

Press release

Italian Exhibition Group S.p.A.: the Board of Directors approves the consolidated financial statements as at December 31st, 2020

Positive EBITDA despite the pandemic and internationalisation strategies for the future

- Total consolidated revenues at € 79.8 million, compared to € 178.6 million in 2019 (- 55.3%).
- Positive EBITDA¹ of € 1.8 million (€ 41.9 million in 2019) thanks to the excellent results at the start of the year and the effectiveness of the actions taken to counteract the severe effects of the crisis.
- EBIT posted a loss of € 21.6 million, compared to the positive result of € 24 million in the previous year.
- The net loss attributable to the shareholders of the Parent Company came to € -11.3 million, compared to a profit of € 12.9 million in 2019.

At the same meeting, the Board of Directors:

- approved the Report on Corporate Governance and Ownership Structures and the Report on the policy of remuneration and compensation paid;
- called the Ordinary and Extraordinary Shareholders' Meeting.

Rimini, March 18th, 2021 – The Board of Directors of Italian Exhibition Group S.p.A. (IEG), a leading company in Italy in the organisation of international trade fairs and listed on the MTA (screen-based stock exchange) organised and managed by Borsa Italiana S.p.A., today approved the Consolidated Financial Statements and the Draft Separate Financial Statements which will be submitted for approval to the Shareholders' Meeting of April 29th, 2021, relating to the year ended as at December 31st, 2020.

Main consolidated results of 2020

The total revenues of the Group in 2020 stood at € 79.8 million, down by 55.3% compared to € 178.6 million in 2019. The excellent results recorded in the first two months of the year, which essentially determined the growth in the period amounting to € 2.6 million (+1.5%), were nullified by the pandemic, which caused revenues to drop by € 101.3 million (-56.7%) compared to 2019.

The flexibility of the operating cost structure which essentially characterises all the Group business lines, and the measures adopted by the management to counteract the economic effects of the crisis and the use of social safety nets have made it possible to mitigate the impact of the contraction in revenues on the operating results of the Group. EBITDA remained in positive territory in 2020, sitting at € 1.8 million, compared to € 41.9 million in the previous year. EBIT in 2020, impacted by the write-downs of fixed assets for approximately € 4.7 million, showed a loss of € 21.6 million compared to a positive result of € 24.0 million in 2019.

The pre-tax result was a loss of € 17.5 million – compared to a profit of € 19.7 million in 2019 – after having benefited from the profit from financial management of € 5.4 million (against a charge of € 4.1 million in 2019), obtained primarily following the redetermination, for € 9.3 million, of payables for put options given to minority shareholders of some subsidiaries. The Group result for the period, after the accounting of deferred tax assets on tax losses in the period (also after exercising the option of the tax consolidation regime in 2020), was a loss of € 12.5 million - compared to a profit of 12.6 million in 2019. A loss for the period of € 11.3 million attributable to the shareholders of the Parent Company was recorded, compared to a profit of € 12.9 million in 2019.

The net financial position as at December 31st, 2020 amounted to € 129.1 million, highlighting an increase in net indebtedness of € 24.6 million compared to December 31st, 2019. The monetary NFP – which, therefore, does not take into account the debt of € 24.5 million deriving from the application of IFRS 16, of financial payables for any future put options of € 5.8 million and for derivative financial instruments of € 5.5 million – amounted to € 93.3 million, marking an increase of € 40.1 million compared to the end of 2019. At the same time, the non-monetary items of the aforementioned NFP, as at December 31st, 2020, equal to € 35.8 million, showed a decrease of € 15.4 million compared with the situation as at December 31st, 2019, due primarily to the effects of the aforementioned restatement of the payables for put options.

The consolidated shareholders' equity as at December 31st, 2020 amounted to € 93.0 million, a reduction of € 13.1 million compared to € 106.1 million as at December 31st, 2019.

Results by business segment in 2020

The Group's core business, represented by the direct organisation of trade fairs, accounted for 66.4% of total revenues, equal to € 53.0 million, marking a decrease of € 44.6 million (-45.7%) compared to the previous year. Similar to total revenues, the contraction for this business line was also the result of different factors. First of all, the segment recorded significant growth in the months prior to the outbreak of the pandemic ("Pre-Covid-19 Effect") of € 2.6 million (+2.6%), achieved thanks to the excellent results of the leading events Sigep and VicenzaOro. This growth was completely nullified by the effects of the pandemic ("Covid-19 Effect"), which determined an overall reduction in revenues of € 47.6 million (-48.7%). This overall loss in revenues is attributable, for € 37.4 million (-38.3%) to the cancellation of events ("Covid-19 Effect - cancelled") and, for the remaining € 10.2 million (-10.4%), to the downsizing of events that were held during the limited periods of reopening of activities ("Covid-19 Effect - held").

