



1H2020 Results

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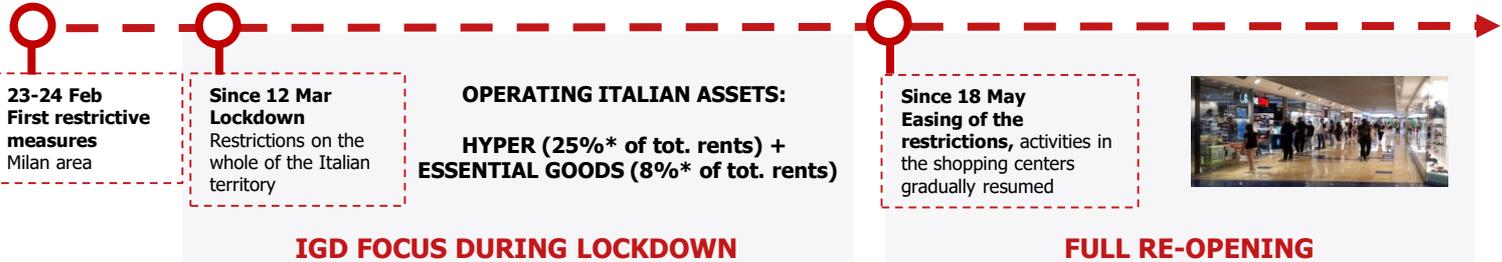
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Business strongly affected, but also strongly resilient

COVID-19: main events in Italy



PRIORITY GIVEN TO HEALTH AND SAFETY IN SHOPPING CENTERS



ENHANCEMENT OF THE COMMUNICATION TO VISITORS



MANAGING THE RELATIONSHIP WITH TENANTS



MAINTAINING A SOUND FINANCIAL STRUCTURE



~85%

Recoverd footfalls

-13.6%

Tenant sales (June)

70%

Negotiations with tenants already closed**

~87%

Collection rate 1H 2020 (hyper+malls non-deferred)

Highlights (1/2)

Rental Income

€74.6 mn

-3.5%

Net Rental Income

€56.3 mn

-17.9%

Core Business Ebitda

€51.4 mn

-18.3%

Funds From Operations (FFO)

€32.9 mn

-21.4% (0.30€ p.s.)

Include estimate of the Covid-19 one-off impact on 1H
(no further impact on the subsequent years)

Highlights (2/2)

Real Estate Portfolio
Market Value (excluding leasehold)
€2,322.62 mn
-2.5%

Epra NTA
€10.70 p.s.
-5.2%

Epra NAV and EPRA NRV
€10.81 p.s.
-5.1%

Epra NDV
€11.35 p.s.
+5.0%*



1

Operating performances

Priority given to health and safety



Sanitation



Increase in cleaning of the SC common areas



Sanitizing gel dispensers inside the malls



Sanitize SC system filters

Informative panels

Informative panels to provide visitors with the rules of conduct to be adopted in the shopping centers



Access and routes regulation

Rules to enter in the sc:



Access forbidden with high temperature



Mask required



Number of accesses controlled

Thermal camera and temperature control

80 THERMAL CAMERAS* installed at the entries of IGD's SC for non-invasive temperature monitoring compliant to privacy regulation



Strengthened surveillance

In order to monitor compliance with the measures adopted to limit the spread of Covid-19



No gatherings



Wear a mask



Staggered entries



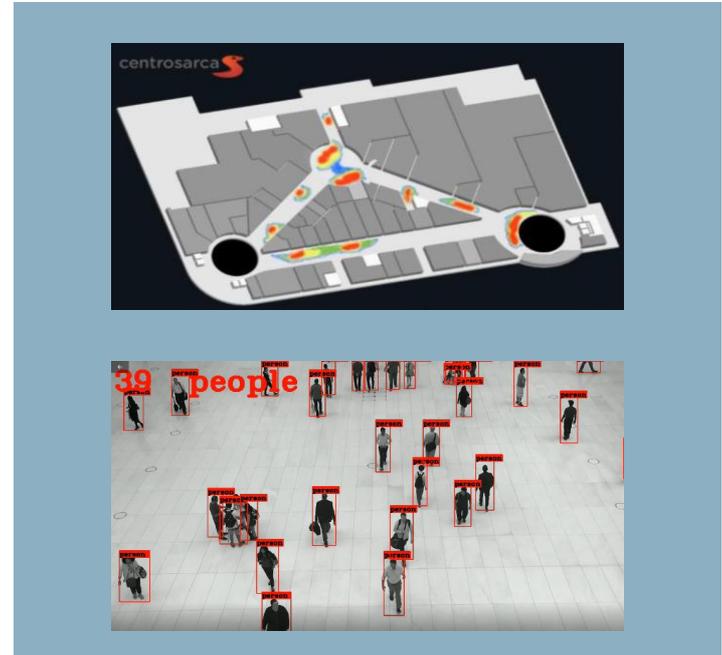
Social distancing



Turning a need into a future opportunity

Thermal cameras high technology could be used in the future for:

1. Flow analysis to check the «hot/cold» areas of the shopping centers – pilot project at ESP Shopping Center (Ravenna)
2. Shopping center customers clusterization
3. Footfalls counting; monitoring and control of gatherings
4. Detection of faults in pipes, monitoring the efficiency of solar panels, other thermometric purposes, etc...



Enhancement of the communication to visitors



1. Reconnecting and informing



Communication campaign on local press and social network (from 28/5 to 16/6)

2. New sales promotions



Initiatives in all our shopping centers starting from the end of June and still ongoing

3. Tenants new initiatives



Tenants' specific initiatives (e.g. outdoors dehors for restaurants)
New openings of engaging brands (e.g. FRWRD Clothing at Le Porte di Napoli)

Government measures to support tenant in Italy



The Government adopted some fiscal measures regarding rents:

TAX CREDIT*
60%
or
30%
(Limits: Annual Revenues < 5mn Turnover -50%)

TAX CREDIT*
10%
(Limits: Annual Revenues > 5mn Turnover -50%)

To be applied on fully paid rents for the months of March, April and May

IGD POTENTIAL RECIPIENTS		
% on	Revenues < 5mn	Revenues > 5mn
n. of tenants	70%	30%
n. of contracts	40%	60%
rents	25%	75%

Measures are easing ongoing discussions with tenants to manage the lockdown period

Leasing activities Italy: malls







65.8%
of total
rents

Ongoing negotiations with tenants to manage the lockdown period with a view to mutual sustainability



Tenants **717**



Contracts **1,449**



Closed negotiations** **70%**

**In general no changes to existing contracts
Extensions and temporary reduction offered**

1H includes estimate of Covid-19 one-off impact for -8.5 mn €*

 <p>INVOICING AND COLLECTION</p>	<p>1° QUARTER</p> <p>BOP invoicing</p>	<p>APRIL</p> <p>invoiced with payment</p> <p>due date 30 June</p>	<p>MAY</p> <p>invoiced with payment</p> <p>due date 10 September</p>	<p>JUNE</p> <p>invoiced with payment</p> <p>due date 10 November</p>
	<p>93%</p> <p>Collected**</p>	<p>c.50%</p> <p>Collected **</p>		

The collection rate is expected to positively develop consistently with the high number of negotiations closed

Leasing activities Italy: hypermarkets



25.8%
of total
rents

- Always operating during lockdown
- Enhancing the shopping centers service role in their catchment areas



