



# Road Show Presentation

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June 2022



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GIOCA CONE

Ogni cosa ha il suo cu

1

Introduction to IGD

# IGD at a glance

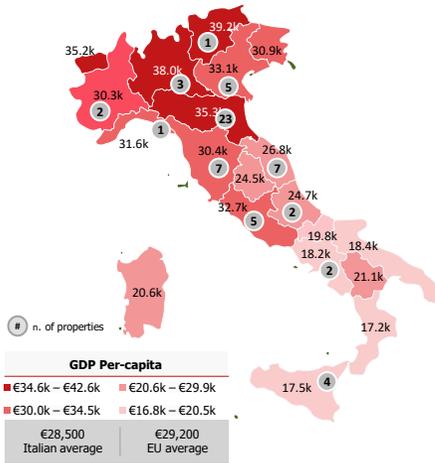
IGD is one of the main players in the Italian retail real estate sector: we develop and manage shopping centres across the country. We are also present in the retail sector in Romania



# IGD Business Model

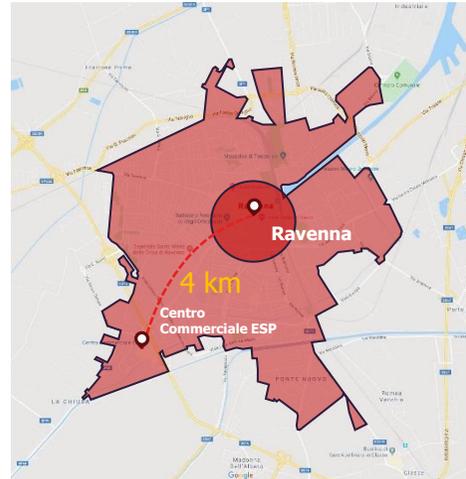
## A distinctive competitive positioning in the fragmented Italian retail real estate market

### 1 Well Diversified Across Italy



With strategic focus on high GDP per capita Northern mid-size cities

### 2 Strategic Positioning



We strive to be the dominant retail destination in mid-sized wealthy Italian cities, at easy reach from city centre

### 3 Strong Food Anchor



The food hypermarket (mainly Coop) plays a critical attraction role in our retail assets  
*Fresh food, daily shopping, sticky consumer habits*

### 4 Strong Track-Record of Direct Management



Proactive approach, carefully selected merchandising mix, marketing activity adapted to each context and wide offer of customer related services



**Young Portfolio**  
Average age 11 years  
(since opening/restyling)



**Average GLA**  
c.25.000 sqm



**Catchment area**  
c.370.000 inhabitants in 20 min



**Average footfalls per year**  
2.5 mn



**Easy to reach**  
c. 4 km from city center



**Average parking places**  
2,013



**Centers reached by public transport**  
25



**Centers reached by bike path**  
17

# Group Structure (simplified)



100%



100%



100%



Parent Company **82.8% NRI**

Italian Facility Management **10.9% NRI**  
**+Service Revenues**

Romania **6.3% NRI**

Development project in Livorno **Trading Revenues**

# IGD's shareholding structure



**No. of shares**  
**110,341,903**



**Share capital**  
**€ 650 Mn**



**Net equity**  
**€ 1.2 Bn**



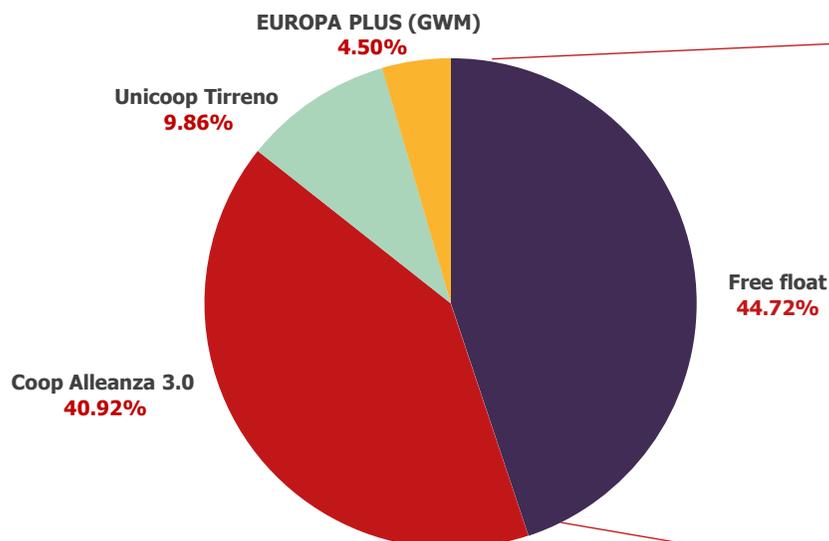
**Listed on STAR Segment of Italian Stock Exchange**



**Mkt capitalization as at 11/05/2022**  
**c. €423 mn**



**Average daily trading**  
**01/01/22 – 28/04/2022**  
**c. 325,981 shares**



**Majority of institutional investors, of which the participation <5%<sup>(1)</sup>**

<b>22%</b>	Italy Mediolanum, Coop Lombardia
<b>4%</b>	UK & Ireland Legal & General Group, Interactive Brokers
<b>43%</b>	US & Canada Vanguard, Dimensional Fund Advisors
<b>2%</b>	Luxembourg, Belgium, Netherlands Fidelity Investments Luxembourg, LUX AM
<b>5%</b>	France Lyxor AM, BNP Paribas
<b>24%</b>	Rest of the world Norges Bank Government Pension Fund Global, Allianz Funds

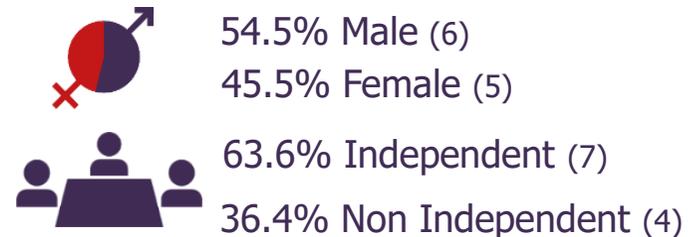
# IGD Governance – Directors and Committees

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.

<b><u>EXECUTIVE</u></b>	CEO Claudio Albertini		
<b><u>NON EXECUTIVE INDEPENDENT</u></b>	CHAIRMAN Rossella Saoncella	Antonio Rizzi  	Silvia Benzi  
		Timothy Guy Michele Santini 	
	Rossella Schiavini  	Rosa Cipriotti 	Géry Robert-Ambroix 
<b><u>NON EXECUTIVE NON INDEPENDENT</u></b>	VICE CHAIRMAN Stefano Dall'Ara	Alessia Savino	Edy Gambetti

## COMMITTEES:

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



## INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

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

# Our Top Management

## Rossella Saoncella (1953) Chairman



- Appointed as IGD's Chairman on 20 April 2021

## Claudio Albertini (1958) Chief Executive Officer



- Appointed in May 2009
- IGD Board member since 2006
- Member of EPRA<sup>(1)</sup> Advisory Board since 2017
- Member of ECSP's<sup>(2)</sup> Nominations Committee since 2021

## Carlo Barban (1978) Director of Administration, Legal & Corporate Affairs, Contracts, HR and IT



- Director of Administration, Legal & Corporate Affairs since January 2019
- From January 2022, he was appointed Director of Administration, Legal & Corporate Affairs, Contracts, HR and IT

## Andrea Bonvicini (1963) Director of Finance Division



- Head of IGD Group's Finance Division since September 2009
- In July 2012 he was appointed Director of Finance and Treasury Department

## 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
- From January 2022 he was appointed Head of Sustainability Committee
- Joined IGD in October 2010

## Laura Poggi (1976) Director of Commercial Department, Marketing and CSR



- From 2010 through 2021 she was head of IGD's Leasing Division
- From January 2022 she was appointed Director of Commercial Department, Marketing and CSR

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



- Director of Asset Management and Development since 2006
- Director of Asset Management, Development & Network Management since 2019
- Chairman of CNCC<sup>(3)</sup> since 2020



# 2 Portfolio

# IGD: a portfolio of high quality assets

## IGD Main Italian Asset



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 > €65mn mkt value each

# Main evidences for IGD's Portfolio FY2021

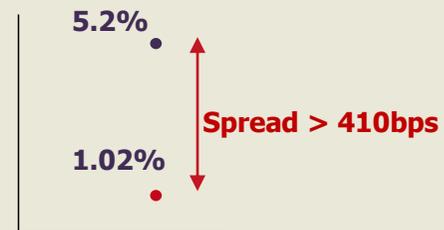


**Portfolio fair value stabilization**

**+0.64%  
Like for Like**



**Still a considerable spread between Net Yields and gov. bonds\***

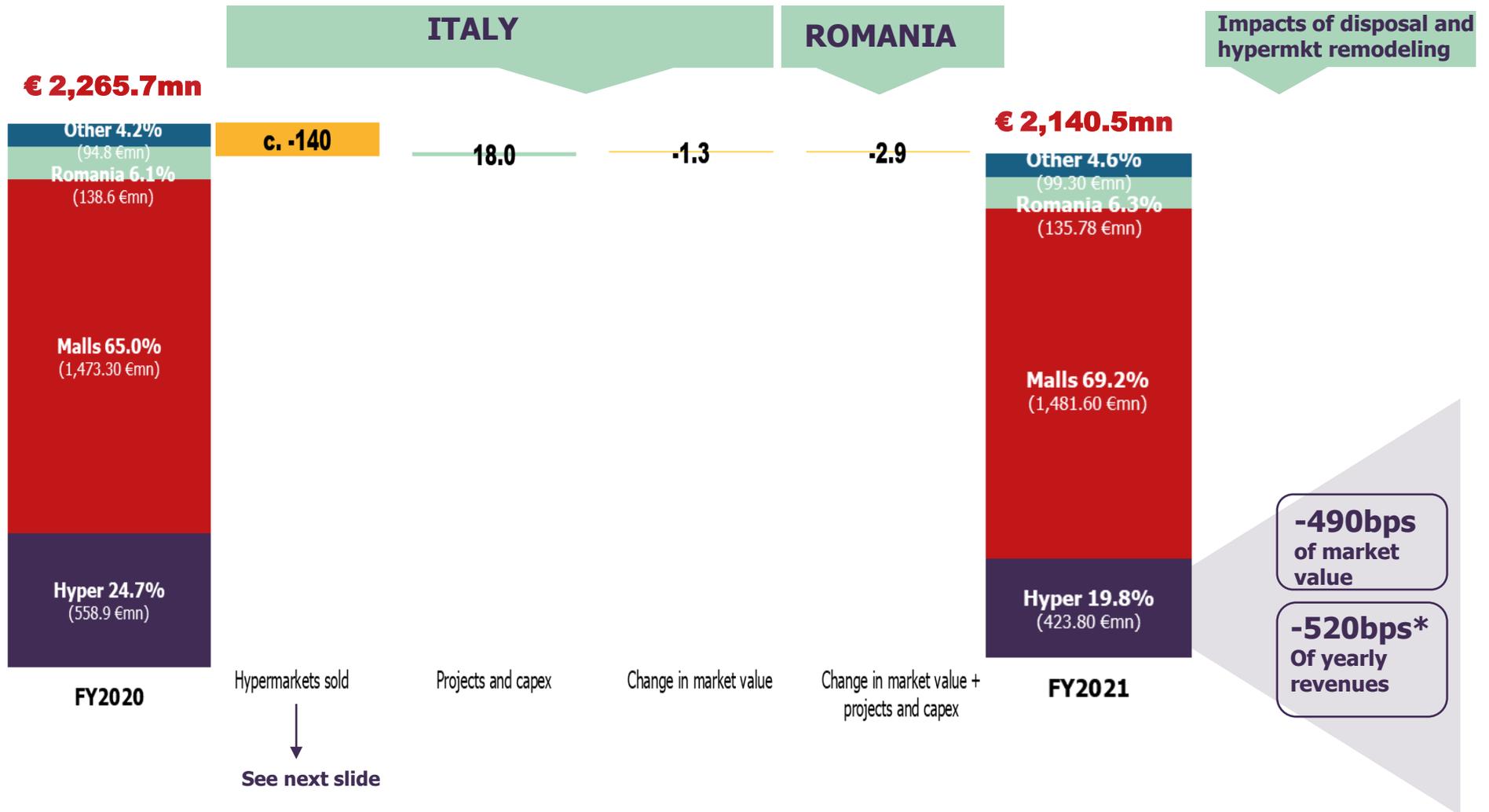


# Market value IGD as at 31/12/2021

	FY 2020	FY 2021	Δ %	Gross Initial Yield	EPRA Net Initial Yield	EPRA Net Initial Yield topped up
Malls Italy	1,476.75	1,481.64	+ 0.33%	6.57%		
Hypermarkets Italy	416.67	423.83	+ 1.72%	6.06%	5.3%	5.3%
Hypermarkets sold	138.85					
Romania	138.64	135.78	(-2.06%)	7.60%	6.2%	6.6%
Porta a Mare + developments + other	94.78	99.22				
<b>Total IGD's portfolio</b>	<b>2,265.69</b>	<b>2,140.47</b>	<b>(-5.53%)</b>			
<b>Total IGD's portfolio LFL</b>	<b>2,126.84</b>	<b>2,140.47</b>	<b>+ 0.64%</b>			
Leasehold properties (IFRS16)	43.32	32.47				
<b>Total IGD's portfolio including leasehold</b>	<b>2,309.01</b>	<b>2,172.9</b>	<b>(-5.89%)</b>			
Equity investments		25.67				
<b>Total portfolio including equity investments</b>	<b>2,309.01</b>	<b>2,198.61</b>	<b>(-4.78%)</b>			

**2021 TOTAL INVESTMENTS 22.9 €mn**

# Portfolio evolution as at 31/12/2021



# Disposal of a portfolio in 2021

5 hypermarkets and 1 supermarkets; all the properties sold «stand alone»



Transaction closed in November 2021



**140 mn€**  
Value of the portfolio  
in line with book value at 30/06



**c.115 mn€**  
Net cash in\*

\*IGD maintained 40% of the quotas of Fondo Juice (REIF)

# Some on-going work in 2021

## Revamping and decarbon in Ravenna

Project launched in ESP shopping center with «zero emission» target to be reached within 2023.



