



# Morgan Stanley Fixed Income Real Estate Conference Presentation

29 September 2022



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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



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



**#1 Italian SIIQ (REIT)**



Sustainability Report (8th year)



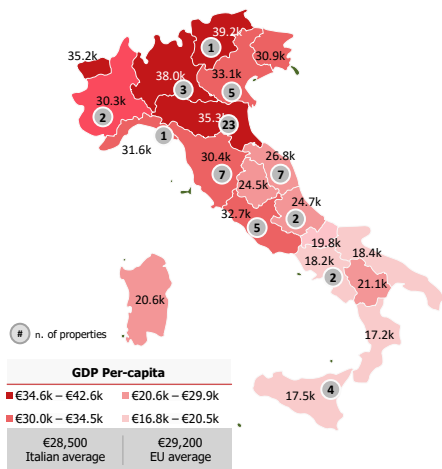
Financial Report (5th year)



# IGD Business Model

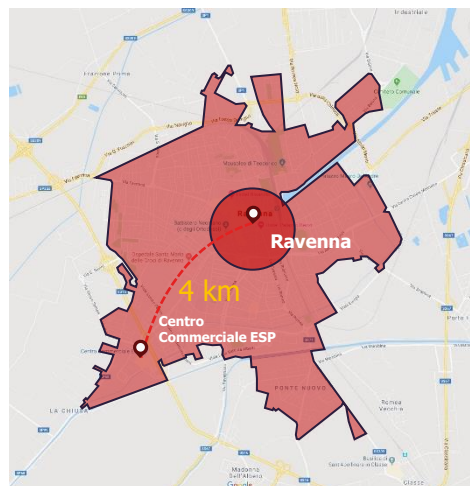
## A distinctive competitive positioning

### 1 Well Diversified Across Italy



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

### 2 Strategic Positioning



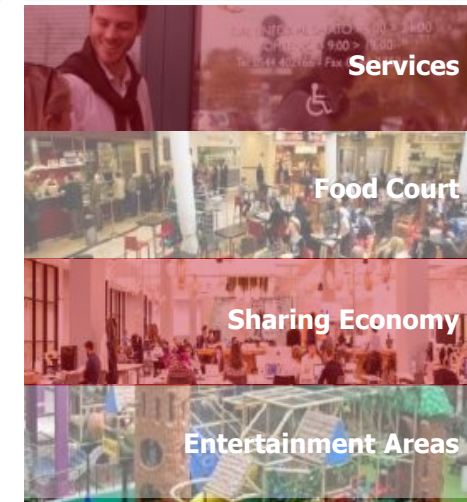
We strive to be the dominant retail destination in mid-sized wealthy Italian cities, at easy reach from city centre

### 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

# 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)

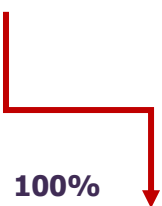
**Strong food anchor**  
 Hypermarket has a strong attractive role for everyday shopping

**Not only shopping but also services for community**  
 Dental clinics, medical clinics, pharmacies

(1) Dominant: the most modern and attractive destination (sometimes the only one) in its catchment area



# An overview of our Group structure <sup>(1)</sup>



Parent Company  
**76.2% Revenues <sup>(2)</sup>**  
**95% Financial Debt <sup>(3)</sup>**

Italian Facility Management  
**16.9% Revenues**  
**No Financial Debt**

Romania  
**6.3% Revenues**  
**No Financial Debt**

Development project in Livorno  
**0.6% Revenues**  
**No Financial Debt**

# Our shareholding structure

 Number of shares: **110,341,903**



Share Capital  
**€ 650 Mn**



Average Market Capitalization  
1H2022: approx. **€454 Mn**

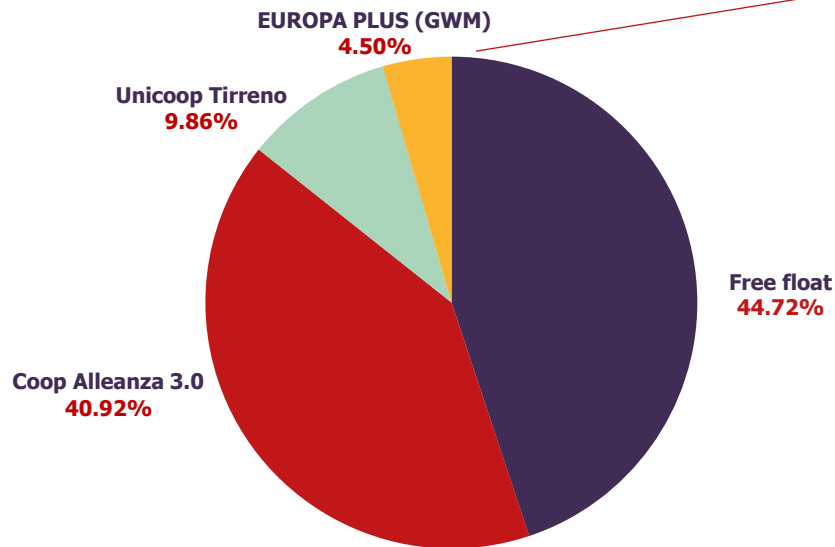


Net Equity **EUR 1.2 Bn**



Average 1H2022 daily trading: c. **269,151 shares**

Listed on the Italian Stock Exchange in the **STAR segment**



## Majority of institutional investors, of which <sup>(1)</sup>




<b>30%</b>	Italy Mediolanum, Banca d'Italia
<b>1%</b>	UK & Ireland Legal & General Group, Mercer Ireland
<b>42%</b>	US & Canada Dimensional Fund Advisors, Vanguard, Blackrock
<b>2%</b>	Luxembourg, Belgium, Netherlands Fidelity investments, Aegon Custody
<b>5%</b>	France Lyxor International AM, BNP Paribas
<b>20%</b>	Rest of the world Norges Bank Government, Deutsche Bank

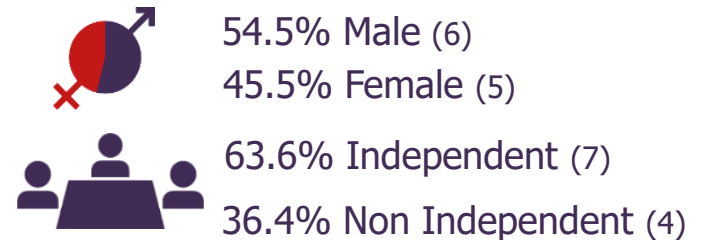
# IGD Governance – Directors and Committees

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



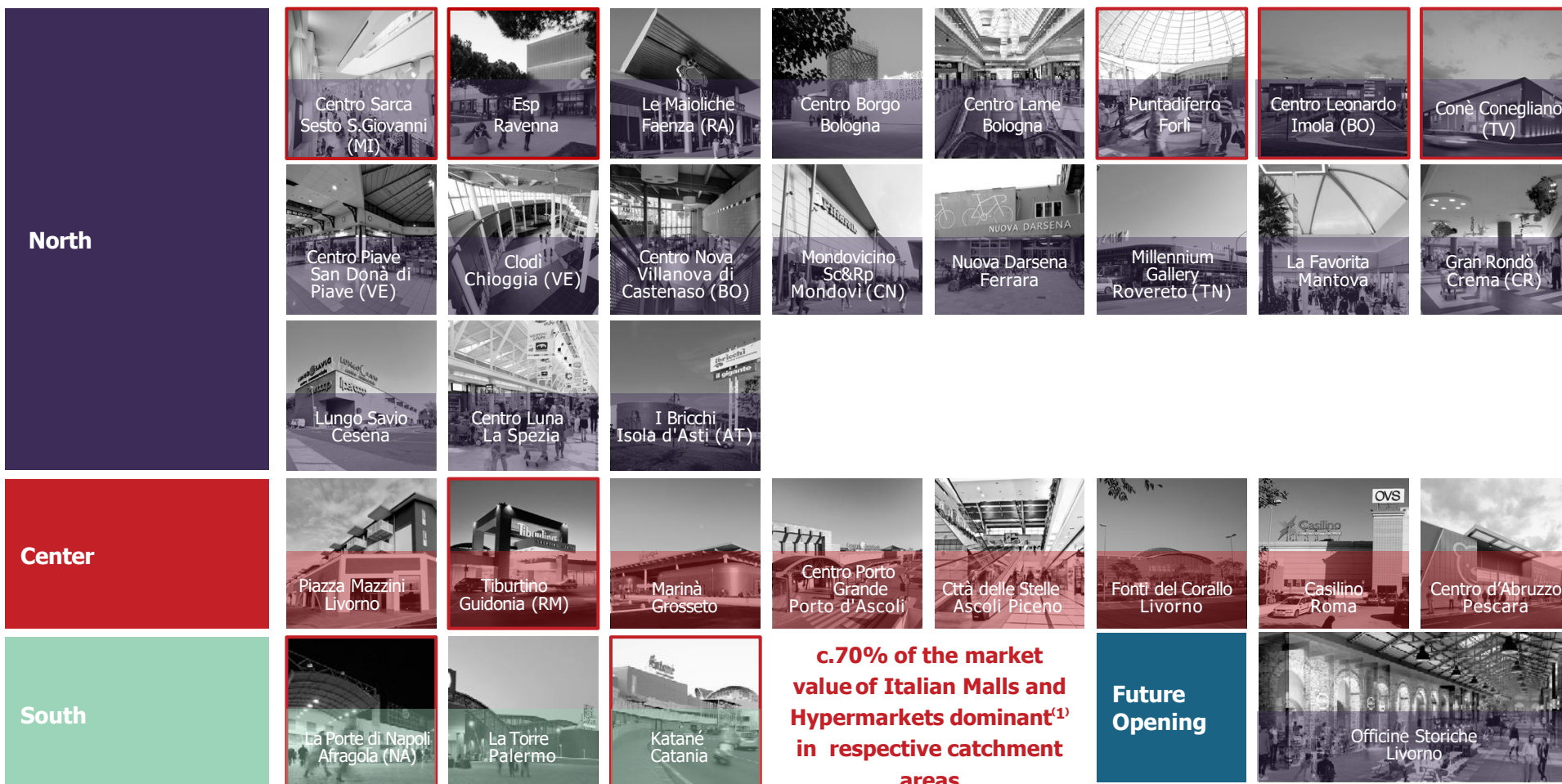


# 2 Portfolio



# 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



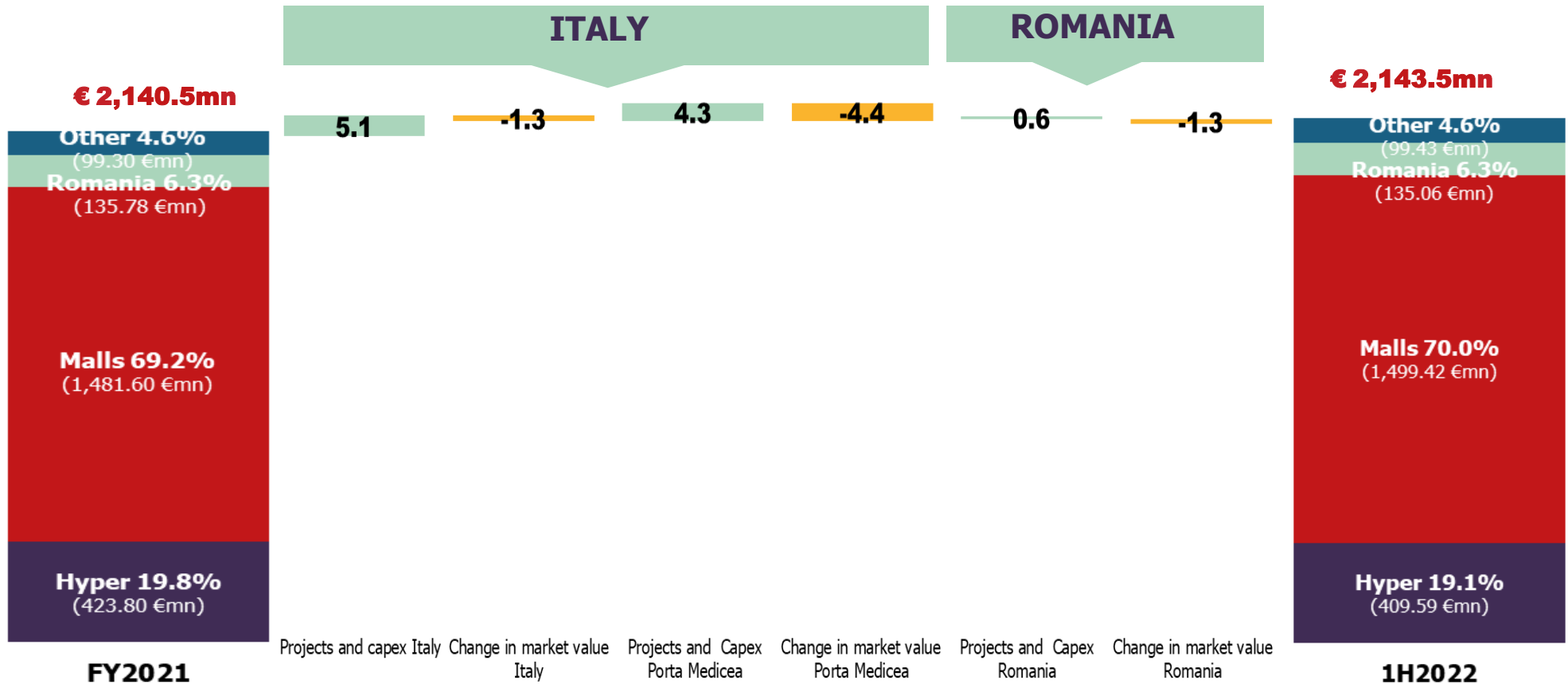
# Market Value

	FY 2021	1H 2022	Δ %	Gross Initial Yield	EPRA Net Initial Yield	EPRA Net Initial Yield topped up
Malls Italy	1,481.64	1,499.42	+ 1.20%	6.70%	5.2%	5.4%
Hypermarkets Italy	423.83	409.59	(-3.36%)	6.14%		
Romania	135.78	135.06	(-0.53%)	7.57%	5.5%	6.0%
Porta a Mare + Developments + Other	99.22	99.43				
<b>Total IGD's portfolio</b>	<b>2,140.47</b>	<b>2,143.50</b>	<b>+ 0.14%</b>			
<b>Total's IGD portofolio LFL</b>	<b>1,975.37</b>	<b>1,992.00</b>	<b>+ 0.84%</b>			
Leasehold properties (IFRS16)	32.47	28.03				
<b>Total IGD's portfolio including leasehold</b>	<b>2,172.94</b>	<b>2,171.5</b>	<b>(-0.07%)</b>			
Real estate investments	25.67	25.67				
<b>Total portfolio including real estate investments</b>	<b>2,198.61</b>	<b>2,197.19</b>	<b>(-0.06%)</b>			