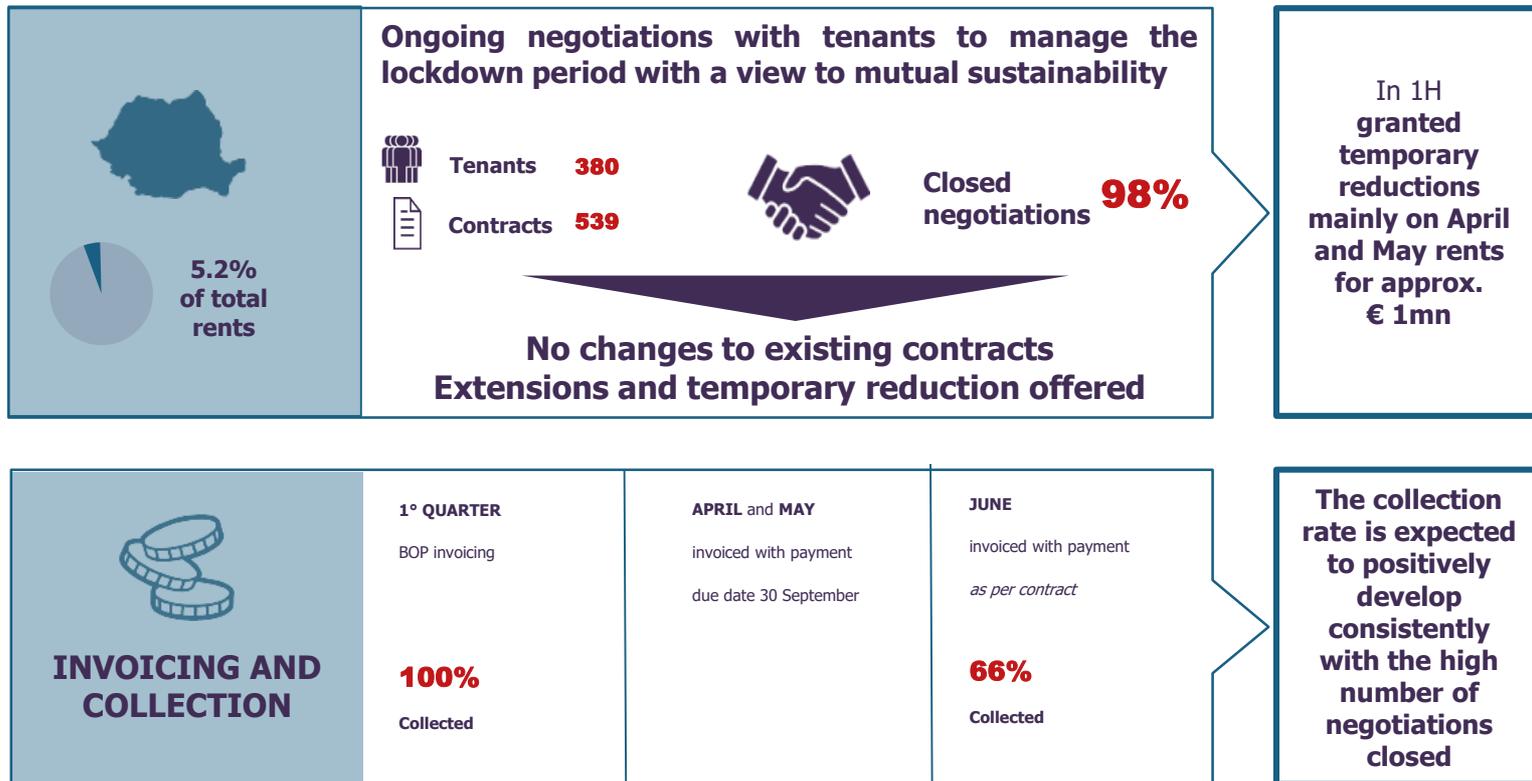
**INVOICING AND
COLLECTION**

1° and 2° QUARTER
Quarterly BOP invoicing

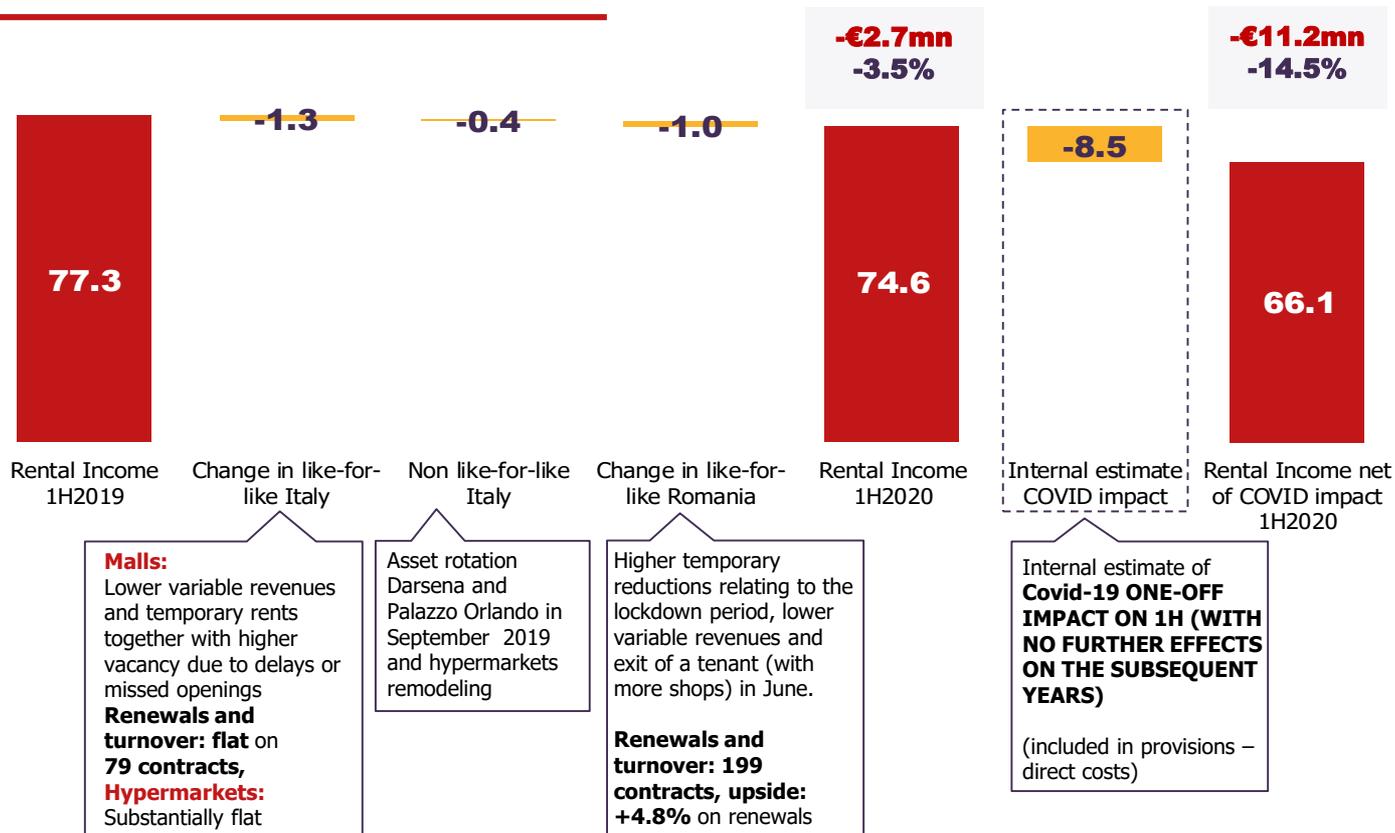
Collected **100%**

**No impacts
on existing
contracts
and
proceeds**

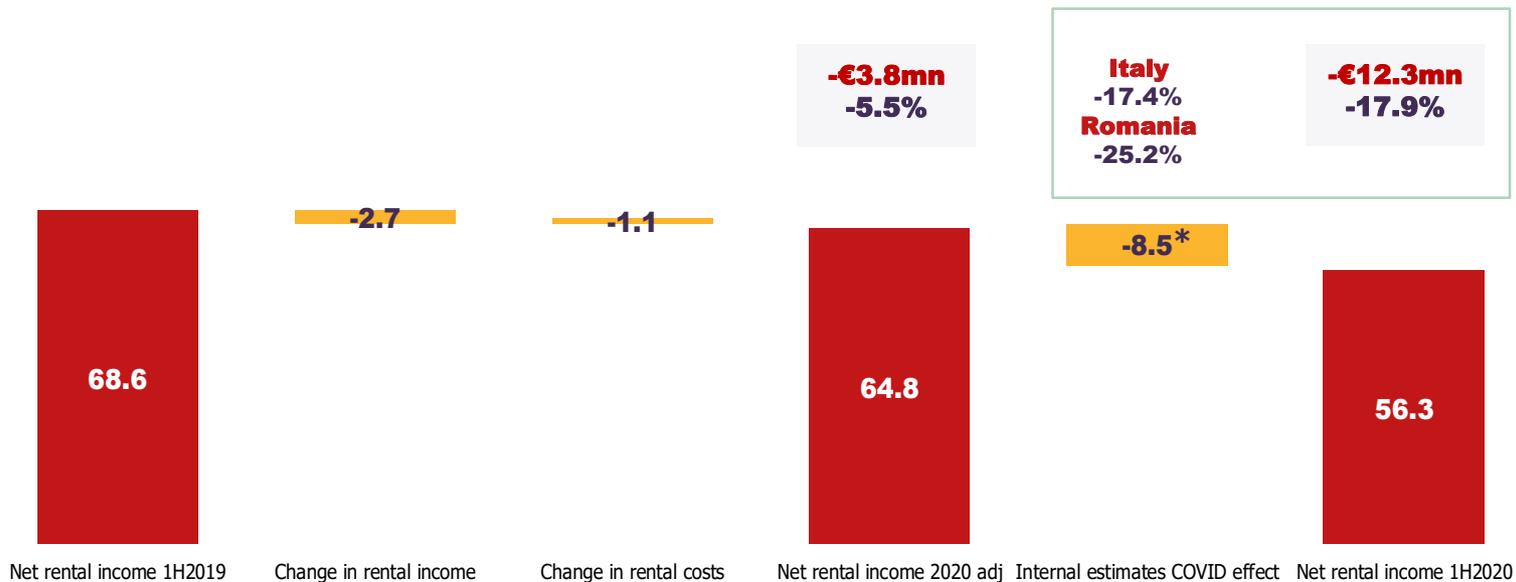
Leasing activities Romania



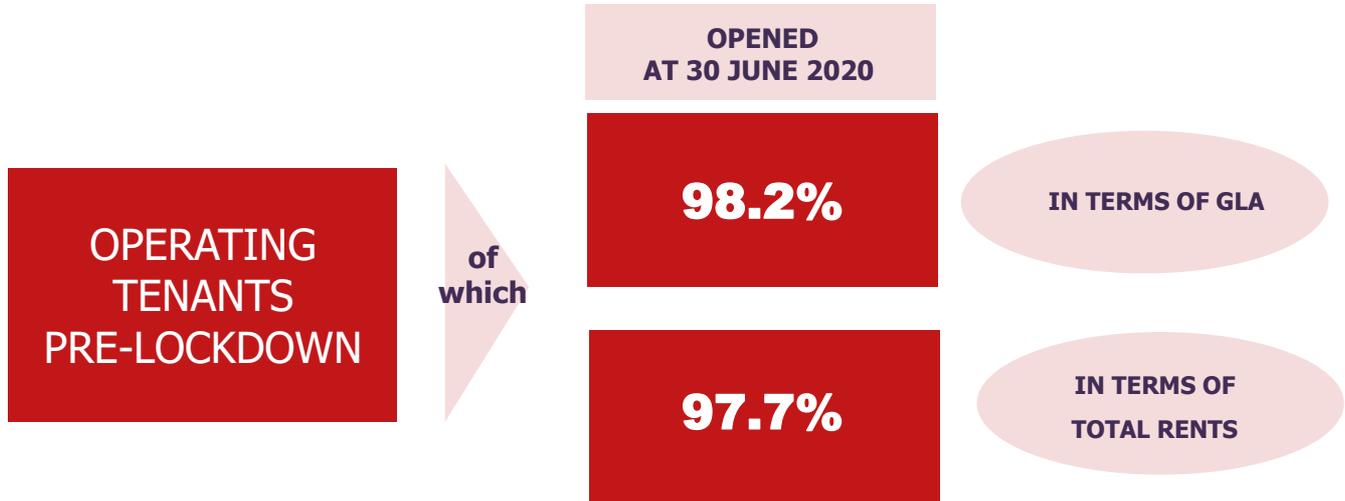
Rental Income (€mn)



Net Rental Income (€mn)



The operativeness and occupancy in Italy

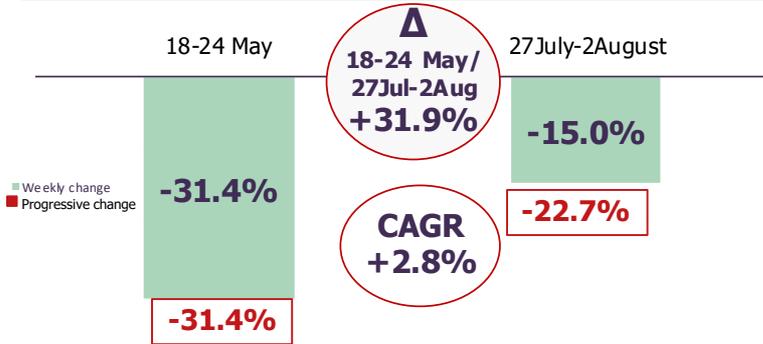


FINANCIAL OCCUPANCY at 30/06 confirmed at high levels: 95.6%

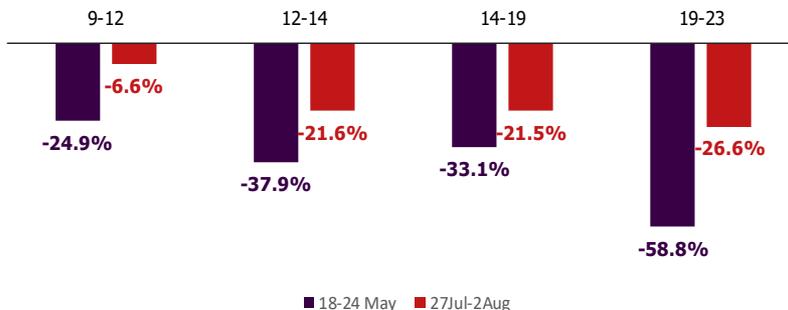
Footfalls in Italy (1/2)



Weekly footfalls 2020/2019



Footfalls per time-slot 2020/2019



Recovered approx. 85% of the pre-lockdown footfalls

Penalized time slot: lunch and post work

Contingent factors that are affecting trends:



Temporary impossibility to organize **gatherings events**

Cinemas (4) still closed, also due to the lack of upcoming films



Widespread smart working with a decrease in shopping centers attendance, especially during lunch break and after work (with impacts on the food court)

Some **restrictions and control measures still in place**





Return to physical shopping after the lockdown

Obvious increase in online shopping during the lockdown, followed by **return to physical shopping** after the end of restrictions; **also testified by specialized third-party observers:**



«If during the lockdown 51% of respondents did more online shopping, only 18% of them said that will keep doing it following the lockdown. **People want to do physical shopping.** Shopping centers management future challenges will be to catch new consumer needs and to work synergically on: innovation, services, communication and and marketing, training and relationship with tenants.»*



Safety in our shopping centers

Over **80%** of respondents said they felt safe and protected by the actions carried out by IGD in the shopping centers.**

SICURI INSIEME.

