2022
ANNUAL FINANCIAL REPORT

CONTENTS

DISCLAIMER

This document contains forward-looking statements relating to future events and operating, economic and financial results of the Group. These forecasts entail, by nature, a component of risk and uncertainty, as they depend on the occurrence of future events and developments. Actual results may deviate even significantly from those announced, depending on a variety of factors, the majority of which are beyond the Group's control.

DIRECTORS' REPORT ON OPERATIONS

CORPORATE BODIES

BOARD OF DIRECTORS(1)

Lorenzo Cagnoni	Chairman
Corrado Peraboni	Chief Executive Officer
Daniela Della Rosa	Independent Director and Lead Independent Director
Maurizio Renzo Ermeti	Director
Valentina Ridolfi	Independent Director
Andrea Pellizzari	Independent Director
Simona Sandrini	Independent Director
Gian Luca Brasini	Independent Director
Alessandra Bianchi	Independent Director

BOARD OF STATUTORY AUDITORS (2)

Alessandra Pederzoli	Chairwoman
Massimo Conti	Standing Auditor
Marco Petrucci	Standing Auditor
Meris Montemaggi	Alternate Auditor
Luisa Renna	Alternate Auditor

CONTROL AND RISK COMMITTEE

Daniela Della Rosa	Chairman
Alessandra Bianchi	Standing Member
Simona Sandrini	Standing Member

APPOINTMENTS AND REMUNERATION COMMITTEE

Valentina Ridolfi	Chairman
Maurizio Renzo Ermeti	Standing Member
Andrea Pellizzari	Standing Member

INDEPENDENT AUDITORS(3)

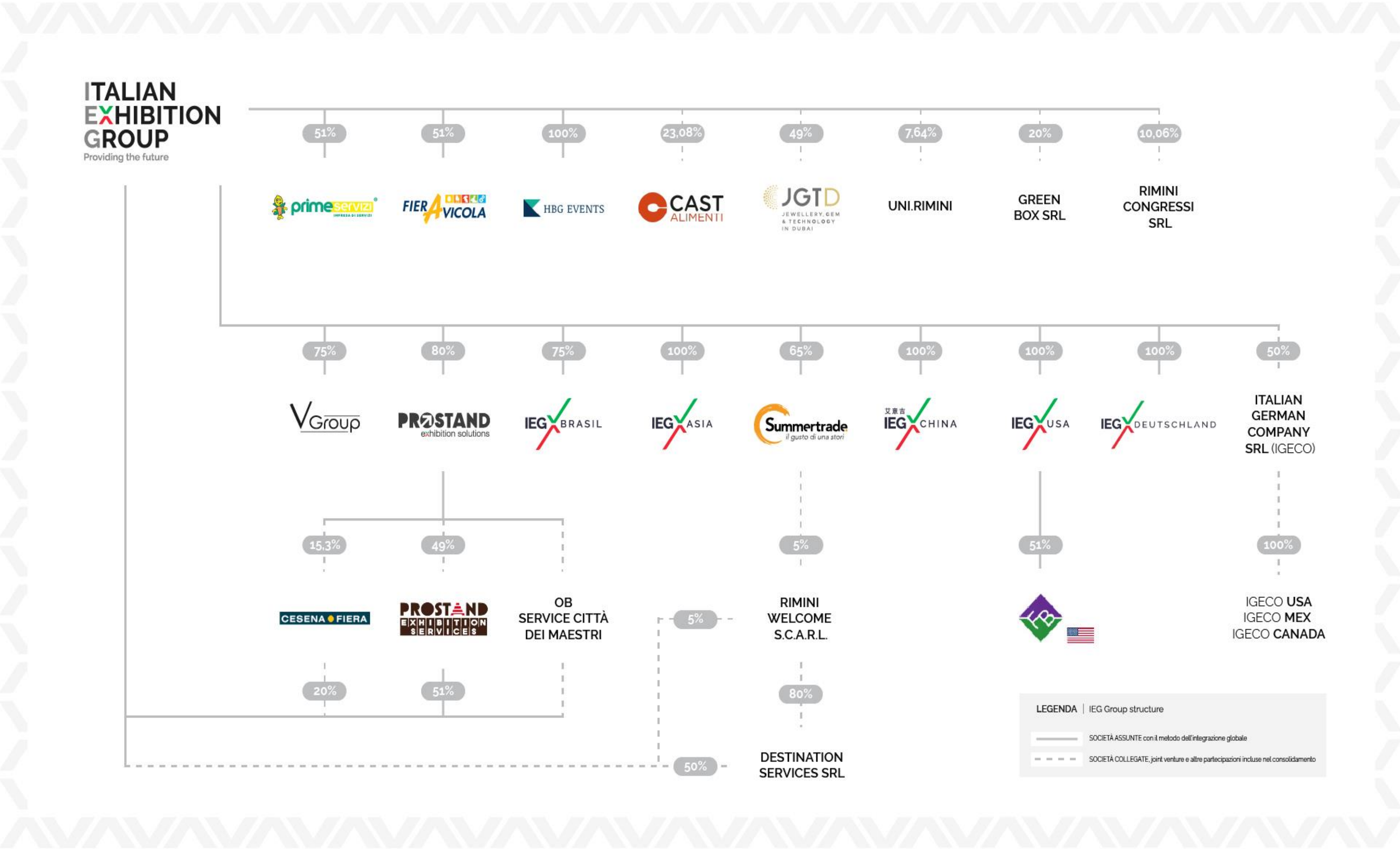
PricewaterhouseCoopers S.p.A.

MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL DOCUMENTS

Teresa Schiavina

(1) The Board of Directors shall remain in office until the Shareholders' Meeting called to approve the financial statements for the year at 31 December 2023.
(2) The Board of Auditors shall remain in office until the Shareholders' Meeting called to approve the financial statements for the year at 31 December 2022.
(3) PricewaterhouseCoopers S.p.A. has been appointed to perform the statutory audit for the nine years 2019 - 2027 and shall remain in office until the Shareholders' Meeting called to approve the financial statements for the year at 31 December 2027.

GROUP STRUCTURE



GROUP PROFILE

The IEG Group is active in organising trade fairs, hospitality for trade fairs and other events in exhibition spaces, promoting and managing convention centres and supplying services related to trade fairs and conferences. The Group is also active in the publishing sector and trade fair services connected with sporting events hosted.

The Group confirmed its position as one of the leading national and European operators in the trade fair organisation sector: in particular, it is a leader in Italy in organising international events, focussing on those targeted at the professional sector (so-called B2B events).

It organises and manages trade fairs primarily in the following structures:

- Rimini Trade Fair District, located in via Emilia no. 155;
- Vicenza Trade Fair District, located in via dell'Oreficeria no. 16;
- Rimini Convention Center, located in via della Fiera no. 23 in Rimini;
- Vicenza Convention Center, located in via dell'Oreficeria no. 16, Vicenza.

The two trade fair districts are owned by the Parent Company Italian Exhibition Group S.p.A., the Rimini convention center is leased while the one in Vicenza is part owned and part leased, based on a gratuitous loan for use agreement expiring on 31 December 2050.
The Parent Company also operates through local units located in Milan and Arezzo.

Aside from the Rimini and Vicenza sites, the Group organises trade fairs in the trade fair districts of other operators in Italy and abroad (e.g. Rome, Milan, Arezzo, Dubai, Chengdu, Leon, São Paulo, to mention just a few) also through subsidiaries, associated and joint control companies.

Italian Exhibition Group S.p.A. ("**IEG**") is the Parent Company and a subsidiary of Rimini Congressi S.r.l., which, in turn, drafts the consolidated financial statements. The Company is not subject to management and coordination by Rimini Congressi S.r.l. pursuant to art. 2497 et seq. of the Italian Civil Code. In fact, none of the activities that typically prove management and coordination activities, pursuant to art. 2497 et seq. of the Italian Civil Code exist.

FINANCIAL HIGHLIGHTS

The following statement summarises the main economic-financial results of the IEG Group at 31 December 2022 and compares them with the previous year. This Consolidated Annual Financial Report at 31 December 2022 has been prepared in compliance with Article 154 ter of the Consolidated Law on Finance and is prepared in accordance with the international accounting standards (IAS/IFRS) Adopted by the European Union.

The amounts shown in this Report on Operations are stated in thousands of Euro; the notes commenting on them are expressed in millions of Euro.

	31.12.2022	*% of Revenues*	31.12.2021	*% of Revenues*	Variation	Var. %
Revenues	**161,941**	*100.0%*	**102,503**	*100.0%*	**59,438**	58.0%
Adjusted gross operating margin (EBITDA)	**18,068**	*11.2%*	**(5,734)**	*-5.6%*	**23,802**	>100%
Adjusted operating income (EBIT)	**2,274**	*1.4%*	**(21,921)**	*-21.4%*	**24,195**	>100%
Profit/(Loss) for the year	**(773)**	*-0.5%*	**(673)**	*-0.7%*	**(100)**	14.9%
Net Financial Position (NFP)	**(95,354)**		**(105,629)**		**10,275**	-10%

Group **Revenues** for 2022 come to 161.9 million euros, up 59.4 million euros on the previous year, which benefited from non-recurring income in the amount of approximately 28.2 million euros due to Covid-19 contributions. The increase in sales net of Covid grants is 87.6 million euros.

Adjusted EBITDA of 18.1 million euros, up 23.8 million euros on 31 December 2021, when the Group recorded gross EBIT, net of the specified contributions and other non-recurring items, that was negative for 5.7 million euros. The **EBITDA margin** is back to two figures, coming in at 11.2%, recovering +16.8 percentage points at 31 December 2021, despite still suffering the low volumes of the first part of the year due to the essential inactivity of the first quarter, but also the progressively increasing inflation expected in 2022.

Adjusted EBIT comes to 2.3 million euros, an improvement of 24.2 million on the previous year, when it came to -21.9 million euros.

The Group closes essentially at break-even, with a loss of 0.8 million euros, compared with the loss of 0.7 million euros recorded at 31 December 2021.

The **Net Financial Position** at 31 December 2022 is 95.4 million euros, an improvement of 10.3 million euros on the previous year, when it was 105.7 million euros thanks to solid cash generation.

ALTERNATIVE PERFORMANCE INDICATORS (APIs)

Management uses certain performance indicators that are not identified as accounting measures under IFRS (NON-GAAP measures), to enable a better assessment of the Group's performance. The determination criterion applied by the Group may not be consistent with that adopted by other Groups and the indicators may not be comparable with those determined by the latter. These performance indicators, determined in accordance with the provisions of the Guidelines on Performance Indicators issued by ESMA/2015/1415 and adopted by CONSOB in Notice No. 92543 of 3 December 2015, refer only to the performance of the accounting period covered by this Consolidated Annual Financial Report and the periods compared. The performance indicators should be considered as complementary and do not replace the information drafted in accordance with the IFRSs. Below is a description of the main indicators adopted.

- **EBIT (Earnings Before Interest, Taxes) or Operating Income**: this indicator is defined as Profit/(Loss) for the year from continuing operations before financial management and income taxes.
- **EBIT (Earnings Before Interest, Taxes) or Adjusted Operating Income**: this indicator is defined as Profit/(Loss) for the year from continuing operations before financial management and income taxes and costs and revenues considered by management to be non-recurring.
- **EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) or Gross Operating Margin**: this indicator is defined as Profit/(Loss) for the year from continuing operations before depreciation of tangible and intangible assets and rights of use, financial management and income taxes.
- **EBITDA or Adjusted Gross Operating Margin:** this indicator is defined as Profit/(Loss) for the year from continuing operations before depreciation and amortization of property, plant and equipment, intangible assets and usage rights, financial management, income taxes and costs and revenues considered by management to be non-recurring.
- **Net Commercial Working Capital:** this indicator is calculated as the sum of Inventories and Trade receivables net of Trade payables.
- **Net Working Capital:** this indicator is calculated as the sum of Commercial Net Working Capital and Other Current Assets and Liabilities including Current Provisions for Risks and Charges.
- **Net Invested Capital:** this indicator is total Current and Non-Current Assets, excluding financial assets, net of Current and Non-Current Liabilities, excluding financial liabilities.
- **NFP (Net Financial Position):** this indicator is calculated in accordance with the provisions of "Warning notice no. 5/21" dated 29 April 2021 issued by Consob, which refers to ESMA Guideline 32-382-1138 of 4 March 2021.
- **Monetary NFP (Monetary Net Financial Position):** this indicator is calculated in accordance with "Warning notice No. 5/21" dated 29 April 2021 issued by Consob, which refers to ESMA Guideline 32-382-1138 dated 4 March 2021, with the exclusion of items related to leases accounted for in accordance with IFRS 16, Put Options and Financial Derivative Instruments recognized in accordance with IFRS 9.
- **Free Cash Flow:** this indicator is calculated as cash flow from operating activities net of investments in property, plant and equipment and intangible assets (excluding fixed assets under right of use recognized during the year in accordance with IFRS 16) and financial and tax income and expenses serving operating activities.

RECLASSIFIED GROUP ECONOMIC RESULTS

The table below shows the main economic items of the year, compared with the previous year:

Reclassified Consolidated Income Statement	31.12.2022	%	31.12.2021	%	Variation	Var. %
Revenues	**161,941**	**100.0%**	**102,503**	**100.0%**	**59,437**	**58.0%**
Operating costs	(108,011)	-66.7%	(53,889)	-52.6%	(54,122)	>100%
Contribution Margin	**53,929**	**33.3%**	**48,615**	**47.4%**	**5,314**	**10.9%**
Labor costs	(38,102)	-23.5%	(27,003)	-26.3%	(11,098)	41.1%
Amortisation, depreciation and impairment	(15,793)	-9.8%	(18,757)	-18.3%	2,963	-15.8%
Non-Recurring Charges and Income	2,239	1.4%	(24,775)	-24.2%	27,015	>100%
Adjusted Operating Income (EBIT)	**2,274**	**1.4%**	**(21,921)**	**-21.4%**	**24,195**	**>100%**
Non-Recurring Charges and Income	(2,239)	-1.4%	24,775	24.2%	(27,015)	>100%
Operating Profit/Loss (EBIT)	**35**	**0.0%**	**2,855**	**2.8%**	**(2,820)**	**-98.8%**
Net Financial Charges	537	0.3%	(3,896)	-3.8%	4,433	>100%
Earning before tax	**571**	**0.4%**	**(1,041)**	**-1.0%**	**1,613**	**>100%**
Income tax	(1,345)	-0.8%	368	0.4%	(1,713)	>100%
Net Result	**(773)**	**-0.5%**	**(673)**	**-0.7%**	**(99)**	**14.8%**
Amortisation, depreciation and impairment	(15,793)	-9.8%	(18,757)	-18.3%	2,963	-15.8%
EBITDA	**15,828**	**9.8%**	**21,611**	**21.1%**	**-5,783**	**-26.8%**
Non-Recurring Charges and Income	2,239	1.4%	(27,345)	-26.7%	29,585	>100%
Adjusted EBITDA	**18,068**	**11.2%**	**(5,734)**	**-5.6%**	**23,801**	**>100%**

Group **Revenues** as of 31 December 2022 stood at 161.9 million euros, an increase of 59.4 million euros (+58.0%) from 31 December 2021. In the previous year, non-recurring income of approximately 28.2 million was recognized for Covid-19 grants received. The increase in sales net of Covid grants is 87.6 million euros.

Financial year 2022 was characterized by a start of the year still negatively impacted by cyclical factors, primarily the resurgence of the Covid-19 pandemic, which forced the suspension of activity for most of the first quarter, while starting in the second half of the year, the sectors in which the Group operates showed strong signs of recovery, higher than expected, registering sales volumes, participation and satisfaction from operators, in some cases, higher than in the pre-pandemic scenario.

Organic revenue growth in 2022 was 26.5 million euros (+25.9% compared to 2021), driven mainly by higher volumes on events in the second half of the year and partly by price effects.

Revenue recovery related to the post-Covid restart (the 'Restart' effect) with the scheduling of cancelled, suspended, digitally held, or reduced events in 2021 amounted to 53.4 million euros (+52.1%), while incremental revenue for the biennial nature of some events contributed 4.3 million euros (+4.2%) to FY 2022 revenues.

With reference to the Group's only operating segment such as "Hosting of trade fairs, events and performance of related services," revenue figures disaggregated by line of *business* are shown below:

	31/12/2022	%	31/12/2021	%	Variation	Var. %
Organised Events	88,158	54%	38,471	38%	49,687	>100%
Hosted Events	3,148	2%	2,078	2%	1,070	51%
Conferences	14,776	9%	6,894	7%	7,882	>100%
Related Services	51,286	32%	23,042	22%	28,244	>100%
Publishing, Sporting Events and Other Activities	3,883	2%	3,820	4%	63	2%
Non-recurring Income - Covid Contributions	690	0%	28,199	28%	(27,508)	(98%)
TOTAL REVENUES	**161,941**	100%	**102,503**	100%	**59,437**	58%

Revenues from **Organised Events** were 88.2 million euros, an increase of 49.7 million compared to 2021, when the Group's activities had been suspended for most of the first half of the year. The share attributable to the “Restart” component affects 30.7 million euros, while the "Schedule" effect of 4.6 million euros is generated by biennial events such as 'Tecna' and 'IBE - Intermobility and Bus Expo,' partially offset by lower revenues from the scheduling of the 'Fieravicola' event. The organic growth achieved on this business line was 13.5 million euros. Organised Events suffered in the first half of 2022 from the effects of the latest pandemic wave induced by the Omicron variant of the Sars-Cov-2 infection, the peak of which occurred in January, the month in which important events such as 'Sigep', 'Vicenza Oro January' and 'TGold' are traditionally scheduled. Although no legislation has been introduced to prohibit trade fair-conferences, following discussions with the main stakeholders involved in the production and distribution chains of the companies taking part in the trade fairs of January and February, the Company decided to postpone the events Vicenza Oro January, TGold, Sigep and Beer & Food Attraction, from the original dates, to March. The change in the schedule clearly resulted in limited participation of both domestic and international exhibitors and visitors, significantly penalizing the results of the first quarter of the year compared to the pre-pandemic environment.

The second quarter has seen certain important events back occupying the historic date, including 'Rimini Wellness', 'Oroarezzo' and 'Abilmente Primavera'. The first Solar Exhibition & Conference was also launched in April.

Beginning in the third quarter of 2022, the signs of recovery gradually strengthened, with exhibitors' and visitors' great interest in the 'Vicenza Oro September and VO Vintage' event: industry professionals rewarded the only organizer which, throughout the pandemic period, continued to promote meeting platforms and events and proved to be a catalyst for the needs of the goldsmith community. The event also achieved record foreign visitor numbers, a clear sign of the strategic importance of the event for the industry not only nationally but also internationally.

The business line represented by **Hosted Events,** through which the Group leases its exhibition facilities to clients operating in the event organization sector, generated revenues of 3.1 million euros and saw the holding of 10 events by third-party organizers. The growth recorded compared to 2021 is attributable in part to the excellent performance due to the return of the main events Macfrut and Expodental and in part to the acquisition of new events, also with a multi-year schedule, such as "Focus on PCB" and "YED" at Fiera di Vicenza; "We Make Future" at Rimini Fiera.

The **Congress Events** segment, carried out through the management of the facilities of the Rimini Palacongressi and the Vicenza Convention Centre (VICC), in 2022 records revenues of 14.8 million euros, an increase of 7.9 million euros compared to 2021, represented for 5.5 million by the so-called "Restart" effect and 2.4 million by organic growth. Congress Activity, which was also initially held back by the pandemic, saw a total of 122 events held between Rimini's Palazzo dei Congressi and VICC (Vicenza). The congressional business has been extremely responsive, demonstrating a rapid return to pre-pandemic record levels.

Revenues 2022 attributable to **Services** segment, for the provision of services linked to exhibition and convention events, reach a total revenue of approximately 51.3 million in 2022, an increase of 28.2 million compared to 31 December 2021. The increase was mainly due to the "Restart" effect of 17.0 million euros and organic growth of 9.4 million euros. The Related Services benefits from the recovery of the exhibition sector especially in the second half of the year.

The business related to **Publishing, Sports Events and Other Activities** mainly includes publishing activities carried out for the tourism sector (TTG Italia, Turismo d'Italia and HotelMag) and for the gold sector (VO+ and Trendvision). Revenues from the line amounted to 3.9 million euros, an improvement of 0.1 million euros from 3.8 million euros in 2021.

Operating Costs as of 31 December 2022 amounted to 108.0 million euros (53.9 million euros as of 31 December 2021), with the percentage of sales increasing from 52.6% (72.5% of sales normalized by the one-off effect of Covid contributions) to 66.7%. The volume recovery allows for a 5.8 percentage point improvement in the percentage of sales despite inflationary increases in material and transportation procurement costs on related services and energy costs.

The **Contribution Margin** recorded in the year amounted to 53.9 million euros, up 5.3 million euros compared to the previous year (48.6 million euros). Net of the positive effect of Covid contributions, Value Added improves by 5.8 percentage points compared to 31 December 2021 from 27.5% to 33.3% recorded in 2022.

Labor costs amounted to 38.1 million euros (23.5% of revenues), up 11.1 million euros compared to the 27.0 million euros (26.3% of revenues) recorded as of 31 December 2021, in which it was contained by the effects of social shock absorbers, the absence of variable components of wages and lower business volumes.

Adjusted EBITDA, amounted to 18.1 million euros, an improvement of 23.8 million euros compared to 2021, when it was negative 5.7 million euros. EBITDA Margin as of 31 December 2022 returns to double digits at 11.2%, also improving on plan forecasts. In FY 2022, particularly in the second half of the year, the Group recovers 16.8 percentage points due to higher volumes attributable not only to the post-pandemic restart, but also to organic growth that, in financial year 2022, was only able to partially recover the inflation-related increase in energy and material costs through tariff adjustments.

EBIT as of 31 December 2022 closes at a break-even point, while in the previous year it was 2.8 million euros. Net of the Covid contribution and other non-recurring income and expenses, **Adjusted EBIT** for financial year 2022 was 2.3 million euros, an improvement of 24.2 million euros from 31 December 2021.

The **Net Financial Charges** is positive by 0.5 million euros and improves by about 4.4 million euros compared to 2021. The change is mainly attributable to the fair value of derivative financial instruments, an improvement of 2.0 million euros over 2021, and 1.7 million euros to lower charges related to the fair value of put options.

Earning Before Taxes amounted to 0.6 million euros, an improvement of 1.6 million euros compared to

31 December 2021.

Income Taxes for 2022 amounted to 1.3 million euros while in 2021 the tax income recognized amounted to 0.4 million euros.

Group's Period Result was a loss of 0.8 million euros, broadly in line with the loss recorded in 2021 of 0.7. The **Profit for the Period attributable to the shareholders of the Parent Company** is positive, amounting to 0.8 million euros compared to 1.6 million euros in 2021.

GROUP RECLASSIFIED ECONOMIC RESULTS FOR Q4

	Q4 2022	*% of Revenues*	Q4 2021	*% of Revenues*	Variation	Var. %
Revenues	**55,833**	*100.0%*	**59,982**	*100.0%*	**(4,149)**	-6.9%
Adjusted gross operating margin (EBITDA)	**11,177**	*20.0%*	**6,369**	*10.6%*	**4,808**	75.5%
Adjusted operating income (EBIT)	**8,398**	*15.0%*	**1,821**	*3.0%*	**6,577**	>100%
Profit/(Loss) for the period	**8,096**	*14.5%*	**18,385**	*30.7%*	**(10,289)**	-56.0%

Fourth quarter 2022 recorded **Revenues** amounting to 55.8 million euros, net of non-recurring items represented by Covid contributions amounting to 17.9 million euros. The change in turnover compared to the same quarter 2022 is 13.8 million euros with an increase of 32.7%, a result that marks not only full recovery, but also that the pre-pandemic levels have been exceeded. The growth was driven by the excellent performance of events such as 'Ecomondo and Key Energy,' in their last edition at the same time, which recorded record results in terms of occupancy, volumes and feedback from the community and institutions.
On the international front, the 'Wellness' segment contributed to fourth quarter sales with two events in the Middle East and South America, respectively. More specifically, the 'Dubai Muscle Show' was held in October at the Dubai World Trade Center in Dubai. The event showed strong growth results on 2021 and great potential for development, while in November the first edition of 'BTTF - Brasil Trading Fair' was held in São Paulo, Brazil.

	4Q 2022	%	4Q 2021	%	Variation	Var. %
Organised Events	37,355	66.9%	26,011	43%	11,344	44%
Hosted Events	0	0.0%	88	0%	(88)	(100%)
Conferences	5,776	10.3%	3,619	6%	2,157	59.6%
Related Services	11,097	19.9%	11,468	19%	(371)	(3.2%)
Publishing, Sporting Events and Other Activities	1,598	2.9%	900	1%	699	77.7%
Non-recurring Income - Covid Contributions	7	0.0%	17,896	30%	(17,889)	(100%)
TOTAL REVENUES	**55,833**	100.0%	**59,981**	100%	**(4,148)**	(6.9%)

Adjusted EBITDA, achieved in the fourth quarter of the year reached 11.2 million euros, an improvement of 4.8 million euros compared to 2021 (6.4 million euros). **EBITDA Margin** as of 31 December 2022 returns to double-digit and pre-pandemic levels standing at 20.0% despite inflationary increases that sharpened in the second half of the year.

Adjusted EBIT for the fourth quarter was 8.4 million euros, an improvement of 6.6 million euros compared to 31 December 2021.

The last quarter of the year closed with a **Profit** of 8.1 million euros, net of the Covid contribution, an improvement over the fourth quarter 2021 of 7.6 million euros.

ANALYSIS OF RECLASSIFIED CONSOLIDATED BALANCE SHEET FIGURES

	31.12.2022	31.12.2021	Variation	Var. %
Intangible fixed assets	12,373	12,732	(359)	-2.82%
Goodwill	25,360	21,787	3,573	16.40%
Property, plant and equipment	191,032	190,674	358	0.19%
Financial assets and Investments in affiliates	18,223	14,255	3,968	27.83%
Other Fixed Assets	6,622	7,397	(774)	-10.47%
Fixed Assets	**253,611**	**246,845**	**6,766**	**2.74%**
Trade receivables	30,041	23,126	6,915	29.90%
Trade payables	(42,807)	(33,825)	(8,982)	26.55%
Inventories	852	731	121	16.59%
Net Trade Working Capital (NTWC)	**(11,914)**	**(9,969)**	**(1,945)**	**19.51%**
Other Current Assets	7,382	6,026	1,357	22.52%
Other Liabilities and Provisions for Risks – current	(52,680)	(36,291)	(16,389)	45.16%
Net Working Capital (NWC)	**(57,212)**	**(40,234)**	**(16,978)**	**42.20%**
Other non-current liabilities	(1,805)	(2,020)	215	-10.62%
Employee severance indemnity	(2,959)	(3,754)	795	-21.18%
Provisions for risks – non current	(2,174)	(1,830)	(345)	18.84%
Net invested capital (NIC)	**189,460**	**199,007**	**(9,546)**	**-4.80%**
Shareholders' equity	**94,106**	**93,378**	**728**	**0.78%**
Net Financial Position (NFP)	**95,354**	**105,629**	**(10,275)**	**-9.73%**
TOTAL SOURCES	**189,460**	**199,007**	**(9,547)**	**-4.80%**

Net Invested Capital, at 189.5 million euros (199.0 million euros as of 31 December 2021), shows a decrease of 9.5 million euros, of which 6.7 million euros is an incremental change on fixed assets and 17.0 million euros on Net Working Capital.

Fixed Assets (253.6 million euros as of 31 December 2022) marks an overall increase of 6.7 million euros mainly attributable to the acquisition of the subsidiary VGroup S.r.l. which resulted in the recognition of provisional goodwill of 2.9 million euros, while the change in financial assets of 3.9 million euros is mainly represented by the increase in unconsolidated equity investments, including the investment in IGECo S.r.l. for 3.4 million euros, against the acquisition of a 50 % stake in the company in a joint venture with Deutsche Messe AG (DMAG).

Negative **Net Working Capital** and amounting to 57.2 million euros as of 31 December 2022, shows an increase of 17.0 million euros in relation to higher advance payments recorded against advances from customers for events to be held in the first quarter of 2023, and which in the previous year were more restrained due to reduced activity caused Covid.

Group's **Net Financial Position** as of 31 December 2022 was 95.4 million euros, an improvement of 10.3 million euros compared to 31 December 2021.

	31/12/2022	31/12/2021	Variation
Opening net financial position	**(105,629)**	**(129,077)**	**23,448**
Adjusted EBITDA	18,068	(5,734)	23,801
Change in net working capital	15,178	45,926	(30,748)
Investments	(6,256)	(5,706)	(550)
Acquisitions	(6,631)	(113)	(6,518)
Taxation	(584)	162	(746)
Net financial income/(expenses)	(2,572)	(2,699)	126
(Purchase)/sale of treasury shares	(127)	-	(127)
Dividends	-	-	-
Other non-monetary changes	(6,800)	(8,388)	1,588
Closing net financial position	**(95,354)**	**(105,629)**	**10,274**

Operating cash generated in the year amounted to 19.6 million euros. Capital expenditures for the period amounted to 6.3 million euros and mainly related to routine maintenance of the fairgrounds and facilities of the production companies, as well as investments on information systems and digitization projects. Development investments completed through acquisitions totalled 6.6 million euros and related to both expansion in the Italian market with the acquisition of VGroup and expansion in the international market with the investment in the joint venture with Deutsche Messe AG.

Net financial position [1]		31/12/2022	31/12/2021
A.	Cash and cash equivalents	50,586	52,651
B.	Cash equivalents	-	-
C.	Other current financial assets	137	261
D.	**Liquidity: (A) + (B) + (C)**	**50,723**	**52,912**
E.	Current financial payables	(10,272)	(10,723)
F.	Current portion of non-current financial debt	(18,301)	(19,480)
G.	**Current financial debt: (E) + (F)**	**(28,573)**	**(30,203)**
H.	**Current net financial indebtedness: (G + D)**	**22,150**	**22,709**
I.	Non-current financial liabilities	(114,073)	(115,815)
J.	Debt instruments	-	-
K.	Trade payables and other non-current payables	(3,431)	(12,523)
L.	**Non-current financial debt: (I) + (J) + (K)**	**(117,504)**	**(128,338)**
M.	**Total financial debt: (H) + (L)**	**(95,354)**	**(105,629)**

[1] *Net financial position presented in accordance with the ESMA Guidelines of 4 March 2021 (Consob warning notice no.5/21)*

RECLASSIFIED PERIOD ECONOMIC, EQUITY AND FINANCIAL POSITION OF THE PARENT COMPANY

The table below shows the main reclassified financial and equity items at 31 December 2022, compared with 31 December 2021, for the Parent Company IEG S.p.A.

RECLASSIFIED INCOME STATEMENT DATA OF ITALIAN EXHIBITION GROUP S.P.A.

Reclassified Consolidated Income Statement	31.12.2022	%	31.12.2021	%	Variation	Var. %
Revenues	**109,957**	**100.0%**	**72,587**	**100.0%**	**37,371**	**51.5%**
Operating costs	(74,565)	-66.7%	(37,842)	-52.6%	(36,723)	97.0%
Value added	**35,392**	**33.3%**	**34,745**	**47.4%**	**648**	**1.9%**
Staff costs	(22,489)	-23.5%	(16,723)	-26.3%	(5,766)	34.5%
Amortisation, depreciation and impairment	(11,144)	-9.8%	(13,946)	-18.3%	2,802	(20.1)%
Non-Recurring Charges and Income	2,930	1.4%	(21,530)	-24.2%	24,459	<(100)%
Adjusted Operating Income (EBIT)	**4,689**	**1.4%**	**(17,454)**	**-21.4%**	**22,144**	**<(100)%**
Non-Recurring Charges and Income	(2,930)	-1.4%	21,530	24.2%	(24,459)	<(100)%
Operating Profit/Loss (EBIT)	**1,760**	**0.0%**	**4,076**	**2.8%**	**(2,316)**	**(56.8)%**
Financial management	844	0.3%	(2,263)	-3.8%	3,106	<(100)%
Pre-tax result	**2,603**	**0.4%**	**1,813**	**-1.0%**	**791**	**43.6%**
Income tax	(1,091)	-0.8%	(203)	0.4%	(888)	>100%
Group result for the period	**1,513**	**-0.5%**	**1,610**	**-0.7%**	**(97)**	**(6.0)%**
Amortisation, depreciation and impairment	(11,144)	-9.8%	(13,946)	-18.3%	2,802	(20.1)%
EBITDA	**12,903**	**9.8%**	**18,022**	**21.1%**	**-5,118**	**(28.4)%**
Non-Recurring Charges and Income	2,930	1.4%	(21,530)	-26.7%	24,459	<(100)%
Adjusted EBITDA	**15,833**	**11.2%**	**(3,508)**	**-5.6%**	**19,341**	**<(100)%**

	31.12.2022	31.12.2021	Variation	Var. %
Intangible fixed assets	10,804	11,435	(630)	-5.51%
Goodwill	8,211	8,211	0	0.00%
Property, plant and equipment	172,646	180,408	(7,762)	-4.30%
Financial assets and Investments in affiliates	42,208	33,561	8,647	25.76%
Other Fixed Assets	4,776	5,741	(965)	-16.81%
Capital Assets	**238,645**	**239,355**	**(711)**	**-0.30%**
Trade receivables	24,285	19,069	5,215	27.35%
Trade payables	(37,285)	(26,780)	(10,505)	39.23%
Inventories	0	0	0	#DIV/0!
Commercial Net Working Capital (CNWC)	**(13,001)**	**(7,711)**	**(5,290)**	**68.61%**
Other Current Assets	3,706	4,848	(1,141)	-23.55%
Other Liabilities and Provisions for Current Risks	(45,940)	(32,345)	(13,595)	42.03%
Net Working Capital (NWC)	**(55,235)**	**(35,208)**	**(20,026)**	**56.88%**
Other non-current liabilities	(1,805)	(2,020)	215	-10.62%
Employee severance indemnity	(1,991)	(2,716)	726	-26.71%
Provisions for non-current risks	(1,789)	(1,937)	148	-7.66%
NET INVESTED CAPITAL (NIC)	**177,825**	**197,474**	**(19,648)**	**-9.95%**
Shareholders' equity	**107,534**	**105,647**	**1,888**	**1.79%**
Net Financial Position (NFP)	**70,291**	**91,827**	**(21,536)**	**-23.45%**
TOTAL SOURCES	**177,825**	**197,474**	**(19,648)**	**-9.95%**

RESEARCH AND DEVELOPMENT

Research and development activities play a significant role in the pursuit of the Group's objectives and in staying competitive in a sector that is becoming increasingly more competitive, characterised by a growing installed productive capacity in relation to a market with more restrained dynamics.
The lines of action of research and development activities were organised primarily with two methods. The development of products and of the ordinary activities of the various subsidiaries and associated companies is handled directly by the Chief Executive Officers of said companies, while at IEG S.p.A. it is monitored by dedicated personnel who deal with both development of the products in the portfolio and the analysis of development of new exhibitions and events. The study of new sectors and major strategic projects are coordinated directly by the management of IEG S.p.A. and the Group, in close collaboration with the Board of Directors.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The HR Department of the parent company IEG S.p.A. is responsible for defining and supervising policies, functional processes and technical components as coming under their purview, defining standards and KPIs in connection with: talent acquisition, development and training (talent management), organisational development and remuneration systems (compensation & benefits).

Staff selection

The staff selection process guarantees the search for and acquisition of strategic figures for the company's development, in line with the needs of the various organisational levels.

Training

Training supports the development of talent and potential available in its multiple forms and manners, through an individual and collective learning path, making it possible to grow and keep skill levels up to speed. The lines along which the development of strategic actions is concentrated are the digitisation of the process of inclusion in the company, the execution of the training programme in hybrid format (physical and digital) and the selection of highly qualified partners and programmes.

Performance measurement

The performance management process is a continuous process between the employee and the other players involved in assessing performance; it helps keep the company's and employees' expectations aligned, optimising the commitment and contribution of each and every individual. More specifically, the process is structured into the phases of Assignment of objectives, Mid-year review, Self-assessment, Manager's assessment, Calibration of assessments and Feedback.

Relations with trade unions

For many years now, the Group has been promoting multiple initiatives by which to improve the work-life balance, in particular for the Parent Company and the Group's Italian companies: from the management of flexible weekly working hours to smart working, to post-maternity part-time and management of the welfare platform. This latter aspect in particular, allows employees to make the most of goods, services and agreements for their free time, entirely at the company's expense. The amount available for each employee coincides with the sum of two elements: a fixed amount established in the Company's Supplementary Agreement with the representatives of IEG workers, and a second amount corresponding to the portion of the performance bonus that may be converted by the collaborator. Each collaborator, in fact, can decide to receive part of the performance bonus in a non-monetary form, instead receiving welfare credits that can be spent on the specific platform. In 2022, no workplace accidents occurred involving a fatality or serious injuries to workers recorded in the company's employee register. In compliance with the regulations governing workplace safety, the Single Document for the Assessment of the Risks of Interference (DUVRI) was prepared, and the operating plans for the safety of the suppliers operating in the trade fair district were examined. No charges were recorded against any Group companies regarding occupational illnesses involving employees or former employees and cases of mobbing.

INFORMATION ABOUT EMPLOYEE TRAINING

Training is an essential tool for the growth of our resources and one of IEG's key strategic assets.
The main aim is to support and assist them in developing the skills necessary to address the new business challenges, keeping their curiosity levels engaged and stimulating their creativity and passion for the work, innovating and opening up to change.
This is why 2021 saw the integration into the Performance Management System of a section dedicated to development, so as to structure an increasingly tailored training plan that best meets specific needs. In this area, the employee can explain what he wishes to receive in terms of training and reflect on his professional growth within the company.
All this has made it possible, for 2022, to prepare an extensive, differentiated training offer, which was then delivered throughout the year, using different methods, such as, for example: training in person, on demand, on-line but trainer-led, inter-company training, etc., as well as numerous in-house working tables both inter-department and amongst peers, to foster the comparison of notes, exchange of information and enhancement of skills.
Some summary data on 2022 training:

- 5,285 hours of training delivered (+22% on 2019) with this figure including both training courses delivered to employees by external professionals and by teachers chosen from within the company.
- More than 70% of the IEG population attended at least one course.
- 4.06 on a scale of 1 to 5 was the average score assigned to the training

There were various areas of development of the training plan:

- Strengthening of managerial skills
- Reskilling of digital knowledge
- Linguistic strengthening
- Project management

Main projects for 2022:

- Manager Development Program: an in-house masters course dedicated exclusively to managers with the aim of creating a cohesive team that compare notes to foster a shared view and strengthen soft and technical skills like: project management, finance for non finance, feedback, persuasive communication, delegation and effective meeting management.
    - 28 managers took part in the project for 900 hours.

- Project Management: transversal training seeking to increase knowledge of tools and techniques to assure an increasingly effective and successful management of projects.
    - 45 employees took part in the project for 720 hours.

In 2022, the economic investment relative to non-mandatory training was financed 68% through the use of interprofessional funds to which the company adheres (Fondimpresa and Fondirigenti).

HEALTH, SAFETY AND THE ENVIRONMENT

Italian Exhibition Group S.p.A. considers the focus on the requirements and pursuit of satisfaction of its customers and stakeholders, respect for and safeguarding of the environment and protection of workplace health and safety to be essential values for the development of its business activities.
These values represent the fundamental primary aspects that do not conflict with the Company's development but, on the contrary, promote the Company by distinguishing it. They constitute elements of productive investment and are a tangible and qualifying expression of the commitment to sustainable development and continuous improvement of activities and qualitative, environmental and safety performances.
To this end, Italian Exhibition Group S.p.A. launched a process designed to plan, develop and keep active an integrated company management system compliant with the applicable regulations on the environment (UNI EN ISO 14001:2015) and Workplace Health and Safety (UNI ISO 45001:2018).
The trade fair districts are currently equipped with an Environmental Management System and a certified Workplace Health and Safety Management System which complies with the requirements of the applicable regulations, for the purpose of protecting the health of its workers and other operators that work in the trade fair district. In this respect, the process has been completed, which led to the certification of the trade fair districts of Rimini, Vicenza and the Ecomondo organisation (and, in 2023, the procedure will also start for the Rimini Palacongressi), according to international standard ISO 20121, which defines the requirements of an event sustainability management system, the prestigious recognition was obtained thanks to the consultancy of the Hera Group, one of the most important Italian multiutility companies that manages the environmental, water and energy services of millions of citizens. The best practices introduced with the planning of the Ecomondo event include the absence of carpet in the rows within the halls, with an environmental saving of more than 140 tonnes per year of carpet; the collection and recovery of cigarette butts; the strengthening of electric car charging stations; accessibility to the district by the disabled; and increasing the power installed in respect of the photovoltaic plants.
In all sites managed by IEG, the presence of personnel is monitored from outside Italian Exhibition Group S.p.A. operating in the structures and IEG provides them with all the information relating to the specific risks in the environment in which they are due to operate and the measures for the prevention, protection and management of existing emergencies. In order to optimise the management of safety as a whole, Italian Exhibition Group S.p.A. has outsourced the role of Prevention and Protection Service Manager to a professionally recognised external party.
The Vicenza site holds the environmental certification UNI EN ISO 14001:2015 and the certification UNI ISO 45001:2018 and is also implementing an Energy Efficiency Programme by adhering to the criteria of standard UNI CEI EN ISO 50001:2011 to reach the maximum level of efficiency and effectiveness in observance of protection of the environment and worker health and safety and the quality of services.
The Rimini Trade Fair District, which holds the environmental certification UNI EN ISO 14001:2015 and the certification OHSAS 45001:2018, was designed and managed with a view to a low environmental impact (it was awarded with the prestigious international ELCA "Building with Green" Trend award in Nuremberg). The wood that dominates the architecture of the district comes from Scandinavia, which has a continuous reforestation cycle. Large windows and skylights allow primarily natural light and this is fostered by 850 LED projectors saving 120 tonnes of CO_2 per year in emissions and consumptions of 360,000 KWh; in addition, in the entrance areas, where constant lighting is needed, LED lighting technology is mostly used, with an 85% saving in electricity. A photovoltaic system has already been in operation on the roof of the main entrance since 2005, which extends over an area of 400 square metres, providing energy to the central hall, saving Rimini roughly 40 tonnes of carbon dioxide annually.
The photovoltaic plants developed over the years guarantee the production of 8.5 million kWh of clean energy, which is what is needed to make the Italian offices self-sufficient.
Air conditioning in the district is obtained through a system that produces cold air during night-time hours and recirculates the cold air during daytime hours (a sort of "ice bank" which allows a reduction in the

electricity power burden of approximately 50%). By contrast, for the heating, a heating system is in place with condensing boiler, which saves the city of Rimini 90% of nitrogen oxide emissions with respect to burner boilers. The internal and external green spaces cover an area of 160 thousand square metres, with more than 1,500 plants and 30 thousand square metres of lawns (and the irrigation systems use exclusively surface waters).
The fountains are all recirculated water, while in the toilets of the trade fair district, the water jets are pressure controlled (two initiatives with a saving of 23 million litres of water per year). A number of ecological islands are also present throughout the entire district and in the external areas, allowing visitors to separate waste products.
Lastly, the district can be reached by train thanks to the railway station located at the southern entrance, which lightens the impact of traffic on the environment; the station is, in fact, used by 20% of visitors.
The same focus on the themes of environmental sustainability is also evident from the Palacongressi venue. The structure is 100% eco-friendly. Low environmental impact, integration in the urban setting, they are completed perfectly with flexibility, functionality and aesthetic quality. For the construction of its 39 rooms with 9,000 seats, eco-compatible materials were used: wood, glass, stone. Spaces and environments are illuminated by natural light, thanks to large windows. Artificial fluorescent lamps are equipped with dimmer switches and those for the lighting of escape routes are equipped with LED technology, thanks to which optimum lighting and minimum energy waste is achieved. By contrast, a rainwater collection system ensures the irrigation of the green areas around the building and alleviates the water burden for storm overflow sewers and combined sewer overflow systems. One of the eco-green jewels is the ice accumulation system. During the night, storage tanks accumulate the energy needed to generate cold air, used during the day to cool the building. Result: 30% reduction in electricity used. At the same time, latest generation boilers and exchangers guarantee energy savings and lower emissions of fumes into the environment.

In 2022, no workplace accidents occurred involving a fatality or serious injuries to workers recorded in the company's employee register. In compliance with the regulations governing workplace safety, the Single Document for the Assessment of the Risks of Interference (DUVRI) was prepared, and the operating plans for the safety of the suppliers operating in the trade fair district were examined.
No charges were recorded against any Group companies regarding occupational illnesses involving employees or former employees and cases of mobbing.

RISK MANAGEMENT POLICY

Effective risk management is a key factor in maintaining the Group's value over time. To this end, in the framework of the Corporate Governance system, IEG adopts a policy for managing the risks constituting the set of organisational structures, rules and procedures aiming to allow for the identification, measurement, management and monitoring of the main corporate risks within the Group, helping assure that healthy, correct business is pursued, consistently with the objectives defined by the Board of Directors and fostering the making of informed decisions, consistent with risk appetite and the spread of a correct awareness of risks, legality and corporate values.
The Board of Directors has the task of defining the guidelines so that the main risks to which IEG S.p.A. and its subsidiaries are exposed are correctly identified and suitably measured, managed and monitored.
The Board of Directors identifies the following corporate departments as being in charge of risk management, defining their respective tasks and responsibilities under the scope of the Internal Control and Risk Management System:

- Management Team, which identifies and assesses operational risk, a direct expression of the strategy and relating to the achievement of strategic objectives in line with the responsibilities of execution assigned to them.

- Control, Risks, Remuneration and Appointments Committee (made up, in line with the provisions of the Code of Corporate Governance, of 3 independent, non-executive directors), it is responsible for supporting the Board of Directors in making assessments and decisions concerning the internal control and risk management system based on preliminary analyses.

The main principles of risk management and the bodies appointed to assess and monitor such, are described in the Corporate Governance Report, the Organisation, Management and Control Model in accordance with Italian Legislative Decree no. 231/2001 and the Administrative and Accounting Control Model (pursuant to Art. 154 bis of the Consolidated Law on Finance).
In order to allow the organisation to define the risk categories on which to focus its attention, the Group has adopted a model for identifying and classifying risks, starting from the risk classes broken down by type, in connection with the managerial level or corporate department from which they originate or which is responsible for the relevant monitoring or management.
The Internal Audit Department systematically checks the effectiveness and efficiency of the Internal Control and Risk Management System as a whole, reporting back to the Chairman, the CEO, the Board of Auditors, the Control, Risks, Remuneration and Appointments Committee and the Supervisory Body for the specific risks linked to compliance with Italian Legislative Decree no. 231/2001 and at least once a year to the Board of Directors.
Below are the main risks for each of the above-listed risk families. The order in which they are reported does not entail any classification, neither in terms of probability of onset nor of possible impact.

The level one risk families identified on the basis of the Risk Management Policy are as follows:

- External and strategic risks;
- Operational risks;
- Compliance risks;
- Financial risks.

EXTERNAL RISKS

Economic context

The Group's economic and financial results are clearly exposed to the performance of the economic cycle as well as global macroeconomic variables. The first impact the level of investment in trade fairs, congresses and related services. The macroeconomic variables, on the other hand, translate into tension seen on the prices and availability of commodities and energy may, however, compromise expected economic recovery and project negative effects onto the Group's business and economic, equity and financial position.
The mitigation actions implemented by the Group are embodied by the constant monitoring of the levels of profitability needed to ensure the objectives of financial and capital equilibrium are met, as well as the continuous alignment with the budget plans and other plans formulated.

Competitive scenario and evolution of the trade fair market

The Group is exposed to the risk of a market characterised by a high concentration of an increasingly small number of players that tends to limit a growth strategy through mergers and acquisitions. The leadership position achieved on the domestic market in some of the core business segments then heighten competition and increase the risk of new operators making an appearance, potentially negatively impacting market position.

The organisation and hospitality of trade fairs and congresses are, by nature, subject to a certain degree of seasonality and cyclicity of demand. Seasonality, both due to the greater distribution of events during the first and fourth quarters of the year and the two-yearly nature of certain events, has a considerable impact on the distribution of the Group's revenues and margins, with it being exposed to the risk of having saturation levels of the fair and congress structures that are less than optimal in terms of achieving the margins forecast.

Group operations primarily entail trade fair activities, whose revenues are distributed among an extremely broad number of customers, concentrated, however, on a small number of events, some of which organised on the basis of agreements with associations representing the biggest exhibitors. Despite the large number of events organised and hosted at the trade fair districts, use of a considerable portion of the exhibition surface and related revenues and margins is tied to a limited number of specific events, both organised and hosted. It is therefore possible that such key events may record negative performance such as to prejudice their continuity over time, or may transfer (for the events hosted) to other trade fair districts. Although the risk deriving from the possible loss of events organised by third parties is contained, given that the revenues and margins linked to these events are small, more significant is the potential risk related to a change in relations with the associations or with groups of leading customers which could involve a loss of some events.

The Group is constantly committed to research, targeted at distinguishing itself from its competitors, thanks to the continuous improvement in the offering and in the quality of the events organised, by developing the high levels of in-house skills and know-how, the strength of the brands and contents and synergies between the businesses.