**1H22 Investments:  
10.0€m**

**Focus on projects and  
timing optimization**

# MV evolution in 1H22



# Restyling in progress

## La Favorita (Mn)



**Total restyling of mall, facade, and parking area**

**End of work: 3Q22**

Slightly delayed because of partial redesign

## Portogrande (Ap)



**Total restyling of the mall**

**End of work: end of 2023**

Postponed to avoid overlapping of construction sites (remodeling and restyling)

# Restyling Centro Leonardo (Bo)

Following the hypermarket restyling made by Coop Alleanza 3.0, the mall restyling design, entrusted to Design International-London, is in progress



Total restyling of  
mall, facade, and  
parking area

Start of work: 2023



# Excellent feedback from the mixed-use project Porta Medicea (Li)




## RESIDENTIAL SALES

 **29** binding proposals signed  
(out of 42 total residential units)

 **c.10.6mn** cash in expected within  
the year

# Epra indicators

		€ per share	1H2022	FY 2021	Δ %
 EPRA <small>EUROPEAN PUBLIC REAL ESTATE ASSOCIATION</small>	<b>NRV</b>		10.73	10.85	-1.1%
	<b>NTA</b>		10.66	10.78	-1.1%
	<b>NDV</b>		10.92	10.43	4.6%

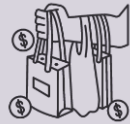






# 3 Operating performance

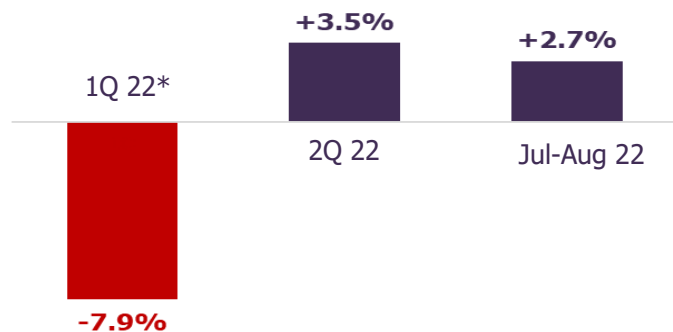
# Italian malls tenant sales almost recovered the gap with 2019



## TENANT SALES

**-0.9%\*\*** progr Aug22 vs Aug19  
**+21.3%\*\*** progr Aug22 vs Aug21

**Strong improvement in the eight months period**



## FOOTFALLS

**-17.8%** progr Aug22vs19  
**+10.8%** progr Aug22vs21

**Less frequent, but more targeted visits**



## AVERAGE TICKET

**€25.7**  
**+21.8%** Aug22vs19



# The retail sector proved to be very lively...

**+2.6k m<sup>2</sup> new occupancy\***

**-10.6k m<sup>2</sup> vacancy created in 1H**

**+13.2k m<sup>2</sup> remarketed**

**Focus on** the categories outlined in the Business Plan

 **Household Goods**



**Happy casa – Città delle Stelle (AP)**



**Coincasa – Conè (TV)**

 **Restaurants New Format**




**Tortelleria - Puntadiferro (FC)**



**I love Poke – Le Porte di Napoli (NA)**

 **Services**



**Car sharing Moreno – ESP (RA)**

 **Clothing**



**Dude 21 – ESP (RA)**

# ...with confirmations also on the main project in pipeline



Work in progress



Render of completed works

## Porta Medicea (Livorno) OFFICINE STORICHE

**>16,000** m<sup>2</sup> GLA

devoted to RETAIL and ENTERTAINMENT

**21** shops

**4** medium surfaces

**1** entertainment area

**1** fitness center (opening expected Jan '23)

**75/80%** pre-letting

Opening 1/2Q 2023



# Remodeling projects continue...

COMPLETED

**PortoGrande  
S. Benedetto del T.**



**La Torre - Palermo**



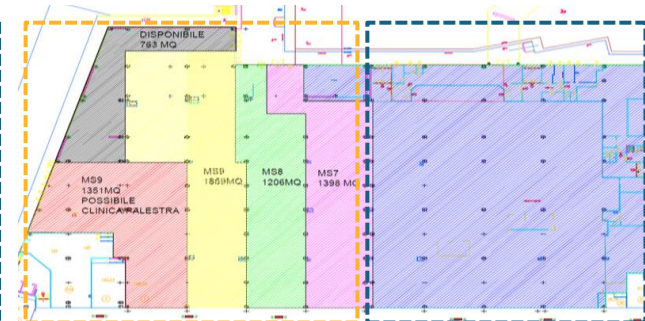
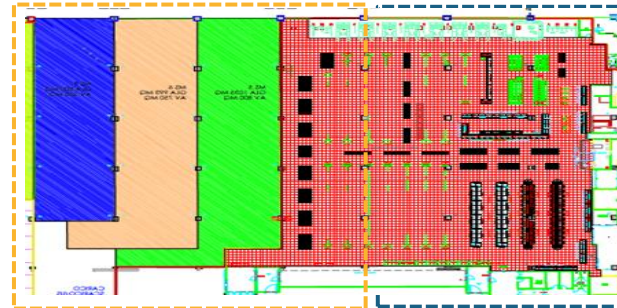
**Katanè - Catania**



PORTOBELLO

unieuuro

CALLIOPE



**New  
hypermarket**  
8,300m<sup>2</sup> GLA

**3 Medium  
surfaces**  
3,800m<sup>2</sup> GLA

**3 Medium surfaces  
+ stands**  
4,700m<sup>2</sup> GLA

**New  
hypermarket**  
7,200m<sup>2</sup> GLA

**4 Medium  
surfaces**  
6,500m<sup>2</sup> GLA

**New  
hypermarket**  
7,300m<sup>2</sup> GLA

**Spaces already leased**

**Leasing in progress**

**Leasing in progress**



# ...and the hypermarket confirmed to be an attractive anchor

## 1. Coop Alleanza 3.0 is investing to renew its hypermarkets:



## 2. More promotional activities that are having an excellent redemption rate

## 3. Performances showed good results: **+2.9% sales\***

# The implementation of Digital Plan and events continues...



## MORE SERVICES AND CONTACTS WITH VISITORS

**New digital totems** are being installed

**134** in 25 shopping centers  
**+127%**



## MORE EVENTS

**In-person events** resumed with a focus on children and families in line with the Business Plan



## MORE COOPERATION WITH TENANTS

**Co-marketing pilot project** with **Kiko Milano** offering exclusive conditions to members of the Area Plus

# ...as well as the co-marketing project with Coop Alleanza 3.0

100,000  
on line  
newsletter

800,000  
door to door  
fliers

12  
malls  
advertised

17  
programmed  
outputs

**DAL 5 AL 18 MAGGIO 2022**  
IL TUO VOLANTINO, SEMPRE CON TE!  
ACQUISTA ONLINE SU [EASYCOOP.COM](http://EASYCOOP.COM)

**coop | extracoop**  
**SCEGLI TU GRANDI MARCHE**

**50% 40% 30%**

**Grandi marche, grandi sconti.**  
Tantissimi prodotti scontati fino al 50%.

**Fino al 31 dicembre**  
tutti coloro che entreranno nell'area La Favorita Plus\* avranno la possibilità di vincere uno dei seguenti premi:  
- Grande Padana Arena - 44 biglietti per ingresso 1 persona  
- Gardaland - 30 biglietti per ingresso 1 persona  
- Sea Life - 10 biglietti per ingresso 1 persona  
- Ploce - 30 biglietti per ingresso 1 persona  
- Parco Le Vele - 20 biglietti per ingresso 1 persona  
- Natura Vini - 20 biglietti per ingresso 1 persona  
- ... e tanti altri - 20 ingressi Isolelle e 1 persona

**CLIENTI PLUS PREMI WOW**

**LA FAVORITA CAMBIA LOOK**  
PROSEGUONO I LAVORI PER IL NUOVO CENTRO COMMERCIALE ANCORA PIÙ ACCOGLIENTE E INNOVATIVO.  
RIMANI CON NOI PER SCOPRIRE LE NOVITÀ!

**I SERVIZI DEL CENTRO**

**ORARI**  
Galleria  
Lunedì/Sabato: 9.00-20.30  
Domenica: 9.30-20.30  
Ipercoop  
Lunedì/Sabato: 9.00-21.00  
Domenica: 9.30-20.30

**cone**  
centro commerciale  
#Conegliano



**TARGET**

**Increase the number of contacts in the Area Plus, the reserved online portal where visitors can find promotions, events, openings and other news**



# Good commercial performances in Italy...



## Occupancy

**95.1%**

**+30 bps** vs 1Q2022



## Leasing activities

Upside\* **+2.5%**

**62** turnovers + **51** renewals

Contracts signed with new tenants with openings in second half of 2022



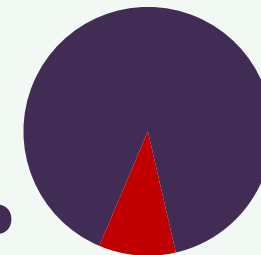
Portobello in Portogrande S. Benedetto del T.



## Collection rate

2022

**>90%**



# ...and in Romania



## Occupancy

**92.9%**

**- 120 bps** vs 1Q2022



## Leasing activities

**Upside\* +3.5%**

**69** turnovers + **118** renewals

- The increase in vacancy is strategic and temporary: 3.000 m<sup>2</sup> already leased will bring the figure to pre-pandemic level (c.95%)
- Lower temporary reductions granted compared to 2021



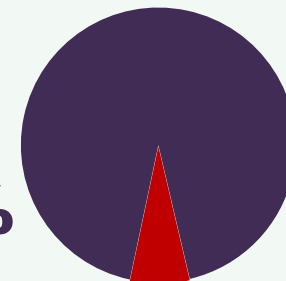
Leonidas chocolate shop in Ploiesti



## Collection rate

2022

**c. 93%**





# 4 Financial Results



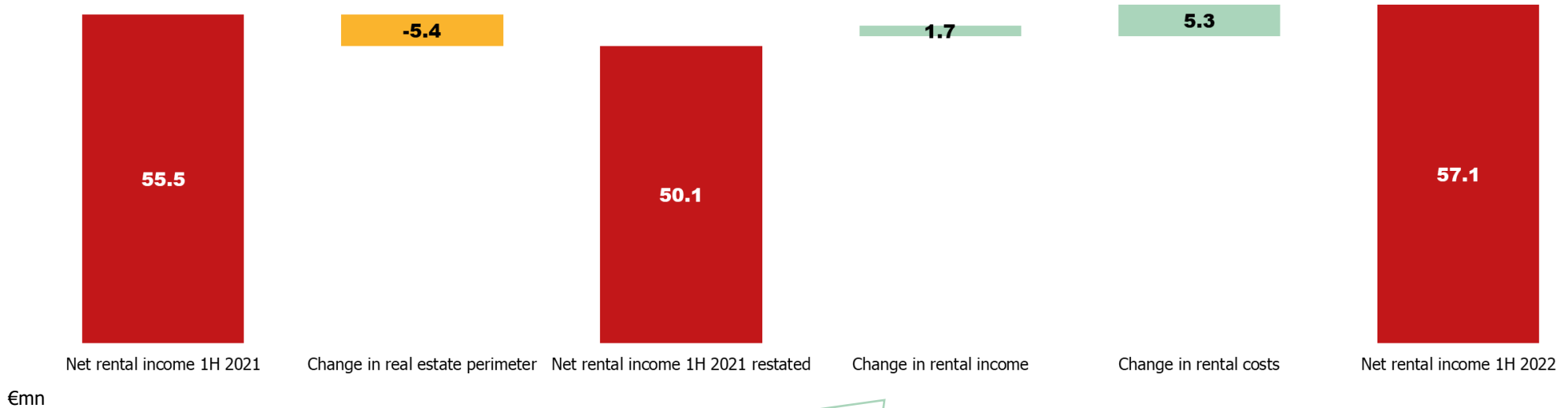
# Highlights

	<b>1H2022</b>	$\Delta$ vs 2021	$\Delta$ vs 2021R*	Like for like	<b>FY2021</b>
<b>Net Rental Income</b>	<b>57.1 €mn</b>	+2.9%	+14.0%	<b>+16.0%</b>	<b>118.5 €mn</b>
<b>Core Business Ebitda</b>	<b>51.8 €mn</b>	+2.3%	+14.6%		<b>107.3 €mn</b>
<b>Funds From Operations (FFO)</b>	<b>34.0 €mn</b>	<b>+11.0%</b>	+30.8%		<b>64.7 €mn</b>
<b>Real Estate Market Value</b> (excluding leasehold)	<b>2,143.5 €mn</b>	+0.14%		<b>+0.84%</b>	<b>2,140.5 €mn</b>
<b>Epra NRV</b>	<b>10.73€</b> per share	-1.1%			<b>10.85 €</b> per share

