



Press release

Italian Exhibition Group: the Board of Directors approves the interim report on operations as at September 30, 2021 and the calendar of corporate events for 2022

*“You can’t go back and change the beginning,
but you can start where you are and change the ending.” – C.S. Lewis –*

As business resumed, in the third quarter the Group achieved results that exceeded expectations.

Total revenues for the first nine months at €42.5 million (-37.7% compared to the same period of the previous year, when the major exhibitions in January and February were held). Revenues for Q3 2021 at €35.5 million which, even net of contributions received (€10.3 million), show a solidly positive performance compared to the same period of 2020 and beyond expectations.

EBITDA¹ of EUR -2.5 million, down from EUR 9.1 million in the first nine months of 2020. EBIT at -€16.6 million compared to a loss of €7.1 million in the same period of 2020.

EBITDA in Q3 at EUR 11.6 million which, adjusted for contributions received and other non-recurring items, remains positive at EUR 1.3 million (EUR -6.6 million in 2020).

Group net result at -€19.0 million, down €19.8 million compared to the same period in 2020. The Group ends the third quarter with a profit of €7.3 million compared to a loss of €11.4 million in the same period last year.

Rimini, November 11th, 2021 – The Board of Directors of Italian Exhibition Group S.p.A. (IEG), a company listed since June 2019 on the Milan Stock Exchange, today approved the interim report on operations as at September 30, 2021.

Main Group results for the third quarter of 2021

With the end of the bans imposed by the Government on the Group's core business (15 June for exhibition activities and 1 July for congresses and events), all the events that normally populate the calendar in the

summer and autumn months took place, and some events from the first half of the year, such as Enada, Rimini Wellness, TGold (held at the same time as Vicenza Oro September) and the hosted events Expodental and Macfrut, were repositioned. A total of 8 events were held in IEG's quarters and 25 congresses and 3 events by third-party organisers were hosted. On the international side, exhibition activity resumed in the United States, although severely limited by the restrictions on international mobility that only came to an end on 8 November.

The market proved to be highly responsive to the reopenings, demonstrating once again the importance and centrality of the trade fair as an instrument in companies' promotion and marketing strategies. Demand for congresses also resumed with strength, proving the value of live events.

The IEG Group's total revenues in the third quarter 2021 amounted to Euro 35.5 million (of which Euro 10.4 million related to contributions collected to compensate the losses incurred for the Covid-19 pandemic), an increase of Euro 29.1 million compared to the same period in 2020.

EBITDA for the third quarter was EUR 11.6 million, up EUR 18.1 million from the loss of EUR 6.6 million in the same period last year. Even excluding the effect of non-recurring items, EBITDA remains positive by €1.3 million thanks to the good market response to the events traditionally scheduled in the quarter or exceptionally repositioned in this period and to the effect on costs that the containment policies adopted have produced.

The Group's Operating Profit (EBIT), following the effects of the events described above, amounted to Euro 7.9 million, an increase of Euro 18.5 million compared to the same period last year.

The net result for the quarter for the Group, amounting to €7.2 million, showed an improvement of €15.7 million compared to the same period last year, which also benefited from deferred tax assets on fiscal losses of €2.9 million. Profit for the Period attributable to the shareholders of the Parent Company amounted to €7.6 million compared to a loss of €8.2 million in the third quarter of the previous year.

The third quarter of 2021 brought in financial resources of €15.3 million deriving from current operations for €17.0 million (of which €9.8 million related to government grants), from the use of cash for investing activities for €0.7 million and other outflows of €0.9 million mainly related to financial expenses.

Results by business division for Q3 2021

Revenues from organised events in the third quarter of 2021 amounted to Euro 11.1 million, an increase of Euro 9.3 million compared to the results achieved in the same period of the previous year.

The quarter witnessed the reopening of VicenzaOro September, which was joined, for the first time, by T.Gold September. The results achieved were positive beyond expectations, providing clear feedback from the sector on the strategic importance of the event. The presence of trade visitors was also very satisfactory, with overall arrivals not too far from those recorded at the last edition held (2019), especially as regards foreign visitors. It should be remembered that in 2020, given the greater uncertainty, the Company organised VOICE, an event with a simpler format and more digital characterisation than the classic jewellery event format.

Rimini Wellness and Enada were held at the Rimini Exhibition Centre, both rescheduled with respect to their natural spring calendar, to which they will return from 2022. Also in September, at the same time as Macfrut,

the first Rimini edition of Fieravicola, organised by the controlled company Fieravicola S.r.l., was held with excellent results.

