

Road Show presentation

September 2019



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1. INTRODUCTION TO IGD

4

2. OPERATING DATA

13

3. SUSTAINABILITY

26

4. FY2018 + 1H2019 FINANCIAL RESULTS

31

5. STRATEGIC PLAN 2019-2021

39

6. APPENDIX

66



Introduction to IGD

IGD at a glance

IGD is one of the main players in the Italian retail real estate sector: we develop and manage shopping centres across the country. We are also present in the retail sector in Romania

26 shopping malls in Italy⁽¹⁾

65% of value

25 hyper / supermarkets in Italy

24% of value



c. €2.4bn portfolio value

14 shopping malls in Romania

6% of value

Development & others⁽²⁾

4% of value

Of which full ownership of 16 shopping centres (mall + hypermarket)



5.4% EPRA NIY

5.4% net initial yield topped-up



EPRA NNAV: €1,190M

€10.78/share

#1 Italian Retail SIIQ (REIT)



80.0% EBITDA margin⁽³⁾

+260 bps since 2014 (77.4%)



FFO/share: €0.72/share (FY2018)

23% CAGR over 2014-2018



96.6% financial occupancy

Constantly > 96% since IPO (2005)

Dividend 2018

€ 0.50

(p.s. paid in 2019)



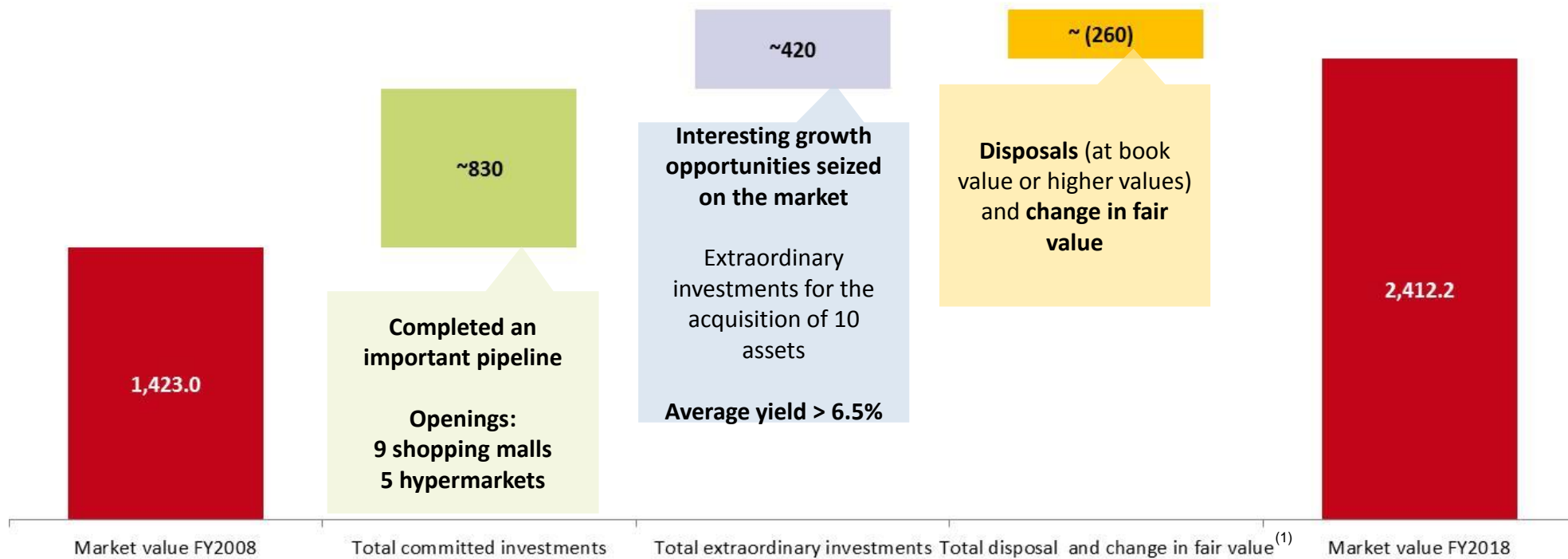
48.2 % LTV

(excl. IFRS16 c. 47%)

Target 2021 < 45%

An intense growth journey to reach a suitable size...

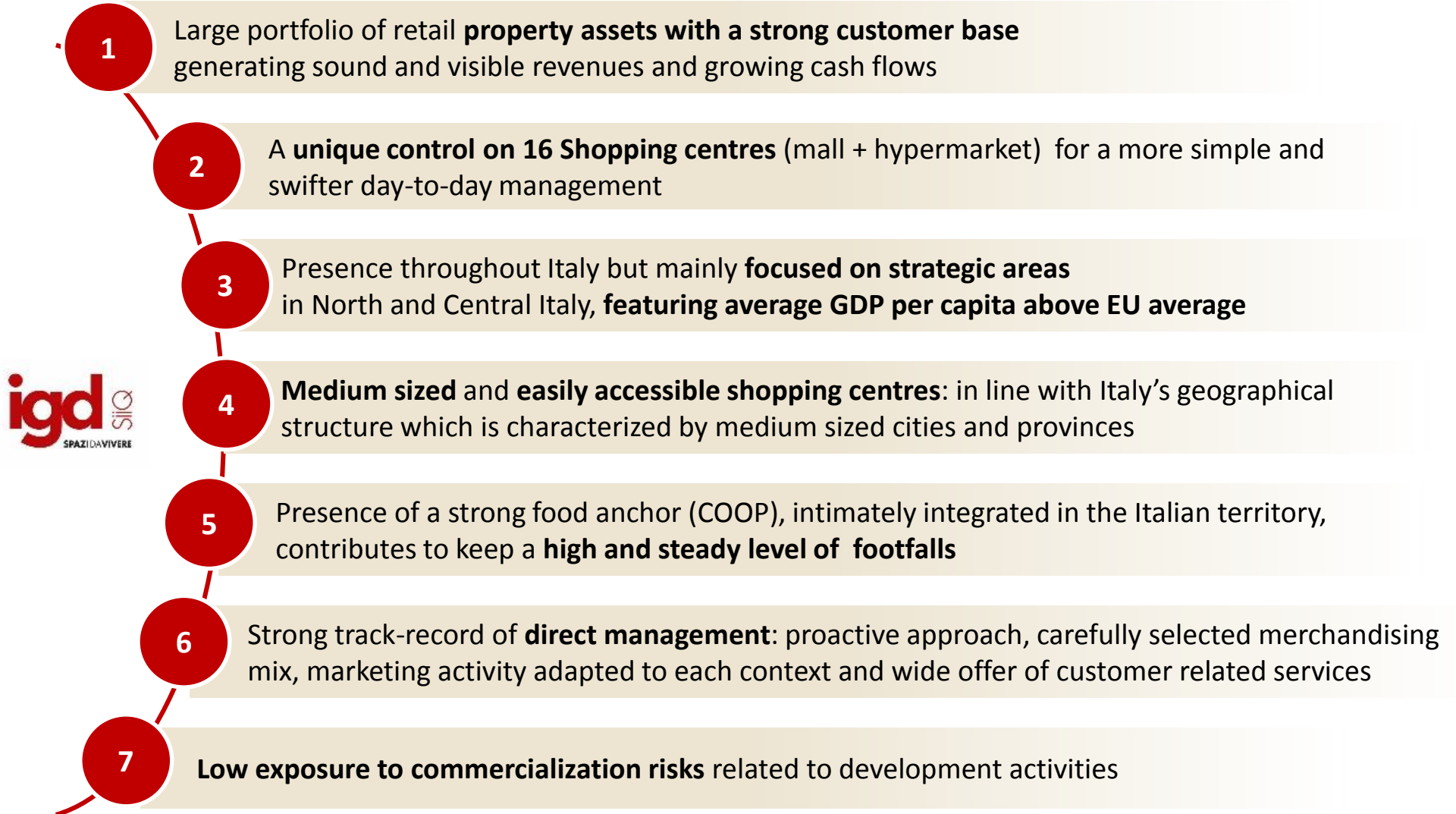
Real estate portfolio market value €mn



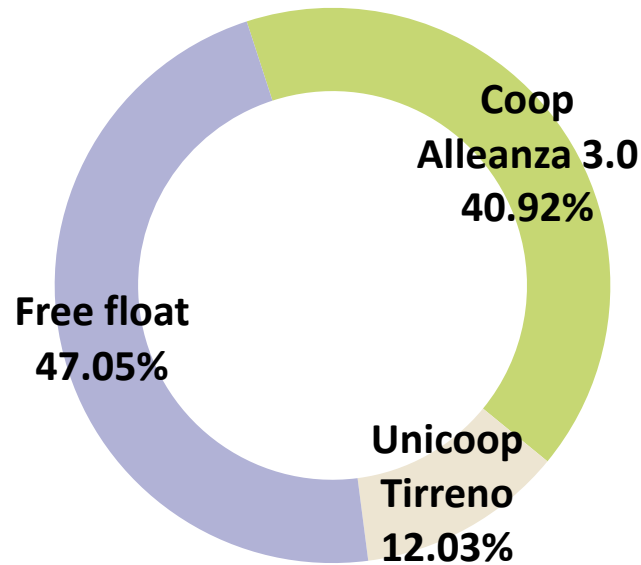
A decade of intense growth to reach an ideal size and leadership in Italy

Our business model

A distinctive **competitive positioning** in the fragmented Italian retail property market



Our shareholding structure



Listed on the Italian Stock Exchange in the STAR segment (“high requirements”)

- Number of *shares*: 110,341,903
- Share *Capital*: about € 750 mn
- Net *Equity*: about 1.2 bn € (30/06/2019)
- Market *Capitalization*: about €700 mn (average market price 01/07/2018-30/06/19)
- Average daily trading: about 147,572 shares (01/07/2018-30/06/19)

Freefloat equal to 47.05%, majority of institutional investors, of which⁽¹⁾

<p>27%</p> <p>US & Canada</p> <p>Black Rock</p> <p>Vanguard</p> <p>.....</p>	<p>27%</p> <p>UK & Ireland</p> <p>GWM</p> <p>Baillie Gifford</p> <p>.....</p>	<p>14%</p> <p>Italy</p> <p>Mediolanum</p> <p>Coop Lombardia</p> <p>Eurizon</p> <p>.....</p>	<p>6%</p> <p>France</p> <p>Lyxor a.m.</p> <p>Aviva</p> <p>.....</p>	<p>7%</p> <p>Luxembourg</p> <p>Netherlands</p> <p>Belgium</p> <p>Lupus Alpha</p> <p>Stichting pension fund..</p>	<p>19%</p> <p>Rest of the World</p> <p>UBS</p> <p>Codan Forsikring</p> <p>Bayern Invest</p> <p>.....</p>
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Key data of the entire Coop world and of our two main Shareholders



	coop Alleanza 3.0 COOP ALLEANZA 3.0	coop Unicoop Tirreno UNICOOP TIRRENO
Revenues	* ~ 4,1 bn €	* ~ 960mn €
N° of stores	~421	~100
Employees	>22,000	3,650
Members	~ 2.2 million	~ 647,000
Deposits from members	~ 3.6 bn €	~ 633 mn €

Coop world key data*:

Turnover ~ **14.7 bn €** (13.6% of italian large scale retail)

No. of stores: ~ **1,200**

Employees ~ **52,000**

Members ~ **6.7 million people**

strategic investments in listed companies:

UnipolSai ASSICURAZIONI UNIPOL GRUPPO FINANZIARIO
(Insurance and banking)

igd IGD SIIQ SPA

* data as at 31/12/2018

- Sources: Coop Alleanza 3.0 and Unicoop Tirreno financial reports, www.e-coop.it and Rapporto COOP 2018
- Coop Alleanza is the merger of Coop Adriatica; Coop Estense; Coop Consumatori Nordest

Governance - *the Board of Directors*

On 1 June 2018 the Shareholders' Meeting appointed the new Board of Directors (in office until the approval of the 2020 full year results)

- Chairman - **CONFIRMED**
- Chief Executive Officer **CONFIRMED FOURTH MANDATE**
- Number of directors further reduced (from 13 to 11)
- Independence - professional competence - international profile as main characteristics
- Specific expertise in the real estate, retail, legal and financial fields



63.6% Independent (7)

36.4% Non Independent (4)



63.6% Male (7)

36.4% Female (4)

Governance - Directors and Committees

IGD's governance has been in line with the criteria of the Self Regulatory Code of Italian Stock Exchange since it was listed. An internal Corporate Governance Code has been in use since 2008.

EXECUTIVE

CHAIRMAN

Elio Gasperoni

CEO

Claudio Albertini

INDEPENDENT

VICE CHAIRMAN

Rossella Saoncella ●

Granarolo

Former General Manager

Eric Jean Veron ●

Vailog - General Manager

Sergio Lugaresi ●

Consultant - ABI, EBA, IMF

Timothy Santini ●

Former Eurocommercial Head of Italian activities

Luca Dondi Dall'Orologio ●●

Nomisma - CEO

Elisabetta Gualandri ●

Università di Modena - Professor

Livia Salvini ●●

Lawyer

Università LUISS di Roma - Professor

NON EXECUTIVE

NON INDEPENDENT

Gian Maria Menabò

Coop Alleanza

Head of Asset Management and Development

Alessia Savino

Unicoop Tirreno

Head of Finance and Asset Management

COMMITTEES:

- Nominations and compensation Committee
- Control and Risks Committee
- Committee for Related Parties Transactions

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Held by the Chairman, including the Internal Audit and Risk Management

Our Top management



ELIO GASPERONI (1953)

Chairman

- ✔ Chairman of IGD's Board since April 2017
- ✔ Vice Chairman of Coop Alleanza
- ✔ Board member of IGD since 2015
- ✔ He has held numerous roles in Public Administrations and Local institutions



CLAUDIO ALBERTINI (1958)

Chief Executive Officer

- ✔ Appointed in May 2009
- ✔ Board member at IGD since 2006
- ✔ More than 20 years of experience with Unipol Group, where he ultimately acts as General Manager of Unipol Merchant
- ✔ Certified financial auditor registered in Bologna



DANIELE CABULI (1958)

Chief Operating Officer

- ✔ More than 20 years of experience in retail distribution
- ✔ Joined IGD in 2008 as Network Management Director and COO since 2009
- ✔ Worked for Coop Adriatica since 1986 with several roles: Head of Projects in the Marketing Division (1989), Head of different geographical areas and Hypermarket Manager (until 2003), Director of Marketing and Commercial Development (from 2003)



ROBERTO ZOIA (1961)

Director of Asset Management and Development

- ✔ Director of Asset Management and Development since 2006
- ✔ Joined GS Carrefour Italia Group in 1999 as Head of Hypermarket and Shopping centre Development
- ✔ In 2005 became Head of Asset Management and Development for Carrefour Italia
- ✔ Previously, Business Manager at Coopsette with responsibility in projects involving mainly shopping centres (since 1986)



ANDREA BONVICINI (1963)

Director of Finance Division

- ✔ Head of the IGD Group's Finance Division since September 2009
- ✔ In July 2012 he was appointed Director of Finance and Treasury Department
- ✔ More than 20 years of professional experience in the world of credit, first in Cooperbanca and, subsequent to 1997, in the Bank of Bologna



RAFFAELE NARDI (1976)

Director of Planning, Control and Investor Relations

- ✔ Head of the division to which 3 different departments report: planning, control and investor relations.
- ✔ Joined IGD in October 2010
- ✔ Formerly head of the Advisory Service of UGF Merchant, bank of the Unipol Financial Group, where he matured more than ten years of professional experience
- ✔ Graduated in Business Economics



CARLO BARBAN (1978)