Climate change

Climate change, which is identified as the failure to mitigate and adapt to climate change, is a topic that is increasingly concerning the global economy. The main aspects are linked to physical risks, i.e. impacts directly related to the change in climate and its expressions and to transaction risks identified as the impacts deriving from the transition process towards a low-carbon economy. At present, the Group does not see a particularly high risk profile in connection with climate change. Despite this, the Directors feel significant responsibility for the topic, having promised and signed The net zero carbon events initiative in July 2022, which envisages halving greenhouse gas emissions by 2030 and zeroing them by 2050 on all the events promoted in Italy.

OPERATIONAL RISKS

The main operational risks inherent to the nature of the business are those connected with the supply chain, the unavailability of production sites, the marketing of the products, information technology and topics of health, safety at work and the environment.

Business interruption

The Group is exposed to the risk of suffering natural or accidental events (such as earthquakes or fires), wilful misconduct (vandalism) or plant malfunctions, potentially damaging assets, causing production sites to be unavailable and their discontinued operation. The Group has therefore strengthened the mitigation process aimed at minimising the risk of such events occurring and implementing protection, aimed at limiting the relevant impacts, with the continuous consolidation of current business continuity in the Group's production sites.

Cyber security

The Group believes business continuity of the IT systems to be very important indeed and has, to this end, implemented measures to mitigate the risks, aimed at guaranteeing network connectivity, data availability and security whilst at the same time assuring personal data processing in connection with the European GDPR and national regulations applicable in the individual EU Member States.
The main measures adopted by the IEG Group include:

- Activation of an SOC (Security Operation Centre) with use of an XDR (Cynet) system to monitor endpoints (server, notebook, desktop) extended to all Group companies with access by various means to the Parent Company's servers;
- Double authentication (MFA) for all VPN accesses;
- Greater segregation of the networks and strengthening of the Password Policy;
- Strengthening of the back-up system with particular attention paid to problems relating to disaster recovery; the company is expecting to update the Disaster Recovery Plan by June 2023.

Additional activities are also in progress to assure greater IT security, completion of which is expected within the first half of 2023, including:

- Adoption of an SIEM system by means of QRADAR software, so as to have a detailed analysis of the security logs;
- Activation of a system for monitoring (NOC) all technological infrastructure operative in the IEG offices with direct integration with the SOC in the event of possible incidents;
- Adoption of the NIST framework to improve company posture;
- Update of industry documentation.

All measures adopted for security and privacy purposes are according to ISO/IEC 27001:2013.

Risks associated with dependency on key figures

The Group depends heavily on the professional contribution made by key staff and highly specialised figures, including, in particular (i) the members of top management and (ii) the exhibition directors, responsible for organising the individual events, by virtue of the specialised professional skills developed on the reference markets of organised trade fair events; the Group is therefore exposed to the risk of being unable to retain or attract resources with suitable characteristics to carry out the activities and support the Group's strategies or the risk that current professional contracts in place with key figures or specialised staff may be terminated.

To mitigate this risk, the Group has implemented the "HR 360" project, which aims to systematise and integrate various HR management processes, with the ultimate aim of retaining and developing the human capital. The following processes are involved in this project:

- *Risk Assessment Key Position;*
- *Compensation;*
- *Training;*
- *Performance management.*

COMPLIANCE RISKS

The main compliance risks to which the Group is exposed in connection with the nature of the business are those linked to health, safety at work and the environment; personal data processing; and compliance with the rules of former Italian Legislative Decree no. 231/01.

The activities carried out by the Group at the trade fair and congress structures and the number of subjects (employees, suppliers, exhibitors, visitors, congress participants, stand fitters, etc.) who transit through and operate there, may expose to the risk of claims or violations of health and safety at work regulations (Consolidated Text 81/2008). If any such violations should occur, the Company may be exposed to the application of significant sanctions or, in the event of injuries, the onset of disputes, with possible negative economic and financial repercussions, as well as reputational.

Such risks are mitigated both by contractual protection mechanisms and by the introduction of numerous procedural oversights, such as:

- the monitoring of the supplier selection evaluation process, with verification of technical-professional suitability and attention to aspects relating to health and safety at work. Indeed, the Company asks all suppliers (particularly for those that may generate risks of interference for health and safety at work), the following: updated Chamber of Commerce certificate, updated DURC (statement of regular payment of social security contributions) and self-declaration of technical-professional requirements. For specific cases and risks, certificates of employee training and a specific DVR (risk assessment document), are also required.
  The Purchasing Office also asks suppliers for a copy of their registration with the Chamber of Commerce, DURC and any specific certificates held, when they register with the purchasing portal;

- the preparation of the Consolidated Document for the Assessment of Risks of Interference (DUVRI) and the update of the procedures concerned, in order to respect the provisions of Italian Legislative Decree no. 81/2008, for each event. For different contracts, for example for scheduled and unscheduled maintenance, a specific DUVRI is prepared;
- the adoption and delivery to suppliers and exhibitors of a “Technical Exhibition Regulation” containing the rules with which fitters and suppliers must comply in going about their activities, in greater detail, for the events organised directly by the Company, the Technical Regulation is signed by the exhibitor when adhering to the event and published in the “Reserved Area for Exhibitors - Logistics/Documents section”; for the events hosted, the Technical Regulation is sent directly to the Organiser.

In addition, note the following protocols and certificates for health, safety and the environment:
- GBAC STAR ACCREDITATION - allows the company to control cleaning, sanitisation and prevention of infectious diseases.
- ISO 14001 - environmental management system
- ISO 45001 - occupational health and safety management system
- ISO 20121 – sustainable events management system

Italian Exhibition Group S.p.A. adopted an organisation, management and control model pursuant to Legislative Decree 231/2001, approved recently by the Board of Directors at the meetings on 15 October 2020 following the update to the model for the extension to the predicate offences "Tax offences" and "Trafficking of illicit influences".

Italian Exhibition Group S.p.A.’s Code of Ethics, updated by the Board of Directors on 15 October 2020, clearly and precisely defines the set of Principles and Values that the Company recognises, accepts and shares, as well as the responsibilities that it assumes vis-à-vis the internal and external environments in relation to all stakeholders.

In compliance with Regulation EU 679/2016 (GDPR), the company communicates that it has appointed a Data Protection Officer and special proxies and, more generally speaking, has complied with the obligations set forth in the aforementioned EU legislation. Amongst others, the Data Protection Officer carries out periodic audits to verify compliance with the instructions given in the company for data security. Instructions are generally given through “appointed persons in charge of the processing”, awareness-raising of and training on the Marketing Procedure (complete with related DPIA), awareness-raising of and training on the Procedure governing the processing of images, basic and specific training of all employees. The Company has also appointed special Privacy Proxies and has fulfilled the various obligations envisaged by European Community legislation by means of suitable information to customers and suppliers, the “Appointment as external data processor” for suppliers, consultants and collaborators (complete with the obligation to maintain data confidentiality), the publication of the Privacy Policy and Cookie Policy on the corporate website, numerous procedures and protocols (by way of example: Privacy by design, Data Breach Procedure, Procedure on the Rights of Data Subjects, IT Regulation, Document of the company's Compliance Status with respect to privacy obligations). The Company has also activated and updated a video surveillance procedure (complete with DPIA) intended to prevent and mitigate the risk that crimes will be committed, with a view to security, also formally appointing those in charge of video surveillance systems and giving them the instructions necessary to ensure compliance with data protection.

FINANCIAL RISKS

The IEG Group is exposed to financial risks related to its activities, in particular relating to the following types:

- credit risk;
- liquidity risk.
- market risk.

Credit risk

The Group is exposed to the credit risk associated with commercial transactions and has therefore envisaged measures to protect against the risk and minimise non-performing amounts by means of the timely control of past-due receivables, management of customer limits and the collection of economic information about companies with higher exposure. The credit risk to which the IEG Group is subject is not particularly high, both owing to the fragmentation of positions and the excellent credit quality historically recorded. The positions considered at risk were, nonetheless, written down accordingly. In order to limit the risks deriving from the management of trade receivables, each company has a Credit Management Department, assisted by the sales, administrative and legal structures and companies specialised in debt collection. The software implemented by the Parent Company IEG S.p.A. and used by the main subsidiaries keeps track of each reminder.

Liquidity risk

The Group believes it is fundamentally important to maintain a level of available funds suited to its requirements.

The two main factors that determine the Group's liquidity situation are, on the one hand, the resources generated or absorbed by operating and investment activities, and on the other, the maturity and renewal characteristics of the debt or of the liquidity of financial investments and market conditions.

The Group has adopted a series of policies and processes for optimising the management of financial resources, reducing liquidity risk:

- maintenance of an adequate level of available liquidity;
- obtaining of adequate credit lines;
- monitoring of prospective liquidity conditions, in relation to the process of business planning.

As part of this type of risk, as regards the composition of net financial indebtedness, the IEG Group tends to finance investments with medium/long-term payables, while it meets current commitments with both the cash flow generated by operations and by using short-term credit lines.

Market risk

The Group reserves the right to intervene with suitable hedges if the market risk factors should become significant.

The market risk consists of the exchange rate risk, the interest rate risk and the price risk, as described below.

Exchange rate risk

The IEG Group operates in an international context, meaning that it is naturally exposed to the translation and transaction exchange rate risk. The translation risk is linked to the conversion into euros during the consolidation of the financial statements of the foreign companies, which do not have the euro as their functional and presentation currency: the currencies with the highest impact are the US dollar (USD), the United Arab Emirates dirham (AED) and the Brazilian real (BRL). The transaction risk is linked to commercial (receivables/payables in foreign currencies) and financial operations (loans granted or taken out in foreign currencies) of the Group companies in currencies other than the functional and presentation currency. The currency to which the Group is most exposed is the American dollar. The functional currency, defined as the currency of the economic environment in which the Group mainly operates, is the euro.

Interest rate risk

In order to carry out its activities, the Group obtains finance on the market by taking out primarily floating rate debt (linked to the Euribor), hence exposing itself to the risk deriving from an increase in interest rates. The objective of interest risk management is to limit and stabilise flows of expenses due to interest paid primarily on medium-term payables to ensure close correlation between the underlying and the hedging instrument.

The hedging activity, evaluated and decided on a case by case basis, is carried out predominantly through derivatives targeted at transforming a variable rate to a fixed rate.

Price risk

The type of activity performed by the Group companies operating in the Organised events, Hosted events and Conferences business lines, essentially represented by the provision of services that do not require a process of purchase-transformation of assets, is such that the risk of fluctuations in prices in ordinary macroeconomic conditions, is marginal. The majority of the purchases made in relation to business activities , is represented by the provision of service whose value can be influenced by macroeconomic changes in the prices of the main commodities, in particular the energy costs necessary to climate control the trade fair and conference venues. More immediately exposed to the risks of price changes are the companies operating in the Related services sector (fitting out and catering in particular), which immediately suffer the disturbance of costs of commodities, transport and energy.

SHARE PERFORMANCE

Italian Exhibition Group S.p.A. has been listed on the Italian stock exchange since 19 June 2019 - the main segment of the Borsa Italiana MTA market. In 2022, the security changed negatively by 7.9%. The security reached a peak of 2.84 euros per share on 23 February 2022 and an all-time low of 1.81 euros on 26 July 2022. Average daily volumes traded in 2022 were approximately 6,220 shares, down on the 21,105 of the previous year.

2021 STOCK EXCHANGE DATA

Segment	EURONEXT MILAN
Bloomberg code	IEG:IM
Reuters code	IEG.MI
Number of shares	30,864,197 (of which 64,000 treasury shares)
2022 min	Euro 1.81 (26 July 2022)
2022 max	Euro 2.84 (23 February 2022)
Capitalisation	75.93 million euros at 31 December 2022

RELATIONS WITH INSTITUTIONAL INVESTORS AND SHAREHOLDERS

IEG strives to establish dialogue with shareholders and institutional investors, periodically promoting meetings with representatives of the financial community.

INFORMATION ON OWNERSHIP STRUCTURES/CORPORATE GOVERNANCE REPORT

In accordance with and pursuant to Art. 123-bis, paragraph 3, of Legislative Decree No. 58 of 24 February 1998 (as subsequently amended), the Board of Directors of Italian Exhibition Group S.p.A. has approved - relative to the financial year ended on 31 December 2022 - a Report on Corporate Governance and Ownership Structures, which is separate from the Report on Operations, containing the information pursuant to paragraphs 1 and 2 of such Art. 123-bis. This report is available to the public on the Company's website www.iegexpo.it.

OTHER INFORMATION

IEG S.p.A. indirectly controls some companies established and regulated by the law of non European Union Member States, which are significantly important in accordance with Article 15 of Consob Regulation 20249/2017 (formerly Article 36 of Consob Regulation 16191/2007) on market regulation (the "Markets Regulation").
Also in accordance with such regulatory provision, through internal procedures, the Company monitors compliance with the provisions of such Consob regulations. More specifically, the competent company management teams ensure the timely, periodic identification of significant "non-EU" companies and, with the collaboration of the companies concerned, guarantee the collection of data and information and the evaluation of the circumstances as per such Article 15.
The full adjustment of Italian Exhibition Group S.p.A. to comply with the provisions of Article 15 of the specified Consob Regulation 20249/2017 and the satisfaction of the conditions it lays down, is therefore fully acknowledged.
The Company has adhered to the opt-out regime as per Articles 70, paragraph 8 and 71, paragraph 1-bis of the Issuers' Regulation (regulation implementing the Consolidated Law on Finance (TUF) concerning issuer regulation, adopted by Consob by resolution no. 11971 of 14 May 1999, as subsequently amended), thereby availing itself of the faculty to derogate from the obligations to publish the information documents prescribed in the event of major mergers, spin-offs, capital increases by means of the contribution of assets in kind, purchases and sales.

The Group, in compliance with the provisions of Article 5, paragraph 3, letter b of Italian Legislative Decree no. 254/2016, has prepared the Consolidated Non-Financial Statement, which is a separate report. The Consolidated Non-Financial Statement for 2022, prepared in accordance with the GRI Standards for reporting, is available on the Group's website.

NUMBER AND VALUE OF TREASURY SHARES HELD

In 2022, Italian Exhibition Group launched its programme for the purchase and disposal of treasury shares. At 31 December 2022, the total number of ordinary shares is 30,864,197, of which 64,000 held as treasury shares, accounting for 0.21% of the share capital, hence at that date, there were a total of 30,800,197 outstanding shares. The shares have no nominal value and are fully subscribed.

	Balance as at	**Changes in 2022**		**Balance** as at
	31/12/2021	Purchases	Sales	**31/12/2022**
Ordinary shares issued	30,864,197			30,864,197
Company's own shares	0	64,000	0	64,000
Outstanding shares	**30,864,197**	**64,000**	**0**	**30,800,197**

RELATED PARTY TRANSACTIONS

Related party transactions are reported in the financial schedules and detailed in note 35) to which reference should be made. They are not considered atypical nor unusual, as they fall within the scope of the Group companies' normal operations and are carried out on an arm's length basis.

Reference should be made to the documentation published in the Corporate Governance section of the websitewww.iegexpo.it for information on the procedure for related party transactions.

In accordance with Art. 5, paragraph 8 of the Consob Regulation, it is noted that in the period 01.01.2022 - 31.12.2022, the Company's Board of Directors did not approve any significant transaction, as defined by Art. 3, paragraph 1, letter b) of the Consob Regulation, whilst it did approve a transaction with related parties classified as "of minor importance" with respect to the equity relevance indicators given in the Related Party Transactions Procedure.

TAX CONSOLIDATION

On 25 February 2021, the parent company IEG S.p.A. and its subsidiaries signed a three-year National Tax Consolidation contract regulated by Art. 117 *et seq.* of the Consolidated Law on Income Tax, for the financial years 2020-2022 and which is automatically renewable at the end of the three years, save where revoked on the declaration of income submitted for the third year of validity of the option.

SIGNIFICANT EVENTS OF THE YEAR

Governance

On 18 July 2022, Marino Gabellini - Sole Director of Rimini Congressi S.r.l. - tendered his resignation from the office of Director, considering, with the approval of the 2022-2027 business plan. Gabellini was appointed from the list submitted by Rimini Congressi S.r.l., he did not qualify as an independent director and did not hold positions on the committees formed within the Board of Directors. In lieu of Marino Gabellini, on 29 August 2022, having obtained the opinion in favour of the Board of Auditors, the Board of Directors coopted Gian Luca Brasini as independent Board member until the next Shareholders' Meeting, in accordance with article 2386 of the Italian Civil Code.

On 14 November 2022, the Board of Directors, having obtained the opinion of the Board of Statutory Auditors, appointed Teresa Schiavina, the company's CFO, as Financial Reporting Officer following the resignation of Carlo Costa.

Acquisitions

During the year, the Group finalized both corporate and international acquisition and development transactions as outlined below.

- On 24 March 2022, IEG Deutschland GmbH was established to develop the Group's international sales network.
- On 28 May 2022, 75% of the capital of V Group S.r.l., which organizes the MyPlant &Garden event, was acquired for a consideration of 3.4 million euros.
- On 8 October 2022, the remaining 50% of the share capital of Eagle Ltd. was purchased, later renamed IEG China Ltd. a Shanghai-based company that will oversee the Group's international development in China. The acquisition consideration was approximately 2.0 million Renminbi.
- On 11 October 2022, an agreement was signed for the acquisition of a 50% stake in Italian German Exhibition Company S.r.l. - IGECo S.r.l. for a consideration of approximately 3.0 million euros from the selling company Hannover Fairs International GmbH, which resulted in the establishment of a joint venture with Deutsche Messe AG (DMAG). Following this transaction, IEG and DMAG hold equal shares in Italian German Exhibition Company S.r.l. – IGECo S.r.l., jointly controlling the companies Hannover FAIRS (Canada) Inc. (with registered office in Ottawa), Hannover FAIRS USA, Inc. (with registered office in Springfield) and Hannover FAIRS Mexico S.A. de C.V. (with registered office in Leon). The joint venture aims to develop jointly with Deutsche Messe AG (DMAG) exhibition events in the geographical areas where the joint venture subsidiaries operate.
- On 21 October 2022, the company IEG Asia with registered office in Singapore was established to develop the Asia Pacific market.
- On 13 January 2022, an agreement was also signed with Koelnmesse GMBH to organize the Sigep China event within AnuFood China starting in 2023.
- On 24 January 2022, the subsidiary IEG Brasil finalized the purchase of the brand and assets of BTTF, an event that expands IEG's portfolio in the Wellness sector and whose first edition is scheduled to take place in November 2022 in São Paulo.

SUBSEQUENT EVENTS

On 10 March 2023, the Group obtained a positive response to the "waiver" request made to the pool of lending banks, for a waiver of compliance with the financial constraints for the year 2022 and in particular the "Leverage Ratio" constraint, which is not met due to a beginning of the year characterized by a resurgence of Covid-19 infections. The loan agreement, which is the subject of this waiver, was signed on 16 April 2020, and, as of 31 December 2022, has an outstanding debt of approximately 10.2 million euros, which in this statement of assets and liabilities position is classified entirely as short-term in compliance with IAS 10.

On 27 February 2023, the acquisition of a business unit containing the assets for the Singapore International Jewellery Event (**SIJE**) and Café Asia and Sweets & Bakes Asia & Restaurant Asia (**CARA**) two events that complete the Group's portfolio in Southeast Asia in the jewelry and *food* sectors was finalized. The cost of the acquisition consists of a fixed price portion, amounting to approximately 1.1 million euros, and a variable price portion, estimated at 1.1 million euros, to be paid in three tranches, based on the results achieved by the events to be held in 2023 and 2024.

OUTLOOK

The forecast macroeconomic scenario for 2023 is marked by uncertainty. The lingering inflationary pressure, and the consequent tight monetary policies, as well as the global geo-political tensions caused by the still ongoing conflict between Russia and Ukraine, play their part in curbing growth and the post-pandemic recovery of the Group reference market expected, globally, in 2024.
Against this backdrop, despite the above effects, 2023 started with sound growth compared to the pre pandemic scenario. Booking targets for first half of 2023 have been already overachieved in the first months of 2023. IEG Group, thanks the faster pace of market recovery, started in the second half of 2022, which allowed the overachievement of Business Plan Targets in 2022, is confident to meet also in 2023 business plan financial targets continuing to put in place actions for an accretive recovery and improvement of operating margins as well as operating cash generation to sustain investments.

ALLOCATION OF PERIOD RESULT

Dear Shareholders,
We confirm that the financial statements as at 31 December 2022 and submitted for your review and approval in this Shareholders' Meeting were drafted in compliance with application legislation. In submitting the separate financial statements at 31 December 2022 of Italian Exhibition Group S.p.A. for the approval of the Shareholders' Meeting, the Company's Board of Directors proposes the following allocation of the profit for the year of Euro 1,512,748:

- Euro 30,255 to the "Statutory reserve" pursuant to Art. 24, letter b) of the Articles of Association;
- Euro 303,828 to the "Restricted reserve for unrealised capital gains";
- Euro 1,178,665 to the partial coverage of previous period losses.

Rimini, 16 March 2023

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (Values in Euro/000)	Note	31/12/2022	31/12/2021
NON-CURRENT ASSETS			
Property, plant and equipment	1	191,032	190,674
Intangible fixed assets	2	37,734	34,519
Equity investments valued using the equity method	3	8,874	3,397
Other equity investments	4	9,349	10,858
of which with related parties		9,248	10,770
Deferred tax assets	5	5,286	6,736
Non-current financial assets for rights of use	6	290	487
Non-current financial assets	7	3,011	519
Other non-current assets	8	271	142
TOTAL NON-CURRENT ASSETS		255,846	247,332
CURRENT ASSETS			
Inventories	9	852	731
Trade receivables	10	30,041	23,126
of which with related parties		1,182	813
Tax receivables for direct taxes	11	468	352
Current financial assets for rights of use	12	197	184
Current financial assets	13	137	261
of which with related parties		93	207
Other current assets	14	6,914	5,674
Cash and cash equivalents	15	50,586	52,651
TOTAL CURRENT ASSETS		89,195	82,979
TOTAL ASSETS		345,041	330,311

LIABILITIES (Values in Euro/000)	Note	31/12/2022	31/12/2021
SHAREHOLDERS' EQUITY			
Share capital		52,110	52,215
Share premium reserve		13,924	13,947
Other reserves		30,433	29,257
Profit (loss) for previous years		(938)	(2,507)
Profit (Loss) for the period attributable to shareholders of the Parent Company		772	1,638
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		96,301	94,550
Share capital and reserves attributable to minority interests		(649)	1,140
Profit (loss) attributable to minority interests		(1,546)	(2,312)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		(2,195)	(1,172)
TOTAL GROUP SHAREHOLDERS' EQUITY	16	94,106	93,378
NON-CURRENT LIABILITIES			
Payables due to banks	17	84,846	92,277
Non-current financial liabilities for rights of use	18	29,516	24,026
of which with related parties		12,624	14,170
Other non-current financial liabilities	19	5,377	12,523
Provisions for non-current risks and charges	20	2,174	1,830
Employee provisions	21	2,959	3,754
Other non-current liabilities	22	1,805	2,020
TOTAL NON-CURRENT LIABILITIES		126,678	136,430
CURRENT LIABILITIES			
Payables due to banks	17	18,488	22,157
Current financial liabilities for rights of use	23	4,779	3,346
of which with related parties		1,001	863
Other current financial liabilities	24	5,502	4,884
Trade payables	25	42,807	33,825
of which with related parties		40	71
Tax payables for direct taxes	26	438	19
Other current liabilities	27	52,242	36,272
TOTAL CURRENT LIABILITIES		124,257	100,503
TOTAL LIABILITIES		345,041	330,311

CONSOLIDATED INCOME STATEMENT

	Notes	31/12/2022	31/12/2021
REVENUES			
Revenues from contracts with customers	28	156,032	71,177
Of which with related parties		*2,366*	*76*
Other revenues	29	5,908	31,327
Of which with related parties		*127*	*65*
TOTAL REVENUES		161,941	102,503
OPERATING COSTS			
Change in inventories		19	(53)
Costs for raw materials, consumables and goods for resale		(14,661)	(7,537)
Costs of services		(88,128)	(43,569)
Of which with related parties		*(1,455)*	*(65)*
Costs for use of third-party assets		(370)	(596)
Personnel costs		(38,102)	(27,003)
Other operating costs		(4,871)	(2,134)
TOTAL OPERATING COSTS	30	(146,113)	(80,892)
GROSS OPERATING PROFIT (EBITDA)		15,828	21,611
Amortisation, depreciation and impairment	31	(15,793)	(18,757)
OPERATING PROFIT (LOSS)		35	2,855
FINANCIAL INCOME AND EXPENSE			
Financial income	32	3,594	37
Financial charges	32	(3,119)	(3,495)
Exchange rate gains and losses		(327)	(77)
TOTAL FINANCIAL INCOME AND EXPENSE		149	(3,535)
TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS	33	388	(361)
PRE-TAX RESULT		571	(1,041)
TOTAL INCOME TAXES	34	(1,345)	368
PROFIT/(LOSS) FOR THE YEAR		(774)	(673)
PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTERESTS		(1,546)	(2,311)
PROFIT (LOSS) ATTRIBUTABLE TO THE PARENT COMPANY		772	1,638
EARNINGS PER SHARE		0.0251	0.0531
DILUTED EARNINGS PER SHARE		0.0251	0.0531

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

	Notes	2022	2021
PROFIT/(LOSS) FOR THE YEAR		**(774)**	**(673)**
Other comprehensive income which will be subsequently reclassified under profit/(loss) for the year:			
Gains/(losses) on cash flow hedges	**18**	1,672	447
Gains/(losses) on translation of financial statements in foreign currency	**15**	448	378
Total other comprehensive income which will be subsequently reclassified under profit/(loss) for the year		**2,120**	**825**
Other Comprehensive Income which will not be subsequently reclassified under profit/(loss) for the year:			
Actuarial gains/(losses) from defined benefit plans for employees – IAS 19	**20**	515	(27)
Gains/(losses) on financial assets measured at FVOCI	**4**	(1,522)	(204)
Total other comprehensive income which not will be subsequently reclassified under profit/(loss) for the year		**(1,007)**	**(231)**
TOTAL PROFIT/(LOSS) BOOKED TO SHAREHOLDERS' EQUITY		**1,113**	**593**
COMPREHENSIVE INCOME/LOSS FOR THE YEAR		**339**	**(80)**
Attributable to:			
Minority interests		**(1,539)**	**(2,330)**
Shareholders of the Parent Company		**1,878**	**2,250**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium reserve	Revaluation reserves	Legal reserve	Statutory reserve	Other reserves	Retained earnings (Losses) carried forward	Profit (Loss) for the period	Shareholders' equity of shareholders of the Parent Company	Share capital and reserves attributable to minority interests	Profit (loss) attributable to minority interests	Total shareholders' equity
Balance as at 31/12/2020 (*)	**52,215**	**13,947**	**67,160**	**10,401**	**2,532**	**(51,447)**	**8,782**	**(11,289)**	**92,300**	**1,912**	**(1,160)**	**93,052**
Allocation of profit for the year:												
- Distribution to shareholders												
- Allocation to reserves							(11,289)	11,289	0	(1,160)	1,160	0
Change in scope of consolidation										167		167
Shareholder payment									0	238		238
Other variations									0			0
Comprehensive income/loss for the period						611		1,638	2,250	(18)	(2,311)	(80)
Balance as at 31/12/2021	**52,215**	**13,947**	**67,160**	**10,401**	**2,532**	**(50,836)**	**(2,507)**	**1,638**	**94,550**	**1,139**	**(2,311)**	**93,378**
- Distribution to shareholders									0			0
- Allocation to reserves				42	8	20	1,568	(1,638)	0	**(2,311)**	**2,311**	0
Change in scope of consolidation									0	162		162
Shareholder payment									0	353		353
Other variations	(105)	(22)							(127)			(127)
Comprehensive income/loss for the period						1,106		772	1,878	7	**(1,546)**	339
Balance as at 31/12/2022	**52,110**	**13,925**	**67,160**	**10,443**	**2,540**	**(49,710)**	**(938)**	**772**	**96,301**	**(650)**	**(1,546)**	**94,106**

CONSOLIDATED CASH FLOW STATEMENT

Values in Euro/000	**Notes**	**31/12/2022**	**31/12/2021**
Pre-tax result		**571**	**(1,041)**
Of which with related parties		*924*	*1,788*
Adjustments to trace profit for the year back to the cash flow from operating activities:			
Amortisation, depreciation and impairment of property, plant and equipment and intangible assets	30	15,307	16,669
Appropriations and losses	10	5,599	236
Other provisions	19	457	250
Charges/(income) from valuation of equity investments in other companies with the equity method	32	(388)	361
Write-down of financial assets		29	1,603
Net financial charges	31	(149)	3,535
Costs for use of third-party assets (IFRS 16)		(4,195)	(4,110)
Effect on EBIT - financial charges for put options		(42)	(41)
Other non-monetary changes	28	(194)	(194)
Cash flow from operating activities before changes in working capital		**16,996**	**17,267**
Change in working capital:			
Inventories	9	(121)	53
Trade receivables	10	(9,529)	(9,808)
Of which with related parties		*(369)*	*(124)*
Trade payables	24	9,426	10,055
Of which with related parties		*34*	*22*
Other current and non-current assets		(1,001)	(1,353)
Other current and non-current liabilities	21 - 26	13,993	19,505
Receivables/payables for current taxes	11 - 25	(388)	138
Prepaid/deferred taxes		173	4
Cash flow from changes in working capital		**12,553**	**18,593**
Income tax paid		0	0
Employee provisions and provisions for risks		(397)	(612)
Cash flows from operating activities		**29,152**	**35,248**
Cash flow from investment activities			
Net investments in intangible fixed assets	2	(1,403)	(621)
Net investments in property, plant and equipment	1	(4,913)	(5,227)
Disinvestments in property, plant and equipment	1	59	141
Change in current and non-current financial assets		(451)	(1,852)
Of which with related parties		*114*	*(162)*
Net equity investments in subsidiaries		(2,869)	0
Changes in equity investments in associated companies and other companies		(3,762)	(113)
Cash flow from investment activities		**(13,338)**	**(7,671)**
Cash flow from financing activities			
Change in other financial payables	23	(2,268)	541
Payables due to shareholders	23	341	83
Obtainment/(repayment) of short-term bank loans	16	(2,509)	(4,508)
Loans	16	0	14,353
Loan repayment	16	(8,611)	(9,912)
Net financial charges paid	31	(2,572)	(4,353)
Purchase of treasury shares	15	(127)	0
Change in Group reserves	15	316	761
Payable due for the exercise of the put option		(2,449)	0
Cash flow from financing activities		**(17,879)**	**(3,034)**
Net cash flow for the period		**(2,066)**	**24,543**
Opening cash and cash equivalents		52,651	28,108
Closing cash and cash equivalents		50,586	52,651

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL

GENERAL INFORMATION

Italian Exhibition Group S.p.A. (hereinafter "IEG", the "Company" or the "Parent Company", together with its subsidiaries, associated companies and/or jointly controlled companies, the "Group" or the "IEG Group") is a joint-stock company domiciled in Italy, with registered office in Via Emilia 155, Rimini, and organised according to the legal system of the Italian Republic. IEG is the Parent Company, created as a result of the transfer of Fiera di Vicenza S.p.A. to Rimini Fiera S.p.A. and the simultaneous change of the latter's company name to Italian Exhibition Group S.p.A..

The company successfully completed the process of listing on the Euronext Milan market (formerly the Electronic Stock Exchange - MTA) organised and managed by Borsa Italiana S.p.A. on 19 June 2019.

It should be noted that, pursuant to article 70, paragraph 8 and article 71, paragraph 1-bis, of the Regulation adopted by CONSOB by means of resolution no. 11971/1999, as supplemented and amended, (the "Issuers' Regulation"), the company signed up to the opt-out system set forth in the aforementioned articles, availing itself of the option to depart from the obligations of publication of the information documents set out in Annex 3B of the Issuers' Regulation, at the time significant transactions are being carried out incorporating mergers, demergers, share capital increases through contribution of assets in kind, acquisitions and sales.

Italian Exhibition Group S.p.A. is controlled by Rimini Congressi S.r.l., which holds 49.50% of the share capital and holds voting rights for 55.86%. The Company, nonetheless, is not subject to management and coordination by Rimini Congressi S.r.l. pursuant to art. 2497 et seq. of the Italian Civil Code. In fact, none of the activities that typically prove management and coordination activities, pursuant to art. 2497 et seq. of the Italian Civil Code, exists since, by way of a non-exhaustive example:

- Rimini Congressi does not exercise any significant influence over the management decisions and operations of the Issuer, but limits it relations with said entity to the normal exercise of administrative and equity rights owing to its status of holder of voting rights; there is no connection between the members of the administration, management control bodies of the two companies;
- the Company does not receive - and, at any rate, is not subject in any way - to the financial or credit directives or instructions from Rimini Congressi;
- the Company has an organisational structure composed of expert professionals who, based on the powers conferred and the positions held, operate independently in line with the indications of the Board of Directors;
- the Company prepares the strategic, industrial, financial and/or budget plans of the Issuer and of the Group independently, and autonomously implements these;
- the Company operates fully independently, from a contractual perspective, in relations with its customers and its suppliers, without any external interference from Rimini Congressi.

At the date of drafting of this document, it should also be noted that: (i) there are no acts, resolutions or communications of Rimini Congressi that lead us to reasonably believe that the company's decisions are the result of a domineering and commanding will of the parent company; (ii) the company does not receive centralised treasury services (cash pooling) or other functions of financial assistance or coordination from Rimini Congressi; (iii) the company is not subject to regulations or policies imposed by Rimini Congressi.

The Group's activities consist of the organisation of trade fairs (Exhibition Industry) and hospitality for trade fairs and other events, through the design, management and provision of fitted-out exhibition spaces (mainly in the "trade fair districts"), the supply of services connected to trade fairs and conferences, as well as the promotion and management, in both its own locations and those of third parties, of conferences, conventions, exhibitions, cultural events, shows and leisure activities, including not related to organised events and conferences.

For the purposes of economic and financial comparability of the IEG Group, it should be noted that:

- the profit trend of the Group is influenced by seasonality factors, characterised by more significant events in the first and fourth quarters of the year, as well as the presence of important two-yearly trade fairs, in even-numbered years.

- the Group's financial trend is therefore characterised by an increase in working capital in the first half, while the fourth quarter generally, thanks to the advances received on events organised at the start of the next period, shows a significant improvement in the net financial position.

The publication of this financial report closed at 31 December 2022 of the IEG Group was approved by resolution of the Board of Directors on 16/03/2023. Please note that this version of the consolidated financial statements of IEG S.p.A. constitutes an additional non-official version and that it is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815 ("ESEF Regulation").

STRUCTURE AND CONTENTS OF THE FINANCIAL STATEMENTS

Pursuant to article 25 of Law No. 306 of 31 October 2003 and the associated application regulations contained in Legislative Decree No. 38 of 28 February 2005, in exercise of the option provided therein, the IEG Group (hereinafter also "the Group") adopted the **International Accounting Standards** (IFRS) issued by the I.A.S.B – International Accounting Standard Board for financial statements for the year ended as at 31 December 2015. More specifically, International Accounting Standards mean all International Financial Reporting Standards (IFRS), all International Accounting Standards (IAS), all interpretations of the International Financial Reporting Standards Interpretations Committee (IFRIC), previously named the Standard Interpretations Committee (SIC) which, at the date of approval of the Separate Financial Statements as at 31 December 2016, had been approved by the European Union in accordance with the procedure laid down in Regulation (EC) no. 1606/2002, by the European Parliament and the European Council of 19 July 2002.

In order to prepare these Consolidated Financial Statements, the subsidiaries of the IEG Group, which continue to draft their financial statements according to Italian accounting standards or local ones applicable in the country of residence, have prepared the financial positions in compliance with the international standards.

As regards the preparation of the separate financial statements of ITALIAN EXHIBITION GROUP S.p.A., the Company exercised the option set out in article 25 of Law No. 306 of 31 October 2003, of adopting the international accounting standards at the same date of FTA adopted by the consolidated financial statements.

The **statement of financial position** was classified on the basis of the operating cycle, separating current and non-current items. Based on this distinction, the assets and liabilities are considered current if they are expected to be realised or extinguished in the normal operating cycle of the IEG Group. Non-current assets held for sale and the related liabilities, where present, are shown in the appropriate items.

The **income statement layout** reflects the analysis of aggregated costs by nature given that this classification was considered more significant for the purposes of understanding the Group's economic result. The revenue and costs items recognised in the year are presented through two tables: an income statement table for the year, which reflects the analysis of the aggregated costs by nature, and a table of comprehensive income.

The result of discontinued operations and/or assets held for disposal, where present, is shown in the appropriate item of the consolidated income statement.

Lastly, the **cash flow statement** was prepared by using the indirect method for the determination of the cash flows from operating activities. With this method, the operating profit/loss (EBIT) is adjusted for the effects of non-monetary transactions, any deferral or provision of previous or future operating collections or payments and by elements of revenues or costs connected with cash flows from investment or financing activities.

The functional and presentation currency for the IEG Group consolidated financial statements is the Euro, expressed in thousands, unless specified otherwise.

CHANGE IN SCOPE OF CONSOLIDATION

A summary of the activities carried out by the various Group companies and the main changes in the composition of the Group compared to the situation as at 31 December 2021 is provided below.
The Group structure at 31 December 2022 differs from that at 31 December 2021 due to the inclusion in the consolidation scope of:

- VGroup S.r.l., a company acquired by the Parent Company on 27 May 2022 and of which it holds 75% of the share capital;
- IEG China Co Ltd (formerly EAGLE), a company already held with a 50% share by IEG. In 2022, the Parent Company acquired the final shares from the shareholder, so as to hold the entire capital.
- IEG Deutschland Gmbh, with registered office in Munich, a company established by the Parent Company, which holds the whole of the share capital at 24 March 2022.
- IEG Asia Pte Ltd, with registered office in Singapore, a company established by the Parent Company, which holds the whole of the share capital at 21 October 2022.

In terms of the companies included in the consolidation scope using the synthetic method, we would recall the acquisition of 50% of Italian German Exhibition Company S.r.l. (IGECo), a company established by Hannover Fairs International GmbH and in which the German partner contributed its subsidiaries operating in the United States (Hannover Fairs USA Inc.), Canada (Hannover Fairs Canada Inc.) and Mexico (Hannover Fairs Mexico SA de CV), today respectively Igeco USA, Igeco Canada and Igeco Mexico.
During the first half of 2022, moreover, the liquidation process was concluded of the Joint Venture Expo Extratégia Brasil Eventos e Produções Ltda.

GOING CONCERN

Although considering the complexity and uncertainty that characterise the current international context, the Company considers the assumption of operation as a going concern to be appropriate and correct, taking into account its capacity to meet its obligations for the foreseeable future and in particular for the next 12 months, having adequately considered the economic and equity position for FY 2022 and the economic forecasts of the business plan approved by the Board of Directors on 18 July 2022 and the 2023 Budget approved by the Board of Directors on 19 December 2022 and taking into account the forecast performance of working capital and the expected outlook for the cash position, the financial statements have been prepared considering the business as a going concern.

MEASUREMENT CRITERIA

Property, plant and equipment

Property, Plant and Equipment are booked to the financial statements at purchase or production cost, including directly attributable expenses, and adjusted for the respective accumulated depreciation.
The cost includes any expense incurred directly to prepare the assets for use plus any dismantling and removal costs that will be incurred to restore the asset to its original conditions and the financial charges related to construction or production which require a significant period of time to be ready for use and sale (qualifying assets).
Property, plant and equipment are amortised systematically in every period on a straight-line basis, based

on the economic-technical rates determined in relation to the residual possibility of use of the assets. Ordinary maintenance costs are charged to the income statement when they are incurred.
Maintenance costs which determine an increase in value, or functionality, or useful life of the assets, are directly attributable to the assets to which they refer and amortised in relation to the residual possibility of use of said assets.
Improvements to third-party assets are classified in the item "Other assets"; the depreciation period corresponds to the lower of the residual useful life of the tangible fixed asset and the residual duration of the lease agreement.

The depreciation rates applied are as follows:

Items	Rates %
Land	-
Buildings	1.9% - 10%
Plant and machinery	7.5% - 30%
Industrial and commercial equipment	15% - 27%
Other assets	12% - 25%

If indicators of impairment emerge, the property, plant and equipment are subject to an impairment test through the procedure outlined in the section "impairment of assets".

Following the entry into force of new IFRS 16, from 1 January 2019, leases are accounted for in the financial statements based on a single accounting model similar to the one governed by IAS 17 regarding the accounting of financial leases.

At the moment of the stipulation of each contract, the Group:

- determines whether the contract is or contains a lease, a circumstance that is verified when said contract gives the right to control the use of an identified asset for a period of time in exchange for a consideration. This measurement is repeated in the event of the subsequent change to the terms and conditions of the contract.
- separates the components of the contract, by distributing the consideration of the contract between the lease and non-lease component.
- determines the duration of the lease as the period that cannot be cancelled of the lease, augmented by any periods covered by a lease extension or termination option.

At the date of effectiveness of each contract in which the Group is the lessee of an asset, the asset consisting of the right of use, measured at cost, and the financial lease liability, equal to the present value of the residual future payments discounted by using the implicit interest rate of the lease or, alternatively, the marginal financing rate of the Group, are recognised in the financial statements. Subsequently, the asset consisting of the right of use is measured by applying the cost model, or netted of amortisation/depreciation and any accumulated impairment and adjusted to take account of any new lease measurements or amendments. By contrast, the lease liability is measured by increasing the book value to take account of interest, decreasing the book value to take account of the payments due made and redetermining the book value to take into account any new lease measurements or amendments.

The assets are depreciated on the basis of a period of depreciation represented by the duration of the lease agreement, except where the duration of the lease is less than the useful life of the asset based on the rates applied for property, plant and equipment and there is a reasonable certainty of the transfer of ownership of the leased asset on the natural expiry of the contract. In that case, the depreciation period will be calculated on the basis of the criteria and rates indicated for the property, plant and equipment.

For leases ending within 12 months of the date of initial application and that do not make provision for renewal options, and for leases for which the underlying asset is of low value, lease payments are booked to the income statement on a linear basis for the duration of the respective contracts.

Intangible fixed assets

An intangible asset is recognised in the accounts only if it is identifiable and controllable, it is likely to generate future economic benefits and if its cost can be reliably determined. The booking of an intangible asset is based on its useful life, an intangible asset with a defined useful life is amortised, whilst an intangible asset with an undefined useful life, is not.

Goodwill and intangible assets with an indefinite useful life
Goodwill and intangible assets with an indefinite useful life are no longer amortised from the date of first time adoption (1 January 2014). Goodwill and other intangible assets with an indefinite useful life relating to the acquisitions completed after 1 January 2014 are, nonetheless, not amortised. An intangible asset is considered as having an undefined useful life when, on the basis of an analysis of the relevant factors, no limit can be estimated as to when the asset will cease generating net incoming cash flows for the group.

Goodwill
Goodwill represents the excess of the purchase cost with respect to the portion pertaining to the purchaser of the fair value of the net identifiable assets and liabilities of the entity acquired. After initial recognition, goodwill is valued at cost, less any impairment deriving from the impairment test (see paragraph "impairment of assets").

Other intangible assets
Intangible assets with a definite useful life are measured at purchase or production cost, including any accessory charges, and are amortised systematically on a straight-line basis during the period of their expected future use. If indicators of impairment emerge they are subject to an impairment test which is outlined in the section "impairment of assets".
Industrial patent and intellectual property rights are amortised over a period of 3 and 5 years, licences and concessions are amortised starting from when the cost is incurred and for the duration of the licence or concession envisaged contractually, while trademarks have a useful life which may vary between ten and twenty-five years.

Compared with last year, there have been no changes made to amortisation/depreciation periods; there are therefore no changes to the rates applied.

Impairment of non-financial assets

Property, plant and equipment and *intangible assets with a definite useful life*, subject to amortisation/depreciation, are subject to an impairment test only if indicators of impairment emerge.
The recoverability of the values recognised is verified by comparing the carrying amount with the net sale price and the value in use of the asset, whichever is higher. The net sale price is the amount which can be obtained from the sale of an asset in a transaction between independent, informed and willing parties, less disposal costs; in the absence of binding agreements, reference must be made to the prices expressed by an active market, or the best information available, by taking into account, among other things, recent transactions for similar assets carried out in the same business sector. The value in use is defined on the basis of the discounting at an appropriate rate, which expresses the cost of capital of an

entity not indebted with a homogeneous risk profile, the expected cash flows from use of the asset (or from an aggregation of assets - the so-called cash-generating units) and its disposal at the end of its useful life.
Subsequently, when an impairment loss on an asset other than goodwill ceases to exist or decreases, the book value of the asset is increased to the new estimated recoverable value and cannot exceed the value that would have been calculated if no impairment loss had been recorded. The reversal of impairment is recognised to the income statement.
Goodwill and the other intangible assets with an indefinite useful life are subject to a systematic verification of recoverability ("impairment test") carried out on an annual basis, at the date of year-end, or more frequently if there are indicators of impairment.
Goodwill impairment is calculated by assessing the recoverable value of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. If the recoverable amount of the cash-generating unit is less than the carrying amount of the cash-generating unit to which the goodwill was allocated, impairment is recognised. The decrease in value to goodwill cannot be restored in future periods.

Business combinations

Business combinations are accounted for using the acquisition method set out in IFRS 3 revised in 2008. According to this method, the consideration transferred in a business combination is measured at fair value, determined as the sum of the fair values of the transferred assets and liabilities assumed by the purchaser at the acquisition date and capital instruments issued in exchange for the control of the acquired entity. Transaction accessory costs are recognised in the statement of comprehensive income when incurred.
The contingent considerations, considered part of the transfer price, are measured at fair value at the acquisition date. Any subsequent fair value changes are booked to the statement of comprehensive income.
At the date of acquisition, the identifiable assets acquired and the liabilities assumed are booked at fair value. Goodwill is determined as the excess between the sum of the considerations transferred in the business combination, of the portion of shareholders' equity pertaining to minority interests and of the fair value of any equity investment held previously in the acquired entity, with respect to the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and liabilities assumed at the acquisition date exceeds the sum of the considerations transferred, of the portion of shareholders' equity pertaining to minority interests and the fair value of any equity investment held previously in the acquired entity, this excess is booked immediately to the statement of comprehensive income as income deriving from the transaction concluded.

NCI can be measured at fair value or at its proportionate share of the fair value of the net assets of the acquiree at the acquisition date. The measurement method is decided on a transaction by transaction basis.

In the process of fair value measurement of business combinations, the Group avails itself of the available information, and for the most significant business combinations, also of the support of external evaluations.

Financial assets

At the time of initial recognition, financial assets must be classified into one of the three categories indicated below based on the following elements:

- the business model of the entity for the management of financial assets; and
- the characteristics relating to the contractual cash flows of the financial asset.

Financial assets are derecognised from the financial statements only if the sale involved the substantial transfer of all risks and benefits related to them. Conversely, whenever a significant part of the risks and benefits related to the financial assets sold have been maintained, these continue to be recognised in the financial statements, even if legal ownership of the assets has effectively been transferred.

Financial liabilities designated at amortised cost

This category includes financial assets that meet both of the following conditions:

- the financial asset is held in accordance with a business model whose objective is achieved through the collection of contractually agreed cash flows ("Hold to Collect" business model); and
- the contractual terms of the financial asset envisage, at certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (the "SPPI test" passed).

Financial assets are initially recognised at fair value, considering the transaction costs and revenues directly attributable to the instrument itself. Subsequent to their initial recognition, financial assets under examination are measured at amortised cost, using the effective interest rate method. The amortised cost method is not used for assets - measured at historical cost - whose short duration makes the effect of the discounting principle negligible, for those without a set maturity and for revocable loans.

Financial assets designated at fair value through comprehensive income

This category includes financial assets that meet both of the following conditions:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets ("Held to Collect and Sell" Business Model); and
- the contractual terms of the financial asset envisage, at certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (the "SPPI test" passed).

This category includes equity interests, not qualifying as controlling, associated or jointly controlled, which are not held for trading purposes, for which the option of designation at fair value through comprehensive income is exercised.

Financial assets are initially recognised at fair value, considering the transaction costs and revenues directly attributable to the instrument itself. Subsequent to initial recognition, equity interests that are non-controlling, associated or of joint control, are measured at fair value and the amounts recorded as a balancing entry to shareholders' equity (Statement of comprehensive income) must not be subsequently transferred to the income statement, even in the event of disposal. The only component relating to the equity securities in question that is recorded in the income statement is represented by the relative dividends.

For equities included in this category, not listed in an active market, the cost criterion is used as an estimate of the fair value only in a residual manner and in limited circumstances, i.e. when the most recent information available for measuring the fair value is insufficient, or there is a wide range of possible valuations of the fair value and the cost represents the best estimate of the fair value in that range of values.

Financial assets designated at fair value through profit and loss

This category includes financial assets other than those classified under financial assets measured at amortised cost and financial assets designated at fair value through comprehensive income.
This category includes financial assets held for trading and includes derivative contracts not classifiable as hedging derivatives (which are represented as assets if the fair value is positive and as liabilities if the fair value is negative).
On initial recognition, financial assets measured at fair value through profit or loss are recorded at fair value, without considering the transaction costs or revenues directly attributable to the instrument itself. At subsequent reference dates, they are measured at fair value and the effects of the measurement are booked to the income statement.

Impairment of financial assets

In accordance with the provisions of IFRS 9, the Group applies a simplified approach to estimate expected credit losses over the entire life of the instrument and takes into consideration its past experience regarding credit losses, corrected on the basis of specific forward-looking factors of the nature of Group receivables and the economic context.

