

Event: 1Q 2021 Results

Date: 6th May 2021

Speakers: Mr. Claudio Albertini, CEO

OPERATOR: GOOD AFTERNOON. THIS IS THE CHORUS CALL OPERATOR. WELCOME TO IGD'S PRESENTATION OF 2021 FIRST QUARTER RESULTS. LET ME REMIND YOU THAT ALL PARTICIPANTS ARE IN LISTEN-ONLY MODE. AFTER THE PRESENTATION, A Q&A SESSION WILL BE HELD. TO BE ASSISTED BY AN OPERATOR DURING THE CONFERENCE CALL, PRESS "*" FOLLOWED BY "0" ON YOUR PHONE KEYPAD.

LET ME NOW TURN THE CONFERENCE OVER TO MR. CLAUDIO ALBERTINI, CEO OF IGD. MR. ALBERTINI, GO AHEAD PLEASE.

CLAUDIO ALBERTINI: THANK YOU VERY MUCH. GOOD AFTERNOON TO ALL OF YOU. I AM CONNECTED FROM OUR HEADQUARTERS; AND TOGETHER WITH ME AS ALWAYS WE HAVE OUR NEW CHAIRMAN, MRS. ROSSELLA SAONCELLA, APPOINTED CHAIRMAN ON APRIL THE 20TH AND TODAY SHE CHAIRED THE FIRST OPERATING BOARD MEETING, AND MRS. SAONCELLA IS AVAILABLE TO YOU FOR ANY QUESTIONS YOU MAY HAVE. I AM SURE YOU HAVE ALREADY RECEIVED BOTH THE PRESS RELEASE AND THE PRESENTATION FOR Q1 2021 RESULTS.

LET ME WALK YOU THROUGH THE PRESENTATION, AND I'M SURE YOU'VE ALREADY HAD A LOOK AT IT. LET'S START FROM PAGE 3 IN THE PRESENTATION, AND IT'S A SLIDE THAT GIVES YOU A SNAPSHOT OF ITALY AND ITALIAN SITUATION. I AM SURE IT IS WELL KNOWN TO ITALIANS ANALYSTS, BUT THIS IS A SNAPSHOT FOR THOSE WHO LOG ON FROM BROAD. THIS IS A SNAPSHOT OF THE SITUATION WE HAVE IN ITALY Q1 2021 VERSUS Q1 2020.

LET ME REMIND YOU THAT ITALY WAS THE FIRST EUROPEAN COUNTRY THAT WAS DEEPLY HIT BY THE PANDEMIC, STARTING FROM THE LAST WEEK OF FEBRUARY LAST YEAR, AND WITH A GROWING IMPACT UNTIL

THE FIRST HALF OF MARCH, SO 2 MONTHS AFTER THE BEGINNING OF 2020, WHERE IN OUR INDUSTRY, WE AS A COMPANY HAD HAD A POSITIVE OPERATING PERFORMANCE. WE WENT FROM THERE TO A FULL NATIONAL LOCKDOWN, STARTING FROM MARCH THE 10TH AND THAT WENT ON UNTIL MAY 18TH, ALWAYS 2020. SO 76 DAYS OF OF LOCKDOWN WITH A TOTAL CLOSURE OF NON-ESSENTIAL ACTIVITIES, AND THAT MEANT THAT IN THE FIRST HALF OF 2020 TO HAVE ABOUT ONE QUARTER OF THE DAYS OF CLOSING.

SO APART FROM THE FIRST 2 MONTHS AND 10 DAYS OF MARCH, AS YOU CAN SEE, IT WAS ABOUT ONE QUARTER OR 25% OF THE TOTAL OPENING DAYS. Q1 2021 WAS DIFFERENT. THERE WAS A DRAG ON EFFECT, A CARRYOVER EFFECT FROM THE LOCKDOWN AFTER CHRISTMAS, AND UNTIL JANUARY THE 6TH, AND THEN THEY INTRODUCED A SO-CALLED TRAFFIC LIGHT MECHANISM, WITH AREAS THAT WERE ALLOCATED EITHER ORANGE OR YELLOW OR RED, DEPENDING ON THE LEVEL OF LOCKDOWN.