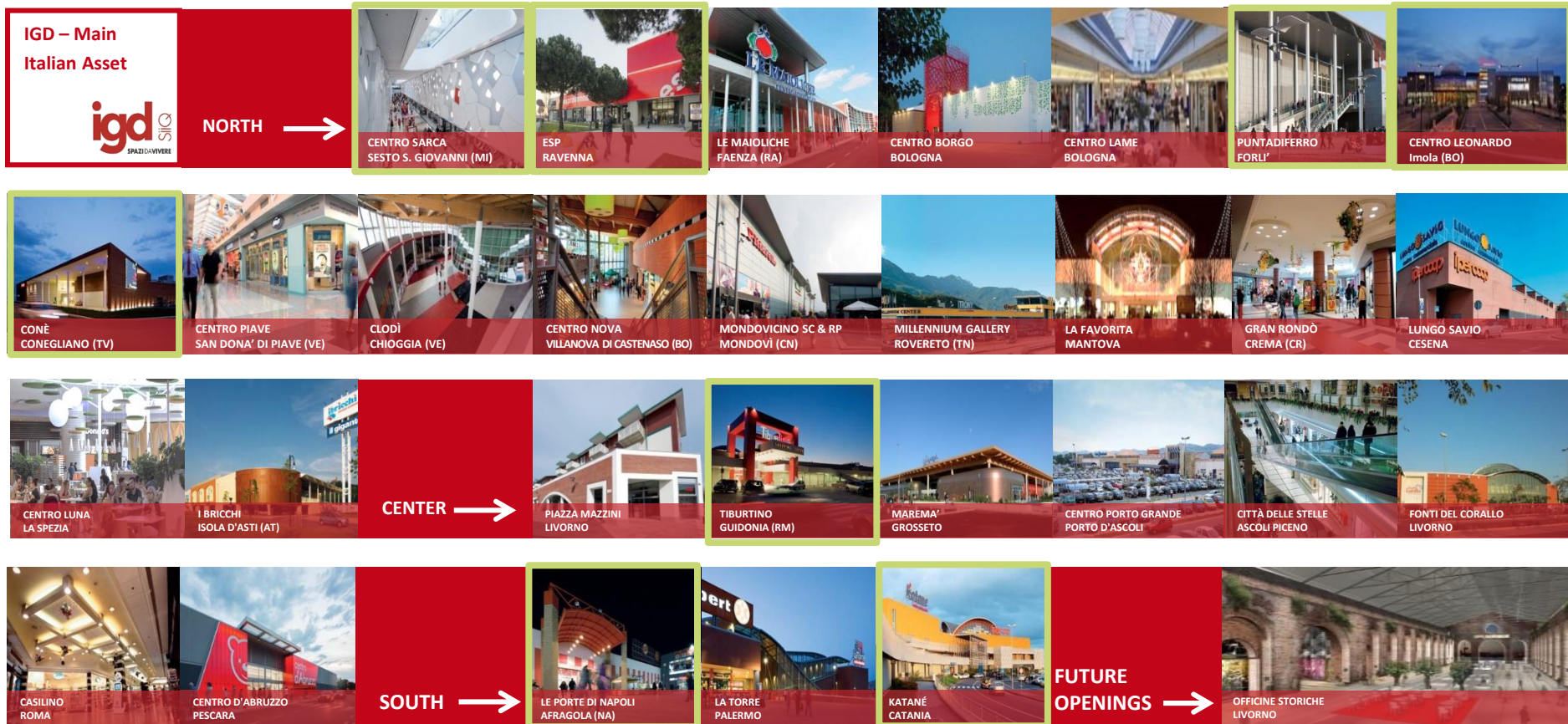
Director of Administration, Legal & Corporate Affairs

- ✔ Director of Administration, Legal & Corporate Affairs since Jan 2019
- ✔ CEO of Winmarkt group in the period Apr 2014 – Dec 2018. Worked in Winmarkt as Operating & Reporting Manager since January 2009 with responsibilities also for administration, planning and control and finance
- ✔ Previously working as a qualified accountant and for international consultancy companies
- ✔ Graduated in Economics and Commerce



Operating data

IGD: a portfolio of high quality assets, dominant in their catchment area...

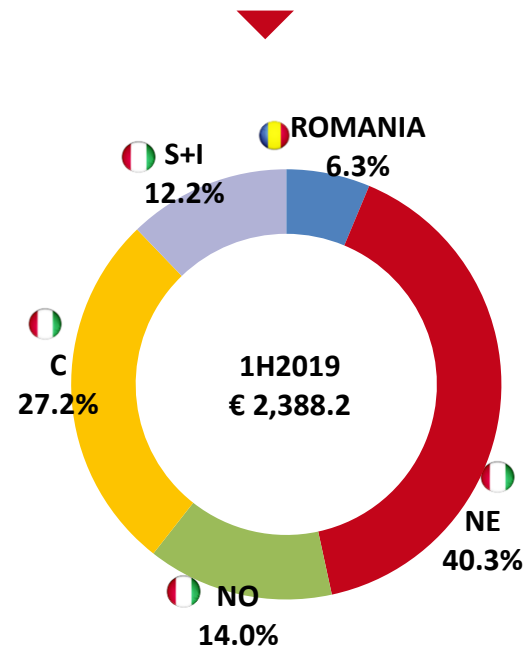


> 75% of the market value of Italian Malls and Hypermarkets dominant ⁽¹⁾ in respective catchment areas

1. Dominant assets: assets that are reference points for the consumers in their catchment area in terms of attractiveness and offer quality
 ■ Key assets malls with > €70mn mkt value

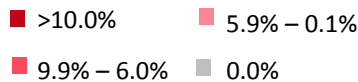
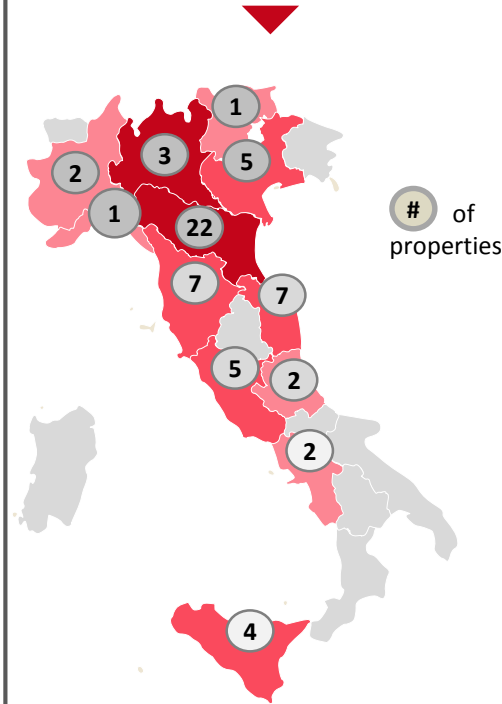
...located in the most attractive Italian regions

>80% of value of italian portfolio concentrate in Northern & Central Italy



Data as at 30/06/2019

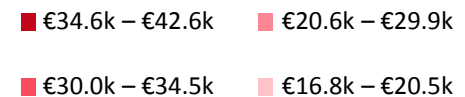
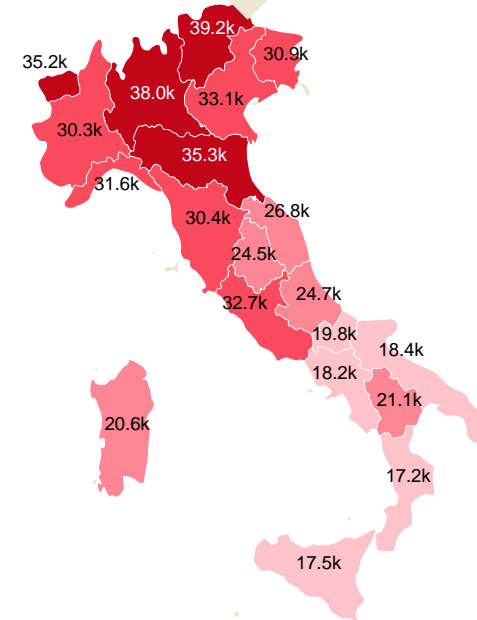
ITALY- 61 properties in 12 regions (93.7% of total IGD market Value)



% of Portfolio Market Value

Data as at 30/06/2019

GDP Per-capita



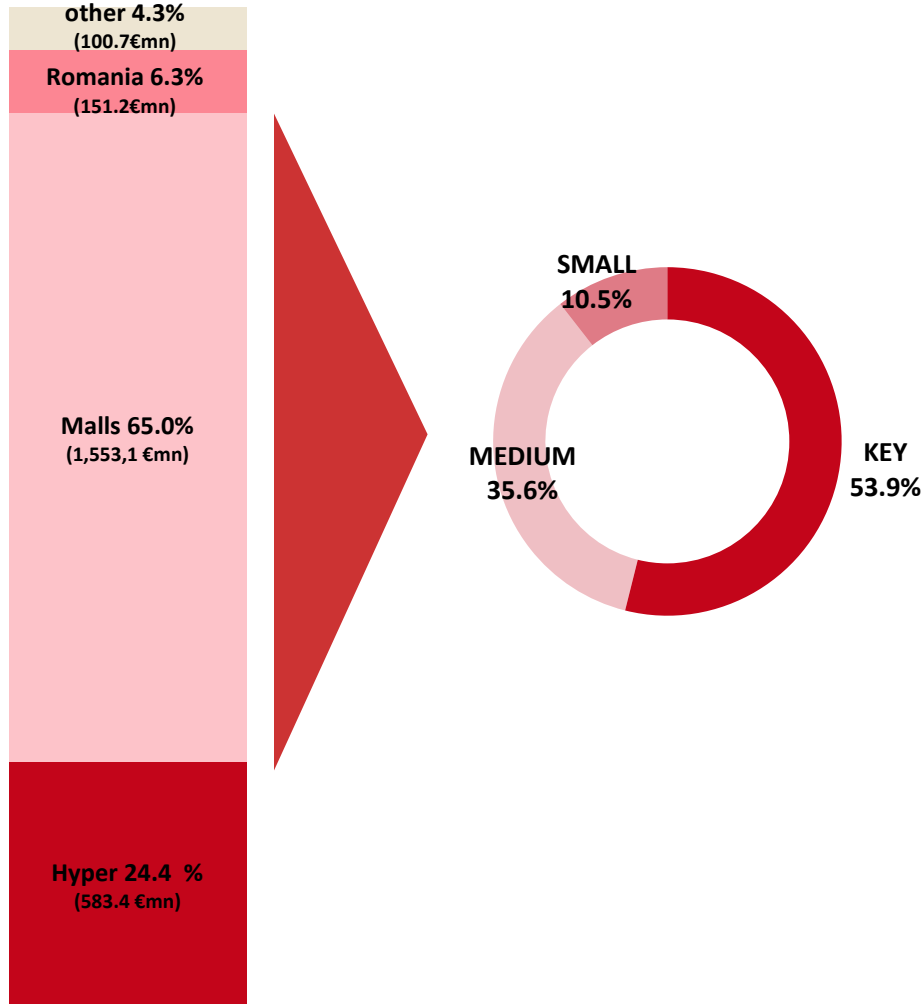
€28,500
Italian average

€29,200
EU average

Data as at 31/12/2017

The main characteristics of our portfolio

€ 2,388.3mn



Total GLA (Ita) 665,000 m² (market share c. 4%)

A young portfolio: old on average 7 years (since opening or last restyling)

Full ownership of 16 Shopping centres (mall+hyper) in Italy (63.2% of Italy core market value)

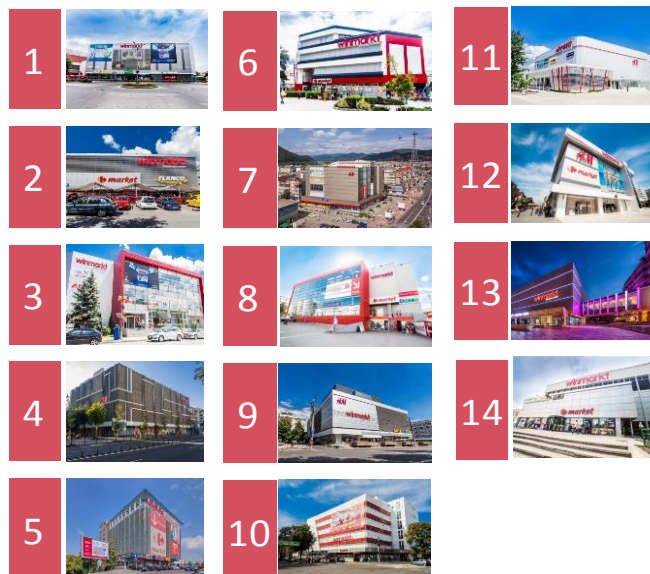
18 of 25 Hyper/Super (Ita) are small (Sale area <6000 m²)*

Average figures for IGD's Italian shopping centres:

- **Catchment Area ~ 370,000 inhabitants in 20 minutes**
- **Easily reachable: ca. 4 km from the city centre**
- **footfalls 3.5 mn per year (2018)**
- **GLA ~ 25,000 m²**

Mall Tenants' Sales (Ita) per GLA m²:2,800 (aug 2018-jul 2019)

Strong repositioning of the Romanian portfolio



Key Strategical points

- **Further €4.5 mn capex** for safety, maintenance and commercial improvements
- **Growth trend of rents**
- **Attention on operational costs**
- **Focus on sustainability**



Acquisition

Surfaces recovery/Tenant Repositioning and complete external / internal refurbishment

Consolidation

New Plan

Self-financing of the investments carried out

No financial leverage

c. €20mn of investments (2008-2018) for the upgrade and repositioning of the portfolio

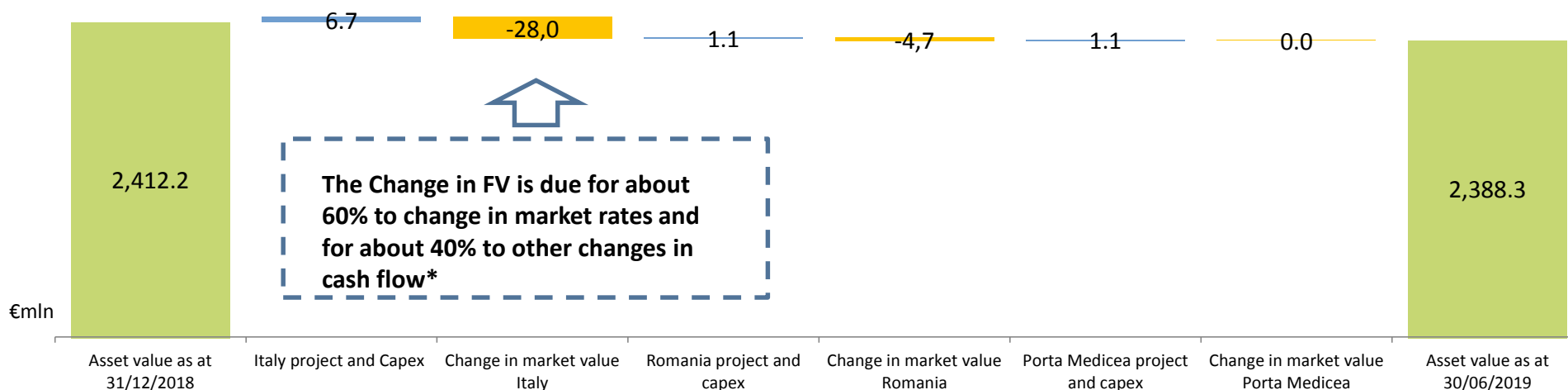
C. €62 mn of dividends generated since the acquisition ⁽¹⁾

Romanian portfolio considerably repositioned, currently generating important free-cash flow



Property investments as at 30/06/2019

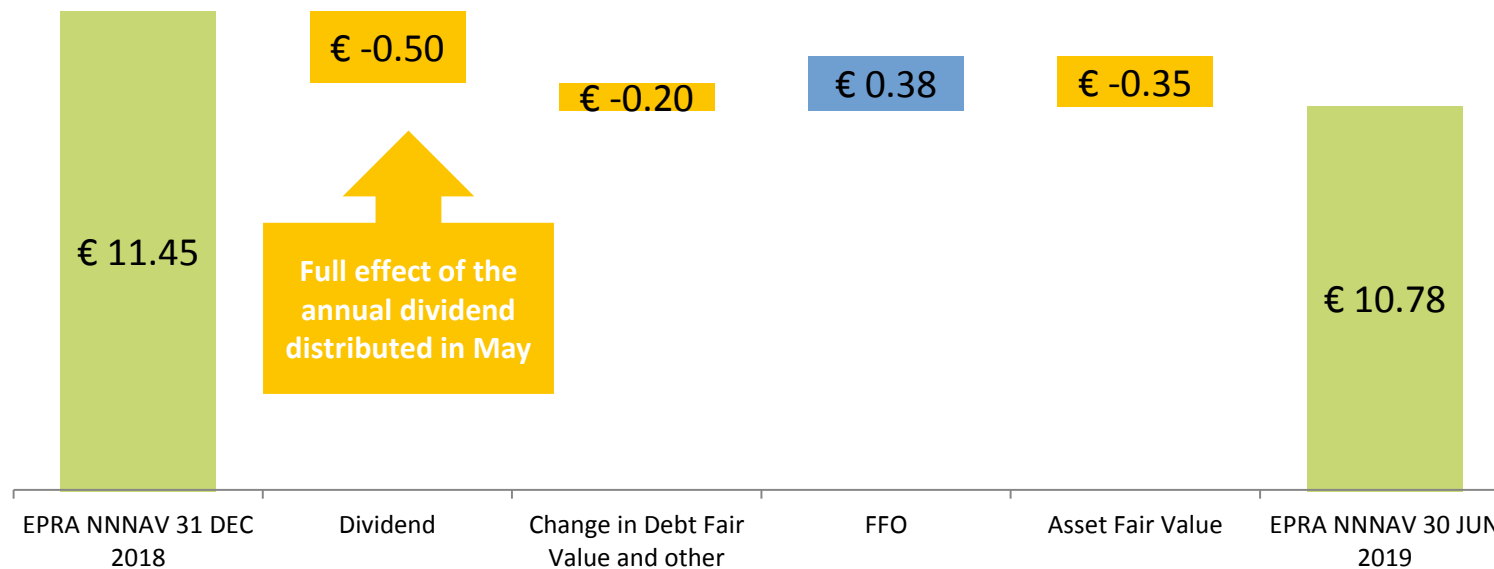


	FY 2018	1H 2019	Δ%	Gross Initial Yield	Net Initial Yield	Net Initial Yield topped up	Financial occupancy	
Italy Malls	1,573.79	1,553.06	(-1.32%)	6.43%	5.40%	5.40%	95.05%	} Tot. Italy 96.3%
Italy Hypermarkets	585.63	583.38	(-0.38%)	6.07%			100.0%	
Romania	154.79	151.17	(-2.34%)	6.94%	5.80%	6.20%	96.45%	
Porta a Mare + development + other	97.94	100.72						
Total IGD Portfolio	2,412.15	2,388.33	(-0.99%)					
Leasehold properties (IFRS16)	N.A.	61.21						
Total IGD Portfolio with leasehold	2,412.15	2,449.54	+ 1.55%					