# Net rental Income at 30/06/2022 (€mn)

Of which:

- 5.8 €mn change in income scope
- +0.4 costs of the sold portfolio



**Change vs 2021R**  
**+7.0€mn**  
**+14.0%**

**Like for like net rental income**  
**+16.0%**

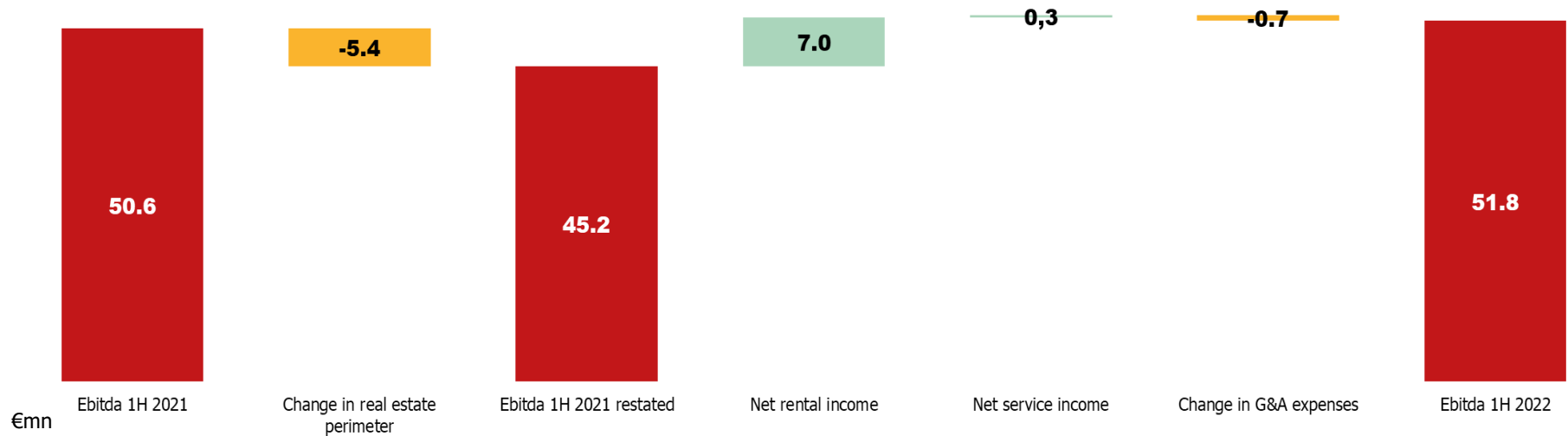
**Change vs 2021**  
**+1.6€mn**  
**+2.9%**

**Like for like: +2.1% (+1.3 €mn)**  
**Malls Italy (+1.6%):** indexation effect (+0.8 €mn); higher temporary reductions (-0.8 €mn; in 2021 Covid impact included in direct costs); increase in variable and other revenues (+0.8 €mn)  
**Hypermarkets Italy (+2.0%):** mainly thanks to indexation (from April)  
**Romania (+8.2%):** increase mainly thanks to lower temporary reductions granted

# Core business Ebitda at 30/06/2022 (€mn)

**Change vs 2021R**  
**+6.6€mn**  
**+14.6%**

**Change vs 2021**  
**+1.2€mn**  
**+2.3%**



**Core business EBITDA MARGIN**

**2021**  
**66.3%**

**2022**  
**71.3%**

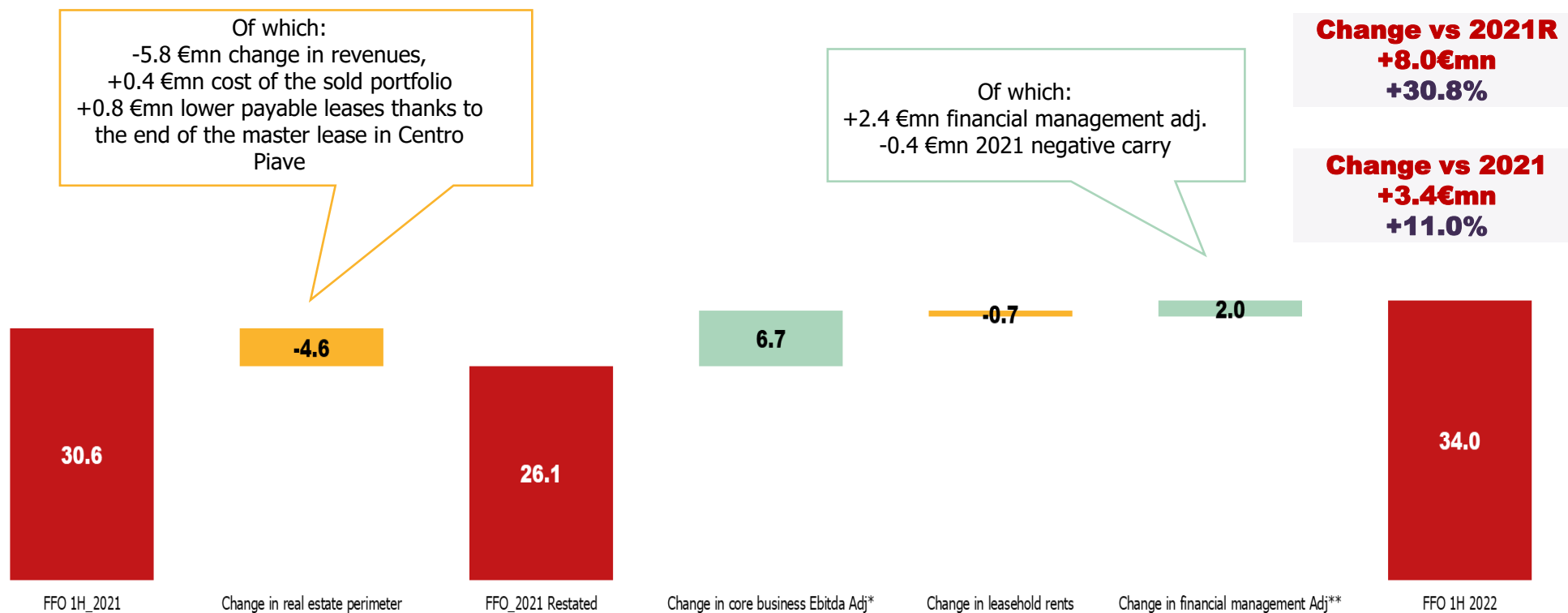
**EBITDA MARGIN freehold**

**2021**  
**66.6%**

**2022**  
**73.3%**



# Funds From Operations (FFO) at 30/06/2022 (€mn)



# Financial management activities carried out in 1H 2022...



**Senior unsecured loan**  
(€215mn)

Approx. 154€mn  
Bond repayed  
with the cash  
available



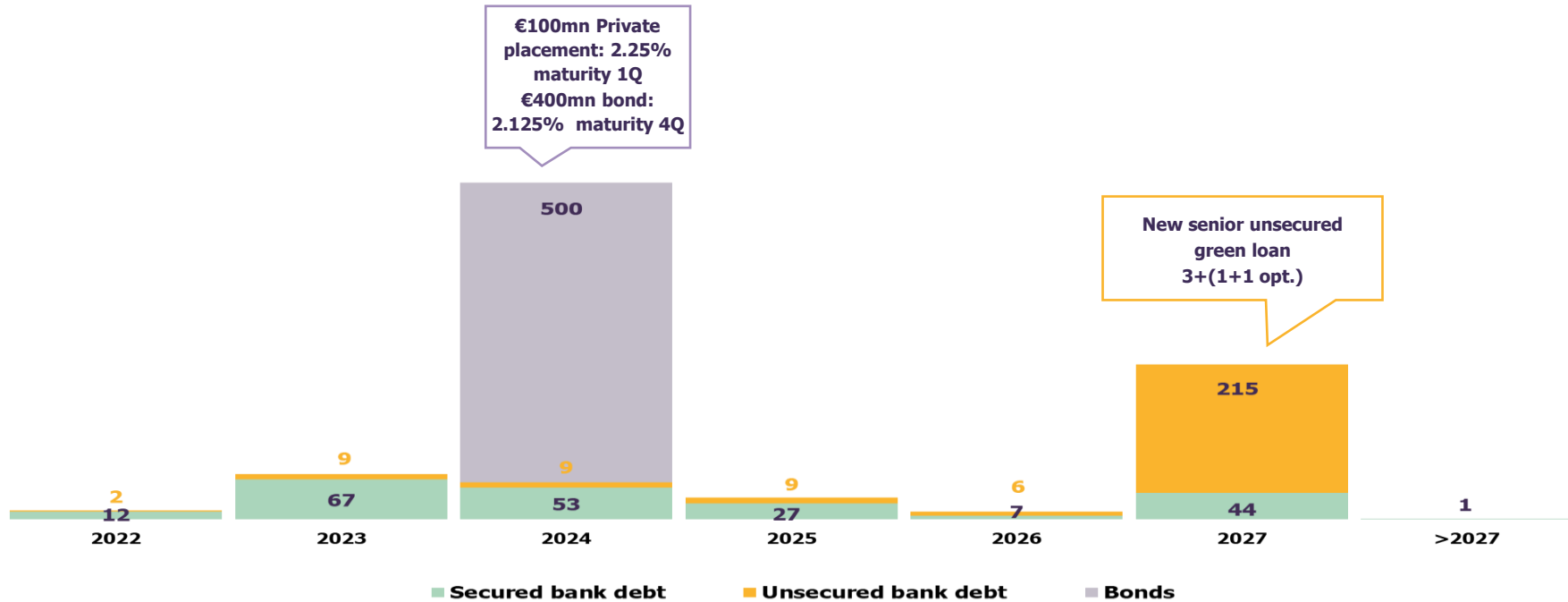
1^ committed credit  
lines renewed  
(20€mn) until 2025



2^ committed credit  
lines renewed  
(40€mn) until 2025



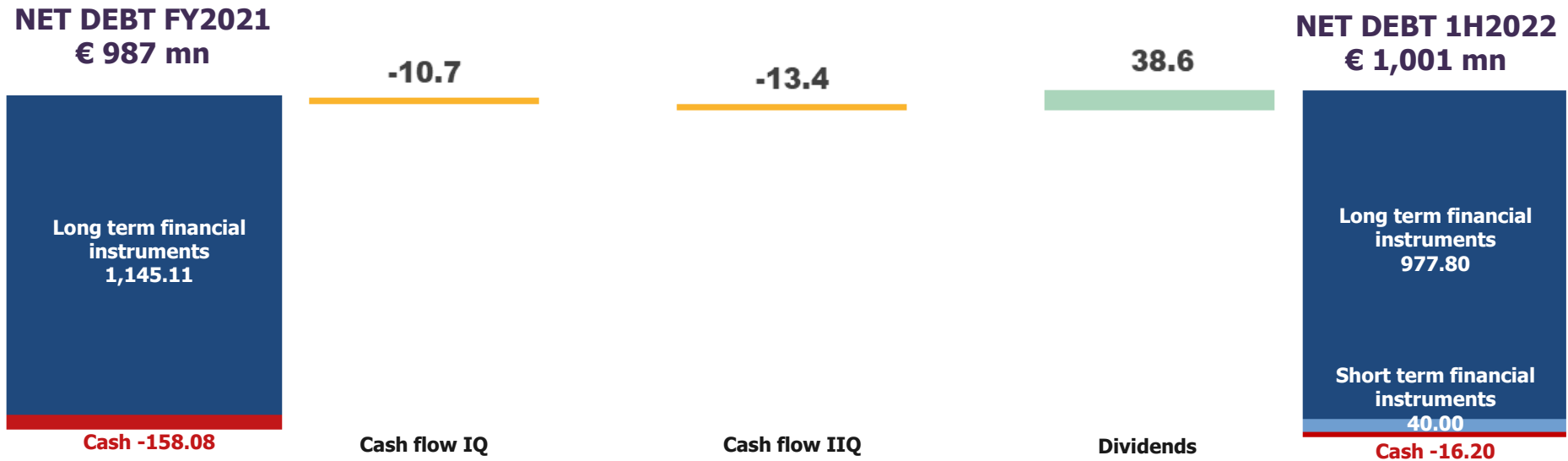
# ..lead to an extension of the maturity profile