AND AS YOU CAN READ, ABOUT 50% OF POTENTIAL DAYS OF OPERATION WERE CLOSED, SO THAT ALREADY GIVES YOU AN IDEA THAT IT'S NOT GOING TO BE A LIKE-FOR-LIKE COMPARISON BETWEEN Q1 2021 AND 2020. WHILE LAST YEAR THE IMPACT WAS QUITE LIMITED, WE WERE NOT YET AWARE OF WHAT WAS HAPPENING SOMEHOW. AND SO, WE APPROVED A FIRST QUARTER REPORT THAT WAS VERY MUCH CONSISTENT WITH THE PREVIOUS YEARS, APART FROM €500K POSTED TO OUR RISK AND CHARGES FUND OR RESERVE, WHILST AS YOU SEE, THIS YEAR WE HAD TO MAKE 5.4 MILLION WORTH OF PROVISIONS AS A ONE-OFF COVID IMPACT, BECAUSE WE WANT TO EXPENSE ALL OF THE IMPACTS IN THE RELEVANT FISCAL YEAR WITH NO CARRYOVERS TO THE FOLLOWING YEARS.

LET'S MOVE TO PAGE 4 NOW. HERE WE INTRODUCE THE FINANCIAL HIGHLIGHTS, SO GROSS RENTAL INCOME IS ONLY DOWN 3.9% WHILST 3 OTHER INDICATORS NET RENTAL INCOME, CORE BUSINESS EBITDA AND FFO FUNDS FROM OPERATION, HERE YOU FEEL THE IMPACT, WE HAVE THE IMPACT OF THE €5.4 MILLION IT'S A ONE-OFF IMPACT FOR THE QUARTER.

IF WE MOVE ON TO THE OPERATING PERFORMANCE, AND WE MOVE TO PAGE 6 IN THE PRESENTATION; THESE ARE THE MAIN TRENDS IN THE FIRST 3 MONTHS OF 2021. IT'S A COMPARISON THAT'S NOT CONSISTENT, IT'S NOT LIKE-FOR-LIKE BETWEEN '20 AND 2021. THE FIRST 2 COMPARED TO 2020, WHERE THE SHOPPING MALLS WERE FULLY OPEN. SO WE HAVE A MINUS SIGN...MINUS 38.1 TENANT SALES IN JANUARY. AND SIMILAR FIGURE FOR FOOTFALLS AND THEN FEBRUARY STILL DECLINED BUT TENANT SALES AND FOOTFALLS DID BETTER, SO FOOTFALLS DOWN 27.1%.

AND A BETTER INCREASE ON THE SALES SIDE. AND THE AVERAGE TICKET IS INCREASING SO LESS FOOTFALLS BUT MORE TARGETED VISITS. MARCH IS THE OPPOSITE INSTEAD COMPARED TO 2020 IN MARCH, THERE WAS FULL LOCKDOWN IN 2020 WITH THE LOCKDOWN OF SHOPPING MALLS WITH A MARCH 2021,

ALTHOUGH IT WAS A STOP AND GO SITUATION, IT MAINLY ORANGE. ALTHOUGH, THERE WERE STILL CLOSING DAYS IN OVER WEEKENDS PRE-HOLIDAY DAYS, WE HOPE THE SITUATION WILL BE UNLOCKED, AS SOON AS, POSSIBLE BY THE GOVERNMENT. WE CAN SAY THAT MAYBE THE BLOCK SHOULD BE REMOVED BY THE END OF MAY, HOPEFULLY.

AND VERY INTERESTING IS ALSO THE COMPARISON OF THE FULL QUARTER 2021 VERSUS 2020. SO IF YOU ADD UP THE TRENDS FOR THE 3 MONTHS VERSUS 2020, AS I SAID, IT'S A NON-HOMOGENEOUS OR IT'S NOT LIKE-FOR-LIKE. WE HAVE AS FULL FIGURE FOR THE QUARTER DOWN 14.4 TENANT SALES AND DOWN 19.5 FOOTFALLS, BUT LET'S COMPARE Q1, 2021 WITH Q1 2019, WHICH WAS AN ORDINARY YEAR. SO THERE YOU SEE THAT IT WAS DOWN 36.5% IN FOOTFALLS, AND WE HAVE DOWN 38.1% IN TENANT SALES.