In 2020, just one small Hosted Event was held, whereas important events like Macfrut and Expodental were held in 2019.

Conferences recorded revenues of € 2.5 million, marking a contraction of € 12.9 million (-83.5%) compared to 2019, attributable entirely to the Covid-19 effect. The measures to contain the spread of the virus allowed limited activities to be carried out from the end of August, while from the end of October it has only been possible to hold events virtually.

Revenues from Related Services, amounting to € 21.2 million, represented by stand fitting, catering and cleaning, accounted for 26.5% of the total revenues in 2020, down by approximately € 36.6 million (-63.4%) compared to 2019 due to the pandemic. Activities in the stand fitting sector which, in the first few months of the year, had reported results in line with the same period of 2019, were subject to a shutdown from March and partial resumption, following the same trends in trade fair activities. A similar trend was observed

in catering and cleaning activities for trade fairs and conferences. Only the cleaning services continued to operate throughout the year, albeit on an extremely reduced capacity, thanks to sanitisation works. The "Covid-19 Effect" involved a loss in revenues of € 37.6 million (-65.0%), of which € 33 million (-57.1%) due to the above-mentioned "Covid-19 Effect- cancelled" and € 4.6 million (-7.9%) due to the "Covid-19 Effect - held".

Results of the Parent Company Italian Exhibition Group S.p.A. and proposed allocation of the result for the year

The Parent Company Italian Exhibition Group S.p.A. closed 2020 with total revenues of € 60.3 million, EBITDA of € 5.6 million and a loss of 12.7 million. The BoD will propose that the Shareholders' Meeting allocate the profit for the year to the "Retained earnings/losses" reserve.

Events after the close of the year and business outlook

In the first few months of 2021, the pandemic situation did not show significant improvements, also as a result of the appearance of so-called "variants" of the virus, and despite the start of the vaccination campaign, which is lagging behind the initial plans announced by the Government authorities. Consequently, on January 13th, 2021, the Council of Ministers extended the state of emergency to April 30th, 2021 and, by means of DPCM (Decree of the President of the Council of Ministers) of March 2nd, 2021, the shutdown of trade fairs and conferences until April 6th, 2021 was confirmed. Also internationally, significant limitations on movements are still in place due to the general adoption of tight restrictions.

The ongoing situation of uncertainty has involved the identification of new dates for the events traditionally organised and hosted, planned for the first half of the year and, for certain ones, the reconversion to "full digital" events, such as SigepExp (March 15th-17th) and WeAre (March 23rd, in the jewellery sector, from Arezzo). Onsite activities only resumed abroad with the first edition of the new event Dubai Muscle Classic in February, the biggest bodybuilding competition in the UAE, organised by the newly acquired HBG Events FZ LLC.

In this hugely difficult context, the Company will continue to support its customers to enable them to keep in touch with their market and best organise the restart of onsite events. The Company will continue to implement the action plan defined to protect the health and safety of all stakeholders and to combat the economic-financial impacts of the crisis. Lastly, the Company will work on remapping its future path, by focusing on both international activities and on developing services through a new physical-digital mix.

In particular, during the months of suspension of onsite activities, the Company ramped up its evaluation of the potential expansion on the international front. The current strategy aims to cover the main international markets in the flagship sectors of its portfolio: Food, Gold, Environment and Fitness/wellness. In this regard, significant international expansion operations in some of these areas will be announced over the coming weeks.

The process of aggregation with Bologna Fiere continues on a new basis.

The Company, confirming the business validity of the project and the determination to pursue it, announces that it will continue to work to verify its feasibility, considering the positions adopted by the respective reference shareholders, the intentions of the Emilia-Romagna Region (shareholder of both companies) and also taking account of its complexity and of the macroeconomic and pandemic context.

In light of the above, it is announced that the provisions contained in the non-binding term-sheet signed on October 15th, 2020 and communicated to the market must be considered outdated given that they didn't consider a bigger role for the shareholder Emilia-Romagna Region.