- **The 200€mn syndicated loan expiring in 2023 has been early repaid** using the green loan proceedings
- Considering also the committed credit lines fully available, **2H 2022 and 2023 financial maturities are entirely covered; next significant maturities will be in 2024**
- **RATINGS:** Fitch: BBB- (Stable) confirmed on 16/09/2022; S&P: BB+ (Stable) confirmed on 20/09/2022



# NET DEBT and LTV increased due to dividends entirely paid in May



44.8%

3.3X

2.20%

Loan to Value

Interest Cover Ratio

Average cost of debt

45.5%

3.74X

2.08%

# Outlook FFO 2022

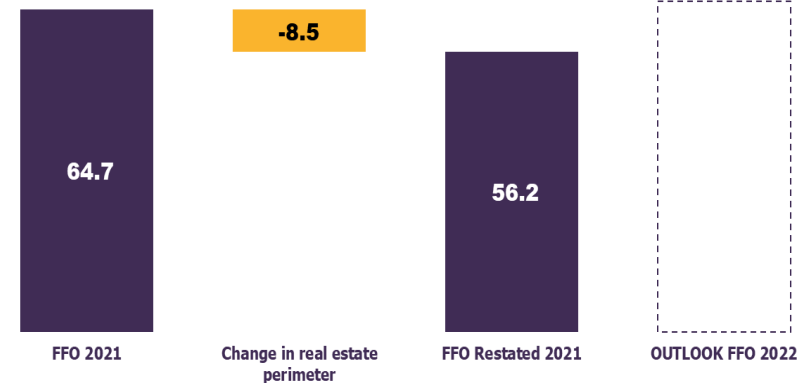
Taking into account:

- The delay of some projects and related revenues together with the positive economic impacts of the pre-lets that will be spread over the second half
- The worsening of the macro economic scenario (increase in energy costs) as well as political uncertainty

**Change vs  
2021R  
+17/18%**

**Change vs  
2021  
+2/3%**

**The revised 2022 FFO Guidance  
confirms a growth trajectory  
(+2/3% or +17/18% taking into account the asset  
disposal completed year-end 2021)  
even if lower than what was announced in February**





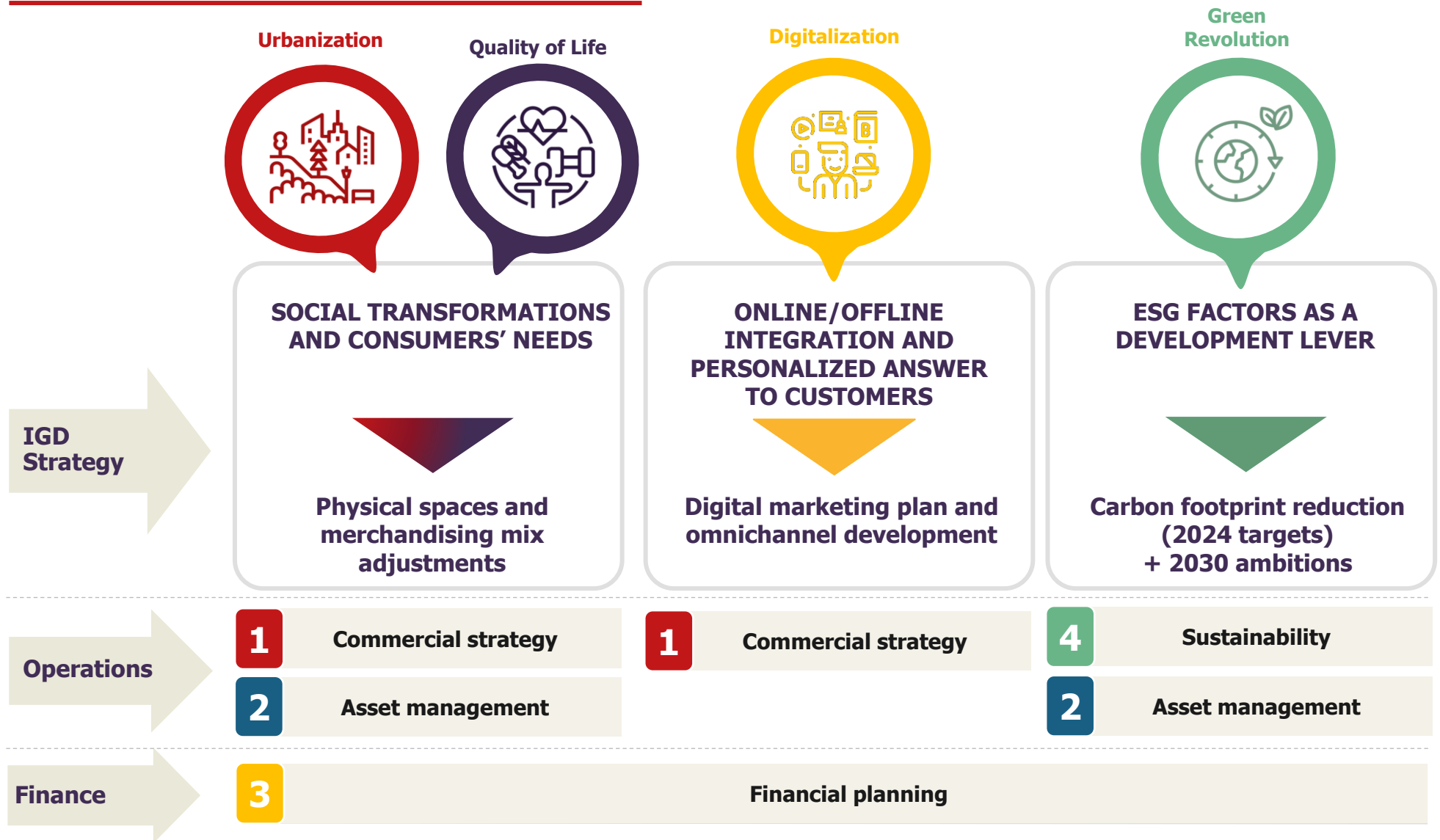


**5**

**Strategic Plan 2022-2024**



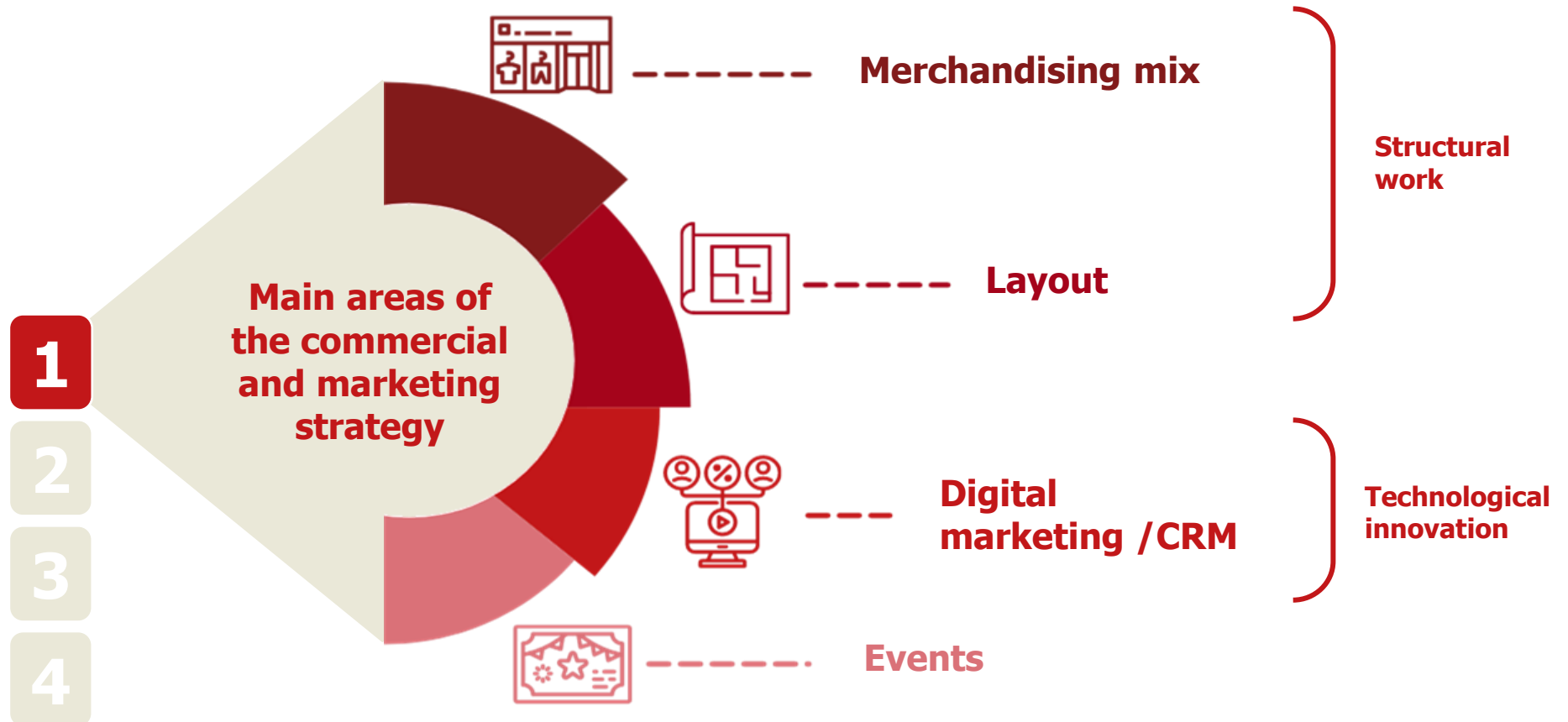
# IGD's strategy answers to new consumers needs...



# 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>
<b>IGD Strategy</b>	<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

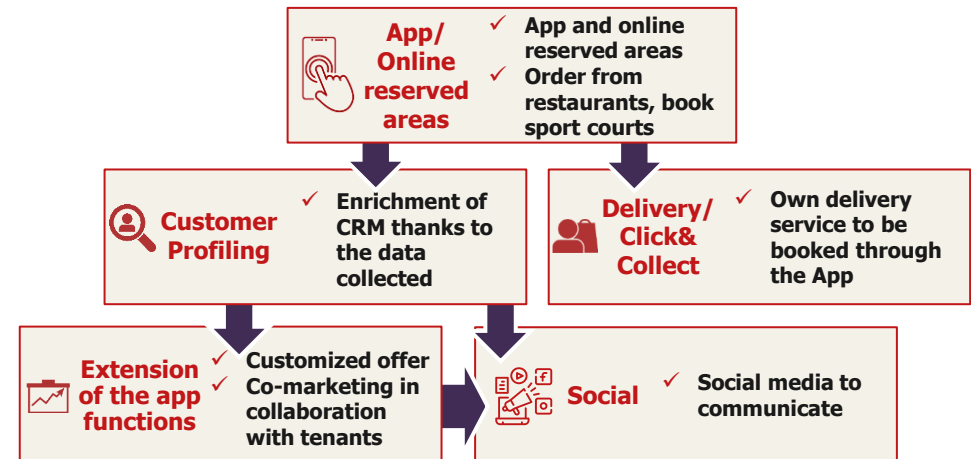


### Smart Working Areas

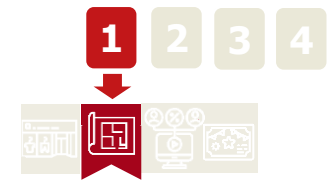
Creation of smart working/studying areas inside the shopping center



