Operations 2027: ~ € 48 million** (~ +41% vs €34 million 2024E)

⁴ Weighted Average Lease Break: remaining lease term until the tenants' break option

⁵ Weighted Average Lease Term: weighted average time left on a property lease

3. ENHANCE ATTRACTIVENESS OF IGD PORTFOLIO THROUGH TARGETED AND ESG COMPLIANT INVESTMENTS

The investments in the pipeline, for a total of around € 50 million, focus on increasing the attractiveness of the portfolio and reducing its environmental impact.

More in detail, investments over the timespan of the plan, include:

- **~ € 16 million to support the transformation of the shopping centers into innovative ecosystems**, with investments in technology and digitalization, leveraging also on maximum flexibility in the management of spaces through re-sizing, re-modelling and re-shaping to attract tenants.
- **~ € 11 million in ESG-specific investments** to foster energy transition, reduce the portfolio's carbon footprint, and improve visitors' wellbeing, safety and overall experience. The main target for 2027 is to reduce the Scope 1 and 2 CO2 emissions by -40% (baseline 2018) and the Scope 3 emission by -20% (baseline 2021).
- **~ € 23 million in extraordinary maintenance in order to increase the assets' life cycle and resilience.**

All the investments will be location and catchment area specific, envisaging the possibility to change any interventions planned, including based on the results achieved.

The Business Plan presentation is available on the corporate website www.gruppoigd.it, in the Investor Relations section (<http://www.gruppoigd.it/investor-relations/presentazioni/>)

IGD will present the 2025-2027 Business Plan

During a **live video webcast event** on **November 21st, 2024** at **10.00 a.m.** (CET).

To participate remotely, please connect using the following link <https://us06web.zoom.us/j/88174741200>

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

Immobiliare Grande Distribuzione SIIQ S.p.A. is a key player in Italy's retail real estate sector: IGD owns a rich portfolio of shopping centers located throughout Italy which are managed by in-house asset, property, facility and leasing management divisions. IGD also acts as a service provider, managing portfolios of institutional third parties. An extensive domestic presence, a solid financial structure, the ability to plan, monitor and manage all phases of a center's life cycle, both freehold and leasehold, as well as ongoing investments in retail and technology innovation, ensure IGD's position as a point of reference in the retail real estate sector.

The Company, listed on Borsa Italiana's STAR segment, was the first SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) in Italy. IGD's freehold portfolio, valued at more than €1,697 million at 30 June 2024, includes 8 hypermarkets and supermarkets, 25 shopping malls and retail parks in Italy and a portfolio of shopping centers in 13 Romanian cities which are managed directly based on the same model used in Italy.

The Company also holds 40% of two real estate funds which are comprised of 13 hypermarkets, 4 supermarkets and 2 shopping malls for which IGD manages project, property & facility management activities.

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The press release is available on the corporate website, www.gruppoigd.it, in the Media section.