



Morgan Stanley Virtual Fixed Income real estate conference presentation

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1

Introduction to IGD

IGD at a Glance

IGD is the leading Italian listed developer and operator of Italian quality retail real estate properties: develops and manages shopping centers across the country and has also a presence in retail distribution in Romania

IGD #1 Italian Retail SIIQ (REIT) - Portfolio Snapshot

€2.3 Bn Portfolio
Mainly Malls / Retail Parks / Hypermarkets

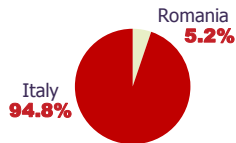
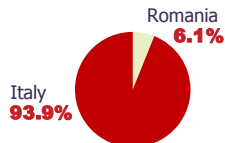
75 Assets

Rental Income
>74 MM

IGD Portfolio Breakdown by Geography

By Value
€2.3 Bn

By Rental Income
€74.6 MM



60 Properties in 12 Regions
(93.9% of Value)

14 Properties in 13 Cities
(6.1% of Value)



5.4% EPRA Net Initial Yield
5.5% net initial yield topped-up



66.7% Ebitda margin⁽²⁾



95.6% financial occupancy⁽³⁾
Constantly > 95% since IPO (2005)



EPRA NAV and EPRA NRV €10.81/share
EPRA NTA €10.70/share



FFO/share
€0.30 (1H2020)



Dividend 2019
€ 0.228152 p.s. (paid in July 2020)

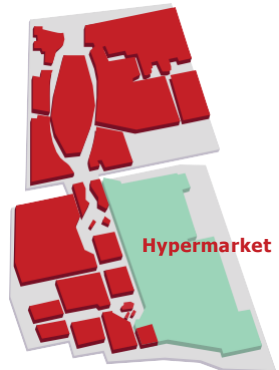
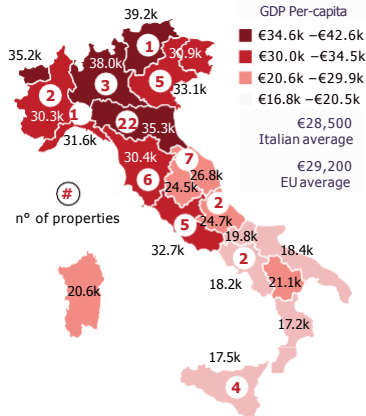


49.0 % LTV (excl.IFRS16 c.47.9%)

IGD Business Model Explained

A distinctive competitive positioning in the fragmented Italian retail real estate market

- Well Diversified Across Italy
- Strategic Positioning
- Strong Food Anchor (COOP)
- Strong Track-Record of Direct Management



- Services**
- Personal and Healthcare**
- Local and international brands**
- Sharing economy**

With Strategic Focus on High GDP per capita Northern Mid-Size Cities

We strive to Be the Dominant Retail Destination in Mid-Sized Wealthy Italian Cities, at Easy Reach from City Centre

The Food Hypermarket Plays a Critical Attraction Role in Our Retail Assets Fresh food, Daily Shopping, Sticky Consumer Habits

Proactive Approach, Carefully Selected Merchandising Mix, Marketing Activity Adapted to Each Context and Wide Offer of Customer Related Services

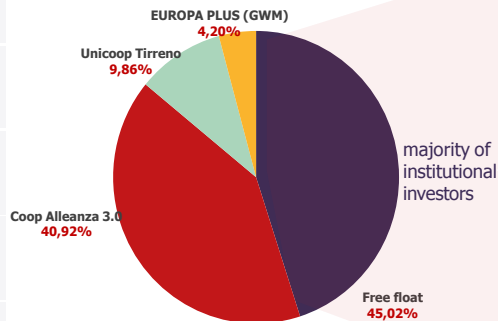
Young portfolio Average age 8 years (from opening/restyling)	Average GlA: about 25,000 sqm	Easily reachable: about 4km from city center
	Catchment area: about 370,000 inhabitants in 20 minutes	Average parking places: 2,013
	Average footfalls per year: 3.1 million	Centers reached by public transport: 24 (89%)
		Centers reached by cycle path: 16 (59%)

Our shareholding structure

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




	Number of shares: 110,341,903
	Share Capital: about €650 m
	Net Equity: about €1.1Bn (30/06/2020)
	Market Capitalization: about €524mn (average market price 27/8/2019- 26/08/2020)
	Average daily trading: about 199,161 shares (27/08/2019 – 26/08/2020)

Freefloat equal to 45.02%, majority of institutional investors, of which¹⁾



20%	Italy Mediolanum, Generali, Eurizon
25%	UK & Ireland Northern Trust Corp., HSBC, River and Mercantile Group
25%	US & Canada The Bank of NY Mellon, Blackrock, Equitable holdings
5%	Luxembourg Netherlands Belgium Lupus Alpha Stichting pension fund
6%	France Amundi, BNP Paribas
19%	Rest of the World UBS Group, Sparinvest,

Governance – Best-in-Class Board Composition

 11 Members of Board of Directors	 63.6% Independent (7) 36.4% Non Independent (4)	 63.6% Male (7) 36.4% Female (4)
3 committees entirely composed by independent directors		

	Elio Gasperoni (1953) Chairman • Chairman of IGD's Board since April 2017 • Board member of IGD since 2015
	Claudio Albertini (1958) Chief Executive Officer • Appointed in May 2009 • Board member at IGD since 2006

«Coop world" and our main Shareholders

7 Legal entities throughout Italy
17 Regions covered by Coop



«Coop world" key data*:

Turnover ~14.7 bn € (13.5% of italian large scale retail)

No. of stores: ~1,200

Employees ~52,000

Members ~6.7 million people



Coop Alleanza 3.0



Unicoop Tirreno

Revenues	* ~4,0 bn €	* ~890mn
N° of stores	~378	~100
Employees	~21,900	3,410
Members	~2.3 million	~607,000
Deposits from members	~3.2 bn €	~602mn €

Strategic investments in listed companies:



UNIPOL GRUPPO
FINANZIARIO
(Insurance and banking)



IGD SIIQ SPA

Our Top Management

Elio Gasperoni (1953) Chairman



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

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)

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

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

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

Roberto Zoia (1961) Director of Asset Management, development & network mgt



- Director of Asset Management and Development since 2006
- Joined GS Carrefour Italia Group in 1999 as Head of Hypermarket and Shopping centre Development
- Head of Asset Management and Development for Carrefour Italia from 2005
- Previously, Business Manager at Coopsette (since 1986)

Raffaele Nardi (1976) Director of Planning, Control and Investor Relations



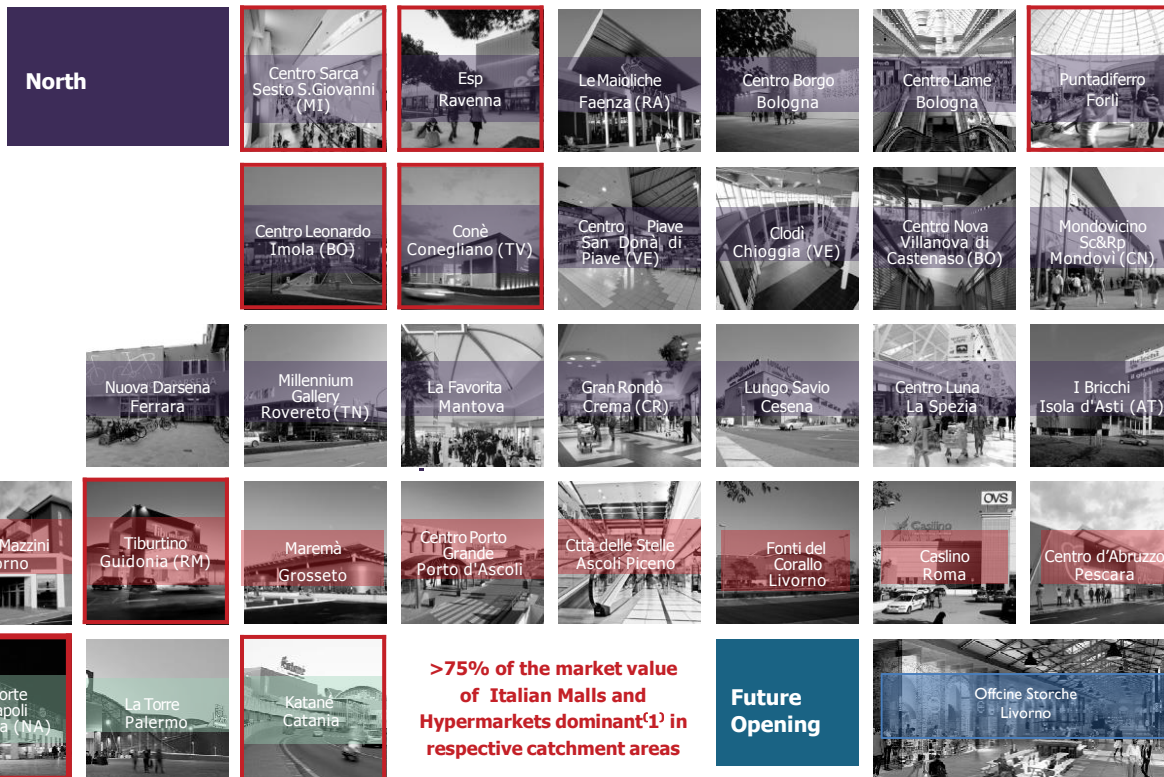
- Head of the division to which 3 different departments report: planning, control and investor relations
- Joined IGD in October 2010
- Head of the Advisory Service of UGF Merchant, bank of the Unipol Financial Group, where he matured more than ten years of experience
- Graduated in Business Economics