EPRA NNAV per share as at 30/06/2019

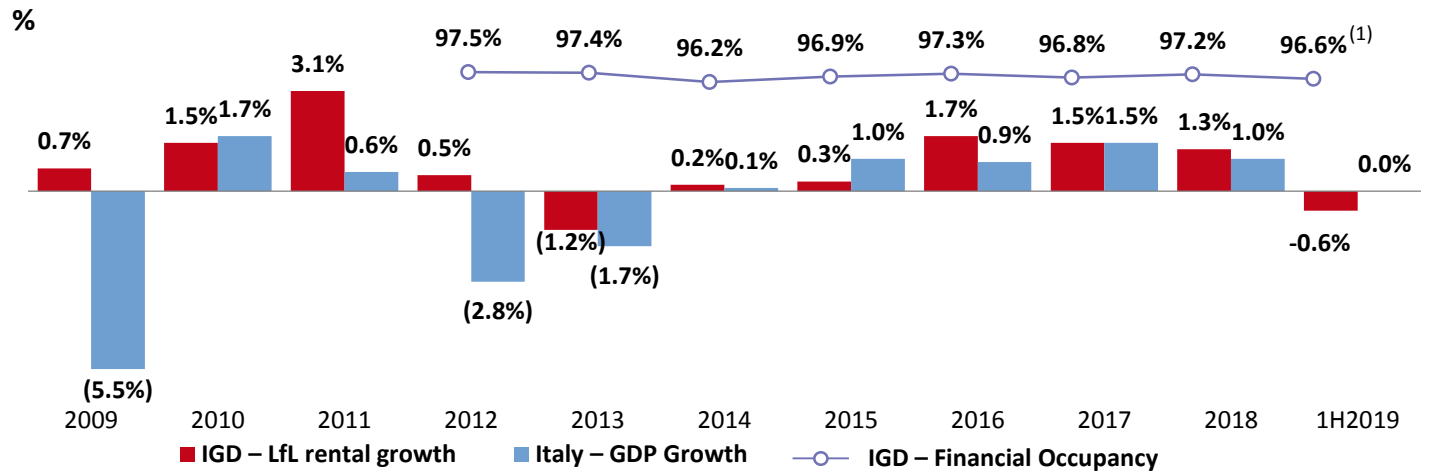
€ per share		31/12/2018	30/06/2019	Δ
 EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION	NAV	11.77	11.34	-3.6%
 EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION	NNNAV	11.45	10.78	-5.8%



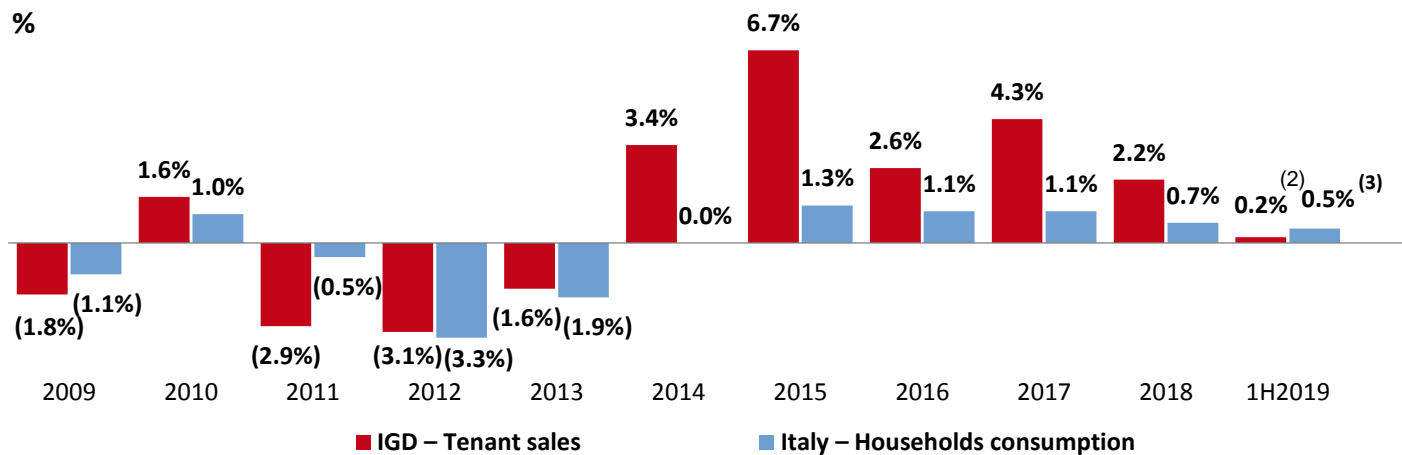
IGD performances better and more resilient than Italian GDP and consumption trends

Always high, stable and resilient occupancy over time

IGD – LfL Rental Growth vs. Italy – GDP Growth

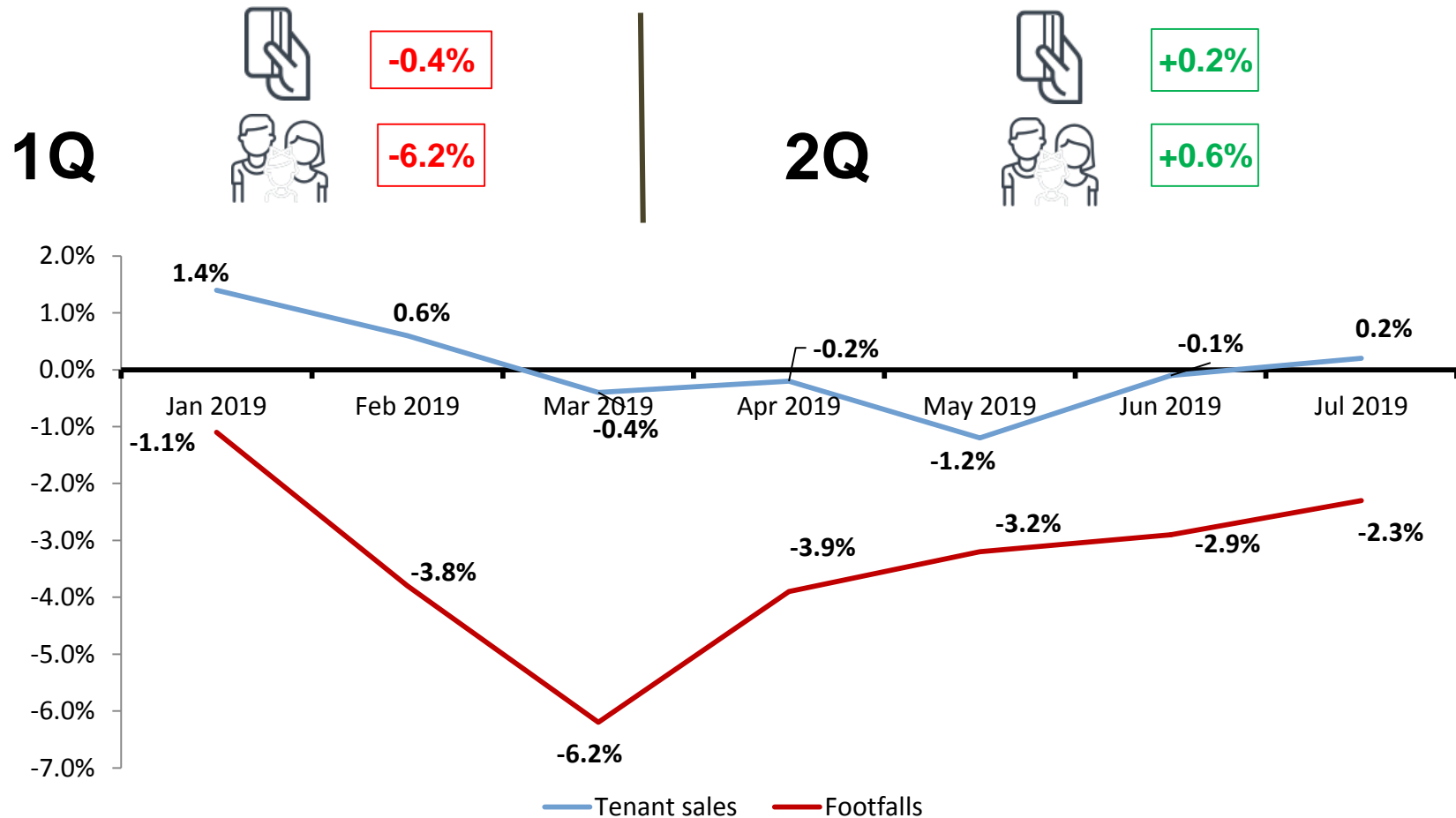


IGD – Tenant sales vs. Italy – Households consumption



Focus on trends Italy as at 30/06/2019

Tenant sales and footfall progressive trends 2019 vs 2018



A difficult first quarter with calendar effect (Easter) plus adverse weather conditions in February and May

- **2Q 2019** good signs of recovery of footfalls and sales
- **July 2019** good perspectives with an increase in footfalls and asales back to positive trend

Contracts in Italy and Romania as at 30/06/2019

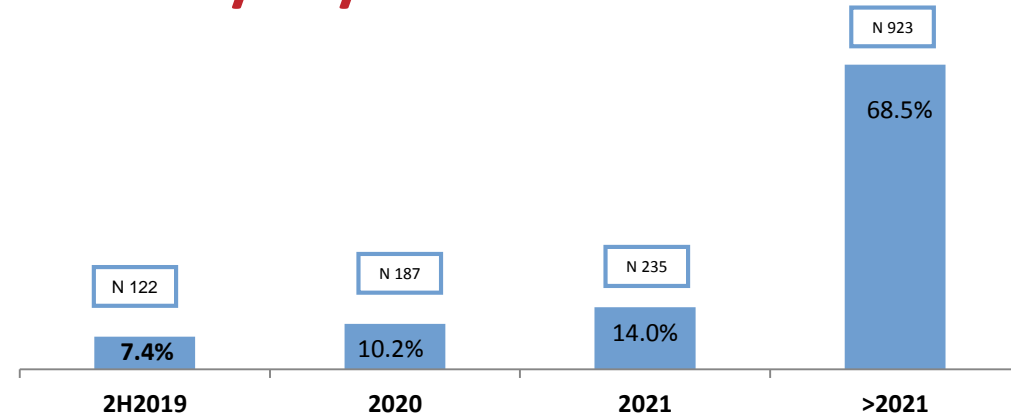
MALLS ITALY

Average residual maturity: **4.6yrs**

Total contracts: **1,467** of which during 1H2019 **98 renewed** with the same tenant and **64 signed** with a **new tenant**

Upside 1H2019: **+1.1%** ⁽¹⁾

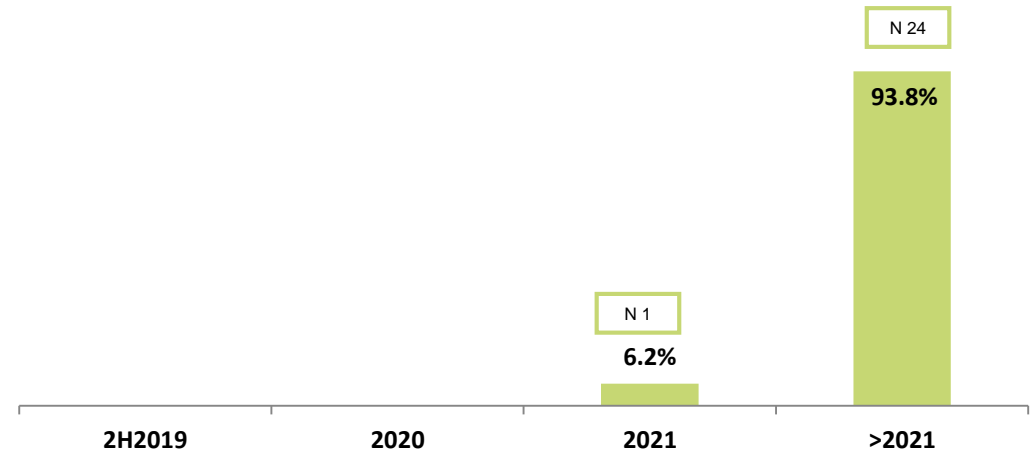
Rotation Rate **4.4%** (% new contract on tot contr)



HYPER ITALY

Average residual maturity: **14.2yrs**

Total number of contracts: **25**

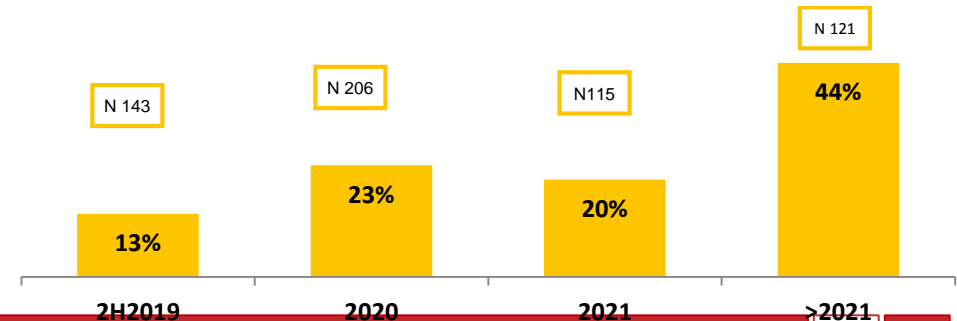


MALLS ROMANIA

Average residual maturity: **4.7yrs**

Total contracts: **585** of which during 1H2019 **103 renewed** with the same tenant and **93 signed** with a **new tenant**

Upside 1H2019: **+8.1%** (on renewals)



On-going projects in Italy: our idea of shopping



A tailor-made offer to satisfy our visitors

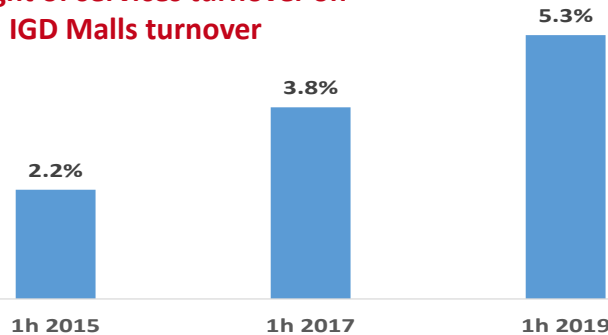
New brands added:

LLOA BE NATURAL (restaurant) in Centro Sarca

DROGERIE MARKT (grocery) in Centro Piave and Gran Rondò

BABY STAR (beauty salon and entertainment area for children) in Fonti del Corallo

Weight of services turnover on total IGD Malls turnover



More space dedicated to services

- + 1 new **dental clinic** (Conè) in addition to the 20 already in operation
- Merchandising mix constantly evolving thanks to the addition of new brands and **services**



We believe in the social role of the Shopping Center

«SOCIAL BORGHO Project »

c/o Centro Borgo Bologna

Shopping Center as a space at the service of the local community that actively involves those who live near-by.