Oggetto:  
Centro ESP - nucleo storico  
Ravenna  
N° lotto: 211 Rev01  
Data: 05/02/21  
Cliente:  
IGD S.p.A.  
Via Natali Comandari Semplici  
1902-2007 - 1 - 41121 Bologna



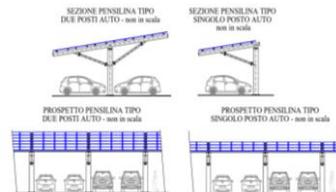
## AI devices

Optimisation of energy consumption of HVAC systems (air conditioning/heat pumps)



## Photovoltaic plant in Mantua and Grosseto

250 KW in Mantua and 750 KW in Grosseto



The process of **hypermarket surfaces' reduction** continues, in order to adapt them to the changed needs of their catchment areas



- 6,050 m<sup>2</sup> hypermkt  
+4,430 m<sup>2</sup> mall  
(+6 stores  
+1 medium surface  
+1 restaurant)



- 2,530 m<sup>2</sup> hypermkt  
+2.400 m<sup>2</sup> malls  
(2 medium surfaces)



# Epra indicators as at 31/12/2021 improve



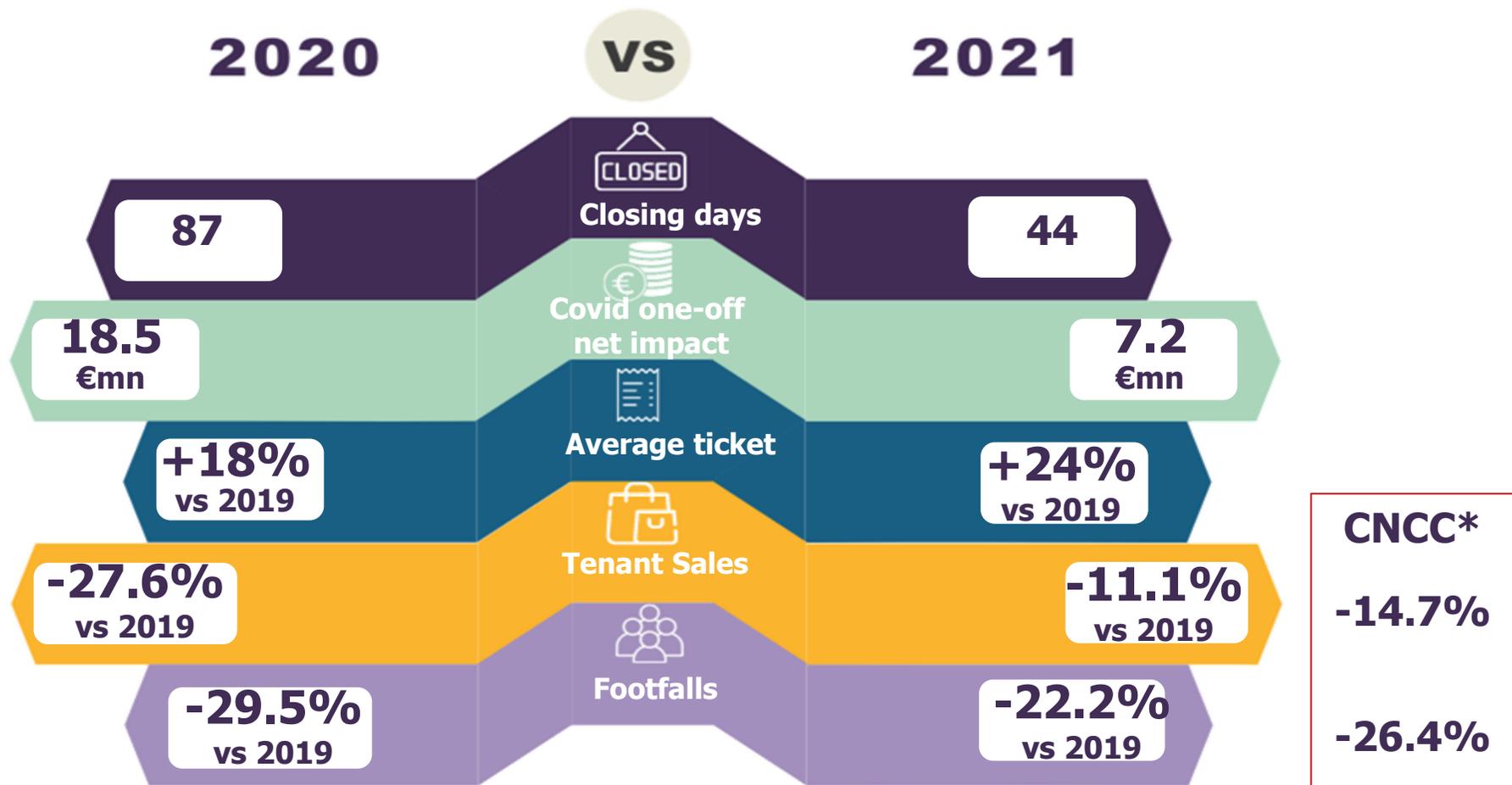
€ per share	FY 2021	FY 2020	Δ
<b>NRV</b>	10.85	10.38	4.5%
<b>NTA</b>	10.78	10.31	4.6%
<b>NDV</b>	10.43	10.42	0.1%





# 3 Operating performance

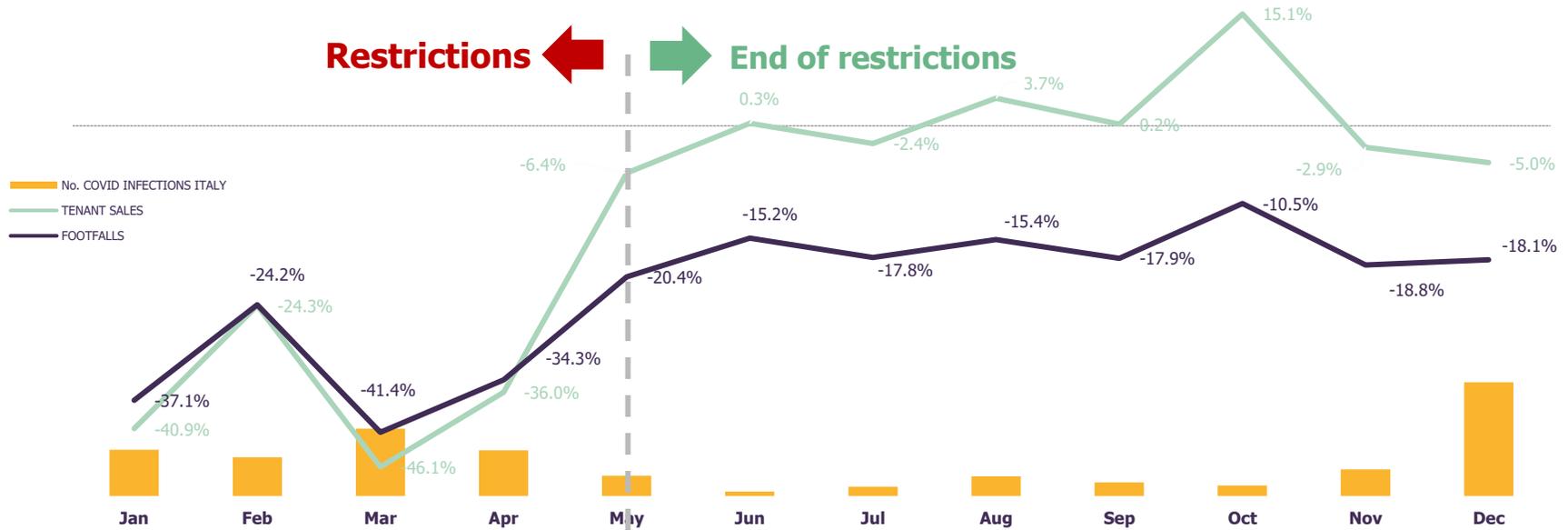
# 2021: still Covid effects, but decreasing...



2021: less impacts from restrictions compared to 2020

**2022: expectations are for a scenario closer to «normalcy»**

# ...and visitors gave good answers



**Covid situation**

Gamma variant  
Vaccination campaign begins

Delta variant and then Omicron variant starting in autumn  
Great results from the vaccination campaign (including booster dose): >80% of vaccinated population

**Shopping centers' performances**

Difficulties due to restrictions and closures (holidays and pre-holidays)

Tenant sales in line with 2019\*\*  
Footfalls -16% vs 2019\*\*

# Performances in Italian malls in the first 5 months of 2022...



Omicron peak  
(>4.7mn people infected)

Reducing but still significant infections  
24/02 outbreak of Ukraine war

Ukraine war and its macro economic impacts

<b>Δ 2022/2019</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>Progressive</b>
<b>TENANT SALES</b>	-12.8%	-1.7%	-6.4%	-1.5%	+12.2%	<b>-2.3%</b>
<b>FOOTFALLS</b>	-22.2%	-19.3%	-20.4%	-18.4%	-15.5%	<b>-19.1%</b>

Performances are still impacted by contingent external factors

The average ticket continues to grow (May '22 € 28.0 +23.5% vs '19)

# ..and commercial results

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## Occupancy

It remains at high level

Italy 94.8% (-35bps vs FY21 already released)  
Romania 94.1% (-51bps vs FY21 being released)



## Leasing activities

Italy (1,391 contracts): 20 turnover + 17 renewals (downside -3%\*\*)  
Romania (550 contracts): 57 turnover + 47 renewals (downside -3.45%)



## Indexation

Italy	Malls: 83% contracts linked to 100% inflation*; remaining contracts linked to 75% Hyper: 100% contracts linked to 75% inflation*
Romania	100% linked to Euro Area inflation

# High level of collection rate

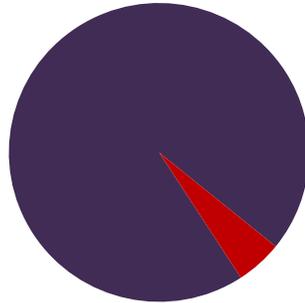
**2021**

**1Q 2022**

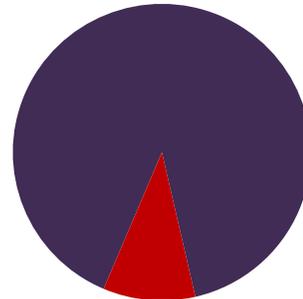
## ACTIONS IMPLEMENTED TO SUPPORT TENANTS

**Italian Portfolio**

Collected **c. 95%\***



Collected **c. 90%\*\***



Granted some temporary reductions and deferred payments



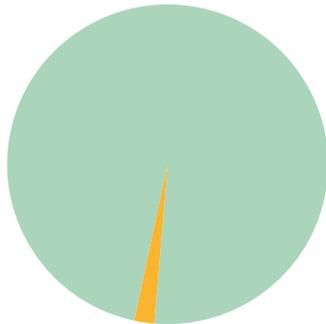
Extended some stepped rents



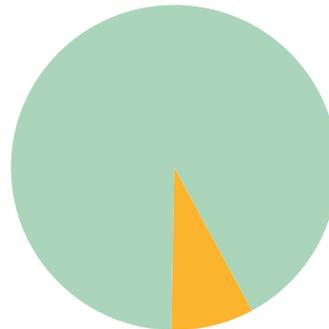
Strengthened measures to contain energy consumption in order to mitigate the impact of rising energy prices (early switching off of lights and signs, constant monitoring of the temperatures in the shopping centers)

**Romanian Portfolio**

Collected **c.98%**



Collected **c.90%**



# Our merchandising mix continues to evolve (1/2)

## FIT-EXPRESS



1,300 m<sup>2</sup>

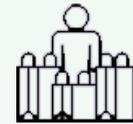
Centro Maremà (Grosseto)

Fitness Center

*With rehabilitation treatments and a solarium area*



## KING SPORT



1,800 m<sup>2</sup> over 2 floors

Centro Leonardo (Imola)

Sports clothing and equipment

*Indoor playing fields, e-sport areas, beauty consulting service*



# Our merchandising mix continues to evolve (2/2)

## SANIMED



150 m<sup>2</sup>

Centro Casilino (Rome)

Medical Clinic

*With more than 70 types of highly specialized treatments and operations*



## CASILINO SKYPARK



2,800 m<sup>2</sup> Terrace 4° floor Multipark

Centro Casilino (Rome)

Sport, children, green and entertainment areas

*Urban redevelopment of the car park, transformed in the first Italian Sky Park.*



# New marketing initiatives: communications in the shopping centers and...



- 31 shopping centers involved
- Selected an agency for each shopping center
- Omnichannel approach: online and offline integrated communication
- Marketing focused on the single catchment area needs

# ...an innovative co-marketing project with Coop Alleanza 3.0



Combine the relaunch of the hypermarkets (with regard to Coop) and the development of the digital strategy (for IGD).

- 3 common working areas in 12 shopping centers:
- **Digital:** increase the contacts of the CRM platform
  - **Communication:** promotion of single tenants, events, new openings also through the Coop Alleanza 3.0 communication means
  - **Publicity:** organize joint promotional activities



# 4 Financial Results

# FY2021 and 1Q2022 main results

	FY 2021	vs 2020	1Q 2022	vs 1Q 2021
<b>REVENUES</b>				
Rental Income	€145.1mn	-0.1%	€33.9mn	-7.6%
Net Rental Income	€118.5mn	8.2%	€28.7mn	9.6%
<b>EBITDA</b>				
EBITDA ( <i>Core Business</i> )	€107.3mn	7.9%	€26.1mn	10.0%
EBITDA Margin ( <i>Core Business</i> )	70.8%	540pts	73.2%	1140pts
EBITDA Margin From Freehold	72.4%		75.6%	
<b>GROUP NET PROFIT</b>	€52.8mn	n.a.	€14.5mn	40.4%
<i>Core Business Funds From Operations (FFO)</i>	€64.7mn	9.2%	€16.7mn	20.7%
<i>Core Business FFO per share *</i>	0.59		0.15	

Results impacted by the exceptional containment measures adopted in Italy to limit the spread of Covid-19

# Net rental Income at 31/03/2022 (€mn)



## Like for like Italy +0.1 €mn:

Indexation for approx. 560 bps (approx. 0.4 €mn)

### Malls (+0.3%):

- Partially offset by temporary reductions for approx. 0.5 €mn (not present in 2021)

Hypermarkets (+0.2%): indexation effect mainly from April.