The hosted events, Expodental and Macfrut, which are usually held in May, brought in 1.2 million Euros, while the same period last year had no events hosted.

MICE Events includes the results arising from the concession of spaces and halls for congresses and events, mainly at the Rimini Convention Centre, the Rimini Exhibition Centre and the Vicenza Convention Centre (VICC). In the third quarter of 2021, these "locations" developed €3.0 million in revenue, an improvement of €1.9 million compared to the same period of the previous year and an increase of approximately €0.9 million compared to the third quarter of 2019.

The Related Services business posted revenues of €8.5 million, a sharp increase (+€6.1 million) compared to the same period last year and not too far from the €10 million in the third quarter of 2019.

Key Group results for the first nine months of 2021

The Group's total revenues for the first nine months of 2021, which include non-recurring revenues of 10.6 million euro mainly related to contributions to partially cover losses related to the pandemic, amounted to 42.5 million euro, down 37.7% compared to 68.2 million in the same period of 2020, a year in which the shut-down of activity had occurred after the conclusion of IEG's main events taking place in the first few months of the year.

EBITDA for the first nine months amounted to -2.5 million euros, down by 11.6 million compared to the same period of the previous year. EBIT at 30 September 2021 showed a loss of EUR 16.6 million compared to a loss of EUR 7.1 million in the same period of 2020.

Earnings before tax showed a loss of €18.6 million compared to a loss of €621 thousand in 2020. The contribution of non-recurring items is similar in the two periods under analysis and amounts to €6.9 million and €6.3 million, respectively, but those in 2020 are mainly non-cash.

Only for prudential purposes, the Group's Result for the Period does not include any estimate of "deferred tax assets" on fiscal losses for the period, and therefore shows a loss of €19.0 million - compared to a profit of €0.8 million at 30 September 2020 - positively influenced by €1.4 million of deferred tax assets. The Result for the Period attributable to the shareholders of the Parent Company showed a loss of €17.5 million compared to a profit of €1.6 million in the first nine months of 2020.

The Net Financial Position at 30 September 2021 amounted to €132.8 million, showing an increase in net debt of €3.7 million compared to 31 December 2020. The "monetary" NFP - which therefore does not take into account the debt of EUR 22.4 million resulting from the application of IFRS 16, any financial payables for future put options of EUR 3.5 million and the mtm of derivative financial instruments of EUR 5.8 million - amounted to EUR 100.0 million, resulting in an increase in debt of EUR 6.7 million compared to the end of 2020. At the same time, the non-cash components of the NFP, which amounted to €32.8 million at 30 September 2021, decreased by €3 million compared to 31/12/2020.

With regard to the measures to ensure financial stability, the actions implemented in relation to the management of working capital and the maximisation of available funds continue. Italian Exhibition Group S.P.A. obtained € 10 million (of which approximately € 525 thousand is non-repayable) new financing from SIMEST; the subsidiaries Pro.stand and Summertrade obtained new financing of € 4.5 million.

Thanks to the initiatives carried out so far, as of today the Group has a stock of liquidity and credit lines granted and not used for a total amount of no less than EUR 53 million.

Consolidated shareholders' equity at 30 September 2021 amounted to approximately EUR 74.4 million, down from EUR 93.0 million at 31 December 2020 due to the loss for the period.

Events subsequent to the end of the third quarter of the year and business outlook

The month of October further confirmed the signs of confidence shown by operators in the trade fair sector.

The organised events TTG - Travel Experience (held at the same time as Sia - Hospitality Design, Sun - Beach&Outdoor Style and Superfaces, at its first edition) and Ecomondo, held at the same time as Key Energy, achieved very positive results from all points of view, such as to exceed expectations for 2020 and, in the case of Ecomondo, to reach results very close to pre-pandemic levels. Dubai Active Industry, Dubai Active and Dubai Muscle Show, the largest fitness event in the Middle East, organised by subsidiary HBG Events at the Dubai World Trade Centre from 28 to 30 October, ended with excellent results in terms of both exhibitor and visitor attendance, a success also confirmed by the number of contracts for the 2022 edition already signed through the re-booking campaign conducted at the show.

The MICE business showed positive signs, with venue occupancy rates not too far from pre-pandemic levels.

The Related Services sector achieved very encouraging results at the start of the fourth quarter, reflecting the desire of operators to restart, who are investing with conviction in events and the high level of visitor participation.