2 Operating Data

IGD: a portfolio of high quality assets

IGD - Main Italian Asset



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

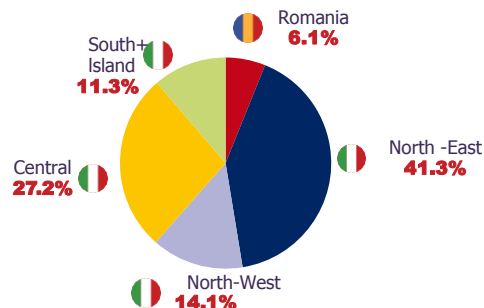
Located in the most attractive Italian regions

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

ITALY- 60 properties in 12 regions (93.9% of total IGD market Value)

GDP Per-capita

1H2020
€ 2,322.6

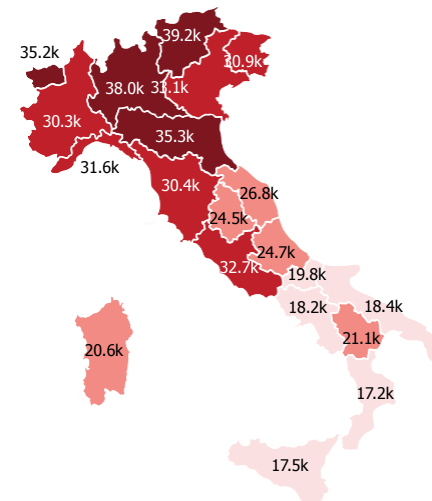


Data as at 30/06/2020



% of Portfolio Market Value

Data as at 31/12/2019



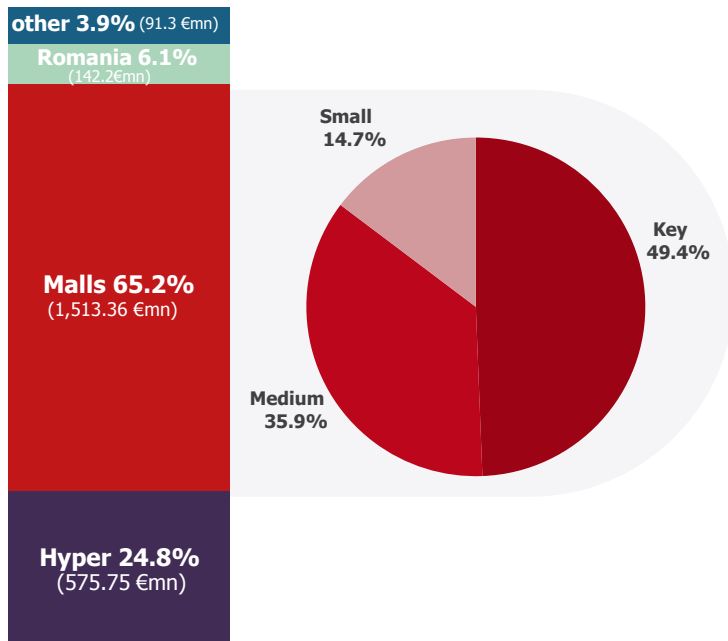
€28,500
Italian average

€29,200
EU average

Data as at 31/12/2017

Main characteristic of our portfolio

€ 2,322.6mn



1H2020

Total GLA (Ita) 655,000 m² (market share c. 4%)

A **young portfolio**: on average 8 years old (since opening or last restyling)

Full ownership of 16 Shopping centres (mall+hyper) in Italy

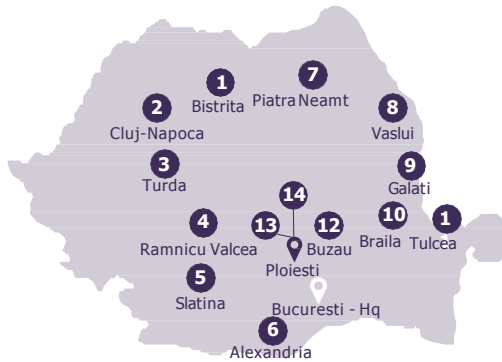
18 of 25 Hyper/Super (Ita) are **small** (Sale area <6000m²)

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 3.1 mn per year (2019)
- GLA ~25,000 m²

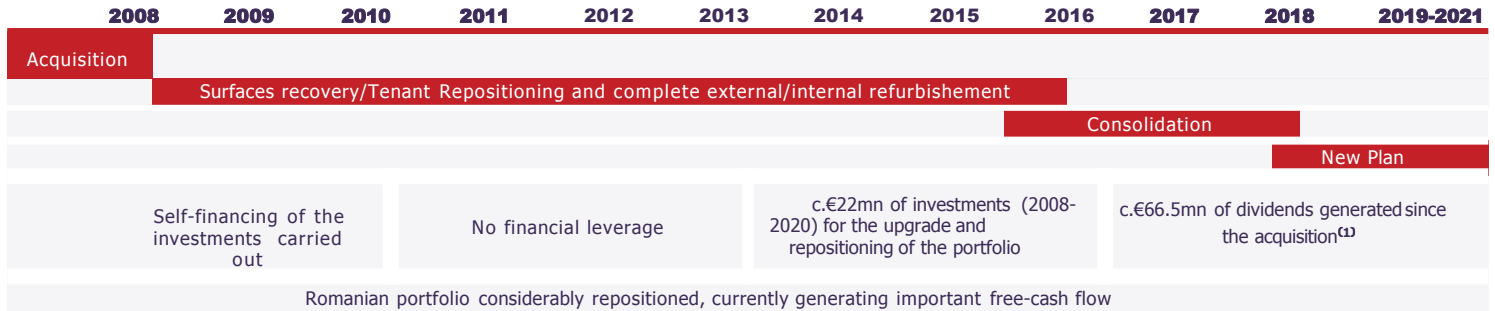
Mall **Tenants' Sales** (Ita) per GLA m²: €2,800 (FY2019)