FROM JANUARY TO MARCH THERE WERE REGIONS THAT WERE ALLOCATED, THE RED COLOR FOR INSTANCE, SICILY WAS RED FOR A LONG TIME AND THE SHOPPING MALLS WERE CLOSED OR EVEN IN OTHER COLORS, THE SHOPPING MALLS WERE CLOSED OVER THE WEEKENDS OR IN THE DAY BEFORE A HOLIDAY.

AN INTERESTING PIECE OF INFORMATION, AND I'M STILL ON PAGE 6 OF THE PRESENTATION. YOU SEE IN THE BOX TOP RIGHT, IN THE FIRST 6 DAYS, AS SOON AS, THE RESTRICTIONS WERE LOOSENERED A BIT, AND I MEAN, STARTING FROM APRIL THE 26TH THERE WAS A LOOSENING THROUGH AN AD HOC LAW DECREE, RESTRICTIONS WERE LIGHTENED SOMEHOW. AND AFTER THE RESTRICTIONS ON THE 26TH UNTIL MAY THE 4TH, AS SOON AS, THE RESTRICTIONS WERE LIFTED WE HAD ACCUMULATED FIGURE FOOTFALLS VERSUS 2019 AN ORDINARY YEAR.

SO FOOTFALLS RECOVERED 94%, SO THEY WENT UP 94% WITH ONLY A 6% DECREASE VERSUS 2019, BUT THOSE 6 DAYS, OF COURSE, THERE WAS IN BETWEEN THERE WERE 3 FULL DAYS OF LOCKDOWN BETWEEN APRIL THE 30TH AND MAY THE 1ST AND MAY THE 2ND THE SHOPPING MALLS WERE CLOSED. AND SO, THE SALES WERE SPREAD OVER THE OTHER DAYS.

VERY RECENT PIECE OF INFORMATION AS OF YESTERDAY'S FOOTFALLS ARE STILL DECLINING VERSUS 2019, BUT ONLY DECLINING 3.8% AND THEREFORE DEFINITELY A POSITIVE TREND THAT TESTIFY THE FACTS THAT WE ARE RESILIENT AS A COMPANY AND WE CAN RECOVER QUICKLY. AS SOON AS, THE RESTRICTIONS WILL BE LIFTED FURTHER, WE ARE CONFIDENT WE CAN RECOVER WHAT WE LOST IN THE PREVIOUS MONTHS.

PAGE 7, HERE YOU SEE SOME DATA ON OCCUPANCY FOR BOTH ITALY AND ROMANIA AND CONTRACT RENEWALS. THE SITUATION WAS DIFFERENT. IN ITALY, WE HAVE THE SITUATION, AS I'VE JUST DESCRIBED, WHILST IN ROMANIA, THE COVID EMERGENCY HAD A LOWER IMPACT, BECAUSE SHOPPING MALLS WERE LEFT OPEN WITH SOME RESTRICTIONS, BUT ONLY LIMITED ONES FOR VERY LARGE SHOPPING MALLS AND FOR

FOOD AND BEVERAGE SERVICES. SO ROMANIA SAW AN INCREASE IN FINANCIAL OCCUPANCY TO 94.4%. AND IN ITALY INSTEAD, THERE WAS A LIMITED DECLINE 0.9%, AND COMPARED TO IN SOME CASES, A 2 DIGIT DECREASE IN FINANCIAL OCCUPANCY FOR OTHER PLAYERS. AND THIS YEAR, WE DID NOT CHANGE EXISTING CONTRACT, THOSE €4.4 MILLION WORTH OF COVID PROVISION WILL NOT LEAD TO ANY CONTRACT MODIFICATIONS. THERE WILL ONE-OFF AND THERE'LL BE A NEXT TO THE EXISTING CONTRACT.