To be completed by the end of the year

Romania - Commercial activities

2 new shops
(Ploiesti Grand Center
& Ploiesti Big)
Total network: 6 shops



German clothing
brand



**New entry in
Winmarkt portfolio:
more and more international
and attractive merchandising
mix**

1 shop
(Cluj)



Romanian brand
Children
equipment and
clothing



**New
opening in
2H 2019**



Hungarian
clothing brand



Key tenants as at 30/06/2019

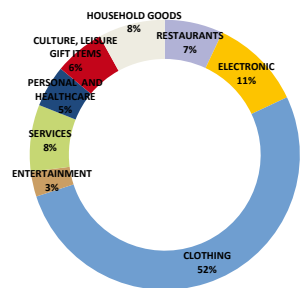
Top 10 Tenants Italian Malls

TOP 10 Tenant	Product category	Turnover impact	Contracts
	clothing	3.0%	13
	clothing	2.9%	12
	shoes	2.2%	9
	clothing	2.2%	29
	clothing	2.0%	10
	electronics	1.9%	8
	clothing	1.7%	27
	jewelley	1.3%	19
	perfumery	1.3%	12
	leisure	1.3%	25
Total		19.6%	164

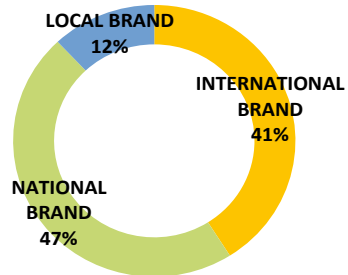
Top 10 Tenants Romanian Malls

TOP 10 Tenant	Product category	Turnover impact	Contracts
	supermarket	10.0%	11
	clothing	7.5%	6
	clothing	4.1%	11
	clothing	2.3%	6
	drugstore	2.5%	5
	jewellery	2.2%	6
	pharmacy	2.1%	4
	electronics	1.5%	2
	office	1.6%	1
	electronics	1.5%	1
Total		35.3%	53

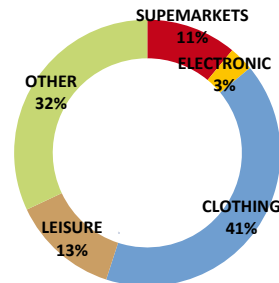
MALLS MERCHANDISING MIX



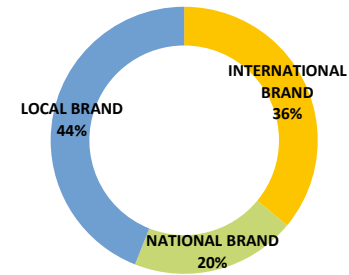
MALLS TENANT MIX



MALLS MERCHANDISING MIX



MALLS TENANT MIX



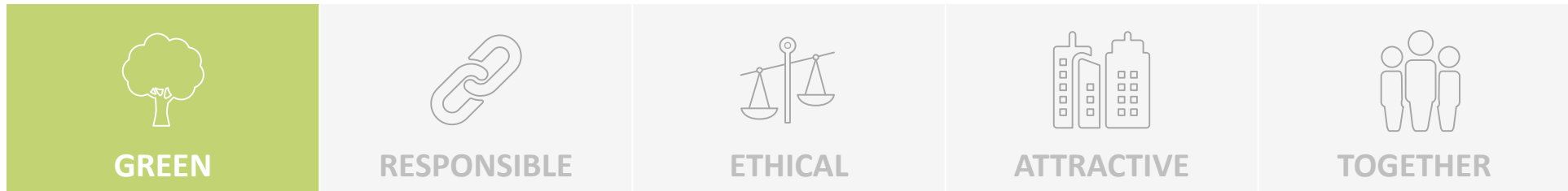


Sustainability

Sustainability as essential driver 1/2



Becoming g.r.e.a.t.



Area

Our commitment

Environmental certification	➤	<ul style="list-style-type: none">95% of the portfolio ISO 14001 certifiedBREEAM IN USE (at least at level «Very Good») for 5 more shopping centers
Measures to reduce energy consumption	➤	<ul style="list-style-type: none">€5 mn expected for structural intervention in order to improve the energy efficiencyMore photovoltaic systems will be installed
Sustainable mobility	➤	<ul style="list-style-type: none">Intervention on electric mobility (agreements with ENERHUB and TESLA)Definition of a feasibility study to favour cycling mobilityEvaluation on the possibility to use bike and car sharing
Circular economy	➤	<ul style="list-style-type: none">Starting of the operating phase of the Waste2Value project and evaluation of other projects on the same issue



Sustainability as essential driver 2/2

Becoming

g.r.e.a.t.



GREEN



RESPONSIBLE

- Continuous update of the corporate Welfare System
- Monitoring of the work environment and definition of follow-up actions
- Continuation of projects for the safety and security of the structures (anti-seismic and anti-terrorism measures)



ETHICAL

- Anti-corruption certification project
- Maintaining highest possible score (3 stars) of legality rating



ATTRACTIVE

- Exclusive and inclusive events
- Cooperation with the local area
- Analysis and definition of measures to favour wellbeing inside shopping centers



TOGETHER

- Projects to capture insights from millennials regarding the shopping center of the future and from tenants regarding common sustainability projects

Sustainability: our strategy and what we are doing

Becoming g.r.e.a.t.



GREEN



RESPONSIBLE



ETHICAL



ATTRACTIVE



TOGETHER

- 🎯 7 Shopping Centres equipped with **photovoltaic systems**
- 🎯 1 Shopping Centre equipped with **e-bike charging station** powered by a photovoltaic system
- 🎯 16 Shopping Centres equipped with **led lighting systems**
- 🎯 100% **electricity from renewable** sources in all Shopping Centres
- 🎯 90% of the Company portfolio with **ISO 14001 certification**
- 🎯 5 Shopping Centres with **Breem/Breem in Use** certification
- 🎯 10 **EV charging stations** installed in 5 Shopping Centres (32 in 18 Shopping Centres by 2020)
- 🎯 1 **Circular Economy** project launched
- 🎯 A Corporate **Welfare System** for all employees
- 🎯 **Anti bribery management systems certification** in Romania
- 🎯 About 1,000 **visits** carried out yearly for the prevention of skin cancer and thyroid check-ups

Awards and International Benchmark



EPRA sBPR Gold Award

For Sustainability Report 2014-15-16-17



CommOnEnergy Award

For restyling_Centro Sarca



Oscar di Bilancio Ferpi

For 2016 and 2017. Igd was one of the 3 finalists for the prize



CNCC Design Award

For ESP Shopping Center



GPR IPCM LFFS Sustainable GRES Index

Financial Index. IGD was included in 2017



Premio Innovazione SMAU R2B

For «Waste2Value» project



Carbon Disclosure Project

In 2018 IGD confirmed the result obtained in 2016. The overall score obtained in the year was level C (in a range from A to D)



Institutional Shareholder Services

IGD obtained the risk assessment value of 5 for Governance, 2 for Environment and 3 for Social, on a scale of 1 (lower risk) to 10



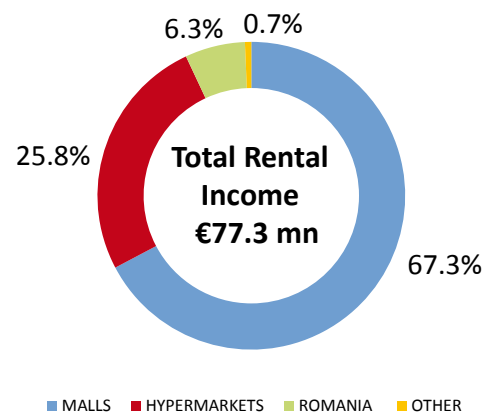
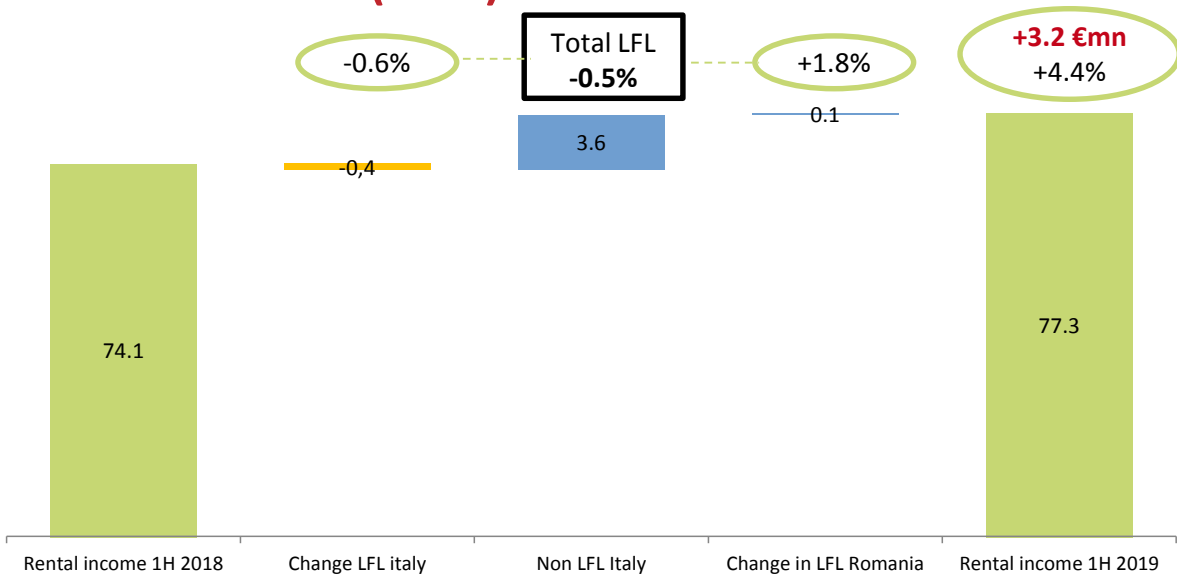
FY2018+1H2019 Financial Results

FY 2018 and 1H 2019 main results

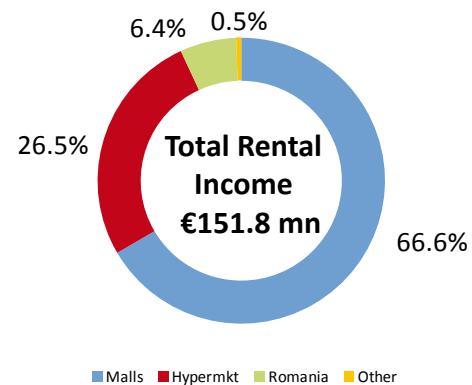
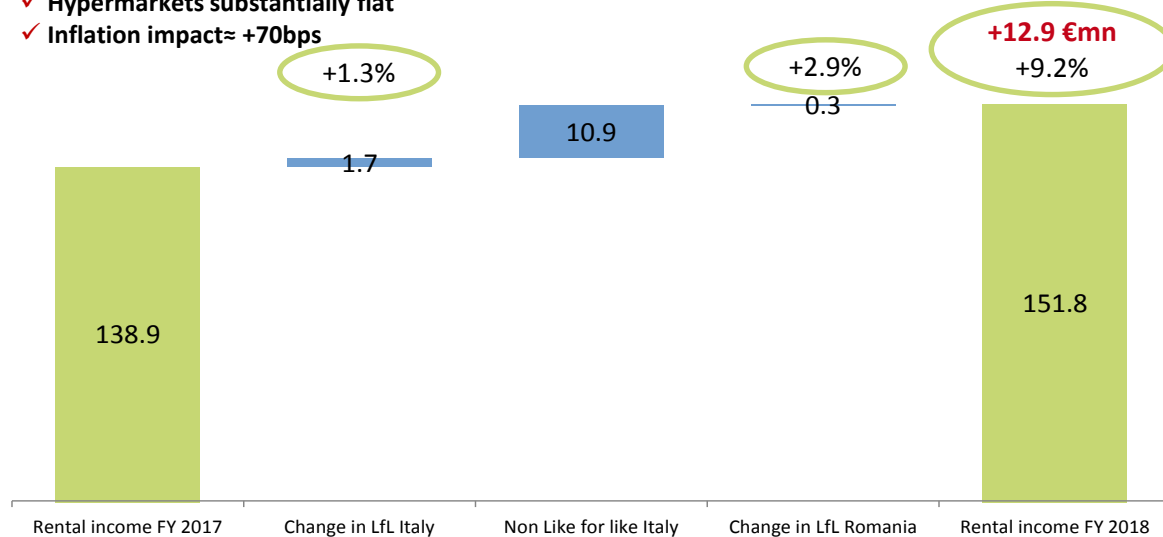
	2017	2018		1H2018	1H2019	1H2019Adj	1H19Adj/1H18
Revenues							
• Rental income	€138.9mn	€151.8mn	+9.2%	€74.1mn	€77.3mn	€77.3mn	+4.4%
• Net Rental Income	€111.9mn	€124.0mn	+10.9%	€60.7mn	€68.6mn	€63.5mn	+4.6%
EBITDA							
• EBITDA (Core Business)	€101.2mn	€113.7mn	+12.4%	€55.6mn	€62.9mn	€57.9mn	+4%
• EBITDA Margin (Core Business)	69.7%	71.9%	+220pts	72.1%	78.2%	71.8%	-30pts
• EBITDA Margin from Freehold	79.2%	80.3%	+110pts				
• Group Net Profit	€86.5mn	€46.4mn	-46.3%	€34.8mn	€7.1mn	€7.2mn	n.a.
Core Business Funds from Operation (FFO)	€65.6mn	€79.7mn	+21.4%	€38.9mn	€41.8mn	€41.8mn	+7.6%
Core Business FFO <i>per share</i> ⁽¹⁾	€0.81	€0.72					

Rental Income (€mn)

1H2019



FY2018



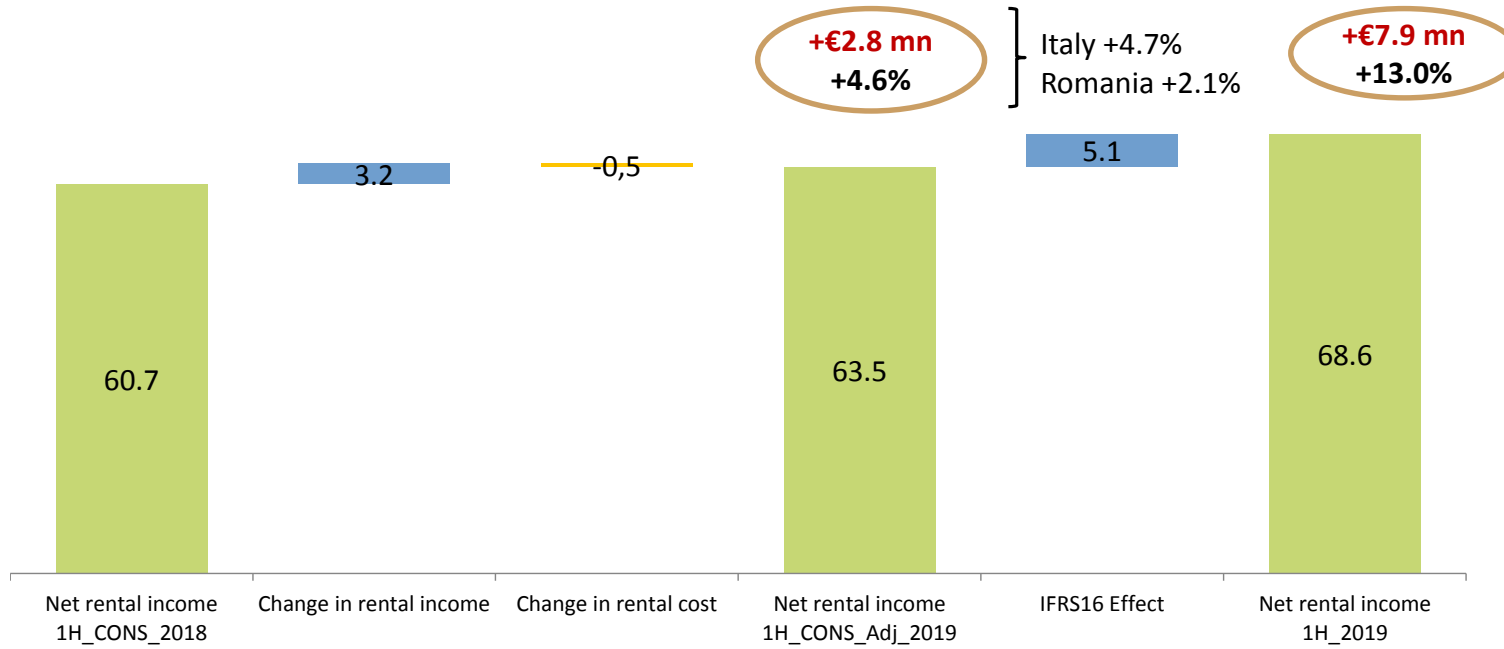
- ✓ Decrease in malls (-0.9%) due to an increase in temporary discounts and strategic/temporary vacancy
- ✓ Hypermarkets substantially flat
- ✓ Inflation impact≈ +70bps