Non creare assembramenti

Segui le indicazioni

Rispetta le regole dei punti vendita

Del disinfettante a disposizione di tutti

Ignifughe le mani con i gel prima di apporre protettori, le mani e il viso. Non usare il disinfettante a sei usi.

Rispettiamo le distanze di sicurezza

Rispetta il distanziamento italiano di 1 metro dalle altre persone.

Assicuriamo l'utilizzo di mascherine

Indossa sempre la mascherina in tutte le aree del centro.

Rileviamo la temperatura corporea

Si potrà accedere solo se superiore ai 32,0° C

Tenant sales in Italy: increase in average ticket



June tenant sales
-13.6%

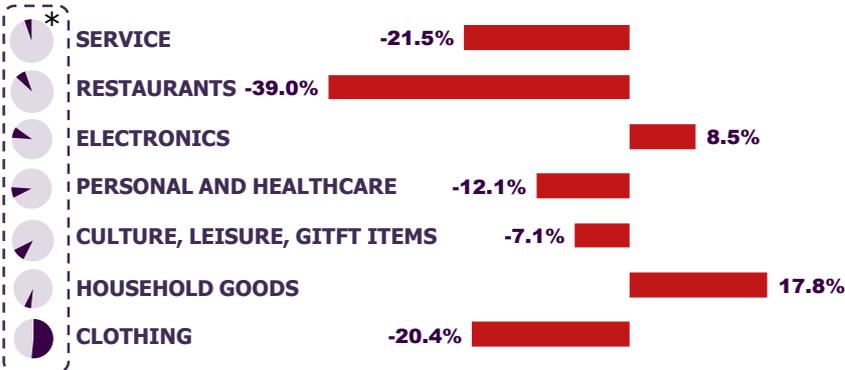
Decreased less than footfalls
→ Higher average ticket
€26.6 (+€4.1; +18.1% vs 2019)



News

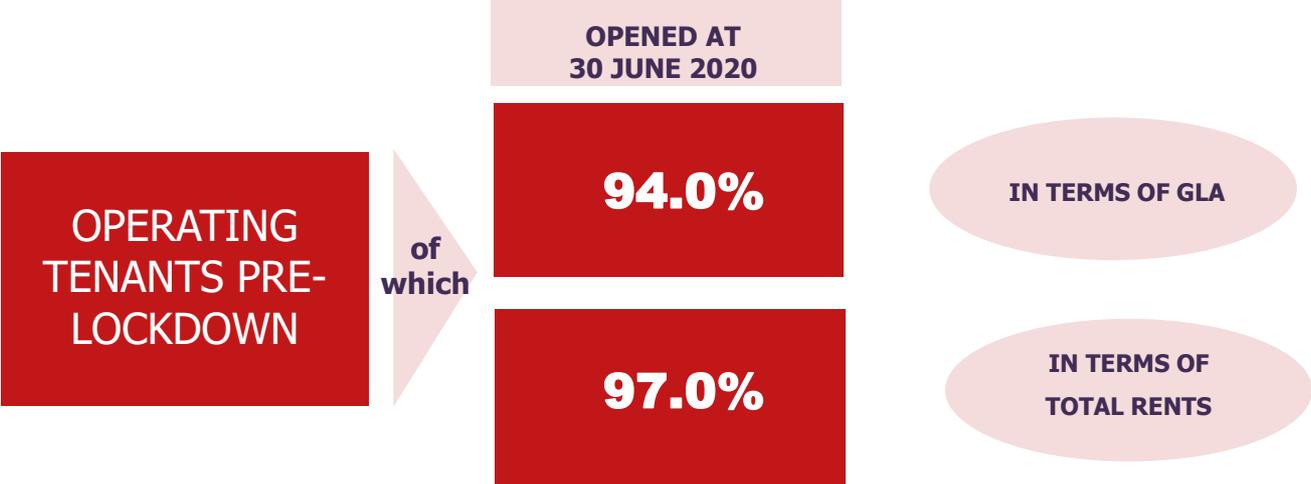
The Government is
studying measures to
boost consumption

Some product categories performed better compared to 2019 (June tenant sales)



- **Service:** slight decrease of dental clinics
- **Restaurants:** moderate loss of fast foods
- **Electronics:** particularly positive results for the stores located in the South of Italy
- **Household goods:** general growth for DIY, furniture and fabric and linen stores
- **Clothing:** general decline but positive result of sportswear

The operativeness in Romania



FINANCIAL OCCUPANCY at 30/06 confirmed at high levels: 94.7%



Post lockdown FOOTFALLS: -25%

Sustainability

Sustainable mobility

Puntadiferro s.c. became the city hub for sustainable mobility

Supercharger charging stations

Standard charging stations



Certifications



ISO 14001
4 more certifications
obtained in 2020

24 Centers certified

95% of total GLA



BREEAM
3 more certifications
obtained in 2020

8 Centers certified

EPRA Best practice

In the report "Enhancing transparency with the TCFD", published by EPRA on 30 June 2020, **IGD** is identified as **best practice at European level** regarding the TCFD* disclosure in its 2019 Sustainability Report in terms of:

- **Risk management**
- **Metrics and Targets**

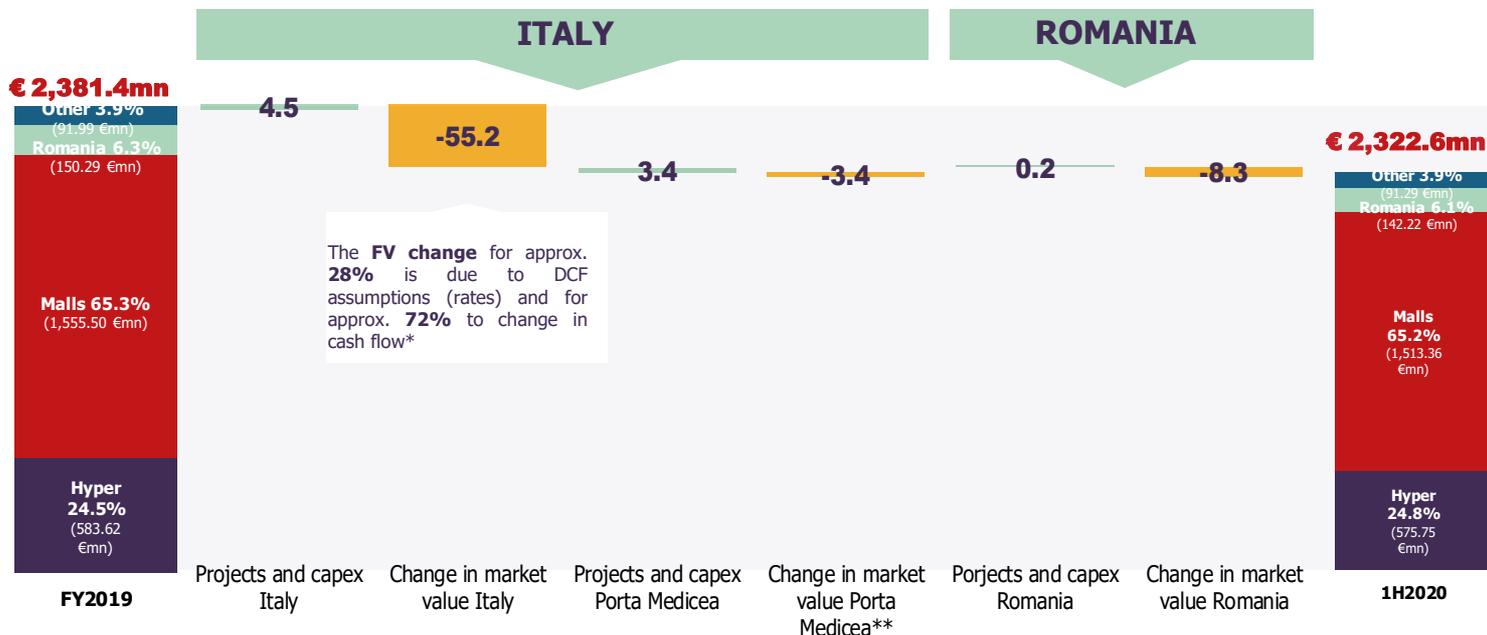


3 The Portfolio

IGD Market value

	FY 2019	1H 2020	Δ %	Gross Initial Yield	EPRA Net Initial Yield	EPRA Net Initial Yield topped up
Malls Italy	1,555.50	1,513.36	<i>(-2.71%)</i>	6.84%	5.4%	5.5%
Hypermarkets Italy	583.62	575.75	<i>(-1.35%)</i>	6.12%		
Romania	150.29	142.22	<i>(-5.37%)</i>	7.44%	6.0%	6.2%
Porta a Mare + development + other	91.99	91.29				
Total IGD Portfolio	2,381.41	2,322.62	<i>(-2.47%)</i>			
Leasehold properties (IFRS16)	54.80	48.77				
Total IGD Portfolio with leasehold	2,436.21	2,371.39	<i>(-2.66%)</i>			

IGD Portfolio



Capex and on-going projects

In order to strengthen the Group's financial solidity, several capex and projects have been suspended for a total savings of around **€40mn** vs forecasts.

Resumption of work is currently being evaluated

Porta a Mare: work is underway to protect the construction work done, along with a revision of the project which takes into account the post-Covid implications. Work is expected to resume as of October 2020 and should be completed by October 2021.



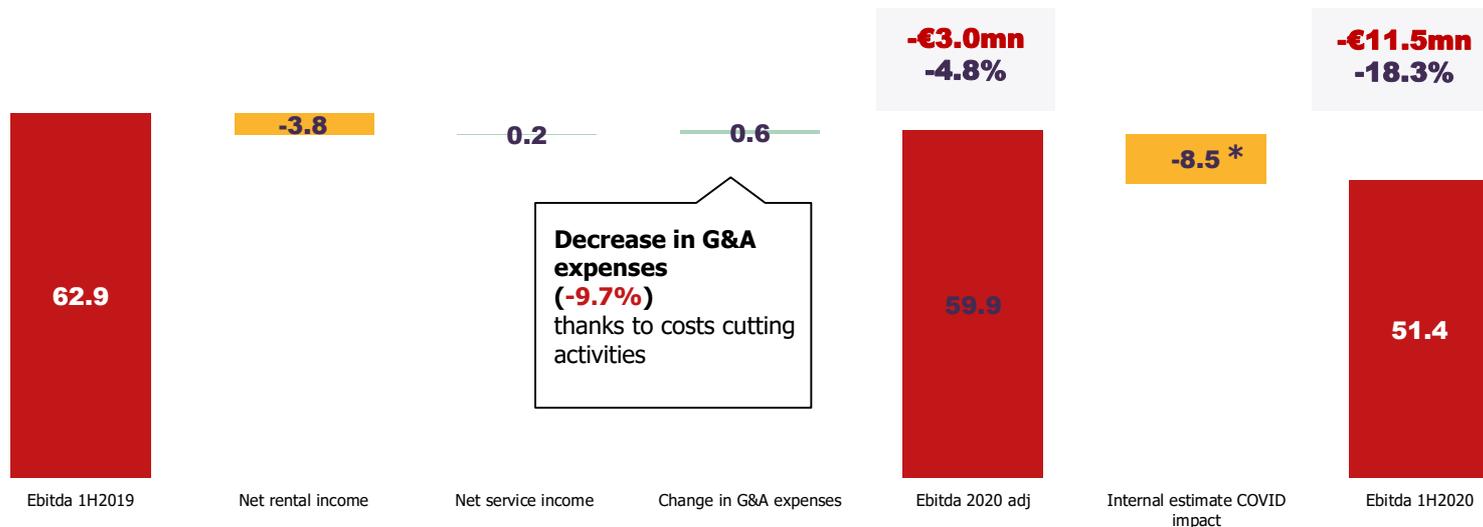
La Favorita (Mantova) and Porto Grande (San Benedetto del Tronto) restyling: the executive design will be completed in 2H2020 in order to have a clear view of the costs. If it is decided to continue with the projects, works may be starting in the first months of 2021.





4 Financial results

Core business Ebitda (€mn)