In brief, the Group measures the expected losses of the financial assets so as to reflect:

- a target amount weighted on the basis of the probabilities determined by evaluating a range of possible results;
- the time value of money; and
- reasonable and demonstrable information that is available without undue costs or efforts at the reporting date on past events, current conditions and forecasts of future economic conditions.

The financial asset is impaired when one or more events are verified that have a negative impact on the future cash flows estimated from the financial asset. Observable data relating to the following events (it may be the case that a single event cannot be identified: the impairment of financial assets may be due to the combined effect of different events) constitute proof that the financial asset is impaired:

a) significant financial difficulty of the issuer or debtor;
b) breach of contract, such as non-fulfilment of an obligation or failure to respect an expiry;
c) for economic or contractual reasons relating to the debtor's financial difficulty, the creditor grants the debtor a concession that the creditor would not otherwise have considered;
d) the probability that the debtor will file for bankruptcy or other financial restructuring procedures;
e) disappearance of an active market for that financial asset due to financial difficulties; or
f) the purchase or creation of the financial asset with huge discounts that reflect the credit losses incurred.

For financial assets measured using the amortised cost method, when impairment has been identified, its value is measured as the difference between the asset's carrying amount and the present value of expected future cash flows, discounted on the basis of the original effective interest rate. This value is recognised in the income statement.

Derivative financial instruments

The derivative financial instruments are accounted for in accordance with the provisions of IFRS 9.

At the date of stipulation of the contract, the derivative financial instruments are initially accounted for at fair value, as financial liabilities at fair value through profit and loss when the fair value is positive or as a financial liability designated at fair value through profit and loss when the fair value is negative.

If the financial instruments are not accounted for as hedging instruments, the fair value changes recognised after the initial recognition are treated as components of the result for the year. If, by contrast, the derivative instruments satisfy the requirements to be classified as hedging instruments, subsequent fair value changes are accounted for by applying the specific criteria outlined below.

A derivative financial instrument is classified as a hedge if formal documentation exists of the relationship between the hedging instrument and the hedged element, including the risk management objectives, the strategy for carrying out the hedge and the methods which will be used to check the prospective and retrospective effectiveness of the hedge. The effectiveness of each hedge is verified both at the time each derivative instrument is entered into and during its life, and in particular, at the close of the financial year or interim period. Generally, a hedge is considered highly "effective" if, both at the inception and during its life, fair value changes, in the event of a fair value hedge, or hedge of expected future cash flows, in the event of cash flow hedges, in the hedged element are essentially offset by fair value changes in the hedging instrument.

IFRS 9 provides the possibility of designating the following three hedging relationships:

a) fair value hedge: when the hedge concerns the fair value changes of assets and liabilities booked to the financial statements, both the fair value changes in the hedging instrument and the changes in the object of the hedge are booked to the income statement.
b) cash flow hedges: in the event of hedges aimed at neutralising the risk of changes in cash flows originating from the future fulfilment of obligations defined contractually at the reporting date, the fair value changes in the derivative instrument recorded after the initial recognition are accounted for, limited solely to the effective portion, in the statement of comprehensive income and, therefore, in a shareholders' equity reserve called "Reserve for cash flow hedges". When the economic effects originating from the object of the hedge materialise, the portion accounted for in the statement of comprehensive income is reversed to the income statement. If the hedge is not fully effective, the change in fair value of the hedging instrument relating to the ineffective portion of the same is immediately recognised in the income statement.
c) hedge of a net investment in a foreign operation (net investment hedge).

If the checks do not confirm hedge effectiveness, as from that moment, accounting for the hedging transactions is suspended and the derivative contract is reclassified under financial assets designated at fair value through profit and loss or under financial liabilities designated at fair value through profit and loss. The hedging relationship also ceases when

- the derivative expires, is sold, cancelled or exercised,
- the element being hedged is sold, expires or is reimbursed,
- it is no longer highly probable that the future hedged transaction will be carried out.

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised from the financial statements when:

- the rights to receive the cash flows from the asset are extinguished;
- the company has transferred the right to receive the cash flows from the asset or assumed the contractual obligation to pay them in full and without delay to a third party and (a) has transferred substantially all rights and benefits of ownership of the financial asset, or (b) has neither transferred nor retained substantially all risks and benefits of the asset, but has transferred

control of it.

In cases in which the company has transferred the rights to receive the cash flows from an asset and has not substantially transferred or retained all the risks and benefits or has lost control of the asset, the asset is recognised in the company's financial statements to the extent of its continuing involvement in said asset. In this case, the company also recognises an associated liability. The asset transferred and the associated liability are measured to reflect the rights and obligations that the company has retained.

Equity investments

Equity investments in associated and jointly-controlled companies, according to IAS 28, are initially entered at cost and, following acquisition, are adjusted as a result of changes in the investor's share in the investee company's net assets. The profit or loss of the investor reflects its own share of the profit (loss) for the year of the investee and other comprehensive income (expense) of the investor reflects its own share of other comprehensive income (expense) of the investee.

According to the provisions of IFRS 9 and IAS 32, the equity investments in companies other than subsidiaries, associated companies and jointly-controlled companies are classified as assets at fair value and entered in the income statement or shareholders' equity reserve depending on whether they fall into the FVOCI or FVPL measurement categories. Gains and losses deriving from value adjustments are therefore booked to the income statement or a shareholders' equity reserve respectively.

Inventories

Inventories are measured at purchase cost, including any accessory expenses, determined in accordance with the FIFO method, and the presumed net realisable value drawn from market trends, whichever is the lower. IEG Group inventories are composed primarily of consumables and products held for sale in bars and catering services.

Cash and cash equivalents

Cash and cash equivalents include cash on hand as well as on-demand bank deposits and other treasury investments with an original envisaged maturity of no more than three months.
The definition of cash and cash equivalents of the cash flow statement corresponds to that of the balance sheet.

Provisions for risks and charges

Allocations to provisions for risks and charges are made whenever the Group must meet a present obligation (legal or implicit) as the result of a past event, whose amount can be estimated reliably and involving a probable outlay of resources to meet the obligation. If the expectations of the use of resources go beyond the next year, the obligation is booked at the present value, determined by discounting the expected future cash flows discounted at a rate which also takes into account the cost of borrowing and the risk of the liability.
Risks for which the occurrence of a liability is only possible are indicated in the appropriate section on "guarantees given, commitments and other contingent liabilities" and no allocation is made.

Employee benefits

The employee benefits provided on or after the termination of the employment contract are composed of employee severance indemnity or retirement provisions.
Law no. 296 of 27 December 2006, the “2007 Finance Law” introduced major changes to the allocation of amounts of the provision for employee severance indemnity. Until 31 December 2006, employee severance indemnity fell under post-employment plans known as “defined-benefit plans” and were measured according to IAS 19, using the projected unit credit method carried out by independent actuaries.

This calculation consists of estimating the amount of the benefit that an employee will receive at the presumed date of termination of employment by using demographic assumptions (e.g. mortality rate and staff turnover rate) and financial assumptions (e.g. discount rate and future salary increases). The amount determined in this way is discounted and reproportioned on the basis of the length of service accrued with respect to total length of service and represents a reasonable estimate of the benefits that each employee has already accrued based on their work services.

Following said reform, the provision for employee severance indemnity, for the part accrued from 1 January 2007, is to be considered essentially similar to a “defined contribution plan”. In particular, these changes introduced the possibility for the worker to choose where to allocate their employee severance indemnity being accrued: the new flows of the employee severance indemnity can, in companies with more than 50 employees, be allocated by the worker to pre-established pension funds or maintained in the company and transferred to the INPS (Italian National Social Security Institute). In short, for the employee severance indemnity accrued prior to 2007, the IEG Group carried out an actuarial evaluation, without subsequently including the component relating to future salary increases. The part subsequently accrued was instead accounted for according to the methods attributable to defined contribution plans.

EC Regulation no. 475/2012 was issued in 2012, which acknowledged, at EU level, the revised version of IAS 19 (Employee Benefits) applicable, as per mandatory requirements, from 1 January 2013 according to the retrospective method. Therefore, the IEG Group applied said revised version of IAS 19 from the date of transition to the IAS/IFRS, or 1 January 2014.

Financial liabilities

Financial liabilities are initially recognised at their fair value, equal to the consideration received at the relevant date, augmented, in the case of payables and loans, by the directly attributable transaction costs. Subsequently, non-derivative financial liabilities are measured using the amortised cost criterion, by using the effective interest rate method.
Financial liabilities that are included in the scope of application of IFRS 9 are classified as payables and loans, or as hedging derivatives, depending on the case. The Company determines the classification of its financial liabilities on initial recognition.
Gains and losses are recognised in the income statement when the liability is extinguished as well as through the amortisation process.

The amortised cost is calculated by recognising all discounts or bonuses on the purchase and the fees or costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is included among financial charges in the income statement.
A financial liability is derecognised when the obligation underlying the liability is discharged, cancelled, or expires.

In the event that an existing financial liability is replaced by another from the same lender, in substantially different conditions, or the conditions of an existing liability substantially change, the exchange or amendment is treated as an accounting derecognition of the original liability and the recognition of a new liability, with any differences in the carrying amount recorded in the income statement.

Put options on minority interests

The Group granted put options to minority shareholders which entitle the latter to sell to the Group the shares held by them at a future date.

As regards EU-IFRS, the treatment applicable to put options regarding minority interests is not fully regulated. While, in fact, it has been established that the accounting of a put option on minority interests gives rise to the recognition of a liability, its contra-entry has not been governed. In this regard, when an entity becomes party to a contract as a result of which it assumes an obligation to pay cash or another financial asset in exchange for one of its equity instruments, in compliance with the provisions of paragraph 23 of IAS 32, it must record a financial liability. At the moment of initial recognition, the financial liability will be recognised to the extent corresponding to the amount, appropriately discounted, which must be paid for the exercise of the put option. The subsequent changes in the value of the liability will be recognised in the consolidated income statement.

In order to identify the contra-entry of the recognition of the liability, the company must evaluate whether the risks and benefits of ownership of the minority interests forming the object of the put option have been, due to the conditions of exercise of the option, transferred to the parent company or have remained with the owners of said interests. Based on the results of this analysis, it will depend whether the minority interests forming the object of the put option continue to be represented or not in the consolidated financial statements. They will be if the above-mentioned risks and benefits are not transferred to the parent company through the put option, vice versa, where the transfer has occurred, these minority interests will cease to be represented in the consolidated financial statements.

Therefore, the accounting treatment of the put options on the shares of the parent company can be summarised as follows:

- in the event in which the minority interests do not need to be represented in the financial statements given that the related risks and benefits have been transferred to the parent company, the liability relating to the put option will be recognised:
  - ➢ with a goodwill contra-entry, if the put option is recognised to the seller as part of a business combination; or
  - ➢ with contra-entry of minorities' shareholders' equity to these interests in the event in which the contract is signed outside this scope; vice versa
- if the transfer of the risks and benefits has not occurred, the contra-entry for the recognition of the aforementioned liability will always be the shareholders' equity pertaining to the Parent Company.

Tax payables for direct taxes and other liabilities

Payables are recognised at nominal value. Payables are eliminated from the financial statements when the underlying financial obligations have been extinguished.
The liabilities, if expiring after twelve months, are discounted in order to bring them back to the current value through the use of a rate as such to reflect the market evaluations of the present value of money and the specific risks connected with the liability. Discounting interest is classified under financial charges.

Hedging instruments

The IEG Group uses derivative financial instruments to hedge its exposure to interest rate risk. The Group has never owned speculative financial instruments. These financial instruments are accounted for using the rules of hedge accounting when:

- at the inception of the existing hedge, the formal designation and documentation of said hedging relationship;
- it is presumed that the hedge is highly effective;
- the effectiveness can be reliably measured and said hedge is highly effective during the designated periods.

The IEG Group applies the accounting of cash flow hedges in the event in which there is formal documentation of the hedging relationship of the changes in cash flows originating from an asset or liability or a future transaction (underlying element hedged) considered highly likely and which could impact the income statement.
The measurement criterion of the hedging instruments is represented by the fair value at the designated date. The fair value of the interest rate derivatives is determined by their market value at the designated date when it refers to future cash flow hedges. It is booked to the hedging reserve of shareholders' equity and transferred to the income statement when the underlying financial charge/income materialises.
In cases in which the instruments do not meet the required conditions for the accounting of hedging instruments set out in IAS 39, the fair value changes are booked to the income statement as financial charges/income.

Translation of foreign currency items

Transactions in foreign currency are initially recognised in the functional currency, using the spot exchange rate at the transaction date. Monetary assets and liabilities, denominated in foreign currency, are translated into the functional currency at the exchange rate at the end of the reporting period. The differences are posted to the income statement.

Shareholders' equity

Share capital

The amount of Share Capital to be entered in the financial statements coincides with that of Capital Issued; the latter must be stated on the Balance Sheet at nominal value, i.e. the number of shares (ordinary, preferential and savings) multiplied by their nominal value, net of any part of the Share Capital Subscribed that has not yet been paid-up.

Company's own shares

Treasury shares are entered as a reduction of the share capital for the nominal value and the share premium reserve for the excess amount, the original cost of the treasury shares and the revenues from any subsequent sales are recognised as changes in shareholders' equity.
With reference to the IAS/IFRS, and more specifically to IAS 32, when purchasing treasury shares, the amount equal to the nominal value of the securities is used as a direct reduction of share capital while the amount ranging between this and the purchase price affects the share premium reserve. In the event of sale, the share capital is re-formed, as is the share premium reserve, thereby assigning the same amounts

as had been respectively reduced during purchase and noting any gains/losses brought about by the differences between the purchase price and price of sale, directly to other reserves.
The transaction costs of these transactions are booked as a reduction of the shareholders' equity, without any impact on the income statement.

Acknowledging the proceeds

Revenues from contracts with customers are recognized when the following conditions are met:

- the contract with the customer has been identified;
- the performance obligations contained in the contract have been identified;
- the price has been determined;
- the price has been allocated to the individual performance obligations contained in the contract;
- the performance obligation contained in the contract has been satisfied.

The Group recognises revenues from contracts with customers when (or as) it fulfils the obligation by transferring the promised good or service (or asset) to the customer. The asset is transferred when (or as) the customer acquires control over it.
The Group transfers control of the good or service over time, and therefore fulfils the performance obligation and recognises the revenues over time, if one of the following criteria is satisfied:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the Group’s performance creates or enhances the asset (for example, work in progress) that the customer controls as the asset is created or enhanced;
- the Group’s performance does not create an asset that has an alternative use to the Group and the Group has an enforceable right to payment for performance completed to the date considered.

If the performance obligation is not fulfilled over time, it is fulfilled at a point in time. In that case, the Group recognises the revenue at the moment in which the customer acquires control of the promised asset.

Revenue is recorded at fair value equal to the amount received or due, taking into account any trade discounts granted or reductions linked to quantities sold.

The Group believes that the customer acquires control of all services provided to it at the end of the event, owing to its short duration.

Public grants are only noted where we can be reasonably certain that they will be received and all related conditions have been met, regardless, therefore, of the presence of any formal concession resolution. Grants are noted as income in the year in which they fall due and when correlated with an asset, they are recognised as income on a straight-line basis, throughout the expected useful life of the underlying asset. Note that the Covid Contributions are classified as “non-recurring” items in these financial statements.

Operating costs

Costs are recognised when they relate to goods and services sold or consumed in the period or for systematic allocation or when their future use cannot be identified.
Personnel expenses also include, on an accruals basis, taking into account the period of actual service, the fees to directors, both fixed and variable.
Sundry tax other than income tax and rates are noted directly as profit or loss and therefore come under

the item of operating costs.
Costs that do not meet the conditions to be recognised under balance sheet assets are booked to the income statement in the period in which they are incurred.

Financial income and expense

Financial income and expense are recognised according to a time criterion that takes into account the actual return/expense of the relevant asset/liability.

Dividends

Revenues for dividends are recognised when the shareholder's right to receive payment is established, which normally coincides with the date of the annual shareholders' meeting that resolves on the distribution of the dividends, taking into account treasury shares held.

Earnings per share

Basic earnings per share is calculated by dividing the Group's economic results by the number of ordinary shares outstanding, thereby excluding treasury shares.
Diluted earnings per share is calculated by dividing the Group's economic results by the number of ordinary shares outstanding, thereby excluding treasury shares but including all instruments that may cause dilution, such as stock options, convertible bonds and shares, warrants and other securities.

Taxation

Taxes for the period include current and deferred taxes. Income tax are generally booked to the income statement, except where they relate to events recorded directly in shareholders' equity. In this case, the income taxes are also booked directly to shareholders' equity.
Current taxes are the taxes the company expects to have to pay on taxable income in the year and are calculated in compliance with the legislation in force at the reporting date.
Deferred tax liabilities are calculated based on the liability method applied to the temporary differences between the amounts of assets and liabilities in the consolidated financial statements and the corresponding values recognised for tax purposes. Deferred tax liabilities are calculated using tax rates that are expected to apply at the moment in which in which the asset is realised or the liability settled.
Deferred tax assets are recognised only if it is likely that taxable income sufficient for said assets to be realised will be generated in the following years.
Deferred tax assets and liabilities are only offset when there is a legal right to offset and when they refer to taxes due to the same tax authorities.
The tax provisions that may be generated by the transfer of non-distributed profit from the subsidiaries are made only when there is a real intention to transfer said profit.

USE OF ESTIMATES

The preparation of the consolidated financial statements requires Directors to use accounting principles and methods that, in some instances, require the use of complex and subjective valuations and estimates drawn from historical experience and assumptions that, in each case, are deemed to be reasonable and realistic under the circumstances existing at that time.

The use of these estimates and assumptions has an impact on the amounts reported in the financial statements, which include the statement of financial position, the income statement and the cash flow statement, as well as the explanatory notes.
The final amounts shown in the consolidated financial statements for which the above-mentioned estimates and assumptions were used may differ from the amounts reported in the financial statements of the individual companies due to the uncertainty that is inherent in the assumptions and the conditions upon which the estimates were based.

The financial statements items that, more than others, require greater subjective input by the Directors in the preparation of estimates and for which a change in the conditions underlying the assumptions used could have a material impact on the company's separate financial statements mainly concern:

- the measurement of fixed assets (amortisation/depreciation and any write-downs due to impairment, price allocations);
- the measurement of receivables.
- the recognition and quantification of contingent assets and liabilities;
- the determination of deferred tax assets/liabilities and income taxes;
- the determination of liabilities relating to "Employee severance indemnity" accrued prior to 2007, which was carried out by making use of the actuarial evaluation prepared by independent actuaries;
- financial payables on put options and conditional earn-outs;
- risk provisions;
- fair value of financial instruments.

With reference to fixed assets, notice is hereby given that, for the impairment test, the processes and measurement methods and the methods for calculating the estimates are based on complex assumptions relating to revenues, operating costs, margins, investments, rates of growth in the terminal value and discount rates differentiated for each of the CGUs identified, to which the different scenarios subject to sensitivity analysis are applied.
With reference to the measurement of receivables, notice is hereby given that the bad debt provisions reflects the estimates of expected losses for the Group's loan portfolio. Allocations were made to cover expected losses on loans, estimated on the basis of previous experience with reference to loans with similar credit risk, to amounts of current and historical unpaid amounts, as well as careful monitoring of the quality of the loan portfolio and the current and expected conditions and reference markets. The estimates and assumptions are periodically reviewed and the impact of any change recognised in the income statement in the relevant year.
With reference to the measurement of financial instruments, notice is hereby given that the fair value of unlisted financial assets is determined through financial measurement techniques used that require basic assumptions and estimates. These assumptions may not materialise in the times and methods envisaged. Therefore, the estimates prepared by the Group may differ from the final data.
The parameters used to draw up the estimates are commented on in the Explanatory notes to the consolidated financial statements. The estimates and assumptions are periodically reviewed and the impact of any change recognised immediately in the income statement. For matters not specifically addressed, please refer to the respective paragraphs in "Measurement criteria".

FINANCIAL RISK MANAGEMENT

The IEG Group is exposed to financial risks related to its activities, in particular relating to the following types:

- *credit risk*, deriving from commercial transactions or financing activities;
- *liquidity risk*, relating to the availability of financial resources and access to the credit market;

- *market risk* (composed of exchange rate risk, interest rate risk, price risk), with particular reference to interest rate risk, relating to the exposure to the Group on financial instruments that generate interest.

Credit risk

The credit risk to which the IEG Group is subject falls under normal commercial activities, both owing to the fragmentation of positions and the excellent credit quality historically recorded. The positions considered at risk were, nonetheless, written down accordingly. In order to contain the risks deriving from the management of trade receivables, each company has identified an office or a person responsible for the systematic coordination of the reminder activities, managed jointly by the commercial and administrative departments, legal representatives and companies specialised in credit recovery. The software implemented by the Parent Company Italian Exhibition Group S.p.A. and used by the main subsidiaries keeps a track of each reminder.
The table below shows the breakdown by past due brackets, of the receivables past due as at 31 December 2022 and 31 December 2021 and the overall value of the Bad Debt Provision.

				Analysis of past due 2022				
	Balance as at 31/12/2022	**Falling due**	**Past due**	0-90 days	91-180 days	181-365 days	Over 365 days	**Bad debt provision**
TRADE RECEIVABLES	**30,041**	**10,910**	**27,375**	14,487	1,262	910	10,716	**(8,244)**

				Analysis of past due 2021				
	Balance as at 31/12/2021	**Falling due**	**Past due**	0-90 days	91-180 days	181-365 days	Over 365 days	**Bad debt provision**
TRADE RECEIVABLES	**23,126**	**3,806**	**25,019**	11,333	1,646	832	11,209	**(5,700)**

The bad debt provision is calculated on the basis of the criteria of presumed recoverability, through both internal evaluations and with the support of external legal representatives. For more details on changes in the Bad debt provision, please refer to Note 9) Trade receivables.

Liquidity risk

The Group believes it is fundamentally important to maintain a level of available funds suited to its requirements.
The two main factors that determine the Group's liquidity situation are, on the one hand, the resources generated or absorbed by operating and investment activities, and on the other, the maturity and renewal characteristics of the debt or of the liquidity of financial investments and market conditions.
The Group has adopted a series of policies and processes for optimising the management of financial resources, reducing liquidity risk:

- *maintenance of an adequate level of available liquidity;*
- *obtaining of adequate credit lines;*

- *monitoring of prospective liquidity conditions, in relation to the process of business planning.*

As part of this type of risk, as regards the composition of net financial indebtedness, the IEG Group tends to finance investments with medium/long-term payables, while it meets current commitments with both the cash flow generated by operations and by using short-term credit lines. The table below shows the breakdown and maturity of financial payables and trade payables:

	Within 1 year	From 1 to 5 years	Due after 5 years	Total
31.12.2022				
Payables due to banks	18,488	64,869	19,977	103,334
Financial liabilities on rights of use	4,779	16,215	13,302	34,295
Financial liabilities for put options		4,741		4,741
Other financial liabilities	5,502	5,377		10,879
Trade payables	42,807			42,807
TOTAL	**71,576**	**91,202**	**33,279**	**196,057**
31.12.2021				
Payables due to banks	22,215	58,826	33,451	114,434
Financial liabilities on rights of use	3,346	9,551	14,475	27,372
Financial liabilities for put options		5,754		5,754
Other financial liabilities	4,834	6,769		11,653
Trade payables	33,825			33,825
TOTAL	**64,211**	**80,899**	**77,926**	**193,037**

For further information on the breakdown of the items reported in the table, please refer to Notes 15, 16, 20 and 21.

As at 31 December 2022, the IEG Group can rely on approximately 19.6 million euros of unused credit lines, cash and cash equivalents of 50.5 million euros and trade receivables of 30 million euros, for a total of 100.1 million euros; it therefore has sufficient liquid funds to cope with the short-term financial needs, even taking into account the general economic context.

Market risk

The group reserves the right to intervene with suitable hedges if the market risk factors should become significant.
The market risk consists of the exchange rate risk, the interest rate risk and the price risk, as described below.

Exchange rate risk

The IEG Group, operating in a global context, is naturally exposed to exchange rate risk deriving from the fluctuation in exchange rates, in particular, vis-à-vis the US Dollar for the investment made in the subsidiary FB International Inc., vis-à-vis the United Arab Emirates for the investment made in HBG FZ LLC, vis-à-vis the Brazilian Real for the investment made in the subsidiary IEG Brasil eventos LTDA and vis-à-vis the Chinese Renminbi for the investment made in the Subsidiary Europe Asia Global Link Exhibition Ltd and vis-à-vis the Singapore dollar following the recent establishment of IEG Asia Pte Ltd, based in the Republic of Singapore.
The exchanges rates against the Euro (foreign currency for euro units) adopted to translate the items denominated in another currency are shown below:

Currency	Exchange rate at 31/12/2022	Average exchange rate 2022	Exchange rate at 31/12/2021	Average exchange rate 2021
United Arab Emirates Dirham	3.9117	4.3436	4.1595	4.34361
US dollar	1.0666	1.1827	1.1326	1.18274
Brazilian Real	5.6386	6.3779	6.3101	6.37789
Chinese Renminbi	7.3582	7.6282	7.1947	7.62823
Singapore Dollar	14.3000	14.5120	15.2790	15.8910

The functional currency, defined by IAS 21 as the currency of the economic environment in which the Group mainly operates, is the euro.
As at 31 December 2022, a change of +/- 1% in the above rates versus the Euro, based on all other variables remaining the same, would not have involved significant differences to the pre-tax result and, therefore, to the corresponding variation in shareholders' equity.
Below are the values expressed in currencies other than the euro of the net assets included in the consolidated financial statements closed at 31 December 2022:

	Values in USD/000	Values in Reals/000	Values in AED/000	Values in CNY/000	Values in SGD/000
	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022
Intangible fixed assets	953	1,391	0	0	0
Property, Plant and Equipment	1,421	176	20	0	0
Equity investments	0	0	0	2,054	0
Inventories	109	0	0	0	0
Receivables from customers	3,965	904	2,953	51	0
Tax receivables and deferred tax assets	304	1	0	0	0
Other receivables	534	975	294	511	518
Cash and cash equivalents	1,125	935	4,776	180	0
Provisions	0	0	(296)	0	0
Payables due to banks	(198)	0	0	0	0
Financial payables for rights of use	(838)	0	0	0	0
Other financial payables	(2,124)	(1,863)	(907)	0	0
Trade payables	(5,352)	(60)	(793)	(68)	(22)
Tax payables	(34)	(89)	(73)	(442)	0
Other payables	(2,084)	(1,049)	(52)	(36)	0
Accrued expenses and deferred income	(262)	(187)	(1,840)	0	0

Interest rate risk
In order to carry out its activities, the Group obtains finance on the market by taking out primarily floating rate debt (linked to the Euribor), hence exposing itself to the risk deriving from an increase in interest rates. The objective of interest risk management is to limit and stabilise flows of expenses due to interest paid primarily on medium-term payables to ensure close correlation between the underlying and the hedging instrument.
The hedging activity, evaluated and decided on a case by case basis, is carried out predominantly through derivative contracts targeted at transforming a variable rate to a fixed rate.
In 2022, following a hypothetical increase or decrease of 100 basis points in the interest rate, based on

all other variables remaining the same, the higher or lower pre-tax charge (and therefore a corresponding change in shareholders' equity) would have been for an insignificant amount.

Price risk

The type of activity performed by the Group, essentially represented by the provision of services that do not require a process of purchase-transformation of assets, is such that the risk of fluctuations in prices is not particularly significant. The majority of the purchases made in relation to business activities are represented by the provision of service whose value is not immediately influenced by macroeconomic changes in the prices of the main commodities. In addition, as stated in relation to exchange rate risk, sales are almost all in the accounting currency and purchases not in Euro are negligible.

For the sake of complete disclosure, it should be noted that, as at 31 December 2021, the Group is exposed to a minimal extent to the price risk associated with investments in listed equities, as it has made a small investment in the shares of the company Gambero Rosso, classified to the financial statements under financial assets at "Fair Value through Profit & Loss".

Climate Change

Please refer to the Directors' Report on Operations for further information about Climate Change.

Fair value

IFRS 13 defines the following three levels of fair value to which to refer the measurement of financial instruments recognised in the statement of financial position.

- *Level 1:* prices quoted on an active market;
- *Level 2:* Inputs other than the listed prices described for Level 1, which can be directly (price) or indirectly (price derivatives) observed on the market;
- *Level 3*: Inputs that are not based on observable market data.

The following tables show the classification of financial assets and liabilities and the level of inputs used for the fair value measurement, as at 31 December 2022 and 31 December 2021.

31/12/2022						
	Notes	Fair value level	Amortised cost	Fair value through OCI	Fair value through profit and loss	Total
ASSETS						
Other equity investments	4	2-3		9,248	101	9,349
Non-current financial assets	7	1-2	1,330	1,756	215	3,301
Other non-current assets	8		270			270
Trade receivables	10		30,041			30,041
Current financial assets	12	2	334			334
Other current assets	13		6,914			6,914
Cash and cash equivalents	14		50,586			50,586
TOTAL ASSETS			**89,475**	**11,004**	**316**	**100,795**
LIABILITIES						
Non-current payables due to banks	16		84,846			84,846
Other non-current financial liabilities	18	2	34,893			34,893
Other non-current liabilities	21		1,805			1,805
Current payables due to banks	16		18,488			18,488
Other current financial liabilities	23		10,282			10,282
Trade payables	24		42,807			42,807
Other current liabilities	26		52,242			52,242

	Notes	Fair value level	Amortised cost	Fair value through OCI	Fair value through profit and loss	Total
TOTAL LIABILITIES			**245,363**	**0**	**0**	**245,363**

31/12/2021						
	Notes	**Fair value level**	**Amortised cost**	**Fair value through OCI**	**Fair value through profit and loss**	**Total**
ASSETS						
Other equity investments	4	2-3		10,770	88	10,858
Non-current financial assets	7	1-2	646		360	1,006
Other non-current assets	8		142			142
Trade receivables	10		23,126			23,126
Current financial assets	12	2	445			445
Other current assets	13		5,674			5,674
Cash and cash equivalents	14		52,651			52,651
TOTAL ASSETS			**82,684**	**10,770**	**448**	**93,902**
LIABILITIES						
Non-current payables due to banks	16		92,277			92,277
Other non-current financial liabilities	18	2	32,966	444	3,139	36,549
Other non-current liabilities	21		2,020			2,020
Current payables due to banks	16		22,157			22,157
Other current financial liabilities	23		8,230			8,230
Trade payables	24		33,825			33,825
Other current liabilities	26		36,272			36,272
TOTAL LIABILITIES			**227,747**	**444**	**3,139**	**231,330**

If the fair value is not borne out by a price listed on a market or not based on a measurement technique based purely on observable market data, the Group will not, as specified by accounting standard IFRS 7, note the gain or loss as profit and loss when initially booked and shall specify which accounting standards it adopted in noting the difference between the initial fair value recorded and the transaction price on the income statement, to reflect a hypothetical change in factors (including time) that the market participants may take into consideration to determine a specific price.

Change in liabilities deriving from financing activities

The reconciliation of liabilities deriving from financing activities, as reported in the cash flow statement, for the periods ended respectively as at 31 December 2021 and 31 December 2022 is reported below. It should be noted that the fair value changes in Other non-current financial payables refer to the performance of the MTM value of the derivative subscribed on 04 November 2011 with Banca Popolare di Vicenza, now Banca Intesa Sanpaolo S.p.A.; while the other non-monetary changes include the impacts of IFRS 16, on current and non-current financial liabilities and the change in payables for put options.

	Balance as at 31/12/2021	Change in cash flow	Change in fair value	Other non-monetary changes	Balance as at 31/12/2022
Current bank payables	22,157	(3,667)			18,488
Non-current bank payables	92,277	(7,430)			84,846
Other current financial payables*	8,230	(1,242)		3,293	10,282
Other non-current financial payables*	36,549	(705)	(3,582)	2,633	34,893

	Balance as at 31/12/2020	Change in cash flow	Change in Fair value	Other non-monetary changes	Balance as at 31/12/2021
Current bank payables	28,873	(6,716)			22,157
Non-current bank payables	85,986	6,291			92,277
Other current financial payables*	5,927	2,309		(6)	8,230
Other non-current financial payables*	37,770	(4,619)	1,346	2,052	36,549

**Current and non-current financial payables also include the related liabilities for rights of use*

OPERATING SEGMENTS

An operating segment is defined by IFRS 8 as a component of the entity that: i) carries out business activities which generate revenues or costs (including revenues or costs regarding transactions with other components of the same entity); ii) whose operating results are periodically reviewed by the entity's highest operating decision-maker for the purposes of taking decisions regarding resources to be allocated to the segment and the assessment of results; iii) for which separate financial statements information is available.
For the purposes of IFRS 8 - Operating segments, the activities performed by the Group are incorporated in a single operating segment.

In fact, the Group structure identifies a strategic and unitary business vision and this representation is consistent with the methods used by management to take its decisions, allocate resources and define the communication strategy, making the assumptions of a division-based business drive financially ineffective at the current state of play.

CONSOLIDATION PRINCIPLES

These consolidated financial statements include the Parent Company Italian Exhibition Group S.p.A., the subsidiaries and the jointly controlled companies.

The consolidated financial statements have been prepared at 31 December 2022 on the basis of the separate financial statements approved by the competent Administrative Bodies for the individual companies and suitably adjusted, where necessary, to ensure compliance with the Group's accounting standard, in accordance with the IASs/IFRSs.

The list of companies included in the scope of consolidation as of 31 December 2022 is shown in Annex 1.

Subsidiaries

Companies are defined as subsidiaries when the Parent Company has the power, directly or indirectly, to exercise management so as to obtain the benefits from the exercise of said activities. More specifically, control is obtained when the Group is exposed, or has the right to variable returns deriving from its involvement with the entity invested in and, in the meantime, is also able to impact those results by exercising its power over that entity. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. the Group has existing rights that give it the ability to direct the relevant activities of the investee);

- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to exercise its power over the entity invested in to impact the amount of its returns.

Generally, the assumption is that the majority of voting rights entails control. Supporting this assumption, and when the Group holds less than the majority of voting rights (or similar rights), the Group considers all the relevant facts and circumstances to establish whether it controls the entity invested in, including:

- contractual agreements with other holders of voting rights;
- rights deriving from contractual arrangements;
- voting rights and potential voting rights of the Group.

The Group reconsiders whether it has control over an investee if the facts and circumstances indicate that there have been changes in one or more of the three relevant factors for the purpose of defining control.

The financial statements of subsidiaries are consolidated on a line-by-line basis from the moment of the acquisition of control until the date of its cessation. According to the provisions of IFRS 3, subsidiaries acquired by the Group are accounted for using the acquisition method, based on which:

- the consideration transferred in a business combination is measured at fair value, determined as the sum of the fair values of the transferred assets and liabilities assumed by the Group at the acquisition date and the capital instruments issued in exchange for the control of the acquired entity; transaction accessory expenses are booked to the income statement at the moment they are incurred;
- the excess of the acquisition cost with respect to the market value of the amount pertaining to the Group of the net assets is recorded as goodwill;
- if the acquisition cost is lower than the fair value of the amount pertaining to the Group of the net assets of the acquired subsidiary, the difference is recognised directly in the income statement.

The reciprocal payables and receivables, costs and revenues between consolidated companies and the effects of all significant transactions between them were eliminated.

In particular, profits still not yet realised with third parties deriving from intercompany transactions were eliminated.

The portion of shareholders' equity attributable to minority interests is recognised in a specific item, while their portion of net income is shown separately in the consolidated income statement.

Associated companies

Associated companies are those over which the Group exercises significant influence, but in which they do not have management control.

This influence is presumed to exist when the Group holds between 20% and 50% of voting rights. The consolidated financial statements include the share of profits and losses of associated companies, measured using the equity method from the date on which significant influence over management was obtained, up until its cessation.

The portion pertaining to the Group of profits or losses following the acquisition of associated companies is recognised in the income statement.

The equity investment in associated companies is accounted for based on the acquisition method and any excess of the acquisition cost with respect to the portion pertaining to the Group of the current value of the net assets of the acquired entity is included in the value of the equity investment.

Joint ventures

These are companies in which the Group shares contractually established control, or for which there are contractual agreements under which two or more parties undertake an economic activity subject to joint control. Equity investments in jointly controlled companies are valued using the equity method.

SCOPE OF CONSOLIDATION AND ITS CHANGES

The consolidated financial statements as at 31 December 2022 includes the income statement and balance sheet data of Italian Exhibition Group S.p.A. (Parent Company) and all companies which it directly or indirectly controls.
The corporate year of Italian Exhibition Group S.p.A. and all the Group companies is the calendar year (1/1 - 12/31).
The consolidated financial statements have been drafted on the basis of the accounting positions as at 31 December 2022 prepared by the consolidated companies and adjusted, where necessary, in order to bring them into line with the accounting standards and classification criteria of the Group compliant with the IFRS.
The list of the equity investments included in the scope of consolidation, with an indication of the method used for consolidation is provided in Annex 1 of the Explanatory Notes.
The balance sheet and income statement figures as at 31 December 2022 also include the share of profits and losses of companies measured using the equity method on the date on which the company gained its significant influence over management up to its cessation.

The consolidation area at 31 December 2022 differs from that at 31 December 2021 due to the inclusion in the consolidation scope of:

- VGroup S.r.l., a company acquired by the Parent Company on 27 May 2022 and of which it holds 75% of the share capital;
- IEG China Co Ltd (formerly EAGLE), a company already held with a 50% share by IEG. In 2022, the Parent Company acquired the final shares from the shareholder, so as to hold the entire capital;
- IEG Deutschland Gmbh, with registered office in Munich, a company established by the Parent Company, which holds the whole of the share capital at 24 March 2022;
- IEG Asia Pte Ltd, with registered office in Singapore, a company established by the Parent Company, which holds the whole of the share capital at 21 October 2022.

In terms of the companies included in the consolidation scope using the synthetic method, we would recall the acquisition of 50% of Italian German Exhibition Company S.r.l. (IGECo), a company established by Hannover Fairs International GmbH and in which the German partner contributed its subsidiaries operating in the United States (Hannover Fairs USA Inc.), Canada (Hannover Fairs Canada Inc.) and Mexico (Hannover Fairs Mexico SA de CV), today Igeco USA, Igeco Canada and Igeco Mexico.
During the first half of 2022, moreover, the liquidation process was concluded of the Joint Venture Expo Extratégia Brasil Eventos e Produções Ltda.

BUSINESS COMBINATIONS

On 27 May 2022, the acquisition was completed of VGroup S.r.l., which generated provisional goodwill of 2,893 thousand euros, allocated to the CGU VGroup, which represents the subsidiary's flows. On 08 October 2022, the Parent Company completed the purchase of the remaining 50% of the capital of EAGLE, subsequently renamed IEG China: in this case too, the goodwill was allocated to the cash generating unit represented by the subsidiary.

Both these transactions were settled entirely in cash. The portion previously held in IEG China was measured at fair value at the date on which the additional 50% was acquired.

At the date of this document, the difference between the cost of both acquisitions and the related net assets acquired was fully allocated to provisional goodwill; given that the Purchase Price Allocation phase has still not been completed and given the events indicative of possible impairment of the net assets acquired, as set forth in IAS 38, have not been verified, it was not necessary to test said goodwill for

impairment. A specific analysis of the fair value of the net assets acquired and the consideration transferred will be carried out within twelve months of the acquisition. If, at the end of the measurement period, tangible and intangible assets with a definite life are identified, the provisional amounts recorded at the time of acquisition will be adjusted, with retroactive effect to the acquisition date.
The table below shows the provisional values for the transaction in question.

VGroup S.r.l. Euro/000	(A) - Book values at the acquisition date	(B) - Fair value at the acquisition date (provisional values)
Property, plant and equipment	0	0
Property, plant and equipment IFRS16	0	191
Intangible fixed assets	71	71
Advance taxes	12	12
Trade receivables	48	48
Other current assets	170	170
Other tax assets	194	194
Cash and cash equivalents	771	771
Severance indemnity	(3)	(4)
Customers advance receivables	(207)	(207)
Trade payables	(271)	(294)
Financial payables IFRS16	0	(191)
Tax payables for direct taxes	0	(106)
Other current liabilities	(5)	(7)
Total net assets acquired	**781**	**649**
Minority interests measured at fair value (25%)	**(195)**	**(162)**
Cost of the acquisition	**3,380**	**3,380**
Provisional goodwill at 01.06.2022	**2,794**	**2,893**

IEG China RMB/000	(A) - Book values at the acquisition date	(B) - Fair value at the acquisition date (provisional values)
Equity investments	2,054	2,054
Trade receivables	51	51
Cash and cash equivalents	217	217
Other tax assets	29	29
Other current assets	1	1
Customers advance receivables	(36)	(36)
Trade payables	(37)	(37)
Total net assets acquired	**2,278**	**2,278**
Cost of the acquisition, of which:	**4,399**	**4,399**
Portion previously held and remeasured at fair value at the date on which the additional share was acquired	*2,399*	*2,399*
Cost for the acquisition of the additional 50%	*2,000*	*2,000*
Provisional goodwill at 08.10.2022	**2,121**	**2,121**

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO IFRS APPLIED FROM 1 JANUARY 2022 OR WHICH CAN BE APPLIED EARLY

In 2022, the IEG Group adopted the following new accounting standards, amendments and interpretations, revised by the IASB.

- *Amendment to IFRS 3 – Business combinations.* This document, issued by the IASB on 22 October 2018, is targeted at resolving the difficulties that arise when an entity determines whether it has acquired a company or a group of assets. The application of this amendment on the consolidated financial statements of the IEG Group has not had any significant impact.
- *Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.* This amendment, issued by IASB in May 2020, indicates which costs must be considered in order to evaluate whether a contract can be defined as an onerous contract. The application of this amendment on the consolidated financial statements of the IEG Group has not had any significant impact.
- *Annual Improvements 2018-2020:* In May 2020, the IASB issued some amendments to IFRS 1 First time adoption of IFRS, IFRS 9 Financial instruments, IAS 41 Agriculture and to the illustrative examples accompanying IFRS 16 Leases. The application of this amendment on the consolidated financial statements of the IEG Group has not had any significant impact.
- *Amendment to IAS 16, Property Plant and Equipment.* The purpose of the amendment is to set some constraints on some types of capitalisable expenses in order to make the asset available and ready to be used. The application of this amendment on the consolidated financial statements of the IEG Group has not had any significant impact.

NEW IFRS AND IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT ADOPTED EARLY BY THE IEG GROUP

Following are the new accounting standards, amendments and interpretations, approved by the competent bodies of the European Union. The IEG Group is assessing the impacts that the application of these will have on the consolidated financial statements. The new accounting standards, amendments and interpretations will be adopted according to the effective dates of introduction as reported below:

- *Amendment to IAS 1 Presentation of Financial Statements, to IFRS Practice Statement 2: Disclosure of Accounting policies and IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.* The specified amendments issued by the IASB on 12 February 2021 aim to improve the disclosure on accounting policies and aim to help companies distinguish between the effects that can cause changes in the accounting estimates with respect to those deriving from changes in the main accounting policies. The amendments came into effect from 1 January 2023.
- *IFRS17 Insurance Contracts:* this standard introduces a new accounting approach to insurance contracts by insurance companies, to date indicated in IFRS 4 (in force). These amendments aim to make the accounting of insurance products more transparent and to improve the consistency of their accounting representation. The standard came into force on 1 January 2023.

- *Amendments to IFRS17 Insurance contracts: Initial Application of IFRS17 and IFRS9 – Comparative Information:* this amendment is intended to help the entities to avoid temporary accounting mismatches between financial assets and liabilities deriving from insurance contracts and thus improve the usefulness of comparative information for financial statement readers. This amendment came into force on 1 January 2023.
- *Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction:* this amendment clarifies how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning obligations.

COMMENTS ON MAIN ASSET ITEMS

NON-CURRENT ASSETS

1) Property, plant and equipment

The tables below indicate the changes in the last two financial years.

	Balance as at 31/12/2020	Changes as at 31/12/2021									Balance as at 31/12/2021
		Increases	Changes IFRS 16	Write-downs	Decreases	Depr.	Depr IFRS 16	Transfers	Exchange rate effect	Changes in scope of consol.	
Land and buildings											
Book value	299,950	2,848	4,441	(1,806)				534			305,967
Amortisation	(131,179)		1,342	379		(5,022)	(2,727)				(137,207)
Total land and buildings	**168,771**	**2,848**	**5,782**	**(1,427)**		**(5,022)**	**(2,727)**	**534**			**168,760**
Plant and machinery											
Book value	78,890	168			(30)	0					79,027
Amortisation	(68,729)				29	(1,726)					(70,425)
Total plant and machinery	**10,161**	**168**			**(1)**	**(1,726)**					**8,602**
Industrial and commercial equipment											
Book value	33,636	959			(387)				251		34,459
Amortisation	(28,401)				331	(2,426)			(214)		(30,710)
Total industrial and commercial equipment	**5,235**	**959**			**(55)**	**(2,426)**			**37**		**3,748**
Other assets											
Book value	24,738	431	396		(247)				117		25,364
Amortisation	(18,567)	0	(2)		175	(1,112)	(218)		(61)		(19,728)
Total other assets	**6,171**	**431**	**394**		**(72)**	**(1,112)**	**(218)**		**55**		**5,636**
Total Fixed assets under construction and payments on account	**3,732**	730						(534)			**3,928**
TOTAL	**194,070**	**5,135**	**6,177**	**(1,427)**	**(128)**	**(10,287)**	**(2,945)**	**0**	**92**		**190,674**

	Balance as at 31/12/2021	Changes as at 31/12/2022									Balance as at 31/12/2022
		Increases	Changes IFRS 16	Write-downs	Decreases	Depr	Depr IFRS 16	Transfers	Exchange rate effect	Changes in scope of consol.	
Land and buildings											
Book value	305,967	623	10,686					17	195		317,488
Amortisation	(137,207)		694			(4,978)	(3,327)		(141)		(144,959)
Total land and buildings	**168,760**	**623**	**11,380**			**(4,978)**	**(3,327)**	**17**	**54**		**172,529**
Plant and											
Book value	79,027	2,163						585			81,775
Amortisation	(70,425)					(1,624)					(72,049)

Total plant and machinery	**8,602**	**2,163**				**(1,624)**		**585**			**9,727**
Industrial and commercial equipment											
Book value	34,459	1,180			(2,085)			(83)	228		33,699
Amortisation	(30,710)				2,085	(1,950)		(57)	(179)		(30,812)
Total industrial and commercial equipment	**3,748**	**1,180**			**-**	**(1,950)**		**(140)**	**49**		**2,887**
Other assets											
Book value	25,364	773	195		(426)			126	98	1	26,131
Amortisation	(19,728)		178		367	(1,362)	(191)	57	(46)	(1)	(20,726)
Total other assets	**5,636**	**773**	**373**		**(59)**	**(1,362)**	**(191)**	**183**	**52**	-	**5,405**
Total Fixed assets under construction and payments on account	**3,928**	**174**		**(2,971)**				**(645)**			**485**
TOTAL	**190,674**	**4,913**	**11,752**	**(2,971)**	**(59)**	**(9,914)**	**(3,517)**	**0**	**155**	0	**191,032**

The net amount of **"Land and buildings"** at 31 December 2022 is approximately 172 million euros with a net change of 3.8 million euros compared with 31 December 2021. For 0.6 million euros, the increases are related to improvements made to some of the warehouses held by the subsidiary Prostand for storing the equipment necessary to develop stands and improvements made to properties owned by the Parent Company. The increases related to the application of IFRS 16 are due to the renewal of the lease contracts coming up to expiry. Total amortisation/depreciation comes to approximately 8.3 million, of which 3.3 million relative to rights of use accounted in accordance with IFRS 16.

The net value of item "**Plant and machinery**" as at 31 December 2022 amounted to 9.7 million euros, a net increase of 1.1 million euros. The increases are mainly due to the investments made by the Parent Company to redo the CED room at the Rimini site, the development of the new ventilation plant in Hall 9, the restructuring of Hall 3.1 at the Vicenza District and the entry into operation of the ventilation and air-conditioning plants in Halls 3.0 and 8 of the Vicenza district and the purchase of new machinery by the subsidiary Summertrade Srl. Period amortisation/depreciation came to 1.6 million euros.

The item "**Industrial and commercial equipment**", with a balance of 2.9 million, recorded a net decrease of 0.9 million euros. Period increases, which totalled 1.2 million euros, mainly refer to the purchase of structures for trade fair stand development, acquired by the subsidiaries Prostand Srl and FB International Inc. Period amortisation/depreciation came to approximately 2.0 million euros.

The item "**Other assets**", with a balance of 5.4 million euros, recorded a net decrease of 0.2 million euros. In this category, investments were made for approximately 0.8 million euros and new lease contracts stipulated, with an increase in rights of use of 0.4 million euros. Amortisation/depreciation in this category totalled 1.6 million euros, of which 0.2 relative to the amortisation of rights of use posted following the application of IFRS 16.

Finally, "**Assets under construction & payments on account**" shows a balance of 0.5 million euros at 31 December 2022, down 3.4 million euros on 31 December 2021, of which 3.0 million euros relative to the abandonment of the project to expand and requalify the district of Rimini, which envisaged the development of a large, circular, multi-purpose hall measuring approximately 17,000 square metres in

gross exhibition space, as per the decision taken by the Board of Directors on 18 July, during the presentation and approval of the new Business Plan through to 2027. The increases, for 0.2 million euros, related to investments made in the Vicenza district whilst awaiting its start-up.
The property at Via Emilia 155 (Rimini trade fair district) is encumbered by a first mortgage of 150 million euros issued as a guarantee of the loan granted by the pool of banks headed by Credit Agricole Italia S.p.A. The first priority mortgage is granted in favour of each of the Original Secured Creditors in the following amounts:

- in reference to Crédit Agricole Italia, within the total limit of 50 million;
- in reference to BNL, within the total limit of 26 million;
- in reference to Banco Popolare - BPM, within the total limit of 22 million;
- in reference to BPER, within the total limit of 26 million;
- in reference to Credito Sportivo, within the total limit of 26 million.