- ✓ Growth of malls (+1.5%)
- ✓ Growth of hypermarkets (+0.9%)
- ✓ Indexation effect≈ +90bps

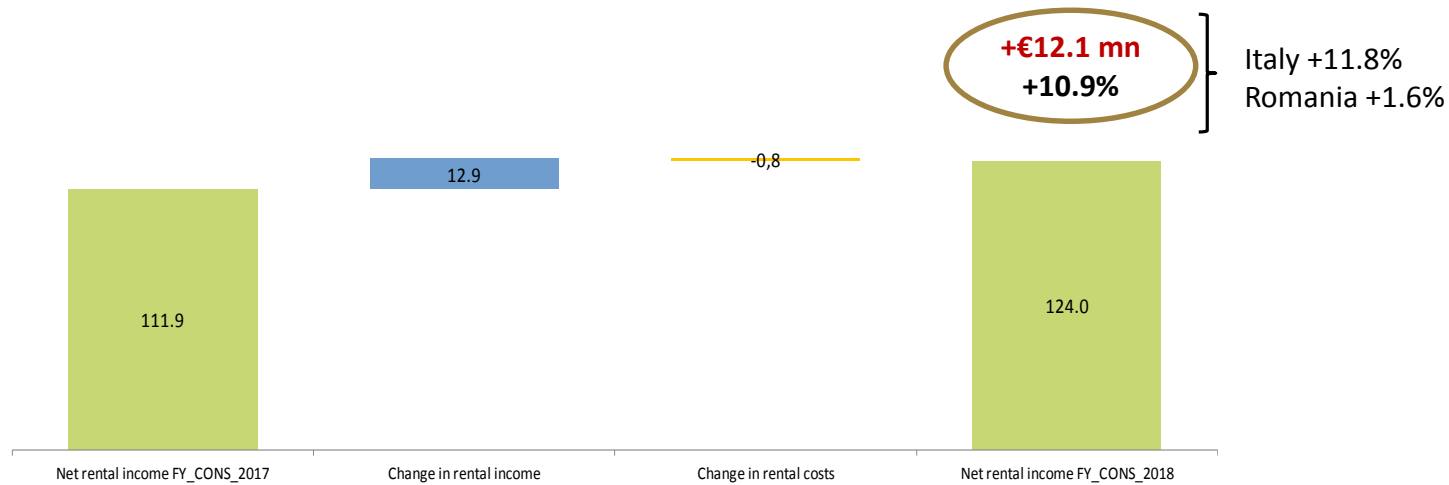
•Figures may not add up due to rounding

Net rental income (€mn)

1H2019



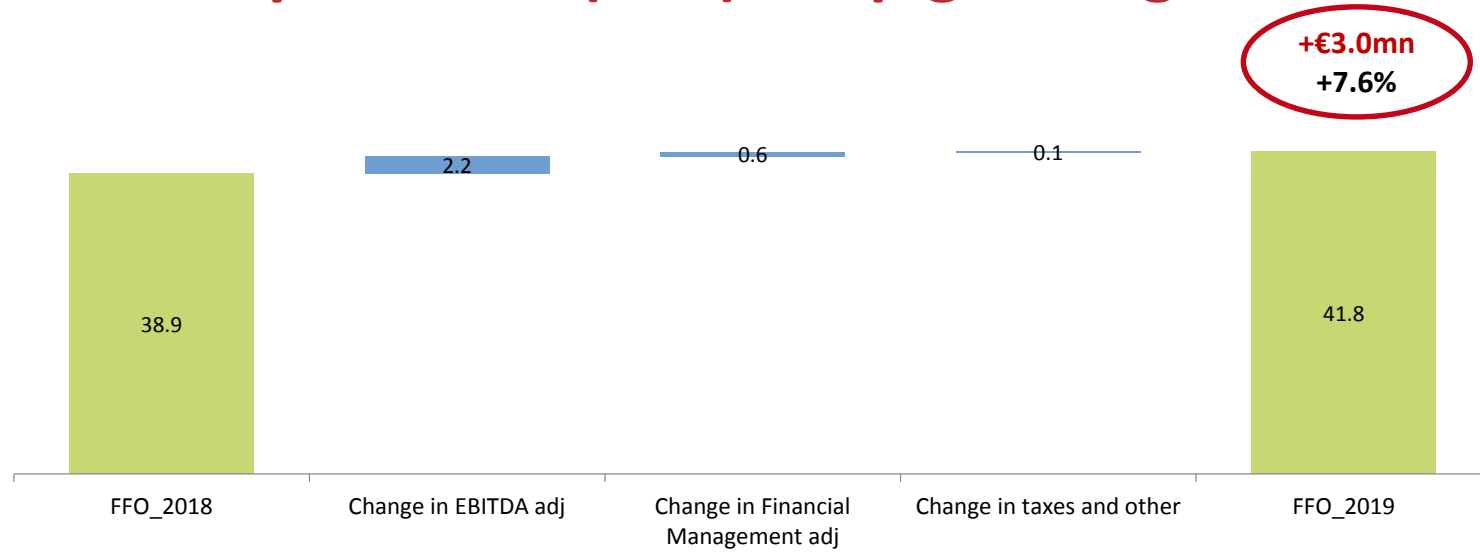
FY2018



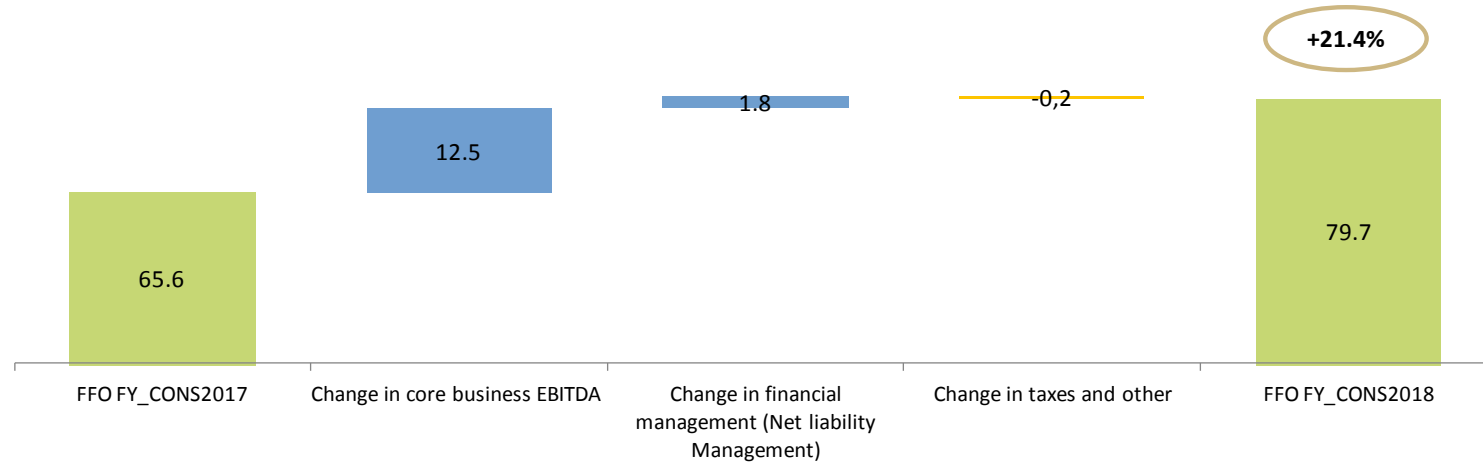
•2019 adj ex IFRS16 does not consider the application of the accounting principle IFRS16.

Funds From Operations (FFO) keep growing

1H2019



FY2018



FFO FY2019
REVISED OUTLOOK
released on 2 of August

+4/5%

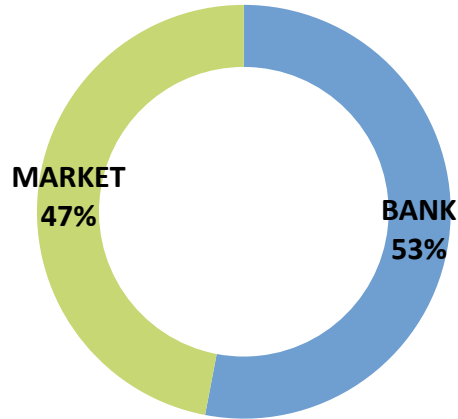
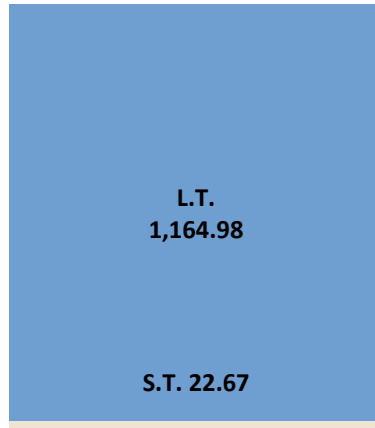
Review to the previous guidance (+6/7%) considering:

- Weak consumption dynamics
- Slight increase in temporary and strategic vacancy (with a consequent increase in non re-chargeable costs)
- Temporary effects due to remodeling activities of medium surfaces and hypermarkets

Financial structure (1/2)

Debt Breakdown

Net Debt €1,184.9 mn*



	31/12/2018	30/06/2019
LTV	45.8%	48.2% (excluding IFRS16 c. 47%)
ICR	3.5X	3.8X (excluding IFRS16 c. 3.7x)
AVERAGE COST OF DEBT	2.7%	2.4%

RATING

S&P GLOBAL RATINGS

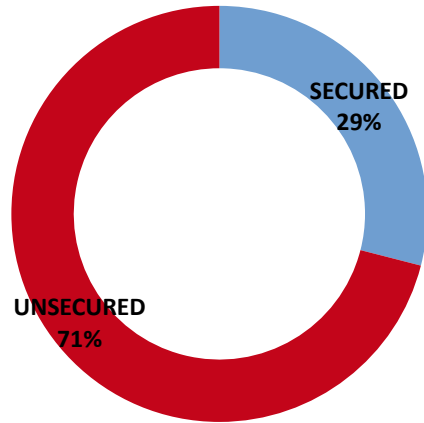
BBB-
outlook stable
(23 April 2019)

MOODY'S

Ba1
outlook stable
(9 April 2019)

Financial Structure (2/2)

Secured and unsecured debt break down



GEARING RATIO

31/12/2018

c. 0.88 x

30/06/2019

c. 0.97 x
(excluding IFRS16 c. 0.93x)

AVERAGE LENGTH OF LONG TERM DEBT

c. 4.3 years

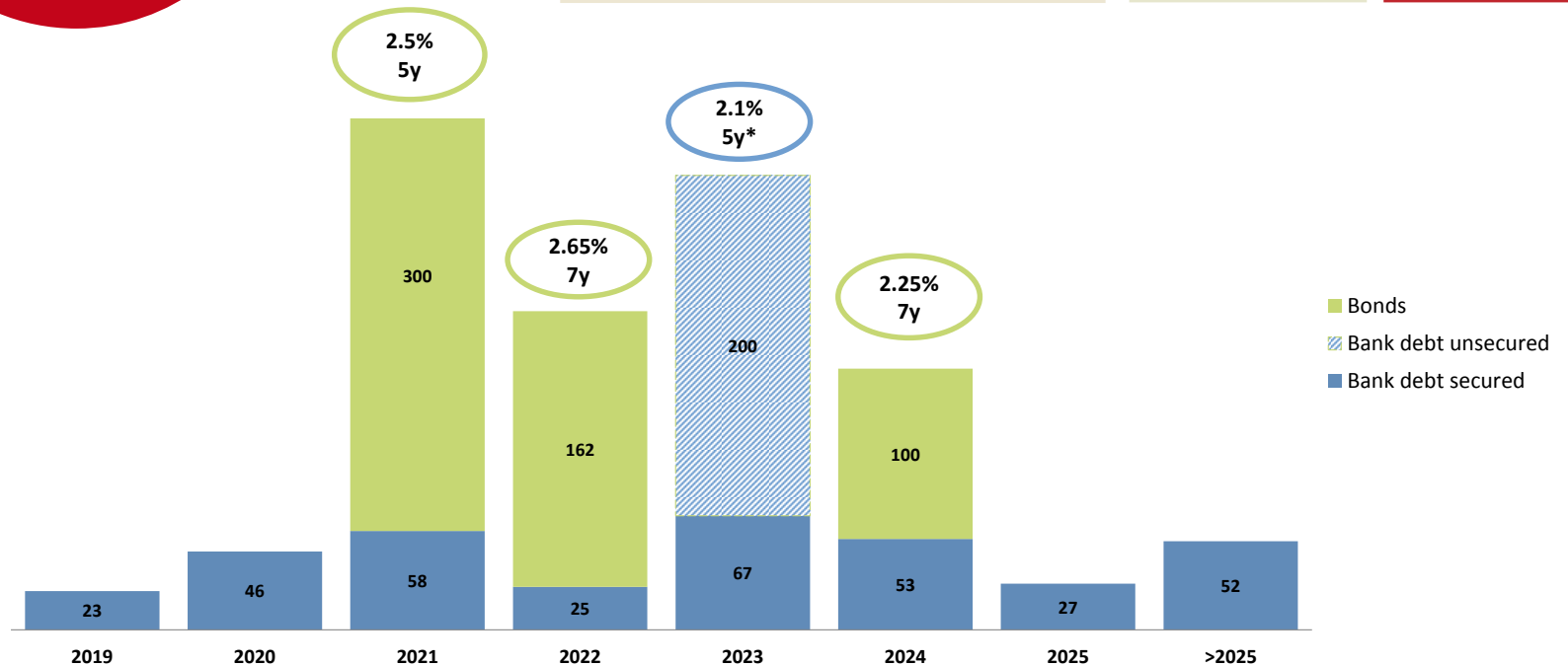
c. 3.77 years

HEDGING ON LONG TERM DEBT + BOND

c. 92.9%

c. 93.3%

Debt maturity





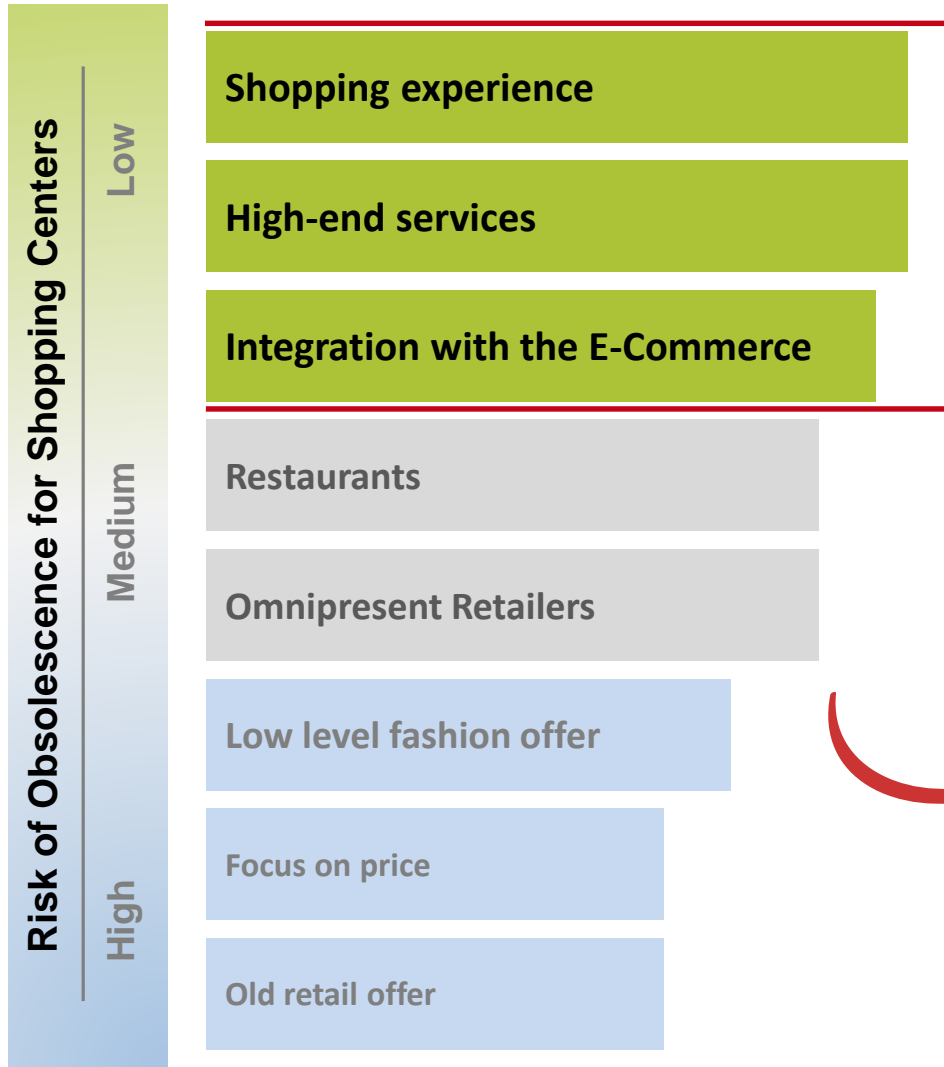
Strategic Plan 2019-2021

Retail: a continuously evolving world

MALLS GAIN IMPORTANCE



IGD's current positioning and long-term commitment



IGD important efforts for repositioning and long-term commitment



Supported by strategic relationship with high quality tenants



IGD Mission Statement



**After a decade of growth...
A plan focused on strengthening the solid and sustainable
leadership of our shopping centers in their respective
catchment area and to be prepared for future challenges**

A consolidation and enhancement plan based on 3 pillars



Innovation and operational excellence

Great focus on innovation and operational excellence mainly in relation to commercial, marketing and sustainability areas



Asset management

Investments aimed at maintaining and increasing the quality of our portfolio favouring innovation, merchandising mix, attractiveness, the quality of materials, as well as sustainability



Financial strategy

Maintaining a solid financial structure in line with the investment grade profile

Our idea of shopping centers in 6 key words 1/2



Target

Identify solutions that make shopping more engaging and experiential in order to impress visitors: **experience oriented shopping center**

What we doing

- «Experience to be lived» project has already been introduced in 2 Shopping Centers (Puntadiferro and Città delle Stelle) in 2018. 3 other Shopping Centers will be involved from 2019



Experience

Entrench the Shopping Center in its local area promoting good relations and social behaviour in order to establish ties, exchange knowledge and carry out projects of common interest.