On 5 November the Ministry of Tourism communicated the "Theoretical" amounts (still subject to verification) of contributions due for the year 2020 only. On the basis of this communication, Italian Exhibition Group S.p.A. will receive €4,765,576.79; Prostand Srl will receive €2,936,985.64. We are still waiting to know the level of contributions that will be recognised to cover the 2021 losses. The company will ensure that the mechanisms and procedures adopted for the recognition of the shares of contributions due to the various applicants do not contain elements that distort the competitive framework.

The Group is continuing its scouting and development activities aimed at making possible M&A in the exhibition sector, both on the domestic market and abroad.

Although the Italian pandemic scenario is currently better than the international context, uncertainties and difficulties remain, with strong restrictions on international travel and an upward curve of contagions. The Company looks to the future with confidence and will continue to operate with determination, convinced of the strategic importance of the exhibition sector - and of its own role - as an instrument of industrial policy and internationalisation at the service of Italian companies. The good level of bookings by clients for spaces at events in the first quarter of 2022 is the most eloquent sign of the confidence that the market places in our sector.

Corporate events calendar for 2022

The Board of Directors has approved the calendar of corporate events for 2022, available on the Company's website, in the Investor Relations section. The next dates will be March 24th, 2022 for approval of the draft 2021 financial statements, May 10th for the interim report on operations as at March 31, 2022, August 29th for approval of the 2022 half-year report and November 14th for approval of the results of the first nine months of 2022. The shareholders' meeting is set for April 29th, 2022.

The Manager responsible for preparing the company's financial documents, Carlo Costa, 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 Interim Report on Operation at 30 September 2021, approved today by the Board of Directors of Italian Exhibition Group S.p.A., will be made available on the Company's website www.iegexpo.it, under the Investor Relations section, as well as at the registered office and in the authorised storage facility 1INFO Storage at www.1info.it managed by 1INFO - Computershare S.p.A. - Via Lorenzo Mascheroni 19, 20145 Milan.

The results for the for the first nine months of 2021 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.

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., is a leader in Italy in the organisation of trade fairs and conferences and has established international businesses - including by way of joint ventures with global and local organisers, such as in the United States, the United Arab Emirates, China, Mexico and India - that have made it one of the main European players in the sector.

This press release contains forecasts and estimates reflecting the current opinion of the management, the forward-looking statements, particularly with regard to future operating performance, the realisation of investments, cash flow trends and the evolution of the financial structure. Forward-looking statements are by their very nature a component of risk and uncertainty because they depend on the occurrence of future events. The actual results may differ even significantly from those announced, in relation to a number of factors, including, but not limited to: the trend of the catering market for eating out and tourist flows in Italy, the trend of the jewellery market, the trend of the green economy market; the trend of the price of raw materials; general macroeconomic conditions; geopolitical factors and changes in the regulatory framework.

¹ EBITDA is the operating profit (loss) before depreciation and amortisation. 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 result. The Company believes that EBITDA is an important parameter for the measurement of the Group's performance as it enables analysis of 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 determining EBITDA may not be consistent with that adopted by other groups and might, therefore, not be comparable to them.

**For further information:
ITALIAN EXHIBITION GROUP S.p.A.**

Investor Relator

Roberto Bondioli | roberto.bondioli@iegexpo.it | +39 0541 744642

Press Contact

Elisabetta Vitali | Head of media relations & corporate communication | elisabetta.vitali@iegexpo.it | +39 0541 744228

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in Euro thousand)

ASSETS (Values in Euro/000)	09/30/2021	12/31/20
NON-CURRENT ASSETS		
Property, plant and equipment	187,530	194,070
Intangible assets	34,666	35,729
Equity investments valued using the equity method	3,430	3,616
Other equity investments	10,909	11,051
<i>of which with related parties</i>	10,817	10,974
Deferred tax assets	6,384	6,830
Non-current financial assets for rights of use	536	672
Non-current financial assets	420	472
Other non-current assets	155	150
TOTAL NON-CURRENT ASSETS	244,030	252,590
CURRENT ASSETS		
Inventories	888	784
Trade receivables	26,340	13,554
<i>of which with related parties</i>	1,874	199
Tax credits for direct taxes	296	323
Current financial assets for rights of use	178	168
Current financial assets	60	59
<i>of which with related parties</i>	45	45
Other current assets	6,142	4,311
Cash and cash equivalents	25,966	28,108
TOTAL CURRENT ASSETS	59,870	47,307
TOTAL ASSETS	303,900	299,897