LET'S MOVE TO PAGE 8. ANOTHER VERY INTERESTING SLIDE, AND IT'S THE RENT COLLECTION RATE. SO IT'S THE COLLECTED TURNOVER. WE COMPARED FULL-YEAR 2020, AND WE DID AN EXCELLENT JOB THERE. YOU SEE, WE'VE ALREADY HIGHLIGHTED IT, WHEN WE PRESENTED OUR FULL-YEAR RESULTS. WE COLLECTED 95% IN ITALY AND THE SAME AMOUNT IN ROMANIA. SO WE HAVE A DELAY VERSUS NORMAL THAT IS ALMOST CLOSE TO ZERO, THE DELAY IN PAYMENT IS VERY, VERY LOW, THAT IS THE EFFECT NET OF DISCOUNTS AND REDUCTIONS THAT WERE GRANTED, BUT INDEED THAT IS A VERY POSITIVE OUTCOME.

AND IF WE TAKE Q1 2021, COLLECTED AMOUNTS, AND I REMIND YOU, THE INVOICING IS NOW DONE MONTHLY, AND THIS IS ALSO GOOD AS A RESULT, BECAUSE MOST OF OUR TENANTS ARE WAITING FOR THE GOVERNMENT TO RELEASE A LAW DECREE IN SUPPORT OF SHOPS AND STORES THROUGH TAX CREDITS, AS THEY ALREADY DID IN 2020. COLLECTED FOR Q1 IS ABOUT 75%, WHILST IN ROMANIA, COLLECTED IS HIGHER THAN 88%. SO IN BOTH CASES, GIVEN THE BACKDROP IN THE 2 COUNTRIES, THE OUTCOME WAS POSITIVE. WE'RE NOT STANDING STILL. WE KNOW WE WILL NOT ONLY MANAGE EMERGENCIES, WE TRY TO MOVE FORWARD TO THINK AHEAD.

AND WE, OF COURSE, WE ARE WORKING ON FACILITY MANAGEMENT, THESE ARE 2 VIRTUES EXAMPLES. NEW BRANDS THAT OPENED THEIR STORES OVER THE LAST FEW MONTHS, ONE IS PERFORMING PARTICULARLY WELL IN RAVENNA, FOR INSTANCE, MONDO CONVENIENZA, RAVENNA ESP THAT'S THE SHOPPING MALL. IT'S THE ITALIAN IKEA, SO TO SAY, IT'S A COMPANY THAT DOES LOW COST FURNITURE AND FURNISHING. THEY HAVE VERY INTERESTING PROPOSITIONS. THEY OPENED A MEDIUM-SIZED SERVICE IN RAVENNA. ANOTHER POSITIVE EXPERIENCE COMES FROM PEPKO BRAND, A POLISH RETAILER. THEY'VE ALREADY OPENED IN 4 OF OUR SHOPPING MALLS WITH EXCELLENT RESULTS AND THEY ARE PLANNING TO OPEN MORE IN OTHER LOCATIONS.

AND IT'S TRUE ON THE ONE HAND, AS I SAID BEFORE, THAT CLOSURE DURING WEEKENDS AND PRE-HOLIDAY DAYS IS AFFECTING US. BUT MANY OF THE LOST TENANTS SALES WERE SHIFTED TO THE DAYS BEFORE THE CLOSING PRACTICALLY OR IMMEDIATELY AFTER THE CLOSING IS STILL A NEGATIVE BALANCE, BUT THERE WAS SOME KIND OF IMPROVEMENT.

LET'S MOVE TO PAGE 10. FOOD AND BEVERAGE SERVICES, STARTING FROM APRIL THE 26TH, AT LEAST PEOPLE CAN EAT OUTDOORS. SO THEY DIDN'T STOP PERFORMING. WE ARE INTRODUCING NEW BRANDS AND HERE YOU SEE A COUPLE OF THEM. ONE IS ITALIAN, IT'S A TYPICAL ITALIAN PRODUCT LA PIADINERIA WHICH OPENED IN THE CENTRO LAME AND BOLOGNA. AND A NEW WITH A SPECIAL PRODUCT, IT'S HAWAIIAN FOOD AND IT'S CALLED POKE KAL, AND THEN STARTING FROM APRIL THE 26TH FOOD AND BEVERAGE SERVICES CAN ONLY TAKE PLACE OUTDOOR. SO WE'RE TRYING TO CREATE SPACE WHEREVER POSSIBLE, IT'S NOT POSSIBLE IN EVERY MALL, BUT WHEREVER WE CAN, WE TRY AND MAKE OPEN SPACE, OR OUTDOOR SPACE AVAILABLE, SO THAT PEOPLE CAN BUY FOOD AND THEN EAT OUTSIDE IN DEDICATED AREAS.