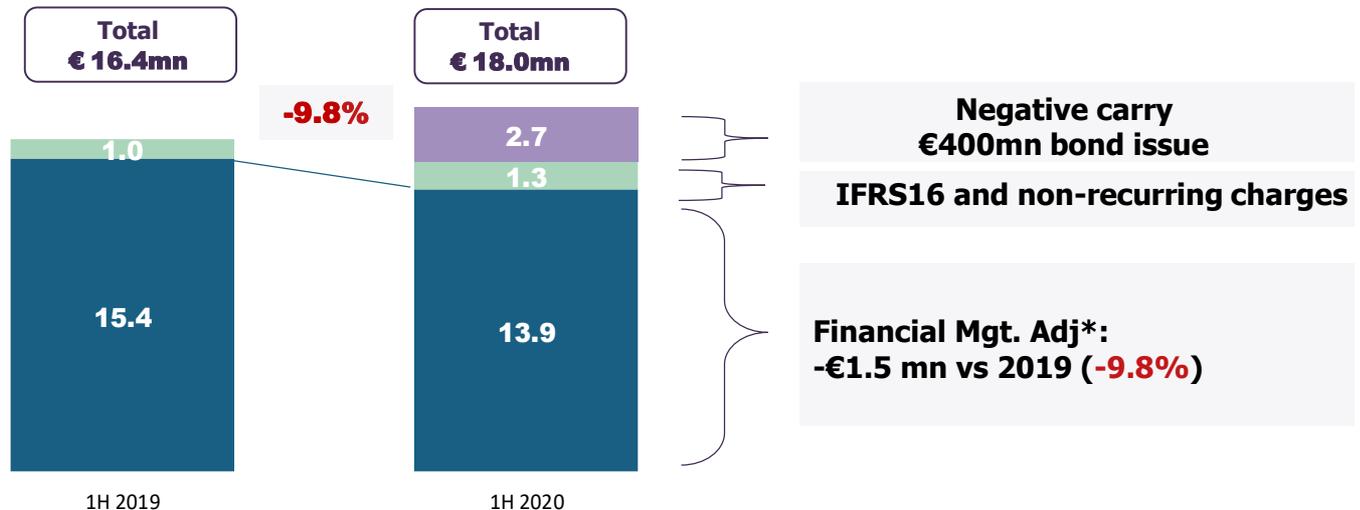


EBITDA MARGIN
Core business **66.1%**

EBITDA MARGIN
freehold **66.7%**

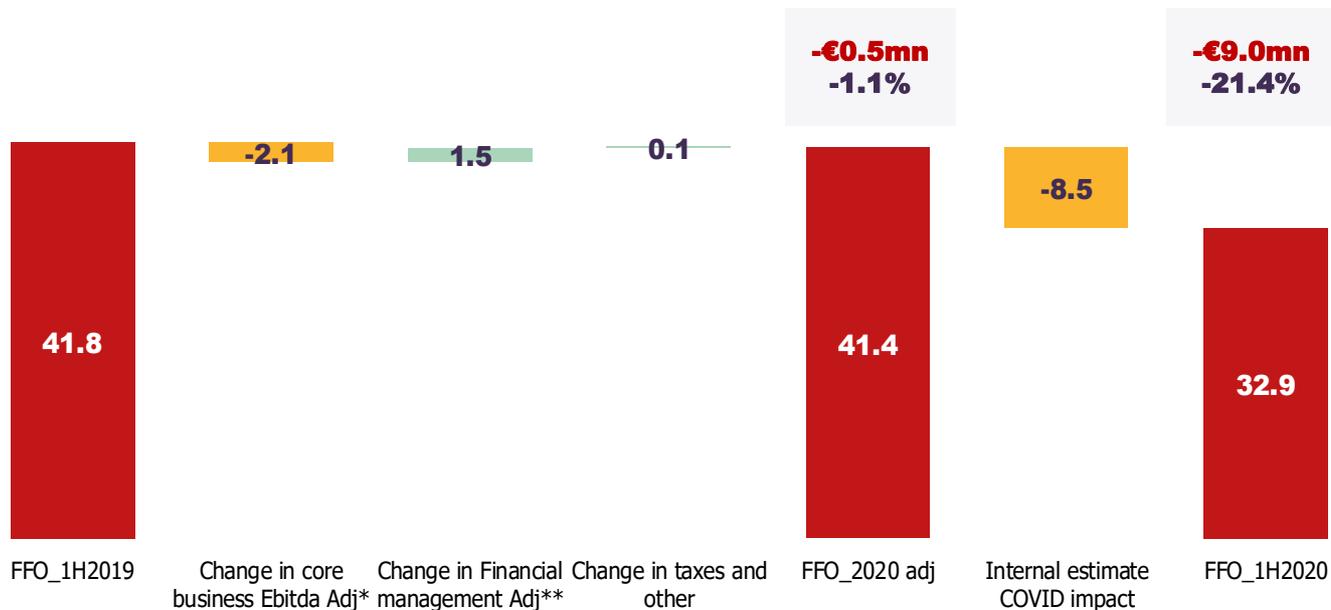
Financial management (€mn)

Figures, net of accounting items and negative carry related to the last bond issue, are further decreasing (-9.8% vs 1H2019)



■ Financial management ADJ FFO* ■ IFRS16 and non-recurring charges ■ Negative Carry

Funds From Operations (FFO)



EPRA Metrics

	€ per share	1H2020	FY 2019	Δ %
 EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION	NRV and NAV	10.81	11.40	-5.1%
 EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION	NTA	10.70	11.29	-5.2%
 EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION	NDV	11.35	10.81	+5.0%

Thanks to the increase in financial instruments fair value



Update on financial activities



Committed credit lines renewed by 2 leading credit institutions (40 mn€ +20 mn€) and **maturity extended to 2023**



A government guaranteed loan of roughly €37 million (6-years at a rate, including the cost of the government guarantee, in line with the Group's average cost of debt), provided by Sace Spa, **is in the process of being finalized.**



Ratings:

Fitch

BBB- *rating watch negative*

Standard&Poor's

BB+ *negative*

Moody's

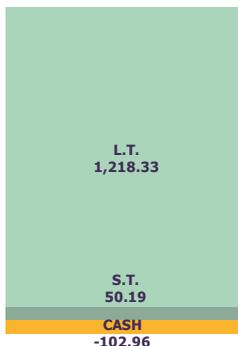
Ba2 *outlook stable*

NO Bond step up clause has been triggered

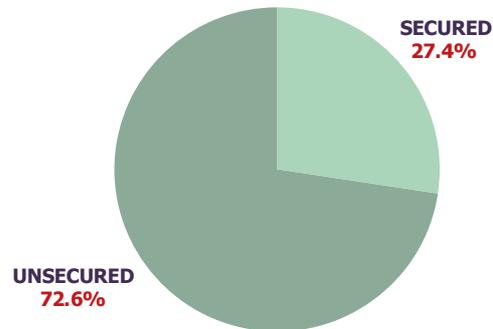
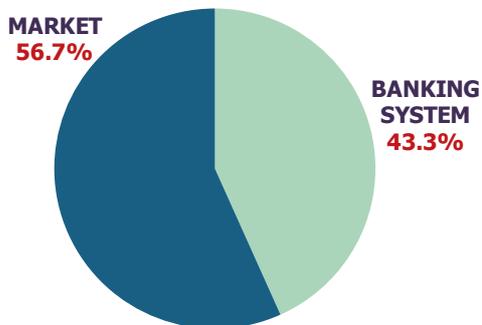
Financial structure

	31/12/2019	30/06/2020
LTV	47.6% (adj. IFRS16 c. 46.4%)	49.0% (adj. IFRS16 c. 47.9%)
ICR	3.8X*	3,5X*
Average cost of debt	2.35%	2.30%