Despite this difficult situation, the Company is looking to the future with confidence and will continue to operate with determination, convinced of the strategic importance of the trade fair sector - and its role - as a business policy and internationalisation tool serving the companies in our country, which are showing a strong willingness to resume activities and return to onsite events.

Italian Exhibition Group S.p.A. announces that the Draft Separate Financial Statements for 2020 and the Consolidated Financial Statements as at December 31st, 2020, approved by the Board of Directors on March 18th, 2021, will be made available to the public at the Company's registered office, Via Emilia 155, Rimini, on the authorised storage mechanism of 1INFO Storage available at the address www.1info.it, and can also be consulted on the company's website at the address www.iegexpo.it in the Investor Relations section, in accordance with the legal terms.

The Manager responsible for preparing the company's financial documents, Roberto Bondioli, declares that, pursuant to paragraph 2 of art. 154-bis of the Consolidated Law on Finance (TUF), the information in this press release corresponds to the accounting documents, books and records.

The results for 2020 will be presented in a conference call with the Financial Community scheduled for today at 6:00 pm (CET). The presentation will be available in the Investor Relations section on the website www.iegexpo.it from 5:45 pm.

Mr. Bondioli appointed Chief Executive Officer of Pro.Stand S.r.l.. The role of Manager responsible for preparing the company's financial reports is temporarily assigned to the Company's CFO.

Italian Exhibition Group S.p.A. asked Roberto Bondioli, Manager responsible for preparing the company's financial reports, to assume the role of Chief Executive Officer of the subsidiary Pro.Stand Srl for a few months. For the period in which Mr. Bondioli will hold the position of executive director of the subsidiary, IEG's Board of Directors assigned the role of Manager responsible for preparing the company's financial reports to the Group CFO Carlo Costa.

Approval of the Report on Corporate Governance and Ownership Structures and the Report on the policy of remuneration and compensation paid.

The Board of Directors approved the Report on Corporate Governance and Ownership Structures relating to 2020 pursuant to art. 123-bis of Legislative Decree no. 58/1998 as subsequently amended (the "TUF" - Consolidated Law on Finance) and the Report on the policy of remuneration for 2021 and on compensation paid to directors and executives with strategic responsibilities of the company in the year 2020 pursuant to art. 123-ter of the TUF, art. 84-quater and Annex 3A, Schedule 7-bis of CONSOB Regulation no. 11971/1999 (the "Issuers' Regulation").

The aforementioned reports will be made available to the public, according to the legal terms, at the Company's registered office, Via Emilia 155, Rimini, and on the Company's website www.iegexpo.it, Corporate Governance section.

Consolidated Non-Financial Statement

Since, in 2020, the Group employed, on average, a number of staff below the 500 threshold (art. 2 of Legislative Decree 254/16), the Parent Company is no longer obligated to draft the Consolidated Non-Financial Statement required by Legislative Decree 254/16. However, in order to continue the process of maximum transparency of communication, the Parent Company's Board of Directors decided to continue providing disclosures on the Group's non-financial performances by voluntarily drafting a Sustainability Report, which will be soon made available to the public at the Company's registered office, Via Emilia 155, Rimini, and on the Company's website www.iegexpo.it, Investor Relations section.

Calling of Ordinary Shareholders' Meeting

The Board of Directors resolved the calling of the ordinary and extraordinary shareholders' meeting on April 29th, 2021 on single call.

The Call Notice, accompanied by all the information prescribed by art. 125-bis of the TUF, as well as all the documentation that will be submitted to the Shareholders' Meeting pursuant to articles 125-ter and 125-quater of the TUF, will be made available to the public, according to the legal terms, at the Company's registered office, Via Emilia 155, Rimini, and on the Company's website www.iegexpo.it, Corporate Governance section. The Call Notice will also be published in the daily newspaper Italia Oggi, within the legal terms.

FOCUS ON ITALIAN EXHIBITION GROUP

Italian Exhibition Group (IEG), listed on the MTA (screen-based stock exchange) organised and managed by Borsa Italiana S.p.A., has built up over the years, through its Rimini and Vicenza venues, a position of domestic leadership in the organisation of trade fairs and conferences, and has developed its foreign activities - also through joint ventures with global or local organisers, in the United States, United Arab Emirates and China - which have positioned it among the leading European operators in the sector.