PAGE 11, YOU SEE THE LEASING ACTIVITIES. WE HAVE BRANDS BEING INTRODUCED, BOTH IN ITALY AND ROMANIA. AND THEN, YOU SEE IN TIBURTINO, ROME, IT'S A KEY ASSET. IT'S CALLED MI STORE, BUT ALSO IT'S A CHINESE TELEPHONE OPERATOR SELLING THEIR OWN, AND ALSO KICK SCOOTERS AS YOU CAN SEE IN THE WINDOW, SO THEY DID NOT STOP. WE ARE STILL WORKING WITH MORE BRANDS AND WE HOPE WE CAN GRADUALLY RECOVER THE OCCUPANCY LEVELS IN THE SECOND HALF OF 2021.

AND OF COURSE, OUR SHOPPING CENTERS SERVE THE LOCAL COMMUNITIES PAGE 12 IN THE PRESENTATION. YOU SEE, WE HAVE OFFERED SPACE TO BE USED AS VACCINATION HUBS. PALERMO WILL BE A HUB FOR VACCINATIONS, WITH 900 VACCINATIONS PER DAY, AND IT'S A LOT. ITS 1,800 SQUARE METERS THAT WERE MADE AVAILABLE TO THE LOCAL, NATIONAL HEALTH UNIT. AND THIS IS SOMETHING TO REALLY STRENGTHEN OUR RELATION, OUR TIES WITH THE LOCAL COMMUNITIES. AND IN RAVENNA AND ESP SHOPPING CENTERS THERE WILL BE ANOTHER ONE, AND WE ARE GOING TO FIND AN AGREEMENT ON THAT AS WELL, AND WE ALWAYS HAVE TO HAVE A KEEN EYE ON THE FUTURE.

PAGE 13 AND 14, YOU CAN SEE THE FIRST SUGGESTIONS, SO TO SAY, SOMETHING WE ARE WORKING ON. WE HAVE WORKING PROGRESS ON A PROJECT CALLED NEXT STEPS. THAT IS TO SAY HOW WE CAN INNOVATE AND WHAT IGD WILL BE DOING IN THE COMING YEARS IN THE MARKET THAT HAS CHANGED BECAUSE OF THE PANDEMIC, SOMEHOW, IT'S A WAY OF ADVANCING OR TELLING YOU IN ADVANCE, SOMETHING THAT WILL BE EMBEDDED IN OUR NEW BUSINESS PLAN, WE'VE CLOSED THE BUSINESS PLAN SPANNING UNTIL 2021, AND THE TARGETS ARE NO LONGER UP-TO-DATE AS WE SAID DURING THE FULL-YEAR PRESENTATION.

WE ARE GOING TO COME UP WITH A NEW BUSINESS PLAN, WE ARE DRAFTING A NEW BUSINESS PLAN, BETWEEN THE END OF THE SUMMER AND EARLY AUTUMN, SO THAT WE CAN SUBMIT IT TO THE BOARD AND THEN DISCLOSE IT TO THE FINANCIAL COMMUNITY TRIED TO CALL STRATEGIC OR BUSINESS PLANS SPANNING SORRY, 2021 TO 2024 AND IT'S THE 3 YEARS IN WHICH THE NEW BOARD WILL BE IN OFFICE.