The property in Vicenza, via dell'Oreficeria 16 (Vicenza trade fair district) is encumbered by a first mortgage of 84 million euros to guarantee the loan granted by Banca Popolare di Vicenza and drawn down in 2008.

It is specified that the mortgages are noted at the time the entry is made in the register of properties.

2) Intangible fixed assets

The tables below indicate the changes in the last two financial years.

	Balance as at 31/12/2020 (*)	Changes in 2021						Balance as at 31/12/2021
		Increases	Decreases	Amort./Deprec./ Impairm.	Transfers	Exchange rate effect	Var. Area	
Industrial patent and intellectual property rights								
Book value	4,485	226						4,711
Accumulated amortisation	(3,824)			(371)				(4,195)
Total industrial patent and intellectual property rights	**660**	**226**		**(371)**				**515**
Concessions, licenses, trademarks and similar rights								
Book value	11,860	1						11,861
Accumulated amortisation	(3,654)			(525)				(4,179)
Total concessions, licenses, trademarks and similar rights	**8,206**	**1**		**(525)**				**7,682**
Goodwill	**21,752**					**360**		**22,112**
Fixed assets under construction and payments on account	**158**	**33**						**190**
Other intangible fixed assets								
Book value	10,523	1						10,524
Accumulated amortisation	(5,391)			(1,114)				(6,505)
Total other intangible fixed assets	**5,132**				**(1,114)**			**4,019**
TOTAL INTANGIBLE FIXED ASSETS	**35,909**	**259**	**0**	**(2,010)**	**(1,114)**	**360**	**0**	**34,519**

(*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at 31/12/2020,

as they reflect the valuations made at the time of the Purchase Price Allocation of HBG Events at final values.

	Balance as at 31/12/2021	Changes in 2022						Balance as at 31/12/2022
		Increases	Decreases	Amort./Deprec./ Impairm.	Transfers	Exchange rate effect	Var. Area	
Industrial patent and intellectual property rights								
Book value	4,711	377					5	5,093
Accumulated amortisation	(4,195)			(361)			(14)	(4,571)
Total industrial patent and intellectual property rights	**515**	**377**		**(361)**			**(9)**	**522**
Concessions, licenses, trademarks and similar rights								
Book value	11,861	340			47		85	12,333
Accumulated amortisation	(4,179)			(560)		1	(5)	(4,743)
Total concessions, licenses, trademarks and similar rights	**7,682**	**340**		**(560)**	**47**	**1**	**80**	**7,590**
Goodwill	**22,112**	3,199				**374**		**25,686**
Fixed assets under construction and payments on account	**190**	**644**			(190)			**644**
Other intangible fixed assets								
Book value	10,524	43			143			10,709
Accumulated amortisation	(6,505)			(913)				(7,418)
Total other intangible fixed assets	**4,019**	**43**		**(913)**	**143**			**3,292**
TOTAL INTANGIBLE FIXED ASSETS	**34,519**	**4,602**	**0**	**(1,834)**	0	**375**	**71**	**37,734**

Under the item "**Industrial patents and intellectual property rights**", the costs for the purchase of software licences and legally protected intellectual property are capitalised. The balance at the end of the period amounted to 0.5 million euros. The increases are mainly linked to the purchase of software licences and consultancy activities activated to develop the digital platforms.

The item **"Concessions, licences, trademarks and rights"** increased by 0.3 million euros, mainly relating to the purchase of the trademark Brasil Trading Fitness Fair. Amortisation comes to 0.6 million and the change in the consolidation scope relates to the intangible assets acquired by the first consolidation of the subsidiary V Group S.r.l.

"Assets under construction & payments on account" recorded a balance of 0.6 million euros and relates to investments in the project to digitise the platforms called the "*Rubicon Project*".

The item "**Goodwill**" includes the values generated by the surplus between the cost of the business combinations and the fair value of the assets, liabilities and contingent liabilities acquired. At 31 December 2022, the balance of Goodwill came to approximately 25,686 thousand euros, up 3,573 thousand euros.

On 27 May 2022, the acquisition was completed of VGroup S.r.l., which generated provisional goodwill of 2,893 thousand euros, allocated to the CGU VGroup, which represents the subsidiary's flows. On 08 October 2022, the Parent Company completed the purchase of the remaining 50% of the capital of EAGLE, subsequently renamed IEG China: in this case too, the goodwill was allocated to the cash generating unit represented by the subsidiary.

At the date of this document, the difference between the cost of both acquisitions and the related net assets acquired was fully allocated to provisional goodwill; given that the Purchase Price Allocation phase has still not been completed and given the events indicative of possible impairment of the net assets acquired, as set forth in IAS 38, have not been verified, it was not necessary to test said goodwill for impairment. A specific analysis of the fair value of the net assets acquired and the consideration transferred will be carried out within twelve months of the acquisition. If, at the end of the measurement period, tangible and intangible assets with a definite life are identified, the provisional amounts recorded at the time of acquisition will be adjusted, with retroactive effect to the acquisition date.

In addition to the above-described increases and relating to new acquisitions, this item has changed as a result of the change in the euro/dollar and euro/dirham exchange rates, with an impact of approximately 374 thousand euros. The following table shows the related details:

Euro/000	**Balance as at 31/12/2022**	**Balance as at 31/12/2021**
Goodwill emerging from the transfer of Fiera di Vicenza	7,948	7,948
Other goodwill	355	355
Goodwill emerging from the purchase of FB International Inc.	894	912
Goodwill emerging from the purchase of Pro.Stand S.r.l. and Colorcom S.r.l.	8,847	8,847
Goodwill emerging from the purchase of HBG Events	4,443	4,051
Provisional goodwill emerging from the purchase of V Group Srl	2,893	0
Goodwill (provisional) emerging from the purchase of IEG China	306	0
TOTAL GOODWILL	**25,686**	**22,112**

As outlined in the chapter relating to the “Measurement criteria”, goodwill, excluding that emerged from the recent acquisitions indicated previously, is subject to impairment testing at the date of year-end (or more frequently if there are indicators of impairment), using the methodology described in the paragraph “Impairment of non-financial assets”. In particular, the impairment test verifies the recoverability of goodwill by comparing the Net Capital Invested, including the value of the goodwill, of the CGU/group of CGUs to which the goodwill was allocated, with the Recoverable value of said CGU/group of CGUs, represented by the higher of the fair value, less disposal costs, and the value in use.
Goodwill emerging from the transfer of Fiera di Vicenza was allocated to the “IEG CGU” as the recipient of the benefits of the business combination. These benefits refer to the acquired capacity to be recognised on the market as an aggregator, the synergies deriving from the use and optimisation of the workforce with the elimination of duplications, the sharing of mutual best practices, the comparison of the services provided by the suppliers with price savings, the acquisition of specific expertise to grow on the foreign market.
The goodwill that has emerged from the purchases of the fitting companies FB International Inc. and Prostand S.r.l. has been allocated to the cash generating units called **FB CGU** and **Italy CGU**, which respectively represent the flows of the financial statements of the US “stand-alone” subsidiary and those mainly comprising the IEG CGU, the Pro.Stand CU and the Summertrade CGU. The flows generated by HBG Events FZ LLC form the CGU called **Emirates**, to which the goodwill has been allocated as emerging form the acquisition of the subsidiary.
For the IEG CGU, the FB CGU, the Emirates CGU and the Italy CGU, the relevant value in use was determined by adopting the Group’s Discounted Cash Flow (DCF) methodology.
Unlevered free cash flows were determined by using the 2022- 2027 Business Plan approved by the Board of Directors of IEG on 18 July 2022 and subsequently updated accordingly to the 2023 Budget approved by the Board of Directors of IEG on 19 December 2022.
To determine the terminal value, a long-term “g” growth rate was used of 2%, common to all countries in which the individual CGUs or groups of CGUs generate their flows, according to an estimation of expected inflation forecast in such countries in 2027 by the International Monetary Fund.
The parameters for the discounting of the explicit cash flows and the Terminal Value were differentiated

by country and, in particular a WACC rate of 11.68% used for flows produced by Italian entities, 11.41% for the FB CGU and 11.93% for the Emirates CGU. In constructing all the WACCs, a Small Size Premium of 3.00% was used, in consideration of the smaller size of the Group with respect to comparable companies (Source: Duff & Phelps) while, compared with previous valuations, the Specific Risk Premium of 1.00% that had been inserted during the pandemic years to take account of the "execution risk" resulting from the reduced forecasting capacity generated by the effects of COVID-19, was eliminated.

The impairment tests carried out for all the CGUs described, at the reference date based on the methods specified above, brought to light higher recoverable values than the book values of the net capital invested (including goodwill), therefore excluding the need to reduce the value of the goodwill.

In support of the analysis, the company's Directors decided to further test the recoverable value of each CGU and the groups of CGUs described above and two separate sensitivity analyses were conducted, through which the WACC, the "g rate" and the estimates of the Operating Cash Flow were subject to assumptions of change. More specifically:

- assumption 1: change in the WACC (+/- 1%) combined with the change in the g rate (+/- 0.4%)
- assumption 2: percentage change in operating cash flow (+/- 10%) combined with the change in the WACC (+/- 1%)

The sensitivity analyses described herein did not bring to light any critical issues in terms of recoverability of the goodwill booked in the consolidated financial statements. The parameters that, taken individually or keeping all other elements constant, zero the cover are:

	WACC	g	Reduction in cash flow
IEG CGU	15.7%	-3.6%	81.4%
CGU Italia	16.8%	-5.5%	77.7%
FB CGU	20.2%	-35.3%	67.0%
HBG CGU	18.9%	-12.6%	71.5%

The assumptions used for impairment purposes and the results achieved, were approved by the Board of Directors of Italian Exhibition Group S.P.A. respectively on 27 February 2023 and 16 March 2023, independently and before these financial statements.

3) Equity investments valued using the equity method and other equity investments

Associated companies and jointly controlled companies, stated in the table below, are booked and measured in compliance with IAS 28 or using the equity method. Movements in the period are detailed in the following table.

	% held as at 31/12/2022	Balance as at 31/12/2021	Changes 2022					Balance as at 31/12/2022
			Increases	Write-back/Write-down	Decreases	Exchange rate effect	Other variations	
Associated companies								
Cesena Fiera S.p.A.	35.30%	1,490		388			13	1,891
IGECO Srl	50.00%		5,127					5,127
CAST Alimenti S.r.l.	23.08%	1,467		59				1,526
TOTAL ASSOCIATED COMPANIES		**2,957**	**5,127**	**447**			**13**	**8,544**
Jointly controlled companies								

Expo Estrategia Brasil Ltda		23		(26)		3		0
Destination Services srl	50.00%	42		(6)				36
Rimini Welcome Scarl	48.00%	16		(1)				15
EAGLE	100.00%	358		(26)		12	(344)	0
EECE	60.00%						279	279
TOTAL JOINTLY CONTROLLED COMPANIES		**440**	**0**	**(59)**		**15**	**(65)**	**330**
TOTAL EQUITY INVESTMENTS MEASURED USING THE EQUITY METHOD		**3,397**	**5,127**	**388**	**0**	**15**	**(52)**	**8,874**

The item in question as at 31 December 2022 came to 8,874 thousand, marking a net increase of 5,477 thousand euros.
The increases of 5,127 thousand euros relate to the acquisition of the shares relative to 50% of the capital of IGECO S.r.l. - new joint venture with Hannover Fairs International Inc., whilst for 400 thousand euros, they relate to the net value of write-backs and write-downs of equity investments applied according to the equity method. The investment in Eagle has been eliminated from the companies under joint control insofar as this Company was merged into the consolidation following the acquisition of the additional 50% and the name change to IEG China. This merger meant that the Group has also acquired the investment in the joint venture EECE for 279 thousand euros.

4) Equity investments in other companies

The movements in the period for the item in question are reported below.

	% held at 31/12/2022	**Balance 31/12/2021**	**Changes 2022**				**Balance as at 31/12/2022**
			Increases	Write-backs/Write-downs	Decreases	Transfers	
Uni Rimini S.p.A.	7.64%	62					62
Rimini Congressi S.r.l.	10.06%	10,770		(1,522)			9,248
Observice – Città dei maestri		15	13				28
BCC Alto Vicentino	<0.5%	1					1
BCC San Giorgio	<0.5%	10					10
TOTAL EQUITY INVESTMENTS IN OTHER COMPANIES		**10,858**	**13**	**(1,522)**			**9,349**

In December 2020, the incorporation took effect of Società del Palazzo dei Congressi S.p.A: (in which IEG has an investment) into Rimini Congress S.r.l. and IEG became the holder of 10.36% of the share capital of Rimini Congressi S.r.l.
The equity investment in Rimini Congressi S.r.l. is measured at fair value (through OCI without recycling): the write-down for the period, therefore, relates to the adjustment for the period.
At 31 December 2022, the group held:

- An equity investment in Uni.Rimini spa for 7.64%, consortium company with the aim of promoting university training in Rimini.
- An equity investment in the consortium Observice Città dei Maestri, a corporate academy specialised in training for trade fair stand fittings through paths aiming to train highly specialised professional figures. This equity investment was increased with a further payment of 13 thousand euros in 2022.

- Two small investments (each < 0.5%) in BCC San Giorgio and BCC Alto Vicentino, unchanged on 31 December 2021.

5) Deferred tax assets

“Deferred tax assets” are recognised up to the limits in which future taxable income will be available against which to utilise the temporary differences. Deferred tax assets and liabilities are offset given that they refer to the same tax authority. During the period, no additional Deferred tax asset provisions have been made on the reported loss booked for 2021 by the IEG Group.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Credits for advance IRES/IRAP	8,464	9,478
Total deferred tax assets	**8,464**	**9,478**
Provision for deferred IRES	(3,178)	(2,742)
Total deferred tax liabilities	**(3,178)**	**(2,742)**
TOTAL DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES	**5,286**	**6,736**

Net deferred tax assets relate to both the temporary differences between the book values of the assets and liabilities in the financial statements and the corresponding values recognised for tax purposes and the losses from tax consolidation deemed recoverable based on company plans, whose materialisation is subject to the intrinsic risk of non-implementation inherent in the provisions contained therein. Management, with the support of its tax advisors, prepared an analysis based on the forecasts of the 2022-2027 Plan, approved by the Board of Directors on in July 2022, aimed at verifying the recoverability of deferred tax assets. These analyses did not highlight any problems connected with the recoverability of the prepaid tax booked in the financial statements, which, at the end of FY 2022, included prepaid tax connected with tax losses of 3,404 thousand euros, whilst overall the Group had around 37 million euros in tax losses recorded in the Covid period, which can be used for up to 80% against future annual taxable income.

6) Non-current financial assets for rights of use

“Non-current financial assets for rights of use” amounting to 290 thousand euros refer to financial receivables for active sub-leases of rights of use.

7) Non-current financial assets

The changes in the item in question are shown below.

	Balance as at 31/12/2021	Changes in 2022				Balance as at 31/12/2022
		Increases/ decreases	Write-backs/Write-downs	Exchange rates effect	Transfers	
Gambero Rosso shares	29		(4)			25
TFR policy	331	(31)	9			309
Receivables from jointly controlled companies	159	619		(47)		731

Derivative assets	0				1,945	1,945
TOTAL NON-CURRENT FINANCIAL ASSETS	**519**	**588**	**5**	**(47)**	**1,945**	**3,011**

"Non-current financial assets" came to 3,011 thousand euros at 31 December 2022. The most significant change is the shift in Derivative assets with positive values, which recorded 1,945 thousand euros at 31 December 2022. As regards receivables from jointly controlled companies, an increase is recorded of 619 thousand euros, as well as an exchange loss of 47 thousand euros.

The nature and classification according to the categories established by IFRS 9 of "Non-current financial assets" is reported in the Fair value section of these Explanatory notes. For the measurement of the fair value of the Gambero Rosso shares, the prices quoted on active markets at the measurement date were used.

Fair value of derivative instruments, which was negative at 31 December 2021 for 3.6 million euros, was positive at 31 December 2022 for 1.9 million euros and therefore recorded amongst Non-current financial assets.

The derivative stipulated on 04 November 2011 with Banca Popolare di Vicenza, now Banca Intesa Sanpaolo S.p.A., was stipulated in order to hedge the interest rate risk of part of the underlying loan and makes provision for the swapping of the 6-month Euribor with a fixed rate of 2.95%. The amortisation plan of the derivative perfectly matched, at the date of stipulation of the contract, the repayment plan of the Intesa Sanpaolo loan and, for said reason, was initially classified as a hedge, also for accounting purposes.

In 2014, the company Fiera di Vicenza, transferred to Rimini Fiera S.p.A. effective from November 1st, 2016 (which subsequently changed its company name to Italian Exhibition Group S.p.A.), altered the time-scales for repayment of the loan with respect to the original repayment plan, extending the pre-amortisation period. Consequently, the derivative, whose notional value was 60% of the loan subject to hedging, albeit continuing to guarantee an operational hedge given that it follows the amortisation plan of the loan until 31/12/2026, no longer possesses all the characteristics to qualify for hedge accounting. For the reasons just stated, the derivative is classified as an instrument measured at fair value through profit and loss of the Parent Company.

The final date of repayment of the Intesa Sanpaolo loan is set for 03 June 2036, around 10 years after the hedge of the first derivative contract stipulated in 2011. For this reason, IEG's Risk Management department opted to stipulate a second derivative contract on the residual amount of the loan not subject to the previous hedge, in order to mitigate potential fluctuation in the interest rate risk, with the following characteristics:

- trading date: 07 December 2018;
- effective date: 29 June 2018;
- maturity date: 30 June 2036;
- interest payment dates: six-monthly, 31 December and 30 June of each year;
- total notional: EUR 9,635,397.46;
- fixed rate (pay IEG): 0.96400%;
- floating rate (receive IEG): Euribor 6M (Actual/360).

On 16 April 2020, a new loan agreement was entered into with the pool of banks headed up by Credit Agricole for a total loan of 15 million euros, due on 30 June 2028. Following this agreement, four new IRS contracts were executed for a partial cover of the debt, in the total nominal value of 10.5 million euros. Information is provided below on the four contracts stipulated during the year, respectively with Credit Agricole, BPER, BNL, Banco Popolare di Milano, which have the same characteristics:

- Trading date: 23 June 2020;
- Effective date: 31 December 2020;
- Maturity date: 18 April 2028;

- Interest payment dates: six-monthly, 31 December and 30 June of each year;
- Total notional (of the four contracts): EUR 10,546,876;
- Fixed rate (pay IEG): -0.01%;
- Floating rate (receive IEG): Euribor 6M (Actual/360).

In addition, during the year, the subsidiary Summertrade, continuing on from the stipulation of the loan contract with Credit Agricole, subscribed an IRS contract with the following characteristics:

- Trading date: 18 May 2021;
- Effective date: 18 May 2021;
- Maturity date: 19 May 2025;
- Interest payment date: quarterly aligned with the underlying;
- Total notional: EUR 1,500,000;
- Fixed rate (pay IEG): -0.01%;
- Floating rate (receive IEG): Euribor 6M (Actual/360).

The table below shows the impacts of the change in the fair value of the seven derivative instruments as at 31 December 2022.

VALUATION DATE	IRS Fair Value	Financial income (charges) through profit and loss	Change in CFH reserve
31/12/2019	(5,228)		
31/12/2020	(5,517)	(179)	(483)
31/12/2021	(3,583)	1,346	588
31/12/2022	1,945	3,328	2,200

8) Other non-current assets

"Other non-current assets" amounted to 271 thousand euros (142 thousand euros as at 31 December 2021), and refer primarily to security deposits.

CURRENT ASSETS

9) Inventories

Details are given below.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Raw materials and consumables	446	323
Finished goods and goods for resale	406	408
TOTAL INVENTORIES	**852**	**731**

The item "Inventories" is composed of finished products and goods relating to the stand fitting company Prostand S.r.l. and FB International Inc. and raw materials relating to the catering activities performed by Summertrade S.r.l.. The balance at 31 December 2022 was 852 thousand euros, up 121 thousand euros on the previous ear. The increase is explained by a resumption of business following forced closure periods due to the Covid-19 pandemic.

10) Trade receivables

	Balance as at 31/12/2022	Balance as at 31/12/2021
Receivables from customers	28,859	22,313
Receivables from associated companies	268	83
Receivables from jointly controlled companies	54	54
Receivables from parent companies	861	676
TOTAL TRADE RECEIVABLES	**30,041**	**23,126**

The item in question represents the balance of amounts due from organisers and exhibitors for services relating to the provision of trade fair/conference spaces and the supply of event-related services and increase due to the resumption of trade fair activities in 2022, following the block of activities in 2021 and 2020. For more information on the past due brackets, please refer to the section "Credit risk", while as regards the estimate evaluations, please see the section "Use of estimates".
“Receivables from associated companies” totalled 268 thousand euros and refer primarily to trade receivables due to the subsidiary Summertrade S.r.l. and to the Parent Company in respect of Cesena Fiera S.p.A.. “Receivables from jointly controlled companies” include receivables of the Parent Company due from the company DV Global Link LLC, while “Receivables from Parent Companies” shows the portion due in respect of Rimini Congress S.r.l. by the Parent Company for Euro 837 thousand and the receivable of 24 thousand in respect of Vicenza Holding S.p.A.
Receivables are stated net of the bad debt provision, whose changes are reported in the table below.

	Balance as at 31/12/2021	Changes in 2022					Balance as at 31/12/2022
		Uses	Provisions	Exchange difference	Transfers	Var. Area	
Bad debt provision	989	(94)	1,652	5	145	43	2,739
Bad debt provision - taxed	4,727	(57)	978	2	(145)		5,505
TOTAL BAD DEBT PROVISION	**6,036**	**(151)**	**2,630**	**7**	0	43	**8,245**

As regards the measurement of receivables, the provision for doubtful debt reflects the hypothesised losses expected on the Group’s customer portfolio. Prudent provisions have been made, estimated on the basis of past experience of receivables with similar credit risk levels and the careful monitoring by the Group companies’ debt collection department, which also consider the historic and economic context of the reference market. The estimates and assumptions, which are reviewed from time to time, are posted directly on profit and loss in the year to which they pertain.

11) Tax receivables for direct taxes

	Balance as at 31/12/2022	Balance as at 31/12/2021
Tax receivables for direct taxes	468	352
TOTAL TAX RECEIVABLES FOR DIRECT TAXES	**468**	**352**

The balance at 31 December 2022, of 468 thousand euros, up 116 thousand euros on the previous period, refers to direct tax receivables due mainly to FB International Inc. and Prostand S.r.l.

12) Current financial assets for rights of use

"Current financial assets for rights of use" amounting to 197 thousand euros refer to financial receivables for active sub-leases of rights of use.

13) Current financial assets

	Balance as at 31/12/2022	Balance as at 31/12/2021
Financial receivables from associated companies	**93**	**48**
Destination Services srl	85	45
DV Global Link LLC	6	3
Financial receivables due from Shareholders	**0**	**169**
Receivables for capital payments to be made	0	169
Short-term securities	**43**	**44**
USA Security Deposit	43	44
TOTAL FINANCIAL ASSETS CURRENT	**137**	**261**

"Current financial assets" amounted to 137 thousand euros, a decrease of 124 thousand euros compared to 31 December 2021.

14) Other current assets

Details are given below.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Other tax receivables	1,203	504
Receivables due from others	1,470	1,949
Accrued income and prepaid expenses	1,184	1,150
Costs paid in advance pertaining to subsequent years	3,057	2,071
TOTAL OTHER CURRENT ASSETS	**6,914**	**5,674**

Other current assets amounted to 6.9 million euros at 31 December 2022, a rise of 1.2 million euros compared to the previous period.

"Prepaid expenses" refer to portions of costs not pertaining exclusively to 2022, which have already been recorded in the accounts. "Accrued income" refers to revenues pertaining to the period which will be recorded in the accounts in a subsequent period. In all, the item came to 1.2 million euros at 31 December 2022, essentially unchanged on the same period of last year.

The costs already incurred for the staging of trade fairs that will be held in the next few months, and therefore fully pertaining to subsequent years, were accounted as "Costs advanced pertaining to subsequent years". This item amounted to 3.1 million euros at 31 December 2022, up 1 million euros compared to the 31 December 2021. The increase lies in the normal resumption of activities with respect to the previous period.

"Other tax receivables", which totalled 1.2 million euros at 31 December 2022, represent VAT credits to be used for offsetting.

Below are details of “Other receivables”:

	Balance as at 31/12/2021	Balance as at 31/12/2021
Down payments	19	18
Suppliers - advances	1,040	1,265
Trade receivables	90	63
Receivables due from employees	29	58
Receivables due from social security institutions	9	87
Agents - advances	47	47
Sundry receivables	237	411
TOTAL Receivables due from others	**1,470**	**1,949**

15) Cash and cash equivalents

The item “Cash and cash equivalents” amounted to 50,586 thousand euros as at 31 December 2022, and includes almost exclusively short-term deposits remunerated at floating rate.
The trend in cash flows with respect to the previous year has been reported in the “Consolidated Cash Flow Statement” to which reference should be made.

COMMENTS ON THE MAIN ITEMS OF LIABILITIES AND SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

16) Shareholders' equity

	Balance as at 31/12/2020 (*)	Changes in 2021				Balance as at 31/12/2021
		Increases	Decreases	Allocation of profit	Period result	
Share capital	52,215					52,215
Share-premium reserve	13,947					13,947
Revaluation reserves	67,160					67,160
Legal reserve	10,401					10,401
Statutory reserves	2,531					2,531
Capital grants	5,878					5,878
First-time adoption reserve	(46,306)					(46,306)
CFH reserve	(784)	*447*				(337)
Actuarial reserve	(499)		(21)			(520)
Translation reserve	(107)	*390*				283
OCI reserve	339		(204)			135
Put option reserve	(9,967)					(9,967)
Retained earnings (losses carried forward)	8,781			(11,289)		(2,507)
Profit (loss) for the year	(11,289)			11,289	1,638	1,638
SHAREHOLDERS' NET ASSETS OF THE PARENT COMPANY	**92,301**	***837***	**(225)**	**0**	**1,638**	**94,550**
Capital and reserves pertaining to minority interests	1,923	*393*		(1,160)		1,157
First-time adoption reserve of minority interests	8					8
Actuarial reserve of minority interests	(20)		(6)			(25)
Profit (loss) attributable to minority interests	(1,160)			1,160	(2,311)	(2,311)
SHAREHOLDERS' EQUITY PERTAINING TO MINORITY INTERESTS	**752**	***393***	**(6)**	**0**	**(2,311)**	**(1,172)**
TOTAL GROUP SHAREHOLDERS' EQUITY	**93,052**	***1,230***	**(231)**	**0**	**(673)**	**93,378**

(*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at 31/12/2020, as they reflect the valuations made at the time of the Purchase Price Allocation of HBG Events at final values.

	Balance as at 31/12/2021	Changes in 2022				Balance as at 31/12/2022
		Increases	Decreases	Allocation of profit	Period result	
Share capital	52,215		(105)			52,110
Share-premium reserve	13,947		(22)			13,924
Revaluation reserves	67,160					67,160
Legal reserve	10,401			42		10,443
Statutory reserves	2,531			8		2,540
Restricted reserve from consolidation				20		20
Capital grants	5,878					5,878
First-time adoption reserve	(46,306)					(46,306)
CFH reserve	(337)	*1,684*				1,334
Actuarial reserve	(520)	*508*				(12)
Translation reserve	283	*448*				730
OCI reserve	135		(1,522)			(1,387)
Put option reserve	(9,967)					(9,967)
Retained earnings (losses carried forward)	(2,507)			1,569		(938)
Profit (loss) for the year	1,638			(1,638)	772	772
SHAREHOLDERS' NET ASSETS OF THE	**94,550**	***2,641***	**(1,649)**	**0**	**772**	**96,301**

PARENT COMPANY						
Capital and reserves pertaining to minority interests	1,157	*515*		(2,311)		(638)
First-time adoption reserve of minority interests	8					8
Actuarial reserve of minority interests	(25)	*6*				(19)
Profit (loss) attributable to minority interests	(2,311)			2,311	(1,546)	(1,546)
SHAREHOLDERS' EQUITY PERTAINING TO MINORITY INTERESTS	**(1,172)**	***521***		**0**	**(1,546)**	**(2,195)**
TOTAL GROUP SHAREHOLDERS' EQUITY	**93,378**	***3,162***	**(1,649)**	**0**	**(774)**	**94,106**

The total shareholders' equity of the Group as at 31 December 2022 totalled 94.1 million euros, of which 96.3 million euros attributable to the shareholders of the Parent Company and -2.2 million euros attributable to minority interests.
The Parent Company's Share Capital, fully subscribed and paid-up, amounted to 52.1 million euros and is divided into 30,864,197 shares.
As of 31 December 2022, the Parent Company holds 64,000 treasury shares, equal to 0.21% of the share capital.
No dividends were distributed to shareholders of the Parent Company during the year.
Minority capital reduced by 1.0 million euros, due to the negative period results mainly obtained by the subsidiaries FB International Inc. and Summertrade Srl.
The table below analyses the reconciliation between the shareholders' equity and the profit for the year of the Parent Company with those of the consolidated financial statements.

	Shareholders' equity (*including the result for the year*)	**Profit for the year**
Shareholders' equity and result of the Parent company	**107,534**	**1,513**
Group Companies valued with the Equity Method	196	175
Elimination of book value of consolidated companies		
- Difference between the book value and the pro-rata value of shareholders' equity	(21,380)	0
- Pro-rata results of the investees	(11,995)	(1,104)
- Value adjustments of the net assets of the investees	(4,008)	223
- Consolidation difference	16,776	0
Elimination of the effects of intercompany transactions		
Elimination of business combinations of entities under common control	9,178	(34)
Shareholders' equity and result pertaining to the Group	**96,301**	**772**
Share pertaining to minority interests	(2,195)	(1,546)
Consolidated shareholders' equity and result for the year	**94,106**	**(774)**

The calculation of the basic and diluted earnings per share is presented in the following table:

(in Euro)	**2022**	**2021**
Basic EPS	0.0251	0.0531
Diluted EPS	0.0251	0.0531

The calculation is based on the following data:

(in Euro)	2022	2021
Period result	772,169	1,638,320
Number of shares outstanding	30,800,197	30,864,197

NON-CURRENT LIABILITIES

17) Payables due to banks

The group's bank debt at 31 December 2022 was 103 million euros, down by approximately 11 million euros on last year (114 million at 31 December 2021) as a consequence of the repayment of the instalments envisaged on the amortisation plans. Note that at 31 December 2022, the group did not use short-term credit facilities and overdrafts; the item Other short-term payables includes exposure for credit card use.
Following are details about the Payables due to banks in the short and long term and beyond 5 years.

	Balance as at 31/12/2022	Balance as at 31/12/2021
C/a debit balances	-	-
Other short-term payables	188	2,676
Credit Agricole mortgage - POOL	10,196	12,027
Banco BPM mortgage	-	1,128
Volksbank mortgage	1,192	2,019
Banca Intesa Sanpaolo (former Banca Popolare di Vicenza) mortgage	1,733	1,676
ICCREA mortgage	540	1,205
Unipol mortgage	113	334
MPS mortgage	497	451
Malatestiana mortgage	293	145
Banca Popolare Valconca mortgage	257	251
Credit Agricole mortgage	491	246
Loan - Cassa Depositi e Prestiti - SACE	937	-
Loan - Intesa San Paolo – SACE	2,051	-
TOTAL SHORT-TERM PAYABLES DUE TO BANKS	**18,488**	**22,157**

	Balance as at 31/12/2022	Of which due beyond 5 years	Balance as at 31/12/2021
Banca Intesa Sanpaolo (former Banca Popolare di Vicenza) mortgage	27,578	19,978	29,311
Volksbank mortgage	-	-	1,192
ICCREA mortgage	137	-	-
Unipol mortgage	-	-	113
MPS mortgage	1,049	-	1,545
Malatestiana mortgage	1,058	-	1,352
Credit Agricole mortgage	760	-	1,249
Banca Popolare Valconca mortgage	87	-	345
Loan - Cassa Depositi e Prestiti - SACE	14,063	-	15,000
Loan - Intesa San Paolo – SACE	30,762	-	32,812
SIMEST loan - Trade fair entities	9,352	-	9,352
Other loans	-	-	6
TOTAL MEDIUM/LONG-TERM PAYABLES DUE TO BANKS	**84,846**	**19,978**	**92,277**

Below is the IEG Group's comprehensive net financial position defined by the new ESMA guidelines of 04 March 2021.

IEG Group
Net financial position (based on the ESMA format)

Net financial position (Euro/000)		**Balance as at 31/12/2022**	**Balance as at 31/12/2021**
A.	Cash and cash equivalents	50,586	52,651
B.	Cash equivalents	-	-
C.	Other current financial assets	137	290
D.	**Liquidity: (A) + (B) + (C)**	**50,723**	**52,941**
E.	Current financial payables	(10,272)	(10,723)
F.	Current portion of non-current financial debt	(18,301)	(19,480)
G.	**Current financial debt: (E) + (F)**	**(28,573)**	**(30,203)**
H.	**Current net financial indebtedness: (G + D)**	**22,150**	**22,738**
I.	Non-current financial liabilities	(114,073)	(115,815)
J.	Debt instruments	-	-
K.	Trade payables and other non-current payables	(3,431)	(12,523)
L.	**Non-current financial debt: (I) + (J) + (K)**	**(117,504)**	**(128,338)**
M.	**Total financial debt: (H) + (L)**	**(95,354)**	**(105,600)**

Net financial position as defined by the new ESMA Guidelines of 04 March 2021 (Consob warning notice no. 5/21 to Consob Communication)

The Net Financial Position (hereinafter NFP) at 31 December 2022 amounted to 95.4 million euros, a decrease of net indebtedness for 10.2 million euros compared to 31 December 2021.

"Liquid funds" for 50.7 million euros includes for the most part the Group's liquid funds at 31 December 2022. The change with respect to the previous period shows a decrease in liquid funds for 2.2 million euros. For more details on the breakdown of cash changes, reference is made to the statement of cash flows.

Current financial debt is 28.6 million euros, down 1.6 million euros on 2021. This category includes 18.3 million euros on loans due in the short-term, down 1.1 million euros on 2021. This category also includes current payables for rights of use for 4.8 million euros and financial payables for put options for the totalitarian purchase relative to the 20% of the subsidiary Prostand S.r.l., of 2.5 million, as well as short-term financial payables relative to the measurement of the variable price portion to be paid after the purchase of the subsidiary HBG Eventz LLC for an amount equal to 2.4 million euros.

The category "Non-current financial indebtedness" is worth 117.5 million euros, down 10.8 million euros on the previous year. This category includes financial payables for 84.8 million euros relative to non-current portions of loans stipulated by the various Group companies, 29.5 million euros relative to non-current financial payables for rights of use and 4.5 million euros relative to non-current financial payables for put options.

The balance of the consolidated net financial position comes under the basis for calculating some financial covenants to which the Parent Company is contractually bound.

Bank	Parameter per year	2022	2023	2024	Year 2025 and later
Intesa SanPaolo SpA	NFP/EBITDA	-	<4.0	<3.5	<3.0
Cassa Depositi e Prestiti SpA	NFP/EBITDA	<=8.5	<=5.0	<=3.0	<=3.0
Cassa Depositi e Prestiti SpA	NFP/SE	<=2.0	<=1.8	<=1.5	<=1.1

Credit Agricole Italia SpA	NFP/EBITDA	<=3.5	<=3.0	<=3.0	<=3.0

Intesa SanPaolo requests the first verification at the Calculation Date of 31 December 2023 (NFP/EBITDA), while the Cassa Depositi e Prestiti Group at 31 December 2022 (NFP/EBITDA and NFP/SE).
The annual measurement at 31 December 2022 revealed that the covenants linked to the loans stipulated with Cassa Depositi e Prestiti had been respected.
It should instead be noted that the consolidated results achieved in 2022 involved the verification of the covenant breach in relation to the NFP/EBITDA ratio (covenant <3.5) at the end of the year identified in the loan agreement stipulated by the Parent Company with Credit Agricole Italia Spa (Pool Agent Bank). On 5 December, the Parent Company asked that the application of the covenant be suspended for FY 2022; this request was granted on 10 March 2023. However, in compliance with the provisions of IAS 10, the loan payables of approximately 10 million euros were classified entirely as short-term.

We also report the present, and respect at 31 December 2022, of financial covenants for which the subsidiary Pro.Stand S.r.l. has made a commitment to ICCREA Banca; details are given below. These parameters are to be calculated on the financial statements of the subsidiary and are respected at 31 December 2022.

Parameter per year	2022	2023
NFD/EBITDA	<3.5	<3.5
NFD/SE	<2.0	<2.0

18) Non-current financial liabilities for rights of use

The balance of 29.5 million euros represents the non-current portion of liabilities recognised for lease fees still not paid at the close of the half, in compliance with the introduction of accounting standard IFRS 16 on 1 January 2019. It should be noted that the item includes 12.6 million euros relating to the parent company Rimini Congressi S.r.l. for the rental contract on the Rimini Palacongressi.

19) Other non-current financial liabilities

Details are given below.

	Balance as at 31/12/2022	**Balance as at 31/12/2021**
Fair value of derivative instruments	-	3,583
Financial liabilities for Pro.Stand put option	-	2,413
Financial liabilities for FB International Inc. put option	3,299	3,299
Financial liabilities for minimum guarantee amounts to minority shareholders of Pro.Stand	-	42
Financial liabilities for the purchase of HBG - estimated variable	-	1,923
Financial liabilities for the purchase of IGECO - estimated variable	1,441	-
Payables due to other lenders	636	1,263
TOTAL OTHER LIABILITIES FIN. NON-CURRENT	**5,377**	**12,523**

Other non-current liabilities at 31 December totalled 5.3 million euros, down 7.2 million euros on 31 December 2021.

The reduction is mainly due to the reversal of sign of the fair value of derivatives, thus recorded amongst non-current financial assets and to the allocation to current financial liabilities of the put option liabilities.

The items “Financial liabilities for put options” relate to the valuation, at the moment of the acquisition of the equity investment, increased as necessary due to the financial charges for the period, in the sale options granted to the minority shareholder of FB International Inc. and the minority shareholders of Pro.Stand S.r.l..
The financial liability for the Pro.Stand put option and the financial liability for the portion of variable price relative to the purchase of the subsidiary HBG Eventz LLC were moved to “Other current financial liabilities” insofar as they will be settled in 2023.
"Financial liability for the estimated variable purchase of IGECO” is the portion of the variable price estimated to complete purchase of 50% of the Joint Venture IGECO S.r.l. on 11 October 2022. The portion to be disbursed beyond the year is correlated with the Company’s performance and that of its subsidiaries from 2022 to 2026.
“Payables due to other lenders beyond 12 months” includes the balance of the Government Small Business Loan disbursed starting end FY 2020 for the Covid-19 emergency, in the favour of FB International Inc. for an initial amount of 1,130 thousand euros and the Economic Injury Disaster loan obtained in 2021, by the US subsidiary for an amount of 132 thousand euros. During the year, the subsidiary FB benefited from the booking as grant of a portion of the premium for an amount of approximately 626 thousand euros, hence the residual balance of the Government Small Business Loan is 636 thousand euros at 31 December 2022.

20) Provisions for non-current risks and charges

The changes in the item in question are shown below.

	Balance as at 31/12/2021	Changes 2022				Balance as at 31/12/2022
		Provisions	Uses/decreases	Releases	Exchange difference	
Provision for dispute risks	1,766	500	(116)	(61)	0	2,089
Other provisions for risks	64	19	(1)	0	3	85
TOTAL PROVISIONS FOR RISKS AND CHARGES	**1,830**	**519**	**(117)**	**(61)**	**3**	**2,174**

Provisions for risks and charges amounted to 2,174 thousand euros at 31 December 2022, a rise of 292 thousand euros compared to the previous year. The increases mainly refer to the provision made for dispute risks by the Parent Company in respect of possible tax litigation and the related accessory cost for the Group’s legal defence.

21) Employee provisions

The changes in the item in question are shown below.

	Balance as at 31/12/2021	Changes in 2022			Balance as at 31/12/2022
		Provisions	Uses/decreases	Actuarial (Gains)/Losses	

Provision for customers' leaving indemnities	94	14			108
Provision for employee severance indemnity	3,660	183	(264)	(729)	2,850
TOTAL EMPLOYEE PROVISIONS	**3,754**	**197**	**(264)**	**(729)**	**2,959**

The balance is composed primarily of employee severance indemnity accrued during the lockout period. By contrast, for a total of 108 thousand euros, it is composed of the "Provision for agents' leaving indemnities" allocated in compliance with article 1751 of the Italian Civil Code and the collective economic agreement for the regulation of the agency and commercial representation relationship of the commerce sector signed on 16 February 2009.
The value of the provision for employee severance indemnity at the end of the year conforms to the amount due to personnel and the allocation was calculated in respect of the laws, the company employment contract and, for matters not provided for, the C.C.N.L. (national collective labour agreement) for the trade sector. It should also be pointed out that, following the supplementary pension reform (Italian Legislative Decree no. 252/2005; Italian Law no. 296/2006, article 1, paragraphs 755 *et seq* and paragraph 765), the amount indicated in the column "Provisions" does not include the sums paid to forms of supplementary pension or to the "INPS Treasury Fund".

The IEG Group, in determining the actuarial calculations, avails itself of the support of a professional listed in the appropriate Register of Actuaries. The main hypotheses/assumptions used for the actuarial calculation of the defined benefit plans are shown below.

Demographic assumptions

Probability of death	Mortality tables broken down by gender - ISTAT 2015
Probability of disability	Zero probability (in consideration of the type of company under analysis)
Probability of resignations	The probability of company turnover of 3% was used
Probability of anticipation	An annual value of 3% was presumed with respect to an average value of accumulated employee severance indemnity of 70%

Economic-financial assumptions for calculation of the TFR (employee severance indemnity)

	2022	2021
Annual discount rate	3.77%	0.98%
Annual inflation rate	2.73%	1.75%
Assumption of real salary growth	2.73%	1.75%

The discounting of future services for employees deriving from Employee severance indemnity was measured by recognising market yields according to the provisions of IAS 19. For the discount rate, the rate relating to high credit rating Corporate Bonds AA with a duration equal to the plan of company commitments to its employees was taken as a reference.
The results of the actuarial evaluations depend strictly on the financial, demographic and behavioural assumptions adopted.
The following table, as required by the international accounting standard, shows the results of the DBO deriving from the change in assumptions.

Sensitivity Analysis – DBO	IEG Group SPA	Prostand Srl	Summertrade Srl	TOTAL	Var. %
Central Assumption	**1,877**	**702**	**221**	**2,799**	
Discount rate (+0.5%)	1,799	665	212	2,676	-4.40%
Discount rate (-0.5%)	1,960	742	229	2,931	4.72%
Rate of payments Increases (+0.5%)	1,882	705	221	2,808	0.34%
Rate of payments Decreases (-0.5%)	1,870	698	220	2,789	-0.36%
Rate of Price Inflation Increases (+0.5%)	1,928	731	226	2,885	3.09%
Rate of Price Inflation Decreases (-0.5%)	1,827	674	215	2,716	-2.95%
Rate of Salary Increases (+0.5%)	1,877	714	221	2,811	0.44%
Rate of Salary Decreases (-0.5%)	1,877	690	221	2,787	-0.41%
Increase the retirement age (+1 year)	1,866	700	219	2,785	-0.50%
Decrease the retirement age (-1 year)	1,888	704	222	2,814	0.55%
Increase longevity (+1 year)	1,877	702	221	2,799	-0.00%
Decrease longevity (-1 year)	1,877	702	221	2,799	0.00%
Assumptions of the previous year	2,287	912	262	3,461	23.67%
Economic assumpt. of the previous and new demographic assumpt.	2,287	912	262	3,461	23.67%

22) Other non-current liabilities

The item “Other non-current liabilities” includes the amount of the grant disbursed by the Emilia-Romagna Region for the construction of the Rimini Trade Fair District, still not booked to the income statement, amounting to 1,718 thousand euros (1,913 thousand euros as at 31 December 2021).

CURRENT LIABILITIES

23) Current financial liabilities for rights of use

The item includes current financial liabilities relative to the application of IFRS 16, in the amount of 4,779 thousand euros, up 1,433 thousand euros on the previous year. It should be noted that the item included a total of 1,001 thousand euros relating to the parent company Rimini Congressi S.r.l., which took over the leases in place previously with Società del Palazzo S.p.A.

24) Other current financial liabilities

The table shows a breakdown of the item in question:

	Balance as at 31/12/2022	Balance as at 31/12/2021
Accrued expenses on mortgages	29	50
Payables due to shareholders	645	304
Payables for exercise of put options - Prostand	2,449	535
Current financial payables for the variable portion of the purchase of HBG Eventz LLC	2,373	0
Payables due to other lenders within 12 months	7	3,995
TOTAL OTHER CURRENT FINANCIAL LIABILITIES	**5,502**	**4,884**

Accrued expenses relate to amounts of interest expense on mortgages pertaining to this year and debited the following year.
"Payables due to shareholders" amounted to 645 thousand euros and related to payables due to the minority shareholder of FB International Inc., which, in accordance with the Parent company, has subscribed to a loan in the company's favour.
"Payables for exercise of put options - Prostand" of 2,449 thousand euros refer to the purchase of the additional 20% of the share capital of the subsidiary Prostand S.r.l. by the parent company, to be settled in 2023.
The item "Current financial payables for the variable portion of the purchase of HBG Eventz LLC" represents the variable portion of the price estimated to be disbursed to the selling shareholders for the acquisition of the new subsidiary HBG Events FZ LLC, which took place on 31 October 2020. Such portion to be disbursed is correlated with the performance of the Dubai Muscle Show, held in November 2022.

25) Trade payables

The details of the item in question are provided below.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Trade payables	42,767	33,751
Vehicle ownership tax	16	71
Membership fees and contributions	8	3
Payables to other related parties	16	0
TOTAL TRADE PAYABLES	**42,807**	**33,825**

Trade payables refer, for the most part, to purchases of the services needed for the staging of trade fairs and increase as a result of the resumption of core business. Trade payables are recorded on an accruals basis when the service has been received, the goods production process has been completed and ownership has essentially been transferred of the goods sold. Payables due to associated companies relate, for 10 thousand euros, to Cesena Fiera S.p.A. and, for 6 thousand euros, to CAST Alimenti S.r.l.; payables due to joint ventures refer to DV Global Link LLC and the remainder, for an additional 16 thousand euros, to other related parties.

26) Tax payables for direct taxes

	Balance as at 31/12/2022	Balance as at 31/12/2021
Tax payables	438	19
TOTAL TRADE PAYABLES	**438**	**19**

"Tax payables for direct taxes" reported a debt of 438 thousand euros in 2022, of which 398 thousand euros for the IRAP payable.

27) Other current liabilities

The details of the item in question are provided below.

	Balance as at 31/12/2021	Balance as at 31/12/2021
Advance payments	8,670	4,384
Payables due to social security institutions Soc.	1,382	1,281
Other payables	7,215	5,044
Accrued expenses and deferred income	911	704
Revenues paid in advance pertaining to subsequent years	32,393	21,373
Other tax payables	1,671	3,486
TOTAL OTHER CURRENT LIABILITIES	**52,242**	**36,272**

The item recorded an increase of 16 million euros compared to the previous year, primarily relating to the item 'Revenues paid in advance pertaining to subsequent years and Advances'.

"Revenues paid in advance pertaining to subsequent years" include revenues billed in the year, but relating to events pertaining to subsequent years. During the last quarter of 2022, invoices were issued for SIGEP 2023 and Vicenza Oro January 2023, important events pertaining to January 2023, whilst the

values recorded at 31 December 2021, both as regards the item in question and the item “Advances” suffered the postponement of two events from the original dates to March.
“Advances” is divided up between the subsidiary Prostand S.r.l. for 1,308 thousand euros and the subsidiary FB International for 1,684 thousand euros, V Group for 720 thousand euros, the parent company for 4,750 thousand euros and, to a residual extent, the Brazilian subsidiary.
“Other payables” mainly include payables to employees such as accrued holidays, leave, ‘hour bank’, deferred monthly pay and other payables accrued and still not enjoyed or paid to personnel, fees accrued and not paid to statutory bodies.

COMMENTS ON MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

28) Revenues from contracts with customers

The following table shows the breakdown of revenues by business type:

	Balance as at 31/12/2022	Balance as at 31/12/2021
Organised Events	85,057	37,381
Hosted Events	3,148	2,096
Conferences	14,767	6,882
Related Services	50,330	22,358
Publishing, Sporting Events and Other Activities	2,730	2,459
REVENUES FROM CONTRACTS WITH CUSTOMERS	**156,032**	**71,177**

Revenue from contracts with customers came to 156,032 thousand euros as at 31 December 2022, up 84,856 thousand euros on last year. The increase is due to the resumption of normal trade fair and congress activities in 2022 compared with 2021, the year characterised by government rulings that significantly reduced the Group's activities.
As regards the analysis of the trend in revenues in 2022 and the comparison with the data in the previous year, please refer to the information already outlined in the Directors' Report on Operations, where the variation is analysed by breaking it down into the various components that generated it.