This press release includes provisional elements and estimates that reflect the current views of the management team ("forward-looking statements") in particular with regard to future management performance, realisation of investments, cash flow trends and the evolution of the financial structure. The forward-looking statements by their nature include a component of risk and uncertainty because they depend on the occurrence of future events. The actual results may differ, also in a significant manner, from those announced, in relation to a number of factors including but not exclusive to: the performance of the out-of-home-food consumption market and of tourist flows to Italy, the performance of the gold-jewellery market, the performance of the green economy, the developments in the price of raw materials, the general macroeconomic conditions, geopolitical factors and development in the regulatory environment.

¹The EBITDA is represented by the operating profit (loss) including depreciation and amortisation expense. The EBITDA is a measure defined and used by the Group to monitor and assess the operating performance of the Group, but it is not defined in the context of IFRS standards; therefore, it must not be viewed as an alternative measure for the assessment of the Group's operating profit (loss). The Company believes that the EBITDA is an important parameter for the measurement of the Group's performance as it allows to analyse the profitability of the same by eliminating the effects deriving from non-recurrent economic elements. As EBITDA is not a measure whose determination is regulated by reference accounting standards for the preparation of the Group's consolidated financial statements, the criterion applied for the determination of the EBITDA could not be consistent with that adopted by other groups and might, therefore, not be comparable to them.

For further information:

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ASSETS (Values in Euro/000)	12/31/2020	12/31/2019
NON-CURRENT ASSETS		
Property, plant and equipment	194,070	209,173
Intangible fixed assets	35,729	37,036
Equity investments valued using the equity method	3,616	4,437
Other equity investments	11,051	10,873
<i>Of which with related parties</i>	10,974	10,786
Deferred tax assets	5,329	1,940
Non-current financial assets for rights of use	672	840
Non-current financial assets	472	524
Other non-current assets	150	153
TOTAL NON-CURRENT ASSETS	251,089	264,976
CURRENT ASSETS		
Inventories	784	956
Trade receivables	13,554	33,899
<i>Of which with related parties</i>	199	724
Tax receivables for direct taxes	323	505
Current financial assets for rights of use	168	164
Current financial assets	59	1,472
<i>Of which with related parties</i>	45	292
Other current assets	5,813	5,857
Cash and cash equivalents	28,108	22,198
TOTAL CURRENT ASSETS	48,839	65,051
TOTAL ASSETS	299,898	330,027

LIABILITIES (Values in Euro/000)	12/31/2020	12/31/2019
SHAREHOLDERS' EQUITY		
Share capital	52,215	52,215
Share premium reserve	13,947	13,947
Other reserves	28,645	26,608
Profit (loss) for previous years	8,781	(1,680)
Profit (loss) for the period attributable to shareholders of the Parent Company	(11,313)	12,861
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	92,276	103,951
Share capital and reserves attributable to minority interests	1,912	2,374
Profit (loss) for the period attributable to minority interests	(1,160)	(224)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	752	2,150
TOTAL GROUP SHAREHOLDERS' EQUITY	93,028	106,101
NON-CURRENT LIABILITIES		
Payables due to banks	85,986	58,318
Non-current financial liabilities for rights of use	21,974	26,115
<i>Of which with related parties</i>	15,296	17,219
Other non-current financial liabilities	15,797	22,467
Provisions for non-current risks and charges	1,632	1,755
Employee provisions	4,287	4,580
Other non-current liabilities	2,106	2,300
TOTAL NON-CURRENT LIABILITIES	131,781	115,535
CURRENT LIABILITIES		
Payables due to banks	28,837	14,601
Current financial liabilities for rights of use	3,359	3,968
<i>Of which with related parties</i>	953	1,320
Other current financial liabilities	2,604	4,237
Trade payables	23,445	34,978
<i>Of which with related parties</i>	95	126
Tax payables for direct taxes	15	2,053
Other current liabilities	16,828	48,554
TOTAL CURRENT LIABILITIES	75,089	108,391
TOTAL LIABILITIES	299,898	330,027

CONSOLIDATED INCOME STATEMENT (in Euro thousand)