Strong repositioning of the Romanian Portfolio

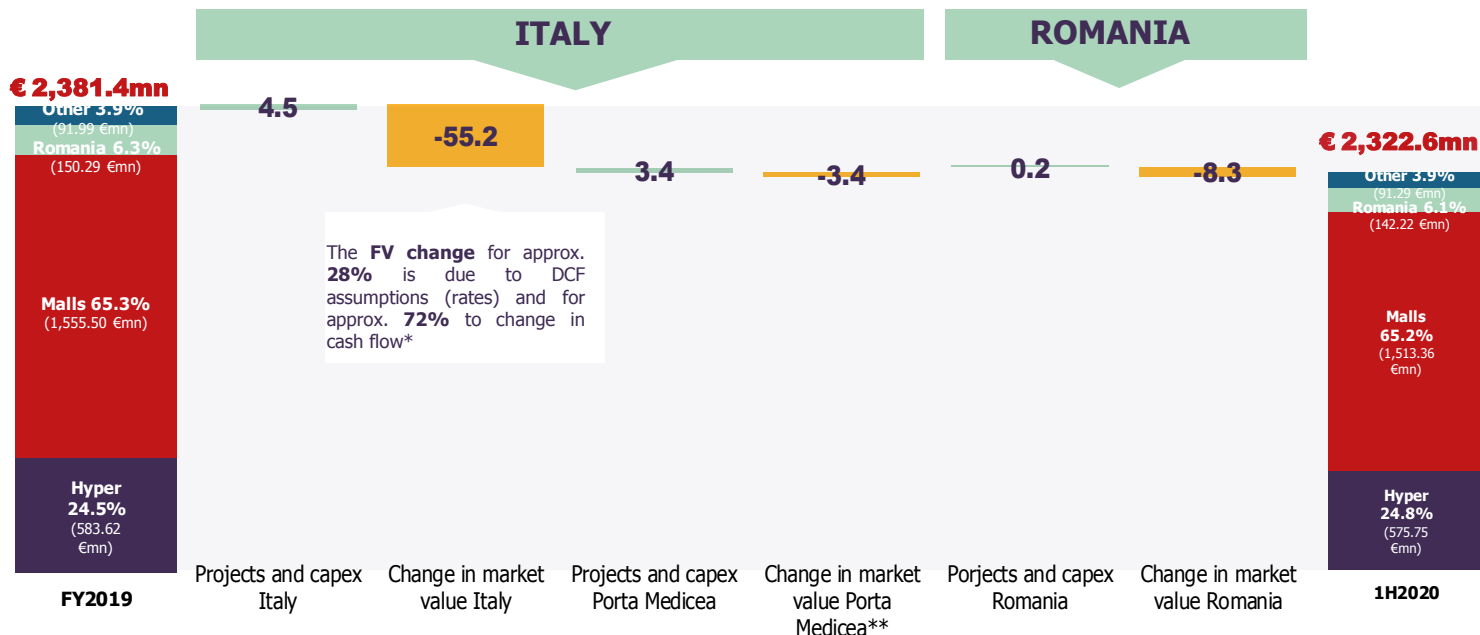


Key Strategic points

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






IGD Market value as at 30/06/2020 (1/2)



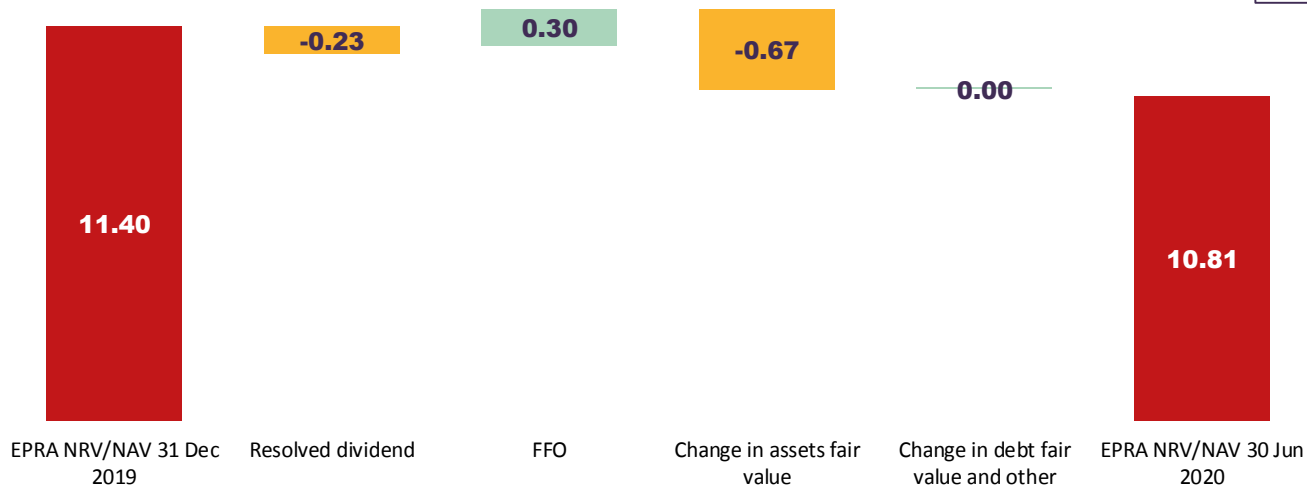
IGD Market value as at 30/06/2020 (2/2)

	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	(-2.71%)	6.84%	5.4%	5.5%
Hypermarkets Italy	583.62	575.75	(-1.35%)	6.12%		
Romania	150.29	142.22	(-5.37%)	7.44%	6.0%	6.2%
Porta a Mare + development + other	91.99	91.29				
Total IGD Portfolio	2,381.41	2,322.62	(-2.47%)			
Leasehold properties (IFRS16)	54.80	48.77				
Total IGD Portfolio with leasehold	2,436.21	2,371.39	(-2.66%)			

EPRA Metrics as at 30/06/2020

	€ 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



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**

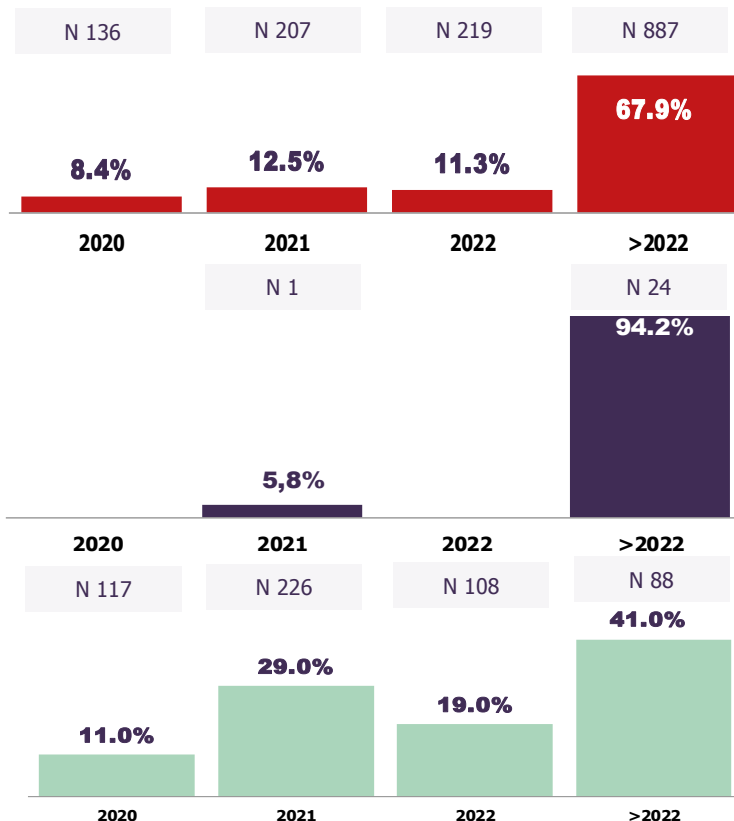
Total contracts: 25

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 as at 30/06/2020

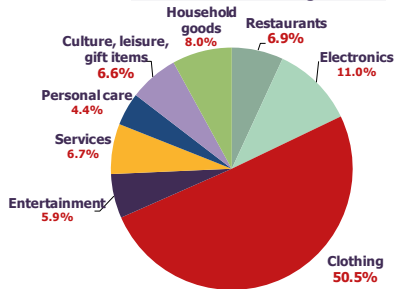
Top 10 Tenants Italian Malls

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
ALDI	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

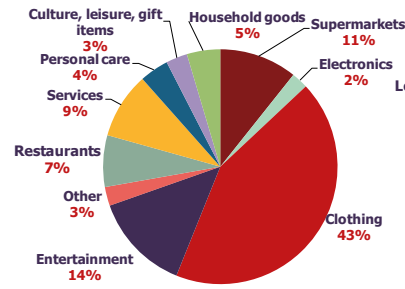
Malls Merchandising Mix



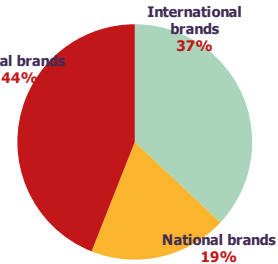
Malls Tenant Mix



Malls Merchandising Mix



Malls Tenant mix

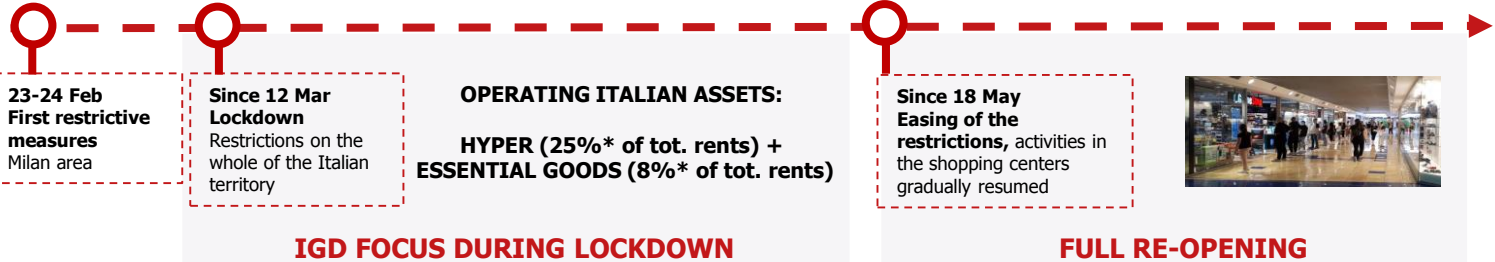




3 Recent events and impact of Covid-19 on Group's activities

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



>95%

Recoverd footfalls

+4.2%

Tenant sales (August)**

85%

Negotiations with tenants already closed***

~76%

Collection rate *** (hyper+malls non-deferred)