29) Other revenues

"Other revenues and income" are detailed as follows:

	Balance as at 31/12/2022	Balance as at 31/12/2021
Covid contributions	690	28,199
Other operating grants	1,764	779
Other revenues and income	3,454	2,349
TOTAL OTHER REVENUES	**5,908**	**31,327**

Other revenues came to 5,908 thousand euros at 31 December 2022, compared with 31,327 thousand euros at 31 December 2021. The decline of 25,418 thousand euros is mainly due to the fact that in 2021, the Company benefited from Covid contributions of 28,199 thousand euros, which were not reproposed in 2022 by Italian Government thanks to the resumption of economic activities, post-pandemic.
"Other operating grants" mainly related to ICE contributions received by the parent company in 2022 and to promotional activities.
The item "Other revenues and income" came to 3,454 thousand euros, up 1,105 thousand euros on the previous period and includes mostly accessory trade fair income, but falling under the ordinary activities of the IEG Group, for example revenues from concessions, costs pertaining to third parties relating to events managed in collaboration with other parties, income from publications and subscriptions and other minor revenues.

30) Operating costs

Operating costs amounted to Euro 146.1 million (Euro 80.9 million as at 31 December 2021) and are detailed as follows:

	Balance as at 31/12/2022	Balance as at 31/12/2021
Costs for raw materials, consumables and goods for resale	(14,661)	(7,537)
Costs of services	(88,128)	(43,569)
For use of third-party assets	(370)	(596)
For personnel	(38,102)	(27,003)
Wages and salaries	*(26,961)*	*(18,929)*
Social security costs	*(7,151)*	*(5,242)*
Employee severance indemnity	*(1,730)*	*(1,493)*
Other costs	*(647)*	*(323)*
Directors' fees	*(1,613)*	*(1,016)*
Change in inventories	19	(53)
Other operating costs	(4,871)	(2,134)
TOTAL OPERATING COSTS	**(146,113)**	**(80,892)**

Operating costs of 146.1 million euros at 31 December 2022 rose by 65.2 million euros (+80.6%) on the previous period. The increase is fairly generalised and does not refer to any particular item but rather is due to the "*recovery*" effect following FYs 2020 and 2021, which were considerably impacted by the effects of the Covid-19 pandemic on the business. Indeed, in order to limit the spread of the virus, again during the first quarter of 2021, the government authorities took precautionary measures which had a significant impact on the Groups business, in particular all the trade fair districts and the congress centre, were closed.

Costs of services include a non-recurring charge of 3.0 million euros relative to design costs, noted amongst Fixed assets under construction during previous years, the project to extend and requalify the Rimini district that envisaged the development of a large circular, multi-purpose hall measuring around 117,000 square metres in display space. During the presentation and approval of the new Business Plan through to 2027, the Board of Directors expressed a desire to abandon this project, in the favour of less onerous solutions.
During the year, write-downs were also noted of receivables considered to be unable to collect, in the amount of 2.7 million euros.

The table below provides details of the main costs included in the item "Other operating costs".

	Balance as at 31/12/2022	Balance as at 31/12/2021
Municipal taxes (non-income based taxes)	(1,150)	(1,038)
Membership fees and contributions	(312)	(443)
Capital losses from fixed asset disposal	(16)	(41)
Other operating expenses	(724)	(612)
Receivable depreciation	(2,669)	0
TOTAL OTHER OPERATING COSTS	**(4,871)**	**(2,134)**

31) Amortisation, depreciation and impairment

	Balance as at 31/12/2022	Balance as at 31/12/2021
Amortisation of intangible fixed assets	(1,834)	(2,010)
Depreciation of property, plant and equipment	(13,432)	(13,231)
Write-downs of fixed assets	(42)	(1,428)
Provision for risks	(457)	(485)
Value adjustments of financial assets other than equity investments	(28)	(1,603)
TOTAL AMORTISATION, DEPRECIATION AND IMPAIRMENT	**(15,793)**	**(18,757)**

Amortisation, depreciation and impairment came to 15.8 million euros at 31 December 2022, down 3.0 million on the previous period. The change mainly relates to the item “Write-downs of fixed assets”, which at 31 December 2021 included the value entered in respect of the work to redo the roof of Pavilion 7 at the Vicenza trade fair district, which entailed the write-off of the net carrying amount originally entered for this portion of property and the impairment of the receivable due from the shareholder Vicenza Holding S.p.A., for an amount equal to 1.1 million euros, in connection with the bankruptcy procedure of Biblioteca della Moda S.r.l..

32) Financial income and expense

Financial income and expense are noted on the income statement in the year in which they are incurred, as per accruals accounting.
It is also specified that following application of the accounting standard IFRS 16, financial expense on lease contracts have also been noted under this item.

Specifically, interest income and interest expense, of any source, have been entered at the value accrued during the year, net of any deferrals.

Details of “Financial income” are reported below:

	Balance as at 31/12/2022	Balance as at 31/12/2021
From securities in Current assets other than equity investments	**26**	**36**
Interest income on bank deposits	26	1
Actuarial value of the TFR provision	200	-
IRS positive differential	3,339	-
Other sundry financial income	3	
Income other than the above	3,568	***1***
TOTAL FINANCIAL INCOME	3,594	**37**

Financial income totals 3.6 million euros, mainly due to the fair value measurement of the hedging derivative, solely for management purposes, contracted by the Parent Company with former Banca Popolare di Vicenza (now Banca Intesa San Paolo), between 31 December 2021 and 31 December 2022.

Details of the item “Interest and financial charges” are provided below:

	Balance as at 31/12/2022	Balance as at 31/12/2021
Interest expense on payables due to banks	(1,605)	(1,565)
Other interest expense and charges	(104)	(201)
Negative differences of swaps	(849)	(1,044)
IRS negative differential	-	1,346
Financial charges on put options and earn-out	(35)	(1,485)
Actuarial value of the TFR provision	-	(35)
Interest expense on rights of use - IFRS 16	(523)	(511)
TOTAL INTEREST AND FINANCIAL CHARGES	**(3,119)**	**(3,495)**

Financial charges encumber almost exclusively Italian Exhibition Group S.p.A., which acts as the treasury for several of the Group’s operating companies, and relate to mortgages taken out and the temporary use of short-term credit facilities.

Bank interest expense, which totalled 1,605 thousand euros, concern almost entirely the loans stipulated by the Group and, to a residual extent, the cost for the use of the short-term facilities available to it.
It should be noted that, as a result of the application of IFRS 16 - Leases, the company recognised interest expense totalling 523 thousand euros.
The “IRS Differential” represents the change in the fair value of the derivative, solely for management purposes, contracted by the Parent Company with former Banca Popolare di Vicenza (now Banca Intesa San Paolo), between 31 December 2021 and 31 December 2022 and has been recorded amongst financial income insofar as the differential is positive at 31 December 2022.
The “Negative differences of swaps”, which came to 849 thousand euros, refers to the interest paid by the Group in respect of the variables of the underlyings. In detail, the Parent company pays Intesa SanPaolo the fixed rate of the above contract and the second subscribed in 2018, in addition, in 2021, the negative differences of swaps were noted, and added here, on the interest paid to the four banks of the pool loan (Bper, Banco BPM, BNL and Credit Agricole).
Exchange gains and losses result in a net loss for the Group of 327 thousand euros.

33) Gains and losses from equity investments

Equity investments in associated companies were measured using the equity method. The other equity investments are booked at cost and are written down in the event of a significant and prolonged reduction in the fair value with respect to the cost of recognition.
For more information, please refer to the previous comments on financial fixed assets.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Cesena Fiera S.p.a.	388	20
Destination Service	(6)	28
Rimini Welcome S.c.a.r.l.	(1)	2
C.A.S.T. Alimenti Srl	59	(125)
Expo Estrategia Brasil Eventos e Producoes Ltda	(26)	(191)
IEG China (formerly Eagle)	(26)	(65)
Fitness Festival International S.r.l. (in liquidation)	0	(30)
TOTAL GAINS/LOSSES FROM EQUITY INVESTMENTS	**388**	**(361)**

34) Taxation

Period income tax totalled 1,345 thousand euros, down 1,713 thousand euros on 31 December 2021, where the tax represented income of 368 thousand euros.
Current tax was present for 581 thousand euros and tax relative to previous years for 3 thousand euros.
Prepaid/deferred tax contributed a cost on the statements for 761 thousand euros.
Deferred tax liabilities have been calculated according to the global allocation approach, taking into account the cumulative amount of all temporary taxable differences, based on the expected average rates in force when these temporary differences are offset.
Deferred tax assets were recorded given there is reasonable certainty as to the existence, in the years in which the temporary deductible differences will carry forward, in respect of which prepaid taxes were recognised, of a taxable income not lower than the amount of the differences that will be cancelled.

	2022			2021		
	Temporary differences	Rate	Tax effect	Temporary differences	Rate	Tax effect
Deferred tax assets:						
Bad debt provision	7,260	24.00%	1,742	6,417	24.00%	1,540
Provisions for risks and charges	1,739	27.90%	473	1,287	24.24%	312
Agents' leaving indemnities	94	27.90%	26	100	28.00%	28
Taxes for previous losses	78	24.00%	19	78	24.00%	19
Membership fees paid in subsequent year	91	24.00%	22	10	24.00%	2
Emoluments of statutory bodies not paid in the year	638	24.00%	153	144	24.00%	35
Amortisation/depreciation not deductible in the year	2,749	25.48%	745	3,489	25.63%	951
Asset impairment	1,908	24.37%	463	817	27.90%	208
Photovoltaic prepaid amounts	1,069	27.90%	298	1,181	27.90%	334
Statutory/fiscal misalignment on revaluation of land	1,657	27.90%	462	1,657	27.90%	462
Value adjustments of equity investments	0	n.a.	0	227	1.20%	3
Fair value of derivatives	0	n.a.	0	3,139	24.00%	753
Service cost and interest cost components	60	24.00%	15	(12)	24.00%	(3)
IFRS16	(170)	27.90%	(46)	(182)	17.56%	(55)
Exchange differences and other	1,131	24.00%	271	579	24.00%	139
Tax losses that can be carried forward	14,623	24.00%	3,509	17,723	24.00%	4,239
Total deferred tax assets charged to Income Statement	**32,927**		**8,152**	**36,654**		**8,967**
Tax effect on "Actuarial Gain & Losses" component of actuarial calculation of Employee benefits	1,699	24.00%	395	377	24.00%	90
Effect of cash flow hedge derivatives	0	n.a.	0	444	24.00%	106
IFRS16	153	23.32%	37	1,941	23.32%	453
Total deferred tax assets charged to Shareholders' equity	**1,852**		**432**	**2,762**		**649**
Deferred tax liabilities:						
Statutory/fiscal misalignment on revaluation of land	4,537	27.90%	1,266	4,537	27.90%	1,266
Amortised cost - loans	548	24.00%	132	548	24.00%	132
Recognised of deferred tax liabilities on PPA	3,487	27.90%	954	3,856	27.90%	1,052
Exchange differences	391	24.00%	94			
Total deferred tax liabilities charged to Income Statement	**8,963**		**2,446**	**8,941**		**2,450**
Statutory/fiscal misalignment on revaluation of land	1,594	27.90%	443	1,542	27.90%	430
Effect of cash flow hedge derivatives	1,704	24.00%	409			

Total deferred tax liabilities charged to Shareholders' equity	**3,298**	**852**	**1,542**	**430**

The tables below show the differences between theoretical tax charges (IRES 24% and IRAP 3.9%) and the tax charge that can actually be recorded in the financial statements, as suggested by IAS 12.

RECONCILIATION BETWEEN THEORETICAL IRES AND IRES AS PER THE FINANCIAL STATEMENTS	
Pre-tax result	**571**
Theoretical tax charge (24.0%)	*(137)*
Variations on decrease	
Photovoltaic plant	(113)
Use/cancellation of provisions allocated in previous years	(600)
Deductible portion of board and lodging expenses	(630)
Dividends from subsidiaries/revaluation of equity investments	(272)
Tax amortisation exceeding statutory amortisation	(852)
Other decreases	(843)
IRS differential	(2,921)
IMU tax	(482)
IRAP and lump-sum portion on employee severance indemnity paid	(47)
Total decreases	**(6,760)**
Variations on the increase	
Write-down of investments and Advances Provision for impairment Equity investments	135
Actuarial (Gains)/Losses	506
Non-deductible amortisation/depreciation and other non-deductible provisions	2,439
IMU tax	482
Non-deductible portion of board and lodging expenses	3,473
Other variations on the increase	1,667
Total increases	**8,702**
Reductions in Income for Asset Increase (ACE)	**(285)**
Taxable amount for IRES (regional business tax) purposes pertaining to the year	**2,228**
Use of previous tax losses	**(1,059)**
Actual taxable amount for IRES (regional business tax) purposes	**1,169**
IRES (corporate income tax) pertaining to the year (24% of actual IRES income)	(281)
Revenue/(charges) from tax consolidation	766
Local tax effect	(637)
Actual tax	**(151)**
Actual tax burden	*26.4%*

RECONCILIATION BETWEEN THEORETICAL IRAP AND IRAP AS PER THE FINANCIAL STATEMENTS		
Difference between production revenues and costs		**1,114**
Non-relevant costs for IRAP purposes		30,607
Theoretical taxable income		**31,721**
Theoretical tax charge (3.90%)		*-1,237*
Variations on decrease		
	INAIL (Italian National Institute for Insurance against Accidents at Work), Trainees, Tax wedge and similar	(22,013)
	Excess tax amortisation	(27)
	Use/cancellation of provisions allocated in previous years	(437)
	Other decreases	(543)
	Total decreases	**(23,020)**

Variations on the increase	
Directors' fees	973
Municipal Property Tax	482
Other variations on the increase	881
Total increases	**2,336**
Taxable amount for IRAP (regional business tax) purposes pertaining to the year	**11,037**
IRAP in Income statement	**(430)**

35) Related party transactions

A definition of “Related Parties” is given both in the international accounting standard IAS 24, approved by Regulation EC no. 1725/2003 and in the Related Party Transaction Procedure approved by the Board of Directors on 04 November 2010 (most recently amended on 23 June 2021), available for consultation on the Company’s website www.iegexpo.it.
Infragroup transactions are carried out under the scope of ordinary operations and at arm’s length. In addition, related party transactions are in progress, always carried out under the scope of ordinary operations and at arm's length, or of negligible value in accordance with and pursuant to the “RPT Procedure”, essentially involving subjects under joint control.
Related party transactions mainly refer to commercial, financial and real estate transactions (instrumental and non-instrumental premises rented or leased by the Group). For the most part, they are not of any great economic or strategic value for the Group insofar as the receivables, payables, revenues and costs involving related parties do not account for a significant percentage of the total value of the financial statements. The only exception is the contract regulating the lease of Palazzo dei Congressi in Rimini, stipulated between the Parent company and its parent company, through which IEG S.p.A. carries out its congress organisation.
In accordance with Art. 5, paragraph 8 of the Consob Regulation, it is noted that in the period 01.01.2022 - 31.12.2022, the Company’s Board of Directors did not approve any significant transaction, as defined by Art. 3, paragraph 1, letter b) of the Consob Regulation, whilst it did approve a transaction with related parties classified as “of minor importance” with respect to the equity relevance indicators given in the Related Party Transactions Procedure.

The table below shows the amount and the nature of the receivables/payables as at 31 December 2022 and details of the costs/revenues in the year deriving from transactions between consolidated companies and associated companies, jointly controlled companies and the Parent Company Rimini Congressi S.p.A..

Related party transactions	Rimini Congressi (*)	Vicenza Holding Spa	Destination Services	DV Global Link LLC	Rimini Welcome	Igeco Srl	Igeco Mexico	Igeco USA	Cesena Fiera	CAST Alimenti Srl	Other related parties
Trade receivables	837	24	0	54	18	30	0	3	268	0	0
Current financial assets	0	0	85	8	0	0	166	565	0	0	0
TOTAL RECEIVABLES	**837**	**24**	**85**	**62**	**18**	**30**	**166**	568	**268**	**0**	**0**
Trade payables	0	0	0	(8)	0	0	0	0	(10)	(6)	(16)
Financial payables	(13,522)	0	0	0	0	0	0	0	0	0	0
Tax payables for direct taxes	0	0	0	0	0	0	0	0	0	0	0
TOTAL PAYABLES	**(13,522)**	0	**0**	**(8)**	**0**	**0**	**0**	0	**(10)**	**(6)**	**(16)**

Revenues from sales and services	40	0	0	0	6	0	0	0	2,296	2	10
Other revenues	121	6	0	0	0	30	0	3 0	0	0	0
Costs of services, use of third-party assets, other expenses	(1,286)	0	0	0	0	0	0		(105)	0	(64)
Income from equity investments	0	0	0	0	0	0	0	0	0	(8)	0
TOTAL REVENUES AND COSTS	**(1,125)**	6	**0**	**0**	**6**	**30**	**0**	3	**2,190**	**(6)**	**(54)**

(*) In applying IFRS 16, costs for use of third-party assets are completely eliminated and replaced with amortisation/depreciation on rights of use for 1,025 thousand euros and financial charges for 275 thousand euros.

Rimini Congressi is the parent company of the Group in which, following the merger by incorporation between the aforementioned company and Società del Palazzo S.p.A. and the share capital increase that took place in 2022, the Group holds a stake of 10.06%. In addition, it should be noted that, on application of the new IFRS 16 accounting standard, the costs for the use of third-party assets, relating to rental agreements for the Palacongressi di Rimini stipulated between IEG S.p.A. and Rimini Congressi S.r.l., were completely eliminated and replaced with amortisation/depreciation and financial charges. Financial payables amounting to 14.0 million euros relate entirely to the discounting of lease instalments to be paid for the rental of Palacongressi di Rimini, as set forth in IFRS 16.

36) Disclosure no. 124 pursuant to 04 August 2017

The information required pursuant to art. 1, paragraph 125 of Law no. 124 of 04 August 2017, divided up between amounts received and benefits.

No.	Name of disbursing entity	Reason	Sum collected (€)	Collection date
1	G.S.E. S.p.A.	Photovoltaic incentives November 2021	538	31/01/2022
2	Municipality of Vicenza	Municipality of Vicenza grant VIOFF22	24,000	20/05/2022
3	Municipality of Vicenza	Municipality of Vicenza grant VOS22	10,000	07/12/2022
4	Municipality of Arezzo	Grant OAR22	13,673	29/07/2022
5	Fondirigenti	Open organisation & change management	3,200	09/08/2022
6	Fondimpresa	Contribution for training and development	31,267	13/12/2022
11	Veneto Innovazione	Buy Veneto 21 project	12,164	01/04/2022
12	APT Servizi srl	Candidature for MICE International events	25,000	01/06/2022
13	Fondimpresa	Contribution for training and development	1,366	12/10/2022
14	Assoform	Contribution for training and development	587	12/12/2022
15	Regione Lombardia (Region of Lombardy)	2020 trade fair tender (Decree 869/2019)	35,000	07/09/2022
Total			**156,795**	

No.	Name of disbursing entity	Reason	Benefit granted (€)	Date granted
1	ADE	Contributions Cr. Amount of Electricity	14,706	Q3 2022
2	ADE	Contributions Cr. Amount of Gas	28,362	Q3 2022
3	INPS	COVID-19: INPS CONTRIBUTION RELIEF	1,000	25/11/2022
Total			**44,068**	

37) Independent Auditors' fees

The following table shows the fees paid to auditors of group companies and to their network, broken down into audit and related services.

COMPENSATION FOR THE STATUTORY AUDIT	Balance as at 31/12/2022	Balance as at 31/12/2021
Audit services	261	217
Related Services	47	183

38) Disclosure on financial guarantees, commitments and other contingent liabilities

Sureties and guarantees granted to third parties

It should be noted that, as at 31 December 2022, the Group has guarantees in place relating to sureties and third party assets at IEG totalling 716 thousand euros.
The following guarantees were issued:

- by the Parent Company in favour of the lessor who owns the Milan offices for 193 thousand euros;
- by the Parent Company in favour of the lessor who owns Pavilion 9 of the Vicenza trade fair district for 75 thousand euros;
- by the Parent Company in favour of other entities for a total of 124 thousand euros;
- by Pro.Stand S.r.l. in favour of the lessors for 212 thousand euros to guarantee the contractual commitments relating to leases on industrial depots/warehouses;
- by Summertrade S.r.l. in favour of Riva del Garda S.p.A as a guarantee for the contractual commitments concerning the management of the catering services internal to the trade fair complex for 65 thousand euros and to other parties for 47 thousand euros.

Potential liabilities

At 31 December 2022, there were no contingent liabilities not entered on the financial statements.

It should also be noted that Italian Exhibition Group S.p.A. replaced Fiera di Vicenza S.p.A. in the guarantees issued by the latter in favour of the investee C.I.S. S.p.A. in liquidation in the amount of Euro 1,200 thousand. This amount was not recorded under guarantees given as the associated provision for risks is allocated in the financial statements for the same amount.

39) Other information

Employees

The average number of employees is expressed as the number of FTE (full-time equivalent) workers. The comparison between the average number of employees in 2022 and the previous year is shown below.

FTE	2022	2021
Executives	14.7	13.8
Middle managers/White-collar workers	399.7	371.1
Blue-collar workers	178.3	128.1

AVERAGE NUMBER OF EMPLOYEES	**592.7**	**513.0**

The exact number of workers (headcount) as at 31 December 2022 compared with the figure as at 31 December 2021 is shown here below.

Headcount	**31/12/2022**	**31/12/2021**
Executives	15	13
Middle managers/White-collar workers	438	395
Blue-collar workers	103	161
TOTAL HEADCOUNT AT THE END OF THE PERIOD	**556**	**569**

Annexes

ANNEX 1

These annexes contain additional information with respect to the contents of the Explanatory Notes, of which they constitute an integral part.

COMPANIES ACCOUNTED FOR IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022 USING THE LINE-BY-LINE METHOD

Company Name	Registered office	Core business	Share capital (figures in thousands)	% Share held by the Group			Group company
				Total Group	Direct - IEG S.p.A.	Indirect - other Group Companies	
Italian Exhibition Group S.p.A.	Via Emilia, 155 – 47921 Rimini	Organiser and host site of trade fairs/events/conferences		*Parent Company*			
Italian Exhibition Group Brasil Eventos LTDA	Av. Angèlica, 2530 - 12° andar - Sao Paulo (Brazil)	Organiser of trade fairs/events/conferences and other trade fair activity accessory services	REAL 4,300	75%	75%		
Fieravicola S.r.l.	Via Emilia, 155 – 47921 Rimini	Organiser and host site of trade fairs/events/conferences	100	51%	51%		
Summertrade S.r.l.	Via Emilia, 155 – 47921 Rimini	Catering services	105	65%	65%		
Prostand Exhibition Services S.r.l.	Via Emilia, 129 – 47900 Rimini	Trade fair stand fittings	78	100%	51%	49%	Pro.Stand S.r.l. (1)
Pro.stand S.r.l.	Poggio Torriana, via Santarcangiolese 18	Trade fair stand fittings	182	100%	100%		(1)
IEG USA Inc.	1001 Brickell Bay Dr., Suite 2717° Miami (FL)	Equity holding company	USD 7,250	100%	100%		
FB International Inc.	1 Raritan Road, Oakland, New Jersey 07436 - USA	Trade fair stand fittings	USD 598	51%		51%	IEG USA Inc.
Prime Servizi S.r.l.	Via Flaminia, 233/A – 47924 Rimini	Cleaning and porterage services	60	51%	51%		
HBG Events FZ LLC	Creative Tower, 4422, Fujairah, UAE	Organisation of trade fair events	AED 369	100%	100%		
V Group Srl	Via Emilia, 155 – Rimini	Organiser of trade fair events	10	75%	75%		
IEG Deutschland Gmbh	Munich – Germany (DE)	Trade fair business services	25	100%	100%		
IEG China Ltd	Tianshan Road, Changning District – Shanghai , China	Organiser of trade fair events	7000 CNY	100%	100%		
IEG ASIA Pte Ltd	1010 Cecil Street, Tong Eng Building – Singapore	Organiser of trade fair events	500 SGD	100%	100%		

(1) This percentage considered as regards the equity investment in Pro.Stand S.r.l. includes an option equal to 20% of the share capital.

COMPANIES ACCOUNTED FOR IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022 USING THE EQUITY METHOD

Company Name	Registered office	Core business	Share capital (figures in thousands)	% Share held by the Group			Group company
				Total Group	Direct - IEG S.p.A.	Indirect - other Group Companies	
DV Global Link LLC in liquidation (2)	P.O. Box 9292, Dubai, United Arab Emirates	Organiser and host site of trade fairs/events/conferences	AED 500	49%	49%		
Cesena Fiera S.p.A. (2)	Via Dismano, 3845 – 47522 Pievesestina di Cesena (FC)	Organiser of trade fairs/events and conferences	2,288	35.3%	20%	15.3%	Pro.Stand S.r.l. (1)
C..A.S.T. Alimenti S.p.A. (2)	Via Serenissima, 5 – Brescia (BS)	Training courses and professional training courses	126	23.08%	23.08 %		
Destination Services S.r.l. (2)	Viale Roberto Valturio 44 – 47923 Rimini (RN)	Promotion and organisation of tourist services	10	50%	50%		
Rimini Welcome S.r.l. (2)	Via Sassonia, 30 - 47922 Rimini (RN)	Promotion and organisation of tourist services	100	48%	5%	43%	Destination Service S.r.l and Summertrade S.r.l.
Green Box S.r.l. (2)	via Sordello 11/A - 31046 Oderzo (TV)	Organiser of trade fairs/events and conferences	15	20%	20%		

(1) The percentage considered of the equity investment in Pro.Stand S.r.l. includes an option equal to 20% of share capital.

(2) Data referring to 31/12/2021

ANNEX 2

SUMMARY REPORT OF ESSENTIAL DATA OF THE LAST FINANCIAL STATEMENTS OF THE SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND OTHER INVESTMENTS INCLUDED IN THE CONSOLIDATION (ART. 2429, PARAGRAPH 4 OF THE ITALIAN CIVIL CODE)

	Registered office	Financial Statements	Revenues	Profit (loss) for the year	Employees (FTE)	Shareholders' Equity
Subsidiaries						
Prostand Exhibition Services S.r.l.	Via Emilia, 155 - 47921 Rimini	31/12/2022	0	(1)	0	109
Prime Servizi S.r.l.	Via Flaminia, 233/A - 47924 Rimini	31/12/2022	3,497	53	1	546
Summertrade S.r.l.	Via Emilia, 155 - 47921 Rimini	31/12/2022	17,368	(1,296)	99	(2,037)
FB International Inc. (USD)	1 Raritan Rd, Oakland, NJ 07436	31/12/2022	20,501	(1,976)	44	(3,185)
IEG USA Inc. (USD)	1001 Brickell Bay Dr., Suite 2717 Miami (FL)	31/12/2022	0	(49)	0	6,688
Prostand S.r.l.	Via Santarcangiolese 18 – 47824 Poggio Torriana (RN)	31/12/2022	31,986	629	67	6,522
Fieravicola S.r.l.	Via Emilia, 155 – 47921 Rimini	31/12/2022	0	(14)	0	113
HBG Events FZ LLC (AED)	Creative Tower, 4422, Fujairah, UAE	31/12/2022	3,237	800	12	1,042
Italian Exhibition Group Brasil Eventos LTDA	Av. Angelica, 2530 – 12° andar – Sao Paolo (Brazil)	31/12/2022	490	(557)	5	531
Italian Exhibition Group Deutschland Ghmh	Munich – Germany (DE)	31/12/2022	0	(106)	3	19
V – Group S.r.l.	Via Emilia, 155 - 47921 Rimini	31/12/2022	3,486	899	3	426
Ieg China Ltd	Tianshan Road, Changning District Shanghai, China	31/12/2022	0	(4)	0	306
Ieg Asia Pte Ltd	1010 Cecil Street, Tong Eng Building – Singapore	31/12/2022	0	(3)	0	347
Associated companies						
Cesena Fiera Spa	Via Dismano 3845 – Cesena (FC)	31/12/2021	5,680	540	12	4,799
Green Box S.r.l.	Via Sordello 11/A – 31046 Oderzo (TV)	n.a.	n.a.	n.a.	n.a.	n.a.
Cast Alimenti S.r.l.	Via Serenissima, 5 - Brescia (BS)	31/12/2021	4,006	(47)	26	2,569
Jointly controlled companies						
Dv Global Link LLC in liquidation	P.O. Box 9846 – Dubai – U.A.E.	31/12/2020	1	(205)	n.a.	151
Europe Asia Global Link Exhibitions Co., Ltd	no. 18 Tian Shan Road 900-341, Changning District, Shanghai, China	31/12/2021	7	(124)	n.a.	366
Europe China Environmental Exhibitions Co., Ltd.	Getan Building 1, No. 588, Yizhou Avenue, High-tech Zone Chengdu, China	n.a.	n.a.	n.a.	n.a.	n.a.
Destination Services S.r.l.	Viale Roberto Valturio 44 – Rimini (RN)	31/12/2021	205	4	n.a.	37
Rimini Welcome S.c.a.r.l.	Via Sassonia, 30 – Rimini (RN)	31/12/2021	1,056	4	n.a.	143
Igeco S.r.l.	Via Emilia, 155 – 47921 Rimini	31/12/2022	0	(38)	0	7,510
Other equity investments						
Centro Interscambio Merci e Servizi - C.I.S. S.p.A. in liquidation	Contrà Gazzolle 1, 36100 - Vicenza (VI)	n.a.	n.a.	n.a.	n.a.	n.a.
Turismo e Benessere soc. cons.	Via Rasponi 8 – Ravenna (RA)	31/12/2019	55	0	1	20
Uni.Rimini	Via Angherà, 22, Rimini RN	31/12/2019	1,211	14	n.a.	1,408

ANNEX 3

RECONCILIATION OF ALTERNATIVE PERFORMANCE INDICATORS (API)

The following is a reconciliation of Operating Profit/Loss (EBIT) and *Adjusted* EBIT as of 31 December 2022 compared with 31 December 2021.

	31.12.2022	%	31.12.2021	%	Variation
Adjusted Operating Income (EBIT)	**2,274**	**1.4%**	**(21,921)**	**-21.4%**	**24,195**
Revenues	690	0.4%	28,483	27.8%	(27,793)
Operating costs	(2,929)	-1.8%	(796)	-0.8%	(2,134)
Staff costs	-	0.0%	(342)	-0.3%	342
Depreciation of property, plant and equipment	-	0.0%	(1,427)	-1.4%	1,427
Depreciation of financial assets other than equity investments	-	0.0%	(1,143)	-1.1%	1,143
Total Non-recurring Income and Expenses	**(2,239)**	**-1.4%**	**24,775**	**24.2%**	**(27,015)**
Operating Profit/Loss (EBIT)	**35**	**0.0%**	**2,855**	**2.8%**	**(2,820)**

The following is a reconciliation of Operating Profit/Loss (EBITDA) and *Adjusted* EBITDA as of 31 December 2022 compared with 31 December 2021.

	31.12.2022	%	31.12.2021	%	Variation
Adjusted EBITDA	**18,068**	**11.2%**	**(5,734)**	**-5.6%**	**23,802**
Revenues	690	0.4%	28,483	27.8%	(27,793)
Operating costs	(2,929)	1.8%	(796)	0.8%	2,133
Staff costs	-	0.0%	(342)	0.3%	(342)
Total Non-recurring Income and Expenses	**(2,239)**	**1.4%**	**27,345**	**-26.7%**	**29,584**
EBITDA	**15,829**	**9.8%**	**21,611**	**21.1%**	**(5,782)**

The alternative performance indicators shown above are adjusted for income components arising from non-recurring events or operations, restructuring activities, business reorganization, depreciation of fixed assets, ancillary expenses related to acquisitions of businesses or companies or their disposals, extraordinary transactions, and any other events not representative of normal business activity.

ANNEX 4

ATTESTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ART. 154 BIS, PARAGRAPH 5 OF ITALIAN LEGISLATIVE DECREE 58/1998

1. The undersigned, Corrado Peraboni, as Chief Executive Officer and Teresa Schiavina as Manager responsible for preparing the company's financial documents of Italian Exhibition Group S.p.A. hereby certify, also taking into account the provisions of article 154-*bis*, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998:
   - the adequacy with respect to the company's profile, and
   - the effective application

   of the administrative and accounting procedures for the preparation of the Consolidated Financial Statements as at 31 December 2022.

2. It is also certified that:

   2.1. the consolidated financial statements as at 31 December 2022:
   - were prepared in accordance with the international accounting standards recognised by the European Union pursuant to European Parliament and Council Regulation no. 1606/2002/EC of 19 July 2002;
   - correspond to the results of the books and the accounting records;
   - are suitable to provide a true and fair representation of the capital, economic and financial situation of the issuer and group of companies included within the scope of consolidation.

   2.2. the Directors' Report on Operations includes a reliable analysis of the trends and results of operations as well as of the position of the issuer and of all entities included within the scope of consolidation, together with a description of the main risks and uncertainties they are exposed to.

Rimini, 16 March 2023

Statement by the Manager responsible for preparing the company's financial documents

Corrado Arturo Peraboni *Teresa Schiavina*

Independent Auditor's Report to the Consolidated Financial Statement

pwc

Independent auditor's report

in accordance with article 14 of Legislative Decree n° 39 of 27 January 2010 and article 10 of Regulation (EU) n° 537/2014

To the Shareholders of
Italian Exhibition Group SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Italian Exhibition Group (hereinafter, also the "IEG Group"), which comprise the consolidated statement of financial position as of 31 December 2022, the consolidated profit income statement, the comprehensive consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the IEG Group as of 31 December 2022, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Italian Exhibition Group SpA (hereinafter, also the "Company") pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Recoverability of the value of intangible assets *Notes to the consolidated financial statements as of 31 December 2022, "Accounting policies" section and note 2 - "Intangible assets"*	
As of 31 December 2022, the value of intangible assets in the consolidated financial statements of the IEG Group was Euro 37,734 thousand, accounting for 10.9% of total consolidated assets, and includes goodwill for Euro 25,686 thousand and intangible assets with finite lives for Euro 12,048 thousand. In accordance with IAS 36 – *Impairment of assets*, management tests the value of goodwill for impairment at least annually, by comparing the carrying amount of the cash generating units (CGUs) to which goodwill is allocated with the respective recoverable amount, i.e. the higher of value in use and fair value less costs of disposal. With reference to goodwill, the recoverable amount as of 31 December 2022 of the CGUs to which the goodwill is allocated was determined on the basis of value in use, by discounting to present value the estimated future cashflows in the 2022-2027 business plan, approved by the Company's Board of Directors on 18 July 2022 and later revised on the basis of the 2023 budget approved by the Board of Directors on 19 December 2022, plus the terminal value. Other intangible assets with finite lives are tested only if indicators of impairment are present. We considered the recoverability of intangible asset values a key audit matter in consideration of the materiality of the amounts and of the elements of uncertainty and estimation intrinsic to the Directors' assessment of their recoverability.	Our audit approach consisted, preliminarily, in understanding and evaluating the methods and procedures defined by the Company to determine the recoverable amounts of the CGUs to which goodwill is allocated and to identify impairment indicators for intangible assets with finite lives. With reference to goodwill, also with the support of business valuation experts from the PwC network, we analysed the methods adopted by management to determine the recoverable amounts of the CGUs to which goodwill is allocated, we verified the reasonableness of the key assumptions reflected in the valuation models, including the discount rates, we verified the mathematical accuracy of the models used, and we compared the value in use of each CGU with its carrying amount. We verified management's considerations about the identification of the CGUs and the process of allocation of goodwill, verifying their consistency with the organisational structure of the IEG Group. We analysed the forecasts used to assess the recoverability of goodwill, verifying their consistency with the 2023-2027 business plan and making a critical assessment of the reasonableness of the estimated cashflows, also in light of the historical results of the IEG Group. With regard to intangible assets with finite lives we verified the absence of impairment indicators.

The key elements of uncertainty and estimation are related to the correct definition and identification of the CGUs and to the estimation of the future cashflows and the definition of the discount rates to be applied to those cashflows.	Finally, our procedures included analysing the notes to the consolidated financial statements and the overall adequacy and completeness of related disclosures.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the IEG Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the Directors use the going concern basis of accounting unless they either intend to liquidate Italian Exhibition Group SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, IEG Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the IEG Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- We concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the IEG Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the IEG Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the IEG Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the IEG Group. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) n° 537/2014

On 17 October 2018 the Shareholders of Italian Exhibition Group SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2019 to 31 December 2027.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) n° 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) n° 2019/815

The Directors of Italian Exhibition Group SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) n° 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2022, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) n° 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2022 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree n° 39/2010 and Article 123-bis, paragraph 4, of Legislative Decree n° 58/1998

The Company's Directors are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the IEG Group as of 31 December 2022, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) n° 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree n° 58/1998, with the consolidated financial statements of the IEG Group as of 31 December 2022 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of the IEG Group as of 31 December 2022 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree n° 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree n° 254 of 30 December 2016

The Directors of Italian Exhibition Group SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree n° 254 of 30 December 2016.
We have verified that the Directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree n° 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Bologna, 6 April 2023

PricewaterhouseCoopers SpA

Signed by

Giuseppe Ermocida
(Partner)

As disclosed by the Directors in the paragraph "General information", the accompanying consolidated financial statements of Italian Exhibition Group SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

ASSETS (Figures in units)	NOTES	31/12/2022	31/12/2021
NON-CURRENT ASSETS			
Property, Plant and Equipment	1	**172,646,080**	**180,408,115**
Intangible fixed assets	2	**19,015,195**	**19,645,505**
Equity investments in subsidiaries	3	**25,123,409**	**19,977,759**
Equity investments valued using the equity method	4	**7,740,068**	**2,728,451**
Equity investments in other companies	5	**9,344,366**	**10,855,042**
Of which with related parties		*9,247,858*	*10,770,064*
Deferred tax assets	6	**4,257,575**	**5,311,087**
Non-current financial assets	7	**2,227,199**	**360,040**
Other non-current assets	8	**184,145**	**69,389**
TOTAL NON-CURRENT ASSETS		**240,538,037**	**239,355,388**
CURRENT ASSETS			
Inventories		**-**	**-**
Trade receivables	9	**24,284,581**	**19,069,420**
Of which with related parties		*4,178,919*	*3,530,117*
Tax receivables for direct taxes	10	**41,970**	**100,084**
Current financial assets	11	**7,078,897**	**3,125,871**
Of which with related parties		*7,078,897*	*3,125,871*
Other current assets	12	**3,664,095**	**4,747,460**
Cash and cash equivalents	13	**41,578,272**	**42,177,524**
TOTAL CURRENT ASSETS		**76,647,815**	**69,220,359**
TOTAL ASSETS		**317,185,852**	**308,575,747**

LIABILITIES (in Euro units)	NOTES	31/12/2022	31/12/2021
SHAREHOLDERS' EQUITY			
Share capital	14	52,110,008	52,214,897
Share premium reserve	14	13,924,458	13,946,713
Other reserves	14	33,909,092	33,337,227
Profit (loss) for previous years	14	6,077,821	4,538,068
Profit (loss) for the year	14	1,512,748	1,609,692
TOTAL SHAREHOLDERS' EQUITY		**107,534,127**	**105,646,597**
NON-CURRENT LIABILITIES			
Payables due to banks	15	81,754,796	87,667,219
Non-current financial liabilities on rights of use	16	17,116,764	19,416,184
Of which with related parties		*12,623,899*	*14,169,553*
Other non-current financial liabilities	17	1,441,359	5,496,230
Of which with related parties		*0*	*0*
Provisions for non-current risks and charges	18	1,788,726	1,937,147
Employee provisions	19	1,990,695	2,716,371
Other non-current liabilities	20	1,805,485	2,020,045
TOTAL NON-CURRENT LIABILITIES		**105,897,825**	**119,253,196**
CURRENT LIABILITIES			
Payables due to banks	15	16,109,380	18,549,514
Current financial liabilities on rights of use	21	1,680,940	1,246,617
Of which with related parties		*1,000,778*	*863,404*
Other current financial liabilities	22	2,738,314	4,736,589
Of which with related parties		*349,650*	*227,737*
Trade payables	23	37,285,400	26,779,962
Of which with related parties		*10,118,520*	*6,479,400*
Tax payables for direct taxes	10	290,442	0
Of which with related parties		*0*	*-*
Other current liabilities	24	45,649,423	32,345,272
Of which with related parties			
TOTAL CURRENT LIABILITIES		**103,753,899**	**83,675,954**
TOTAL LIABILITIES		**317,185,851**	**308,575,747**

INCOME STATEMENT

	Notes	31/12/2022	31/12/2021
REVENUES			
Revenues from sales and services	**26**	**105,500,786**	**47,971,085**
Of which with related parties		*3,741,112*	*2,171,934*
Other revenues	**26**	**4,456,489**	**24,615,458**
Of which with related parties		*1,058,764*	*503,300*
TOTAL REVENUES		**109,957,275**	**72,586,543**
OPERATING COSTS			
Change in inventories		**0**	**0**
Costs for raw materials, consumables and goods for resale		**(1,833,920)**	**(937,104)**
Of which with related parties		*(29,178)*	*0*
Costs of services		**(69,727,650)**	**(34,599,662)**
Of which with related parties		*(20,334,690)*	*(8,368,415)*
Costs for use of third-party assets		**(122,648)**	**(475,095)**
Of which with related parties			
Personnel costs		**(22,488,765)**	**(16,723,001)**
Other operating costs		**(2,880,891)**	**(1,830,144)**
Of which with related parties		*(20,573)*	*(32,730)*
TOTAL OPERATING COSTS	**27**	**(97,053,874)**	**(54,565,006)**
GROSS OPERATING PROFIT (EBITDA)		**12,903,401**	**18,021,537**
Amortisation, depreciation and impairment	**28**	**(11,143,545)**	**(13,945,883)**
OPERATING PROFIT (LOSS)		**1,759,856**	**4,075,654**
FINANCIAL INCOME AND EXPENSE			
Financial income		**3,614,848**	**32,101**
Of which with related parties		*115,007*	*14,211*
Financial charges		**(2,820,378)**	**(1,689,387)**
Exchange rate gains and losses		**(163,828)**	**31,909**
TOTAL FINANCIAL INCOME AND EXPENSE	**29**	**630,642**	**(1,625,377)**
TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS	**30**	**212,880**	**(637,495)**
PRE-TAX RESULT		**2,603,378**	**1,812,782**
TOTAL INCOME TAXES	**31**	**(1,090,630)**	**(203,090)**
PROFIT/(LOSS) FOR THE YEAR		**1,512,748**	**1,609,692**

STATEMENT OF COMPREHENSIVE INCOME

	2022	2021
PROFIT (LOSS) FOR THE YEAR	**1,512,748**	**1,609,692**
Other Comprehensive Income which will be subsequently reclassified under profit/(loss) for the year:		
Gains/(losses) on cash flow hedges	1,624,839	454,259
Gains/(losses) on translation of financial statements in foreign currency	14,982	40,645
Total other comprehensive income components which will be subsequently be reclassified under profit/(loss) for the year	**1,639,821**	**494,904**
Other Comprehensive Income which will not be subsequently reclassified under profit/(loss) for the year:		
Actuarial gains/(losses) from defined benefit plans for employees – IAS 19	384,311	(100,865)
Gains/(losses) on financial assets measured at FVOCI	(1,522,206)	(204,000)
Total other comprehensive income components which will not be subsequently be reclassified under profit/(loss) for the year	**(1,137,895)**	**(304,865)**
TOTAL PROFIT/(LOSS) BOOKED TO SHAREHOLDERS' EQUITY	**501,926**	**190,039**
COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**2,014,674**	**1,799,731**

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium reserve	Revaluation reserves	Legal reserve	Statutory reserve	Other reserves	Retained earnings (Losses) carried forward	Profit (loss) for the year	Total
Balance 31/12/2020	**52,214,897**	**13,946,713**	**67,159,789**	**10,400,794**	**2,531,806**	**(46,945,202)**	**17,221,060**	**(12,682,991)**	**103,846,867**
Allocation of profit for the year									
- Allocation to reserves							(12,682,991)	12,682,991	0
Measurement of defined-benefit plans *						(100,865)			(100,865)
Fair value OCI reserve*						(204,000)			(204,000)
Reserve for translation of foreign financial statements *						40,645			40,645
CFH reserve*						454,259			454,259
Result of the period								1,609,692	1,690,692
Balance 31/12/2021	**52,214,897**	**13,946,713**	**67,159,789**	**10,400,794**	**2,531,806**	**(46,755,163)**	**4,538,069**	**1,609,692**	**104,646,598**
Allocation of profit for the year									
- Allocation to reserves				42,185	8,049	19,706	1,539,752	(1,609,692)	0
Other variations	(104,889)	(22,255)							(127,144)
Measurement of defined-benefit plans *						384,310			384,310
Fair value OCI reserve*						(1,522,206)			(1,522,206)
Reserve for translation of foreign financial statements *						14,982			14,982
CFH reserve*						1,624,839			1,624,839
Result of the period								1,512,748	1,512,748
Balance 31/12/2022	**52,110,008**	**13,924,458**	**67,159,789**	**10,442,979**	**2,539,855**	**(46,233,532)**	**6,077,821**	**1,512,748**	**107,534,127**

** These items fall under the components of the statement of comprehensive income*

CASH FLOW STATEMENT

Values in euros		31/12/2022	31/12/2021
Profit/(loss) before tax		**2,603,378**	**1,812,782**
	Of which with related parties	*(15,459,043)*	*(7,615,759)*
Adjustments to trace profit for the year back to the cash flow from operating activities:			
Costs for use of third-party assets (IFRS 16)		(2,054,174)	(2,263,272)
Amortisation, depreciation and impairment of property, plant and equipment and intangible assets		10,825,881	12,343,163
Appropriations and losses		3,446,516	400,000
Other provisions		288,854	113,307
Charges/(income) from valuation of equity investments in other companies with the equity method		(212,880)	637,495
Write-down of financial assets		28,810	
Net financial charges		(630,642)	1,625,377
	Of which with related parties	*115,007*	*14,211*
Other non-monetary changes		(214,560)	(193,970)
Cash flow from operating activities before changes in working capital		**14,081,183**	**14,474,882**
Change in working capital:			
Inventories			
Trade receivables		(6,169,363)	(9,265,920)
	Of which with related parties	*(648,802)*	*(850,080)*
Trade payables		10,283,598	8,580,051
	Of which with related parties	*3,639,120*	*2,028,031*
Other current and non-current assets		978,489	(959,080)
Other current and non-current liabilities		11,542,891	17,069,724
Receivables/payables for current taxes		(323,030)	(29,302)
	Of which with related parties	*0*	*0*
Prepaid/deferred taxes		0	(32,395)
Cash flow from changes in working capital		**16,312,585**	**15,363,077**
Income tax paid		0	0
Employee provisions and provisions for risks		(70,965)	(452,595)
Cash flows from operating activities		**30,322,803**	**29,385,365**
Cash flow from investment activities			
Net investments in intangible fixed assets		(997,253)	(217,419)
Net investments in property, plant and equipment		(2,851,890)	(3,954,650)
Disinvestments in intangible fixed assets		0	0
Disinvestments in property, plant and equipment		22,196	13,446
Change in current and non-current financial assets		(4,602,439)	(810,245)
	Of which with related parties	*(3,953,026)*	*(922,276)*
Acquisitions net of cash and cash equivalents acquired		(3,795,923)	
Changes in equity investments in associated companies and other companies		(3,762,500)	(2,316,706)
Cash flow from investment activities		**(15,987,809)**	**(7,285,574)**
Cash flow from financing activities			
Change in other financial payables		(4,094,104)	(17,449,438)
Payables due to shareholders		0	0
Obtainment/(repayment) of short-term bank loans		0	(2,200,000)
Loans		0	9,353,999
Loan repayment		(8,352,557)	8,864,000
Net financial charges paid		(2,405,441)	(2,601,026)
Dividends paid		0	0
Purchase of treasury shares		(127,144)	
Change in Group reserves		0	40,644
Cash flow from financing activities		**(14,934,246)**	**(3,991,822)**
Net cash flow for the period		**(599,252)**	**18,107,970**
Opening cash and cash equivalents		42,177,524	24,069,554
Closing cash and cash equivalents		41,578,272	42,177,524

EXPLANATORY NOTES TO THE ANNUAL FINANCIAL

GENERAL INFORMATION

Italian Exhibition Group S.p.A. (hereinafter “IEG”, the “Company” or the “Parent Company”, together with its subsidiaries, associated companies and/or jointly controlled companies, the “Group” or the “IEG Group”) is a joint-stock company domiciled in Italy, with registered office in Via Emilia 155, Rimini, and organised according to the legal system of the Italian Republic. IEG is the Parent Company, created as a result of the transfer of Fiera di Vicenza S.p.A. to Rimini Fiera S.p.A. and the simultaneous change of the latter’s company name to Italian Exhibition Group S.p.A..

The company successfully completed the process of listing on the MTA (screen-based equities market) organised and managed by Borsa Italiana S.p.A. on 19 June 2019.

It should be noted that, pursuant to article 70, paragraph 8 and article 71, paragraph 1-bis, of the Regulation adopted by CONSOB by means of resolution no. 11971/1999, as supplemented and amended, (the “Issuers’ Regulation”), the company signed up to the opt-out system set forth in the aforementioned articles, availing itself of the option to depart from the obligations of publication of the information documents set out in Annex 3B of the Issuers’ Regulation, at the time significant transactions are being carried out incorporating mergers, demergers, share capital increases through contribution of assets in kind, acquisitions and sales.