## Omnichannel Development



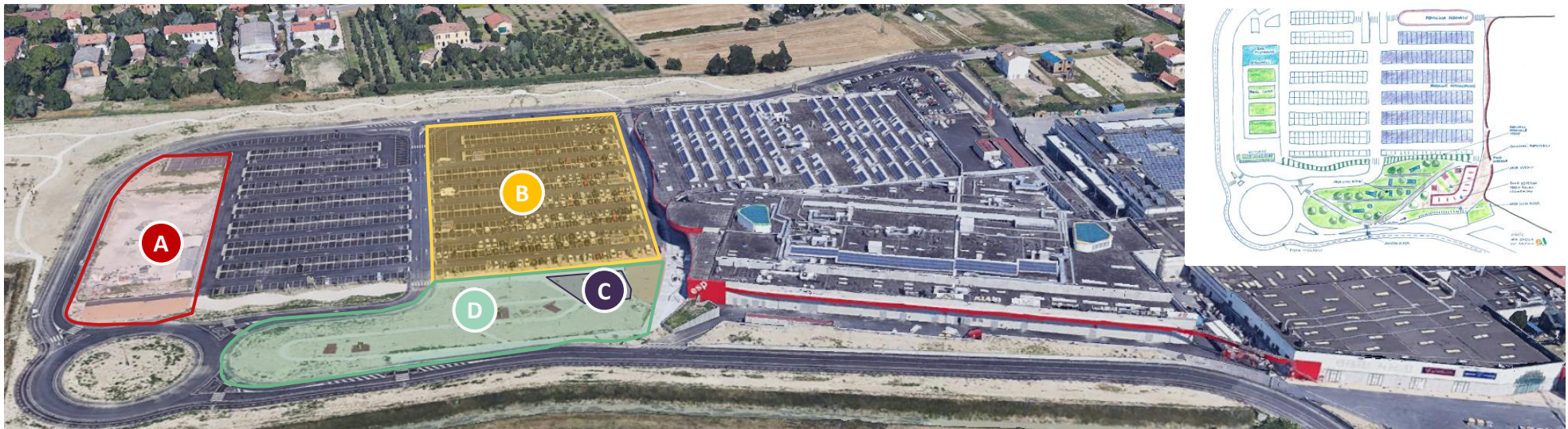
# Layout project: a new life for the external areas