- Transfer within the shopping center of the rationale and dynamics of a **social street**, phenomenon first created in Bologna in via Fondazza in 2013, now involving over 100 thousand people, not only in Italy

Social Shopping Centre



Focus on visitors, establishing unique and special relations

- **Chat bot** technology: customer service by means of 24/7 real time chat
- **CRM** (Customer Relationship Management) Strategy
- **Instagram**: integrated management of the Instagram channel in 16 Shopping Centers.

Personalisation of Shopping Center / Visitor relation



+ attractiveness + brand awareness + Facebook interaction



Our idea of shopping centers in 6 key words 2/2



Services



Target

Introduce and manage a set of tools which enable us to improve our customers' journey, also by means of new technology

What we do

- Introduce **EV charging stations** (in 18 Shopping Centers) and e-bike charging points
- More Services: **21 dental clinics** (turnover up +9.7%)
- Interactive digital communication by means of totem in all the IGD centers



Connect the online and offline shopping experience

- Establish a **channel of communication** with the Marketing office of the shopping mall tenants in order to better identify innovative and common solutions regarding the omnichannel issue
- Installation of Amazon **lockers (21 on 27)**. 2 *Poste Italiane* lockers have already been installed in Sarca and Tiburtino Shopping Centers



Offer recreational opportunities within Shopping Centers, enhancing their role as an entertainment, activity and meeting location.

- Offer **innovative, exclusive and inclusive** events (also through co-marketing activities) as part of the approx. 540 events held every year in the IGD Shopping Centers



Entertainment



Business approach to align merchandising mix with current trends



Broaden and diversify the retail offer



Services

Introduction of new services (medical and veterinary clinics, schools)



Sharing economy

Introduction of new sharing economy activities (coworking, rental retail..)



Entertainment Areas

Set-up of entertainment areas conceived as primary destination

Online-offline interaction



Kiosks

Creation of kiosks for the collection of online purchases



Outlet

Creation of outlet stores in the Mall, in agreement with the tenants



Tenants with a wider and more complementary offer

Introduction of tenants with merchandise that complements the reduction of the hypermarkets



Food court

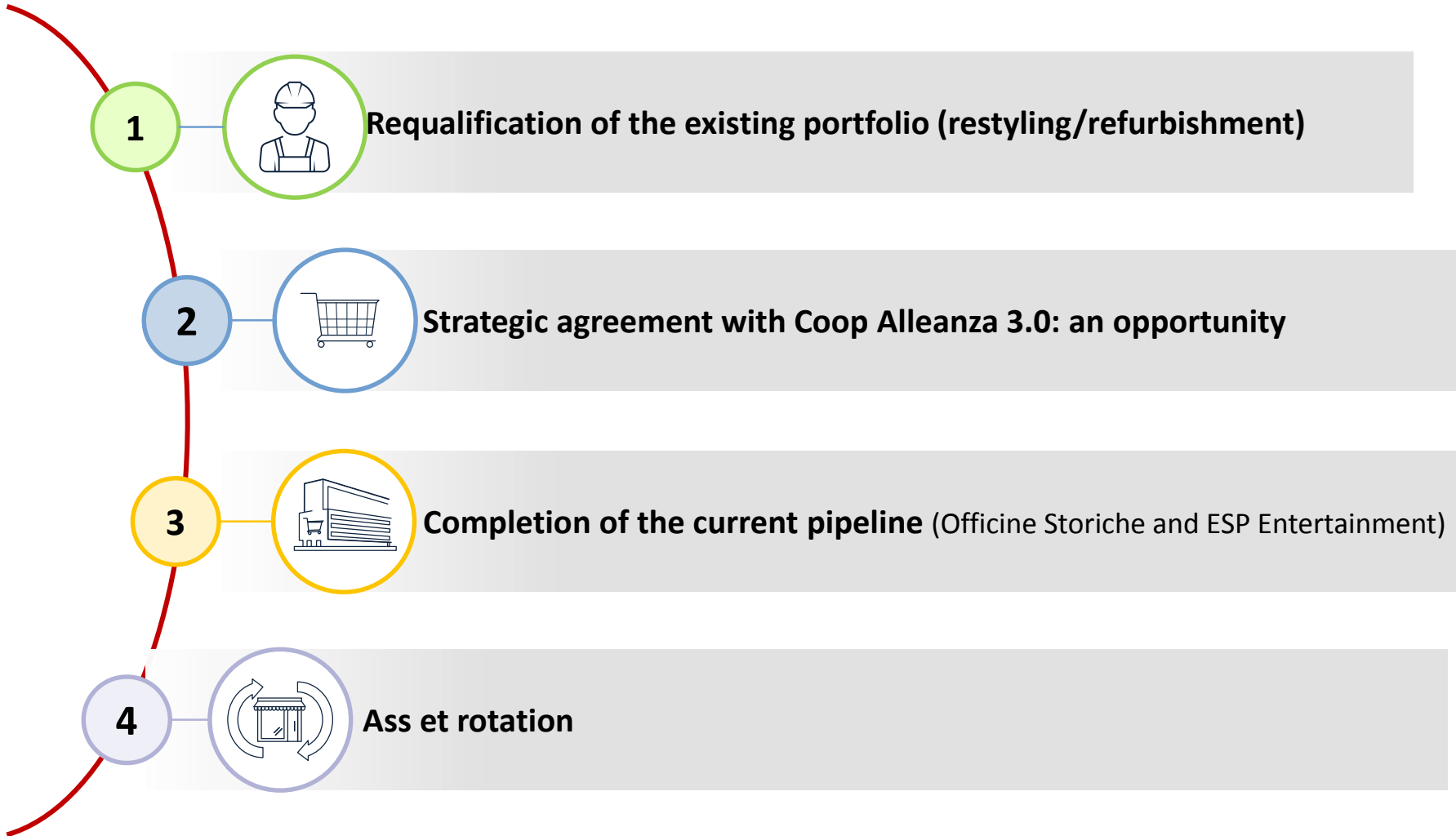
More diversified offer, in line with new trends (vegan, bio,..)



Tenants present online

Search for online tenants who would like to open stores within the mall

Asset management: 4 main operating levers











1 Restyling/refurbishment projects

Important track record in asset management



Between 2014 and 2018 we carried out and completed various extensions, remodeling and restyling work in our shopping centers



	Shopping Center	Date of work	Type of work	Increase in Shopping Center revenues ⁽¹⁾
1	 Centro Sarca (Milano)	2015	Complete restyling and remodeling	22.4%
2	 Centro Borgo (Bologna)	2015	Complete restyling and remodeling	21.4%
3	 Esp (Ravenna)	2017	Extension	61.4%⁽²⁾
4	 Città delle Stelle (Ascoli Piceno)	2017	Remodeling	18.6%⁽²⁾
5	 Centro d'Abruzzo (Chieti)	2014	Extension and restyling	14.4%
6	 Tiburtino (Roma)	2014	Remodeling	17.4%
7	 Le Porte di Napoli (Napoli)	2015	Remodeling	5.2%
8	 La Torre (Palermo)	2015	Remodeling	5.7%

Important advantages for our tenants with a positive effect on the long-term sustainability of rental income

1 Restyling/refurbishment projects



	CENTRO CASILINO	FONTI DEL CORALLO	GRAN RONDO'	LA FAVORITA
Proejct				
Type of work	Restyling	Remodeling and Restyling	Internal Restyling	Internal and external Restyling
Description	Restyling of the external facade and internal areas together with (voluntary) seismic improvement measures on the Ground Floor and First Floor	<p>Hypermarket reduction (new GLA 9,300 sqm) and creation of new units in the Mall (new GLA approx. 5,400 sqm) in which services will be inserted</p> <p>Unicoop Tirreno has signed an extension to the lease agreement with expiry in 2037</p> <p>Mall interior and exterior restyling project (jointly financed by BNP Paribas, current owner of the mall)</p>	Following the extension and the restyling of the facade, the restyling of the mall interior will be carried out together with the remodeling of the hypermarket	Restyling of the facade, the internal areas and the car park
End of work	End of 2019	✓ Remodeling already done Restyling end of 2019	2H 2020	1H 2021

1 Restyling/refurbishment projects: other on going projects



*Hypermarkets remodeling works have started
in line with 2019-2021 Strategic Agreement with Coop (see following slides)*



Goal: *reduction of the hypermarket area and creation of new retail units in the mall*



- **Hypermarket:** work in progress – end of work Sept 2019
- **Mall:** start of work Sept 2019 – end of work Feb 2020



Goal: *reduction of the hypermarket area and creation of new retail units in the mall + center restyling (project by Lombardini 22) and seismic improvement measures*

- **Hypermarket:** work in progress – end of work Nov 2019
- **Mall:** start of work Sept 2019 - end of work Set 2020



2 Strategic Agreement with Coop Alleanza 3.0, partner / food anchor

The role of the mall and the hypermarket



The role of the food anchor (hypermarket) remains fundamental with the ability to attract visitors.
Strong synergy between IGD and Coop that generates excellent operating / financial performances

For 7 out of 10 visitors ⁽¹⁾ the hypermarket is the reason they visit our Shopping Centers



CURRENT SITUATION

- Continuous and effective **Cooperation** between the **Shopping Malls and Coop** in the ordinary and extraordinary management of the centers
- **Cooperation with Coop** for common marketing analysis
- **GLA surplus** in some hypermarkets



FUTURE SITUATION

- Establish **relations which are increasingly structured and integrated** with regard to common **marketing** projects
- More in-depth analysis on **behaviour of consumers/visitors**
- **Customer relationship management (CRM)**
- Organisation of **contests and events**
- **Take advantage of the unitary ownership to make a better use of the GLA**



Agreement regarding approx. €520 mn of the market value (approx. 21% of IGD total market value)

A framework agreement regarding the complete review of 18 contracts (out of a total of 20) of the hypermarket portfolio rented to Coop Alleanza 3.0, has been signed:

1. **Review of contractual terms and conditions:** the expiry dates of all the contracts affected by the agreement will be extended and some of the rents will be revised to make them more stable and sustainable
2. **Qualitative review of assets:** following the successful remodeling of the hypermarkets and malls in Le Porte di Napoli and Città delle Stelle, 5 assets have been identified, where the number of stores/services in the mall needs to be increased, by means of reducing the hypermarket, in order to enhance the attractiveness of the centers.

Targets

1

Stabilisation of lease agreements
in the long-term

2

Increase the sustainability of
rents / future cash-flow

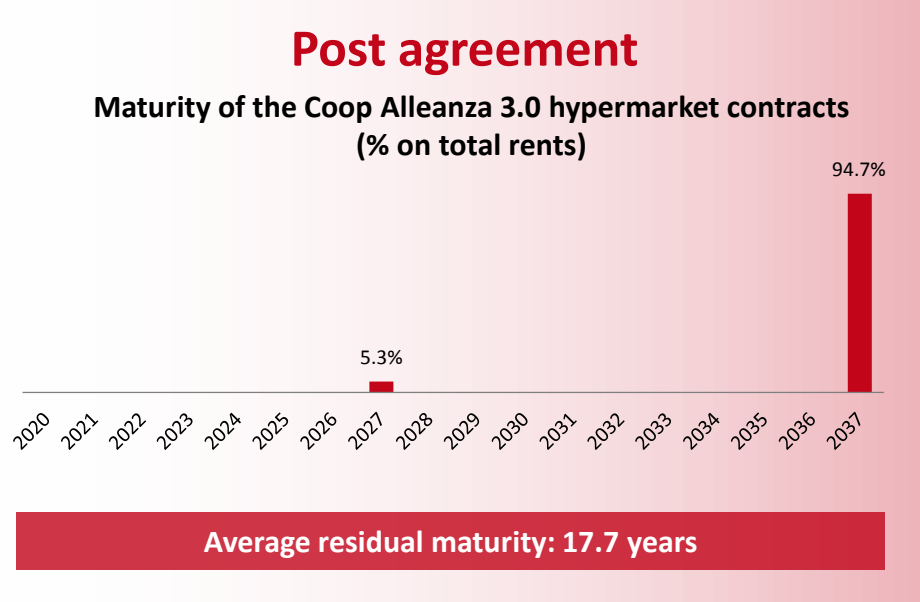
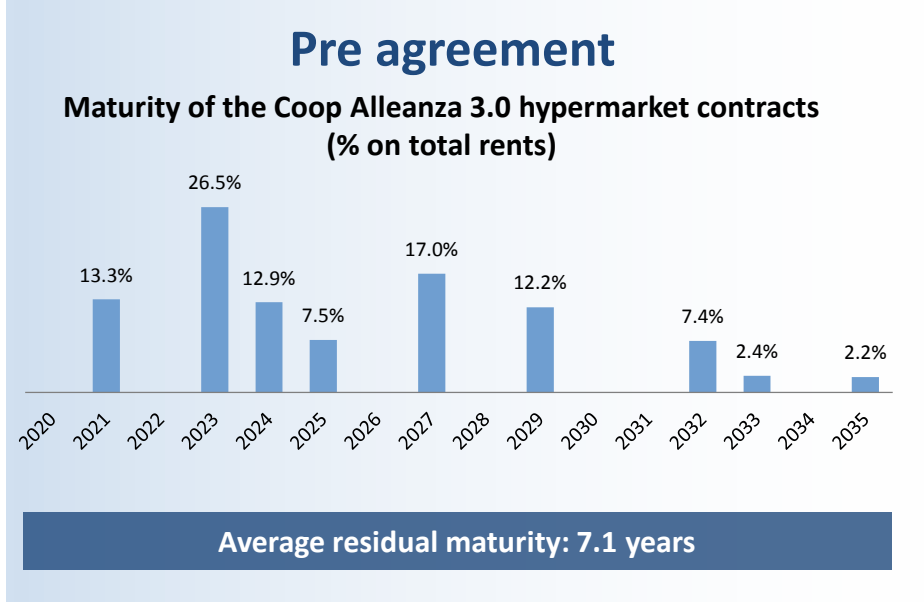
3

Requalification and adaptation of
the role of the hypermarket in
shopping centers

Strategic Agreement with Coop Alleanza 3.0, partner / food anchor



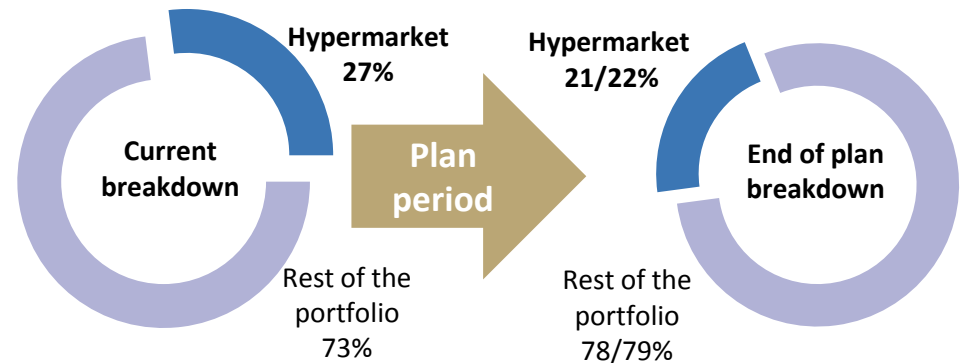
The main effects expected from the agreement, together with a higher rent sustainability, will be:



Agreement effects:

- Reduced and uniform effort rate
- GLA Hypermarkets -21,400m² → GLA Malls +18,600m²
- Net rental impact of c. € -1.9 mn
- Rents in line with ERV⁽¹⁾

Breakdown by rental income IGD Group



3 Pipeline Completion: Porta a Mare Project overview



Focus: see next slides



MOLO MEDICEO, LIPS, ARSENALE
Hotel, residential, services for the port

OFFICINE STORICHE

Work in progress

Retail: >15,000 sqm

Residential: 43 units



Focus next slide

PIAZZA MAZZINI

Completed

Retail: already operational since 2016, owned by IGD

Residential: 73 units of which 72 sold/pre-sold

PALAZZO ORLANDO

Completed in 2009

Offices – Sales agreement signed on 28/06/2019



3 Pipeline Completion: Officine Storiche



**RETAIL:
LET/PRE-LET
>60%**



Work restarted*: March 2019 **End of work:** 2H 2020
Total expected investment: € 53 mn (remaining ca.€ 20 mn)
Total surface: 20k sqm, of which 15k sqm devoted to retail
Stores: 30 + 10 restaurants + 1 fitness center

The area will connect the city's downtown with the sea and transform the old-style spaces based on a totally new concept with a unique design and a rich retail offering.