## Like for like Romania: +0.1 €mn

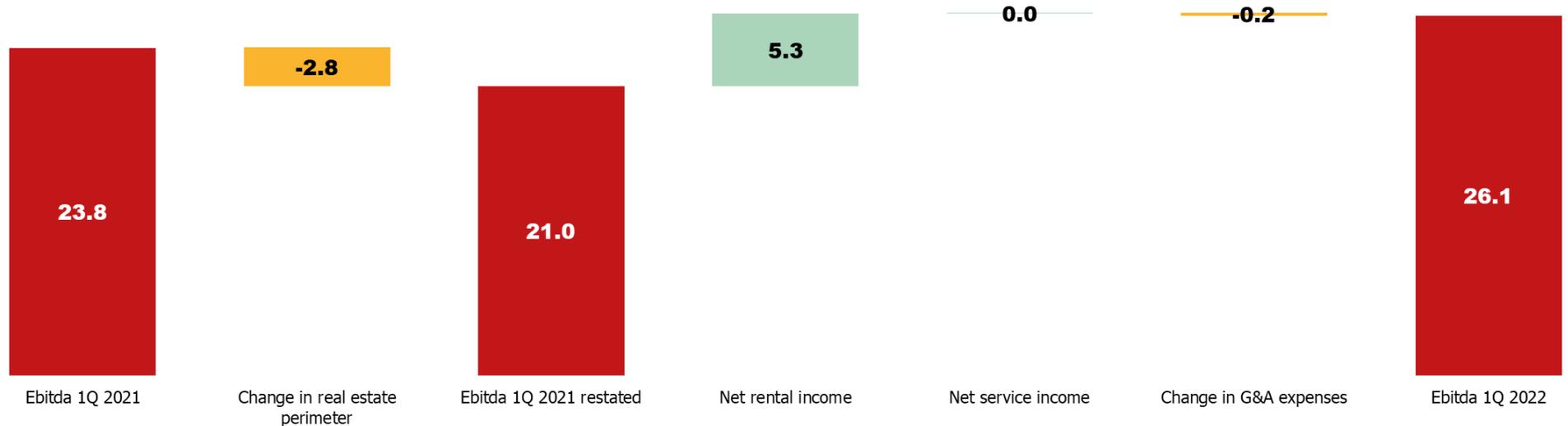
Increase due to lower reductions granted thanks to the loosening of the pandemic restrictions

Total change in direct costs 5.3€mn less 0.2€mn already considered in the change in real estate perimeter. NO Covid impact on direct costs

# Core business Ebitda at 31/03/2022 (€mn)

**Change vs 2021R**  
**+5.1€mn**  
**+24.5%**

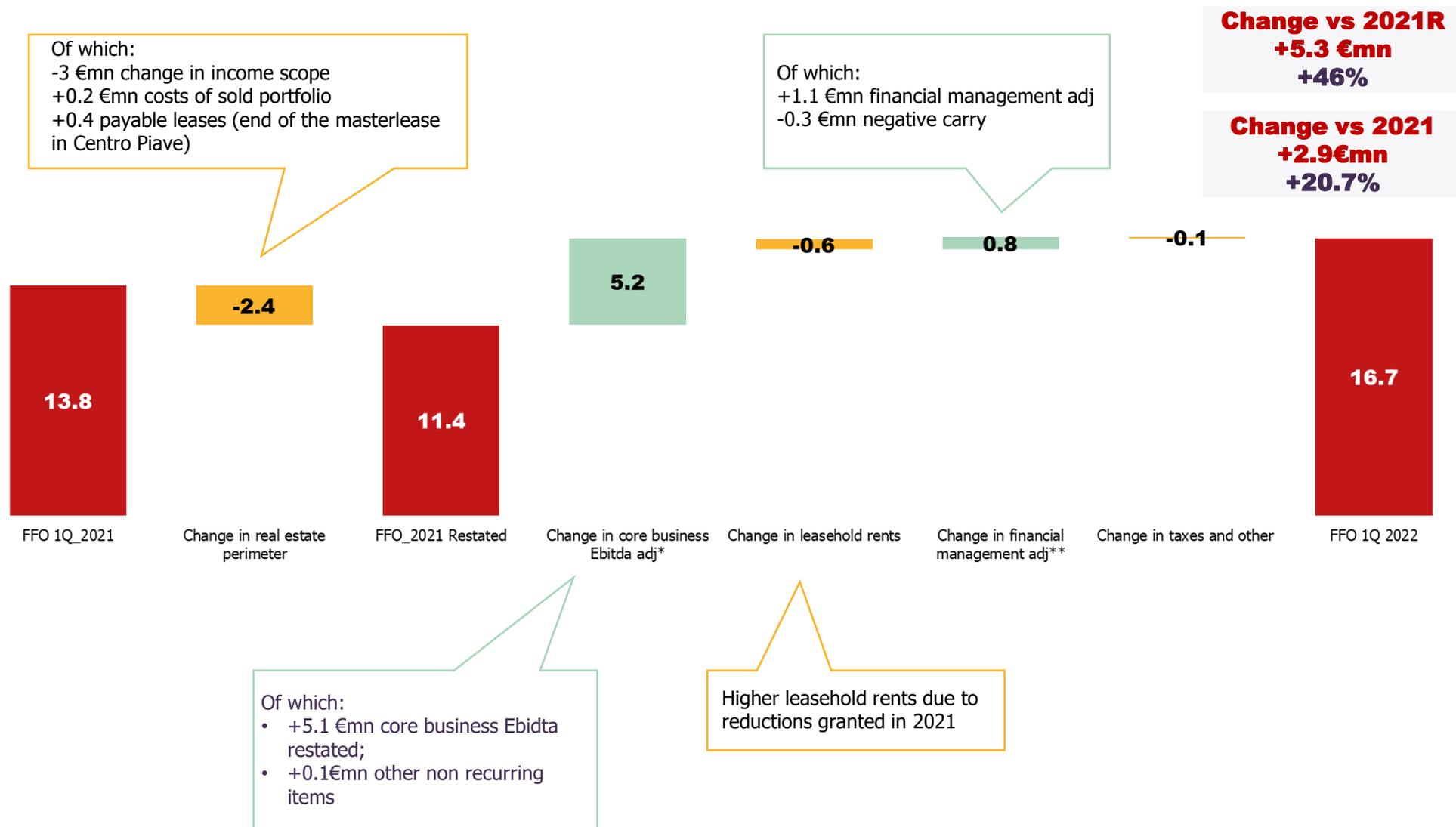
**Change vs 2021**  
**+2.3€mn**  
**+10%**



**Core business  
EBITDA MARGIN** **73.2%**

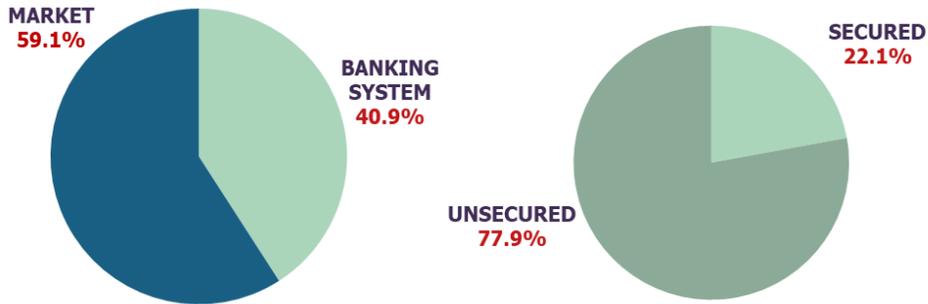
**EBITDA MARGIN  
freehold** **75.6%**

# FFO at 31/03/2022



# Financial structure

## Debt Breakdown



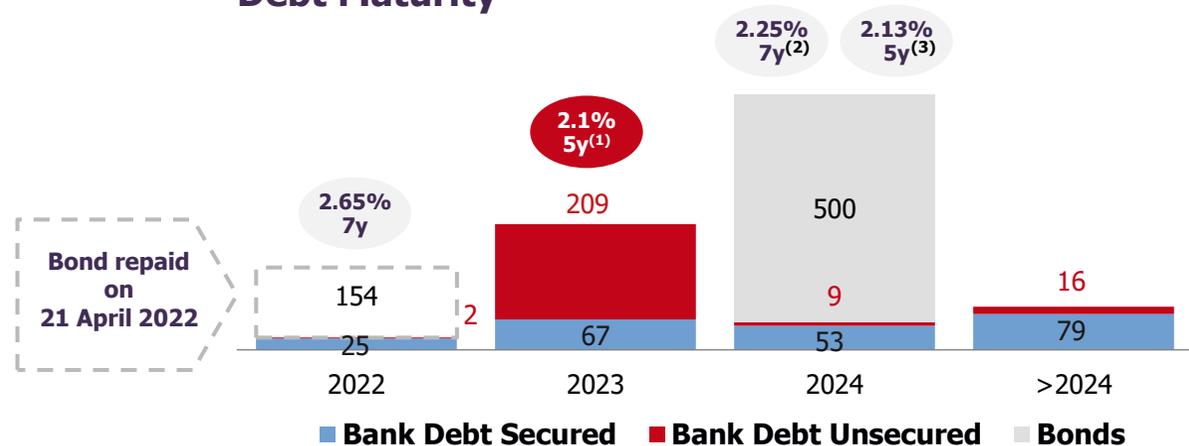
## Rating



## Key Metrics

	31-Mar-22
Cash	€164 mn
Net Debt	€976.3 mn
LTV	44.3%
ICR	3.5x
Average Cost Of Debt	2.16%
Gearing Ratio	c. 0.82x
Hedging on Long Term Debt + Bond	c. 93.9%

## Debt Maturity



# Outlook 2022

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*The guidance for FY2022 FFO will be revised in August,  
when 1H22 results will be approved*



**5**

**Strategic Plan 2022-2024**

# **Covid is accelerating some already existing global macro trends**



## **Urbanization**

- **Big cities but also medium-sized ones**
- **Proximity**
- **Adaptation/Conversion of urban areas (smart mobility/working)**



## **Quality of Life**

- **More attention on wellbeing, physical activities and personal care**
- **More health clinics both public and private spread around the country**
- **Shopping and services close at hand**
- **Healthy/fresh food**



## **Digitalization**

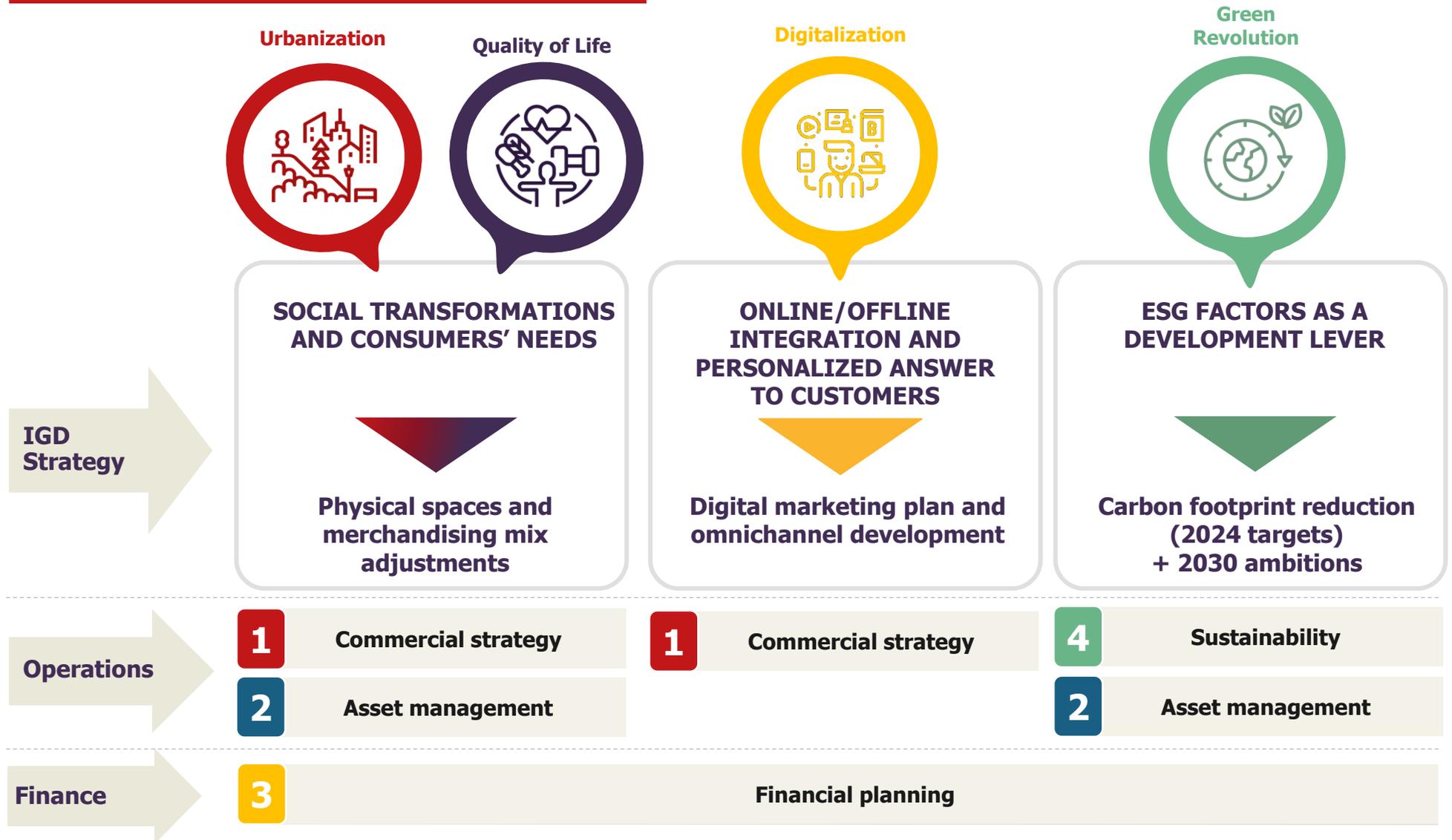
- **Always online**
- **«Everything now»**
- **Personalized offer/services**
- **More online/offline integration**