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



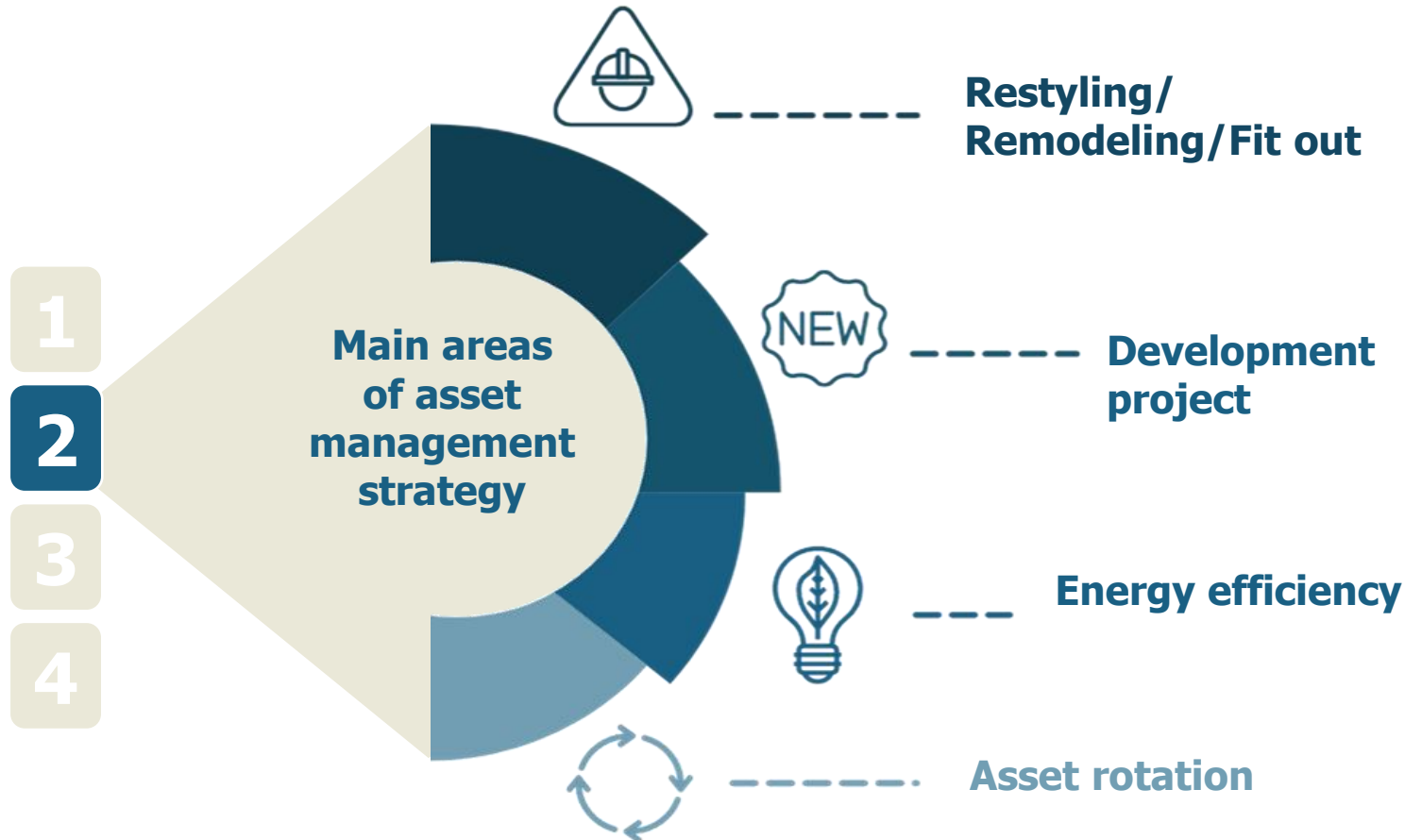
Food kiosks/relax areas



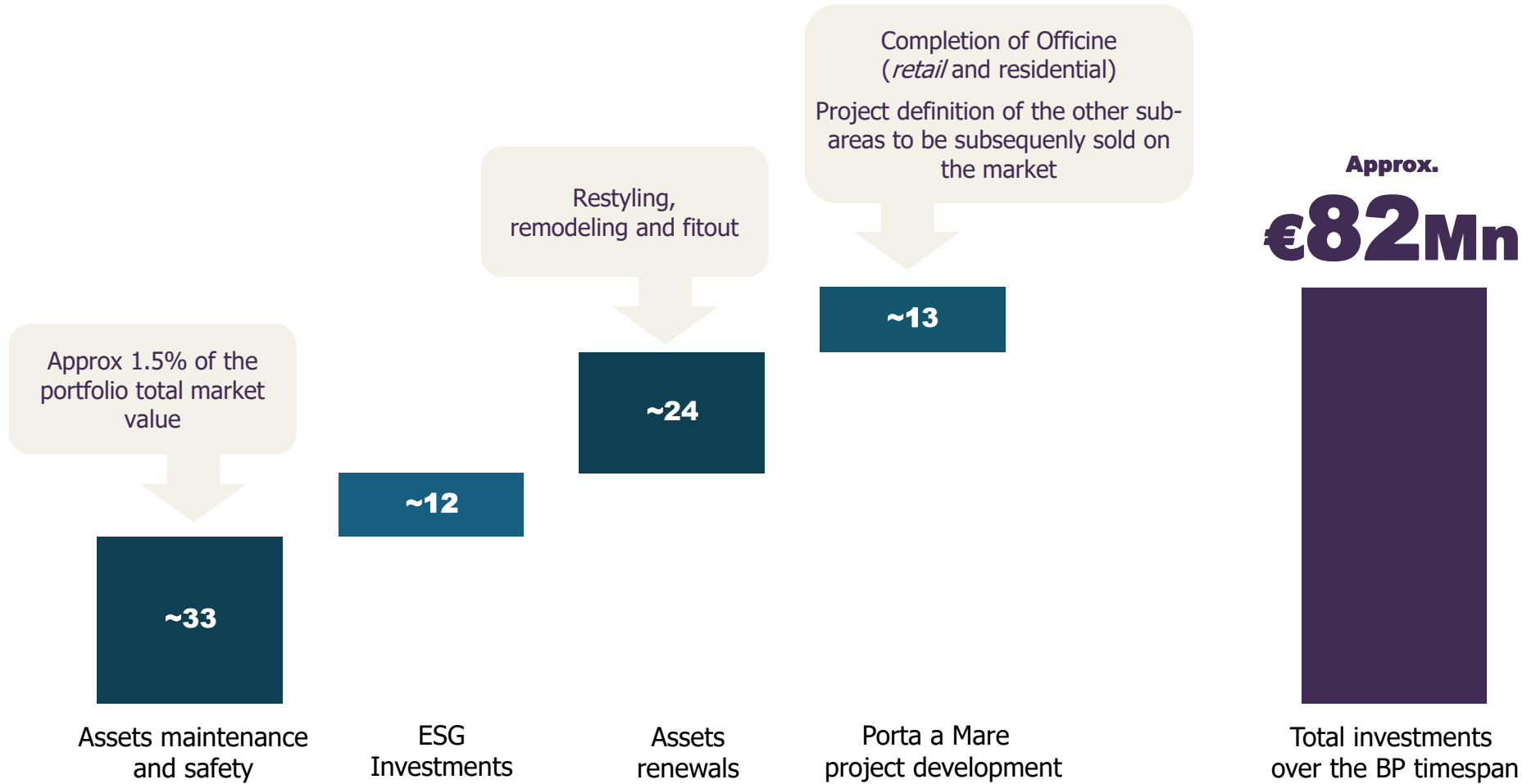
# Asset management strategy

## 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

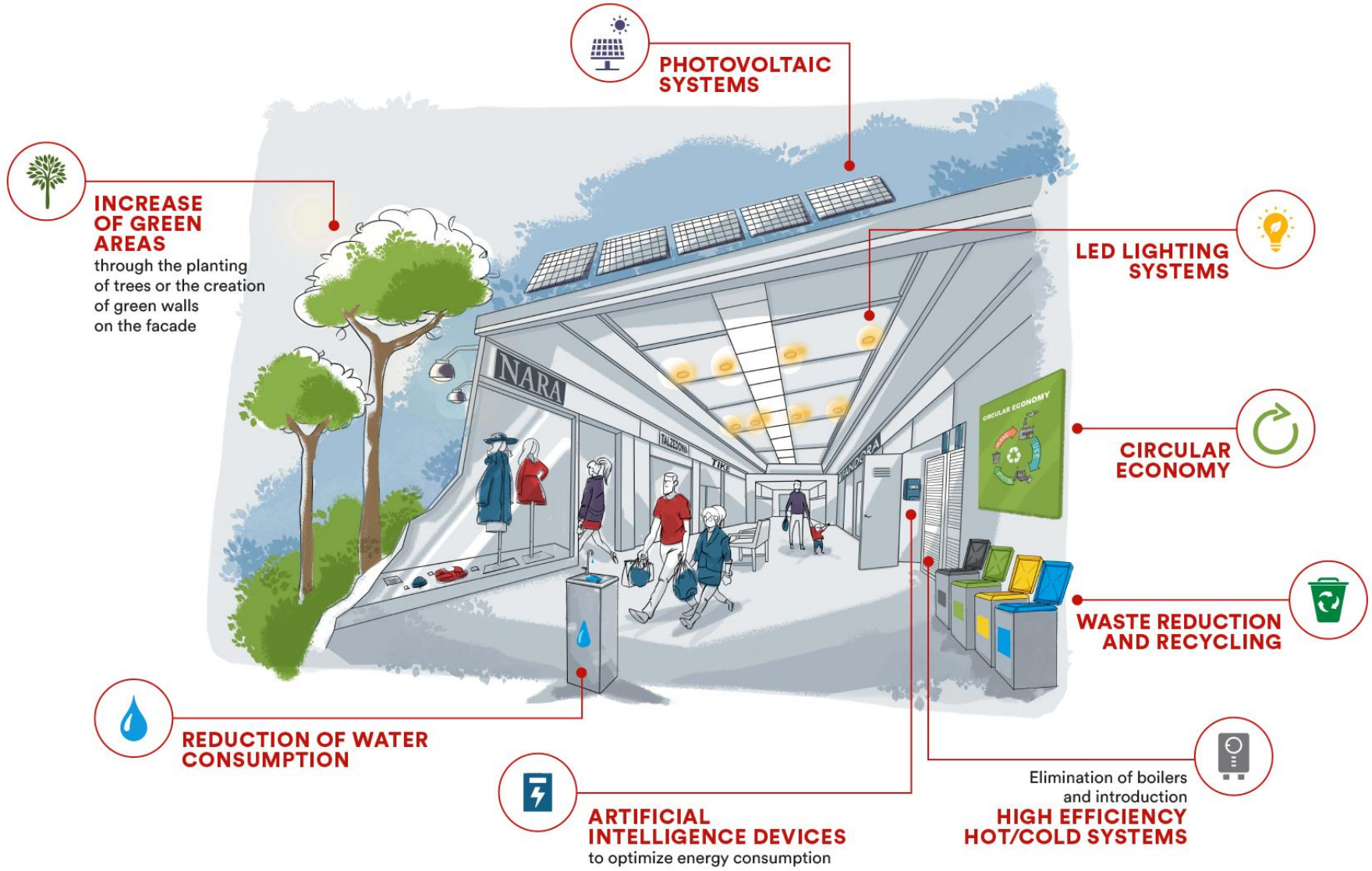


# Investments (€mn)



# Energy efficiency

1 2 3 4



# 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

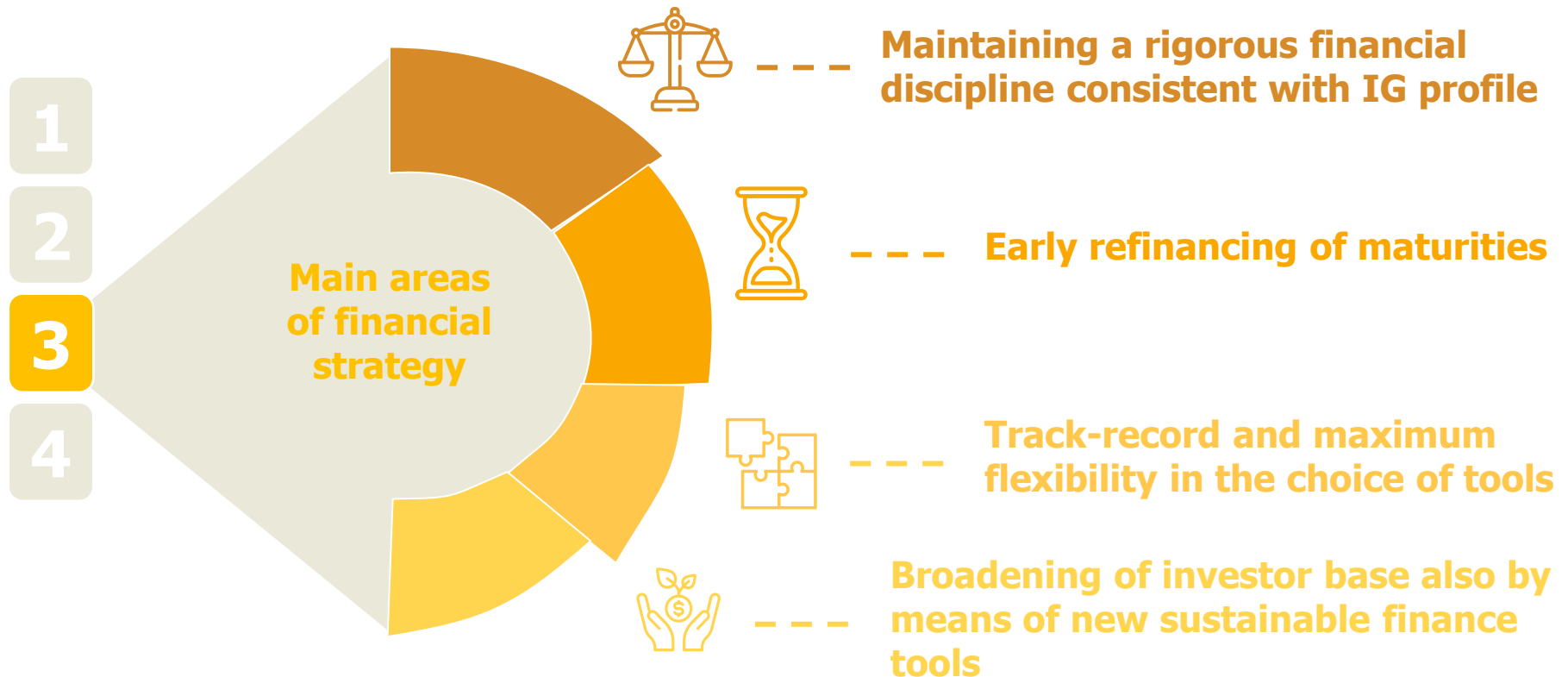
Three Porta a Mare plots of land  
to be developed

## 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**

# Main target BP 2022-2024

## Targets at the end of bp 2024

NET RENTAL INCOME	FFO	LOAN TO VALUE
<b>approx. +17/20%</b> (126/128 €mn end 2024) vs 2021 restated*	<b>➤ 30%</b> (74/76 €mn end 2024) vs 2021 restated*	<b>40/43%</b>
<b>CAGR Lfl bp timespan 2021-2024**</b> <b>ITALY: +5/6%</b> <b>ROMANIA: +8/9%</b> <b>TOTAL: +5/6%</b>		Considering scope being equal to the one at end of 2021. Porta a Mare Project trading revenues have been included

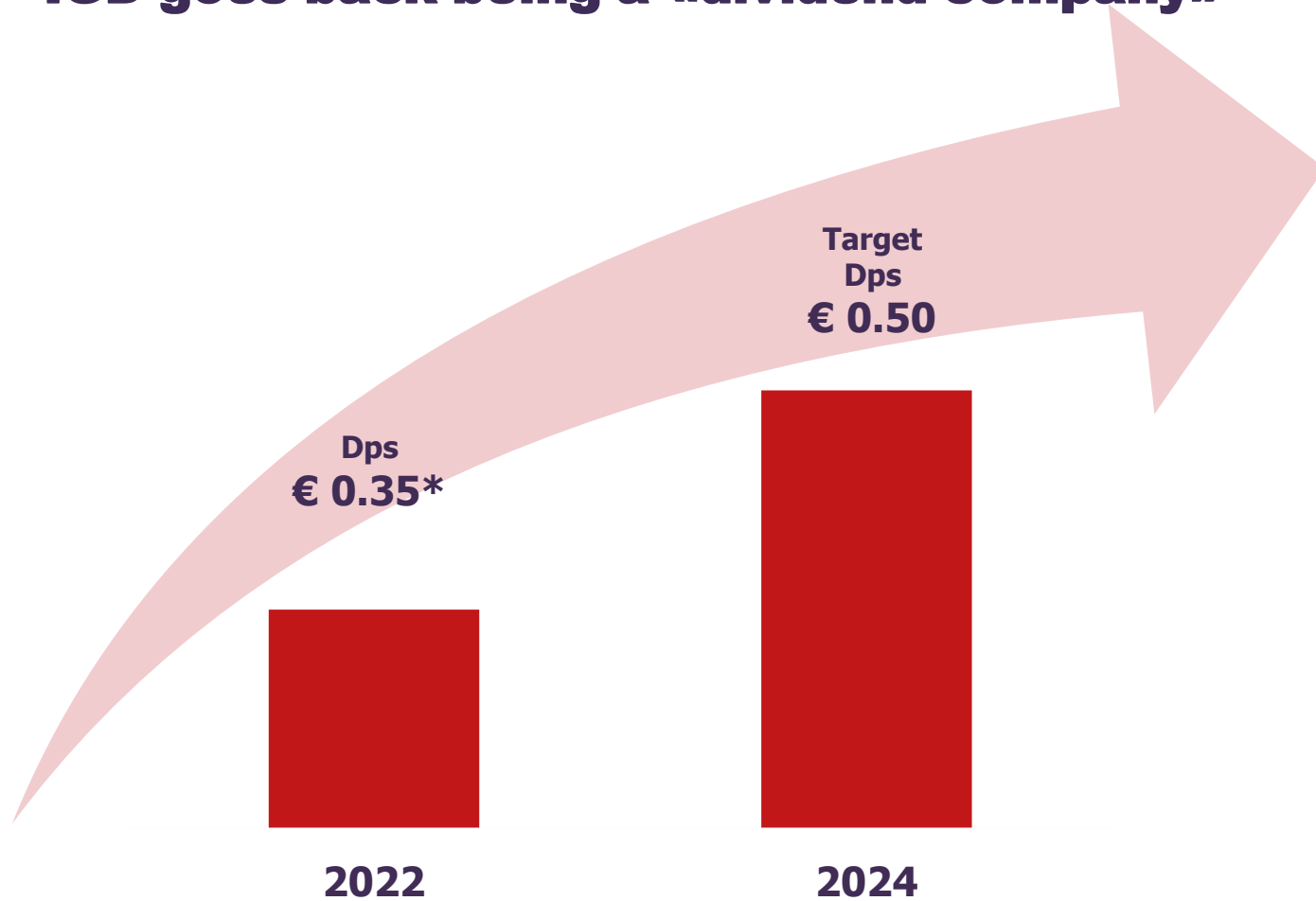
\* All data are compared with 2021E at December 2021 and restated: adjusted to consider the portfolio disposal and the end of Piave masterlease



# Dividend

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## IGD goes back being a «dividend company»



# Possible future scenarios

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**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

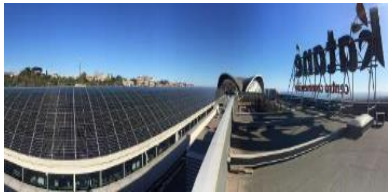
## ESG Strategy At-a-glance

# IGD sustainability steps

2011	IGD's first Sustainability Report (on 2010 data)
2012-2014	Process for greater internal awareness
2013	Sustainability issues incorporated in the Plan
2014-2015	Materiality analysis and new approach to the report
2016	Sustainability Report approved for the first time by the Board of Directors
2017	First external assurance and new materiality matrix
2018	New sustainability targets and introduction of a methodology to assess the impacts of 3 projects
2019	Risk analysis integrated in the sustainability strategy and definition of medium-term targets
2020	Formal participation in the Global Compact, Ethical Code update, IGD's assignation of the Chair of CNCC'S ESG Commission
2021	Definition of new 2022-2024 Business Plan
2022	Executed a green facility agreement



# Some of the results achieved over the years



Co2 Emissions intensity 2021-2012  
(Kwh/Mq)

**-21.0%**

Level of satisfaction of  
IGD shopping centers' visitors

**3.9**

(scale 1min. - 5max.)



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

2021 Turnover rate

**4.7%**



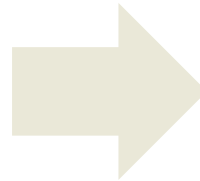
The structured engagement of all  
stakeholders allows IGD to  
understand their expectations and  
evaluate if integrate them in its  
strategy



# ESG: the improvement process continues in 2021



**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

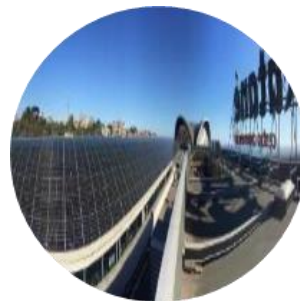
**Last 1 Year  
Development**

# 1H2022 results of the path defined in the 2022-2024 Business Plan

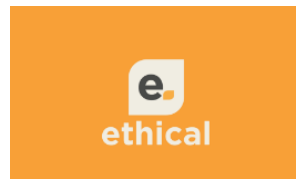
becoming  
**g.r.e.a.t.**



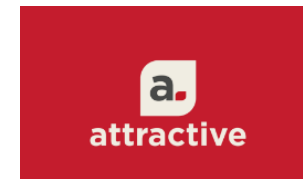
**Preliminary agreements signed to realize photovoltaic systems**



**Bio Safety Trust Certification renewed in 7 shopping centers**



**ISO37001 Certification confirmed following the Surveillance Audit**



**Restyling/ revamping in progress in 4 shopping centers**



**Local associations involved in 90% of shopping centers**



# ESG: awards, ratings and certifications obtained

Awards	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>93/100, Score A</b></p> </div> <div style="text-align: center;">  <p><b>5° year in a row</b></p> </div> <div style="text-align: center;">  <p><b>8° year in a row</b></p> </div> </div>			
Ratings	<p style="text-align: center;"><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 style="text-align: center;"><b>Stock Indexes ESG focused</b></p> <p style="text-align: center;"><b>8 indexes</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>		
Certifications Obtained	<p style="text-align: center;"><b>BREEAM Certification</b></p> <div style="text-align: center;">  </div> <p style="text-align: center;"><b>8 shopping centers</b></p>	<p style="text-align: center;"><b>Biosafety Trust Certification</b></p> <div style="text-align: center;">  </div> <p style="text-align: center;"><b>7 shopping centers</b></p>	<p style="text-align: center;"><b>UNI EN ISO14001 Certification</b></p> <div style="text-align: center;">  </div> <p style="text-align: center;"><b>24 shopping centers</b></p>	<p style="text-align: center;"><b>ISO37001 Certification</b></p> <div style="text-align: center;">  </div> <p style="text-align: center;"><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



# 2022-2024 Sustainability Plan: SDG's

**41** targets at 2024:



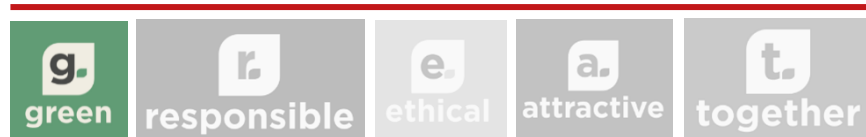
- Material for IGD
- Consistent with UN SDG's

**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

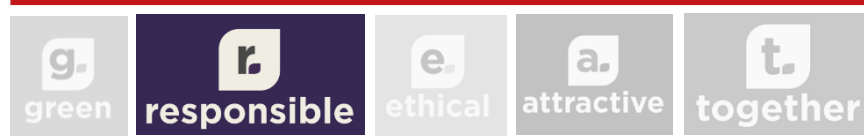


## Main targets

**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

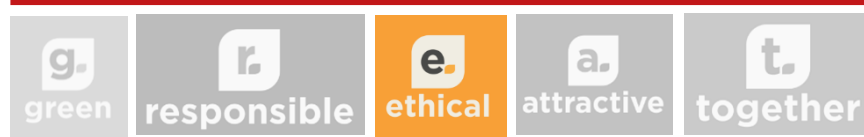
- +1 new service in the employees' Corporate Wellness Program
- 100% **«Biosafety Trust Certification»**