Italian Exhibition Group S.p.A. is controlled by Rimini Congressi S.r.l., which holds 49.50% of the share capital and holds voting rights for 55.86%. The Company, nonetheless, is not subject to management and coordination by Rimini Congressi S.r.l. pursuant to art. 2497 et seq. of the Italian Civil Code. In fact, none of the activities that typically prove management and coordination activities, pursuant to art. 2497 et seq. of the Italian Civil Code, exists since, by way of a non-exhaustive example:

- Rimini Congressi does not exercise any significant influence over the management decisions and operations of the Issuer, but limits it relations with said entity to the normal exercise of administrative and equity rights owing to its status of holder of voting rights; there is no connection between the members of the administration, management control bodies of the two companies;
- the Company does not receive - and, at any rate, is not subject in any way - to the financial or credit directives or instructions from Rimini Congressi;
- the Company has an organisational structure composed of expert professionals who, based on the powers conferred and the positions held, operate independently in line with the indications of the Board of Directors;
- the Company prepares the strategic, industrial, financial and/or budget plans of the Issuer and of the Group independently, and autonomously implements these;
- the Company operates fully independently, from a contractual perspective, in relations with its customers and its suppliers, without any external interference from Rimini Congressi.

At the date of drafting of this document, it should also be noted that: (i) there are no acts, resolutions or communications of Rimini Congressi that lead us to reasonably believe that the company’s decisions are the result of a domineering and commanding will of the parent company; (ii) the company does not receive centralised treasury services (cash pooling) or other functions of financial assistance or coordination from Rimini Congressi; (iii) the company is not subject to regulations or policies imposed by Rimini Congressi.

The Group’s activities consist of the organisation of trade fairs (Exhibition Industry) and hospitality for trade fairs and other events, through the design, management and provision of fitted-out exhibition spaces (mainly in the “trade fair districts”), the supply of services connected to trade fairs and conferences, as well as the promotion and management, in both its own locations and those of third parties, of conferences, conventions, exhibitions, cultural events, shows and leisure activities, including not related to organised events and conferences.

For the purposes of economic and financial comparability of the company, it should be noted that

- the profit trend, in contexts of normal operations, is influenced by seasonality factors, characterised by more significant events in the first and fourth quarters of the year, as well as the presence of important two-yearly trade fairs, in even-numbered years.

- the financial trend, in contexts of normal operations, is therefore characterised by an increase in working capital in the first half, while the fourth quarter generally, thanks to the advances received on events organised at the start of the next period, shows a significant improvement in the net financial position.

The publication of this financial report closed at 31 December 2022 was approved by resolution of the Board of Directors on 16/03/2023. Please note that this version of the separated financial statements of IEG S.p.A. constitutes an additional non-official version and that it is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815 ("ESEF Regulation").

STRUCTURE AND CONTENTS OF THE FINANCIAL STATEMENTS

Pursuant to article 25 of Law No. 306 of 31 October 2003 and the associated application regulations contained in Legislative Decree No. 38 of 28 February 2005, in exercise of the option provided therein, the IEG Group (hereinafter also "the Group") adopted the **International Accounting Standards** (IFRS) issued by the I.A.S.B – International Accounting Standard Board for financial statements for the year ended as at 31 December 2015. More specifically, International Accounting Standards mean all International Financial Reporting Standards (IFRS), all International Accounting Standards (IAS), all interpretations of the International Financial Reporting Standards Interpretations Committee (IFRIC), previously named the Standard Interpretations Committee (SIC) which, at the date of approval of the Separate Financial Statements as at 31 December 2016, had been approved by the European Union in accordance with the procedure laid down in Regulation (EC) no. 1606/2002, by the European Parliament and the European Council of 19 July 2002.

As regards the preparation of the separate financial statements of ITALIAN EXHIBITION GROUP S.p.A., the Company exercised the option set out in article 25 of Law No. 306 of 31 October 2003, of adopting the international accounting standards at the same date of FTA adopted by the consolidated financial statements.

The **statement of financial position** was classified on the basis of the operating cycle, separating current and non-current items. Based on this distinction, the assets and liabilities are considered current if they are expected to be realised or extinguished in the normal operating cycle. Non-current assets held for sale and the related liabilities, where present, are shown in the appropriate items.

The **income statement layout** reflects the analysis of aggregated costs by nature given that this classification was considered more significant for the purposes of understanding the economic result. The revenue and costs items recognised in the year are presented through two tables: an income statement table for the year, which reflects the analysis of the aggregated costs by nature, and a table of comprehensive income.

The result of discontinued operations and/or assets held for disposal, where present, is shown in the appropriate item of the income statement.

Lastly, the **cash flow statement** was prepared by using the indirect method for the determination of the cash flows from operating activities. With this method, the operating profit/loss (EBIT) is adjusted for the effects of non-monetary transactions, any deferral or provision of previous or future operating collections or payments and by elements of revenues or costs connected with cash flows from investment or financing activities.

The functional and presentation currency is the **Euro**, expressed in **thousands**, unless specified otherwise.

GOING CONCERN

Although considering the complexity and uncertainty that characterise the current international context, the Company considers the assumption of operation as a going concern to be appropriate and correct, taking into account its capacity to meet its obligations for the foreseeable future and in particular for the next 12 months, having adequately considered the economic and equity position for FY 2022 and the economic forecasts of the business plan approved by the Board of Directors on 18 July 2022 and the 2023 Budget approved by the Board of Directors on 19 December 2022 and taking into account the forecast performance of working capital and the expected outlook for the cash position, the financial statements have been prepared considering the business as a going concern.

MEASUREMENT CRITERIA

Property, plant and equipment

Property, Plant and Equipment are booked to the financial statements at purchase or production cost, including directly attributable expenses, and adjusted for the respective accumulated depreciation.
The cost includes any expense incurred directly to prepare the assets for use plus any dismantling and removal costs that will be incurred to restore the asset to its original conditions and the financial charges related to construction or production which require a significant period of time to be ready for use and sale (qualifying assets).
Property, plant and equipment are amortised systematically in every period on a straight-line basis, based on the economic-technical rates determined in relation to the residual possibility of use of the assets.
Ordinary maintenance costs are charged to the income statement when they are incurred.
Maintenance costs which determine an increase in value, or functionality, or useful life of the assets, are directly attributable to the assets to which they refer and amortised in relation to the residual possibility of use of said assets.
Improvements to third-party assets are classified in the item "Other assets"; the depreciation period corresponds to the lower of the residual useful life of the tangible fixed asset and the residual duration of the lease agreement.

The depreciation rates applied are as follows:

Items	Rates %
Land	-
Buildings	1.9% - 10%
Plant and machinery	7.5% - 30%
Industrial and commercial equipment	15% - 27%
Other assets	12% - 25%

If indicators of impairment emerge, the property, plant and equipment are subject to an impairment test through the procedure outlined in the section “impairment of assets”.

Following the entry into force of new IFRS 16, from 1 January 2019, leases are accounted for in the financial statements based on a single accounting model similar to the one governed by IAS 17 regarding the accounting of financial leases.

At the moment of the stipulation of each contract, the Group:

- determines whether the contract is or contains a lease, a circumstance that is verified when said contract gives the right to control the use of an identified asset for a period of time in exchange for a consideration. This measurement is repeated in the event of the subsequent change to the terms and conditions of the contract.
- separates the components of the contract, by distributing the consideration of the contract between the lease and non-lease component.
- determines the duration of the lease as the period that cannot be cancelled of the lease, augmented by any periods covered by a lease extension or termination option.

At the date of effectiveness of each contract in which the Group is the lessee of an asset, the asset consisting of the right of use, measured at cost, and the financial lease liability, equal to the present value of the residual future payments discounted by using the implicit interest rate of the lease or, alternatively, the marginal financing rate of the Group, are recognised in the financial statements. Subsequently, the asset consisting of the right of use is measured by applying the cost model, or netted of amortisation/depreciation and any accumulated impairment and adjusted to take account of any new lease measurements or amendments. By contrast, the lease liability is measured by increasing the book value to take account of interest, decreasing the book value to take account of the payments due made and redetermining the book value to take into account any new lease measurements or amendments.

The assets are depreciated on the basis of a period of depreciation represented by the duration of the lease agreement, except where the duration of the lease is less than the useful life of the asset based on the rates applied for property, plant and equipment and there is a reasonable certainty of the transfer of ownership of the leased asset on the natural expiry of the contract. In that case, the depreciation period will be calculated on the basis of the criteria and rates indicated for the property, plant and equipment.

For leases ending within 12 months of the date of initial application and that do not make provision for renewal options, and for leases for which the underlying asset is of low value, lease payments are booked to the income statement on a linear basis for the duration of the respective contracts.

Intangible fixed assets

An intangible asset is recognised in the accounts only if it is identifiable and controllable, it is likely to generate future economic benefits and if its cost can be reliably determined. The booking of an intangible asset is based on its useful life, an intangible asset with a defined useful life is amortised, whilst an intangible asset with an undefined useful life, is not.

Goodwill and intangible assets with an indefinite useful life

Goodwill and intangible assets with an indefinite useful life are no longer amortised from the date of first time adoption (1 January 2014). Goodwill and other intangible assets with an indefinite useful life relating to the acquisitions completed after 1 January 2014 are, nonetheless, not amortised. An intangible asset is considered as having an undefined useful life when, on the basis of an analysis of the relevant factors, no limit can be estimated as to when the asset will cease generating net incoming cash flows for the company.

Goodwill

Goodwill represents the excess of the purchase cost with respect to the portion pertaining to the purchaser of the fair value of the net identifiable assets and liabilities of the entity acquired. After initial recognition, goodwill is valued at cost, less any impairment deriving from the impairment test (see paragraph “impairment of assets”).

Other intangible assets
Intangible assets with a definite useful life are measured at purchase or production cost, including any accessory charges, and are amortised systematically on a straight-line basis during the period of their expected future use. If indicators of impairment emerge they are subject to an impairment test which is outlined in the section “impairment of assets”.
Industrial patent and intellectual property rights are amortised over a period of 3 and 5 years, licences and concessions are amortised starting from when the cost is incurred and for the duration of the licence or concession envisaged contractually, while trademarks have a useful life which may vary between ten and twenty-five years.

Compared with last year, there have been no changes made to amortisation/depreciation periods; there are therefore no changes to the rates applied.

Impairment of non-financial assets

Property, plant and equipment and *intangible assets with a definite useful life*, subject to amortisation/depreciation, are subject to an impairment test only if indicators of impairment emerge.
The recoverability of the values recognised is verified by comparing the carrying amount with the net sale price and the value in use of the asset, whichever is higher. The net sale price is the amount which can be obtained from the sale of an asset in a transaction between independent, informed and willing parties, less disposal costs; in the absence of binding agreements, reference must be made to the prices expressed by an active market, or the best information available, by taking into account, among other things, recent transactions for similar assets carried out in the same business sector. The value in use is defined on the basis of the discounting at an appropriate rate, which expresses the cost of capital of an entity not indebted with a homogeneous risk profile, the expected cash flows from use of the asset (or from an aggregation of assets - the so-called cash-generating units) and its disposal at the end of its useful life.
Subsequently, when an impairment loss on an asset other than goodwill ceases to exist or decreases, the book value of the asset is increased to the new estimated recoverable value and cannot exceed the value that would have been calculated if no impairment loss had been recorded. The reversal of impairment is recognised to the income statement.
Goodwill and the other intangible assets with an indefinite useful life are subject to a systematic verification of recoverability (“impairment test”) carried out on an annual basis, at the date of year-end, or more frequently if there are indicators of impairment.
Goodwill impairment is calculated by assessing the recoverable value of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. If the recoverable amount of the cash-generating unit is less than the carrying amount of the cash-generating unit to which the goodwill was allocated, impairment is recognised. The decrease in value to goodwill cannot be restored in future periods.

Business combinations

Business combinations are accounted for using the acquisition method set out in IFRS 3 revised in 2008.

According to this method, the consideration transferred in a business combination is measured at fair value, determined as the sum of the fair values of the transferred assets and liabilities assumed by the purchaser at the acquisition date and capital instruments issued in exchange for the control of the acquired entity. Transaction accessory costs are recognised in the statement of comprehensive income when incurred.
The contingent considerations, considered part of the transfer price, are measured at fair value at the acquisition date. Any subsequent fair value changes are booked to the statement of comprehensive income.
At the date of acquisition, the identifiable assets acquired and the liabilities assumed are booked at fair value. Goodwill is determined as the excess between the sum of the considerations transferred in the business combination, of the portion of shareholders' equity pertaining to minority interests and of the fair value of any equity investment held previously in the acquired entity, with respect to the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and liabilities assumed at the acquisition date exceeds the sum of the considerations transferred, of the portion of shareholders' equity pertaining to minority interests and the fair value of any equity investment held previously in the acquired entity, this excess is booked immediately to the statement of comprehensive income as income deriving from the transaction concluded.
NCI can be measured at fair value or at its proportionate share of the fair value of the net assets of the acquiree at the acquisition date. The measurement method is decided on a transaction by transaction basis.
In the process of fair value measurement of business combinations, the Group avails itself of the available information, and for the most significant business combinations, also of the support of external evaluations.

Financial assets

At the time of initial recognition, financial assets must be classified into one of the three categories indicated below based on the following elements:

- the business model of the entity for the management of financial assets; and
- the characteristics relating to the contractual cash flows of the financial asset.

Financial assets are derecognised from the financial statements only if the sale involved the substantial transfer of all risks and benefits related to them. Conversely, whenever a significant part of the risks and benefits related to the financial assets sold have been maintained, these continue to be recognised in the financial statements, even if legal ownership of the assets has effectively been transferred.

Financial liabilities designated at amortised cost
This category includes financial assets that meet both of the following conditions:

- the financial asset is held in accordance with a business model whose objective is achieved through the collection of contractually agreed cash flows ("Hold to Collect" business model); and
- the contractual terms of the financial asset envisage, at certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (the "SPPI test" passed).

Financial assets are initially recognised at fair value, considering the transaction costs and revenues directly attributable to the instrument itself. Subsequent to their initial recognition, financial assets under examination are measured at amortised cost, using the effective interest rate method. The amortised cost method is not used for assets - measured at historical cost - whose short duration makes the effect of the discounting principle negligible, for those without a set maturity and for revocable loans.

Financial assets designated at fair value through comprehensive income

This category includes financial assets that meet both of the following conditions:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets ("Held to Collect and Sell" Business Model); and
- the contractual terms of the financial asset envisage, at certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (the "SPPI test" passed).

This category includes equity interests, not qualifying as controlling, associated or jointly controlled, which are not held for trading purposes, for which the option of designation at fair value through comprehensive income is exercised.

Financial assets are initially recognised at fair value, considering the transaction costs and revenues directly attributable to the instrument itself. Subsequent to initial recognition, equity interests that are non-controlling, associated or of joint control, are measured at fair value and the amounts recorded as a balancing entry to shareholders' equity (Statement of comprehensive income) must not be subsequently transferred to the income statement, even in the event of disposal. The only component relating to the equity securities in question that is recorded in the income statement is represented by the relative dividends.

For equities included in this category, not listed in an active market, the cost criterion is used as an estimate of the fair value only in a residual manner and in limited circumstances, i.e. when the most recent information available for measuring the fair value is insufficient, or there is a wide range of possible valuations of the fair value and the cost represents the best estimate of the fair value in that range of values.

Financial assets designated at fair value through profit and loss

This category includes financial assets other than those classified under financial assets measured at amortised cost and financial assets designated at fair value through comprehensive income.

This category includes financial assets held for trading and includes derivative contracts not classifiable as hedging derivatives (which are represented as assets if the fair value is positive and as liabilities if the fair value is negative).

On initial recognition, financial assets measured at fair value through profit or loss are recorded at fair value, without considering the transaction costs or revenues directly attributable to the instrument itself. At subsequent reference dates, they are measured at fair value and the effects of the measurement are booked to the income statement.

Impairment of financial assets

In accordance with the provisions of IFRS 9, the Group applies a simplified approach to estimate expected credit losses over the entire life of the instrument and takes into consideration its past experience regarding credit losses, corrected on the basis of specific forward-looking factors of the nature of Group receivables and the economic context.

In brief, the Group measures the expected losses of the financial assets so as to reflect:

- a target amount weighted on the basis of the probabilities determined by evaluating a range of possible results;
- the time value of money; and
- reasonable and demonstrable information that is available without undue costs or efforts at the reporting date on past events, current conditions and forecasts of future economic conditions.

The financial asset is impaired when one or more events are verified that have a negative impact on the future cash flows estimated from the financial asset. Observable data relating to the following events (it may be the case that a single event cannot be identified: the impairment of financial assets may be due to the combined effect of different events) constitute proof that the financial asset is impaired:

g) significant financial difficulty of the issuer or debtor;
h) breach of contract, such as non-fulfilment of an obligation or failure to respect an expiry;
i) for economic or contractual reasons relating to the debtor's financial difficulty, the creditor grants the debtor a concession that the creditor would not otherwise have considered;
j) the probability that the debtor will file for bankruptcy or other financial restructuring procedures;
k) disappearance of an active market for that financial asset due to financial difficulties; or
l) the purchase or creation of the financial asset with huge discounts that reflect the credit losses incurred.

For financial assets measured using the amortised cost method, when impairment has been identified, its value is measured as the difference between the asset's carrying amount and the present value of expected future cash flows, discounted on the basis of the original effective interest rate. This value is recognised in the income statement.

Derivative financial instruments

The derivative financial instruments are accounted for in accordance with the provisions of IFRS 9.
At the date of stipulation of the contract, the derivative financial instruments are initially accounted for at fair value, as financial liabilities at fair value through profit and loss when the fair value is positive or as a financial liability designated at fair value through profit and loss when the fair value is negative.

If the financial instruments are not accounted for as hedging instruments, the fair value changes recognised after the initial recognition are treated as components of the result for the year. If, by contrast, the derivative instruments satisfy the requirements to be classified as hedging instruments, subsequent fair value changes are accounted for by applying the specific criteria outlined below.

A derivative financial instrument is classified as a hedge if formal documentation exists of the relationship between the hedging instrument and the hedged element, including the risk management objectives, the strategy for carrying out the hedge and the methods which will be used to check the prospective and retrospective effectiveness of the hedge. The effectiveness of each hedge is verified both at the time each derivative instrument is entered into and during its life, and in particular, at the close of the financial year or interim period. Generally, a hedge is considered highly "effective" if, both at the inception and during its life, fair value changes, in the event of a fair value hedge, or hedge of expected future cash flows, in the event of cash flow hedges, in the hedged element are essentially offset by fair value changes in the hedging instrument.

IFRS 9 provides the possibility of designating the following three hedging relationships:

d) fair value hedge: when the hedge concerns the fair value changes of assets and liabilities booked to the financial statements, both the fair value changes in the hedging instrument and the changes in the object of the hedge are booked to the income statement.
e) cash flow hedges: in the event of hedges aimed at neutralising the risk of changes in cash flows originating from the future fulfilment of obligations defined contractually at the reporting date, the fair value changes in the derivative instrument recorded after the initial recognition are accounted for, limited solely to the effective portion, in the statement of comprehensive income and, therefore, in a shareholders' equity reserve called "Reserve for cash flow hedges".

When the economic effects originating from the object of the hedge materialise, the portion accounted for in the statement of comprehensive income is reversed to the income statement. If the hedge is not fully effective, the change in fair value of the hedging instrument relating to the ineffective portion of the same is immediately recognised in the income statement.

c) hedge of a net investment in a foreign operation (net investment hedge).

If the checks do not confirm hedge effectiveness, as from that moment, accounting for the hedging transactions is suspended and the derivative contract is reclassified under financial assets designated at fair value through profit and loss or under financial liabilities designated at fair value through profit and loss. The hedging relationship also ceases when

- the derivative expires, is sold, cancelled or exercised,
- the element being hedged is sold, expires or is reimbursed,
- it is no longer highly probable that the future hedged transaction will be carried out.

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised from the financial statements when:

- the rights to receive the cash flows from the asset are extinguished;
- the company has transferred the right to receive the cash flows from the asset or assumed the contractual obligation to pay them in full and without delay to a third party and (a) has transferred substantially all rights and benefits of ownership of the financial asset, or (b) has neither transferred nor retained substantially all risks and benefits of the asset, but has transferred control of it.

In cases in which the company has transferred the rights to receive the cash flows from an asset and has not substantially transferred or retained all the risks and benefits or has lost control of the asset, the asset is recognised in the company's financial statements to the extent of its continuing involvement in said asset. In this case, the company also recognises an associated liability. The asset transferred and the associated liability are measured to reflect the rights and obligations that the company has retained.

Equity investments

Equity investments in subsidiary, associated and jointly-controlled companies, according to IAS 27, are initially entered at cost and, following acquisition, are adjusted as a result of changes in the investor's share in the investee company's net assets. The profit or loss of the investor reflects its own share of the profit (loss) for the year of the investee and other comprehensive income (expense) of the investor reflects its own share of other comprehensive income (expense) of the investee. Subsequent assessment are carried out in accordance with the previous paragraph "*Impairment of non-financial assets*"

According to the provisions of IFRS 9 and IAS 32, the equity investments in companies other than subsidiaries, associated companies and jointly-controlled companies are classified as assets at fair value and entered in the income statement or shareholders' equity reserve depending on whether they fall into the FVOCI or FVPL measurement categories. Gains and losses deriving from value adjustments are therefore booked to the income statement or a shareholders' equity reserve respectively.

Inventories

Inventories are measured at purchase cost, including any accessory expenses, determined in accordance with the FIFO method, and the presumed net realisable value drawn from market trends, whichever is the lower. IEG Group inventories are composed primarily of consumables and products held for sale in bars and catering services.

Cash and cash equivalents
Cash and cash equivalents include cash on hand as well as on-demand bank deposits and other treasury investments with an original envisaged maturity of no more than three months.
The definition of cash and cash equivalents of the cash flow statement corresponds to that of the balance sheet.

Provisions for risks and charges
Allocations to provisions for risks and charges are made whenever the Group must meet a present obligation (legal or implicit) as the result of a past event, whose amount can be estimated reliably and involving a probable outlay of resources to meet the obligation. If the expectations of the use of resources go beyond the next year, the obligation is booked at the present value, determined by discounting the expected future cash flows discounted at a rate which also takes into account the cost of borrowing and the risk of the liability.
Risks for which the occurrence of a liability is only possible are indicated in the appropriate section on "guarantees given, commitments and other contingent liabilities" and no allocation is made.

Employee benefits
The employee benefits provided on or after the termination of the employment contract are composed of employee severance indemnity or retirement provisions.
Law no. 296 of 27 December 2006, the "2007 Finance Law" introduced major changes to the allocation of amounts of the provision for employee severance indemnity. Until 31 December 2006, employee severance indemnity fell under post-employment plans known as "defined-benefit plans" and were measured according to IAS 19, using the projected unit credit method carried out by independent actuaries.
This calculation consists of estimating the amount of the benefit that an employee will receive at the presumed date of termination of employment by using demographic assumptions (e.g. mortality rate and staff turnover rate) and financial assumptions (e.g. discount rate and future salary increases). The amount determined in this way is discounted and reproportioned on the basis of the length of service accrued with respect to total length of service and represents a reasonable estimate of the benefits that each employee has already accrued based on their work services.

Following said reform, the provision for employee severance indemnity, for the part accrued from 1 January 2007, is to be considered essentially similar to a "defined contribution plan". In particular, these changes introduced the possibility for the worker to choose where to allocate their employee severance indemnity being accrued: the new flows of the employee severance indemnity can, in companies with more than 50 employees, be allocated by the worker to pre-established pension funds or maintained in the company and transferred to the INPS (Italian National Social Security Institute). In short, for the employee severance indemnity accrued prior to 2007, the IEG Group carried out an actuarial evaluation, without subsequently including the component relating to future salary increases. The part subsequently accrued was instead accounted for according to the methods attributable to defined contribution plans.

EC Regulation no. 475/2012 was issued in 2012, which acknowledged, at EU level, the revised version of IAS 19 (Employee Benefits) applicable, as per mandatory requirements, from 1 January 2013 according to the retrospective method. Therefore, the IEG Group applied said revised version of IAS 19 from the date of transition to the IAS/IFRS, or 1 January 2014.

Financial liabilities

Financial liabilities are initially recognised at their fair value, equal to the consideration received at the relevant date, augmented, in the case of payables and loans, by the directly attributable transaction costs. Subsequently, non-derivative financial liabilities are measured using the amortised cost criterion, by using the effective interest rate method.

Financial liabilities that are included in the scope of application of IFRS 9 are classified as payables and loans, or as hedging derivatives, depending on the case. The Company determines the classification of its financial liabilities on initial recognition.

Gains and losses are recognised in the income statement when the liability is extinguished as well as through the amortisation process.

The amortised cost is calculated by recognising all discounts or bonuses on the purchase and the fees or costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is included among financial charges in the income statement.

A financial liability is derecognised when the obligation underlying the liability is discharged, cancelled, or expires.

In the event that an existing financial liability is replaced by another from the same lender, in substantially different conditions, or the conditions of an existing liability substantially change, the exchange or amendment is treated as an accounting derecognition of the original liability and the recognition of a new liability, with any differences in the carrying amount recorded in the income statement.

Put options on minority interests

The Group granted put options to minority shareholders which entitle the latter to sell to the Group the shares held by them at a future date.

As regards EU-IFRS, the treatment applicable to put options regarding minority interests is not fully regulated. While, in fact, it has been established that the accounting of a put option on minority interests gives rise to the recognition of a liability, its contra-entry has not been governed. In this regard, when an entity becomes party to a contract as a result of which it assumes an obligation to pay cash or another financial asset in exchange for one of its equity instruments, in compliance with the provisions of paragraph 23 of IAS 32, it must record a financial liability. At the moment of initial recognition, the financial liability will be recognised to the extent corresponding to the amount, appropriately discounted, which must be paid for the exercise of the put option. The subsequent changes in the value of the liability will be recognised in the consolidated income statement.

In order to identify the contra-entry of the recognition of the liability, the company must evaluate whether the risks and benefits of ownership of the minority interests forming the object of the put option have been, due to the conditions of exercise of the option, transferred to the parent company or have remained with the owners of said interests. Based on the results of this analysis, it will depend whether the minority interests forming the object of the put option continue to be represented or not in the consolidated financial statements. They will be if the above-mentioned risks and benefits are not transferred to the parent company through the put option, vice versa, where the transfer has occurred, these minority interests will cease to be represented in the consolidated financial statements.

Therefore, the accounting treatment of the put options on the shares of the parent company can be summarised as follows:

- in the event in which the minority interests do not need to be represented in the financial statements given that the related risks and benefits have been transferred to the parent company, the liability relating to the put option will be recognised:
    - with a goodwill contra-entry, if the put option is recognised to the seller as part of a business combination; or
    - with contra-entry of minorities' shareholders' equity to these interests in the event in which the contract is signed outside this scope; vice versa

- if the transfer of the risks and benefits has not occurred, the contra-entry for the recognition of the aforementioned liability will always be the shareholders’ equity pertaining to the Parent Company.

Tax payables for direct taxes and other liabilities

Payables are recognised at nominal value. Payables are eliminated from the financial statements when the underlying financial obligations have been extinguished.

The liabilities, if expiring after twelve months, are discounted in order to bring them back to the current value through the use of a rate as such to reflect the market evaluations of the present value of money and the specific risks connected with the liability. Discounting interest is classified under financial charges.

Hedging instruments

The IEG Group uses derivative financial instruments to hedge its exposure to interest rate risk. The Group has never owned speculative financial instruments. These financial instruments are accounted for using the rules of hedge accounting when:

- At the inception of the existing hedge, the formal designation and documentation of said hedging relationship;
- It is presumed that the hedge is highly effective;
- The effectiveness can be reliably measured and said hedge is highly effective during the designated periods.

The IEG Group applies the accounting of cash flow hedges in the event in which there is formal documentation of the hedging relationship of the changes in cash flows originating from an asset or liability or a future transaction (underlying element hedged) considered highly likely and which could impact the income statement.

The measurement criterion of the hedging instruments is represented by the fair value at the designated date. The fair value of the interest rate derivatives is determined by their market value at the designated date when it refers to future cash flow hedges. It is booked to the hedging reserve of shareholders’ equity and transferred to the income statement when the underlying financial charge/income materialises.

In cases in which the instruments do not meet the required conditions for the accounting of hedging instruments set out in IAS 39, the fair value changes are booked to the income statement as financial charges/income.

Translation of foreign currency items

Transactions in foreign currency are initially recognised in the functional currency, using the spot exchange rate at the transaction date. Monetary assets and liabilities, denominated in foreign currency, are translated into the functional currency at the exchange rate at the end of the reporting period. The differences are posted to the income statement.

Shareholders’ equity

Share capital

The amount of Share Capital to be entered in the financial statements coincides with that of Capital Issued; the latter must be stated on the Balance Sheet at nominal value, i.e. the number of shares (ordinary, preferential and savings) multiplied by their nominal value, net of any part of the Share Capital Subscribed that has not yet been paid-up.

Company's own shares

Treasury shares are entered as a reduction of the share capital for the nominal value and the share premium reserve for the excess amount, the original cost of the treasury shares and the revenues from any subsequent sales are recognised as changes in shareholders' equity.
With reference to the IAS/IFRS, and more specifically to IAS 32, when purchasing treasury shares, the amount equal to the nominal value of the securities is used as a direct reduction of share capital while the amount ranging between this and the purchase price affects the share premium reserve. In the event of sale, the share capital is re-formed, as is the share premium reserve, thereby assigning the same amounts as had been respectively reduced during purchase and noting any gains/losses brought about by the differences between the purchase price and price of sale, directly to other reserves.
The transaction costs of these transactions are booked as a reduction of the shareholders' equity, without any impact on the income statement.

Acknowledging the proceeds

Revenues from contracts with customers are recognized when the following conditions are met:

- the contract with the customer has been identified;
- the performance obligations contained in the contract have been identified;
- the price has been determined;
- the price has been allocated to the individual performance obligations contained in the contract;
- the performance obligation contained in the contract has been satisfied.

The Group recognises revenues from contracts with customers when (or as) it fulfils the obligation by transferring the promised good or service (or asset) to the customer. The asset is transferred when (or as) the customer acquires control over it.
The Group transfers control of the good or service over time, and therefore fulfils the performance obligation and recognises the revenues over time, if one of the following criteria is satisfied:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the Group's performance creates or enhances the asset (for example, work in progress) that the customer controls as the asset is created or enhanced;
- the Group's performance does not create an asset that has an alternative use to the Group and the Group has an enforceable right to payment for performance completed to the date considered.

If the performance obligation is not fulfilled over time, it is fulfilled at a point in time. In that case, the Group recognises the revenue at the moment in which the customer acquires control of the promised asset.

Revenue is recorded at fair value equal to the amount received or due, taking into account any trade discounts granted or reductions linked to quantities sold.

The Group believes that the customer acquires control of all services provided to it at the end of the event, owing to its short duration.

Public grants are only noted where we can be reasonably certain that they will be received and all related conditions have been met, regardless, therefore, of the presence of any formal concession resolution. Grants are noted as income in the year in which they fall due and when correlated with an asset, they are recognised as income on a straight-line basis, throughout the expected useful life of the underlying asset.

Note that the Covid Contributions are classified as “non-recurring” items in these financial statements.

Operating costs

Costs are recognised when they relate to goods and services sold or consumed in the period or for systematic allocation or when their future use cannot be identified.

Personnel expenses also include, on an accruals basis, taking into account the period of actual service, the fees to directors, both fixed and variable.

Sundry tax other , than income tax and rates , are noted directly as profit or loss and therefore come under the item of operating costs.

Costs that do not meet the conditions to be recognised under balance sheet assets are booked to the income statement in the period in which they are incurred.

Financial income and expense

Financial income and expense are recognised according to a time criterion that takes into account the actual return/expense of the relevant asset/liability.

Dividends

Revenues for dividends are recognised when the shareholder's right to receive payment is established, which normally coincides with the date of the annual shareholders’ meeting that resolves on the distribution of the dividends, , taking into account treasury shares held.

Taxation

Taxes for the period include current and deferred taxes. Income tax are generally booked to the income statement, except where they relate to events recorded directly in shareholders’ equity. In this case, the income taxes are also booked directly to shareholders' equity.

Current taxes are the taxes the company expects to have to pay on taxable income in the year and are calculated in compliance with the legislation in force at the reporting date.

Deferred tax liabilities are calculated based on the liability method applied to the temporary differences between the amounts of assets and liabilities in the consolidated financial statements and the corresponding values recognised for tax purposes. Deferred tax liabilities are calculated using tax rates that are expected to apply at the moment in which in which the asset is realised or the liability settled.

Deferred tax assets are recognised only if it is likely that taxable income sufficient for said assets to be realised will be generated in the following years.

Deferred tax assets and liabilities are only offset when there is a legal right to offset and when they refer to taxes due to the same tax authorities.

The tax provisions that may be generated by the transfer of non-distributed profit from the subsidiaries are made only when there is a real intention to transfer said profit.

USE OF ESTIMATES

The preparation of the consolidated financial statements requires Directors to use accounting principles and methods that, in some instances, require the use of complex and subjective valuations and estimates drawn from historical experience and assumptions that, in each case, are deemed to be reasonable and realistic under the circumstances existing at that time.

The use of these estimates and assumptions has an impact on the amounts reported in the financial

statements, which include the statement of financial position, the income statement and the cash flow statement, as well as the explanatory notes.
The final amounts shown in the consolidated financial statements for which the above-mentioned estimates and assumptions were used may differ from the amounts reported in the financial statements of the individual companies due to the uncertainty that is inherent in the assumptions and the conditions upon which the estimates were based.

The financial statements items that, more than others, require greater subjective input by the Directors in the preparation of estimates and for which a change in the conditions underlying the assumptions used could have a material impact on the company's separate financial statements mainly concern:

- the measurement of fixed assets (amortisation/depreciation and any write-downs due to impairment, price allocations);
- the measurement of receivables;
- the recognition and quantification of contingent assets and liabilities;
- the determination of deferred tax assets/liabilities and income taxes;
- the determination of liabilities relating to "Employee severance indemnity" accrued prior to 2007, which was carried out by making use of the actuarial evaluation prepared by independent actuaries;
- financial payables on put options and conditional earn-outs;
- risk provisions;
- fair value of financial instruments.

With reference to fixed assets, notice is hereby given that, for the impairment test, the processes and measurement methods and the methods for calculating the estimates are based on complex assumptions relating to revenues, operating costs, margins, investments, rates of growth in the terminal value and discount rates differentiated for each of the CGUs identified, to which the different scenarios subject to sensitivity analysis are applied.
With reference to the measurement of receivables, notice is hereby given that the bad debt provisions reflects the estimates of expected losses for the Group's loan portfolio. Allocations were made to cover expected losses on loans, estimated on the basis of previous experience with reference to loans with similar credit risk, to amounts of current and historical unpaid amounts, as well as careful monitoring of the quality of the loan portfolio and the current and expected conditions and reference markets. The estimates and assumptions are periodically reviewed and the impact of any change recognised in the income statement in the relevant year.
With reference to the measurement of financial instruments, notice is hereby given that the fair value of unlisted financial assets is determined through financial measurement techniques used that require basic assumptions and estimates. These assumptions may not materialise in the times and methods envisaged. Therefore, the estimates prepared by the Group may differ from the final data.
The parameters used to draw up the estimates are commented on in the Explanatory notes to the consolidated financial statements. The estimates and assumptions are periodically reviewed and the impact of any change recognised immediately in the income statement. For matters not specifically addressed, please refer to the respective paragraphs in "Measurement criteria".

FINANCIAL RISK MANAGEMENT

The company is exposed to financial risks related to its activities, in particular relating to the following types:

- *credit risk*, deriving from commercial transactions or financing activities;
- *liquidity risk*, relating to the availability of financial resources and access to the credit market;
- *market risk* (composed of exchange rate risk, interest rate risk, price risk), with particular reference to interest rate risk, relating to the exposure to the company on financial instruments that generate interest.

Credit risk

The credit risk to which the company is subject falls under normal commercial activities, both owing to the fragmentation of positions and the excellent credit quality historically recorded. The positions considered at risk were, nonetheless, written down accordingly. In order to contain the risks deriving from the management of trade receivables, an appropriate department has been set up to systematically coordinate the reminder activities managed, in the initial phase, by the sales structures, subsequently by the credit manager and, finally, entrusted to the legal representative or specialised companies. The software implemented by the company keeps a track of each reminder.

The table below shows the breakdown by past due brackets, of the receivables past due as at 31 December 2022 and 31 December 2021 and the overall value of the Bad Debt Provision.

	Balance as at 31/12/2022	**Analysis of past due**						
		Falling due	Past due	0-90 days	91-180 days	181-365 days	Beyond 365 days	Bad debt provision
TRADE RECEIVABLES	**24,284**	**10,402**	**19,214**	12,095	1,055	783	5,282	**(5,332)**

	Balance as at 31/12/2021	**Analysis of past due**						
		Falling due	Past due	0-90 days	91-180 days	181-365 days	Beyond 365 days	Bad debt provision
TRADE RECEIVABLES	**19,069**	**6,059**	**17,429**	10,665	1,129	471	5,163	**(4,419)**

The bad debt provision is calculated on the basis of the criteria of presumed recoverability, through both internal evaluations and with the support of external legal representatives. For more details on changes in the Bad debt provision, please refer to Note 9) Trade receivables.

Liquidity risk

The company believes it is fundamentally important to maintain a level of available funds suited to its requirements and those of the Group.

The two main factors that determine the liquidity situation are, on the one hand, the resources generated or absorbed by operating and investment activities, and on the other, the maturity and renewal characteristics of the debt or of the liquidity of financial investments and market conditions.

The company has adopted a series of policies and processes for optimising the management of financial resources, reducing liquidity risk through:

- *maintenance of an adequate level of available liquidity;*
- *obtainment of adequate credit lines;*
- *monitoring future liquidity conditions in relation to the company's planning process.*

As part of this type of risk, as regards the composition of net financial indebtedness, the company tends to finance investments with medium/long-term payables, while it meets current commitments with both the cash flow generated by operations and by using short-term credit lines.
The table below shows the breakdown and maturity of financial payables and trade payables:

Euro/000	Within 1 year	From 1 to 5 years	Due after 5 years	Total
31/12/2022				
Payables due to banks	16,109	61,777	19,978	97,864
Financial liabilities on rights of use	1,681	5,815	11,302	18,798
Other financial liabilities	2,738	1,441		4,179
Trade payables	37,285			37,285
TOTAL	**57,813**	**69,033**	**31,280**	**158,126**

Euro/000	Within 1 year	From 1 to 5 years	Due after 5 years	Total
31/12/2021				
Payables due to banks	18,459	54,371	33,297	106,127
Financial liabilities on rights of use	1,265	5,956	13,460	20,681
Other financial liabilities	4,687	5,496		10,183
Trade payables	26,780			26,780
TOTAL	**51,191**	**65,823**	**46,757**	**163,771**

For further information on the breakdown of the items reported in the table, please refer to Notes 15, 16, 17, 21, 22, 23.

It is noted that the balance of “Other financial liabilities” at 31 December 2022 does not include the fair value of derivatives, insofar as these have been reclassified amongst non-current financial assets.
As at 31 December 2022, the Company can rely on 18.5 million euros of unused credit lines, cash and cash equivalents of 41.5 million euros and trade receivables, for 24 million euros; it therefore has sufficient liquid funds to cope with the short-term financial needs, even taking into account the general economic context of the period.

Market risk

The company reserves the right to intervene with suitable hedges if the market risk factors should become significant.
The market risk consists of the exchange rate risk, the interest rate risk and the price risk, as described below.

Exchange rate risk
The IEG Group, operating in a global context, is naturally exposed to exchange rate risk deriving from the fluctuation in exchange rates, in particular, vis-à-vis the US Dollar for the investment made in the subsidiary FB International Inc., vis-à-vis the United Arab Emirates for the investment made in HBG FZ LLC, vis-à-vis the Brazilian Real for the investment made in the subsidiary IEG Brasil and vis-à-vis the Chinese Renminbi for the investment made in the Subsidiary Europe Asia Global Link Exhibition Ltd and vis-à-vis the Singapore dollar following the establishment of IEG Asia Pte Ltd, based in the Republic of Singapore.
The exchanges rates against the Euro (foreign currency for euro units) adopted to translate the items denominated in another currency are shown below:

Currency	Exchange rate at 31/12/2022	Average exchange rate 2022	Exchange rate at 31/12/2021	Average exchange rate 2021
United Arab Emirates Dirham	3.9171	3.8673	4.15950	4.34361
US dollar	1.0666	1.0530	1.13260	1.18274
Brazilian Real	5.6386	5.4399	6.31010	6.37789
Chinese Renminbi	7.3582	7.0788	7.19470	7.62823
Singapore Dollar	1.4300	1.4512	1.5279	1.5891

The functional currency, defined by the IAS as the currency of the economic environment in which the company mainly operates, is the euro.
As at 31 December 2021, a change of +/- 1% in the above rates versus the Euro, based on all other variables remaining the same, would not have involved significant differences to the pre-tax result and, therefore, to the corresponding variation in shareholders' equity.

Interest rate risk
In order to carry out its activities, the company obtains finance on the market by taking out primarily floating rate debt (linked to the Euribor), hence exposing itself to the risk deriving from an increase in interest rates.
The objective of interest risk management is to limit and stabilise flows of expenses due to interest paid primarily on medium-term payables to ensure close correlation between the underlying and the hedging instrument.
The hedging activity, evaluated and decided on a case by case basis, is carried out predominantly through derivatives, typically purchases of caps and sales of floors that, when a certain level is reached, transform a variable rate to a fixed rate.
In 2022, the company constantly monitored market conditions so as to be able to take action promptly in the event of repeated changes in scenario.

Price risk
The type of activity performed by the company, essentially represented by the provision of services that do not require a process of purchase-transformation of assets, is as such that the risk of fluctuations in asset prices is not particularly significant. The majority of the purchases made in relation to business activities is represented by the provision of service whose value is not immediately influenced by macroeconomic changes in the prices of the main commodities. In addition, as stated in relation to exchange rate risk, sales are almost all in the accounting currency and purchases not in Euro are negligible.
The risk on the price changes in raw materials, with electricity and gas being amongst the most significant, called for greater checks and controls by the Company. Maintenance of consumption was guaranteed by the favourable temperatures that continued through to late autumn and the centralised heating management policy, in line with government indications.
For the sake of complete disclosure, it should be noted that, as at 31 December 2022, the company is exposed to a minimal extent to the price risk associated with investments in listed equities, as it has made a small investment in the shares of the company Gambero Rosso.

Fair value
IFRS 13 defines the following three levels of fair value to which to refer the measurement of financial instruments recognised in the statement of financial position.

- *Level 1:* prices quoted on an active market;

- *Level 2:* Inputs other than the listed prices described for Level 1, which can be directly (price) or indirectly (price derivatives) observed on the market;
- *Level 3*: Inputs that are not based on observable market data.

The following tables show the classification of financial assets and liabilities and the level of inputs used for the fair value measurement, as at 31 December 2022 and 31 December 2021.

31/12/2022

	Notes	Level	Amortised cost	Fair value through OCI	Fair value through profit and loss	Total
ASSETS						
Other equity investments	5	2-3		9,248	70	9,344
Non-current financial assets	7	1-2		1,703	524	2,227
Other non-current assets	8		184			184
Trade receivables	9		24,285			24,285
Current financial assets	11	2	7,079			7,079
Other current assets	12		3,664			3,664
Cash and cash equivalents	13		41,578			41,578
TOTAL ASSETS			**76,790**	**10,951**	**594**	**88,361**
LIABILITIES						
Non-current payables due to banks	15		81,755			81,755
Other non-current financial liabilities	17	2	18,558			18,558
Other non-current liabilities	20		1,805			1,805
Current payables due to banks	15		16,109			16,109
Other current financial liabilities	22		4,419			4,419
Trade payables	23		37,285			37,285
Other current liabilities	25		45,649			45,649
TOTAL LIABILITIES			**205,580**	**0**	**0**	**205,580**

31/12/2021

	Notes	Level	Amortised cost	Fair value through OCI	Fair value through profit and loss	Total
ASSETS						
Other equity investments	5	2-3		10,770	70	10,840
Non-current financial assets	7	1-2			360	360
Other non-current assets	8		69			69
Trade receivables	9		19,069			19,069
Current financial assets	11	2	3,126			3,126
Other current assets	12		4,747			4,747
Cash and cash equivalents	13		42,178			42,178
TOTAL ASSETS			**69,189**	**10,770**	**430**	**80,389**
LIABILITIES						
Non-current payables due to banks	15		87,667			87,667
Other non-current financial liabilities	17	2	21,339	434	3,139	24,912
Other non-current liabilities	20		2,020			2,020
Current payables due to banks	15		18,550			18,550
Other current financial liabilities	22		6,001			6,001
Trade payables	23		26,780			26,780
Other current liabilities	25		32,345			32,345
TOTAL LIABILITIES			**194,702**	**434**	**3,139**	**198,275**

If the fair value is not borne out by a price listed on a market or not based on a measurement technique based purely on observable market data, the Group will not, as specified by accounting standard IFRS 7, note the gain or loss as profit and loss when initially booked and shall specify which accounting standards it adopted in noting the difference between the initial fair value recorded and the transaction price on the income statement, to reflect a hypothetical change in factors (including time) that the market participants may take into consideration to determine a specific price.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2022 OR APPLICABLE IN ADVANCE

In 2022, the IEG Group adopted the following new accounting standards, amendments and interpretations, revised by the IASB.

- *Amendment to IFRS 3 – Business combinations.* This document, issued by the IASB on 22 October 2018, is targeted at resolving the difficulties that arise when an entity determines whether it has acquired a company or a group of assets. The application of this amendment on the consolidated financial statements of the IEG Group has not had any significant impact.
- *Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.* This amendment, issued by IASB in May 2020, indicates which costs must be considered in order to evaluate whether a contract can be defined as an onerous contract. The application of this amendment on the consolidated financial statements of the IEG Group has not had any significant impact.
- *Annual Improvements 2018-2020:* In May 2020, the IASB issued some amendments to IFRS 1 First time adoption of IFRS, IFRS 9 Financial instruments, IAS 41 Agriculture and to the illustrative examples accompanying IFRS 16 Leases. The application of this amendment on the consolidated financial statements of the IEG Group has not had any significant impact.
- *Amendment to IAS 16, Property Plant and Equipment.* The purpose of the amendment is to set some constraints on some types of capitalisable expenses in order to make the asset available and ready to be used. The application of this amendment on the consolidated financial statements of the IEG Group has not had any significant impact.

NEW IFRS AND IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT ADOPTED EARLY BY THE IEG GROUP

Following are the new accounting standards, amendments and interpretations, approved by the competent bodies of the European Union. The IEG Group is assessing the impacts that the application of these will have on the consolidated financial statements. The new accounting standards, amendments and interpretations will be adopted according to the effective dates of introduction as reported below:

- *Amendment to IAS 1 Presentation of Financial Statements, to IFRS Practice Statement 2: Disclosure of Accounting policies and IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.* The specified amendments issued by the IASB on 12 February 2021 aim to improve the disclosure on accounting policies and aim to help companies distinguish between the effects that can cause changes in the accounting estimates with respect to those deriving from changes in the main accounting policies. The amendments came into effect from 1 January 2023.
- *IFRS17 Insurance Contracts:* this standard introduces a new accounting approach to insurance contracts by insurance companies, to date indicated in IFRS 4 (in force). These amendments aim to make the accounting of insurance products more transparent and to improve the consistency of their accounting representation. The standard came into force on 1 January 2023.

- *Amendments to IFRS17 Insurance contracts: Initial Application of IFRS17 and IFRS9 – Comparative Information:* this amendment is intended to help the entities to avoid temporary accounting mismatches between financial assets and liabilities deriving from insurance contracts and thus improve the usefulness of comparative information for financial statement readers. This amendment came into force on 1 January 2023.
- *Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction:* this amendment clarifies how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning obligations.

COMMENTS ON MAIN ASSET ITEMS

NON-CURRENT ASSETS

1) Property, plant and equipment

The fixed assets were subject to a monetary revaluation in previous years pursuant to law no. 266/2005 carried out, partly, through the revaluation of the historical cost and, partly through the reduction of accumulated depreciation. Therefore, the historical cost of the fixed assets at the end of the previous year was determined as follows:

		Monetary revaluations	
	Historical cost	Law no. 266/2005	**Balance as at 31/12/2021**
Land and buildings	287,834	6,078	293,912
Accumulated depreciation - buildings	(130,659)	*534*	(130,125)
Plant and machinery	75,899		75,899
Accumulated depreciation - plant and machinery	(68,417)	*391*	(68,026)
Industrial and commercial equipment	15,165		15,165
Accumulated depreciation - equipment	(14,003)		(14,003)
Other assets	18,132		18,132
Accumulated depreciation - Other assets	(14,415)		(14,415)
Fixed assets under construction and payments on account	3,870		3,870
	173,405	**7,003**	**180,408**

The table below details the changes in fixed assets in the last two financial years.