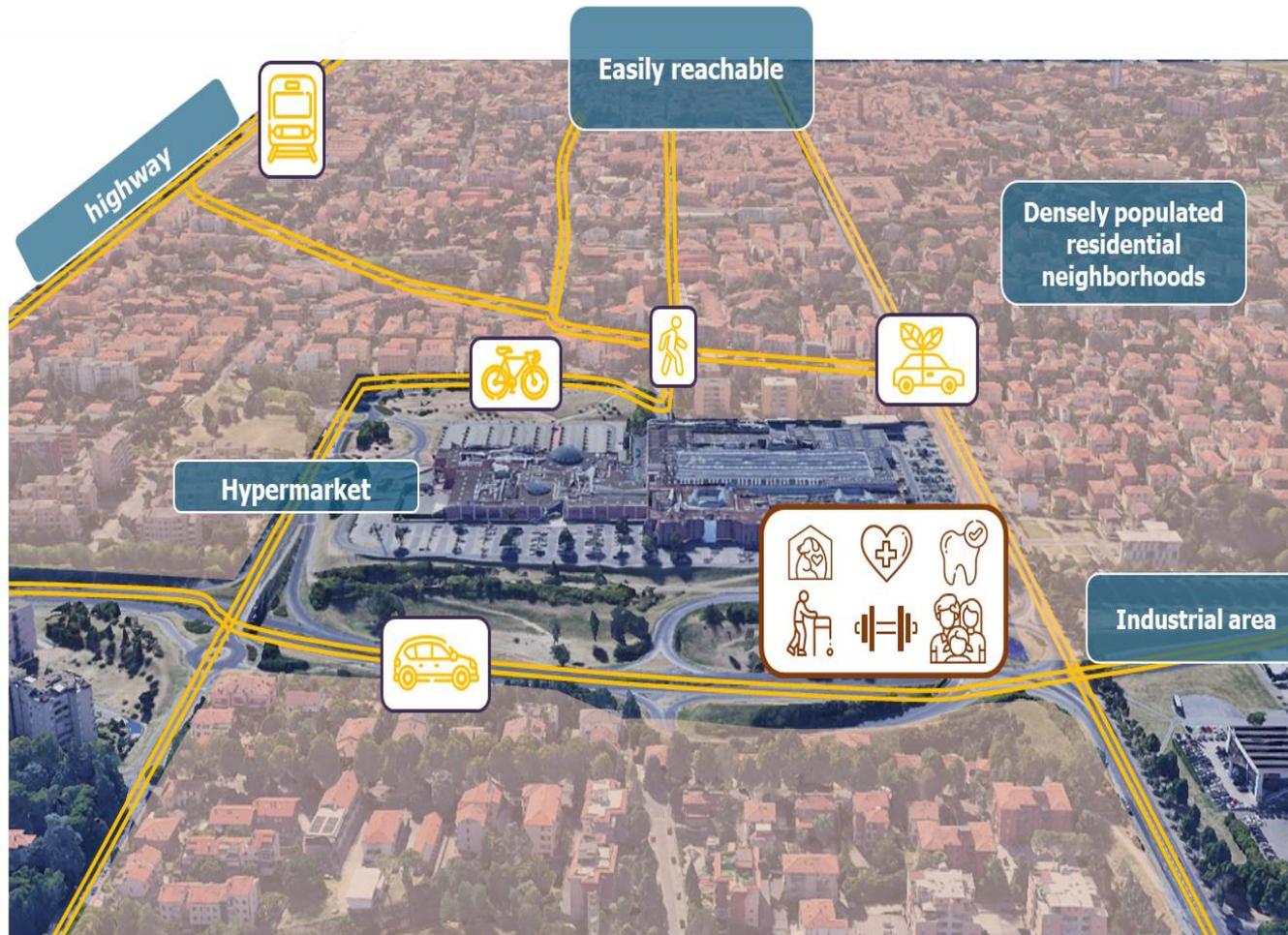
## **Green Revolution**

- **Fighting climate change and change in energy sources**
- **Emissions and waste reduction**
- **Electric vehicles**
- **Green and sustainable finance**

# IGD's strategy answers to new consumers needs...



# ...leveraging on an effective business model



A typical example: Centro Leonardo Imola (BO)



## Dominant (1)

Our assets are the dominant retail destination in their catchment area



## «Urban» shopping centers

Easily reachable (about 4km far from city center on average)



## Strong food anchor

Hypermarket has a strong attractive role for everyday shopping



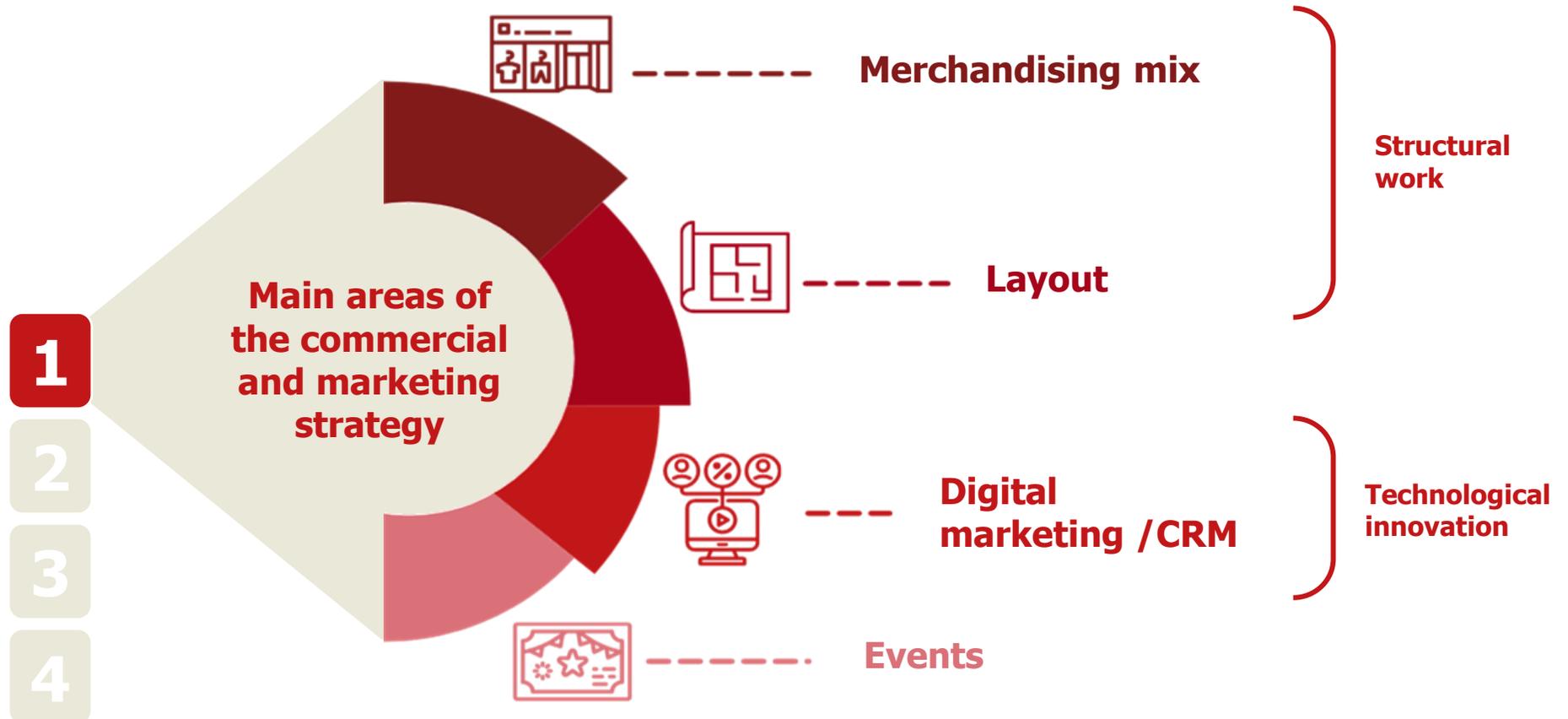
## Not only shopping but also services for community

Dental clinics, medical clinics, pharmacies

# Commercial and marketing strategy

COMMERCIAL STRATEGY TARGET

Development of commercial and marketing plan keeping in mind the features of each asset and their specific catchment area



# Commercial and marketing strategy

## Merchandising Mix

	 <b>Health and Wellbeing</b>	 <b>Household Goods</b>	 <b>Food court</b>	 <b>Tech</b>	 <b>Sport</b>	 <b>Family Store</b>
IGD Track Record	<ul style="list-style-type: none"> <li>✓ 21 dental clinics and 1 medical center opened from 2013</li> </ul> 	<ul style="list-style-type: none"> <li>✓ 5,500 m<sup>2</sup> shops opened in the last 2 years</li> </ul> 	<ul style="list-style-type: none"> <li>✓ &gt;1,000 m<sup>2</sup> of restaurants opened in 2021</li> </ul> 	<ul style="list-style-type: none"> <li>✓ 15 new shops opened in the last 2 years</li> </ul> 	<ul style="list-style-type: none"> <li>✓ 3,000 m<sup>2</sup> of shops opened in the last 2 years</li> </ul> 	<ul style="list-style-type: none"> <li>✓ 8 Pepco opened in the last 2 years equal to 4,900 m<sup>2</sup></li> </ul> 
IGD Strategy	<ul style="list-style-type: none"> <li>✓ Services for citizens/families</li> <li>✓ Healthcare facilities</li> </ul>	<ul style="list-style-type: none"> <li>✓ Scouting of new tenants and new format to extend the offer</li> </ul>	<ul style="list-style-type: none"> <li>✓ Ethnic/bio/healthy/high quality restaurants</li> <li>✓ Food truck in the external areas</li> </ul>	<ul style="list-style-type: none"> <li>✓ Focus on emerging brands</li> <li>✓ Specialized shops for gamers</li> </ul>	<ul style="list-style-type: none"> <li>✓ Specialized retailers complementary to the sports areas developed</li> </ul>	<ul style="list-style-type: none"> <li>✓ Shops and services dedicated to children</li> <li>✓ Leisure areas dedicated to children</li> </ul>

## Layout

### External Areas

Creation of new spaces with external food court, sport and entertainment areas...in unused outdoor areas

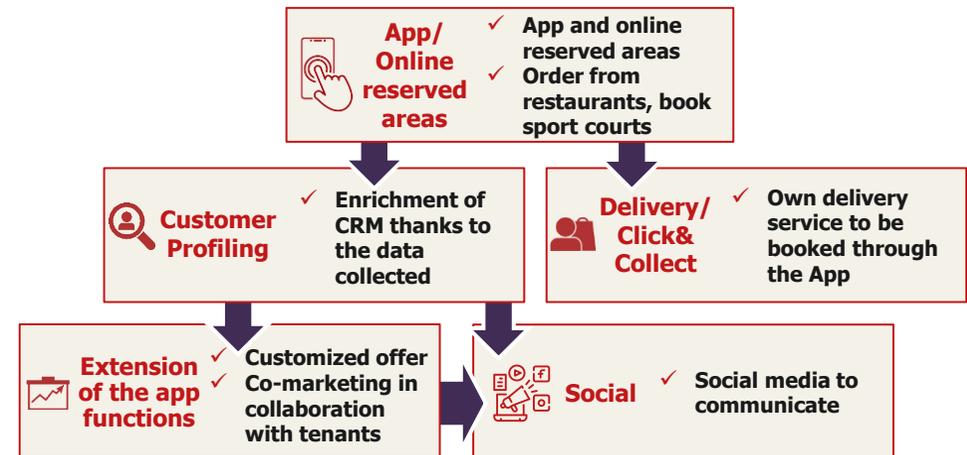


### Smart Working Areas

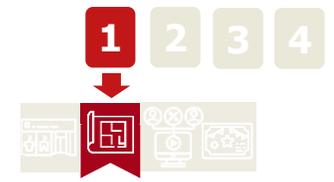
Creation of smart working/studying areas inside the shopping center



## Omnichannel Development



# Layout project: a new life for the external areas



Use of currently unproductive areas

Increase of the services offered to customers

Cross selling activities external services/malls' shops



Padel courts



Photovoltaic systems



Food truck/Riders areas

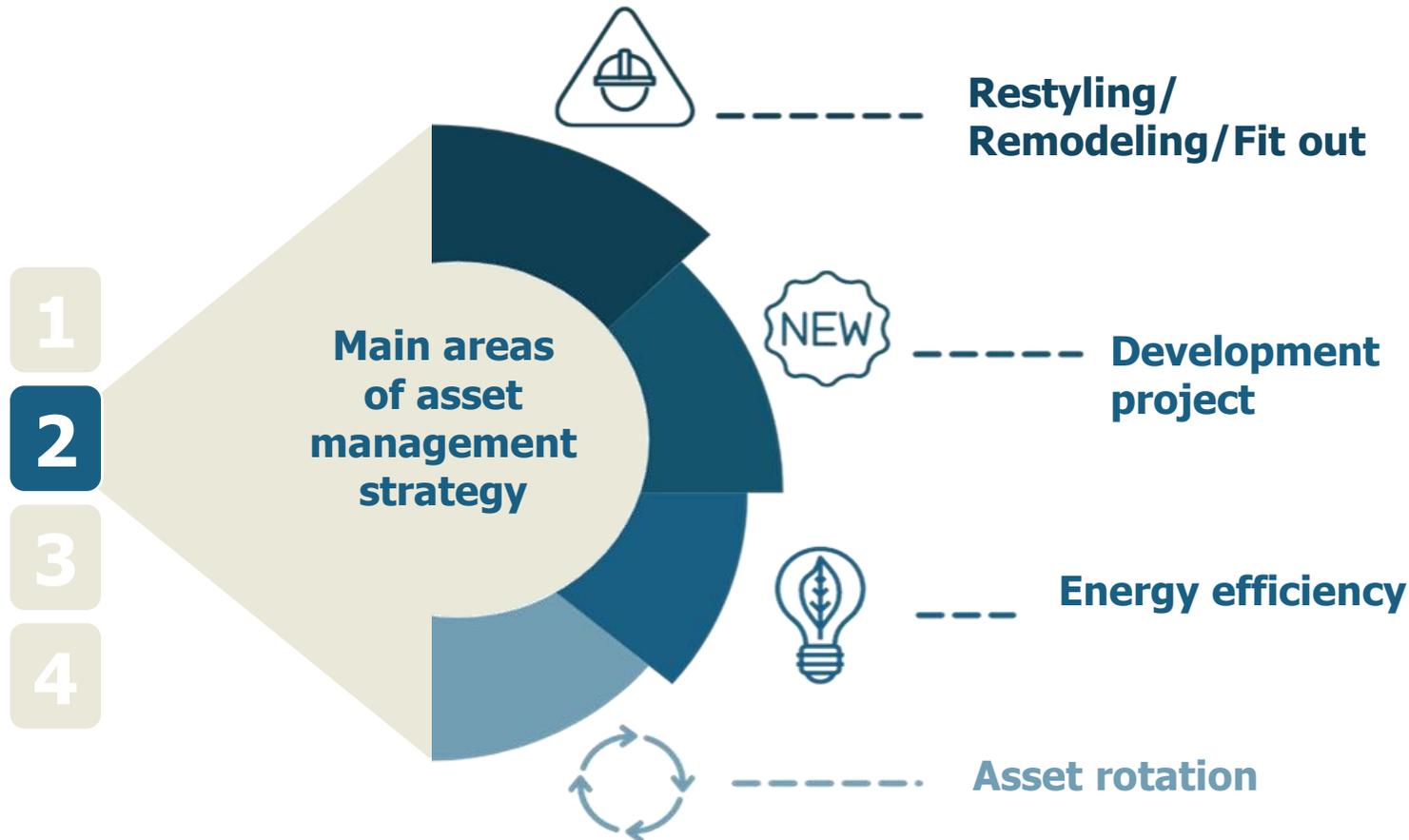


Food kiosks/relax areas

# Asset management strategy

## ASSET MANAGEMENT STRATEGY TARGET

We constantly invest in our shopping centers to make them more and more attractive, to maintain their value over time and to lengthen their life cycle