NET DEBT
€1,165.6 mn**

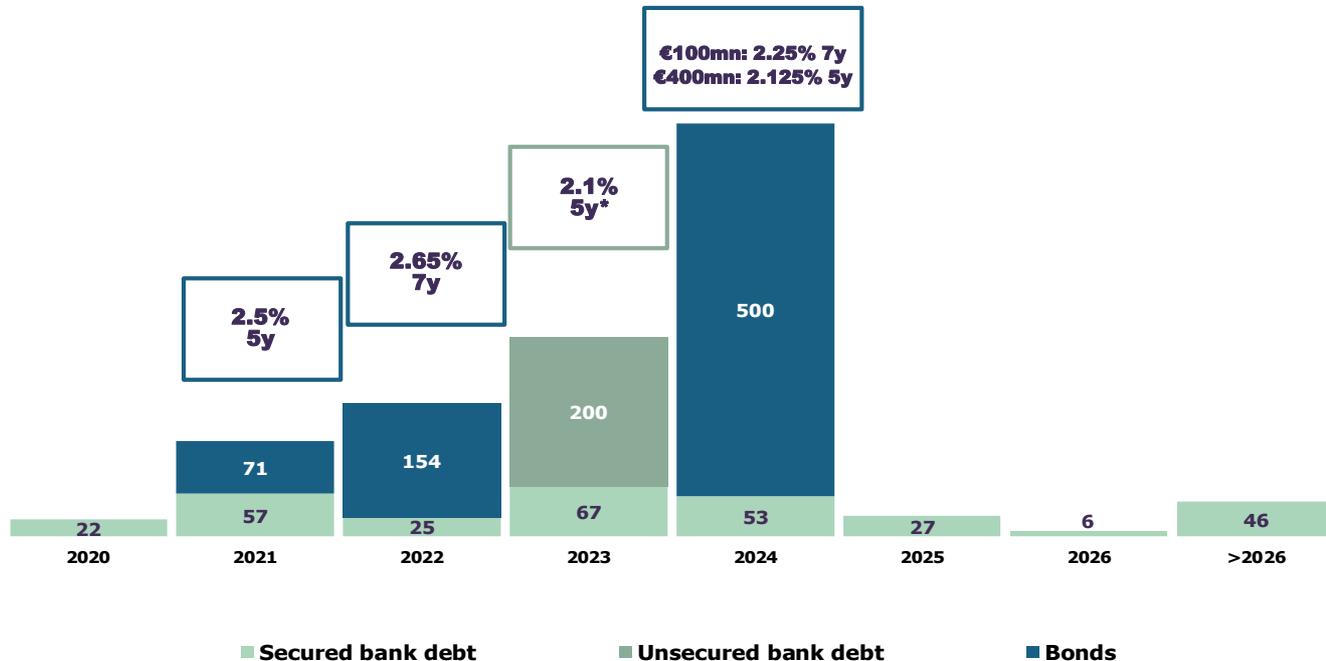


DEBT BREAKDOWN***



Debt maturity

Thanks to liability management activities carried out over the last few months and ongoing, the committed and uncommitted credit lines for €220 mn and the cash-on-hand for €103 mn, the Group is capable to cover next 18 months financial maturities



*Actual rate with 3 years hedging and estimates for the following ones



4 Outlook

FFO Outlook 2020



FFO p.s.

FY2020

NEW OUTLOOK

-25/28% vs FY2019
(c. €0.54/€0.57)

(Includes estimate of Covid-19 one-off impact; no effects on the subsequent years are expected)

Given this backdrop, **the 2021 targets for the Business Plan 2019-2021** (presented on 7 November 2018) **should no longer be considered current** as they were **defined based on hypotheses formulated before the spread of the pandemic and the onset of the Covid-19 emergency**, in a scenario that is very different from the current one.

The Company will prepare an **updated Business Plan** when the **overall picture is clearer and more stable**.



5 Attachments

Consolidated Income Statement

GROUP CONSOLIDATED	(a)	(b)	Δ
	1H_CONS_2019	1H_CONS_2020	(b)/(a)
Revenues from freehold rental activities	71.1	68.7	-3.4%
Revenues from leasehold rental activities	6.3	5.9	-5.2%
Total income from rental activities	77.3	74.6	-3.5%
Rents and payable leases	-0.1	0.0	-96.5%
Direct costs from rental activities	-8.7	-18.3	n.a.
Net rental income	68.6	56.3	-17.9%
Revenues from services	3.2	3.1	-1.6%
Direct costs from services	-2.7	-2.5	-8.0%
Net services income	0.5	0.6	36.5%
HQ Personnel expenses	-3.5	-3.1	-11.7%
G&A expenses	-2.6	-2.4	-7.0%
CORE BUSINESS EBITDA (Operating income)	62.9	51.4	-18.3%
<i>Core business Ebitda Margin</i>	<i>78.2%</i>	<i>66.1%</i>	
Revenues from trading	0.0	0.5	n.a.
Cost of sale and other costs from trading	-0.3	-0.8	n.a.
Operating result from trading	-0.3	-0.4	38.7%
EBITDA	62.7	51.0	-18.5%
<i>Ebitda Margin</i>	<i>77.8%</i>	<i>65.2%</i>	
Impairment and Fair Value adjustments	-38.8	-73.6	89.5%
Depreciations and Provisions	-0.5	-0.5	0.0%
EBIT	23.3	-23.0	n.a.
FINANCIAL MANAGEMENT	-16.4	-18.0	9.5%
EXTRAORDINARY MANAGEMENT	0.0	-0.1	n.a.
PRE-TAX RESULT	6.9	-41.1	n.a.
Taxes	0.2	2.2	n.a.
NET RESULT FOR THE PERIOD	7.1	-38.8	n.a.
(Profit/Loss) for the period related to third parties	0.0	0.0	n.a.
GROUP NET RESULT	7.1	-38.8	n.a.

Contracts in Italy and Romania ad at 30/06/2020

Malls Italy

Average residual maturity: **4.1years**

Total contracts: 1,449 of which 42 renewals with the same tenant and 37 signed with a **new tenant**

Rotation Rate **2.7%**
(% new contracts on tot. contracts)

Hypermarkets Italy

Average residual maturity: **14.1years**

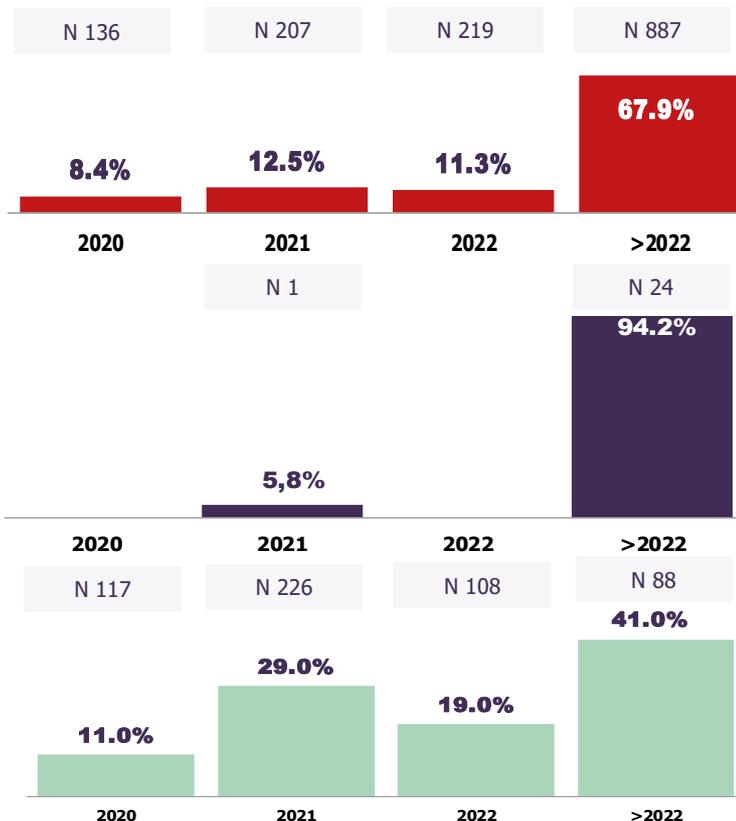
Total contracts: 25

Malls Romania

Average residual maturity : **4.9years**

Total contracts: 539 of which 145 renewals with the same tenants and 54 signed with a **new tenant**

Rotation Rate **10.0%**
(% new contracts on tot. contracts)