## 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 30/06/22

GROUP CONSOLIDATED	(a) 1H_CONS_2021	(c) 1H_CONS_2022	Δ (c)/(a)
Revenues from freehold rental activities	66.9	64.5	-3.5%
Revenues from leasehold rental activities	6.2	4.4	-28.3%
<b>Total income from rental activities</b>	<b>73.1</b>	<b>69.0</b>	<b>-5.6%</b>
Rents and payable leases	0.0	0.0	32.8%
Direct costs from rental activities	-17.6	-11.9	-32.5%
<b>Net rental income</b>	<b>55.5</b>	<b>57.1</b>	<b>2.9%</b>
Revenues from services	3.3	3.7	12.5%
Direct costs from services	-2.7	-2.8	3.7%
<b>Net services income</b>	<b>0.6</b>	<b>0.9</b>	<b>51.7%</b>
HQ Personnel expenses	-3.3	-3.7	11.5%
G&A expenses	-2.1	-2.5	17.5%
<b>CORE BUSINESS EBITDA (Operating income)</b>	<b>50.6</b>	<b>51.8</b>	<b>2.3%</b>
<i>Core business Ebitda Margin</i>	<i>66.3%</i>	<i>71.3%</i>	
Revenues from trading	0.4	0.4	-1.8%
Cost of sale and other costs from trading	-0.7	-0.6	-5.8%
<b>Operating result from trading</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-14.0%</b>
<b>EBITDA</b>	<b>50.4</b>	<b>51.6</b>	<b>2.4%</b>
<i>Ebitda Margin</i>	<i>65.7%</i>	<i>70.6%</i>	
Impairment and Fair Value adjustments	-12.5	-9.8	-21.2%
Depreciation and provisions	-0.5	-0.8	46.0%
<b>EBIT</b>	<b>37.4</b>	<b>41.0</b>	<b>9.6%</b>
FINANCIAL MANAGEMENT	-16.7	-14.3	-14.4%
EXTRAORDINARY MANAGEMENT	0.0	0.4	n.a.
<b>PRE-TAX RESULTS</b>	<b>20.7</b>	<b>27.1</b>	<b>30.9%</b>
Taxes	-1.3	-0.7	-47.8%
<b>NET RESULT OF THE PERIOD</b>	<b>19.5</b>	<b>26.5</b>	<b>36.0%</b>
(Profit/Loss) for the period related to third parties	0.0	0.0	n.a.
<b>GROUP NET RESULT</b>	<b>19.5</b>	<b>26.5</b>	<b>36.0%</b>

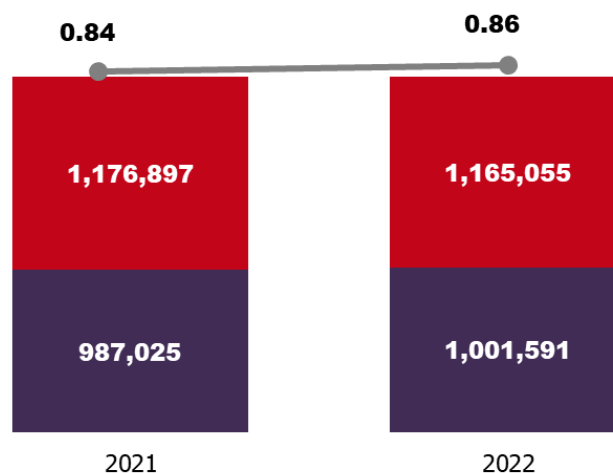
# Funds From Operations (FFO) at 30/06/22

Funds from Operations	1H 2022	1H 2021	Δ	Δ%
<b>Core business EBITDA*</b>	<b>51.9</b>	<b>50.6</b>	<b>2.3</b>	2.5%
IFRS16 Adjustment (Payable leases)	(4.1)	(4.2)	0.1	-3.1%
Financial Management Adj**	(13.2)	(15.6)	2.4	-15.3%
Current taxes for the period Adj	(0.6)	(0.6)	(0.0)	0.7%
<b>FFO</b>	<b>34.0</b>	<b>30.2</b>	<b>3.8</b>	12.5%
Negative Carry	-	0.4	(0.4)	
<b>FFO ADJ</b>	<b>34.0</b>	<b>30.6</b>	<b>3.4</b>	11.0%

# Re-classified balance sheet at 30/06/22

Sources - Use of funds(€/000)	30/06/2022	31/12/2021	Δ	Δ%
Fixed assets	2,093,143	2,093,176	-33	0.0%
Assets under construction	43,420	44,095	-676	-1.5%
Other non current assets	42,651	42,810	-159	-0.4%
Other non current liabilities	-26,302	-27,466	1,164	-4.2%
Assets held for sale	0	1,801	-1,801	-100.0%
NWC	28,179	24,504	3,675	15.0%
Net deferred tax (assets)/liabilities	-13,856	-11,702	-2,154	18.4%
<b>TOTALE USE OF FUNDS</b>	<b>2,167,235</b>	<b>2,167,218</b>	<b>17</b>	<b>0.0%</b>
Net equity	1,165,974	1,171,758	-5,784	-0.5%
Net (assets)/liabilities for derivative instruments	-330	8,435	-8,765	-103.9%
Net debt	1,001,591	987,025	14,566	1.5%
<b>TOTAL SOURCES</b>	<b>2,167,235</b>	<b>2,167,218</b>	<b>17</b>	<b>0.0%</b>

## GEARING RATIO (€000)



# Other Metrics at 30/06/22

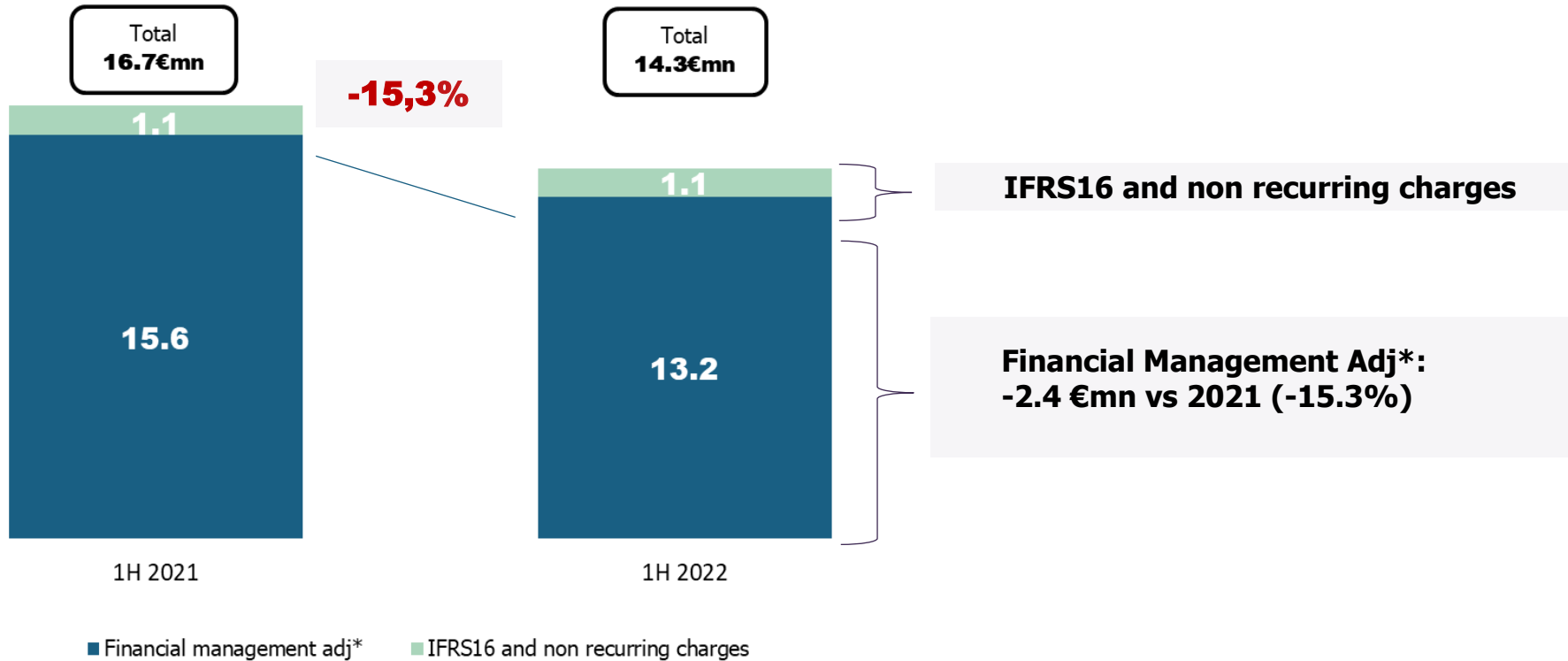


EPRA Performance Measure	30/06/2022	31/12/2021
EPRA NRV (€'000)	1.184.419	1.197.354
EPRA NRV per share	€ 10,73	€ 10,85
EPRA NTA	1.176.469	1.189.467
EPRA NTA per share	€ 10,66	€ 10,78
EPRA NDV	1.204.446	1.151.244
EPRA NDV per share	€ 10,92	€ 10,43
EPRA Net Initial Yield (NIY)	5,6%	5,8%
EPRA 'topped-up' NIY	5,8%	5,9%
EPRA Vacancy Rate Gallerie Italia	6,0%	6,1%
EPRA Vacancy Rate Iper Italia	0,0%	0,0%
EPRA Vacancy Rate Totale Italia	4,9%	4,9%
EPRA Vacancy Rate Romania	7,1%	5,4%

EPRA Performance Measure	30/06/2022	30/06/2021
EPRA Cost Ratios (including direct vacancy costs)	24,2%	19,7%
EPRA Cost Ratios (excluding direct vacancy costs)	19,7%	16,9%
EPRA Earnings (€'000)	€ 37.359	€ 33.493
EPRA Earnings per share	€ 0,3	€ 0,3

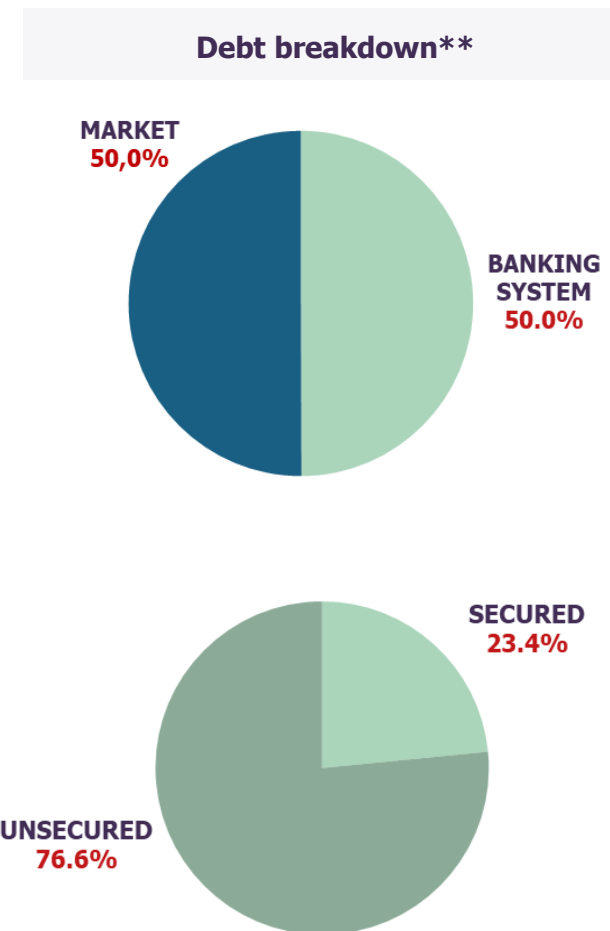


# Financial Management at 30/06/22 (€mn)



# More financial highlights and debt breakdown at 30/06/22

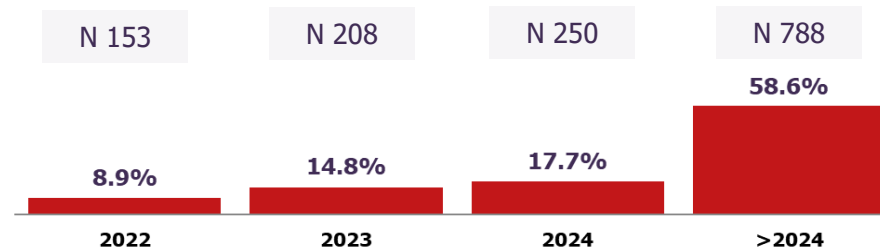
	31/12/2021	30/06/2022
<b>Gearing ratio</b>	0.84X	0.86X
<b>Average length of long term debt</b>	2.4 years	2.3 years
<b>Hedging on long term debt + bond</b>	93.8%	87.4%
<b>Share of M/L debt</b>	96.4%	93.1%
<b>Uncommitted credit lines granted</b>	151 € mn	151 € mn
<b>Uncommitted credit lines available</b>	151 € mn	111 € mn
<b>Committed credit lines granted and available</b>	60 € mn	60 € mn
<b>Unencumbered assets</b>	1,511.7 € mn	1,514.5 € mn