LET'S NOW DIVE INTO THE FINANCIAL RESULTS, STARTING FROM PAGE 16, AND NET RENTAL INCOME AS ALWAYS, WE MAKE A COMPARISON BETWEEN Q1 2020 AND Q1 2021 WHICH WAS DOWN €1.5 MILLION IN THE CHANGE IN RENTAL INCOME, AND WE'VE RECOVERED SOME COSTS €31.6 MILLION OF NET RENTAL INCOME IN Q1 ADJUSTED WITHOUT EMBEDDING THE €5.4 MILLION WORTH OF PROVISION FOR COVID. SO NET RENTAL INCOME LANDS AT €26.2 MILLION, MALLS HAD REDUCTIONS IN RENTAL INCOME ON A LIKE-FOR-LIKE BASIS OF €1.1 MILLION MORE TO ITALY, MAINLY OR TOTALLY FOCUSED ON THE MALLS, WHILST HYPERMARKETS EVEN EXPERIENCED A SLIGHT GROWTH, IF WE APPLY OR ADJUST FOR INFLATION.

AND IN THE NEXT PAGE, YOU SEE THE CORE BUSINESS EBITDA; EBITDA GOES FROM €30.3 MILLION IN Q1 2020 TO €23.8 MILLION IN Q1 2021. AND HERE TOO NET OF THE €5.4 MILLION OF COVID DIRECT IMPACT ONE OFF.

AND THEN FINANCIAL MANAGEMENT, WE ARE NOW ON PAGE 18, AND WE STRIPPED OFF THE NON-RECURRING CHARGES THAT IS TO SAY IFRS16 ITEMS. DESPITE THAT, WE SEE A SLIGHT IMPROVEMENT IN FINANCIAL MANAGEMENT, AND WE HAVE MANAGED TO FURTHER CUT THE COST DERIVING FROM FINANCIAL MANAGEMENT. SO WE WILL SEE LATER AVERAGE COST OF DEBT WHICH IS THE SAME LEVEL AS 2020 OR EVEN BETTER. WE ARE EXPECTING IT TO REDUCE IT ABOUT 10 BASIS POINTS IN THE COMING QUARTERS.

PAGE 19, FFOs, FUNDS FROM OPERATION, FROM €20.8 MILLION IN 2020 WITH A DECLINE OF 0.4 CHANGING CORE BUSINESSES EBITDA, AND A DELTA IN FINANCIAL MANAGEMENT, AND IT WAS A NEGATIVE CARRY WORTH €1.6 MILLION, SO WE GET TO 19.3. IF YOU STRIP OFF 5.4, YOU END WITH 13.8 FFO, AND THE NET PROFIT FOR THE PERIOD WAS €10.3 MILLION.

AND THEN I TIE ON WITH THE NEXT SLIDE. IT IS EQUAL TO THE CASH WE PRODUCED DURING THE QUARTER. WE DIDN'T BURN CASH. WE GENERATED CASH, €10 MILLION WORTH OF CASH, SO WE REDUCED OUR NFP BY THE SAME AMOUNT. AND SO, EVEN FOR THIS FIRST QUARTER, WE GENERATED CASH AND WE REDUCED OUR NET FINANCIAL POSITION BY €10 MILLION, AND THAT LED TO A DECREASE IN LOAN TO VALUE ALTHOUGH A LIMITED ONE LANDING AT 49.5%. ICR WAS RETAINED WITH A COST OF DEBT WHICH IS VERY SIMILAR TO THAT OF LAST YEAR, THAT YOU ARE WELL AWARE OF IT AND HALF MARKET...SLIGHTLY MORE MARKET 54% AND 45% BANKING SYSTEM.

3 QUARTERS OF OUR DEBT IS UNSECURED WITH AN NFP OF €1.45 BILLION DECLINING VERSUS THE 1.155 OF LAST YEAR, AND WE STILL HAVE €46 MILLION WORTH OF CASH THAT HAS DECLINED VERSUS THE €100 MILLION AT THE BEGINNING OF THE YEAR. AND HERE I TIE IN WITH THE NEXT SLIDE AS WE REPAYED ON MARCH THE 1ST THE €71 MILLION OF THE BOND THAT WAS EXPIRING IN MAY, BY EXERCISING AN OPTION

FOR EARLIER REDEMPTION BECAUSE IT WAS A MORE EXPENSIVE BOND THAN OUR COST OF FUNDING, WHICH WAS 2.65.