Priority given to health and safety



Sanitation



Increase in cleaning of the SC common areas



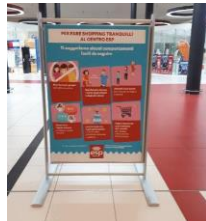
Sanitizing gel dispensers inside the malls



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, May and June

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



NEGOTIATIONS POST LOCKDOWN



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** **85%**

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 €*

LEASING MANAGEMENT



223

Contracts expiring in 2020

57% already renewed with very limited downside of -1.7% (o.w. 74 renewed and 51 turnover)

4% maturity extended for 12 months

39% still to expire

Retailers continue to open new shops in Italy



21/7 – FrwrD Clothing in Le Porte di Napoli (Na)



24/7 – Chiccho (clothing and products for children) in La Torre (Pa)



2/8 – Wycon cosmetics in Centro Nova (Bo)



28/8- JD Store (sportswear) in Centro Nova (Bo)



17/9– Il mio barbiere (barber shop) in Centro Nova (Bo)



25/9- Pepco (clothing, household goods and toys) in Centro Borgo (Bo) and in La Favorita (Mn)



26/9– Piazza Italia (clothing) in Fonti del Corallo (Li)

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°, 2° and 3° QUARTER
Quarterly BOP invoicing

Collected **100%**

**No impacts
on existing
contracts
and
proceeds**

Leasing activities Romania



NEGOTIATIONS POST LOCKDOWN



5.2%
of total
rents

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



Tenants **380**



Contracts **539**



Closed negotiations **100%**

No changes to existing contracts
Extensions and temporary reduction offered

In 1H
granted
temporary
reductions
mainly on April
and May rents
for approx.
€ 1mn

LEASING MANAGEMENT



284

Contracts expiring in 2020

68% renewed with same tenants and a small upside of **0,42%** (193 contracts)*

* Contracts with new tenants are not included

32% still to expire

Retailers continue to open new shops in Romania



30/06 – KIK clothing (Cluj)



2/06 – KIK clothing (Slatina)



17/07– Cofetaria Oli
restaurant (Ploiesti Big)

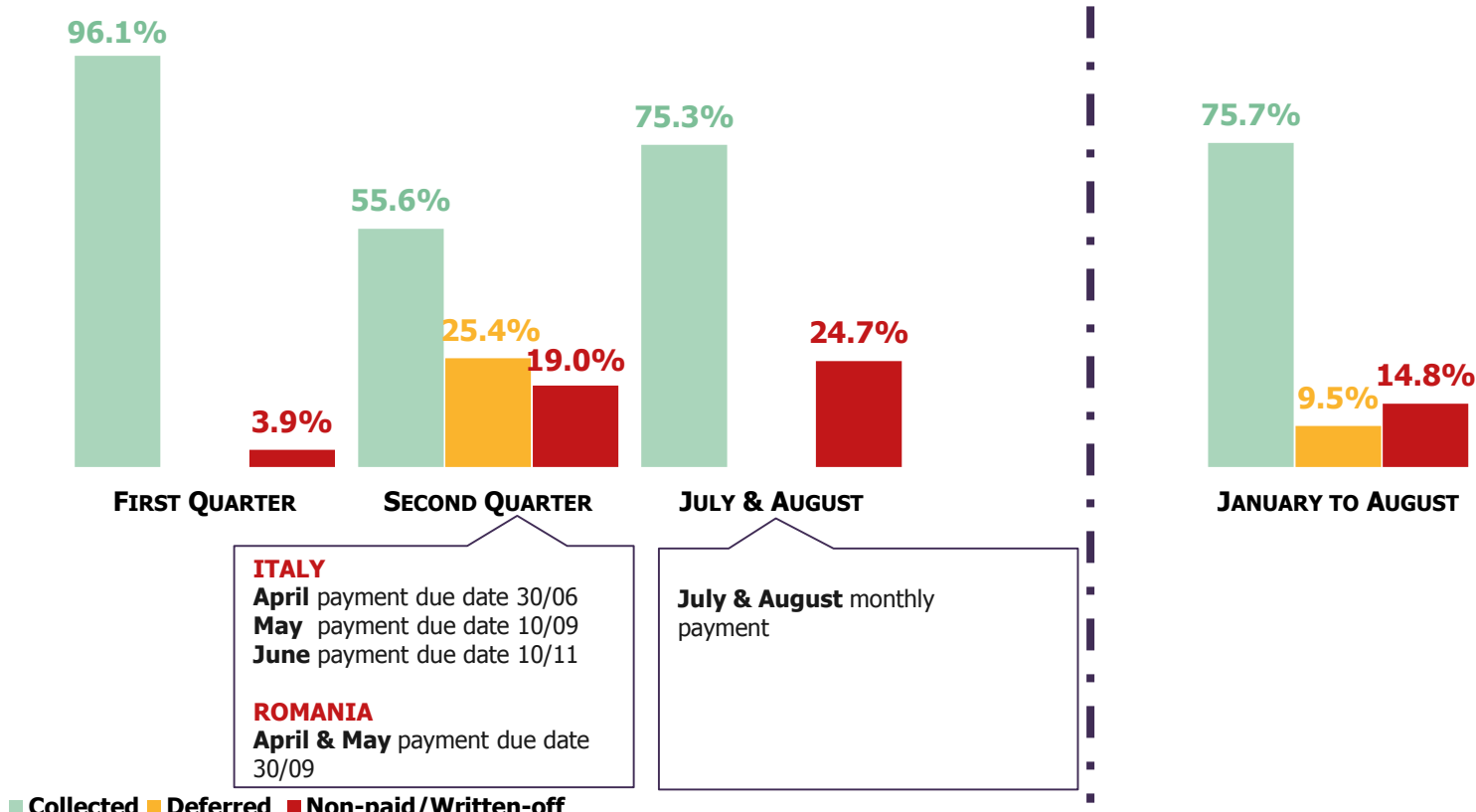


10/07 –Styl jewellery (Tulcea)

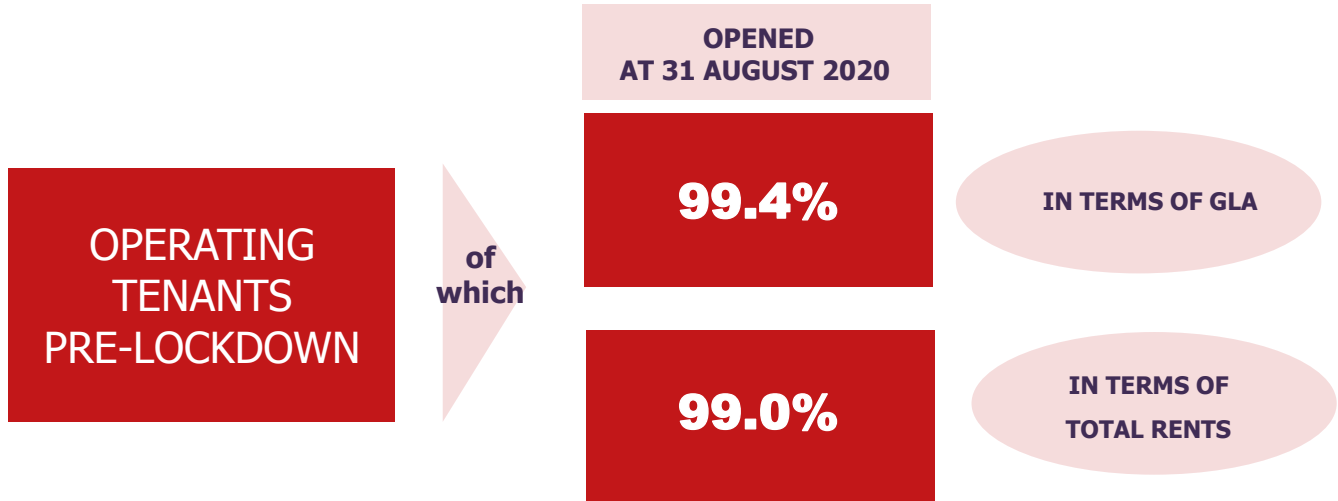


10/07 –Styl jewellery (Braila)