# Contracts and key tenants Italy at 30/06/22

TOP 10 Tenant	Product category	Turnover impact	Contracts
OVS	clothing	2.7%	10
PIAZZA ITALIA	clothing	2.6%	13
unieuro	electronics	2.4%	10
INDITEX	clothing	2.1%	11
CALZEDONIA	clothing	1.7%	30
BLUESPIRIT	jewellery	1.7%	29
H&M	clothing	1.6%	9
FORELLA RUBINO mötivi oltre	clothing	1.5%	20
Stroili Oro GIOIELLERIE	jewellery	1.4%	22
DECATHLON	Clothing/sports equipment	1.4%	4
<b>Total</b>		<b>19.1%</b>	<b>158</b>

## Malls

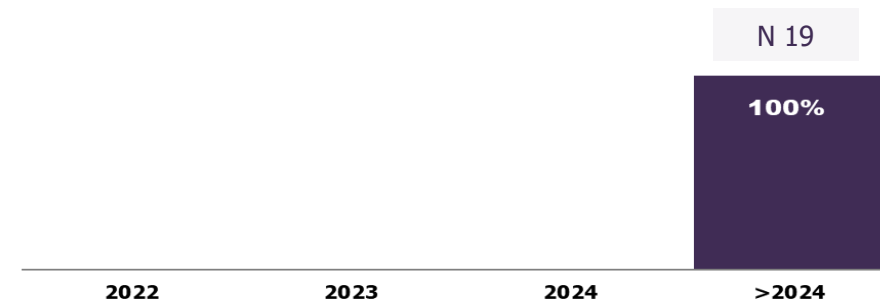


Average residual maturity: **3.9 years**

Total contracts: **1,399** of which **51 renewals** with the same tenant and **62** signed with a **new tenant**  
**Upside 2.5%**

**Rotation Rate 4.4%** (% new tenants on tot. contracts)

## Hypermarkets

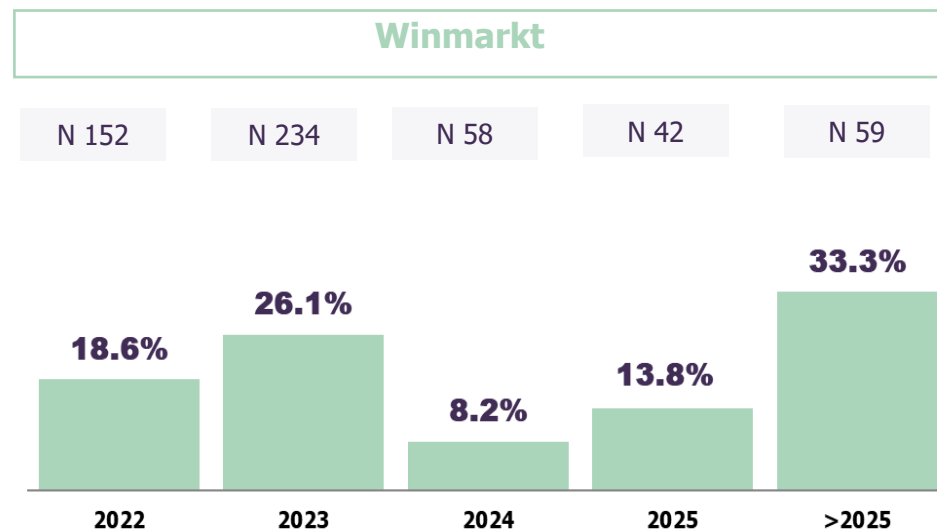


Average residual maturity: **14.7 years**

Total contracts: **19**

# Contracts and key tenants Romania at 30/06/22

TOP 10 Tenant	Product category	Turnover impact	Contracts
 Carrefour market	supermarkets	11.0%	11
 H&M	clothing	6.1%	6
 PEPCO	clothing	4.5%	11
 kik	clothing	3.7%	7
 dm	drugstore	2.7%	5
 SENSI	health care	2.2%	4
 B&B collection	jewellery	1.5%	5
 OCPL	office	1.8%	1
 KFC	restaurants	1.3%	1
 InterGame	entertainment	1.2%	1
<b>Total</b>		<b>36.0%</b>	<b>52</b>



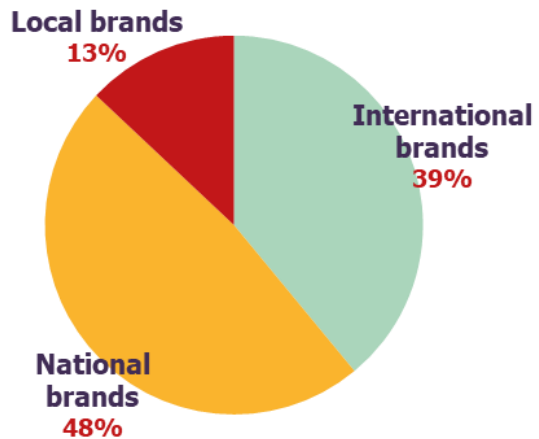
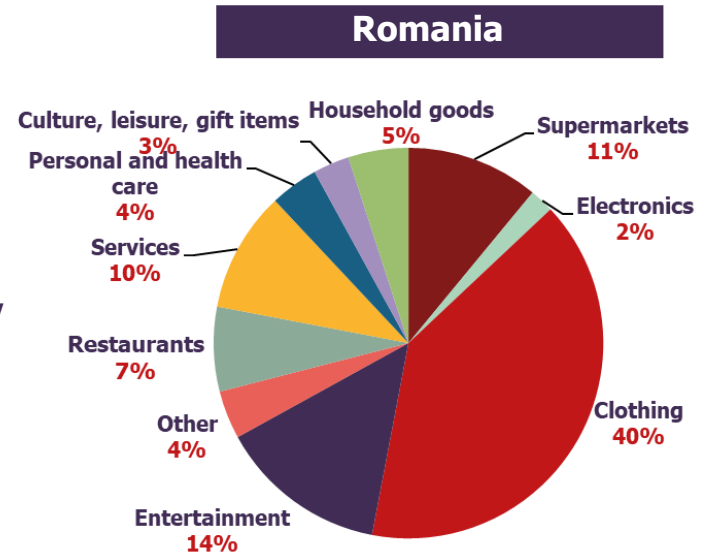
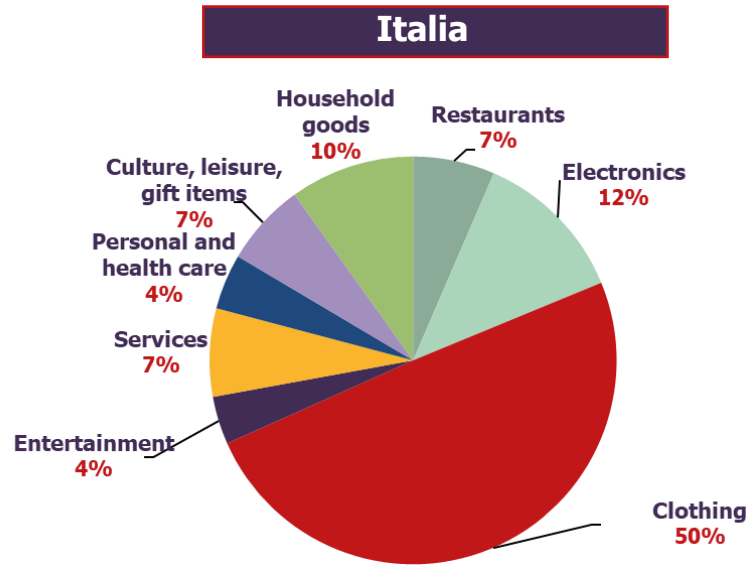
Average residual maturity: **4.2 years**

Total contracts: **545** of which **118 renewals** with the same tenant and **69** signed with a **new tenant**  
**Upside\* 3.5%**

**Rotation Rate 12.7%** (% new tenant on tot. contracts)

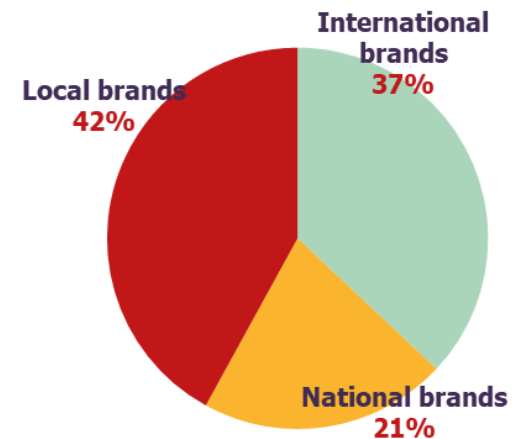


# Merchandising & Tenants Mix

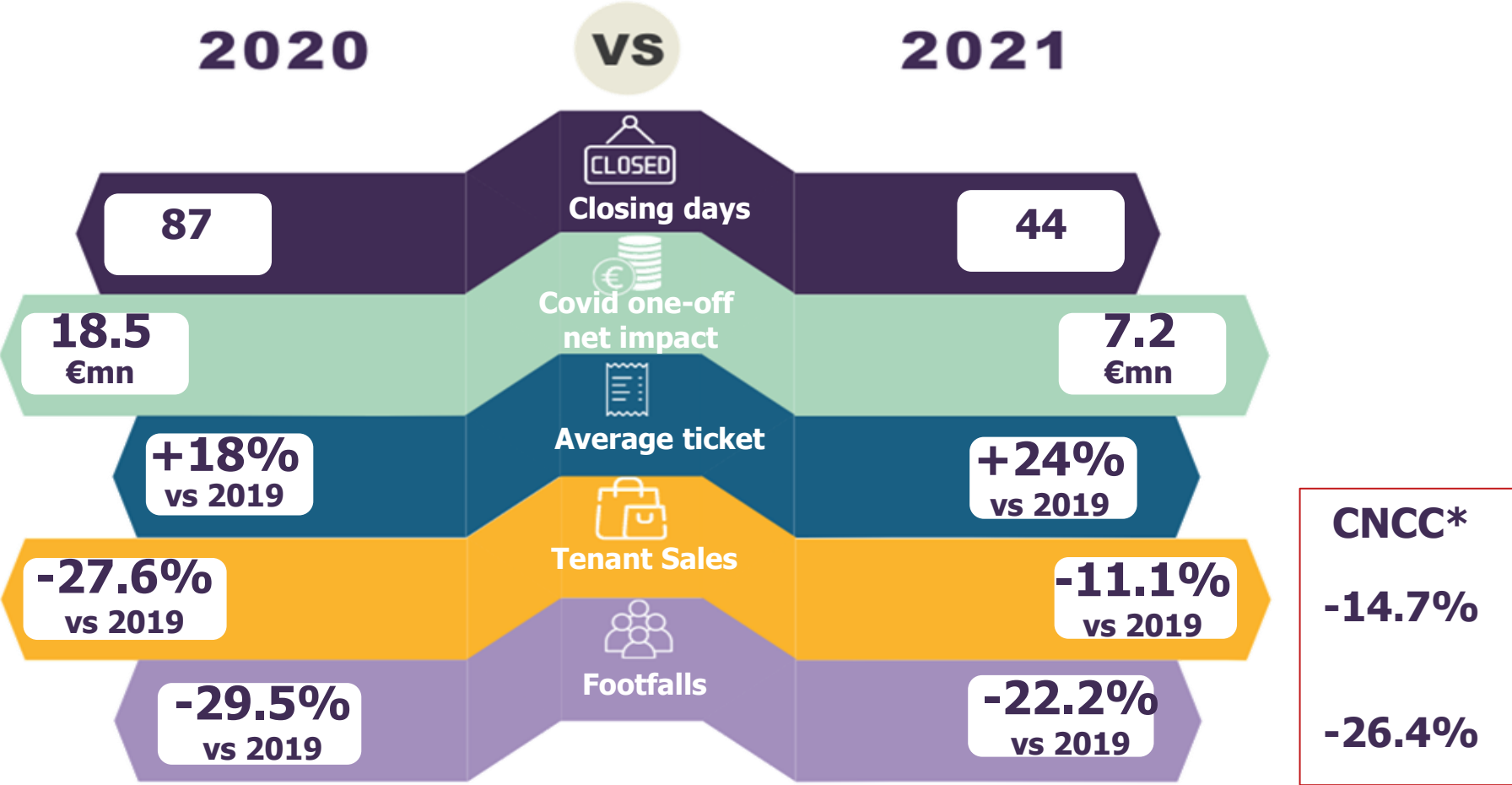


**Merchandising Mix\***

**Tenant Mix\***



# Covid effects in 2020 and 2021



2021: less impacts from restrictions compared to 2020

# Porta a Mare Livorno

## Mixed-use project



- A Piazza Mazzini**
- **Retail:** operating, 100% owned by
  - **Residential:** 73 flats, sales completed

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

- C Officine Storiche**
- **Retail:** >16k sqm,
  - **Residential:** 42 flats, sales ongoing

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

# 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)



# Italian Portfolio composition\*

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

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