LIABILITIES (Values in Euro/000)	09/30/2021	12/31/20
NET EQUITY		
Share capital	52,215	52,215
Share premium reserve	13,947	13,947
Other reserves	29,069	28,645
Profit (loss) for previous years	(2,565)	8,781
Profit (Loss) for the period attributable to shareholders of the Parent Company	(17,450)	(11,313)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	75,216	92,275
Share capital and reserves attributable to minority interests	762	1,912
Profit (loss) attributable to minority interests	(1,567)	(1,160)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	(805)	752
TOTAL GROUP SHAREHOLDERS' EQUITY	74,411	93,027
NON-CURRENT LIABILITIES		
Payables due to banks	95,717	85,986
Non-current financial liabilities for rights of use	19,543	21,974
	<i>of which with related parties</i>	<i>15,296</i>
Other non-current financial liabilities	13,621	15,797
Provisions for non-current risks and charges	1,623	1,632
Employee provisions	3,844	4,287
Other non-current liabilities	1,961	2,106
TOTAL NON-CURRENT LIABILITIES	136,309	131,782
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Payables due to banks	24,003	28,837
Current financial liabilities for rights of use	3,594	3,359
	<i>of which with related parties</i>	<i>953</i>
Other current financial liabilities	3,463	2,604
Trade payables	27,640	23,445
	<i>of which with related parties</i>	<i>95</i>
Tax payables for direct taxes	18	15
Other current liabilities	34,462	16,828
TOTAL CURRENT LIABILITIES	93,180	75,088
TOTAL LIABILITIES	303,900	299,897

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in Euro thousand)

<i>(Values in Euro/000)</i>	3Q 2021	3Q 2020	09/30/2021	09/30/2020
REVENUES				
Revenues from sales and services	24,654	6,482	30,107	65,457
<i>of which with related parties</i>	3,285	34	3,287	67
Other revenues	10,825	(84)	12,415	2,776
<i>of which with related parties</i>	0	8	0	30
TOTAL INCOME	35,479	6,398	42,522	68,233
<i>of which non-recurring revenues</i>	10,303	426	10,583	741
Change in inventories	(46)	(23)	103	18
Costs for raw materials, consumables and goods	(2,991)	(959)	(4,448)	(5,084)
Cost of services	(13,070)	(6,642)	(21,304)	(34,877)
<i>of which with related parties</i>	(461)	12	(493)	(9)
Costs for use of third-party assets	(163)	(48)	(246)	(138)
Personnel costs	(7,181)	(4,721)	(17,923)	(17,244)
Other operating costs	(440)	(563)	(1,194)	(1,827)
<i>of which with related parties</i>	0	0	0	(3)
TOTAL OPERATING COSTS	(23,891)	(12,956)	(45,012)	(59,152)
<i>of which non-recurring operating costs</i>	(12)	(1,212)	(969)	(1,212)
GROSS OPERATING PROFIT (EBITDA)	11,588	(6,558)	(2,490)	9,081
Amortisation, depreciation and write-downs of fixed assets	(3,586)	(3,967)	(12,872)	(15,132)
<i>of which non-recurring write-downs</i>	0	0	(1,427)	(2,573)
Write-down of receivables	0	0	(1)	(991)
Provisions	137	0	27	(33)
Value adjustments of financial assets other than equity investments	(200)	(5)	(1,306)	(27)
<i>of which non-recurring adjustment of financial assets</i>	0	0	(1,143)	0
OPERATING PROFIT (LOSS)	7,939	(10,530)	(16,642)	(7,102)
FINANCIAL INCOME AND EXPENSE				
Financial income	6	7	17	9,378
<i>of which non-recurring financial income</i>	0	0	0	9,344
Financial charges	(644)	(891)	(1,630)	(2,614)
<i>of which non-recurring financial charges</i>	0	0	(158)	0
Exchange rate gains and losses	(1)	56	(68)	59
TOTAL FINANCIAL INCOME AND CHARGES	(639)	(828)	(1,681)	6,823
GAINS AND LOSSES FROM EQUITY INVESTMENTS				
Effect of valuation of equity investments with the	(14)	(69)	(314)	(342)
Other gains/losses from equity investments	0	0	0	0
TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS	(14)	(69)	(314)	(342)
EARNINGS BEFORE TAXES	7,286	(11,427)	(18,637)	(621)
INCOME TAX				
Current taxes	(10)	2,323	(19)	437
Deferred tax assets/(liabilities)	(68)	573	(360)	1,012
TOTAL INCOME TAXES	(78)	2,896	(379)	1,449
PROFIT (LOSS) FOR THE PERIOD	7,208	(8,531)	(19,016)	828
PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTERESTS	(362)	(314)	(1,567)	(735)
PROFIT (LOSS) ATTRIBUTABLE TO THE PARENT COMPANY	7,571	(8,218)	(17,450)	1,563
EARNINGS PER SHARE	0.245	(0.266)	(0.565)	0.317
DILUTED EARNINGS PER SHARE	0.245	(0.266)	(0.565)	0.317