SO CASH ON HAND, €46 MILLION. WE HAVE €60 MILLION WORTH OF COMMITTED LINES RECENTLY RENEWED WITH A 3-YEAR DURATION, RENEWED BY PRIMARY BANKS AND ABOUT A €150 MILLION WORTH OF UNCOMMITTED LINES. SO WE DO HAVE THE OPPORTUNITY TO COVER OUR FINANCIAL MATURITIES FOR ALL OF 2021 AND FIRST MONTHS OF 2022. AS YOU KNOW, WE ARE WORKING ON SOME DISPOSALS. I AM SURE YOU HAVE QUESTIONS ABOUT THE POTENTIAL DISPOSALS. I CAN GIVE YOU A FEW HINTS BUT VERY, VERY LITTLE.

WE ARE AT A STAGE WHERE WE HOPE WE ARE, RIGHT BEFORE THE RELEASE OF AN EXCLUSIVITY. WE HOPEFULLY WILL THEN BE COMPLY WITH THE TIME TABLE HALF WAY THROUGH THE FIRST AND SECOND HALF OF THE YEAR TO COMPLETE THE DISPOSAL AND HAVE A FULL COVERAGE OF OUR FINANCIAL NEEDS FROM HERE TO 2022 AND PARTLY OF 2023. THAT'S IT FROM MY PART.

AND ON PAGE 22, YOU SEE OUR AGENDA, AUGUST THE 5TH, WE WILL BE DISCLOSING RESULTS OF THE FIRST HALF AND THEN IN NOVEMBER, THE FIRST 3 MONTHS OF THE YEAR. ALSO ATTENDING THE BOARD, WE HAVE OUR NEW CHAIRMAN, MRS. SAONCELLA. IF YOU HAVE ANY QUESTIONS FOR HER TOO, PLEASE FEEL FREE TO ASK THEM. THANK YOU VERY MUCH AND HERE WE ARE READY TO TAKE YOUR QUESTIONS.

Q&A

OPERATOR: THIS IS THE CHORUS CALL OPERATOR. WE ARE NOW STARTING THE Q&A SESSION. IF YOU WISH TO ASK A QUESTION, PLEASE PRESS "*" FOLLOWED BY "1" ON YOUR PHONE, TO BE REMOVED FROM THE Q&A LIST, PRESS "*" AND "2." PLEASE ASK YOUR QUESTION USING YOUR PHONES, HANDSETS AND IF YOU WANT TO ASK A QUESTION PRESS "*" AND "1" NOW.

FIRST QUESTION COMES FROM THE LINE OF SIMONETTA CHIRIOTTI WITH MEDIOBANCA. GO AHEAD, MADAM.

SIMONETTA CHIRIOTTI: GOOD AFTERNOON TO ALL OF YOU.

CLAUDIO ALBERTINI: GOOD AFTERNOON.

SIMONETTA CHIRIOTTI: I WANTED TO ASK WHETHER FOLLOWING THIS FIRST QUARTER, DO YOU CONFIRM THE GUIDANCE YOU GAVE AND ALSO CONSIDERING HOW THE GENERAL SITUATION IS EVOLVING WITH RESTRICTIONS THAT ARE COMING

AND GOING OR THAT ARE LASTING MORE THAN WE EXPECTED. DO YOU CONFIRM THE GUIDANCE YOU GAVE ON COVID IMPACTS ALSO FOR THE FULL YEAR? AND GENERALLY SPEAKING ALSO, COULD YOU CONFIRM THE GUIDANCE ON YOUR PERFORMANCE FOR FULL YEAR? AND THEN, I DID NOT GET THE AMOUNT OF THE 3 LINES...CREDIT LINES, UNCOMMITTED [PH] LINES. COULD YOU REPEAT IT FOR ME?

CLAUDIO ALBERTINI:

VERY WELL, LET ME ANSWER, GUIDANCE IS CONFIRMED. NORMALLY, WE UPDATE OUR GUIDANCE AFTER THIS FIRST HALF REPORT. WE GAVE GUIDANCE WITH THE GROWTH IN THE RANGE OF 3% TO 4%, NET OF THE DISPOSAL DEAL IF WE COMPLETE THE DISPOSAL DEAL, MIRRORING RENT WILL HAVE AN EVEN SOUNDER FINANCIAL SITUATION GOING FORWARD. BUT, WILL MEAN LUCK, THE RENTS OF THE DISPOSED PORTFOLIO.