	2020	2019
REVENUES		
Revenues from contracts with customers	74,432	174,228
<i>Of which with related parties</i>	76	2,138
Other revenues	5,378	4,372
<i>Of which with related parties</i>	65	1,134
TOTAL REVENUES	79,810	178,601
<i>Of which non-recurring revenues</i>	818	981
OPERATING COSTS		
Change in inventories	(180)	142
Costs for raw materials, consumables and goods for resale	(6,659)	(15,420)
Costs for services	(45,054)	(82,499)
<i>Of which with related parties</i>	(28)	(172)
Costs for use of third-party assets	(214)	(492)
<i>Of which with related parties</i>		(50)
Personnel costs	(22,380)	(35,543)
Other operating costs	(3,532)	(2,914)
<i>Of which with related parties</i>	(7)	(6)
TOTAL OPERATING COSTS	(78,019)	(136,726)
<i>of which non-recurring operating costs</i>	(2,393)	(238)
GROSS OPERATING PROFIT (EBITDA)	1,791	41,874
Depreciation, amortisation and write-downs of fixed assets	(21,801)	(16,559)
<i>Of which non-recurring items</i>	(4,747)	
Write-down of receivables	(1,739)	(1,134)
Provisions	169	(145)
Value adjustments of financial assets other than equity investments	3	1
OPERATING PROFIT/LOSS	(21,577)	24,038
FINANCIAL INCOME AND CHARGES		
Financial income	9,412	169
Financial charges	(4,071)	(4,276)
Exchange rate gains and losses	82	42
TOTAL FINANCIAL INCOME AND CHARGES	5,423	(4,065)
<i>Of which non-recurring income and charges</i>	8,444	
GAINS AND LOSSES FROM EQUITY INVESTMENTS		
Effect of valuation of equity investments with the equity method	(1,392)	(290)
Other gains/losses on equity investments		43
<i>Of which with related parties</i>		43
TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS	(1,392)	(248)
PRE-TAX RESULT	(17,546)	19,725
INCOME TAXES		
Current taxes	1,481	(7,031)
Deferred tax assets/liabilities	3,341	292
Taxes related to previous years	251	(348)
TOTAL INCOME TAXES	5,073	(7,088)
GROUP PROFIT/LOSS FOR THE YEAR	(12,473)	12,637
PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTERESTS	(1,160)	(224)
PROFIT (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	(11,313)	12,861
EARNINGS PER SHARE	(0.3665)	0.4167
DILUTED EARNINGS PER SHARE	(0.3665)	0.4167

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in Euro thousand)

	2020	2019
PROFIT/(LOSS) FOR THE YEAR	(12,473)	12,637
Other comprehensive income components which will be subsequently reclassified under profit/(loss) for the year:		
Gains/(losses) on financial instruments for cash flow hedges	(483)	(342)
Taxes on derivative financial instruments	116	133
Gains/(losses) on translation of financial statements in foreign currency	(645)	(156)
Gains/(losses) on financial assets measured at FVOCI	201	
Total other comprehensive income components which will be subsequently reclassified under profit/(loss) for the year	(812)	(365)
Other comprehensive income components which will not be subsequently reclassified under profit/(loss) for the year:		
Actuarial gains/(losses) from defined benefit plans for employees – IAS 19	(137)	(216)
Income taxes	33	52
Total effect of change in actuarial reserve	(104)	(164)
Total other comprehensive income components which will not be subsequently reclassified under profit/(loss) for the year	(104)	(164)
TOTAL PROFIT/(LOSS) RECOGNISED IN EQUITY	(916)	(529)
COMPREHENSIVE INCOME/LOSS FOR THE YEAR	(13,389)	12,108
Attributable to:		
Minority interests	(1,226)	(205)
Shareholders of the Parent Company	(12,164)	12,312

CONSOLIDATED CASH FLOW STATEMENT (in Euro thousand)