3 Pipeline Completion: Other areas



Molo mediceo



Arsenale



Lips

LIPS: hypothesis of a 4-star business hotel and residence with apartments designed for ship crews or student housing
ARSENALE: possibility of one or more residences
MOLO MEDICEO: services for the touristic port

The enhancement and pre-marketing of the 3 areas are being studied for future disposals

4 Asset rotation Strategy



Rationalisation of the portfolio through the **disposal of some non-strategic assets** for €150-200mn is under evaluation

Income from disposals will be primarily allocated **to reduce debt and leverage** and partly **re-invested**

4 Asset rotation: what we did



28 June 2019: sale and purchase agreements*

Sale of Palazzo Orlando (office building) part of the Porta a Mare development project in Livorno

Total GLA: 5,270 sqm

Sale price: € 12.8 mn (in addition to taxes)

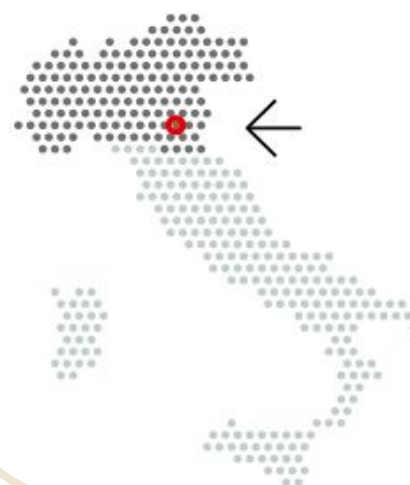


Purchase of the 50% interest in the Darsena City Shopping Mall in Ferrara (of which IGD is currently joint-owner)

Total GLA: 16,250 sqm

N. of shops: 19

Sale price: € 13.9 mn (in addition to taxes)



***THESE AGREEMENTS WILL ALLOW IGD TO FOCUS
ON ITS CORE BUSINESS (REAL ESTATE RETAIL)***

* Binding Agreements with a premiere international real estate player, definitive agreements will be executed by 30 September 2019

Maintain a rigorous financial discipline in line with the Investment Grade profile

Improve and further reduce the LTV

Improve the liquidity profile while maintaining a significant share of medium long-term debt (currently equal to approx. 80%⁽¹⁾)

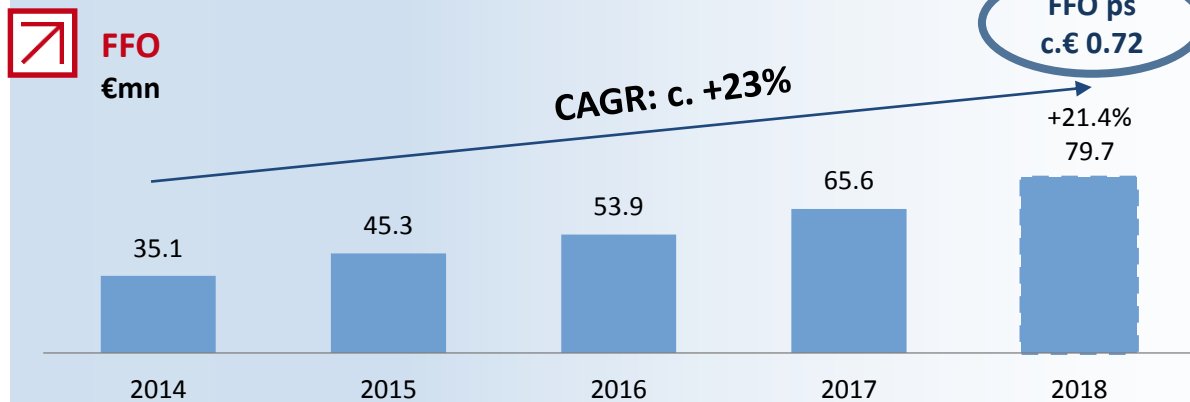
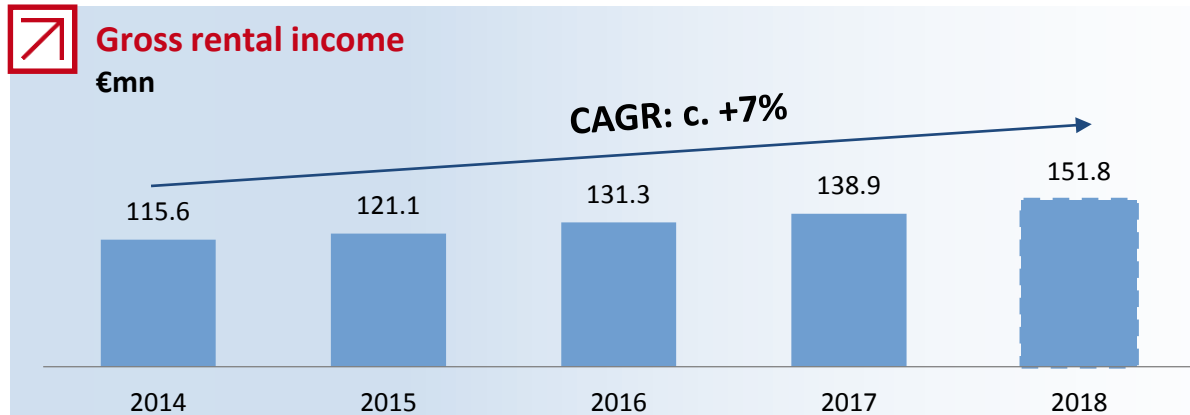
Maintain a balanced debt structure between bank debt and bond debt (maximum flexibility in the sources of financing)

Broaden the investor base

Lower the exposure to financial risks (interest rate and credit) and obtain the best available capital market conditions

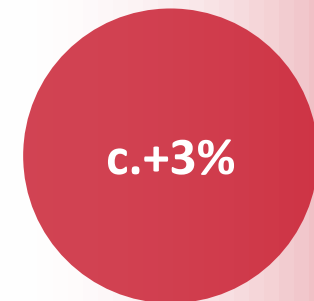
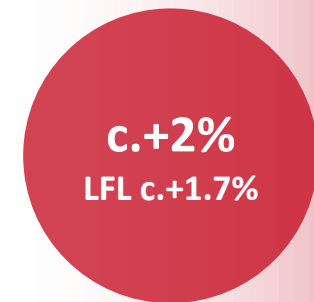
Revenues and FFO

4 years of considerable growth... Driven by new openings and acquisitions



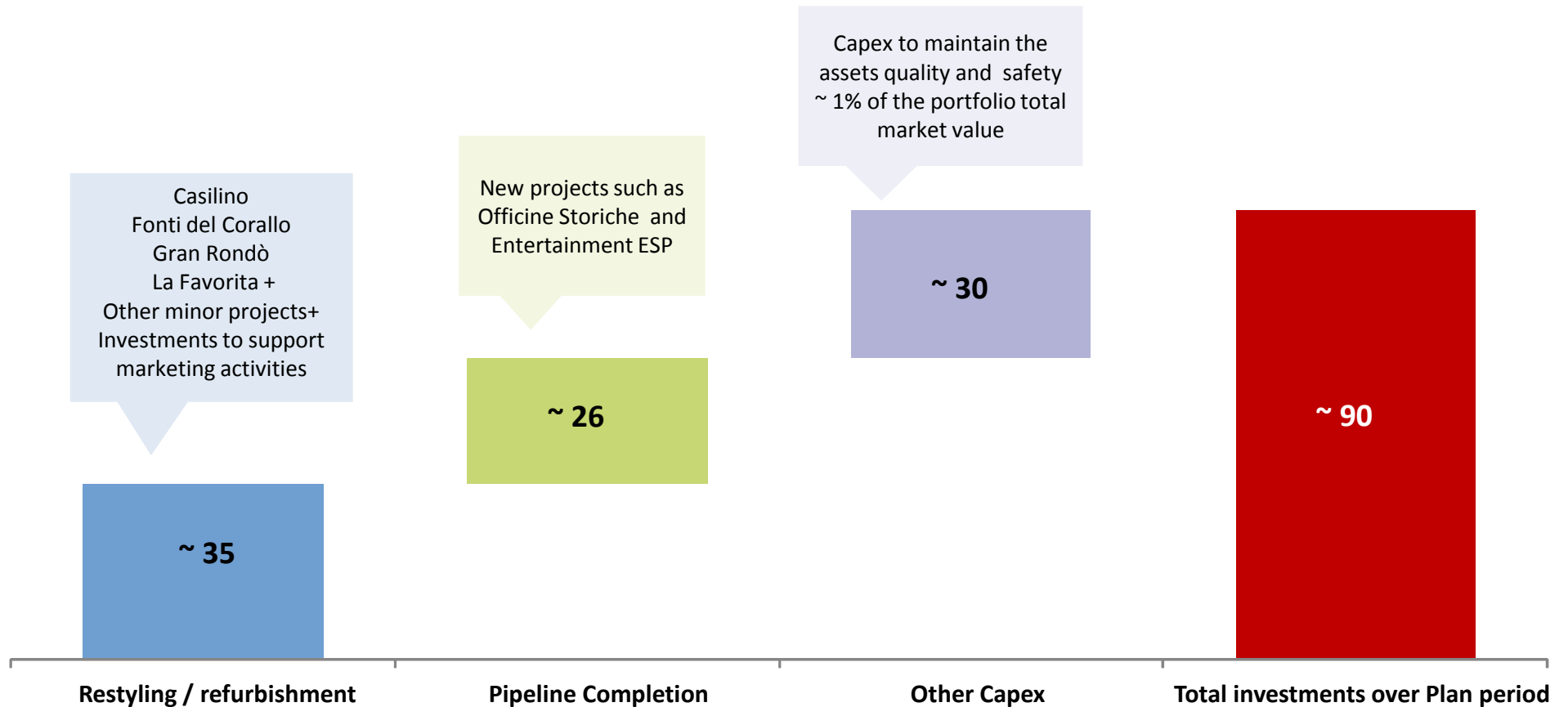
Consolidation plan with a sustainable growth

CAGR Plan period 2019-2021⁽¹⁾

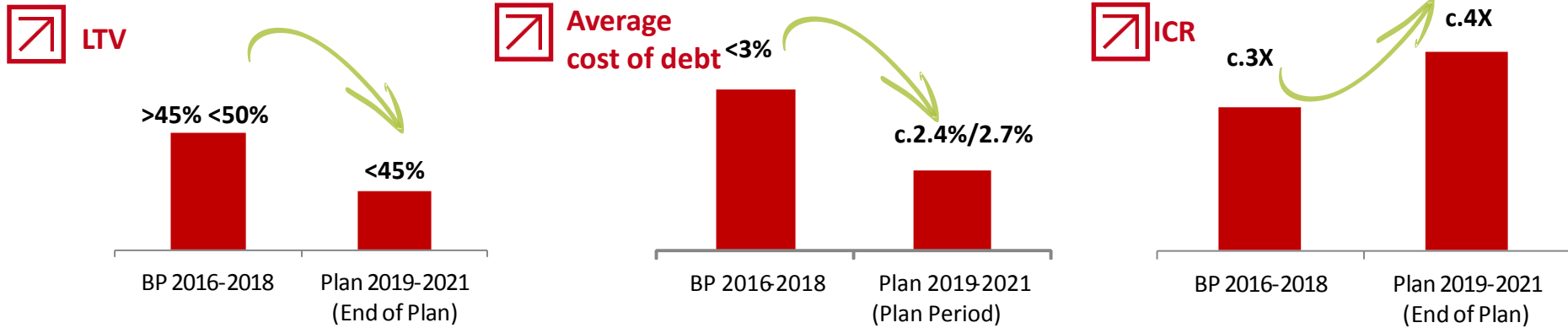


Investments

Total investment plan⁽¹⁾ €mn



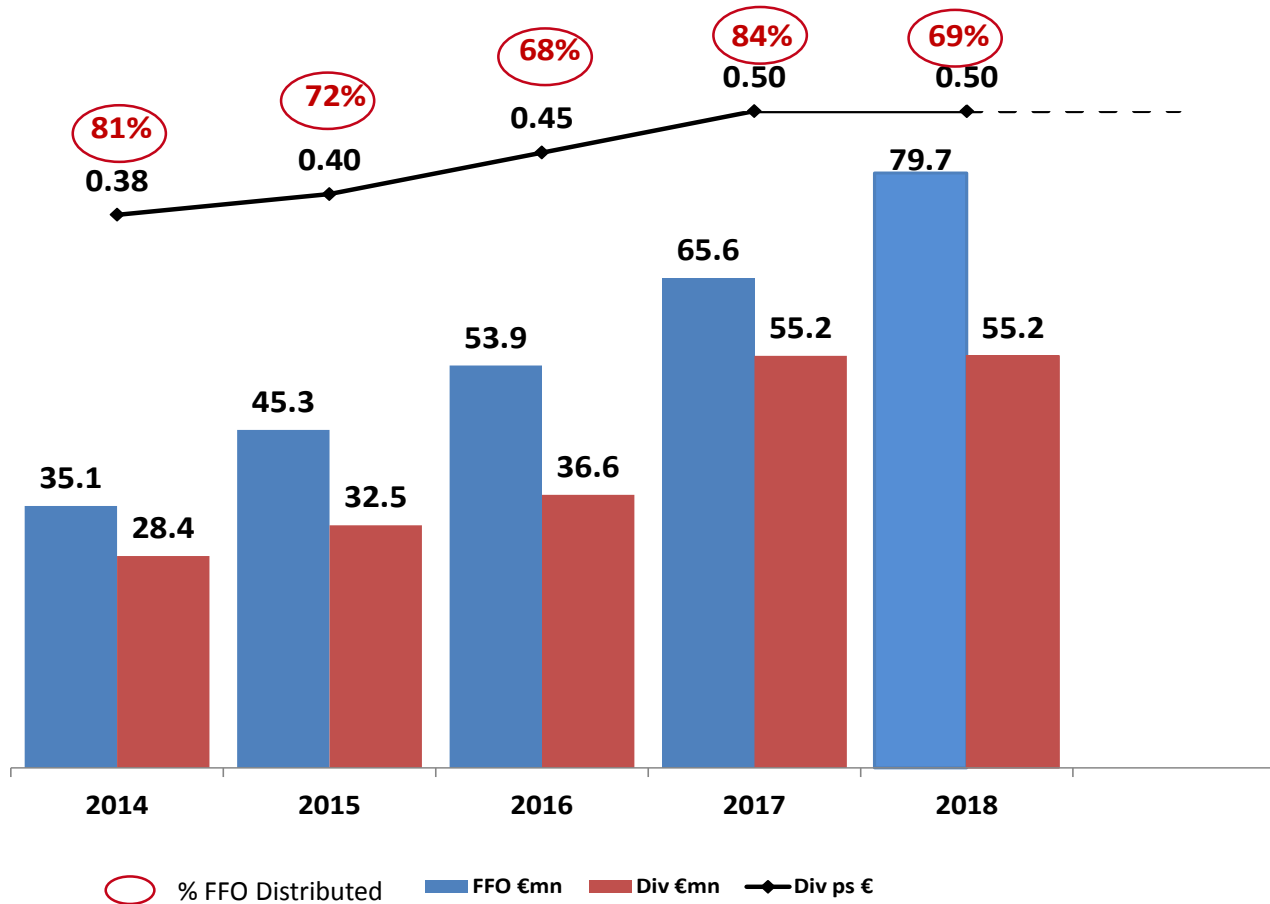
Financial targets: a clear and defined path