Rent collection Italy & Romania



The operativeness and occupancy in Italy

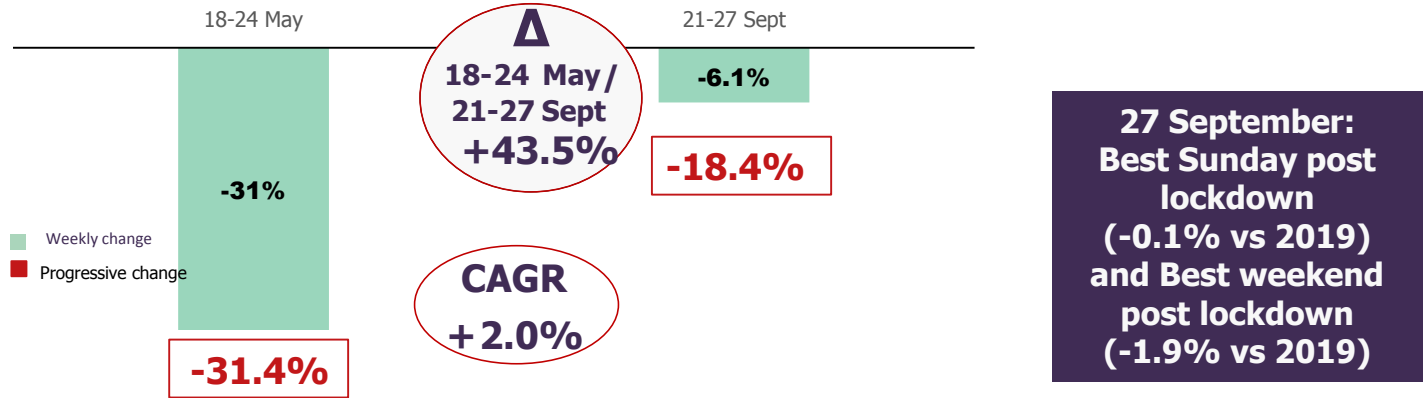


FINANCIAL OCCUPANCY at 30/06 confirmed at high levels: 95.6%

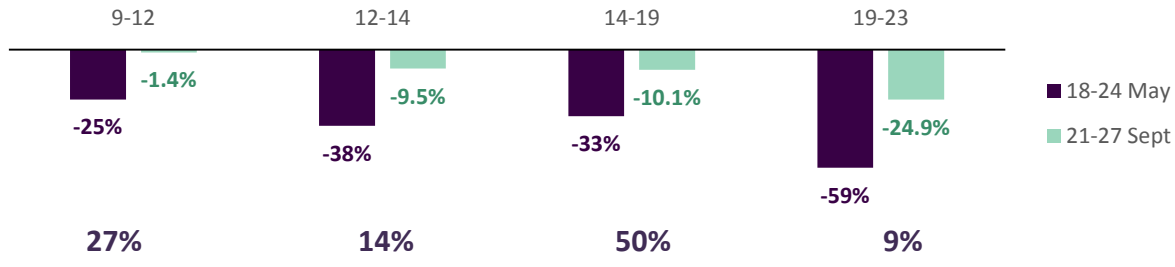


Recovered approx. ~95% of the pre-lockdown footfalls

Weekly footfalls 2020/2019



Footfalls per time-slot 2020/2019





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 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 i prodotti, ha numero e il numero foglio dati di sicurezza e sul retro.

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



August tenant sales

+4.2%* (Jul+Aug **-5.9%**)

Sales much better than footfalls
→ Higher average ticket

€24.7 (+4.0€; +19.1% vs 2019)

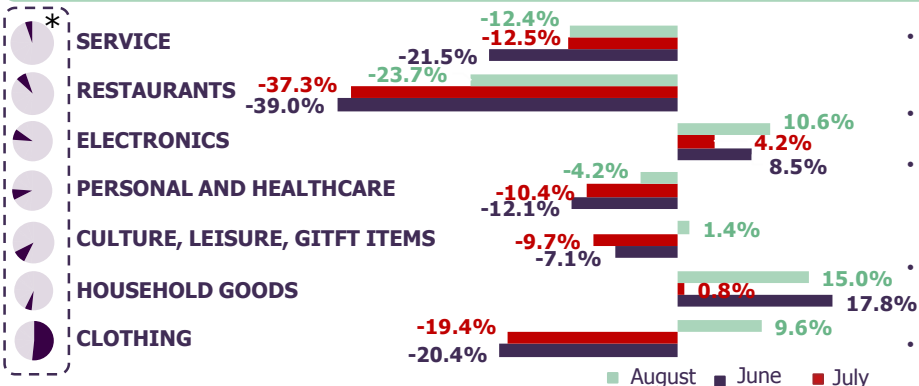


News

The Government is
studying measures to
boost consumption

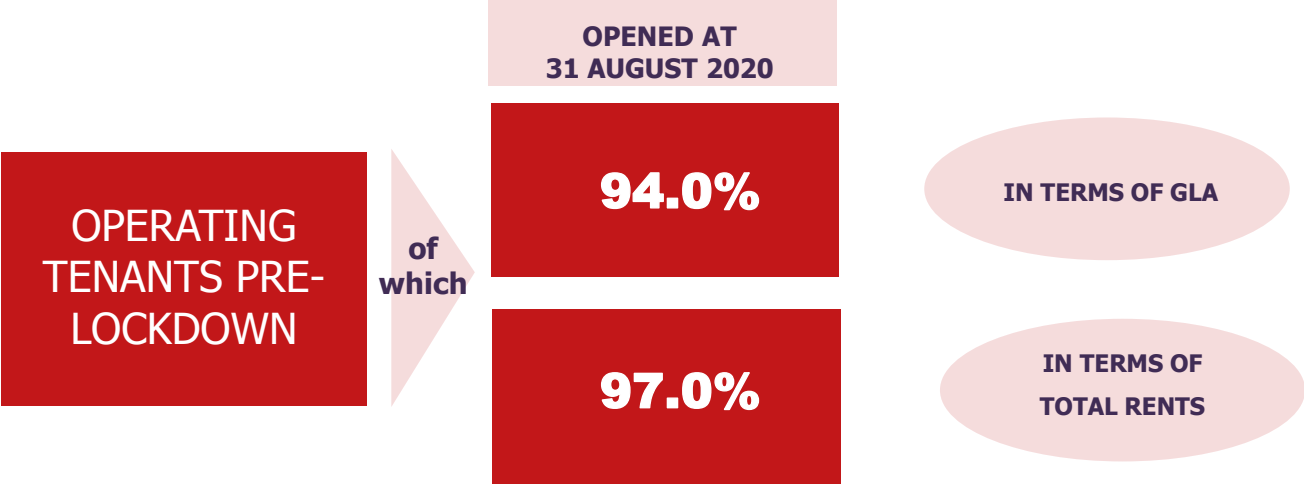
(ig: cash back on physical purchases
with electronic payments)

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



- **Service:** dental clinics are recovering for the 2nd month running
- **Restaurants:** general decline in all sectors
- **Electronics:** all brands are performing well, increase in the average ticket
- **Household goods:** strong growth of medium surfaces (especially DIY) and on textile
- **Clothing:** general growth

The operativeness in Romania



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



Post lockdown FOOTFALLS: -25%
(July 2020 VS July 2019)

Capex and on-going projects as at 30/06/2020

In order to strenghten 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.