	Balance as at 31/12/2020	Changes 2021						Balance as at 31/12/2021
		Increases	IFRS 16 changes	Decreases/Write-downs	Amortisation	Depreciation IFRS 16	Transfers	
Land and buildings								
Book value	290,242	2,848	2,094	(1,806)			534	293,912
Amortisation	(125,651)		1,513	379	(5,019)	(1,348)		(130,125)
Total land and buildings	**164,591**	**2,848**	**3,607**	**(1,427)**	**(5,019)**	**(1,348)**	**534**	**163,786**
Plant and machinery	0							
Book value	75,778	121						75,899
Amortisation	(66,471)				(1,555)			(68,026)
Total plant and machinery	**9,307**	**121**			**(1,555)**			**7,873**
Industrial and commercial equipment								
Book value	15,131	34						15,165
Amortisation	(13,606)				(397)			(14,003)
Total industrial and commercial equipment	**1,525**	**34**			**(397)**			**1,162**
Other assets								
Book value	17,924	279		(71)				18,132
Amortisation	(13,698)			58	(762)	(12)		(14,415)
Total other assets	**4,225**	**279**		**(13)**	**(762)**	**(12)**		**3,717**
Fixed assets under construction and								

payments on account								
Book value	3,732	672					(534)	3,870
Total Fixed assets under construction and payments on account	**3,732**	**672**					**(534)**	**3,870**
TOTAL	**183,380**	**3,955**	**3,607**	**(1,441)**	**(7,733)**	**(1,360)**	**0**	**180,408**

Balance as at 31/12/2021		**Changes 2022**						**Balance as at 31/12/2022**
		Increases	IFRS changes	Decreases	Amortisation	Amortisation/depreciation IFRS	Transfers	
Land and buildings								
Book value	293,912	526	1,301				2	295,741
Amortisation	(130,125)		55		(4,966)	(1,647)		(136,683)
Total land and buildings	**163,786**	**526**	**1,356**		**(4,966)**	**(1,647)**	**2**	**159,058**
Plant and machinery								
Book value	75,899	1,636					585	78,120
Amortisation	(68,026)				(1,392)		-	(69,418)
Total plant and machinery	**7,873**	**1,636**			**(1,392)**		**585**	**8,702**
Industrial and commercial equipment								
Book value	15,165	225						15,390
Amortisation	(14,003)				(372)			(14,375)
Total industrial and commercial equipment	**1,162**	**225**			**(372)**			**1,015**
Other assets								
Book value	18,132	299	180	(150)				18,461
Amortisation	(14,415)			128	(734)	(45)		(15,066)
Total other assets	**3,717**	**299**	**180**	**(22)**	**(734)**	**(45)**		**3,395**
Fixed assets under construction and payments on account	0							477
Book value	3,870	165		(2,971)			(587)	
Total Fixed assets under construction and payments on account	**3,870**	**165**		**(2,971)**			**(587)**	**477**
TOTAL	**180,408**	**2,852**	**1,536**	**(2,993)**	**(7,464)**	**(1,692)**	**0**	**172,646**

The net value of **"Land and buildings"** as at 31 December 2022 amounted to roughly 159 million euros, a net decrease of approximately 4.7 million euros. The increases of 0.5 million relate to improvements made to the trade fair districts of Rimini and Vicenza and the Project for the requalification of green areas

at the Rimini trade fair district. The increases linked to the application of IFRS 16 are due to the accounting of the change to the rental contract of Palazzo dei Congressi. The reductions relate to period amortisation for approximately 5 million and the amortisation of rights of use recorded in accordance with IFRS 16 for 1.6 million.
The net value of item "**Plant and machinery**" as at 31 December 2022 amounted to 8.7 million euros, a net increase of 0.8 million. The increases of 1.6 million refer to improvements made to the plants of the trade fair districts of Rimini and Vicenza for 1.3 million and the development of a new CED room for 0.3 million. Depreciation for the period totalled 1.4 million.
The item "**Industrial and commercial equipment**", with a balance of 1 million, recorded a net decrease of 0.1 million euros. The period increases do not record any significant changes and amortisation/depreciation amounts to 372 thousand euros.
The item "**Other assets**", with a balance of 3.4 million euros, recorded a net decrease of 0.3 million euros. Period increases came to 0.3 million euros, due to the purchase of trade fair equipment, office machines and vehicles and leasehold improvements. The increase in relation to the accounting for IFRS 16 of 180 thousand euros is due to the recording of new vehicle rental contracts. Period amortisation/depreciation came to 734 thousand euros and the amortisation of rights of use under IFRS 16 came to 45 thousand euros.
Finally, "**Assets under construction & payments on account**" shows a reduction of 3.0 million euros relative to the abandonment of the project to expand and requalify the district of Rimini, which envisaged the development of a large, circular, multi-purpose hall measuring approximately 17,000 square metres in gross exhibition space, as per the decision taken by the Board of Directors on 18 July, during the presentation and approval of the new Business Plan through to 2027. Note an increase of 165 thousand euros relative to the requalification works on the trade fair pole of Vicenza, which began in 2022.

The property at Via Emilia 155 (Rimini trade fair district) is encumbered by a first mortgage of 150 million euros issued as a guarantee of the loan granted by the pool of banks headed by Credit Agricole Italia S.p.A. The first priority mortgage is granted in favour of each of the Original Secured Creditors in the following amounts:

- in reference to Crédit Agricole Italia, within the total limit of 50 million;
- in reference to BNL, within the total limit of 26 million;
- in reference to Banco Popolare - BPM, within the total limit of 22 million;
- in reference to BPER, within the total limit of 26 million;
- in reference to Credito Sportivo, within the total limit of 26 million.

The property in Vicenza, via dell'Oreficeria 16 (Vicenza trade fair district) is encumbered by a first mortgage of 84 million euros to guarantee the loan granted by Intesa San Paolo (formerly Banca Popolare di Vicenza) and drawn down in 2008.
It is specified that the mortgages are noted at the time the entry is made in the register of properties.

2) Intangible fixed assets

The tables below indicate the changes in the last two financial years.

	Balance as at 31/12/2020	Changes in 2021				Balance as at 31/12/2021
		Increases	Decreases	Amortisation, depreciation and impairment	Transfers	
Industrial patent and intellectual property rights	581	217		(334)		465
Concessions, licenses, trademarks and similar	8,129			(496)		7,633

rights						
Goodwill	8,211					8,211
Other intangible fixed assets	4,330			(994)		3,336
TOTAL	**21,251**	**217**		**(1,823)**		**19,646**

	Balance as at 31/12/2021	Changes in 2022				Balance as at 31/12/2022
		Increases	Decreases	Amortisation, depreciation and impairment	Transfers	
Industrial patent and intellectual property rights	465	352		(340)		478
Concessions, licenses, trademarks and similar rights	7,633			(495)		7,138
Goodwill	8,211					8,211
Other intangible fixed assets	3,336	1		(793)		2,544
Fixed assets under construction and payments on account	-	644				644
TOTAL	**19,646**	**997**		**(1,628)**		**19,015**

Under the item “**Industrial patents and intellectual property rights**”, the costs for the purchase of software licences and legally protected intellectual property are capitalised. The balance at the end of the period amounted to approximately 0.5 million euros. The increases refer to software licence purchases and the development of the new CRM (customer relationship management) software, while decreases are due to period amortisation/depreciation.
The item “**Concessions, licenses, trademarks and similar rights**” recorded a decrease of 0.5 million euros compared with 31 December 2021, due to the amortisations for the period.
"**Other intangible assets**” reduced by 792 million euros, mainly due to period amortisation.
“Assets under construction & payments on account” recorded a balance of 644 thousand euros and relates to investments in the project to digitise the platforms called the “*Rubicon Project*
The item “**Goodwill**” includes the values generated by the surplus between the cost of the business combinations and the fair value of the assets, liabilities and contingent liabilities acquired. At 31 December 2022, the balance of Goodwill came to approximately 8.2 million euros and did not change during the year.
As outlined in the chapter relating to the “Measurement criteria”, goodwill is subject to impairment testing at the date of year-end or more frequently if there are indicators of impairment. At the date of drafting of this document, no indicators of possible impairment of the goodwill recorded were identified. The values resulting from the acquisitions and booked to the company’s financial statements are set out below.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Goodwill emerging from the transfer of Fiera di Vicenza	7,948	7,948
Other goodwill	263	263
TOTAL GOODWILL	**8,211**	**8,211**

As outlined in the chapter relating to the “Measurement criteria”, goodwill, excluding that emerged from the recent acquisitions indicated previously, is subject to impairment testing at the date of year-end (or more frequently if there are indicators of impairment), using the methodology described in the paragraph “Impairment of non-financial assets”. In particular, the impairment test verifies the recoverability of goodwill by comparing the Net Capital Invested, including the value of the goodwill, of the CGU to which

the goodwill was allocated, with the Recoverable value of said CGU/group of CGUs, represented by the higher of the fair value, less disposal costs, and the value in use.
Goodwill emerging from the transfer of Fiera di Vicenza was allocated to the “IEG CGU” as the recipient of the benefits of the business combination. These benefits refer to the acquired capacity to be recognised on the market as an aggregator, the synergies deriving from the use and optimisation of the workforce with the elimination of duplications, the sharing of mutual best practices, the comparison of the services provided by the suppliers with price savings, the acquisition of specific expertise to grow on the foreign market.
For the IEG CGU, the relevant value in use was determined by adopting the CGU Discounted Cash Flow (DCF) methodology. Unlevered free cash flows were determined by using the 2022- 2027 Business Plan approved by the Board of Directors of IEG on 18 July 2022 and subsequently updated accordingly to the 2023 Budget approved by the Board of Directors of IEG on 19 December 2022
For the determination of the Terminal Value, a long-term growth rate “g” of 2% was used, in line with the expected inflation forecast in Italy in 2027 based on International Monetary Fund estimates.
For the discounting of the explicit cash flows and the Terminal Value, a WACC of 11.68% was used, which includes a Small Size Premium of 3.00%, in consideration of the smaller size of the Group with respect to comparable companies (Source: Duff & Phelps) while, compared with previous valuations, the Specific Risk Premium of 1.00% that had been inserted during the pandemic years to take account of the “execution risk” resulting from the reduced forecasting capacity generated by the effects of COVID-19, was eliminated.
The impairment test carried out, at the reference date based on the methods described above, brought to light higher recoverable values than the book values of the net capital invested (including goodwill), therefore excluding the need to reduce the value of the goodwill.
In support of the analysis, the company's Directors decided to further test the recoverable value of each CGU and the groups of CGUs described above and two separate sensitivity analyses were conducted, through which the WACC, the “g rate” and the estimates of the Operating Cash Flow were subject to assumptions of change. More specifically:

- assumption 1: change in the WACC (+/- 1%) combined with the change in the g rate (+/- 0.4%)
- assumption 2: percentage change in operating cash flow (+/- 10%) combined with the change in the WACC (+/- 1%)

The sensitivity analyses described herein did not bring to light any criticalities in terms of recoverability of the goodwill booked in the separate financial statements of the Parent company. The parameters that, taken individually or keeping all other elements constant, zero the cover are:

	WACC	g	Reduction in cash flow
IEG CGU	15.7%	-3.6%	81.4%

The assumptions used for impairment purposes and the results achieved, were approved by the Board of Directors of Italian Exhibition Group S.P.A. respectively on 27 February 2023 and 16 March 2023, independently and before these financial statements.

3) Equity investments in subsidiaries

The changes in the item in question are shown below.

	% held	Balance as at 31/12/2021	Changes in 2022			Balance as at 31/12/2022
			Increases/ Decreases	Account transfer	Revaluations/ Write-downs	
Fieravicola S.r.l.	51%	51				51
Ieg Brasil Eventos Ltda	75%	502				502
Summertrade S.r.l.	65%	1,711	656			2,366
Prostand Exhibition Services S.r.l.	51%	148				148
Prime Servizi S.r.l.	51%	31				31
IEG USA Inc	100%	2,046				2,046
Prostand Srl	80%	9,546				9,546
IEG Deutschland Gmbh	100%	0	125			125
IEG China	100%	0	291	344		635
V Group S.r.l.	75%	0	3,380			3,380
IEG Asia Pte Ltd	100%	0	350			350
HBG Events FZ LLC	100%	5,943				5,943
TOTAL EQUITY INVESTMENTS IN SUBSIDIARIES		**19,978**	**4,801**	**344**		**25,123**

The following companies were also established during the year:

- IEG Deutschland Gmbh, based in Munich (DE), whose shares are held entirely by the Company
- IEG Asia Pte Ltd, based in Singapore, whose shares are held entirely by the Company.

During the year, the following acquisitions were made:

- V Group S.r.l., based in Rimini (RN), which organises the annual event “My Plant & Garden”. The Company has acquired 75% of the shares of V Group S.r.l. for 3,380 thousand euros.
- IEG China, based in Shanghai and previously called Eagle. The Company already held a 50% stake and in 2022, the additional shares were acquired for 291 thousand euros, taking its stake up to 100%. The Company has been renamed IEG China and moved to subsidiaries.

For the investee Summertrade S.r.l., a capital increase has been applied through a waiver of previous receivables in an amount of 656 thousand euros, equal to 65% of the total capital increase performed in the investee by all shareholders.

The table below provides a comparison between the book value in the financial statements of the equity investments in subsidiaries and the value of the relative portion of shareholders’ equity resulting from the last set of approved financial statements.

Company name / Registered office	% held	Share capital	Year result	Shareholders’ equity booked	% value of Shareholders’ equity	Book value
Subsidiaries						
Summertrade S.r.l. Rimini, via Emilia 155	65.00%	105	(1,296)	(2,037)	(1,324)	2,366
Prostand Exhibition Services S.r.l. Rimini, Via Emilia 155	51.00%	78	(1)	109	56	148
Prime Servizi Srl Rimini, via Flaminia 233/A	51.00%	60	53	546	279	31
IEG USA (*) 1001 Brickell Bay Dr., Suite 2717° Miami (FL)	100%	6,797	(49)	6,688	6,688	2,046
FB International Inc.* 1 Raritan Road Oakland, New Jersey 07436	51.00%	561	(1,976)	(3,185)	(1,624)	6,694
Prostand Srl Poggio Torriana, via	80.00%	182	629	6,522	5,218	9,546

Santarcangiolese 18						
HBG Events FZ Llc P.o Box 4422 Fujairah UAE	100.00%	94	767	1,042	1,042	5,945
Fieravicola S.r.l. Rimini, via Emilia 155	51.00%	100	(14)	113	58	51
IEG Brasil Eventos LTDA Av. Angelica, 2530 12° andar - San Paulo (Brazil)	75.00%	681	(577)	201	151	502
Italian Exhibition Group Deutschland Gmbh Munich – Germany (DE)	100.00%	25	(106)	19	19	125
V Group Srl Rimini, via Emilia 155	75.00%	10	(225)	426	320	3,380
IEG China Co. Ltd Tianshan Road, Changning District Shanghai, China	100.00%	951	(4)	306	306	635
IEG Asia Pte Ltd 1010 Cecil Street, Tong Eng Building – Singapore	100.00%	350	(3)	347	347	350

**The ultimate parent company of FB International Inc. is Italian Exhibition Group S.p.A. through the subsidiary IEG USA*

The Company has carried out impairment testing on the qualified investment in Summertrade S.r.l., the subsidiary worst struck by the pandemic first and then by the rise in the prices of materials.
That comprised of the flows of the individual stand alone company, was identified as the reference CGU. Therefore, the value in use of the CGUs identified was determined, by adopting the Discounted Cash Flow (DCF) methodology. Unlevered free cash flows were determined by using the 2022- 2027 Business Plan approved by the Board of Directors of IEG on 18 July 2022 and subsequently updated accordingly to the 2023 Budget approved by the Board of Directors of IEG on 19 December 2022.
The value in use, pro-rata with respect to the percentage stake held by IEG and net of the Net Financial Position based on the financial statements of the subsidiary as at 31 December 2022 (equity value), was compared with the value booked to the financial statements.
To determine the Terminal Value, a long-term growth rate ("g") of 2.0% was used. The source of the data is the estimate of the expected inflation envisaged in the aforementioned countries in 2027 by the International Monetary Fund.
For the discounting parameter of the explicit cash flows and the Terminal Value, a WACC of 11.68% was used and, in constructing the WACC, a Small Size Premium of 3.00% was included, in consideration of the smaller size of the Group with respect to comparable companies (Source: Duff & Phelps while, compared with previous valuations, the Specific Risk Premium of 1.00% that had been inserted during the pandemic years to take account of the "execution risk" resulting from the reduced forecasting capacity generated by the effects of COVID-19, was eliminated.
The assumptions used for impairment purposes and the results achieved, were approved by the Board of Directors of Italian Exhibition Group S.P.A. respectively on 27 February 2023 and 16 March 2023, independently and before these financial statements.
The analysis has revealed an equity value higher than the carrying amount of the investee.

4) Equity investments accounted for using equity method

Associated companies and jointly controlled companies, stated in the table below, are booked and measured in compliance with IAS 28 or using the equity method.
The changes in the item in question are shown below.

	% held	Balance as at 31/12/2021	Changes 2022				Balance as at 31/12/2022
			Increases	Exchange rate effect	Revaluations/Write-downs	Transfers	
Associated companies							
Cesena Fiera S.p.A.	20.00%	838			213		1,051
IGECo S.r.l..	50.00%	0	5,127				5,127
CAST Alimenti S.r.l.	23.08%	1,467			59		1,526
TOTAL ASSOCIATED COMPANIES		***2,305***	***5,127***	***0***	***272***	***0***	***7,704***
Jointly controlled companies							
Expo Estrategia Brasil Ltda		23		3	(26)		0
Destination Services srl	50.00%	42			(6)		36
EAGLE Asia		358		12	(26)	(344)	0
TOTAL JOINTLY CONTROLLED COMPANIES		***423***	***0***	***15***	***(58)***	***(344)***	***36***
TOTAL EQUITY INVESTMENTS MEASURED USING THE EQUITY METHOD		**2,728**	**5,127**	**15**	**214**	**(344)**	**7,740**

Increases come to 5.2 million euros and refer to the contribution made to establish the company IGECo S.r.l. during the third quarter of 2022.

The measurements using the equity method contributed a total write-back of 214 thousand euros.

The table below provides a comparison between the book value in the financial statements of the equity investments in associated companies and joint ventures and the value of the relative portion of shareholders' equity resulting from the last set of approved financial statements.

Company name Registered office	ownership %	Share capital	Operating result	Net book value of shareholders' equity	% value of Shareholders' equity	Book value
Associated companies						
Cesena Fiera S.p.A. # Via Dismano 3845	20.00%	2,288	540	4,799	960	1,051
C.A.S.T. Alimenti Srl # Via Serenissima, 5 - Brescia (BS)	23.08%	126	(47)	2,569	593	1,526
IGECO S.r.l. Via Emilia, 155– Rimini (RN)	50.00%	11	(38)	7,472	3,736	5,127
Jointly controlled companies						
Destination Services Srl [#] Via Sassonia, 30 - Rimini	50.00%	10	(4)	37	18	36

#] Data referring to 31/12/2021

All the holdings and shares of the companies referred to above are held directly, without recourse to trust companies or third parties.
Through Prostand Srl, Italian Exhibition Group S.p.A. holds a further 15.3% in Cesena Fiere S.p.A. For more information, please refer to the IEG Group's consolidated financial statements.

5) Equity investments in other companies

The changes in the item in question are shown below.

	% held at 31/12/2022	Balance as at 31/12/2021	Changes 2022				Balance as at 31/12/2022
			Incr.	Decr.	Revaluations/Write-downs	Transfers	
Uni Rimini S.p.A.	6.00%	62					62
Rimini Congressi S.r.l.	10.06%	10,770			(1,522)		9,248
Rimini Welcome Scarl	10%	8			(1)		7
OB Service		15	12				27
TOTAL EQUITY INVESTMENTS IN OTHER COMPANIES		**10,885**	**12**	**0**	**(1,523)**	**0**	**9,344**

In December 2020, the incorporation took effect of Società del Palazzo dei Congressi S.p.A: (in which IEG has an investment) into Rimini Congress S.r.l. and IEG became the holder of 10.36% of the share capital of Rimini Congressi S.r.l.
The equity investment Rimini Congressi S.r.l. is measured at FV (through OCI without recycling); write-downs in the period relate entirely to the adjustment to fair value of the aforementioned equity investment.

6) Deferred tax assets and liabilities

	Balance as at 31/12/2022	Balance as at 31/12/2021
Deferred tax assets	7,424	8,042
Provisions for deferred tax liabilities	(3,167)	(2,731)
TOTAL	**4,257**	**5,311**

"Deferred tax assets" are recognised up to the limits in which future taxable income will be available against which to utilise the temporary differences. Deferred tax assets and liabilities are offset given that they refer to the same tax authority.

7) Non-current financial assets

The movements in the period for the item in question are reported below.

	Balance as at 31/12/2021	Changes in 2022			Balance as at 31/12/2022
		Increases/decreases	Revaluations/Write-downs	Transfers	
Gambero Rosso shares	29	0	(4)	0	25
Fair value of derivative instruments				1,893	1,893
TFR policy	331	(31)	9		309
TOTAL NON-CURRENT FINANCIAL ASSETS	**360**	(31)	**5**	**1,893**	**2,227**

The nature and classification according to the categories established by IAS 39 of "Non-current financial assets" is reported in the Fair value section of these Explanatory notes. For the measurement of the fair value of the Gambero Rosso shares, the prices quoted on active markets at the measurement date were used.
In 2022, a single position was redeemed in the collective TFR policy, for a liquidated total of 29 thousand euros.

The most considerable change was generated by the reversal of sign of the fair value of financial derivatives held by the Parent Company, thereby reclassified and coming from Other non-current financial liabilities.
"Fair value of derivative instruments" in fact came to 1.9 million euros, up by approximately 5.5 million euros on the balance of last 31 December.
The derivative stipulated on 04 November 2011 with Banca Popolare di Vicenza, now Banca Intesa Sanpaolo S.p.A., was stipulated in order to hedge the interest rate risk of part of the underlying loan and makes provision for the swapping of the 6-month Euribor with a fixed rate of 2.95%. The amortisation plan of the derivative perfectly matched, at the date of stipulation of the contract, the repayment plan of the Intesa Sanpaolo loan and, for said reason, was initially classified as a hedge, also for accounting purposes.
In 2014, the company Fiera di Vicenza, transferred to Rimini Fiera S.p.A. effective from November 1st, 2016 (which subsequently changed its company name to Italian Exhibition Group S.p.A.), altered the time-scales for repayment of the loan with respect to the original repayment plan, extending the pre-amortisation period. Consequently, the derivative, whose notional value was 60% of the loan subject to hedging, albeit continuing to guarantee an operational hedge given that it follows the amortisation plan of the loan until 31/12/2026, no longer possesses all the characteristics to qualify for hedge accounting. For

the reasons just stated, the derivative is classified as an instrument measured at fair value through profit and loss of the Parent Company.
The final date of repayment of the Intesa Sanpaolo loan is set for 03 June 2036, around 10 years after the hedge of the first derivative contract stipulated in 2011. For this reason, IEG's Risk Management department opted to stipulate, at end 2018, a second derivative contract at the end of the previous year on the residual amount of the loan not subject to the previous hedge, in order to mitigate potential fluctuation in the interest rate risk, with the following characteristics:

- trading date: 07 December 2018;
- effective date: 29 June 2018;
- maturity date: 30 June 2036;
- interest payment dates: six-monthly, 31 December and 30 June of each year;
- total notional: EUR 9635397.46
- fixed rate (pay IEG): 0.96400% (Actual/360)
- floating rate (receive IEG): Euribor 6M (Actual/360)

On 16 April 2020, a new loan agreement was entered into with the pool of banks headed up by Credit Agricole for a total loan of 15 million euros, due on 30 June 2028. Following this agreement, four new IRS contracts were executed for a partial cover of the debt, in the total nominal value of 10.5 million euros. Information is provided below on the four contracts stipulated during the year, respectively with Credit Agricole, BPER, BNL, Banco Popolare di Milano, which have the same characteristics:

- Trading date: 23 June 2020;
- Effective date: 31 December 2020;
- Maturity date: 18 April 2028;
- Interest payment dates: six-monthly, 31 December and 30 June of each year;
- Total notional (of the four contracts): EUR 10546876
- Fixed rate (pay IEG): -0.01% (Actual/360)
- Floating rate (receive IEG): Euribor 6M (Actual/360)

The table below shows the impacts of the change in the fair value of the six derivative instruments as at 31 December 2022.

VALUATION DATE	IRS Fair Value	Financial income (charges) through profit and loss	Change in CFH reserve
31/12/2019	(5,228)		
31/12/2020	(5,517)	194	(483)
31/12/2021	(3,573)	1,345	598
31/12/2022	1,893	3,328	2,138

8) Other non-current assets

“Other non-current assets” amounted to 184 thousand euros (69 thousand euros as at 31 December 2021), and refer primarily to security deposits relative to utilities.

CURRENT ASSETS

9) Trade receivables

Details are given below.

TRADE RECEIVABLES	Balance as at 31/12/2022	Balance as at 31/12/2021
Receivables from customers	20,106	15,559
Trade receivables due from subsidiaries	2,991	2,780
Trade receivables due from associated companies	240	0
Trade receivables from parent companies	861	676
Trade receivables due from jointly controlled companies	87	54
TOTAL TRADE RECEIVABLES	**24,285**	**19,069**

Receivables due from customers represent the balance of amounts due from organisers and exhibitors for services relating to the provision of trade fair/conference spaces and the supply of event-related services. For more information on the past due brackets, please refer to the section "Credit risk", while as regards the estimate evaluations, please see the section "Use of estimates".
"Receivables due from subsidiaries" relate to trade receivables due from the companies Prostand Srl, Summertrade Srl, Fieravicola Srl, HBG Events, FB International (held 51% by IEG USA), Prime Servizi Srl and V Group Srl.
“Receivables due from associated companies” includes the trade receivables due from the associate Cesena Fiera Spa.
“Receivables from jointly controlled companies” include receivables of the Parent Company due from the company DV Global Link LLC and IGECO Srl.
“Trade receivables due from parent companies” referred to the receivables due from the parent company Rimini Congressi, an investee of the Parent Company in the amount of 10.06%.
Receivables are stated net of the bad debt provision, whose changes are reported in the table below.

	Balance as at 31/12/2021	Changes in 2022				Balance as at 31/12/2022
		Uses	Provisions	Transfers	Var. Scope of consolidation	
Bad debt provision	-	-	-	145	-	145
Bad debt provision - taxed	4,419	(41)	954	(145)	-	5,187
TOTAL BAD DEBT PROVISION	**4,419**	**41**	**954**	0	**0**	**5,332**

As regards the measurement of receivables, the provision for doubtful debt reflects the hypothesised losses expected on the Group's customer portfolio. Prudent provisions have been made, estimated on the basis of past experience of receivables with similar credit risk levels and the careful monitoring by the Parent company's debt collection department, which also considers the historic and economic context of the reference market. The estimates and assumptions, which are reviewed from time to time, are posted directly on profit and loss in the year to which they pertain.

Details of the items "Receivables due from subsidiaries", "Receivables from associated companies" and "Receivables due from jointly controlled companies", relating to receivables exclusively of a trade nature, are provided below:

RECEIVABLES DUE FROM SUBSIDIARIES	**Balance as at 31/12/2022**	**Balance as at 31/12/2021**
Receivables due from Summertrade S.r.l.	1,052	863
Receivables due from Prostand S.r.l.	1,813	1,803
Receivables due from FB International Inc	67	68
Receivables due from HBG Events llc	24	14
Receivables due from Fieravicola S.r.l.	25	32
Receivables due from Prime Servizi S.r.l.	1	-
Receivables due from V Group S.r.l.	10	-
TOTAL RECEIVABLES DUE FROM SUBSIDIARIES	**2,991**	**2,780**

RECEIVABLES DUE FROM ASSOCIATED COMPANIES	**Balance as at 31/12/2022**	**Balance as at 31/12/2021**
Receivables due from Cesena Fiera S.p.A.	240	-
TOTAL RECEIVABLES DUE FROM ASSOCIATED COMPANIES	**240**	**0**

RECEIVABLES FROM JOINTLY CONTROLLED COMPANIES	**Balance as at 31/12/2022**	**Balance as at 31/12/2021**
Receivables due from DV Global Link LLC	54	54
Receivables due from IGECO S.r.l.	30	-
Receivables from IGECO USA S.r.l.	3	-
TOTAL RECEIVABLES JOINTLY CONTROLLED COMPANIES	**87**	**54**

10) Tax receivables and payables for direct taxes

Tax receivables for direct taxes	Balance as at 31/12/2022	Balance as at 31/12/2021
IRES receivable	29	100
Tax receivables from subsidiaries for fiscal consolidation	13	0
Total tax receivables for direct taxes	**42**	**100**
Tax payables for IRAP	(250)	0
Tax payables for IRES	(40)	0
Total tax payables for direct taxes	**(290)**	**0**

"Tax receivables for direct taxes" recorded a net decrease of 58 thousand euros, in particular the disposal of the IRES credit of the previous year, coming to 71 thousand euros, and the receivables recorded by the Company in respect of its subsidiaries for the tax consolidation, coming to 13 thousand euros, of which 9 thousand euros in respect of Prime Servizi Srl and 4 thousand euros for Prostand Srl.
"Tax payables for direct taxes" came to 290 thousand euros at year end, of which 250 thousand euros for IRAP payables and 40 thousand euros for IRES payables.

11) Current financial assets

"Current financial assets" include the credit positions of a financial nature of Italian Exhibition Group S.p.A. vis-à-vis the different subsidiaries and associated companies. An intercompany current accounts system is in place with Summertrade S.r.l. and Prostand Srl in order to optimise the Group's financial management and debt.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Loans to subsidiaries	**6,255**	**2,919**
IEG USA	706	309
Summertrade S.r.l.	3,542	949
Prostand Exhibition Services S.r.l.	177	177
Prostand S.r.l.	1,267	1,266
IEG Brasil	331	-
HBG Events	232	218
Loans to jointly controlled companies	**824**	**207**
DV Global Link LLC	8	3
Destination Services Srl	85	45
Igeco Mexico	168	159
Igeco USA	563	-
TOTAL FINANCIAL ASSETS CURRENT	**7,079**	**3,126**

"**Loans to subsidiaries**" came to 6,255 thousand euros at 31 December 2022 compared with 2,919 thousand euros at 31 December 2021, thereby recording a net increase of 3,336 thousand euros in 2022, relating to the following transactions:

- Greater use of the Intercompany current account relative to the increases of Summertrade Srl and Prostand Srl, totalling 2,594 thousand euros;
- Disbursement of a loan in currency to IEG USA Inc. for 400 thousand dollars, i.e. 365 thousand euros. The residual difference of 32 thousand euros is due to period exchange differences;
- Disbursement of a loan in currency to IEG Brasil for 1,863 thousand Brazilian Real, i.e. 343 thousand euros. The residual difference of (12) thousand euros is due to period exchange differences;
- Period exchange difference on the loan disbursed to HBG Eventz LLC for 14 thousand euros.

"**Loans to jointly controlled companies**" amounted to 824 thousand euros at 31 December 2022, up 617 thousand euros compared to the 31 December 2021. The increase relates to the disbursement of a loan to Destination Services Srl for 40 thousand euros and the disbursement of a loan in currency to Hannover Fair USA, today IGECO USA, for 600 thousand dollars, i.e. 619 thousand euros. The residual differences are due to period exchange differences.

12) Other current assets

Details are given below.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Receivables due from others	546	1,448
Accrued income and prepaid expenses	1,047	1,114
Costs paid in advance pertaining to subsequent years	1,496	1,887

Other tax receivables	575	299
TOTAL OTHER CURRENT ASSETS	3,664	4,747

Details of “Receivables due from others” are provided in the following table:

	Balance as at 31/12/2022	**Balance as at 31/12/2021**
Personnel - advances	19	19
Receivables due from agents	47	47
Suppliers - advances	284	969
Receivables due from social security institutions	10	10
Trade receivables	37	39
Sundry receivables	149	364
TOTAL RECEIVABLES DUE FROM OTHERS	546	**1,448**

“Receivables due from others” amounted to 546 thousand euros at 31 December 2022, a decline of 902 thousand euros compared to the previous year. The change is mainly due to lesser advances granted to suppliers in 2022.

“Prepaid expenses” refer to portions of costs not pertaining exclusively to 2022, which have already been recorded in the accounts. “Accrued income” refers to revenues pertaining to the period which will be recorded in the accounts in a subsequent period. Prepaid expenses as at 31 December 2022 refer mainly to insurance charges, rental expenses, software and maintenance fees.

The costs already incurred for the staging of trade fairs that will be held in the next few months, and therefore fully pertaining to subsequent years, were accounted as “Costs advanced pertaining to subsequent years”.

13) Cash and cash equivalents

Cash and cash equivalents are composed of bank current accounts, deposits and available cash. The trend in cash flows with respect to 31 December 2021 has been reported in the "Cash Flow Statement" to which reference should be made. It should be noted that there are no restrictions on the use of the liquidity reported hereunder.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Bank and postal deposits	41,557	42,139
Cash	21	39
TOTAL CASH AND CASH EQUIVALENTS	**41,578**	**42,178**

COMMENTS ON THE MAIN ITEMS OF LIABILITIES AND SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

14) Shareholders' equity

The company's Shareholders' equity is detailed as follows:

	Balance as at 31/12/2020	Changes 2021		Balance as at 31/12/2021	Changes 2022		Balance as at 31/12/2022
		Increases	Decreases		Increases	Decreases	
Share	**52,215**			**52,215**		**(105)**	**52,110**
Share premium reserve	**13,947**			**13,947**		**(23)**	**13,924**
Revaluation reserves	**67,160**			**67,160**			**67,160**
Reserve pursuant to Law 413/91	*1,888*			*1,888*			*1,888*
Reserve pursuant to Law 266/05	*21,051*			*21,051*			*21,051*
Reserve pursuant to Law 2/09	*44,221*			*44,221*			*44,221*
Legal reserve	**10,401**			**10,401**	**42**		**10,443**
Statutory reserve	**2,532**			**2,532**	**8**		**2,540**
Other reserves	**(46,945)**	**494**	**(305)**	**(46,756)**	**2,044**	**(1,522)**	**(46,234)**
Prov. for cap. grant invest. tech.	*5,878*			*5,878*			*5,878*
First time adoption reserve	*(52,806)*			*(52,806)*			*(52,806)*
OCI reserve	*339*		*(204)*	*135*		*(1,522)*	*(1,387)*
Reserve for translation of foreign financial statements	*(191)*	*40*		*(151)*	*16*		*(135)*
Reserve for transactions under common control	*1,019*			*1,019*			*1,019*
Reserve for actuarial gains/losses - Employee severance indemnity	*(400)*		*(101)*	*(501)*	*384*		*(117)*
CFH reserve	*(784)*	***454***		*(330)*	*1,625*		*1,295*
Other reserves					*20*		*20*
Retained earnings (Losses) carried forward	**17,221**		**(12,683)**	**4,538**	**1,540**		**6,078**
Profit (loss) for the year	**(12,683)**	12,683	**1,610**	**1,610**	**1,513**	**(1,610)**	**1,513**
TOTAL SHAREHOLDERS' EQUITY	**103,848**	**12,683**	**(11,073)**	**105,647**	**5,147**	**(3,259)**	**107,534**

The table below presents an analysis of the breakdown of shareholders' equity in terms of availability and distributability, as required by the reformed art. 2427, no. 7-bis of the Italian Civil Code, interpreted by document no. 1 of the OIC (Italian Accounting Standards Setter).

Nature/Description	Amount	Possibility of use (*)	Portion available	Uses in the last three years		
				to cover losses	for increase/replenishment of share capital	For other reasons
Share	52,110					
Capital reserves						
Share premium reserve	13,924	A, B, C	13,924			
Revaluation reserves	12,034	A, B	12,034			
Prov. for cap. grants - prev. inv.	5,878	A, B, C	5,878			

Profit reserves					
	Legal reserve	10,443	B	10,443	
	Statutory reserve	2,540	A, B	2,540	
	Statutory reserves ex Ente Fiera	0	A, B, C	0	
	Extraordinary reserve	0	A, B, C	0	
	Reserve for shares in the Parent company	9,248			
	Retained earnings	19,474	A, B, C	19,474	
Total				**64,293**	
Non-distributable amount				45,719	
Residual distributable portion				**18,574**	

*** Key**
A: for capital increase B: to cover losses
C: for distribution to shareholders

Detail of calculation of portion of non-distributable reserves	**Balance as at 31/12/2022**
Non-distributable reserves	**45,719**
Share premium reserve	0
Revaluation reserves	12,034
Prov. for cap. grants - prev. inv.	0
Legal reserve	10,443
Statutory reserve	2,540
Losses carried forward	13,396
Other negative reserves	6,233
Plan for purchase of treasury shares	1,073
Value of equity investment in the parent company	**9,248**
Rimini Congressi Srl	9,248
Total	**54,967**

The amount of non-distributable reserves is composed of the “Legal reserve”, the “Statutory reserve”, and “Revaluation reserves”. The “Share premium reserve” can be distributed entirely insofar as the legal reserve is compliant with the legal limit of 20% of the share capital. In addition, given that the Company now holds shares in the parent company Rimini Congressi S.r.l., based on art. 2359-bis of the Italian Civil Code, the value booked to the financial statements for said shares, amounting to 9,248 thousand euros, cannot be distributed. It should be noted that the “Legal reserve” can be used to cover losses after all other reserves have been utilised.

NON-CURRENT LIABILITIES

15) Payables due to banks

The Parent company’s bank debt has reduce don last year by approximately 8.4 million euros as a consequence of the repayment of instalments in respect of the amortisation plans and the essential non-use of short-term credit facilities at 31 December 2022.
Following are details about the Payables due to banks in the short and long term and beyond 5 years.

Current payables due to banks	**Balance as at 31/12/2022**	**Balance as at 31/12/2021**
Other short-term credit facilities	-	1,700
Credit Agricole pool loan	10,196	12,027

Banca Intesa SanPaolo (former Banca Popolare di Vicenza) mortgage	1,733	1,676
Banco BPM mortgage	-	1,128
Volksbank mortgage	1,192	2,018
Loan - Cassa Depositi e Prestiti - SACE	937	-
Loan - Intesa Sanpaolo - SACE	2,051	-
TOTAL Short-term payables due to banks	**16,109**	**18,549**

Non-current payables due to banks	Balance as at 31/12/2022	Of which due beyond 5 years	Balance as at 31/12/2021
Banca Intesa SanPaolo (former Banca Popolare di Vicenza) mortgage	27,578	19,978	29,311
Volksbank mortgage	-	-	1,192
Loan - Cassa Depositi e Prestiti - SACE	14,063	-	15,000
Loan - Intesa Sanpaolo - SACE	30,762	-	32,812
SIMEST loan - Trade fair entities	9,352	-	9,352
TOTAL long-term payables due to banks	**81,755**	**19,978**	**87,667**

Below is the Company's comprehensive net financial position, drawn up in accordance with the Consob Communication 6064293 dated 28 July 2006 and the CESR guidelines dated 10 February 2005.

IEG S.p.A.

Net financial position (based on the ESMA format)

Net financial position (Euro/000)		31/12/2022	31/12/2021
A.	Cash and cash equivalents	41,578	42,178
B.	Cash equivalents	-	-
C.	Other current financial assets	850	236
D.	**Liquidity: (A) + (B) + (C)**	**42,428**	**42,414**
E.	Current financial payables	(4,505)	(7,651)
F.	Current portion of non-current financial debt	(16,123)	(16,850)
G.	**Current financial debt: (E) + (F)**	**(20,529)**	**(24,501)**
H.	**Current net financial indebtedness: (G + D)**	**21,899**	**17,913**
I.	Non-current financial liabilities	(98,872)	(107,083)
J.	Debt instruments	0	0
K.	Trade payables and other non-current payables	452	(5,496)
L.	**Non-current financial debt: (I) + (J) + (K)**	**(98,420)**	**(112,580)**
M.	**Total financial debt: (H) + (L)**	**(76,520)**	**(94,667)**

Net financial position as defined by the new ESMA Guidelines of 04 March 2021 (Consob warning notice no. 5/21 to Consob Communication)

Compared with last year, bank debt decreases by a total of approximately 8.4 million euros, determined by the complete repayment of the credit facility opened at 31 December 2021 for 1.7 million euros (Hot Money financial instrument) and repayments of loans already in place as per the instalments envisaged by the amortisation plans; no new loans with payments by instalments have in fact been taken out.
Note that in 2022, mainly due to the exponential growth of inflation, central banks have focussed on a generalised rise in rates, thereby making the debt far more expensive. This has also resulted in a reversal of the sign of derivative hedges, stated at fair value of 1.9 million euros at 31 December 2022 and -3.6 million euros at 31 December 2021 (the balance at 31 December 2021 of the item "K" is the sum of the mark to market of financial derivatives and financial debt for the purchase of the company IGECO in the long-term).

It should instead be noted that the consolidated results achieved in 2022 involved the verification of the covenant breach in relation to the NFP/EBITDA ratio (covenant <3.5) at the end of the year identified in the loan agreement stipulated by the Parent Company with Credit Agricole Italia Spa (Pool Agent Bank). On 5 December, the Parent Company asked that the application of the covenant be suspended for FY 2022; this request was granted on 10 March 2023. However, in compliance with the provisions of IAS 10, the loan payables of approximately 10 million euros were classified entirely as short-term.

16) Non-current financial liabilities for rights of use

The balance of 17.1 million euros represents the non-current portion of liabilities recognised for lease fees still not paid at the close of the half, in compliance with the introduction of new accounting standard IFRS 16 on 1 January 2019.
It should be noted that the item includes payables due to Rimini Congressi S.r.l. for 12.6 million euros.

17) Other non-current financial liabilities

The breakdown of the item in question is shown below.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Fair value of derivative instruments	-	3,573
Other non-current financial liabilities	1,441	1,923
TOTAL OTHER LIABILITIES FIN. NON-CURRENT	**1,441**	**5,496**

As a consequence of the rates increase by the Central Banks, “Fair value of derivative instruments” has reversed sign and therefore been classified amongst non-current financial assets (for more details, see paragraph 7) Non-current financial assets).
“Other non-current financial liabilities” represents the estimated price to be paid to the selling shareholders to purchase the shares in IGECO S.r.l.

18) Provisions for non-current risks and charges

The changes in the item in question are shown below.

	Balance as at 31/12/2021	Changes 2022			Balance as at 31/12/2022
		Provisions	Uses/decreases	Releases	
Provision for dispute risks	1,927	350	(438)	(60)	1,779
Other provisions for risks	10				10
TOTAL PROVISIONS FOR RISKS AND CHARGES	**1,937**	**350**	**(438)**	**(60)**	**1,789**

Provisions for risks and charges amounted to 1,789 thousand euros at 31 December 2022, a decrease of 148 thousand euros compared to the previous period. The increases mainly refer to the provision made for dispute risks by the Parent Company in respect of possible tax litigation and the related accessory cost for the Group’s legal defence.

19) Employee provisions

The changes in the item in question are shown below.

	Balance as at 31/12/2021	Changes in 2022			Balance as at 31/12/2022
		Provisions	Uses/decreases	Actuarial (Gains)/Losses	
Provision for customers’ leaving indemnities	94	14	-		109
Provision for employee severance indemnity	2,622	27	(262)	506	1,882
TOTAL EMPLOYEE PROVISIONS	**2,716**	**42**	**(262)**	**506**	**1,991**

The balance is composed primarily of employee severance indemnity accrued during the lockout period, equal to 1,882 thousand euros as at 31 December 2022.

By contrast, for a total of 109 thousand euros, it is composed of the “Provision for agents’ leaving indemnities” allocated in compliance with article 1751 of the Italian Civil Code and the collective economic agreement for the regulation of the agency and commercial representation relationship of the commerce sector signed on 16 February 2009.
The value of the provision for employee severance indemnity at the end of the year conforms to the amount due to personnel and the allocation was calculated in respect of the laws, the company employment contract and, for matters not provided for, the C.C.N.L. (national collective labour agreement) for the trade sector. It should also be pointed out that, following the supplementary pension reform (Italian Legislative Decree no. 252/2005; Italian Law no. 296/2006, article 1, paragraphs 755 *et seq* and paragraph 765), the amount indicated in the column “Provisions” does not include the sums paid to forms of supplementary pension or to the “INPS Treasury Fund”.
The Company, in determining the actuarial calculations, avails itself of the support of a professional listed

in the appropriate Register of Actuaries. The main hypotheses/assumptions used for the actuarial calculation of the defined benefit plans are shown below.

Demographic assumptions

Probability of death	Mortality tables broken down by gender - ISTAT 2015
Probability of disability	Zero probability (in consideration of the type of company under analysis)
Probability of resignations	The probability of company turnover of 3% was used
Probability of anticipation	An annual value of 3% was presumed with respect to an average value of accumulated employee severance indemnity of 70%

Economic-financial assumptions for calculation of the TFR (employee severance indemnity)

	2022	2021
Annual discount rate	3.77%	0.98%
Annual inflation rate	2.73%	1.75%
Assumption of real salary growth	2.73%	1.75%

The discounting of future services for employees deriving from Employee severance indemnity was measured by recognising market yields according to the provisions of IAS 19. For the discount rate, the rate relating to high credit rating Corporate Bonds AA with a duration equal to the plan of company commitments to its employees was taken as a reference.
The results of the actuarial evaluations depend strictly on the financial, demographic and behavioural assumptions adopted.
The following table, as required by the international accounting standard, shows the results of the DBO deriving from the change in assumptions.

Sensitivity Analysis - DBO		IEG Group SPA
Central Assumption	€	**1,877**
Discount rate (+0.5%)	€	1,799
Discount rate (-0.5%)	€	1,960
Rate of payments Increases (+0.5%)	€	1,882
Rate of payments Decreases (-0.5%)	€	1,870
Rate of Price Inflation Increases (+0.5%)	€	1,928
Rate of Price Inflation Decreases (-0.5%)	€	1,827
Rate of Salary Increases (+0.5%)	€	1,877
Rate of Salary Decreases (-0.5%)	€	1,877
Increase the retirement age (+1 year)	€	1,866
Decrease the retirement age (-1 year)	€	1,888
Increase longevity (+1 year)	€	1,877
Decrease longevity (-1 year)	€	1,877
Assumptions of the previous year	€	2,287
Economic assumpt. of the previous and new demographic assumpt.	€	2,287

20) Other non-current liabilities

"Other non-current liabilities" mainly consists of the contribution paid by the Emilia-Romagna Region for the development of the trade fair district of Rimini, not yet allocated to profit and loss, of 1,719 thousand euros (1,913 thousand euros at 31 December 2021) and the remainder is the contribution disbursed, as per Art. 1, paragraph 1051 to 1063, Law no. 178/2020, for investments in instrumental assets that have not been allocated to the income statement.

CURRENT LIABILITIES

21) Current financial liabilities for rights of use

The item, for 1,681 thousand euros, is composed of the current portion of liabilities recognised for lease fees still not paid at the close of the year, in compliance with the introduction of new accounting standard IFRS 16 on 1 January 2019. The balance includes 1,001 thousand euros relating to the lease agreement of Palazzo dei Congressi di Rimini, stipulated with Rimini Congressi S.p.A.

22) Other current financial liabilities

Details are given below.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Accrued expenses	14	50
Amounts due to shareholders for dividends	2	2
Payables due to other lenders within 12 months	2,373	4,463
Current financial payables due to subsidiaries	349	222
TOTAL OTHER CURRENT LIABILITIES	**2,738**	**4,737**

"Payables due to other lenders (beyond 12 months)" includes the residual payable for the purchase of corporate shares in HBG for 2,373 thousand euros.

"Current financial payables due to subsidiaries" amounting to 349 thousand euros includes the payables due to IEG ASIA for the equity investment.

23) Trade payables

Details are given below.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Trade payables within 12 months	27,165	20,301
Payables due to parent company	-	3
Payables to subsidiaries	10,088	6,469
Vehicle ownership tax	8	4
Membership fees and contributions	8	3
Payables to other related parties	16	-
TOTAL TRADE PAYABLES	**37,285**	**26,780**

Payables to suppliers mainly refer to purchases of services necessary to the holding of trade fairs.
Trade payables are recorded on an accruals basis when the service has been received, the goods production process has been completed and ownership has essentially been transferred of the goods sold.
The “Payables due to subsidiaries” and “Payables due to associated companies” detailed in the following tables are exclusively of a trade nature.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Payables due to Prostand Exhibition Services S.r.l.	1	1
Payables due to Prime servizi S.r.l.	837	831
Payables due to Summertrade S.r.l.	1,601	544
Payables due to HBG Events FZ LLc	10	-
Payables due to Prostand S.r.l.	7,636	5,093
TOTAL PAYABLES DUE TO SUBSIDIARIES	**10,087**	**6,469**

“Payables due to associated companies”, “Payables due to jointly-controlled companies” and “Payables to other related parties” are summarised in the following table.
Note that the balance of this latter item refers to trade items in regard to companies whose Key Managers or those of considerable influence are also Directors of Italian Exhibition Group S.p.A.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Payables due to Cesena Fiera S.p.A.	2	2
Payables due to C.A.S.T. Alimenti Srl	6	2
TOTAL PAYABLES DUE TO ASSOCIATED COMPANIES	**8**	**4**
Payables due to DV Global Link LLC	8	3
TOTAL PAYABLES DUE TO JOINTLY CONTROLLED COMPANIES	**8**	**3**
Payables to other related parties	16	-
TOTAL PAYABLES TO OTHER RELATED PARTIES	**16**	**-**

24) Other current liabilities

Details are given below.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Advance payments	4,750	3,103
Payables due to subsidiaries	1,674	1,351
Payables due to social security institutions	1,107	992
Other payables	5,628	3,788
Accrued expenses and deferred income	444	240
Revenues paid in advance pertaining to subsequent years	31,306	19,983
Other tax payables	740	2,888
TOTAL OTHER CURRENT LIABILITIES	**45,649**	**32,345**

Period changes are mainly due to the increase in revenues paid in advance pertaining to subsequent years, which last year recorded much lower values, also due to the repositioning in March of the SIGEP event.