Key tenants

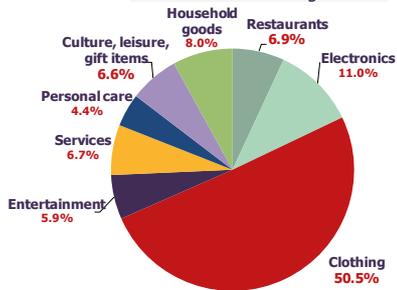
Top 10 Tenants Italian Malls

TOP 10 Tenant	Product category	Turnover impact	Contracts
OVS	clothing	2.8%	13
PIAZZA ITALIA	clothing	2.5%	9
H&M	clothing	2.1%	10
ALDO	shoes	2.0%	8
DOUGLAS	personal care	1.8%	17
EMILIO PUCCI oltre	clothing	1.8%	25
unieuro	electronics	1.7%	7
CALZEDONIA	clothing	1.6%	28
ALDO	jewellery	1.4%	25
GameStop	leisure	1.3%	25
Total		19.0%	167

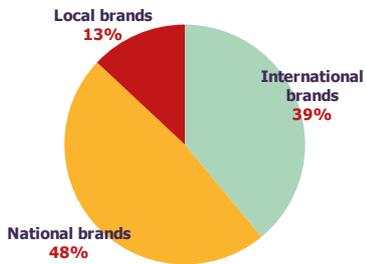
Top 10 Tenants Romanian Malls

TOP 10 Tenant	Product category	Turnover impact	Contracts
Carrefour market	supermarket	10.6%	11
H&M	clothing	7.2%	6
kik	clothing	4.5%	10
PEPCO	clothing	4.4%	11
dm	drugstore	2.7%	5
B&B COLLECTION	jewellery	2.2%	5
SENZA	pharmacy	2.1%	4
OCPI	offices	1.7%	1
KFC	restaurants	1.2%	1
InterGame	entertainment	1.2%	1
Total		37.8%	55

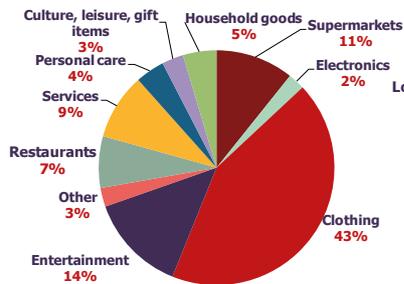
Malls Merchandising Mix



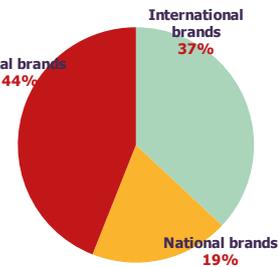
Malls Tenant Mix



Malls Merchandising Mix



Malls Tenant mix



Funds From Operations (FFO)

Funds from Operations	CONS_2019	CONS_2020	Δ 1H 2019	Δ%
Core business EBITDA	62.9	51.4	-11.5	-18.3%
IFRS16 Adjustments (Payable leases)	-5.1	-4.3	0.8	-15.7%
Financial Management adj.	-15.5	-16.6	-1.2	7.7%
Extraordinary Management adj.	0.0	0.0	0.0	n.a.
Current taxes for the period adj.	-0.6	-0.5	0.1	-12.8%
FFO	41.8	30.0	-11.8	-28.3%
Una tantum Marketing		0.157	0.2	n.a.
FFO	41.8	30.2	-11.7	-27.9%
Negative Carry		2.7	2.7	n.a.
FFO ADJ	41.8	32.9	-9.0	-21.4%

Other Epra metrics



EPRA Performance Measure	6/30/2020	12/31/2019
EPRA NRV/NAV (€'000)	1,193,288	1,258,008
EPRA NRV/NAV per share	€ 10.81	€ 11.40
EPRA NTA	1,180,764	1,245,473
EPRA NTA per share	€ 10.70	€ 11.29
EPRA NDV	1,252,303	1,192,894
EPRA NDV per share	€ 11.35	€ 10.81
EPRA Net Initial Yield (NIY)	5.9%	5.9%
EPRA 'topped-up' NIY	6.0%	6.0%
EPRA Vacancy Rate Malls Itay	5.8%	4.5%
EPRA Vacancy Rate Hyper Italy	0.0%	0.0%
EPRA Vacancy Rate Total Italy	4.4%	3.2%
EPRA Vacancy Rate Romania	5.4%	2.4%

EPRA Performance Measure	6/30/2020	6/30/2019
EPRA Cost Ratios (including direct vacancy costs)	18.9%	17.6%
EPRA Cost Ratios (excluding direct vacancy costs)	16.5%	15.4%
EPRA Earnings (€'000)	€ 32,772	€ 44,400
EPRA Earnings per share	€ 0.3	€ 0.4

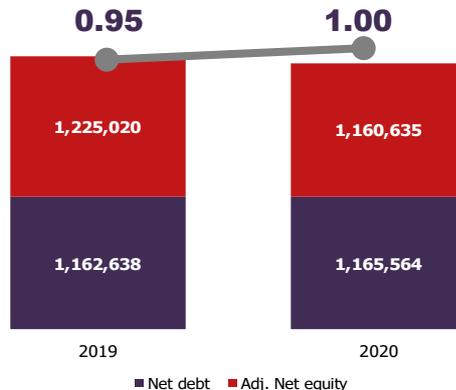
Further financial highlights

	31/12/2019	30/06/2020
Gearing ratio	0.95X (adj. IFRS16 c. 0.91X)	1.0X (adj. IFRS16 c. 0.96X)
Average length of long term debt	4.1 years	3.6 years
Hedging on long term debt + bond	94.8%	95.1%
Share of M/L debt	95.4%	89.3%
Uncommitted credit lines granted	161 € mn*	161€ mn*
Uncommitted credit lines available	161 € mn	161€ mn
Committed credit lines granted and available	60 € mn	60 € mn
Unencumbered assets	1,480.0 € mn	1,471.9€ mn

Reclassified balance sheet

Sources - Uses of funds (€/000)	6/30/2020	31/12/2019	Δ	Δ%
Fixed assets	2,300,570	2,365,214	64,644	2.8%
Assets under construction	40,610	40,827	217	0.5%
Other non-current assets	21,552	21,845	293	1.4%
Other non-current liabilities	-28,250	-28,998	-748	2.6%
NWC	19,094	18,441	-653	-3.4%
Net deferred tax (assets)/liabilities	-24,097	-26,313	-2,216	9.2%
TOTAL USE OF FUNDS	2,329,478	2,391,017	61,538	2.6%
Net equity	1,148,084	1,211,014	62,930	5.5%
Net (assets)/liabilities for derivative instruments	15,830	17,365	1,535	9.7%
Net debt	1,165,564	1,162,638	-2,926	-0.3%
TOTAL SOURCES	2,329,478	2,391,017	61,539	2.6%

GEARING RATIO (€000)



Government measures to support tenants in Italy

Measures provided by the «Cura Italia» Decree

- Tax credit equal to 60% of the March rent if the leased property falls into the cadastral category C/1

Only 39% of lease contracts, equal to 7% of total contracts, can benefit from this measure

Measures provided by the «Rilancio» Decree

- Tax credit equal to 60% of the fully paid rents for the months of March, April and May
- Tax credit equal to 30% of the fully paid rents for the months of March, April and May
- Requirements:
 - ✓ Revenues not exceeding €5 million in the tax period before the entry into force of the Law Decree 34/2020;
 - ✓ Decrease in turnover by at least 50% in March, April and May compared to the same month of the previous year

% on	<5€mn	>5€mn
n. tenants	70%	30%
n. contracts	40%	60%
rents	25%	75%

The «Rilancio» Decree was adopted as law by the Parliament on 16/07/2020 (changes related to rents/leases tax credit are expected)

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