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 from Banca Monte dei Paschi of €36.3 million (6 years at a rate, including the cost of the Italy guarantee, in line with the Group's average cost of debt) **has been finalized.**



Ratings:

Fitch

BBB- *rating watch negative*

Standard&Poor's

BB+ *negative*

Moody's

Ba2 *outlook stable*



4

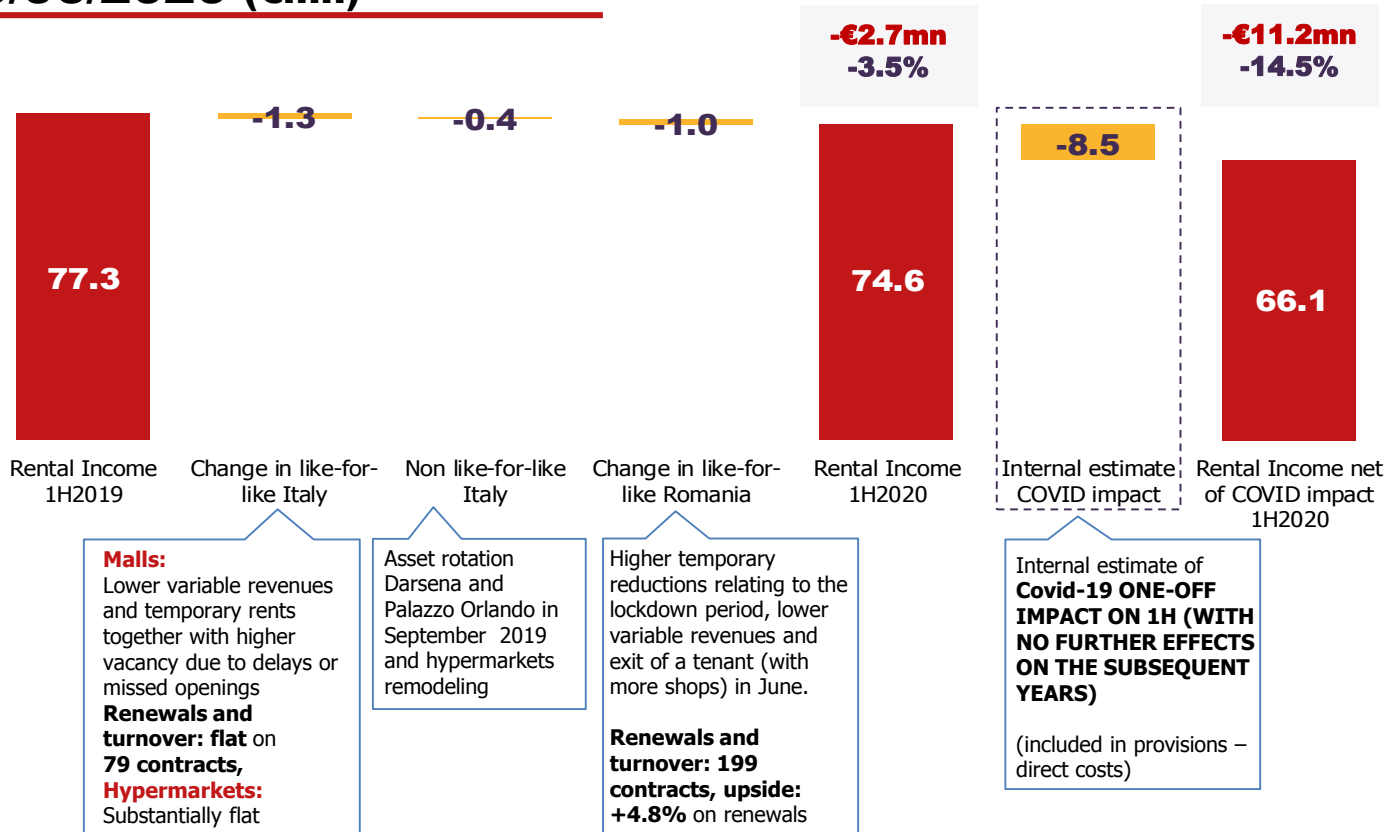
1H2020 + FY2019
Financial Results

FY 2019 and 1H2020 main results

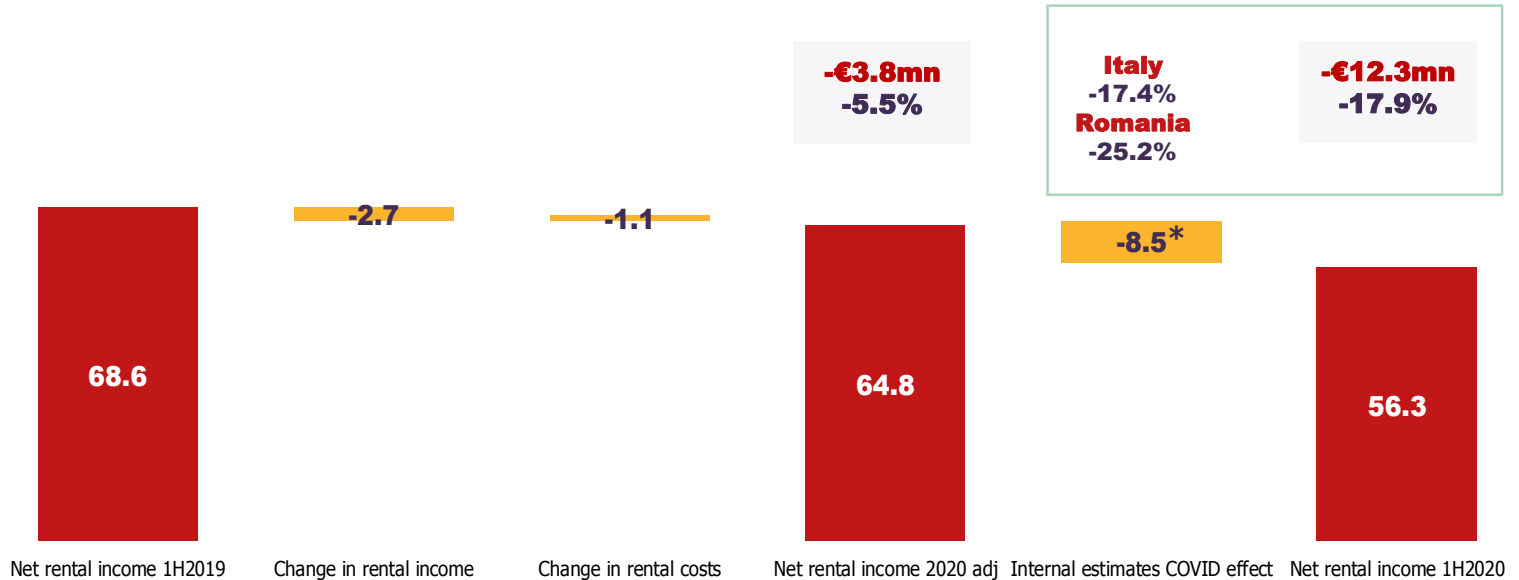
	2018	2019		1H2019	1H2020	
REVENUES						
Rental Income	€151.8 mn	€155.3 mn	+2.3%	77.3	€74.6 mn	-3.5%
Net Rental Income	€124.0 mn	€136.6 mn	+10.1%	€68.6mn	€56,3 mn	-17.9%
EBITDA						
EBITDA (<i>Core Business</i>)	€113.7 mn	€125.2 mn	+10.1%	€62.9 mn	€51.4 mn	-18.3%
EBITDA <i>Margin</i> (<i>Core Business</i>)	71.9%	77.5%	+560pts	77.8%	66.1%	-117pts
EBITDA Margin From Freehold	80.3%	79.7%	-60pts		66.7%	
GROUP NET PROFIT	€46.4 mn	€12.6 mn	-72.9%	€7.1 mn	€-38.8 mn	-17.2%
<i>Core Business Funds From Operations (FFO)</i>	€79.7 mn	€83.3 mn	+4.5%	€41.8 mn	€32.9 mn	-21.4%
<i>Core Business FFO per share</i> *	0.72	0.75				

The results of the first half of 2020 were impacted by the exceptional containment measures adopted in Italy to limit the spread of Covid-19

Rental Income as at 30/06/2020 (€mn)