Dividend Policy...bringing to growing FFO and dividends

Constant FFO and dividends growth

€ mn



Target

Offer an attractive and sustainable dividend over time



Further option of growth

- A **Strategic Plan** aimed at strengthening the **leadership** of our shopping centers, **without further acquisitions**
- IGD's idea, to act as a **platform able to aggregate new assets** in order to further increase its market share and pursue greater economies of scale, remains valid
- Always subject to adequate **market conditions**

Final remarks

1

Built a portfolio of dominant shopping centers in their catchment area and integrated within the urban fabric

2

Focus on new market trends, innovation and quality of the assets to enhance the leadership of shopping centers

3

Strategic agreement with COOP Alleanza 3.0: a unique and distinctive opportunity

4

Strong commitment in reducing financial leverage (end of plan LTV <45%)

4

Sustainable growth of FFO and Dividends





Appendix


Consolidated Income Statement as at 30/06/2019

GROUP CONSOLIDATED	(a)	(b)	(c)	Δ	Δ
	1H_CONS_2018	1H_CONS_2019	1H_CONS_Adj_2019	(b)/(a)	(c)/(a)
Revenues from freehold rental activities	67.8	71.1	71.1	4.9%	4.9%
Revenues from leasehold rental activities	6.3	6.3	6.3	-0.8%	-0.8%
Total revenues from rental activities	74.1	77.3	77.3	4.4%	4.4%
Rents and payable leases	-5.1	-0.1	-5.1	-99.0%	0.4%
Direct costs from rental activities	-8.3	-8.7	-8.7	5.5%	5.5%
Net rental income	60.7	68.6	63.5	13.0%	4.6%
Revenues from services	3.1	3.2	3.2	2.2%	2.2%
Direct costs from services	-2.6	-2.7	-2.7	4.7%	4.7%
Net services income	0.5	0.5	0.5	-10.6%	-10.6%
Personnel expenses	-3.4	-3.5	-3.5	3.5%	3.5%
G&A expenses	-2.2	-2.6	-2.6	17.2%	17.2%
CORE BUSINESS EBITDA (Operating income)	55.6	62.9	57.9	13.1%	4.0%
<i>Ebitda Margin core business</i>	<i>72.1%</i>	<i>78.2%</i>	<i>71.8%</i>		
Revenues from trading	2.7	0.0	0.0	n.a.	n.a.
Cost of sale and other trading costs	-3.2	-0.3	-0.3	-91.0%	-91.0%
Operating result from trading	-0.5	-0.3	-0.3	-40.6%	-40.6%
EBITDA	55.2	62.7	57.6	13.6%	4.4%
<i>Ebitda Margin</i>	<i>69.0%</i>	<i>77.8%</i>	<i>71.5%</i>		
Impairments and Fair Value adjustments	-2.6	-38.8	-34.2	n.a.	n.a.
Depreciations and Provisions	-0.5	-0.5	-0.7	3.3%	34.8%
EBIT	52.1	23.3	22.7	-55.2%	-56.3%
FINANCIAL MANAGEMENT	-16.0	-16.4	-15.4	2.3%	-3.7%
EXTRAORDINARY MANAGEMENT	0.0	0.0	0.0	n.a.	n.a.
PRE-TAX PROFIT	36.0	6.9	7.3	-80.8%	-79.7%
Taxes	-1.2	0.2	-0.1	n.a.	-93.9%
PROFIT FOR THE PERIOD	34.8	7.1	7.2	-79.6%	-79.2%
(Profit/Loss) for the period related to third parties	0.0	0.0	0.0	n.a.	n.a.
GROUP NET PROFIT	34.8	7.1	7.2	-79.6%	-79.2%

*2019 adj ex IFRS16 does not consider the application of the IFRS16 accounting principle. See IFRS16 effects slide 24-25.
 Figures may not add up due to rounding

Funds from Operations (FFO) € 41.8 mn (+7.6%)

Funds from Operations	CONS_2019	CONS_2018	Δ vs cons 2018	Δ%
Core Business EBITDA	62,946	55,637	7,309	13.1%
IFRS16 ADJUSTMENTS (payable leases)	-5,096	0	-5,096	n.a.
Adj Financial management	-15,451	-16,046	595	-3.7%
Adj Extraordinary management	0	0	0	n.a.
Gross Margin from trading activities	0	0	0	n.a.
Adj current taxes for the period	-557	-700	143	-20.4%
FFO	41,842	38,891	2,951	7.6%

 EPRA <small>EUROPEAN PUBLIC REAL ESTATE ASSOCIATION</small>	NNNAV Calculation		31/12/2018 (a)		30/06/2019 (b)		Δ% (b vs a)
	€'000	€ p.s.	€'000	€ p.s.	€'000	€ p.s.	
Total shares	110,341,903		110,341,903				
1) Group shareholders' equity	1,252,338	11.35	1,202,438	10.90			-4.0%
<i>Excludes</i>							
Fair value of financial instruments	17,364		21,204				n.a
Deferred taxes	28,480		27,274				n.a
Goodwill as a result of deferred taxes							
2) EPRA NAV	1,298,182	11.77	1,250,916	11.34			-3.6%
<i>Includes</i>							
Fair value of Financial instruments	(17,364)		(21,204)				n.a
Fair value of debt	11,116		(12,569)				-213.1%
Deferred taxes	(28,480)		(27,274)				n.a
3) EPRA NNNAV	1,263,454	11.45	1,189,869	10.78			-5.8%

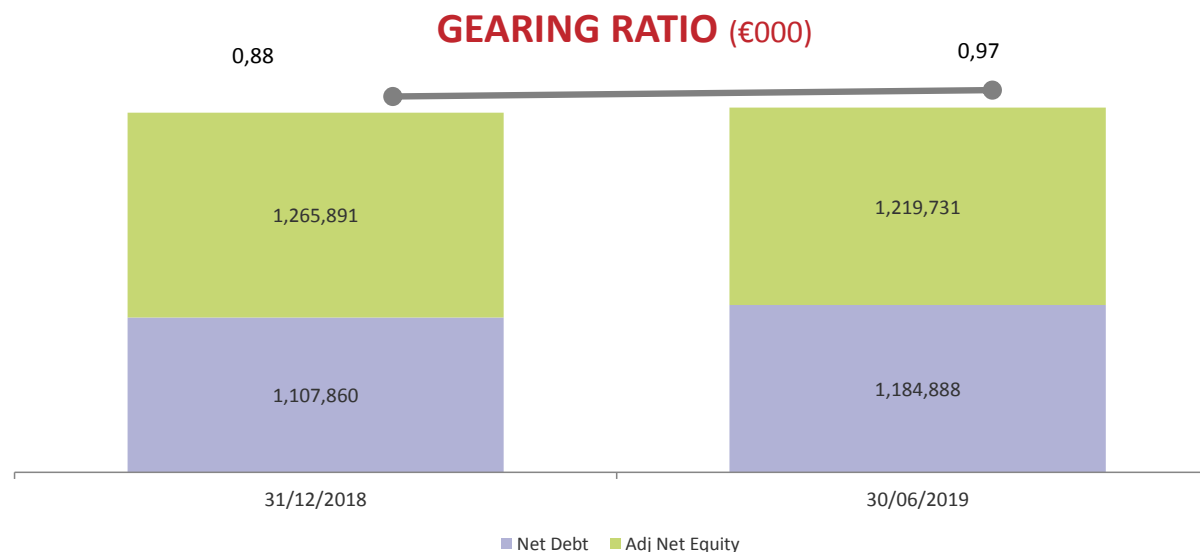
More Financial Highlights

	FY2018	1H 2019
SHARE OF M/L DEBT	79.8%	93.5%
UNCOMMITTED CREDIT LINES GRANTED	€191 mn*	€181 mn*
UNCOMMITTED CREDIT LINES AVAILABLE	€148.2 mn	€158.3 mn
COMMITTED CREDIT LINES GRANTED AND AVAILABLE	€60 mn	€60 mn
UNENCUMBERED ASSETS	€1,462.6 mn	€1,447.4 mn

*Some banks allowed us to transform them in medium/long-term not granted credit lines .

Reclassified Balance Sheet

Sources - Uses of funds (€/000)	30/06/2019	31/12/2018	Δ	Δ%
Fixed assets	2,370,089	2,346,527	23,562	0.99%
Assets under construction and advances	36,619	36,563	56	0.15%
Intangibles assets	12,401	12,696	(295)	(2.38%)
Other tangible assets	9,039	9,615	(576)	(6.37%)
Non-current assets held for sale	12,770	0	12,770	100.00%
Sundry receivables and other non current assets	113	111	2	1.59%
Equity investments	280	277	3	1.07%
NWC	22,920	26,019	(3,099)	(13.52%)
Funds	(8,898)	(8,164)	(734)	8.25%
Payables and other non current liabilities	(21,796)	(19,742)	(2,054)	9.42%
Net deferred tax (assets) / liabilities	(25,008)	(26,340)	1,332	(5.33%)
TOTAL USE OF FUNDS	2,408,529	2,377,562	30,967	1.29%
Total shareholders' equity	1,202,437	1,252,338	(49,901)	(4.15%)
Net (assets) and liabilities for derivative instruments	21,204	17,364	3,840	18.11%
Net debt	1,184,888	1,107,860	77,028	6.50%
TOTAL SOURCES	2,408,529	2,377,562	30,967	1.29%



Italian Portfolio: hypermarkets and shopping malls

**FULL OWNERSHIP OF
16 SHOPPING
CENTRES
(MALL +
HYPERMARKET)**

11 SHOPPING MALLS

9 HYPERMARKETS

27 SHOPPING MALLS	25 HYPERMARKETS	TENANTS HYPERMARKETS	OF
CENTRO D'ABRUZZO -Pescara	CENTRO D'ABRUZZO -Pescara	Coop Alleanza 3.0	
CLODI' - Chioggia	CLODI' - Chioggia	Coop Alleanza 3.0	
PORTO GRANDE - Porto d'Ascoli (AP)	PORTO GRANDE - Porto d'Ascoli (AP)	Coop Alleanza 3.0	
ESP - Ravenna	ESP - Ravenna	Coop Alleanza 3.0	
CENTRO BORGO -Bologna	CENTRO BORGO -Bologna	Coop Alleanza 3.0	
CONE' RETAIL PARK - Conegliano (TV)	CONE' RETAIL PARK - Conegliano (TV)	Coop Alleanza 3.0	
LE MAIOLICHE - Faenza	LE MAIOLICHE - Faenza	Coop Alleanza 3.0	
LUNGO SAVIO -Cesena	LUNGO SAVIO -Cesena	Coop Alleanza 3.0	
CITTA' DELLE STELLE - Ascoli Piceno	CITTA' DELLE STELLE - Ascoli Piceno	Coop Alleanza 3.0	
KATANE' - Catania	KATANE' - Catania	Coop Sicilia	
CENTRO LAME - Bologna	CENTRO LAME - Bologna	Coop Alleanza 3.0	
CENTRO LEONARDO - Imola (BO)	CENTRO LEONARDO - Imola (BO)	Coop Alleanza 3.0	
TORRE INGASTONE - Palermo	TORRE INGASTONE - Palermo	Coop Sicilia	
CASILINO -Roma	CASILINO -Roma	Distribuzione Umbria srl	Lazio
LE PORTE DI NAPOLI -Afragola (NA)	LE PORTE DI NAPOLI -Afragola (NA)	Distribuzione Centro (ipercoop)	Sud Srl
TIBURTINO -Guidonia (RM)	TIBURTINO -Guidonia (RM)	Distribuzione Centro (ipercoop)	Sud Srl
MILLENNIUM GALLERY - Rovereto (TN)	Hypermkts not owned by IGD		
PUNTADIFERRO - Forlì (FC)			
CENTROLUNA - Sarzana (SP)			
LA FAVORITA - Mantova			
MAREMA' - Grosseto			
CENTRO SARCA - Sesto S. Giovanni (MI)			
MONDOVICINO RETAIL PARK -Mondovì (CN)			
Gran Rondò (Crema)			
Piazza Mazzini (Livorno)			
I BRICCHI - Isola d'Asti (AT)			
DARSENA CITY - Ferrara (50% owned by Beni Stabili)			
Malls not owned by IGD	Supermkt Civita Castellana (Viterbo)	Distribuzione Umbria srl	Lazio
	Supermkt Cecina (Livorno)	Unicoop Tirreno	
	Hypermkt Le Fonti del Corallo - Livorno	Unicoop Tirreno	
	Hypermkt Schio-Schio (Vicenza)	Coop Alleanza 3.0	
	Hypermkt LUGO - Lugo (RA)	Coop Alleanza 3.0	
	Hypermkt IL MAESTRALE - Senigallia (AN)	Coop Alleanza 3.0	
	Hypermkt MIRALFIORE - Pesaro	Coop Alleanza 3.0	
	Supermkt AQUILEJA - Ravenna	Coop Alleanza 3.0	
	Hypermkt I MALATESTA - Rimini	Coop Alleanza 3.0	

Focus on E-Commerce in Italy

Low
E-Commerce
penetration

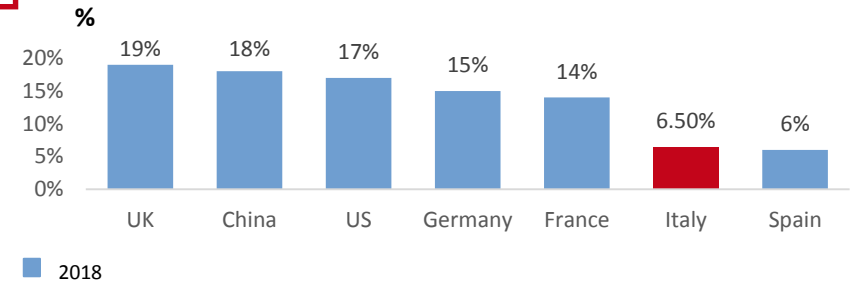


E-commerce in Italy: 6.5% of total retail sales

- E-commerce penetration in Italy is lower when compared to other industrialised countries, this is not only a delay in its infiltration but it is due to cultural and structural factors
- Total online sales in Italy in 2018: €27.5 bn of which 45% services (penetration 10%) and 55% products (penetration 5%)

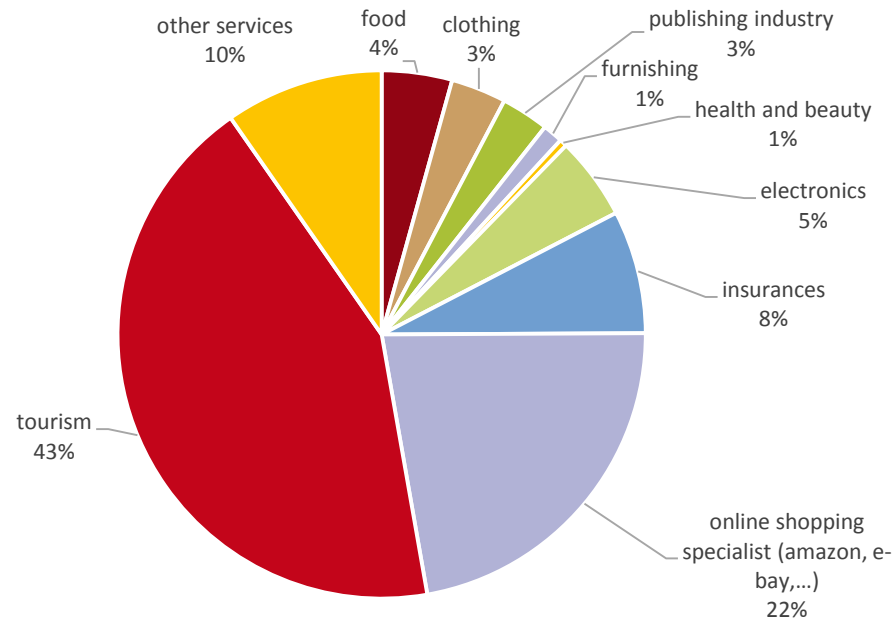


E-commerce on total retail sales ⁽¹⁾



Impact of
Online
purchases on
shopping
centre
purchases:
ca. **38%**

Impact of E-commerce on the various merchandising categories ⁽²⁾



(1) Source: Osservatorio eCommerce B2c - Politecnico di Milano research department

(2) Source: internal processing on data from "E-commerce in Italia 2019", Casaleggio

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