# Investments (€mn)



# Restyling



-  Porto d'Ascoli – AP
-  21,800 m² GLA (total center)
-  1H 2023 end of work
-  Mall total restyling and hypermarket remodeling
-  Installation of photovoltaic and led lighting systems
-  € 4.6 mn total investment  
(costs to completion €3.5mn at 31/12/2021)

# Restyling



Mantova - MN



13,600 m² GLA (mall)



2H 2022 end of work



Restyling of facade, mall and parking lot; food court remodeling and use of external areas



Installation of photovoltaic and led lighting systems

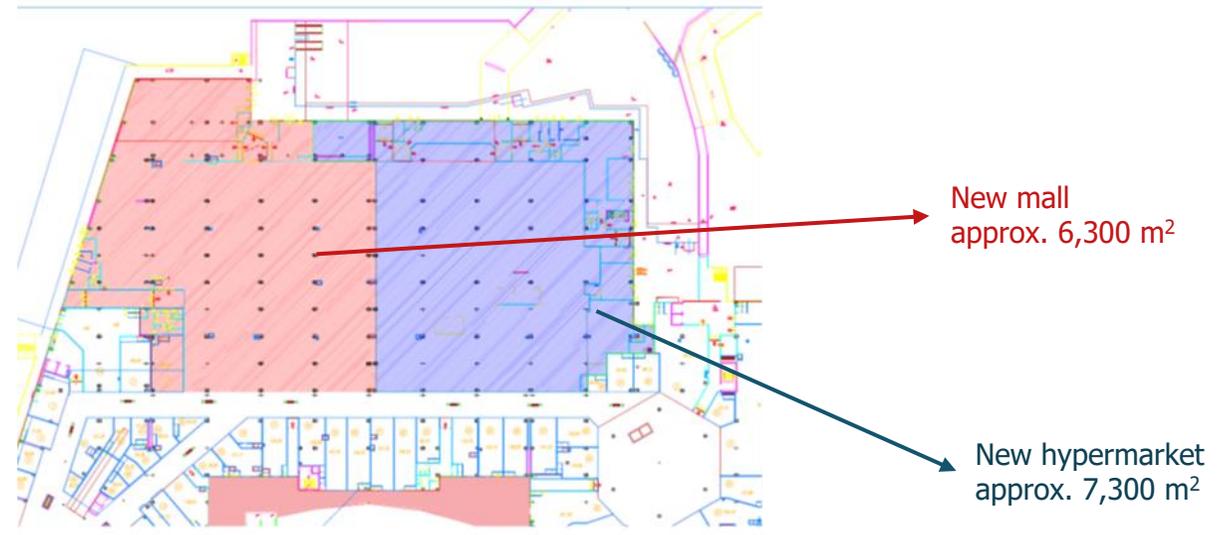


€ 4.3 mn total investment (costs to completion €3.7mn at 31/12/2021)

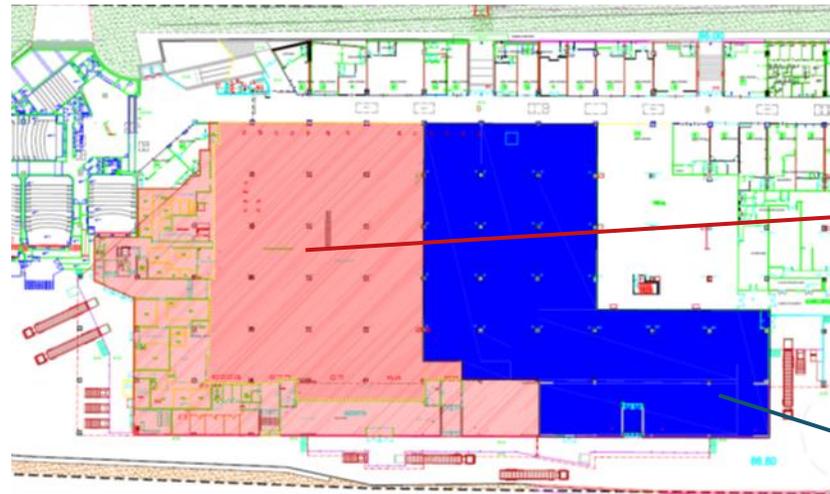
# Remodeling



-  Gravina di Catania
-  27,100 m<sup>2</sup> GLA (total center)
-  2H 2022 end of work
-  Hypermarket remodeling
-  € 1.9 mn investment over the BP timespan



# Remodeling



New hypermarket  
approx. 7.200 m<sup>2</sup>

New malls  
approx. 4.000 m<sup>2</sup>

- Palermo
- 26,500 m<sup>2</sup> GLA (total center)
- 2H 2022 end of work
- Hypermarket remodeling
- € 1.2 mn investment over the BP timespan

# Porta a Mare Livorno

## Mixed-use project



- A Piazza Mazzini**
- **Retail:** operating, 100% owned by
  - **Residential:** sales completed

- B Palazzo Orlando**
- **Offices:** sold in 2019

- C Officine Storiche**
- See focus in the next slide

- D Sub areas Lips, Molo Mediceo and Arsenale**
- Hotel, residential, entertainment and service
  - To be develop

# Officine Storiche



APPRODO DEL FUTURO.



**m<sup>2</sup>** >20,000 m<sup>2</sup> GLA (15,000 m<sup>2</sup> retail, 5,600 m<sup>2</sup> residential)



**3/4Q2022 opening**



30 shops, 1 fitness center, 10 restaurants

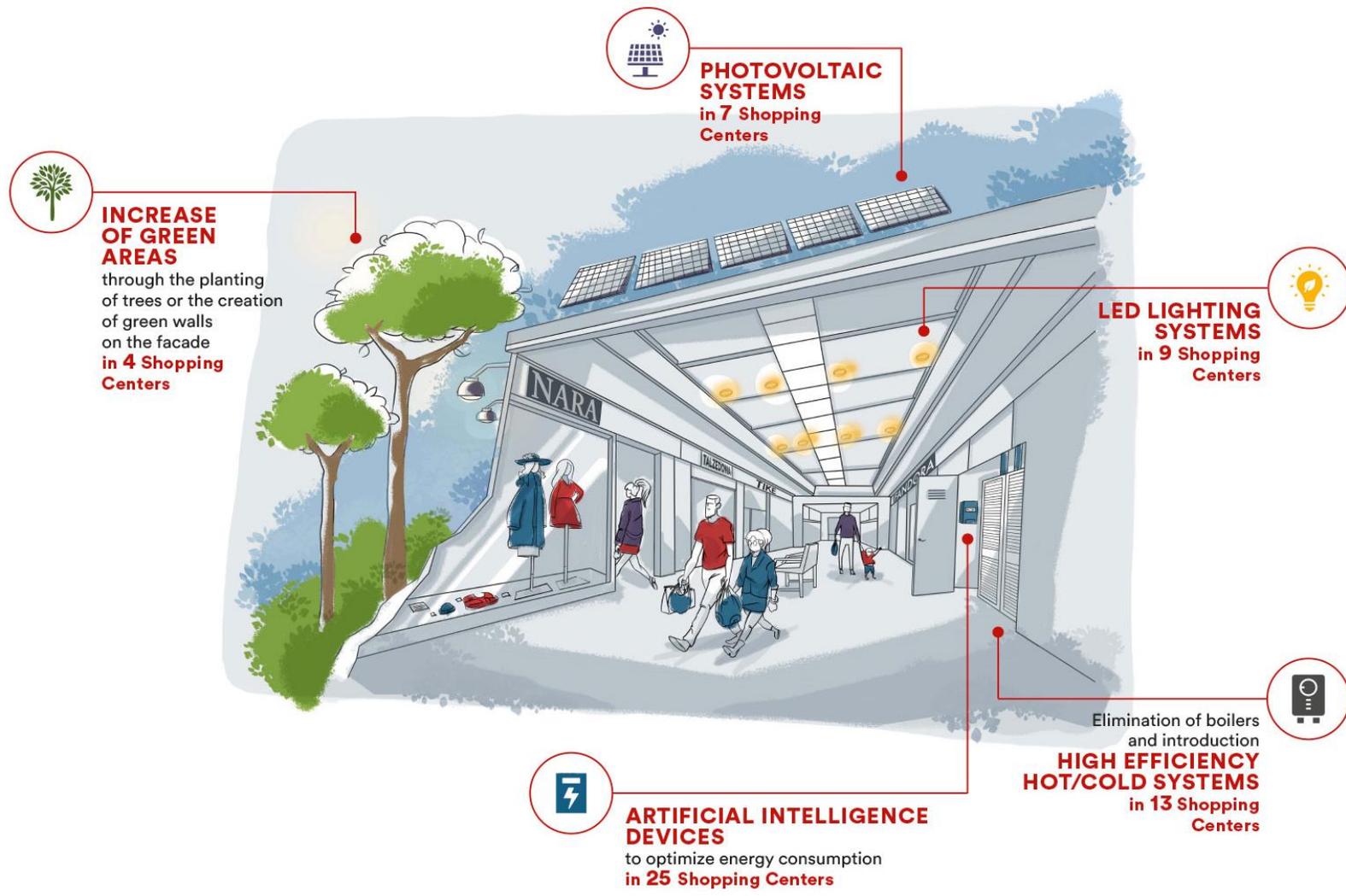


42 flats to be sold (26 binding proposals\*)



€ 12.8 mn costs to completion

# Energy efficiency



# Energy efficiency: targets

1 2 3 4



## Main targets

**-21.5% GHG emissions**  
(at 2025 location based  
«baseline 2018»)

**At least 1 asset  
carbon positive**  
(at 2030)

**100%**  
**Use of energy from  
renewable sources**  
(already in place)



Centro Tiburtino (Roma) - render of the main entrance



Centro Sarca (Milano) – render of new internal areas and rooftop with cinema entrance



# Winmarkt Portfolio

1 2 3 4



## Main characteristics

Extended network

Strategic locations

Adaptable and flexible assets

Direct management

Cash producer



## 2022-2024 Plan Highlights

Approx. **€5mn** capex plan  
(safety, maintenance and environmental)

Approx. **€19.4mn**  
of generated FFO

Approx. **€ 13.5mn**  
of generated dividends

**100% self-financed**  
investments

**No financial leverage**

# A balanced asset rotation with flexible targets



## Strategic rationale

### Non core asset disposal

Potential disposals  
over BP timespan

**180/200**  
€ mn



**Potential target:**

Romania

Three «stand alone»  
hypermarkets

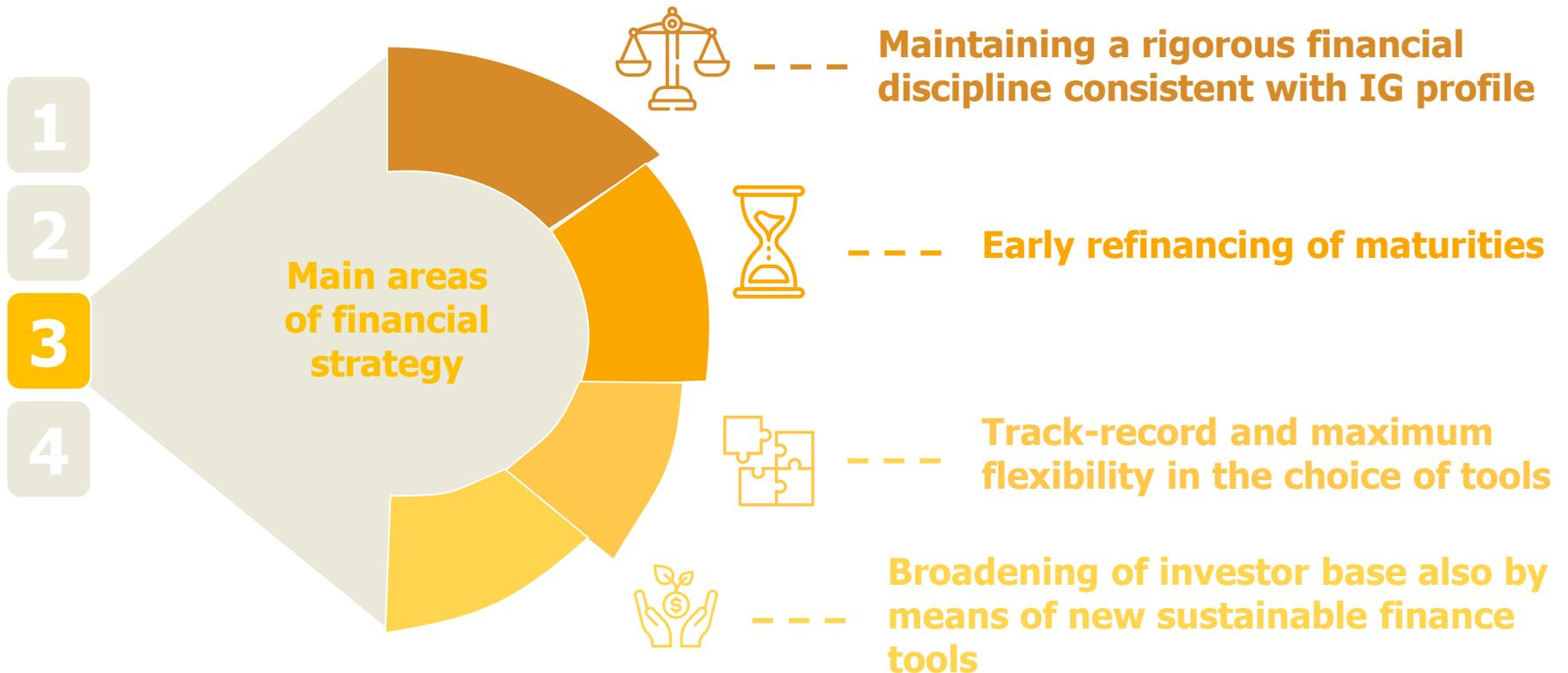
Three Porta a Mare plots of land  
to be developed