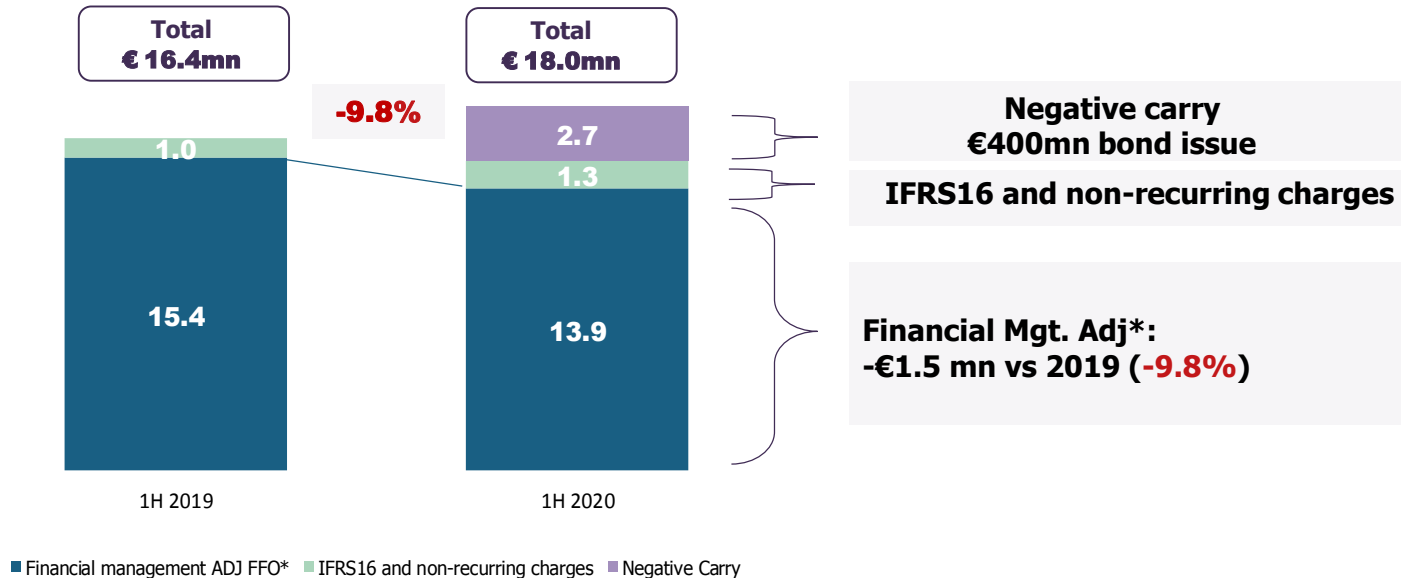


Net Rental Income as 30/06/2020 (€mn)

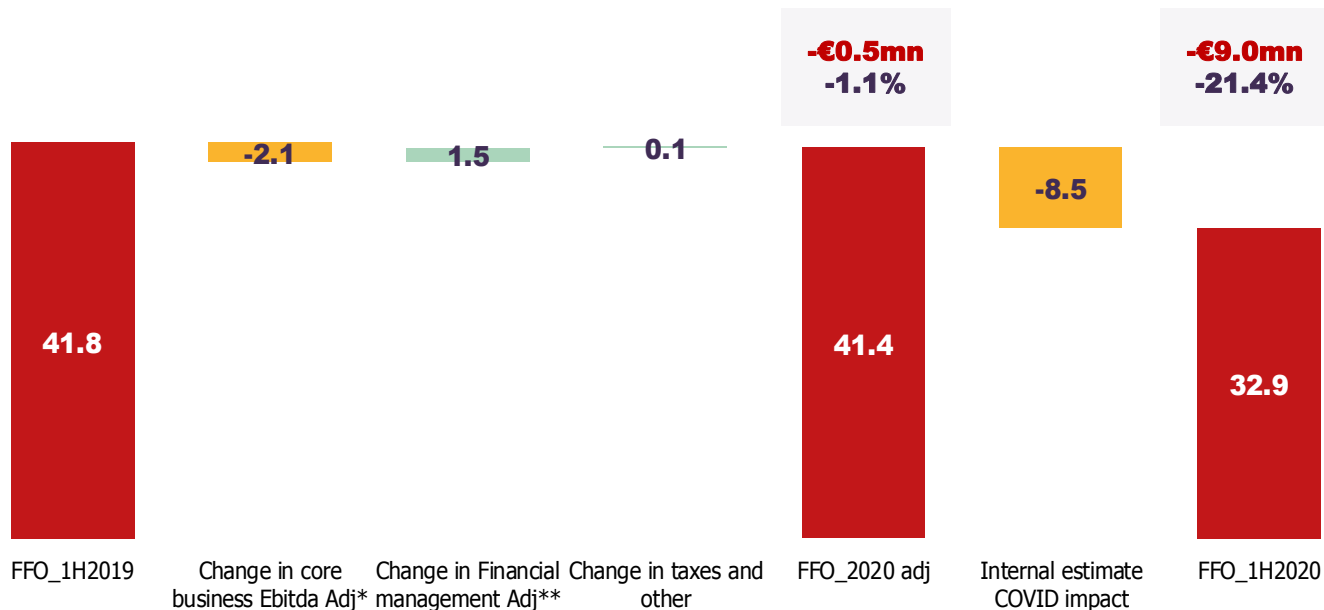


Financial management (€mn)

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



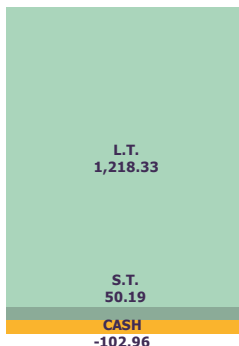
Funds From Operations (FFO) as at 30/06/2020



Financial structure as at 30/06/2020

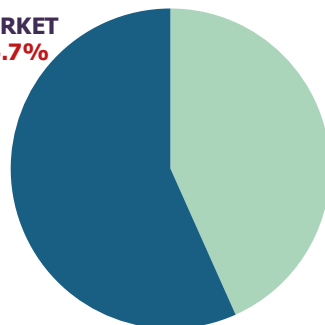
	31/12/2019	30/06/2020
LTV	47.6% (adj. IFRS16 c. 46.4%)	49.0% (adj. IFRS16 c. 47.9%)
ICR	3.8X*	3,5X*
Average cost of debt	2.35%	2.30%

NET DEBT
€1,165.6 mn**

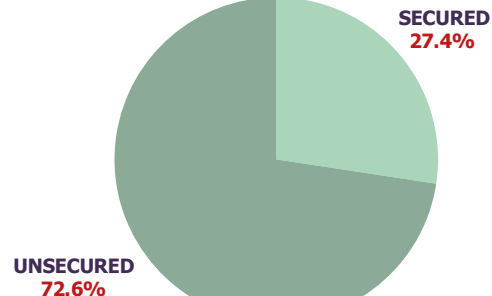


DEBT BREAKDOWN***

MARKET
56.7%



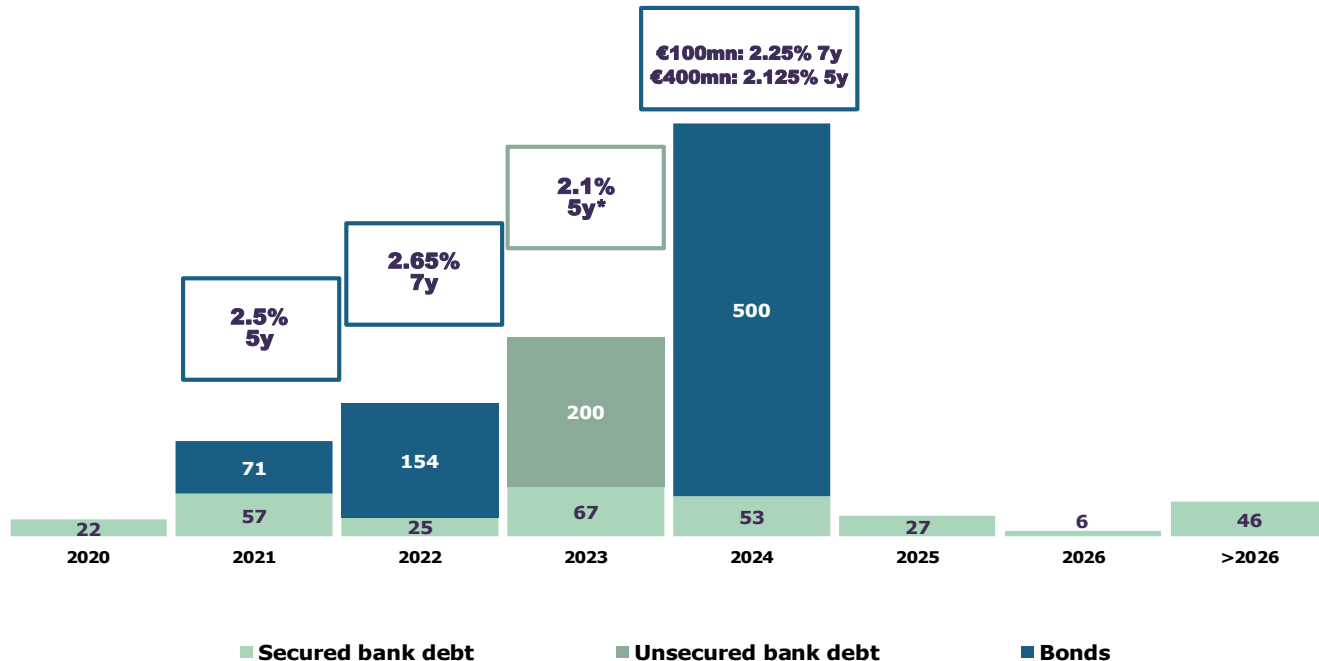
BANKING SYSTEM
43.3%



UNSECURED
72.6%

Debt maturity as at 30/06/2020

Thanks to liability management activities carried out over the last few months and ongoing, the committed and uncommitted credit lines for €211 mn and the cash-on-hand for €103 mn, the Group is capable to cover next 18 months financial maturities





5 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**.