The table below details the items includes in “Other payables”.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Payables due to customers	1,166	932
Payables due to employees	1,721	1,190
Payables due to trade union organisations	3	0
Payables due to statutory bodies	417	280
Other payables	212	237
Personnel - salaries	2,099	1,181
Security deposits	10	10
TOTAL OTHER PAYABLES	**5,628**	**3,830**

“Payables due to employees” include the valuation of accruals of holidays, leave, ‘hour bank’, deferred monthly pay and other payables accrued and still not enjoyed or paid to personnel of Italian Exhibition Group S.p.A., while “Personnel - salaries” shows the balance of fees accrued in December and paid in January 2023.

25) Disclosure on guarantees given, commitments and other contingent liabilities

The table below shows Guarantee granted in its favour

	Balance as at 31/12/2022	Balance as at 31/12/2021
Sureties	392	903

Note that at 31 December 2022, there was no third party property held by IEG and the Parent Company has guarantees in place relative to surety for a total amount of 392 thousand euros.

The following guarantees were issued:

- by the Company in favour of the lessor of the Milan offices for 193 thousand euros;
- by the Company in favour of the lessor who owns Pavilion 9 of the Vicenza trade fair district for 75 thousand euros;
- by the Company in favour of other entities for a total of 124 thousand euros.

It should also be noted that Italian Exhibition Group S.p.A. replaced Fiera di Vicenza S.p.A. in the guarantees issued by the latter in favour of the investee C.I.S. S.p.A. in liquidation in the amount of Euro 1,200 thousand. This amount was not recorded under guarantees given as the associated provision for risks is allocated in the financial statements for the same amount.

In order to support the activities of the subsidiaries, on 08 February 2023, the Company signed a letter of financial backing to Summertrade Srl, up to the limit of 1.755 million euros and, on 06 March 2023, a letter of financial support to IEG USA, up to the maximum amount of 1.275 million dollars.

COMMENTS ON THE MAIN INCOME STATEMENT ITEMS

26) Revenues

“Revenues from contracts with customers” include the revenues pertaining to 2022 actually realised in the performance of the company’s ordinary activities.
The total of the item “Revenues” rose by 37.4 million euros in 2022, equal to +51.5%. This is thanks to the effect of the resumption of trade fair and congress activities following the block in FYs 2021 and 2020 due to the Covid-19 pandemic. Revenues from contracts with customers relative to the trade fair and congress business come to Euro 105.5 million, up 57.5 million on the previous period, as evidence of the resumption of normal Group activities.
As regards other revenues, the drop of 20.1 million euros on the previous period is due to Covid contributions, which were collected in 2021 in support of the limited activities carried out by the Group.
For a more comprehensive analysis of the trend in revenues in 2022, please refer to the information already outlined in the Directors’ Report on Operations.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Revenues from contracts with customers	105,501	47,971
Other revenues	4,456	24,615
Covid contributions	*0*	*22,041*
TOTAL REVENUES	**109,957**	**72,586**

The following tables provide details on revenues from sales and services by line of business.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Organised events	86,274	36,467
Hosted Events	3,420	2,461
Conferences	15,501	7,163
Publishing, Sports and Other lines	1,984	4,454
Covid contributions	0	22,041
Sundry revenues	2,778	0
TOTAL REVENUES	**109,957**	**72,586**

The increase in total revenues net of Covid contributions received in FY 2021 comes to 37,371 thousand euros. The gross increase, not considering the contributions received in FY 2021 and equal to 22,041 thousand euros, is 59,412 thousand euros.
The increase is spared over the Group’s two main businesses, namely:

- Organised Events, which comes to 86,274 thousand euros, up 49,807 thousand euros (+136.58%) on the previous year
- Congress activities, which come to 15,501 thousand euros, up 8,338 thousand euros (+116.40%) on the previous year.

The breakdown of “Other revenues” is shown below.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Covid contributions	0	22,041
Other operating grants	1,648	*712*
Capital gains on disposals of assets	29	17
Income relating to previous years	50	372
Other revenues and income	2,730	*1,463*

TOTAL OTHER REVENUES	**4,456**	**24,615**

Other revenues come to 4,456 thousand euros, down 20,159 thousand euros on the previous year. The change mainly relates to Covid contributions collected in 2021 for a total of 22,041 thousand euros.

27) Operating costs

	Balance as at 31/12/2022	Balance as at 31/12/2021
Raw materials, consumables and goods for resale	(1,834)	(937)
Services	(69,728)	(34,600)
For use of third-party assets	(123)	(475)
For personnel	(22,489)	(16,723)
Other operating costs	(2,881)	(1,830)
TOTAL OPERATING COSTS	**(97,054)**	**(54,565)**

"Operating costs" come to 97.1 million euros at 31 December 2022, up 42.5 million euros on 31 December 2021. The increase is due to the normal resumption of trade fair and congress activities after the 2021 block to fight the spread of the Covid-19 pandemic.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Staff	**(21,627)**	**(16,019)**
Wages and salaries	(15,814)	(11,477)
Social security costs	(4,420)	(3,416)
Employee severance indemnity	(1,139)	(1,022)
Other costs	(254)	(105)
For Directors	(862)	(704)
TOTAL PERSONNEL COSTS	**(22,489)**	**(16,723)**

The table below provides details of the main costs included in the item “Other operating costs”.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Municipal Property Tax	(482)	(479)
Other municipal taxes	(395)	(409)
Vehicle ownership tax	(5)	(6)
Membership fees and contributions	(307)	(442)
Revenue stamps and certification of the books	(17)	(13)
SIAE (Italian Authors and Publishers Association) fees, exhibition taxes	(19)	(2)
Expenses relating to previous years	(334)	(385)
Other costs	(368)	(94)
Write-down of receivables	(954)	0
TOTAL OTHER OPERATING COSTS	**(2,881)**	(1,830)

28) Amortisation, depreciation and impairment

By contrast, the table below provides details of amortisation and depreciation:

	Balance as at 31/12/2022	Balance as at 31/12/2021
Depreciation of intangible fixed assets	(1,628)	(1,823)
Depreciation of property, plant and equipment	(9,157)	(9,093)
Other asset depreciations	(42)	(1,427)
Provisions for risks	(289)	0
Value adjustments of financial assets other than equity investments	(29)	(1,603)
TOTAL AMORTISATION, DEPRECIATION AND IMPAIRMENT	**(11,144)**	**(13,946)**

Refer to the two paragraphs on property, plant and equipment and intangible fixed assets for more information.

29) Financial income and expense

Financial income and expense are noted on the income statement in the year in which they are incurred, as per accruals accounting.
It is also specified that following application of the accounting standard IFRS 16, financial expense on lease contracts have also been noted under this item.

Specifically, interest income and interest expense, of any source, have been entered at the value accrued during the year, net of any deferrals.
The breakdown of “Financial income” is shown below:

	Balance as at 31/12/2022	Balance as at 31/12/2021
Interest income on other receivables	22	18

Actuarial value of the TFR provision	149	0
IRS differential	3,328	0
Interest income on intercompany current accounts from subsidiaries	115	14
TOTAL FINANCIAL INCOME	**3,615**	**32**

With a view to optimising the available funds of the Group, the company has established intercompany accounts with the main subsidiaries. Interest accrues on these accounts as at 31 December 2022 at the market rates correlated to the 3-month Euribor.
"Interest income on other receivables" are attributable to credit recovery activities with the collection by the debtor of default interest for late payment and the interest generated by the Generali Employee severance indemnity policy are stated under "Actuarial value of the TFR provision". Note that the actuarial value adjustment of the Provision for employee severance indemnity at 31 December 2022 recorded financial income.
The breakdown of "Interest and financial charges" is shown below.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Interest expense and expenses on bank debts	(1,523)	(1,439)
Other interest expense and charges	(64)	(170)
Negative differences of swaps	(847)	(1,039)
IRS differential	0	1,346
Actuarial value of the TFR provision	0	(18)
Interest expense on rights of use - IFRS 16	(386)	(370)
TOTAL INTEREST AND OTHER FINANCIAL CHARGES	**(2,820)**	**(1,690)**

Banking interest expense concerns almost completely the mortgages taken out by the company and, to a residual extent, the temporary use of short-term credit lines.
The "IRS Differential" represents the change in the fair value of the derivative, solely for management purposes, contracted with former Banca Popolare di Vicenza (now Banca Intesa San Paolo) and has been reclassified to financial income.
"Negative differences of swaps" refer to the interest paid to Intesa SanPaolo at the fixed rate established by the above-specified contract and the second stipulated in 2018 and the negative differences of swaps on interest paid to the four banks involved in the pool loan (Bper, Banco BPM, BNL and Credit Agricole).
It should be noted that, as a result of the application of IFRS 16 - Leases, the company recognised interest expense totalling 386 thousand euros.
The breakdown of the item "Exchange gains and losses" is shown below.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Exchange gains	445	32
Negative exchange differences	(609)	0
TOTAL EXCHANGE GAINS AND LOSSES	**(164)**	**32**

The positive and negative exchange differences refer to revenues and expenses in foreign currency linked to the change
in exchange rates, which during the year entail a net loss of 164 thousand euros.

30) Gains and losses from equity investments

Equity investments in associated companies and joint ventures were measured using the equity method. Qualified equity investments are booked at cost and are written down in the event of a significant and prolonged reduction in the fair value with respect to the cost of recognition.

For more information, please refer to the previous comments on financial fixed assets.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Revaluations of equity investments		
Cesena Fiera S.p.a.	212	20
Rimini Welcome S.c.a.r.l.	0	2
Destination Service	0	28
Cast Alimenti	59	0
Total revaluations of equity investments	**272**	**50**
Write-downs of equity investments		
Expo Estrategia Brasil Eventos e Producoes Ltda	(26)	(191)
IEG China – (formerly Eagle)	(26)	(65)
C.A.S.T. Alimenti Srl	0	(125)
Rimini Welcome S.c.a.r.l.	(1)	0
Fitness Festival International S.r.l. (in liquidation)	0	(30)
Destination Services	(6)	0
Total Write-down of equity investments	**(59)**	**(411)**
Total effect of valuation of equity investments with the equity method	**213**	**(361)**
Write-downs of equity investments - subsidiaries		
FB International Inc.	0	(276)
Total measurement of equity investments in subsidiaries	**(0)**	**(276)**
Total effect of valuation of equity investments with the equity method	**213**	**(637)**

31) Income tax

Taxes are calculated in application of the tax regulations in force.

	Balance as at 31/12/2021	Balance as at 31/12/2021
Taxes from previous years	(0)	(5)
Current taxes	(672)	0
Total direct taxes	**(672)**	**(5)**
Advance IRES	(438)	(430)
Advance IRAP	46	0
Total deferred tax assets	**(392)**	**(430)**
Deferred IRES	(36)	232
Deferred IRAP	9	0
Total deferred taxes	**(27)**	**232**
TOTAL INCOME TAXES FOR THE YEAR	**(1,091)**	**(203)**

Pursuant to point 14) of article 2427 of the Italian Civil Code, and the requirements of IAS 12, the required information on deferred and prepaid taxes is shown below.
Deferred tax liabilities have been calculated according to the global allocation approach, taking into

account the cumulative amount of all temporary taxable differences, based on the expected average rates in force when these temporary differences are offset.

Deferred tax assets were recorded given there is reasonable certainty as to the existence, in the years in which the temporary deductible differences will carry forward, in respect of which prepaid taxes were recognised, of a taxable income not lower than the amount of the differences that will be cancelled.

	2022			2021		
	Temporary differences	Rate	Tax effect	Temporary differences	Rate	Tax effect
Deferred tax assets:						
Bad debt provision	6,326	24.00%	1,518	5,445	24.00%	1,307
Provisions for risks and charges	1,429	27.90%	399	1,068	24.37%	260
Agents' leaving indemnities	94	27.90%	26	100	27.90%	28
Taxes for previous losses	78	24.00%	19	78	24.00%	19
Membership fees paid in subsequent year	91	24.00%	22	10	24.00%	2
Emoluments of statutory bodies not paid in the year	638	24.00%	153	144	24.00%	35
Amortisation/depreciation not deductible in the year	952	25.48%	243	1,001	25.63%	257
Write-down of Intangible assets	1,297	24.37%	316	206	27.90%	61
Photovoltaic prepaid amounts	1,069	27.90%	298	1,181	27.90%	334
Statutory/fiscal misalignment on revaluation of land	1,657	27.90%	462	1,657	27.90%	462
Value adjustments of equity investments	0	n.a.	0	227	1.20%	3
Fair value of derivatives	0	n.a.	0	3,139	24.00%	753
Service cost and interest cost components	0	n.a.	0	7	24.00%	2
IFRS16	(223)	27.90%	(62)	(354)	17.56%	(106)
Exchange differences	569	24.00%	136	0	n.a.	0
2020 loss from tax consolidation	14,185	24.00%	3,404	16,624	24.00%	3,990
Total deferred tax assets charged to Income Statement	**28,162**		**6,934**	**30,533**		**7,407**
Tax effect on "Actuarial Gain & Losses" component of actuarial calculation of Employee benefits	1,941	24.00%	453	331	24.00%	79
Effect of cash flow hedge derivatives	0	n.a.	0	434	24.00%	104
IFRS16	153	23.32%	37	1,941	23.32%	453
Total deferred tax assets charged to Shareholders' equity	**2,094**		**490**	**2,706**		**636**
Deferred tax liabilities:						
Statutory/fiscal misalignment on revaluation of land	4,537	27.90%	1,266	4,537	27.90%	1,266
Amortised cost - loans	548	24.00%	132	548	24.00%	132
Recognised of deferred tax liabilities on PPA	2,999	27.90%	837	3,239	27.90%	904
Exchange differences	391	24.00%	94	0	n.a.	0
Total deferred tax liabilities charged to Income Statement	**8,475**		**2,329**	**8,324**		**2,302**
Statutory/fiscal misalignment on revaluation of land	1,542	27.90%	430	1,542	27.90%	430
Effect of cash flow hedge derivatives	1,704	24.00%	409	0	n.a.	0
Total deferred tax liabilities charged to Shareholders' equity	**3,246**		**839**	**1,542**		**430**

The tables below show the differences between theoretical tax charges (IRES 24% and IRAP 3.9%) and the tax charge that can actually be recorded in the financial statements, as suggested by IAS 12.

RECONCILIATION BETWEEN THEORETICAL IRES AND IRES AS PER THE FINANCIAL STATEMENTS	
Pre-tax result	**2,603**
Theoretical tax charge (24.0%)	*(625)*
Variations on decrease	
Photovoltaic plant	(113)
Use/cancellation of provisions allocated in previous years	(539)
Deductible portion of board and lodging expenses	(630)
Dividends from subsidiaries/revaluation of equity investments	(272)
Tax amortisation exceeding statutory amortisation	(739)
Other decreases	(802)
IRS differential	(2,921)
IMU tax	(482)
IRAP and lump-sum portion on employee severance indemnity paid	(37)
Total decreases	**(6,535)**
Variations on the increase	
Write-down of investments and Advances Provision for impairment Equity investments	135
Actuarial (Gains)/Losses	506
Non-deductible amortisation/depreciation and other non-deductible provisions	1,688
IMU tax	482
Non-deductible portion of board and lodging expenses	3,473
Other variations on the increase	1,341
Total increases	**7,625**
Taxable amount for IRES (regional business tax) purposes pertaining to the year	**3,693**
IRES (corporate income tax) pertaining to the year (24% of actual IRES income)	(886)
Tax consolidation income	468
IRES in Income statement	**(418)**

RECONCILIATION BETWEEN THEORETICAL IRAP AND IRAP AS PER THE FINANCIAL STATEMENTS	
Difference between production revenues and costs	**1,785**
Non-relevant costs for IRAP purposes	22,916
Theoretical taxable income	**24,701**
Theoretical tax charge (3.90%)	*-963*
Variations on decrease	
INAIL (Italian National Institute for Insurance against Accidents at Work), Trainees, Tax wedge and similar	(19,229)
Excess tax amortisation	(27)
Use/cancellation of provisions allocated in previous years	(437)
Other decreases	(337)
Total decreases	**(20,030)**
Variations on the increase	
Directors' fees	973
Municipal Property Tax	482
Other variations on the increase	369
Total increases	**1,824**
Taxable amount for IRAP (regional business tax) purposes pertaining to the year	**6,495**
IRAP in Income statement	**(253)**

32) Related party transactions

The Parent Company, Italian Exhibition Group S.p.A., in addition to its role of management of Group activities, has operating relations with subsidiaries and associated companies, aimed at maximising synergies. All transactions are settled contractually and services are rendered and assets transferred at market prices.
In the stand fitting sector, Prostand maintains supply relations with the Parent Company, to which it pays fees for the commercial brokerage activities carried out. FB International provides stand fitting services to Italian Exhibition Group S.p.A. for events in the United States. Summertrade is the official supplier for catering in the trade fair districts of Rimini and Vicenza, to the Palacongressi di Rimini and the Vicenza Convention Centre; the relationship makes provision not only for the sale of assets and services to Italian Exhibition Group S.p.A., but the payment of a fee on the activities carried out in the premises made available to it. Prime Servizi is the supplier of Italian Exhibition Group S.p.A. regarding cleaning and porterage activities. Italian Exhibition Group S.p.A., also provides Fieravicola S.r.l., V-Group and Igeco Srl with accounting and administrative services. IEG is an agent for HBG Events for the sale in Italy of the Dubai events; HBG is an agent of IEG for the sale of Rimini Wellness. Italian Exhibition Group S.p.A. also provides Vicenza Holding S.p.A. with assistance and consultancy services.

The statement of financial position and statement of comprehensive income and statement of cash flows show the amounts of positions or transactions with related parties separately from the reference items.

Rimini Congressi is the parent company of the Group and the leaseholder of Palazzo dei Congressi. The tables below indicate the receivable/payable and cost/revenue transactions as at 31 December 2022 between IEG and the parent company.
In addition, it should be noted that, on application of the IFRS 16 accounting standard, the costs for the use of third-party assets, relating to rental agreements for the Palacongressi di Rimini stipulated between IEG S.p.A. and Rimini Congressi S.r.l., were completely eliminated and replaced with amortisation/depreciation and financial charges, as more fully detailed in the table. Financial payables amounting to 13.5 million euros relate entirely to the discounting of lease instalments to be paid for the rental of Palacongressi di Rimini, as set forth in IFRS 16.

Equity transactions with the Parent Company	Rimini Congressi S.r.l.
Trade receivables	837
Trade payables	0
Financial payables	13,522

Revenues and costs with the parent company	Rimini Congressi S.r.l. (*)
REVENUES	
Revenues from sales and services	40
Other revenues	121
OPERATING COSTS	
Costs of services	0
Costs for the use of third-party assets (*)	(1,286)
Other operating charges	0
GROSS OPERATING PROFIT (EBITDA)	**(1,225)**
FINANCIAL INCOME AND EXPENSE	

Financial income	0
TOTAL FINANCIAL CHARGES AND INCOME	**0**
TOTAL	**(1,225)**

(*) In applying IFRS 16, costs for use of third-party assets are completely eliminated and replaced with amortisation/depreciation on rights of use for 1,025 thousand euros and financial charges for 275 thousand euros.

OTHER INFORMATION

33) Disclosure no. 124 pursuant to 04 August 2017

The information required pursuant to art. 1, paragraph 125 of Law no. 124 of 04 August 2017.

No.	Name of disbursing entity	Reason	Sum collected (€)	Collection date
1	G.S.E. S.p.A.	Photovoltaic incentives November 2021	538	31/01/2022
2	Municipality of Vicenza	Municipality of Vicenza grant VIOFF22	24,000	20/05/2022
3	Municipality of Vicenza	Municipality of Vicenza grant VOS22	10,000	07/12/2022
4	Municipality of Arezzo	Grant OAR22	13,673	29/07/2022
5	Fondirigenti	Open organisation & change management	3,200	09/08/2022
6	Fondimpresa	Contribution for training and development	31,267	13/12/2022
7	Veneto Innovazione	Buy Veneto 21 project	12,164	01/04/2022
8	APT Servizi srl	Candidature for MICE International events	25,000	01/06/2022
		Total	**119,842**	

34) Employees

The average number of employees is expressed as the number of FTE (full-time equivalent) workers. **The comparison between the average number of employees in 2022 and the previous year is shown below.**

	2022	2021
Executives	6.8	8.7
Middle managers/White-collar workers	284.9	273.5
Blue-collar workers	7.5	8.5
AVERAGE NUMBER OF EMPLOYEES	**299.1**	**290.7**

35) Compensation for Corporate Officers

Compensation for Directors was defined by the shareholders' meeting on 29 April 2021 for the three years 2021-2023. The compensation resolved envisages a part of fixed remuneration to be assigned to each director, whether executive or independent or taking part in one of the internal Board committees and, only for executive directors, a short- and medium-term variable remuneration linked to the achievement of corporate objectives. The fees of the Board of Statutory Auditors were resolved by the Shareholders' Meeting on 08 June 2020.

	Balance as at 31/12/2022	Balance as at 31/12/2021
Directors	709	638
Statutory Auditors	76	76
TOTAL COMPENSATION FOR CORPORATE OFFICERS	**785**	**714**

36) Independent Auditors' fees

The table below shows the compensation paid to the independent auditors. The shareholders' meeting of 30 April 2019 elected PricewaterhouseCoopers S.p.A. as the company's independent auditors.
Total compensation accrued by the PWC network and booked to the company's financial statements is reported below.

COMPENSATION FOR THE STATUTORY AUDIT	Balance as at 31/12/2022	Balance as at 01/12/2021
Annual statutory accounting audit	72	68
Limited audit on the half-yearly accounts	35	25
Other services and sundry advisory services	45	183

Rimini, 16 March 2023

The Board of Directors
Chief Executive Officer

Annexes

ANNEX 1

ATTESTATION OF THE ANNUAL FINANCIAL STATEMENTS IN ACCORDANCE WITH ART. 154 BIS, PARAGRAPH 5 OF ITALIAN LEGISLATIVE DECREE 58/1998

1. The undersigned, Corrado Peraboni, as Chief Executive Officer and Teresa Schiavina as Manager responsible for preparing the company's financial documents of Italian Exhibition Group S.p.A. hereby certify, also taking into account the provisions of article 154-*bis*, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998:
   - the adequacy with respect to the company's profile, and
   - the effective application

   of the administrative and accounting procedures for the preparation of the Financial Statements as at 31 December 2022.

2. It is also certified that:

   2.1. the separate financial statements as at 31 December 2022:
   - were prepared in accordance with the international accounting standards recognised by the European Union pursuant to European Parliament and Council Regulation no. 1606/2002/EC of 19 July 2002;
   - correspond to the results of the books and the accounting records;
   - are suitable to provide a true and fair representation of the capital, economic and financial situation of the issuer.

   2.2. the Directors' Report on Operations includes a reliable analysis of the trends and results of operations as well as of the position of the issuer, together with a description of the main risks and uncertainties they are exposed to.

Rimini, 16 March 2023

Statement by the Manager responsible for preparing the company's financial documents

Corrado Peraboni | Teresa Schiavina

Independent Auditors’ Report on the Separate Financial Statement

pwc

Independent auditor's report

in accordance with article 14 of Legislative Decree n° 39 of 27 January 2010 and article 10 of Regulation (EU) n° 537/2014

To the Shareholders of
Italian Exhibition Group SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Italian Exhibition Group SpA (hereinafter, also the "Company"), which comprise the statement of financial position as of 31 December 2022, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Italian Exhibition Group SpA as of 31 December 2022, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of Italian Exhibition Group SpA in pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Recoverability of the value of intangible assets *Notes to the financial statements as of 31 December 2022, "Accounting policies" section and note 2 - "Intangible assets"*	
As of 31 December 2022, the value of intangible assets in the Company's financial statements was Euro 19,015 thousand, accounting for 6% of total assets, and includes goodwill for Euro 8,211 thousand and intangible assets with finite lives for Euro 10,804 thousand. In accordance with IAS 36 – *Impairment of assets*, management tests the value of goodwill for impairment at least annually, by comparing the carrying amount of the cash generating units (CGUs) to which goodwill is allocated with the respective recoverable amount, i.e. the higher of value in use and fair value less costs of disposal. With reference to goodwill, the recoverable amount as of 31 December 2022 of the CGUs to which the goodwill is allocated was determined on the basis of value in use, by discounting to present value the estimated future cashflows in the 2022-2027 business plan, approved by the Company's Board of Directors on 18 July 2022 and later revised on the basis of the 2023 budget approved by the board of Directors on 19 December 2022, plus the terminal value. Other intangible assets with finite lives are tested only if indicators of impairment are present. We considered the recoverability of intangible asset values a key audit matter in consideration of the materiality of the amounts and of the elements of uncertainty and estimation intrinsic to the Directors' assessment of their recoverability.	Our audit approach consisted, preliminarily, in understanding and evaluating the methods and procedures defined by the Company to determine the recoverable amounts of the CGUs to which goodwill is allocated and to identify impairment indicators for intangible assets with finite lives. With reference to goodwill, also with the support of business valuation experts from the PwC network, we analysed the methods adopted by management to determine the recoverable amounts of the CGUs to which goodwill is allocated, we verified the reasonableness of the key assumptions reflected in the valuation models, including the discount rates, we verified the mathematical accuracy of the models used, and we compared the value in use of each CGU with its carrying amount. We verified management's considerations about the identification of the CGUs and the process of allocation of goodwill, verifying their consistency with the Company's organisational structure. With regard to intangible assets with finite lives we verified the absence of impairment indicators. We analysed the forecasts used to assess the recoverability of goodwill, verifying their consistency with the 2023-2027 business plan and making a critical assessment of the reasonableness of the estimated cashflows, also in light of the Company's historical results.

The key elements of uncertainty and estimation are related to the correct definition and identification of the CGUs and to the estimation of the future cashflows and the definition of the discount rates to be applied to those cashflows.	Finally, our procedures included analysing the notes to the consolidated financial statements and the overall adequacy and completeness of related disclosures.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors of Italian Exhibition Group SpA are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the Directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- We concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) n° 537/2014

On 17 October 2018 the shareholders of Italian Exhibition Group SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2019 to 31 December 2027.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) n° 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to those charged with governance, in their capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) n° 2019/815

The Directors of Italian Exhibition Group SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) n° 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements as of 31 December 2022, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) n° 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements as of 31 December 2022 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree n° 39/2010 and Article 123-bis, paragraph 4, of Legislative Decree n° 58/1998

The Directors of Italian Exhibition Group SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Italian Exhibition Group SpA as of 31 December 2022, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) n° 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree n° 58/1998, with the financial statements of Italian Exhibition Group SpA as of 31 December 2022 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Italian Exhibition Group SpA as of 31 December 2022 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree n° 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Bologna, 6 April 2023

PricewaterhouseCoopers SpA

Signed by

Giuseppe Ermocida
(Partner)

As disclosed by the Directors in the paragraph "General information", the accompanying financial statements of Italian Exhibition Group SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Board of Statutory Auditors' Report

Italian Exhibition Group S.p.A.

Report to the 2022 Financial Statements of the Board of Statutory Auditors to the Shareholders' Meeting of Italian Exhibition Group S.p.A. pursuant to art. 153 of Legislative Decree no.58/1998 (TUF) and art. 2429 of the Italian Civil Code

Dear Shareholders,

During the year ended at 31 December 2022, the Board of Statutory Auditors carried out, in accordance with the law and regulations in force and applicable over time, the controls and supervisory activities reported hereto, taking into account the rules of conduct of the Board of Statutory Auditors of listed companies issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Institute of Chartered Accountants) and the indications given in Consob communications on corporate control and the work of the Board of Statutory Auditors, as well as by the Corporate Governance Code.

PricewaterhouseCoopers S.p.A., to whose reports reference is made, has been appointed to perform the statutory audit of the accounts for FYs 2019-2027 and certify the conformity of the Non-Financial Statement.

The Board of Statutory Auditors carried out the supervisory activities also as Internal Control and Audit Committee.

1. Appointment of the Board of Statutory Auditors

The Board of Statutory Auditors currently in office was appointed by the Shareholders' Meeting of 08 June 2020 in accordance with the provisions of the law and the Articles of Association; its mandate will end with the Shareholders' Meeting convened to approve the 2022 financial statements.

2. Verification of independence requirements of Board of Statutory Auditors

On 23 February 2023, the Company's Board of Statutory Auditors carried out, with a positive outcome, the annual check to ensure that all members met the independence and professionalism requirements set forth in article 148, paragraph 3, of the Consolidated Law on Finance, as well as recommendation no. 9 of article 2 of the Code of Corporate Governance of Listed Companies, approved by the Corporate Governance Committee, promoted by Borsa Italiana S.p.A., business associations (ABI, Ania, Assonime and Confindustria) and professional investors (Assogestioni), regarding the independence of statutory auditors of listed companies, also based on the certifications and information provided by each statutory auditor.

Lastly, on 23 February 2023, in line with Rule Q.1.1., "Rules of conduct of the board of statutory auditors of listed companies" of the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Institute of Chartered Accountants), the Board of Statutory Auditors conducted the self-evaluation of the Board, drafting a specific disclosure and sent this to the Company. The outcomes of this activity are filed in the records of the Board of Statutory Auditors.

3. Supervision performed and information received

During the year, the Board of Statutory Auditors carried out the supervisory duties reserved to it in accordance with Art. 149 of Italian Legislative Decree no. 58/1998 (the Consolidated Law on Finance), the "Rules of conduct of the Board of Statutory Auditors" issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (Italian Professional Order of Tax Advisors) and the indications given in the Corporate Governance Code in force from 01 January 2021.

The 2022 financial year, albeit to a mitigated extent, and limited to the first few months of the year, was also characterized by the health emergency from Covid-19 (so-called Coronavirus), due to the sudden return to significant levels of contagion (Omicron variant), which changed the scenario forecast for the first quarter of the year. In 2022, the company guaranteed compliance with all measures to combat and contain the spread of the Covid-19 virus in the workplace established by the shared protocol signed by the social partners and related updates.

With regard to the activities carried out in 2022 and the initial months of 2023, the Board of Statutory Auditors:

a) met 13 times in 2022, with an average meeting duration of roughly 1 hour and 50 minutes and met 5 times during 2023 up to the present date, as well as a joint meeting with the Control and Risk Committee;

b) attended:

(i) 15 meetings of the Board of Directors in 2022 and 3 meetings in 2023;

(ii) 4 meetings of the Remuneration and Appointments Committee in 2022 and 2 meetings in 2023;

(iii) 8 meetings of the Control and Risk Committee in 2022 and 3 meetings in 2023;

c) held, in addition to informal contact over the telephone and by e-mail, 2 meetings with representatives of the Independent Auditors in 2022 and 2 in 2023;

d) monitored compliance with the law and the Articles of Association, obtained information and supervised, to the extent of its responsibilities, the adequacy of the Company's organisational structure, compliance with the principles of proper administration and the adequacy of the provisions issued by the Company to subsidiaries, pursuant to Art. 114, para. 2 of the Consolidated Law on Finance;

e) obtained from the Chief Executive Officer, with the frequency envisaged by regulations and the Articles of Association, the necessary information on the activities carried out by the Company and subsidiaries, on the general performance of management and its outlook, as well as on the most significant financial transactions resolved and implemented, which are presented in the Directors' Report on Operations, to which reference is made;

f) moreover, acquired the information necessary for carrying out the activities for which it is responsible, by collecting documents, data and information and through periodic meetings, scheduled for the mutual exchange of relevant data and information with: (i) the Company's management; (ii) managers of the Company's organisational functions; (iii) the Manager responsible for preparing the company's financial documents; (iv) the Supervisory Body envisaged by the organisation, management and control model, adopted by the Company in accordance with Legislative Decree no. 231/2001 (the "231 Model"); (v) representatives of the Independent Auditors; and (vi) the control bodies of the subsidiaries (Summertrade S.r.l.);

g) supervised, in its capacity as the "Internal Control and Audit Committee" pursuant to Art. 19 of Italian Legislative Decree no. 39/2010, including through meetings with the Independent Auditors and with the Manager responsible for preparing the company's financial documents, the following matters: (i) the corporate reporting process; (ii) the effectiveness of the internal control, internal audit and risk management systems; (iii) the statutory audit of the annual and consolidated accounts, and (iv) the independence of the auditing firm.

h) monitored the adequacy of the Internal Control and Risk Management System and of the Administrative-Accounting System, as well as the reliability of the latter to correctly represent the operational events through the competent business functions.

The Board of Statutory Auditors reviewed the assessment developed by the Board of Directors regarding the adequacy and effective functioning of the Internal Control and Risk Management System through:

- the update of the Guidelines of the Internal Control and Risk Management System, within which the Company, using the logic of the ERM model, defined an integrated risk management model to identify, assess and monitor internal (operative), external and strategic risks of the business;
- the certifications of the Separate and Consolidated Financial Statements by the Chief Executive Officer and the Manager responsible for preparing the company's financial documents, who provided the appropriate declarations,

pursuant to paragraph 5 of Art. 154-bis of the Consolidated Law on Finance, taking into account the provisions of paragraphs 3 and 4 of the same Article;

- the periodic meetings with the Internal Audit Manager in relation to the activities carried out;
- the review of corporate documents and the results of work carried out by the Independent Auditors to whose Reports reference should be made;
- the interactions with the control bodies of the subsidiaries (Summertrade S.r.l.), pursuant to Art. 151, paras. 1 and 2 of the Consolidated Law on Finance;
- the participation in the works of the Control and Risk Committee and, on the occasions when the matters discussed called for it, the holding of joint meetings with said Committee;

i) monitored the practical methods of implementation of the rules of corporate governance set forth in the Corporate Governance Code approved by the Corporate Governance Committee promoted by Borsa Italiana S.p.A., business associations (ABI, Ania, Assonime and Confindustria) and professional investors (Assogestioni);

l) in connection with social responsibility topics, monitored observance of the provisions set forth by Italian Legislative Decree no. 254/2016, verifying the existence of suitable procedures overseeing the collection, formation and representation of data relating to sustainability; such information was represented in the 2022 Consolidated Non-Financial Statement, prepared in accordance with the international GRI Sustainability Reporting Standards;

m) the Board of Statutory Auditors also states that it has taken into due consideration Consob warning notices no. 6/20 of 09 April 2020 and no. 1/21 of 16 February 2021 and no. 4/21 of 15 March 2021 which, in light of the consequences of the Covid-19 pandemic and, more specifically, for matters within the competence of the control body, involved the need to:

(i) strengthen the information flows with the administration body responsible for preparing the draft financial statements;

(ii) promote effective and prompt communication with the auditors, for the mutual exchange of useful information for fulfilling the respective duties, also in accordance with art. 150, paragraph 3 of the Consolidated Law on Finance;

(iii) pay adequate attention also on the existence of the going concern assumption, taking into account the publications by the IFRS Foundation on the provisions to be applied during the current emergency situation linked to Covid-19 and the adequacy of the internal control system.

The company also took due consideration of what was indicated by the Consob Note of Attention dated 18 March 2022 and 19 May 2022, on the current and foreseeable direct and indirect effects of the Russia-Ukraine crisis in compliance with the Public Statement given by ESMA on 14 March 2022 and 13 May 2022.

4. 2022 Consolidated and Separate Financial Statements

The Board of Statutory Auditors received, within the deadlines prescribed by law, the Directors' Report on Operations, together with the consolidated financial statements of the group headed by Italian Exhibition Group S.p.A. and the separate financial statements for the year ended 31 December 2022.

The financial statements were prepared according to the IFRSs issued by the IASB and adopted by the European Commission according to the procedure set out in Art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and pursuant to Art. 9 of Legislative Decree no. 381/2005. The IFRSs also include the IASs and interpretations in force issued by the IFRS IC.

The "Measurement criteria" section indicates the reference international accounting standards adopted in preparing the consolidated financial statements as at 31 December 2022. The valuation criteria used for the purposes of preparing the consolidated financial statements for the financial statements as at 31 December 2022 do not differ from those used for the preparation of the consolidated financial statements as at 31 December 2021, with the exception of those resulting from the application of the new accounting standards , amendments and interpretations applicable from 1 January 2022 and referred to in a specific paragraph in the section "Measurement criteria".

The Independent Auditors PricewaterhouseCoopers S.p.a., which has been assigned the mandate for the statutory audit of the accounts, issued today the reports pursuant to Art. 14 of Legislative Decree no. 39/2010 and Art. 10 of Regulation (EU) no. 537/2014 for the separate and consolidated financial statements of Italian Exhibition Group S.p.A. as at 31 December 2022, expressing an unqualified opinion without requests for specific disclosures.

In particular, with these reports, the Independent Auditors certify:

- that the separate and consolidated financial statements provide a true and accurate representation of the financial and equity position respectively of Italian Exhibition Group S.p.A. (IEG) and the IEG Group at 31 December 2022 and of the economic results and cash flows for the year ended on that date, in compliance with the IFRSs and with the provisions issued in implementation of Art. 9 of Italian Legislative Decree no. 38/2005;
- that the separate financial statements and the consolidated financial statements of IEG S.p.A. have been prepared in XHTML format, in compliance with the provisions of Delegated Regulation (EU) 2019/815;
- that the Report on Operations (prepared jointly for the separate and consolidated financial statements) and some specific information of the Report on Corporate Governance and Ownership Structures indicated in Art. 123-bis, paragraph 4 of Italian Legislative Decree no. 58 if 24 February 1998, for which the Directors of Italian Exhibition Group S.p.A. are responsible, are consistent with the separate financial statements and the consolidated financial statements of the IEG Group at 31 December 2022 and have been prepared in compliance with the law.

5. Most significant economic, financial and equity transactions

During the year, as detailed in the Management Report, the Group finalized important corporate and acquisition transactions, largely aimed at international development, which aims to position the IEG Group with its four most exportable products (Sigep, Jewellery, Fitness/Wellness, Ecomondo) in four non-European areas of the globe, in collaboration and synergy with important international operators in the sector.

The ordinary shareholders' meeting of 29 April 2022 authorized the purchase, sale and disposal of treasury shares, pursuant to and by effect of art. 2357 et seq. of the Civil Code and article 132 of Legislative Decree no. 58/1998, appointing the Board of Directors for this purpose, which in the meeting of 29 August 2022 resolved to launch the treasury share buyback programme.

6. Intercompany transactions or related party transactions

During FY 2022, the Internal Audit Department Manager provided quarterly reports at the meetings of the Control and Risks Committee attended by the Board of Statutory Auditors, with analytical assessments of the verification of related party transactions.

As noted in the Directors' Report on Operations, intercompany transactions relate to both the exchange of goods and/or services and were carried out under market conditions and on the basis of reciprocal cost effectiveness and financial transactions to offer investee companies financial backing.

Related party transactions were adequately described in the annual directors' financial report, which detailed, accordingly, the nature of the transactions and the resulting economic and equity effects. It should also be pointed out that all commercial transactions and the provision of services with related parties took place under market conditions, taking account of the characteristics of the goods sold and services provided.

In this regard, there have been no reports, nor has any evidence emerged, of any situations entailing a conflict of interest or that transactions were carried out that were manifestly imprudent or risky, that is, capable of compromising the financial situation of the Company and/or Group.

Based on the information available to the Board of Statutory Auditors, no evidence has emerged of atypical and/or unusual transactions.

7. Meetings with the Boards of Statutory Auditors of subsidiaries: Art. 151, paras. 1 and 2 of Italian Legislative Decree no. 58 of 24.2.1998

From meetings held with the Boards of Statutory Auditors of the subsidiaries, where present (subsidiary Summertrade S.r.l.), no significant issues and/or facts emerged that should be noted, except for the information which follows. Moreover, the adequacy of the instructions issued by the parent company was confirmed.

8. Observations on the adequacy of the organisational structure

Based on its own competencies, the Board of Statutory Auditors supervised the adequacy of the Company's organisational structure with respect to the management and control requirements in reference to business operations.

The Board of Statutory Auditors acknowledges that the organisational structure has been updated in accordance with the changes that have taken place in the organisation.

9. Observations on the adequacy of the Internal Control and Risk Management System

It is noted that this Board continued to monitor risk management, which from a methodological point of view, follows the logic of the ERM (Enterprise Risk Management) model.

In accordance with the provisions of Art. 149 of the Consolidated Law on Finance, the Board of Statutory Auditors acknowledges that no weaknesses or critical issues emerged from supervisory activities that could be considered indicators of inadequacy of the internal control and risk management system.

The Supervisory Body pursuant to Legislative Decree no. 231/2001 presented the half-yearly reports on activities carried out during 2020, which involved monitoring the effectiveness of the 231 Model, in which no facts or situations were reported that should be highlighted in this report.

10. Observations on the adequacy of the administrative-accounting system and its reliability in correctly representing operational events

The Board of Statutory Auditors has no observations to make on the adequacy of the administrative-accounting system and on reliability in correctly representing operational events.

11. Observations on any relevant issues that emerged during meetings held with the Independent Auditors pursuant to Art. 150, para. 2, of Legislative Decree no. 58/1998 and Art. 19, para. 1, of Legislative Decree no. 39/2010

During 2022, and subsequently in 2023, the Board of Statutory Auditors held 4 meetings as well as engaged in regular exchanges of information with the Independent Auditors. The exchanges of information that took place with the Independent Auditors pursuant to Art. 150 of Legislative Decree no. 58/98 and Art. 19, para. 1 of Legislative Decree no. 39/2010 did not identify any critical issues.

The Independent Auditors PricewaterhouseCoopers S.p.A., in the reports issued on 06 April 2023 pursuant to Art. 14 of Legislative Decree no. 39/2010 and Art. 10 of Regulation (EU) no. 537/2014 for the separate and consolidated financial statements of Italian Exhibition Group S.p.A. as at 31 December 2022, expressed an unqualified opinion without requests for specific disclosures or related observations or limitations.

In the additional Report to the Internal Control and Audit Committee issued in accordance with Art. 11 of European Regulation (EU) 537/2014, on today's date, the independent auditors PricewaterhouseCoopers S.P.A confirm that, based on the evidence acquired, the going concern assumption is appropriate for the preparation of the separate financial statements and the consolidated financial statements as at 31 December 2022.

In particular, the independent auditors evaluated the completeness and consistency of the financial disclosures with the evaluations carried out by the Management on the company's ability to operate as a going concern.

The Independent Auditors in their report, for the purposes referred to in Art. 19 of Legislative Decree no. 39/2010, notes that they did not identify any fundamental issues during the audits nor were there significant weaknesses in the internal control system with reference to the financial reporting process.

12. Assignment of mandates to the Independent Auditors and independence

The Board also monitored the independent audit of the annual accounts and the consolidated accounts and the independence of the independent auditors, with particular attention to any non-audit services provided to them.

The fees for the independent audit carried out on the accounts presented for the financial year ended on 31 December 2022, for the Group companies by the independent auditors PricewaterhouseCoopers S.P.A. were published in the 2022 Annual Financial Report.

The table below summarises the taxable fees, relating to audit activities (in Euros):

Type of Services	Entity that provided the service	Recipient	Fees
Audit	PricewaterhouseCoopers S.p.A.	IEG S.p.A.	106,178.
Audit	PricewaterhouseCoopers S.p.A.	Summertrade S.r.l.	5,515.
Audit	PricewaterhouseCoopers S.p.A.	Prostand S.r.l.	21,950.
Audit	GC Consultants Inc	FB International	45,582.
Audit	PKF S.p.A.	FB International	69,769.
Audit	Jaxa Chartered Accounts	HGB Events FZ Llc	8,417.

In relation to the other services, the fees for the independent auditors and other entities in their network, are summarised in the table below (in Euros):

Type of Services	Entity that provided the service	Recipient	Fees
2022 NFS	PricewaterhouseCoopers S.p.A.	IEG S.p.A.	30,930.
Certification of related party rec./pay.	PricewaterhouseCoopers S.p.A.	IEG S.p.A.	500.
ESEF 2022 Format	PricewaterhouseCoopers S.p.A.	IEG S.p.A.	16,000.

The Board of Statutory Auditors today received from the independent auditing firm PricewaterhouseCoopers S.p.A., annual confirmation of independence in accordance with Art. 6, paragraph 2 of European Regulation no. 537/2014, on which basis in the period running from 01 January 2022 to today's date, they had respected principles in matters of ethics pursuant to Articles 9 and 9 bis of Italian Legislative Decree no. 39/2010 and no situations were seen that had compromised their independence in accordance with Articles 10 and 17 of Italian Legislative Decree no. 39/2010 and Articles 4 and 5 of the above-specified European Regulation.

Considering the foregoing, the Board of Statutory Auditors believes that no critical aspects have emerged regarding the independence of the independent auditing firm.

13. Opinions issued during the year

During the year, the Board of Statutory Auditors issued an opinion pursuant to Art. 2389, third paragraph, of the Italian Civil Code, related to the remuneration of executive directors.

It also gave the opinion, in accordance with the provisions of Art. 154 bis of the Consolidated Law on Finance, on the temporary appointment, to replace Mr. Carlo Costa, of Ms. Lucia Cicognani as Manager in charge of preparing the corporate accounting documents and the subsequent appointment to this function of Ms. Teresa Schiavina.

14. Indication of the Company's adherence to the Corporate Governance Code of Listed Companies

In compliance with the provisions in Art. 149, no. 1, letter c) bis of Legislative Decree no. 58/98 we acknowledge that the Company adheres to and has complied, firstly, with the Code of Corporate Governance promoted by Borsa Italiana S.p.A., by business associations (ABI, Ania, Assonime and Confindustria) and by professional investors (Assogestioni), also in respect of the principle of the prevalence of substance over form, applying its recommendations on the basis of the "comply or explain" principle.

Adherence to the regulations envisaged by the aforementioned Code of Corporate Governance approved by the Corporate Governance Committee, was observed and was the subject of the Report on Corporate Governance and Ownership Structures prepared by the Board of Directors on 16 March 2023.

As required by the Code of Corporate Governance, during the year the Board of Directors verified the effective independence of independent directors and the Board of Statutory Auditors verified the correct application of the criteria and the procedures applied. In accordance with the provisions of point 9 of Art. 2 of the Code of Corporate Governance, the Board of Statutory Auditors also verified that it continued to meet the independence requirement.

The Board of Statutory Auditors has also acknowledged the preparation of the "Report on Remuneration Policy and Fees Paid in accordance with Art. 123-ter of the Consolidated Law on Finance" approved by the Board of Directors on 16 March 2023; it has no comments to make in this regard.

The Board of Statutory Auditors has been updated regarding developments in the business sector in which the Company operates and the reference regulatory framework, both during the periodic meetings of the Board of Directors and through specific communications pursuant to Recommendation 12.d) envisaged in Art. 3 of the Corporate Governance Code.

15. Non-Financial Statement pursuant to Art. 4 of Legislative Decree no. 254/2016

Having acknowledged Art. 4 of Italian Legislative Decree no. 254/2016 on the communication of non-financial information and the implementing regulation issued by Consob no. 20267 with resolution of 18 January 2018, in accordance with Art. 3, paragraph 7 of Legislative Decree no. 254/2016 and Consob Note of Attention no. 1/21 of 16 February 2021, the Board of Statutory Auditors monitored the approval of the IEG Group NFS at 31 December 2022, which was given by the Board of Directors on 16 March 2023. It also monitored observance of the provisions set forth in this decree and the recommendations, of which the independent auditing firm has certified the existence and compliance, and today issued a separate report on the Consolidated Non-Financial Statement at 31 December 2022, certifying that nothing had been brought to its attention that would suggest that the IEG Group NFS relative to the year ended 31 December 2022 had not been prepared, in all significant aspects thereof, in compliance with the requirements laid down by Articles 3 and 4 of the Decree and by the GRI Standards with reference to the selection of GRI Standards reported therein.

16. Final assessments regarding the supervisory activities carried out as well as any omissions, reprehensible facts or irregularities found during the assessment.

By virtue of the supervisory activities carried out by the Board of Statutory Auditors, as described above, no reprehensible facts, omissions or irregularities emerged that required reporting to the competent supervisory and control bodies or presenting in this Report, nor were complaints received pursuant to Art. 2408 of the Italian Civil Code or reported.

The Board of Statutory Auditors is not aware of other facts or reports that should be noted for the Shareholders' Meeting.

17. Indication of any proposals to be presented to the Shareholders' Meeting pursuant to Art. 153, para. 2 of Legislative Decree no. 58/1998

Given the above and based on the financial statements as at 31 December 2022, presented by the Board of Directors on 16 March 2023, the Board of Statutory Auditors has not identified any impediments to their approval and expresses a favourable opinion on the proposal to allocation of profit for the year formulated by the Board of Directors and invites the Shareholders' Meeting to resolve accordingly.

With the approval of the financial statements as at 31 December 2022, the mandate of the Board of Statutory Auditors appointed on 8 June 2020 by the shareholders' meeting of IEG S.p.A. expires.

Lastly, the Board of Statutory Auditors would like to thank the Shareholders of IEG S.p.A. for the trust granted, as well as the company's Board of Directors and its management for the fruitful collaboration that took place during the three-year period.

Rimini-Modena, 6 April 2023

On behalf of the Statutory Auditors
The Chairperson

Alessandra Pederzoli

This statutory auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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