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT (in thousands of euros)

<i>(Values in Euro/000)</i>	3Q 2021	3Q 2020	09/30/2021	09/30/2020
PROFIT (LOSS) FOR THE PERIOD	7,208	(8,531)	(19,016)	828
Other comprehensive income components which will be subsequently reclassified under profit/(loss) for the period:				
Gains/(losses) on financial instruments for cash flow hedges	34	(73)	383	(495)
Taxes on financial instruments for cash flow hedges	(8)	18	(92)	119
Total Effect of hedging financial instruments	26	(55)	291	(376)
Gains/(losses) on translation of financial statements in foreign currency	128	(346)	298	(412)
Total Other comprehensive income components which will be subsequently reclassified under profit/(loss) for the period:	154	(401)	589	(788)
Other comprehensive income components which will not be subsequently reclassified under profit/(loss) for the period:				
Actuarial gains/(losses) from defined benefit plans for employees – IAS 19	0	0	0	0
Income tax	0	0	0	0
Total effect of change in actuarial reserve	0	0	0	0
Gains/(losses) on financial assets measured at FVOCI	(47)	(111)	(157)	(229)
Total Other components of comprehensive income which will not be subsequently reclassified to the income statement	(47)	(111)	(157)	(229)
TOTAL PROFIT/(LOSS) BOOKED TO SHAREHOLDERS' EQUITY	107	(512)	432	(1,017)
COMPREHENSIVE PROFIT/LOSS FOR THE PERIOD	7,315	(9,043)	(18,584)	(189)
Attributable to:				
Minority interests	(365)	(360)	(1,562)	(776)
Shareholders of the Parent Company	7,680	(8,683)	(17,022)	587

CONSOLIDATED CASH FLOW STATEMENT (in Euro thousand)

<i>Values in Euro/000</i>	09/30/2021	09/30/2020
Profit before tax	(18,637)	(621)
<i>Of which with related parties</i>	2,794	86
<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	12,872	15,132
Provisions and write-downs	1	991
Other provisions	(27)	33
Charges/(income) from valuation of equity investments in other companies with the equity method	314	342
Write-down of financial assets	1,306	27
Net financial charges	1,681	(6,823)
Costs for use of third-party assets (IFRS 16)	(3,187)	(3,317)
Effect on EBIT of integration of historical shareholders put option	(31)	(223)
Other non-monetary changes	(145)	1,057
Cash flow from operating activities before changes in working capital	(5,853)	6,599
<i>Change in working capital:</i>		
Inventories	(104)	(26)
Trade receivables	(12,787)	12,768
<i>Of which with related parties</i>	(1,675)	496
Trade payables	4,244	(12,465)
<i>Of which with related parties</i>	436	42
Other current and non-current assets	(1,713)	75
Other current and non-current liabilities	17,562	(24,606)
Receivables/payables for current taxes	11	613
Prepaid/deferred taxes	(5)	(449)
Cash flow from changes in working capital	7,207	(24,089)
Income taxes paid	0	(1,785)
Employee provisions and provisions for risks	(425)	(90)
Cash flows from operating activities	929	(19,365)
<i>Cash flow from investment activities</i>		
Net investments in intangible fixed assets	(396)	(312)
Net investments in property, plant and equipment	(4,111)	(2,893)
Disinvestments in intangible fixed assets	0	25
Disinvestments in tangible fixed assets	162	30
Change in current and non-current financial assets	1,433	1,210
<i>Of which with related parties</i>	0	10
Changes in equity investments in associated companies and other companies	(144)	(86)
Cash flow from investment activities	(5,922)	(2,026)
<i>Cash flow from financing activities</i>		
Change in other financial payables	(3,291)	(1,587)
Payables to shareholders	13	(232)
Obtainment/(repayment) of short-term bank loans	(1,300)	1,213
Loans	15,848	65,526
Loan repayment	(6,573)	(22,902)
Net financial charges paid	(2,110)	(1,355)
Change in Group reserves	264	(370)
Put option payment	0	(534)
Cash flow from financing activities	2,851	39,760
Net cash flow for the period	(2,142)	18,369
Opening cash and cash equivalents	28,108	22,198
Closing cash and cash equivalents	25,966	40,567