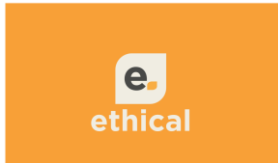





6 Sustainability

2019: 10° year of Sustainability Report

Priority	Actions carried out/ Results achieved	Main targets
	<ul style="list-style-type: none"> <li data-bbox="363 337 651 434">  -7.1% ENERGY CONSUMPTION LIKE FOR LIKE 2019 VS 2018 <li data-bbox="363 462 675 535">  1 MORE PHOTOVOLTAIC SYSTEM (8 in total) <li data-bbox="354 561 715 630">  BREEAM IN USE CERTIFICATION FOR 2 MORE KEY ASSETS (5 in total) <li data-bbox="354 658 691 742">  UNI EN ISO 14001 CERTIFICATION FOR 3 MORE ASSETS (20 in total) <li data-bbox="363 770 647 843">  RELAMPING LED IN 5 ASSETS (19 in total) <li data-bbox="363 871 700 944">  10 EV CHARGING STATIONS INSTALLED 	<ul style="list-style-type: none"> <li data-bbox="778 318 1417 350">  Zero CO2 Emissions of Italian portfolio by 2030 <li data-bbox="778 389 1524 451">  BREEAM Certification for 80% of the Italian portfolio by 2030 <li data-bbox="778 501 1524 563">  LED lighting system in the whole Italian portfolio by 2022 <ul style="list-style-type: none"> <li data-bbox="794 608 1161 630">• New photovoltaic systems <li data-bbox="794 714 1524 764">• UNI EN ISO 14001 certification for 95% of the portfolio by 2020 <li data-bbox="794 809 1236 832">• Awareness campaigns on ESG issues <li data-bbox="778 860 1268 893">  Headquarters to be plastic free by 2020 <li data-bbox="778 921 1289 955">  Circular economy: Waste to value project

2019: 10^o year of Sustainability Report

Priority	Actions carried out/ Results achieved	Main targets
	 CORPORATE WELFARE FULLY OPERATIONAL  CONTINUATION OF 3 CORPORATE PROJECTS IN ORDER TO MAKE THE SHOPPING CENTERS SAFER THAN EVER («lifelines», «anti-ram bollards» and «anti-seismic measures»)	<ul style="list-style-type: none"> • Training: focus on the soft skills and the importance of the interfunctional work group • New work environmental survey between 2020 and 2021 • Corporate Welfare: increase in services • Definition of individual targets related to CSR issues • Wellbeing: definition of a comprehensive project • Continuation of the projects on safety in the structures
	 THE PROCESS TO OBTAIN ISO37001:2016 CERTIFICATION IN ITALY UNDERWAY (ROMANIA ALREADY CERTIFIED)  «WHISTLEBLOWING» PROCEDURE COMPLETED  REMUNERATION POLICY REVIEWED	<ul style="list-style-type: none"> • ISO37001:2016: certification to be obtained in Italy by 2020 • Legality rating: confirmation of the highest score (3 stars) at 2020 renewal • Global Compact subscription

2019: 10^o year of Sustainability Report

Priority	Actions carried out/ Results achieved	Main targets
	 <p>716 EVENTS HELD IN THE CENTERS (13.1% OF WHICH WERE SOCIAL-ENVIRONMENTAL EVENTS)</p>  <p>NEW COMMUNICATION CAMPAIGN «I'M POSSIBLE» REALIZED</p>	<ul style="list-style-type: none"> • Sustainable enhancement of the portfolio: restyling to be carried out with improvements in environmental impact in 10 shopping centers by 2030 • Innovation: definition of a «digital strategy» • National campaign to promote awareness among shopping center visitors on issues in line with IGD's values
	 <p>STRUCTURED ENGAGEMENT OF ALL THE IGD'S STAKEHOLDERS</p> <p> SOCIAL BORGIO PROJECT STARTED</p>  <p>272 LOCAL ASSOCIATIONS WHICH IGD CENTERS ENTERED INTO CONTACT WITH</p>  <p>31% OF LOCAL EVENTS OUT OF THE TOTAL</p>	<ul style="list-style-type: none"> • Listening project aimed at Millennials with regard to the Shopping Center of the future • Tenants' engagement on sustainability topics • Shopping Center in the role of civic centre: cooperation with the local area fostering involvement and participatory planning activities

UNI ISO37001 Anti-Bribery certification obtained

20 April 2020



UNI ISO 37001:2016 Certification «Anti Bribery Management System»



The certification represents the international standard for anti-corruption management system.

The result achieved is consistent with the values expressed in the MOG*, the Social Responsibility strategy, the Group's Code of Ethics and Conduct and the «zero tolerance» approach to non-compliant behavior.

Update on Sustainability as at 30/06/2020

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**



7 Appendix

Consolidated Income Statement as at 30/06/2020

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.

Funds From Operations (FFO) as at 30/06/2020

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 as at 30/06/2020



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

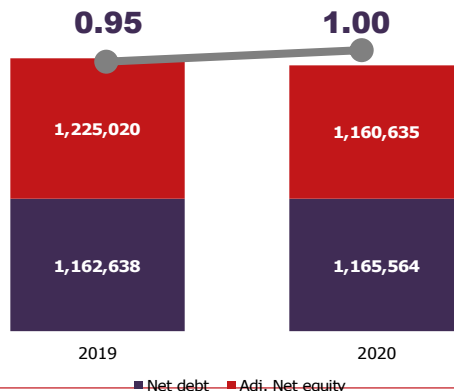
Further financial highlights as at 30/06/2020

	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 as at 30/06/2020

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)

Italian Portfolio: hypermarkets and shopping malls

	27 shopping malls	25 hypermarkets	Tenants of hypermarkets
Full ownership 16 shopping centres (mall + hypermarket)	<p>Centro D'Abruzzo - Pescara Clodi - Chioggia Porto Grande - Porto d'Ascoli (AP) ESP - Ravenna Centro Borgo - Bologna Conè Retail Park - Conegliano (TV) Le Maoliche - Faenza Lungo Savio - Cesena Città delle Stelle - Ascoli Piceno Katanè - Catania Centro Lame - Bologna Centro Leonardo - Imola (BO) La Torre - Palermo Casilino - Roma Le Porte d Napoli - Afragola (NA) Tiburtino - Guidonia (RM)</p>	<p>Centro D'Abruzzo - Pescara Clodi - Chioggia Porto Grande - Porto d'Ascoli (AP) ESP - Ravenna Centro Borgo - Bologna Conè Retail Park - Conegliano (TV) Le Maoliche - Faenza Lungo Savio - Cesena Città delle Stelle - Ascoli Piceno Katanè - Catania Centro Lame - Bologna Centro Leonardo - Imola (BO) La Torre - Palermo Casilino - Roma Le Porte d Napoli - Afragola (NA) Tiburtino - Guidonia (RM)</p>	<p>Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Uncoop Tirreno Distribuzione Centro Sud Srl (ipercoop) Distribuzione Centro Sud Srl (ipercoop)</p>
11 shopping malls	<p>Millennium Gallery - Rovereto (TN) Puntadiferro - Forlì (FC) Centroluna - Sarzana (SP) La Favorita - Mantova Maremà - 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</p>	Hypermarkets not owned by IGD	
9 hypermarkets	Malls not owned by IGD	<p>Supermkt Civita Castellana (Viterbo) Supermkt Cecina (Livorno) Hypermkt Le Fonti del Corallo - Livorno Hypermkt Schio-Schio (Vicenza) Hypermkt LUGO - Lugo (RA) Hypermkt IL MAESTRALE - Senigallia (AN) Hypermkt MIRALFIORE - Pesaro Supermkt AQUILEJA - Ravenna Hypermkt I MALATESTA - Rimini</p>	<p>Unicoop Tirreno Unicoop Tirreno Unicoop Tirreno Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Coop Alleanza 3.0 Arca SpA (Familia) Coop Alleanza 3.0</p>

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	Luca Dondi Dall'Orologio ■ ■ Nomisma - CEO Timothy Santini ■ Former Eurocommercial Head of Italian activities 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 Chairman, including the
International Audit and Risk Management

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Director of Planning, Control and
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