GUIDANCE SO FAR IS CONFIRMED, THERE ARE NO MAJOR CHANGES VERSUS THE SCENARIO WE COUNTERED UP OR ASSUMED IN OUR BUDGET. WE ASSUMED, A STILL COMPLEX FIRST HALF OF THE YEAR. WE WERE EXPECTING A REOPENING OF THE WEEKENDS STARTING FROM MID-MAY, IT SHOULD BE ALLOWED BY THE GOVERNMENT TOGETHER WITH THE EXTENSION OF THE CURFEW TIME, THERE SHOULD BE A LAW DECREE THAT WILL REGULATE THESE MEASURES, SO WE ARE WORKING TOGETHER WITH OUR TRADE ASSOCIATION TO HAVE IT APPROVED. AND PEOPLE ARE VERY MUCH AWARE OF THAT AND ALMOST ALL POLITICAL FORCES WERE UNDERSTANDING IN THAT RESPECT. SO THAT WE CAN GO BACK TO NORMAL, OUR ASSUMPTIONS WERE FIRST HALF "DIFFICULT" AND IT HAS BEEN SO FAR, IF WE CAN SAY SO. AND THE SYSTEM IF WE COMPARE WHAT WE HAVE, THE COLOR SYSTEM WE HAVE IN ITALY IF WE COMPARE IT TO OTHER COUNTRIES, ENABLED US TO BE OPEN FROM MONDAY TO FRIDAY APART FROM THE FRIDAY BEFORE MAY 1, WHICH WAS A PRE-HOLIDAY CLOSURE. WHILST IN OTHER COUNTRIES SUCH AS GERMANY, GERMANY IS STILL TOO FULLY LOCKDOWN MOST OF IT, HARSH LOCKDOWN, STRICT LOCKDOWN. SO THE SCENARIO WE HAVE ASSUMED IS MORE OR LESS THE SAME, AND THEREFORE THE GUIDANCE.

ON THE CREDIT LINES IS €60 BILLION IS COMMITTED, 3 YEARS CREDIT LINE AND NOT YET DRAWN, RECENTLY RENEWED AND THEREFORE WITH A GOOD TIME HORIZON GOING FORWARD. WHILST, UNCOMMITTED LINES, SO THEATRICALY REVOCABLE ARE €150 MILLION, THE ONES WE RELY MORE ON OUR COMMITTED LINES, BUT EVEN IN THE UNCOMMITTED ONES I DON'T THINK BANKS WOULD REVOKE THEM OVERNIGHT SO TO SAY. HISTORICALLY, WE HAVE ALWAYS HAD AN EXCELLENT RELATION WITH THE ITALIAN BANKING SYSTEMS, AND THEY HAVE BEEN SUPPORTING US, IT'S ONLY ITALIAN BANKS, SO I DON'T SEE ANY MAJOR ISSUES THERE. THANK YOU, SIR.

OPERATOR:

LET ME REMIND YOU THAT IF YOU WISH TO ASK A QUESTION, YOU MAY PRESS "*" AND "1" ON YOUR PHONE. MR. ALBERTINI, FOR THE TIME BEING THERE ARE NO BOOKED QUESTIONS.

CLAUDIO ALBERTINI: THERE ARE NO MORE QUESTIONS. WE SAY GOODBYE. AND WE WILL TALK TO YOU AGAIN EARLY AUGUST FOR THE 6 MONTHLY REPORT, HOPEFULLY BEFORE TO DISCLOSE POSITIVE INFO TO YOU...POSITIVE NEWS TO YOU. THANK YOU SO MUCH FOR ATTENDING AND HAVE A GREAT AFTERNOON ALSO ON BEHALF OF MY COLLEAGUES AND OUR CHAIRMAN. THANK YOU VERY MUCH FOR JOINING US TODAY.

OPERATOR: THIS IS THE CHORUS CALL OPERATOR. THE CONFERENCE CALL HAS COME TO AN END. YOU MAY DISCONNECT YOUR PHONES. THANK YOU VERY MUCH.