## Possible use of proceeds

- Growth in the Italian retail market with possible scale economies
- Tactical reduction of financial leverage
- Potential opportunities to diversify the investments

**FINANCIAL  
STRATEGY  
TARGET**

**Obtain the best economic conditions whatever the market context is,  
and minimize exposure to financial risks  
(credit risk and fluctuation of interest rates)**



**The 2022-2024 Business Plan will be completely self-financed  
and will not require any capital transactions**

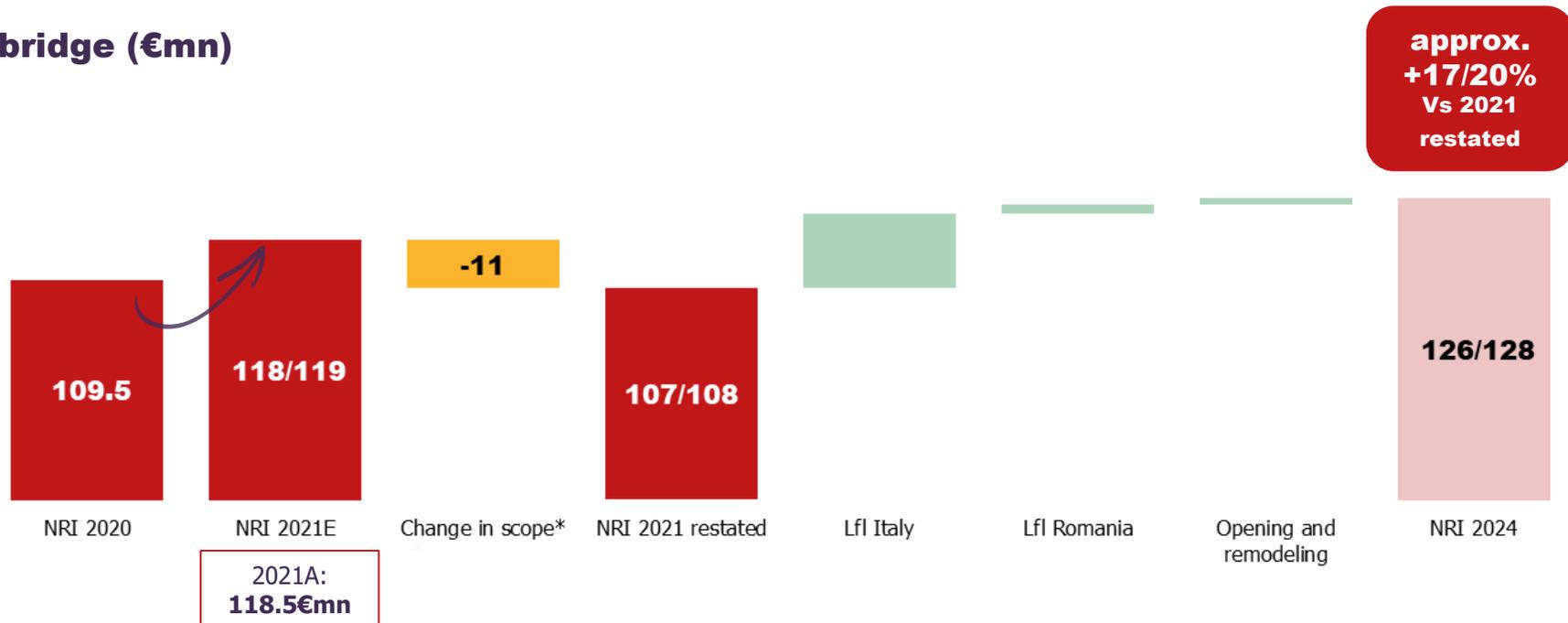
# Net rental income evolution

## CAGR Lfl bp timespan 2021-2024

Italy	+5/6%
Romania	+8/9%
Total	+5/6%

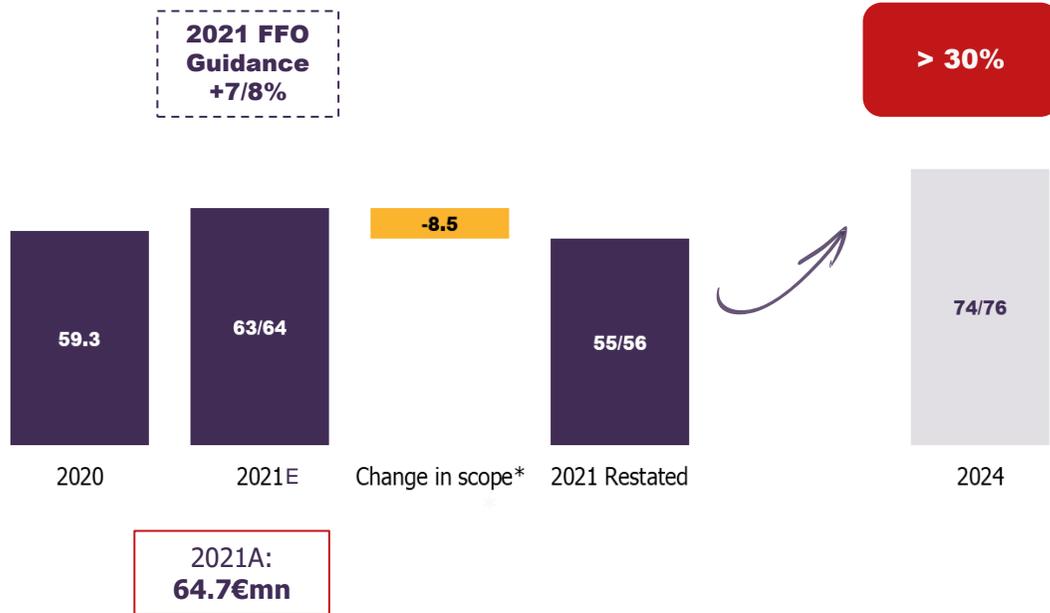
- Recovery of COVID direct impacts
- Increase in financial occupancy to pre-COVID value (> 97%)
- Increase thanks to inflation, upside, temporary revenues and variables

## NRI bridge (€mn)

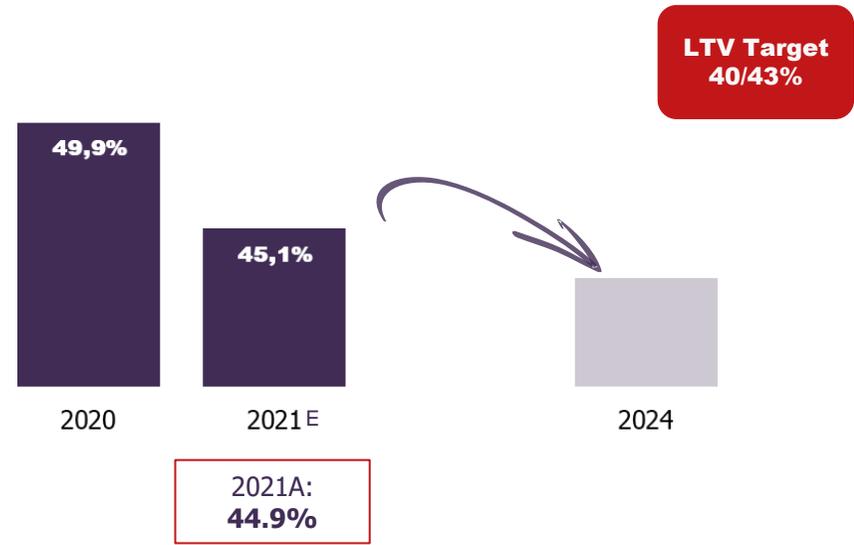


# FFO and Loan to value

## FFO (€mn)



## Loan to Value

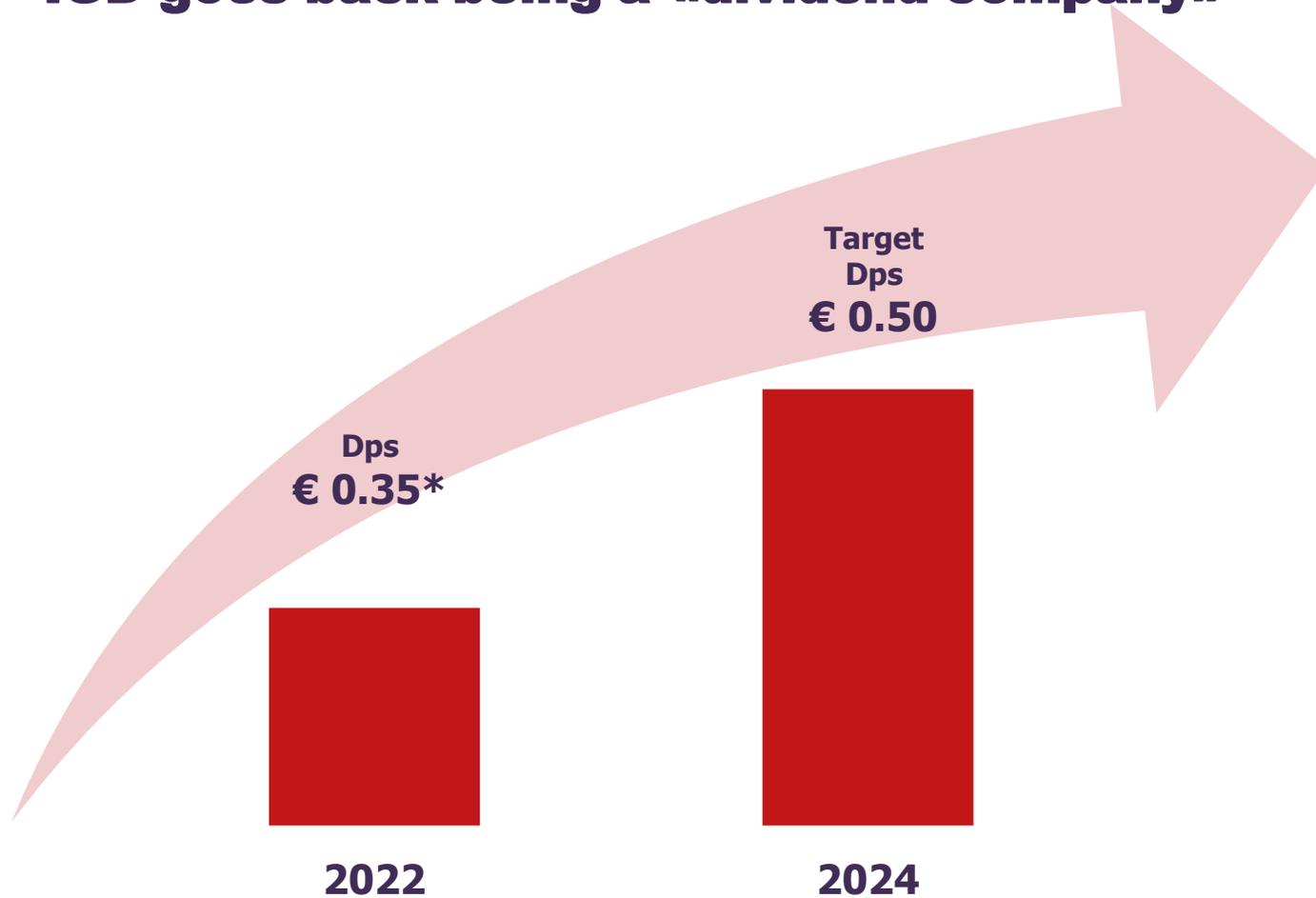


Considering scope being equal to the one at end of 2021. Porta a Mare Project trading revenues have been included

# Dividend

---

## IGD goes back being a «dividend company»



# Final Remarks

---

## **Main objective of the 2022-2024 Business Plan: proactive management of assets so as to project them into the future and prepare them for new market challenges**

- 1** The assets held strong during the pandemic stress test ...  
... confirming that local physical retail is resilient ...  
... and it can still offer opportunities for growth
- 2** A new scenario in which physical and digital work in close interconnection: use of new spaces and strengthening of merchandising and tenants who are able to catch new trends in progress
- 3** IGD confirms to be a "dividend company", with a constantly growing dividend
- 4** Loan to value expected to decrease in a range 40-43%

# Possible future scenarios

---



**IGD could act as an aggregator of new assets, potentially even from different sectors, in order to further expand its property portfolio and leverage on its know-how and greater economies of scale to create value, if allowed by market conditions.**



# 6

## ESG Strategy At-a-glance

# ESG: the improvement process continues



**10 YEARS  
TRACK  
RECORD**



becoming  
**g.re.a.t.**



## GREEN

1. Climate Change
2. Accessibility and mobility

- **€1,2 mn** invested in energy efficiency measures of buildings in **Italy** and **€600k** in **Romania**
- **(14%)<sup>1</sup> electric consumption vs 2019 in the months without restrictions**
- **35 EV charging stations** at 22 kw in 20 shopping centers

## RESPONSIBLE

3. Good employment
4. Gender equality
5. Wellbeing, health and safety

- **New Bio Safety Certification** in 7 Shopping Centers and HQ
- **Increased investment in training**
- Signed agreement for the **smart working** and agreement with vaccination hubs for employees
- 100% employees used **corporate welfare**

## ETHICAL

6. Governance, ethics and corruption

- Introduced **ESG targets** for managers
- Carried out an audit and modified procedures for **ISO37001 certification**
- **Awards to IGD Governance** from ISS Governance Quality score and Integrated Governance Index

## ATTRACTIVE

7. Sustainable enhancement of the portfolio
8. Retail offer
9. Spaces to be lived in
10. Innovation

- Restarted the **marketing activities** with a focus on experience, omnichannel and loyalty
- More **socio-environmental events**
- Developed **Digital Plan**

## TOGETHER

11. Stakeholder engagement
12. Local communities

- Collaboration with **201 local associations**
- Involved **17,000 visitors** in customers satisfaction surveys and **5,000 students** in a Nomisma survey