<i>Values in Euro'000</i>	12/31/2020	12/31/2019
Profit before tax	(17,546)	19,725
<i>Of which with related parties</i>	106	1,815
<i>Adjustments to trace profit for the year back to the cash flow from operating activities:</i>		
Amortisation, depreciation and write-downs of property, plant and equipment and intangible assets	21,801	16,559
Provisions and write-downs	1,739	1,134
Other provisions	(169)	1,353
Charges/(income) from valuation of equity investments in other companies with the equity method	1,392	248
Write-down of financial assets	(3)	-
Net financial charges	(5,423)	4,065
Costs for use of third-party assets (IFRS 16)	(4,050)	(3,747)
Effect on EBIT - financial charges for Put Options	(299)	(501)
Other non-monetary changes	1,542	(194)
Cash flow from operating activities before changes in working capital	(1,016)	38,586
<i>Change in working capital:</i>		
Inventories	172	(71)
Trade receivables	18,854	(850)
<i>Of which with related parties</i>	525	(450)
Trade payables	(11,636)	(5,133)
<i>Of which with related parties</i>	31	421
Other current and non-current assets	170	2,270
Other current and non-current liabilities	(32,315)	(2,983)
Receivables/payables for current taxes	1,661	(6,152)
<i>Of which with related parties</i>		1,745
Deferred tax assets/liabilities	61	(11)
Cash flow from changes in working capital	(23,032)	(12,931)
Income taxes paid	(1,785)	(1,356)
Employee provisions and provisions for risks	(637)	(2,156)
Cash flows from operating activities	(26,471)	22,198
<i>Cash flow from investment activities</i>		
Net investments in intangible fixed assets	(295)	(6,246)
Net investments in property, plant and equipment	(3,564)	(12,275)
Disinvestments in intangible fixed assets	178	24
Disinvestments in property, plant and equipment	30	154
Dividends from associated companies and joint-ventures		43
<i>Of which with related parties</i>		43
Change in current and non-current financial assets	1,467	353
<i>Of which with related parties</i>	247	231
Net equity investments in subsidiaries	(926)	-
Changes in equity investments in associated companies and other companies	(319)	(575)
Cash flow from investment activities	(3,429)	(18,522)
<i>Cash flow from financing activities</i>		
Change in other financial payables - other	(2,116)	2,605
Payables due to shareholders	(242)	(690)
Obtainment/(repayment) of short-term bank loans	1,040	(3,603)
Obtainment of mortgages	64,570	6,677
Repayment of mortgages	(23,706)	(8,607)
Net financial charges paid	(2,867)	(1,845)
Dividends paid		(5,556)
Change in Group reserves	(335)	61
Payable due for the exercise of the put option	(534)	
Cash flow from financing activities	35,809	(10,958)
Net cash flow for the period	5,910	(7,281)
Opening cash and cash equivalents	22,198	29,479
Closing cash and cash equivalents	28,108	22,198

STATEMENT OF FINANCIAL POSITION OF IEG S.p.A.

ASSETS (in Euro units)	12/31/2020	12/31/2019
NON-CURRENT ASSETS		
Property, plant and equipment	183,380,519	192,746,689
Intangible fixed assets	21,250,808	22,926,970
Equity investments in subsidiaries	18,094,980	14,630,674
Equity investments valued using the equity method	2,949,304	4,128,368
Equity investments in other companies	11,041,757	10,853,134
<i>Of which with related parties</i>	<i>10,974,064</i>	<i>10,786,287</i>
Deferred tax assets	4,119,857	1,260,667
Non-current financial assets	472,072	474,924
Other non-current assets	98,243	115,929
TOTAL NON-CURRENT ASSETS	241,407,540	247,137,355
CURRENT ASSETS		
Inventories	-	-
Trade receivables	9,803,500	23,025,821
<i>Of which with related parties</i>	<i>2,750,346</i>	<i>2,646,043</i>
Tax receivables for direct taxes	76,011	-
Current financial assets	2,203,594	3,141,432
<i>Of which with related parties</i>	<i>2,203,594</i>	<i>1,989,697</i>
Other current assets	4,781,533	4,876,681
Cash and cash equivalents	24,069,554	18,147,288
TOTAL CURRENT ASSETS	40,934,192	49,191,222
TOTAL ASSETS	282,341,732	296,328,577