**Last 1 Year  
Development**

# ESG: awards, ratings and certifications obtained

Awards	 <p><b>93/100, Score A</b></p>	 <p><b>4° year in a row</b></p>	 <p><b>7° year in a row</b></p>	 <p><b>Highest score possible</b></p>
Ratings	<p><b>Rating ESG</b></p> <p><b>11 ratings independent and unsolicited<sup>1</sup>, of which</b></p> <ul style="list-style-type: none"> <li>- 6 already present in 2020</li> <li>- 4 improved in 2021</li> <li>- 5 new achieved in 2021</li> </ul>		<p><b>Stock Indexes ESG focused</b></p> <p><b>8 indexes</b></p>  	
Certifications Obtained	<p><b>BREEAM Certification</b></p>  <p><b>8 shopping centers</b></p>	<p><b>Biosafety Trust Certification</b></p>  <p><b>7 shopping centers</b></p>	<p><b>UNI EN ISO14001 Certification</b></p>  <p><b>24 shopping centers</b></p>	<p><b>ISO37001 Certification</b></p>  <p><b>Italy and Romania</b></p>

(1) Bloomberg ESG disclosure, FTSE Russell ESG Rating, Gaia Rating, GRESB Public disclosure, ISS ESG, MSCI, Refinitiv, S&P Global, Sustainalytics, Vigeo Eiris; CDP is the only solicited rating

# 1Q2022 news and ongoing projects

## New awards

### 2022 Climate Leaders

IGD is among the 19 Italian and 400 European companies to have reduced GHG emissions the most in the 2015-2020 period (Financial Times-Statista research)

### Sustainability Leaders

IGD is among the 150 Sustainability Leader Companies in Italy for the second year in a row (Il Sole 24 Ore-Statista research)

## Main ongoing projects (in line with 2022-2024 BP)



After having defined the Scope 3 in 2021 Sustainability Report, the project to **certify** at least one **emissions reduction target** continues



The pilot project to make ESP Shopping Center «**Zero Emission**» **starting from 2024** is ongoing



Thanks to the good results obtained by the store in **Centro Borgo** (BO), a new «AND Circular» shop (collection-reuse-sale of used clothes) will open in **Centro Lama** employing 7 people

### ENERGY COMMUNITIES

Evaluation on the **opportunities** that these instruments can offer to the shopping centers

# 2022-2024 Sustainability Plan: SDG's

**41** targets at 2024:



- Material for IGD
- Consistent with UN SDG's

**22** ambitions toward 2030



## IGD RELEVANT SDG'S





## 2024 TARGETS

### CLIMATE CHANGE

- **100% green energy purchased**
- **double** the use of energy produced from **renewable sources**
- **-15%** reduction in **energy consumption** – location based «baseline 2018»
- **BREEAM certification of 9 more assets** (8 already certified at year-end 2021)
- **Use of artificial intelligence technologies to reduce energy consumption**
- **Biodiversity** projects in 4 centers

### MOBILITY

- **100%** of the Italian portfolio with **charging stations for electric cars**



## 2030 OBJECTIVES

- Zero carbon emissions (scope 1 and 2) at **100% of the Italian shopping centers**
- Reduce **indirect emissions** (scope 3)
- **100%** of the Italian assets **BREEAM** certified
- **Zero waste**
- **At least 1 carbon positive asset**



Different types of charging stations (traditional, fast, Tesla) across the whole network

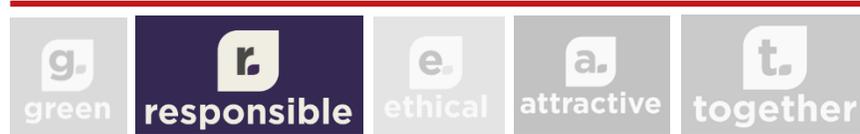


## Main targets

**100% of the shopping centers with charging stations**

**50% of the shopping centers with fast charging stations (agreement with top international player)**

**100% of the assets ISO14001 and BREEAM certified**



## 2024 TARGETS

### WORKPLACE QUALITY

- **Training:** 100% of the employees in Italy and Romania each year
- **1 employee satisfaction survey and 2 «pulse surveys»**
- **«Sustainability Innovation Award»** to be implemented at one pilot shopping center.
- **Define a goal linked to ESG topics for part of the workforce** (beginning with the one defined for Management)

### HEALTH AND SAFETY

- +1 new service in the employees' Corporate Wellness Program
- 100% **«Biosafety Trust Certification»**



## 2030 OBJECTIVES

- **Gender equality in roles of responsibility**
- **Improve employees' wellbeing and expertise**



## 2024 TARGETS

- Corporate **cybersecurity strategy**
- Systematic **assessment of the providers along the supply chain with a view to sustainability**
- Maintain the **highest legality rating possible**
- Maintain the UNI ISO 37001 certification



## 2030 OBJECTIVES

- Best-in-class for **corporate governance and legality**
- **CSR policies included** in company supply chains
- Guarantee comprehensive **privacy and cybersecurity** controls



## 2024 TARGETS

### SUSTAINABLE ENHANCEMENT OF THE PORTFOLIO

- 4 key restyling/remodeling projects

### OFFER

- Commercial and strategic adjustments based on the needs of the community

### SPACES TO BE LIVED IN

- 1 yearly CSR plan for 100% of the assets
- 1 transversal CSR initiative involving 50% of the portfolio



## 2030 GOALS

- Up to 10 sustainable **restylings completed to renew and enhance** the portfolio
- 100% with projects aiming to increase **visitors' well being**



## 2024 TARGETS

### STAKEHOLDER ENGAGEMENT

#### Relationship with investors/financial community

- **1st Sustainability Framework defined and issue of 1st Sustainability Linked Bond**
- Investor/CSR Day and theme-based roadshows based on ESG topics
- Annual Visitor Survey for each shopping center
- Share figures relating to energy consumption with at least 50% of the tenants

#### LOCAL COMMUNITIES

- Involve non-profit organizations each month at 100% of the shopping centers
- Yearly job fairs in at least 25% of the shopping centers



## 2030 OBJECTIVES

- Partnering with **tenants** in **sustainability**
- **Partnerships with NGOs**



# 7 Appendix

# Consolidated Income Statement at 31/03/2022

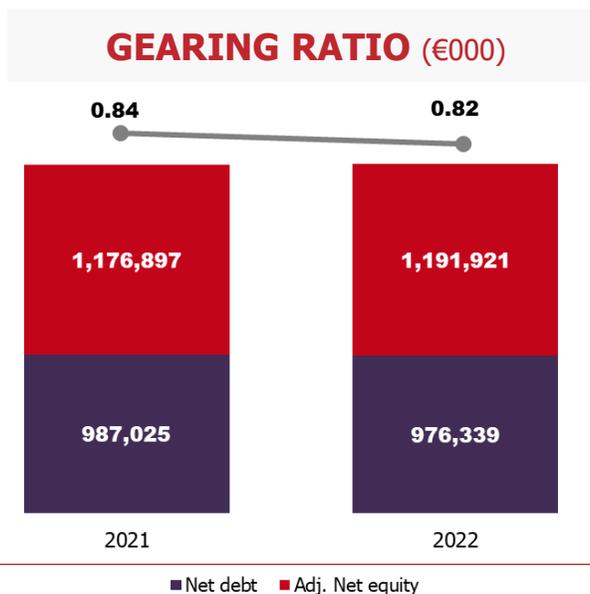
GROUP CONSOLIDATED	(a) 1Q CONS 2021	(c) 1Q CONS 2022	Δ (c)/(a)
Revenues from freehold rental activities	33.6	31.6	-5.8%
Revenues from leasehold rental activities	3.1	2.3	-27.1%
<b>Total income from rental activities</b>	<b>36.7</b>	<b>33.9</b>	<b>-7.6%</b>
Rents and payable leases	0.0	0.0	0.0%
Direct costs from rental activities	-10.5	-5.2	-50.3%
<b>Net rental income</b>	<b>26.2</b>	<b>28.7</b>	<b>9.6%</b>
Revenues from services	1.7	1.8	2.9%
Direct costs from services	-1.3	-1.4	-2.7%
<b>Net services income</b>	<b>0.4</b>	<b>0.4</b>	<b>24.6%</b>
HQ Personnel expenses	-1.7	-1.9	9.1%
G&A expenses	-1.1	-1.1	4.9%
<b>CORE BUSINESS EBITDA (Operating income)</b>	<b>23.8</b>	<b>26.1</b>	<b>10.0%</b>
<i>Core business Ebitda Margin</i>	<i>61.8%</i>	<i>73.2%</i>	
Revenues from trading	0.0	0.0	n.a.
Cost of sale and other costs from trading	-0.2	-0.1	-30.9%
<b>Operating result from trading</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-14.8%</b>
<b>EBITDA</b>	<b>23.6</b>	<b>26.0</b>	<b>10.1%</b>
<i>Ebitda Margin</i>	<i>61.5%</i>	<i>72.9%</i>	
Impairment and Fair Value adjustments	-4.1	-3.5	-15.2%
Depreciation and provisions	-0.3	-0.3	31.6%
<b>EBIT</b>	<b>19.2</b>	<b>22.2</b>	<b>15.3%</b>
FINANCIAL MANAGEMENT	-8.8	-7.6	-14.0%
EXTRAORDINARY MANAGEMENT	0.0	0.4	n.a.
<b>PRE-TAX RESULTS</b>	<b>10.4</b>	<b>15.0</b>	<b>44.1%</b>
Taxes	-0.1	-0.6	n.a.
<b>NET RESULT OF THE PERIOD</b>	<b>10.3</b>	<b>14.5</b>	<b>40.4%</b>
(Profit/Loss) for the period related to third parties	0.0	0.0	n.a.
<b>GROUP NET RESULT</b>	<b>10.3</b>	<b>14.5</b>	<b>40.4%</b>

# Funds From Operations (FFO) at 31/03/2022

Funds from Operations	CONS_2021	CONS_2022	Δ 2021	Δ% vs 2021
<b>Core business Ebitda</b>	<b>23.8</b>	<b>26.1</b>	<b>2.4</b>	<b>10.0%</b>
IFRS16 Adjustments (Payable leases)	-1.7	-2.0	-0.3	13.5%
Financial Management Adj.	-8.245	-7.1	1.2	-14.2%
Extraordinary Management Adj.	0.0	0.0	0.0	n.a.
Current taxes for the period Adj.	-0.296	-0.4	-0.1	31.5%
<b>FFO</b>	<b>13.5</b>	<b>16.7</b>	<b>3.2</b>	<b>23.9%</b>
Una tantum Marketing	0.0	0.1	0.1	n.a.
<b>FFO</b>	<b>13.5</b>	<b>16.8</b>	<b>3.3</b>	<b>24.3%</b>
Negative Carry	0.361	0.0	-0.4	n.a.
<b>FFO ADJ</b>	<b>13.8</b>	<b>16.7</b>	<b>2.9</b>	<b>20.7%</b>

# Re-classified balance sheet at 31/03/2022

Sources - Uses of funds (€/000)	31/03/2022	31/12/2021	Δ	Δ%
Fixed assets	2,091,707	2,093,176	-1,469	-0.1%
Assets under construction	45,178	44,095	1,083	2.5%
Other non current assets	42,704	42,810	-105	-0.2%
Other non current liabilities	-27,775	-27,466	-309	1.1%
Assets held for sale	0	1,801		
NWC	31,098	24,504	6,594	26.9%
Net deferred tax (assets)/liabilities	-13,046	-11,702	-1,344	11.5%
<b>TOTAL USES OF FUNDS</b>	<b>2,169,867</b>	<b>2,167,218</b>	<b>2,649</b>	<b>0.1%</b>
Net equity	1,190,103	1,171,758	18,345	1.6%
Net (assets)/liabilities for derivative instruments	3,425	8,435	-5,010	-59.4%
Net debt	976,339	987,025	-10,686	-1.1%
<b>TOTAL SOURCES</b>	<b>2,169,867</b>	<b>2,167,218</b>	<b>2,649</b>	<b>0.1%</b>