LIABILITIES (in Euro units)	12/31/2020	12/31/2019
SHAREHOLDERS' EQUITY		
Share capital	52,214,897	52,214,897
Share premium reserve	13,946,713	13,946,713
Other reserves	33,147,188	32,733,409
Profit (loss) for previous years	17,221,060	4,100,972
Profit (loss) for the year	(12,682,991)	13,897,502
TOTAL SHAREHOLDERS' EQUITY	103,846,867	116,893,493
NON-CURRENT LIABILITIES		
Payables due to banks	83,730,328	56,403,007
Non-current financial liabilities on rights of use	17,682,965	20,087,572
<i>Of which with related parties</i>	15,295,527	17,219,277
Other non-current financial liabilities	9,321,361	5,721,769
<i>Of which with related parties</i>	0	221,840
Provisions for non-current risks and charges	1,598,727	1,865,531
Employee provisions	2,893,214	3,357,455
Deferred tax liabilities	-	-
Other non-current liabilities	2,106,514	2,300,485
TOTAL NON-CURRENT LIABILITIES	117,333,109	89,735,819
CURRENT LIABILITIES		
Payables due to banks	24,216,647	10,133,115
Current financial liabilities on rights of use	1,369,744	2,276,394
<i>Of which with related parties</i>	952,875	1,319,894
Other current financial liabilities	2,556,303	3,787,795
<i>Of which with related parties</i>	221,840	221,840
Trade payables	18,060,026	28,005,904
<i>Of which with related parties</i>	4,451,369	7,524,673
Tax payables for direct taxes	0	1,969,082
<i>Of which with related parties</i>	-	-
Other current liabilities	14,959,036	43,526,975
<i>Of which with related parties</i>		163,599
TOTAL CURRENT LIABILITIES	61,161,756	89,699,265
TOTAL LIABILITIES	282,341,732	296,328,577

INCOME STATEMENT OF IEG S.P.A.

(in Euro units)	2020	2019
REVENUES		
Revenues from contracts with customers	56,588,982	120,282,468
<i>Of which with related parties</i>	1,490,004	3,721,541
Other revenues	3,672,211	3,818,420
<i>Of which with related parties</i>	237,284	1,390,865
TOTAL REVENUES	60,261,193	124,100,888
<i>Of which non-recurring revenues</i>	293,938	981,162
OPERATING COSTS		
Change in inventories	-	-
Costs for raw materials, consumables and goods for resale	(1,224,472)	(2,241,838)
<i>Of which with related parties</i>	(12,900)	-
Costs for services	(36,479,732)	(61,983,610)
<i>Of which with related parties</i>	(8,990,766)	(18,353,278)
<i>Of which costs for non-recurring services</i>	(1,913,329)	(237,702)
Costs for use of third-party assets	(123,499)	(219,768)
Personnel costs	(15,064,597)	(21,193,546)
Other operating costs	(1,744,770)	(2,495,969)
<i>Of which with related parties</i>	(20,879)	(18,016)
TOTAL OPERATING COSTS	(54,637,070)	(88,134,731)
GROSS OPERATING PROFIT (EBITDA)	5,624,123	35,966,157
Depreciation, amortisation and write-downs of fixed assets	(11,909,510)	(11,605,980)
Write-down of receivables	(1,504,645)	(995,215)
Provisions and releases	204,500	(144,728)
Value adjustments of financial assets other than equity investments	(24,238)	1,088
OPERATING PROFIT/LOSS	(7,609,770)	23,221,322
FINANCIAL INCOME AND CHARGES		
Financial income	46,599	138,174
<i>Of which with related parties</i>	3,176	4,105
Financial charges	(3,166,417)	(2,578,759)
<i>of which non-recurring</i>	(900,000)	
Exchange rate gains and losses	(55,052)	98,541
TOTAL FINANCIAL INCOME AND CHARGES	(3,174,870)	(2,342,044)
GAINS AND LOSSES FROM EQUITY INVESTMENTS		
Effect of valuation of equity investments with the equity method	(1,535,212)	(332,765)
Effect of measurement of equity investments in subsidiaries	(3,575,665)	(209,617)
Other gains/losses on equity investments		140,440
<i>Of which with related parties</i>	0	140,440
TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS	(5,110,877)	(401,942)
<i>Of which with related parties</i>	(4,607,665)	140,440
PRE-TAX RESULT	(15,895,517)	20,477,336
INCOME TAXES		
Current taxes	150,084	(6,612,350)
Taxes related to previous years	251,977	(348,247)
Deferred tax assets/liabilities	2,810,466	380,763
TOTAL INCOME TAXES	3,212,527	(6,579,834)
PROFIT (LOSS) FOR THE YEAR	(12,682,990)	13,897,502