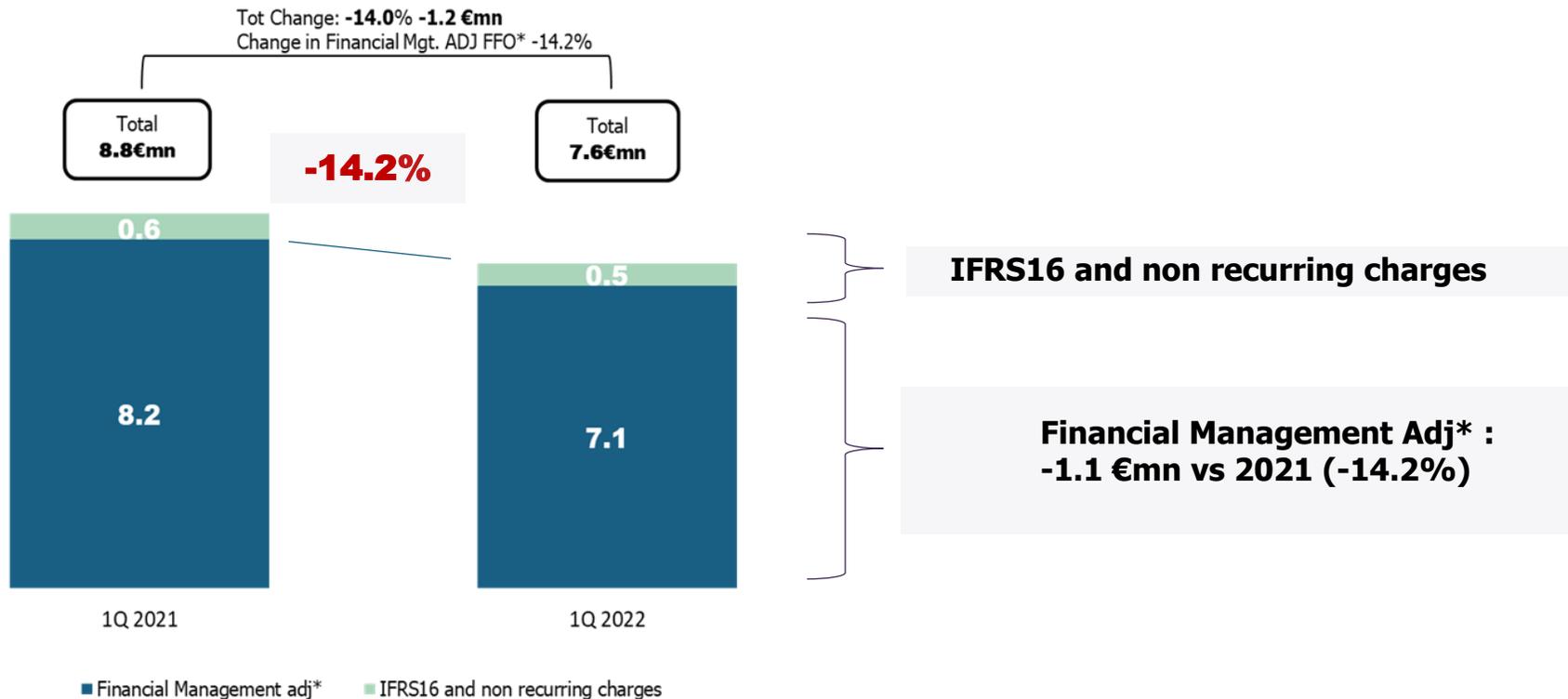
# Other EPRA metrics as at 31/12/2021



EPRA Performance Measure	31/12/2021	31/12/2020
EPRA NRV/NAV (€'000)	<b>1,197,354</b>	<b>1,145,827</b>
EPRA NRV/NAV per share	<b>€ 10.85</b>	<b>€ 10.38</b>
EPRA NTA	<b>1,189,467</b>	<b>1,137,258</b>
EPRA NTA per share	<b>€ 10.78</b>	<b>€ 10.31</b>
EPRA NDV	<b>1,151,244</b>	<b>1,149,534</b>
EPRA NDV per share	<b>€ 10.43</b>	<b>€ 10.42</b>
EPRA Net Initial Yield (NIY)	<b>5.8%</b>	<b>5.8%</b>
EPRA 'topped-up' NIY	<b>5.9%</b>	<b>5.9%</b>
EPRA Vacancy Rate Gallerie Italia	<b>6.1%</b>	<b>7.6%</b>
EPRA Vacancy Rate Iper Italia	<b>0.0%</b>	<b>0.0%</b>
EPRA Vacancy Rate Totale Italia	<b>4.9%</b>	<b>5.7%</b>
EPRA Vacancy Rate Romania	<b>5.4%</b>	<b>6.5%</b>
EPRA Cost Ratios (including direct vacancy costs)	<b>20.5%</b>	<b>20.4%*</b>
EPRA Cost Ratios (excluding direct vacancy costs)	<b>17.5%</b>	<b>17.9%*</b>
EPRA Earnings (€'000)	<b>€ 73,215</b>	<b>€ 62,941</b>
EPRA Earnings per share	<b>€ 0.66</b>	<b>€ 0.57</b>

# Financial Management at 31/03/2022 (€mn)

Figure net of accounting items (financial management ADJ\*)  
is further decreasing (-14.2% vs 2021)



# More financial highlights at 31/03/2022

	31/12/2021	31/03/2022
<b>Gearing ratio</b>	0.84X	0.82X
<b>Average length of long-term debt</b>	2.4 years	2.2 years
<b>Hedging on long-term debt + bond</b>	93.8%	93.9%
<b>Share of M/L debt</b>	96.4%	96.6%
<b>Uncommitted credit lines granted</b>	151 € mn	151 € mn
<b>Uncommitted credit lines availables</b>	151 € mn	151 € mn
<b>Committed credit lines granted and available</b>	60 € mn	60 € mn
<b>Unencumbered assets</b>	1,511.7 € mn	1,511.7 € mn

# Contracts and key tenants Italy at 31/03/2022

TOP 10 Tenant	Product category	Turnover impact	Contracts
OVS	clothing	2.7%	9
PIAZZA ITALIA	clothing	2.6%	11
unieuro	electronics	2.2%	9
INDITEX	clothing	2.1%	11
CALZEDONIA	clothing	1.7%	27
H&M	clothing	1.6%	9
BLUESPIRIT	jewellery	1.5%	25
Stroili Oro	jewellery	1.5%	20
motivi FIORELLA RUBINO oltre	clothing	1.5%	20
DOUGLAS	personal care	1.4%	13
<b>Total</b>		<b>18.8%</b>	<b>154</b>

## Malls

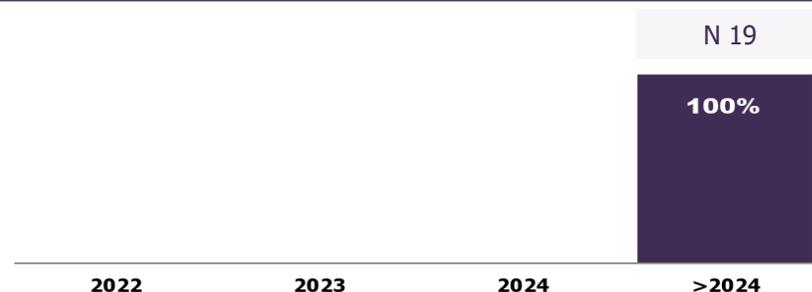


Average residual maturity: **3.9 years**

Total contracts: **1,391** of which **17 renewals** with the same tenant and **20** signed with a **new tenant**  
**Downside -3.0%**

**Rotation Rate 1.4%** (% new tenants on total contracts)

## Hypermarkets



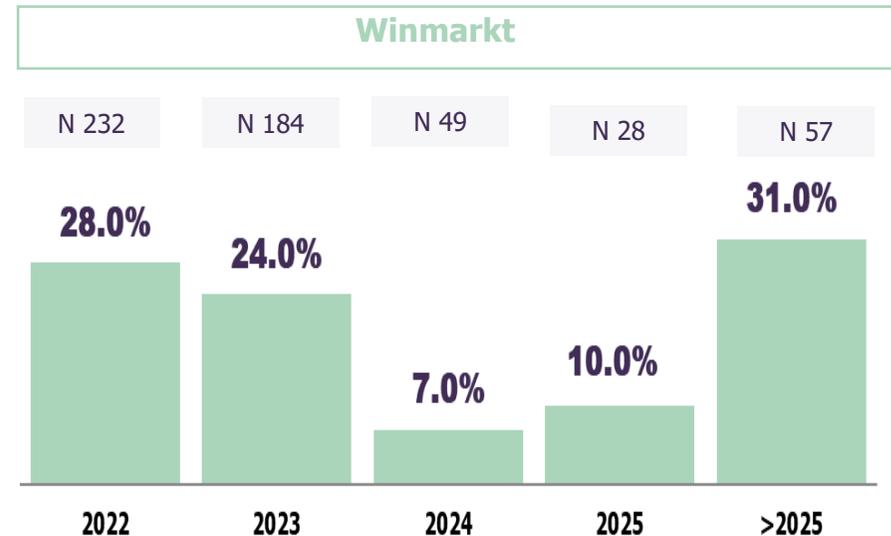
Average residual maturity: **13.2 years**

Total contracts: **19**

# Contracts and key tenants

## Romania at 31/03/2022

TOP 10 Tenant	Product category	Turnover impact	Contracts
 Carrefour market	supermarkets	11.1%	11
 H&M	clothing	4.6%	11
 kik	clothing	4.2%	8
 PEPCO	clothing	3.9%	6
 dm	drugstore	2.7%	5
 SENSI	health care	2.3%	4
 B&B collection	jewellery	2.1%	6
 OCPI	offices	1.9%	1
 KFC	restaurants	1.3%	1
 InterGame	entertainment	1.2%	1
<b>Total</b>		<b>35.3%</b>	<b>54</b>

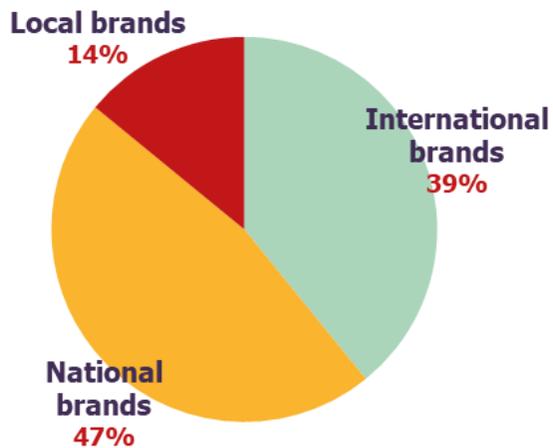
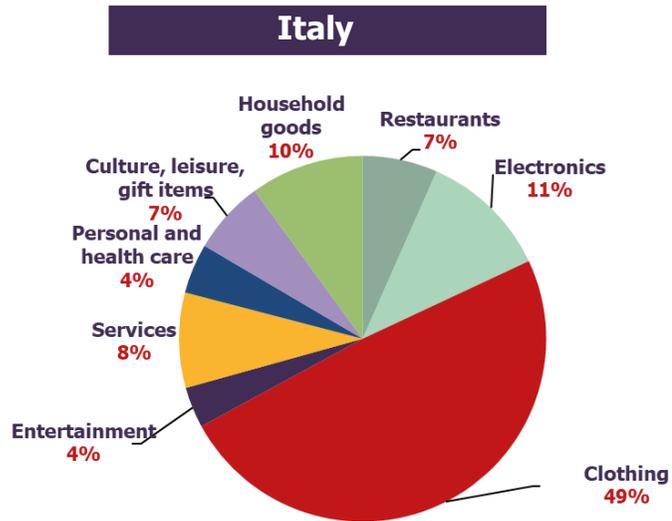


Average residual maturity: **3.8 years**

Total contracts: **550** of which **47 renewals** with the same tenant and **57** signed with a **new tenant**  
**Downside -3.5%**

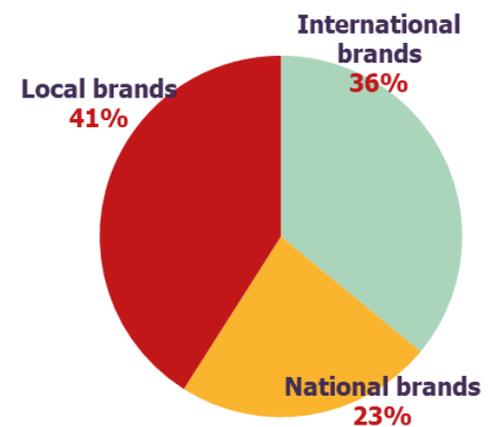
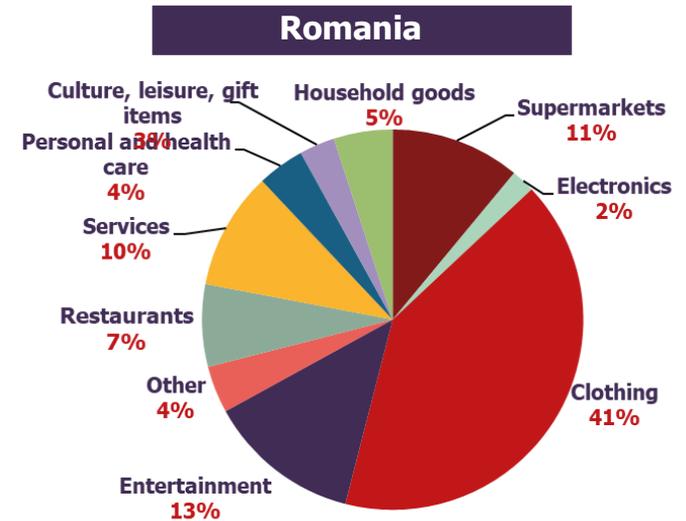
**Rotation Rate 10.4%** (% new tenants on total contracts)

# Merchandising & Tenants Mix at 31/03/2022



**Merchandising Mix\***

**Tenant Mix\***



# Italian Portfolio composition\*

	27 shopping malls	19 hypermarkets	Tenants of hypermarkets
Full ownership 16 shopping centers (mall + hypermarket)	<p>CENTRO D'ABRUZZO - Pescara</p> <p>CLODI' - Chioggia</p> <p>PORTO GRANDE - Porto d'Ascoli (AP)</p> <p>ESP - Ravenna</p> <p>CENTRO BORGIO - Bologna</p> <p>CONE' - Conegliano (TV)</p> <p>LE MAIOLICHE - Faenza</p> <p>LUNGO SAVIO - Cesena</p> <p>CITTA' DELLE STELLE - Ascoli Piceno</p> <p>KATANE' - Catania</p> <p>CENTRO LAME - Bologna</p> <p>CENTRO LEONARDO - Imola (BO)</p> <p>LA TORRE - Palermo</p> <p>CASILINO - Roma</p> <p>LE PORTE DI NAPOLI - Afragola (NA)</p> <p>TIBURTINO - Guidonia (RM)</p>	<p>CENTRO D'ABRUZZO - Pescara</p> <p>CLODI' - Chioggia</p> <p>PORTO GRANDE - Porto d'Ascoli (AP)</p> <p>ESP - Ravenna</p> <p>CENTRO BORGIO - Bologna</p> <p>CONE' RETAIL PARK - Conegliano (TV)</p> <p>LE MAIOLICHE - Faenza</p> <p>LUNGO SAVIO - Cesena</p> <p>CITTA' DELLE STELLE - Ascoli Piceno</p> <p>KATANE' - Catania</p> <p>CENTRO LAME - Bologna</p> <p>CENTRO LEONARDO - Imola (BO)</p> <p>LA TORRE - Palermo</p> <p>CASILINO - Roma</p> <p>LE PORTE DI NAPOLI - Afragola (NA)</p> <p>TIBURTINO - Guidonia (RM)</p>	<p>Coop Alleanza 3.0</p> <p>Superisola Srl</p> <p>Coop Alleanza 3.0</p> <p>Coop Alleanza 3.0</p> <p>Superisola Srl</p> <p>Unicoop Tirreno</p> <p>Distribuzione Centro Sud Srl (ipercoop)</p> <p>Nuova CR Supermercati Srl (Conad)</p>
11 shopping malls	<p>MILLENNIUM CENTER - Rovereto (TN)</p> <p>PUNTADIFERRO - Forlì (FC)</p> <p>CENTROLUNA - Sarzana (SP)</p> <p>LA FAVORITA - Mantova</p> <p>MAREMA' - Grosseto</p> <p>CENTRO SARCA - Sesto S. Giovanni (MI)</p> <p>MONDOVICINO - Mondovì (CN)</p> <p>GRAN RONDO' - Crema (CR)</p> <p>PIAZZA MAZZINI - Livorno</p> <p>I BRICCHI - Isola d'Asti (AT)</p> <p>DARSENA CITY - Ferrara</p>	Hypermarkets not totally owned by IGD	
3 hypermarkets	Malls not owned by IGD	<p>Supermkt PIAZZA MARCANTONI - Civita Castellana (VT)</p> <p>Supermkt AQUILEJA - Ravenna</p> <p>Hypermkt I MALATESTA - Rimini</p>	<p>Unicoop Tirreno</p> <p>Arca SpA (Famila)</p> <p>Coop Alleanza 3.0</p>

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