	2020	2019
PROFIT (LOSS) FOR THE YEAR	(12,682,990)	13,897,502
Other comprehensive income components which will be subsequently reclassified under profit/(loss) for the year:		
Gains/(losses) on financial instruments for cash flow hedges	(367,281)	(341,745)
Gains/(losses) on translation of financial statements in foreign currency	(104,844)	(18,186)
Gains/(losses) on financial assets measured at FVOCI	200,827	(156,264)
Total Other comprehensive income components which will be subsequently reclassified under profit/(loss) for the year	(271,298)	(516,195)
Other comprehensive income components which will not be subsequently reclassified under profit/(loss) for the year:		
Actuarial gains/(losses) from defined benefit plans for employees – IAS 19	(104,322)	(173,863)
Income taxes	25,037	41,727
<i>Total effect of change in actuarial reserve</i>	<i>(79,285)</i>	<i>(132,136)</i>
Total Other comprehensive income components which will not be subsequently reclassified under profit/(loss) for the year	(79,285)	(132,136)
TOTAL PROFIT/(LOSS) RECOGNISED IN EQUITY	(350,583)	(648,331)
COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	(13,033,573)	13,249,171

<i>Values in Euro'000</i>	12/31/2020	12/31/2019
Profit before tax	(15,895,517)	20,477,336
<i>Of which with related parties</i>	<i>(7,283,567)</i>	<i>(13,258,889)</i>
<i>Adjustments to trace profit for the year back to the cash flow from operating activities:</i>		
Costs for use of third-party assets (IFRS 16)	(2,286,598)	(2,127,394)
Amortisation, depreciation and write-downs of property, plant and equipment and intangible assets	11,909,510	11,605,980
Provisions and write-downs	1,504,645	995,215
Other provisions	(68,130)	1,084,728
Charges/(income) from valuation of equity investments in other companies with the equity method	5,110,877	401,942
Write-down of financial assets		
Net financial charges	3,174,870	2,342,044
<i>Of which with related parties</i>	<i>3,176</i>	<i>4,105</i>
Other non-monetary changes	1,008,659	(193,970)
Cash flow from operating activities before changes in working capital	4,458,316	34,585,881
<i>Change in working capital:</i>		
Inventories		
Trade receivables	11,717,676	(364,083)
<i>Of which with related parties</i>	<i>(33,994)</i>	<i>(677,435)</i>
Trade payables	(10,246,975)	(2,343,767)
<i>Of which with related parties</i>	<i>3,073,304</i>	<i>(587,917)</i>
Other current and non-current assets	112,834	199,583
Other current and non-current liabilities	(28,585,003)	(2,244,997)
Receivables/payables for current taxes	136,666	(5,533,045)
<i>Of which with related parties</i>	<i>163,599</i>	<i>(1,730,090)</i>
Deferred tax assets/liabilities	67,259	60,546
Cash flow from changes in working capital	(26,797,542)	(10,225,762)
Income taxes paid	(1,779,698)	(1,356,000)
Employee provisions and provisions for risks	(742,200)	(1,744,253)
Cash flows from operating activities	(24,861,125)	21,259,866
<i>Cash flow from investment activities</i>		
Net investments in intangible fixed assets	(610,945)	(6,093,048)
Net investments in property, plant and equipment	(4,127,353)	(8,595,994)
Disinvestments in intangible fixed assets	255,740	-
Disinvestments in property, plant and equipment	1,228,375	60,063
Dividends from associated companies and joint-ventures		140,440
<i>Of which with related parties</i>	<i>0</i>	<i>140,440</i>
Change in current and non-current financial assets	940,690	(287,694)
<i>Of which with related parties</i>	<i>7,043</i>	<i>(35,621)</i>
Acquisitions net of cash and cash equivalents acquired		-
Changes in equity investments in associated companies and other companies	(7,396,967)	(606,218)
Cash flow from investment activities	(9,710,460)	(15,382,451)
<i>Cash flow from financing activities</i>		
Change in other financial payables	695,487	2,272,970
Payables due to shareholders	(273)	(5,963)
Obtainment/(repayment) of short-term bank loans	1,325,567	-
Obtainment of mortgages	64,883,121	6,546,366
Repayment of mortgages	(23,413,880)	(9,990,077)
Net financial charges paid	(2,891,328)	(1,659,491)
Dividends paid		(5,555,555)
Change in Group reserves	(104,844)	(18,184)
Cash flow from financing activities	40,493,850	(8,409,934)
Net cash flow for the period	5,922,265	(2,532,519)
Opening cash and cash equivalents	18,147,288	20,679,799
Closing cash and cash equivalents	24,069,554	18,147,288

