

Press release

Italian Exhibition Group Board of Directors approves Interim Management Report at 31 March 2022

A first quarter beyond expectations: the January peak in the pandemic did nothing to stop the Group and March marked the beginning of a new spring for IEG.

- **Consolidated total revenues come to 38.0 million euros, compared with 2.5 million in the first quarter of 2021.**
- **EBITDA¹ comes in at 7.0 million euros (-7.2 million in the first quarter of 2021).**
- **Net result pertaining to the Parent Company's shareholders comes to 2.2 million as compared with the loss of 11.2 million in 2021.**
- **Net financial position of 73.3 million euros.**

Rimini, 10 May 2022 – The Board of Directors of Italian Exhibition Group S.p.A. (IEG), a company with shares listed on Euronext Milan, a market regulated and managed by Borsa Italiana S.p.A., approved the interim management report at 31 March 2022 today.

Main consolidated results of the first quarter of 2022

Group revenues amounted to 38.0 million euros and were impacted by the effects of the latest wave of the pandemic caused by the Omicron variant of the Sars-Cov-2 infection, which peaked in January and made it necessary to reschedule all the events traditionally held in January and February. Compared to the first quarter of 2021, in which only digital events (Sigep EXP and We Are) were held, revenues recorded an increase of 35.6 million euros.

EBITDA for the first quarter of 2022 amounted to 7.0 million euros, up 14.2 million euros compared to the same period of the previous year, which recorded a loss of 7.2 million.

EBIT is 3.0 million euros, 14.4 million up on the previous year's figure. The pre-tax result is 3.3 million euros, up approximately 15.2 million euros compared to the first quarter of 2021.

The Group's Period Result amounts to 1.8 million euros, with an increase of 13.7 million euros on the same period of the previous year. The Result for the Period attributable to the shareholders of the Parent Company

amounted to 2.2 million euros, compared to a loss of 11.2 million in the first quarter of 2021, recording an increase of 13.4 million euros.

The Net Financial Position at 31 March 2022 amounts to 107.7 million euros, climbing slightly by 2.1 million euros compared to 31 December 2021. The “monetary” NFP - which therefore does not consider the debt of 26.8 euros deriving from the application of IFRS 16, any financial payables for future put options in the amount of 5.7 million euros and the mark to market of derivatives for 1.9 million euros - came to 72.8 million euros, resulting in a 3.7 million increase in debt compared with the end of FY 2021.

The Group currently has liquidity stocks and unused credit lines totalling not less than 62 million euros.

Consolidated shareholders' equity at 31 March 2022 amounts to approximately 95.9 million euros, up on the 31 December 2021 figure, which was 93.4 million euros.

Results by business area in the first quarter of 2022

The period value of production rose by a total of 35.6 million euros. The change recorded in the period is the result of the restart effect in the exhibition and congress sector, which affected all business lines and was positive to the tune of 35.4 million euros. To mention just a few, leading events were held for the Group, such as Vincenzaoro January, along with Tgold and Sigep at the same time, were held, with a consequent positive impact on the Related Services line too. There was a growth of 0.3 million (+13.5%) in the number of events that took place in both years, referred to as the “**Organic**” effect, attributable mainly to the results of the catering sector. The impact of non-recurring events has been termed the “**One-off**” effect and resulted in a reduction of 0.1 million euros (-3.8%). Lastly, there is a “**Calendar**” effect of -0.1 million euros (-3.5%) due to the absence, compared with the first quarter of 2021, of Dubai Muscle Classic, the 2022 edition of which has been scheduled for the summer.

Revenues from **events organised** in the first quarter of 2022 amount to 25.9 million euros, up 25.3 million on the same period of the previous year, when only the Sigep EXP and We Are digital events were held.

The **Congress Events** include the results deriving from the management of the structures of the Palacongressi of Rimini and the Vicenza Convention Centre (VICC). 12 congresses were held between the two venues in the first quarter of 2022, generating revenues of 1.5 million euros, showing a recovery of 1.3 million euros compared to the same period in 2021; the whole effect is classifiable as a “**Restart**”.

Revenues from **Related services** in the first quarter of 2022 came to 10.0 million, up 9.0 on the same quarter in the previous year. The activity, concentrated mainly in March, recorded organic growth of approximately 0.3 million euros and a further increase of approximately 8.7 million euros, due to the “**Restart**” effect.

Post-quarter events and business outlook

The participation recorded during the events of this first quarter and the results attained, both in terms of volumes and, above all, in terms of maintaining the pricing applied, suggest that the worst of the pandemic can be considered to be over. More encouraging signs can be seen in the behaviour of government authorities, who are continuing to gradually lift the restrictions previously imposed.

In the period immediately after the conclusion of some of the events held in the first quarter, policies of advance booking (rebooking) for participation in next year's events were applied, yielding excellent results and allowing future events to be planned on the basis of a solid foundation of confirmations.

The coming months will see a succession of all the events in the IEG Group's portfolio, including the biennial exhibitions Tecnargilla and IBE, the only exception being HIT Show, which will be held in February 2023.

To date, Enada Primavera, Abilmente Primavera in Vicenza, Solar Expo Conference and OroArezzo among the events organised and Macfrut among those hosted have been completed, with results in keeping with expectations.

Italian Exhibition Group Deutschland GmbH, a company incorporated under German law and 100% owned by Italian Exhibition Group S.p.A., was incorporated on 27 April. The main activity of the Munich-based company will be the commercial search for customers in Germany for events managed by the Parent Company in Italy and by subsidiaries abroad.

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 Management Report at 31 March 2022, 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 first quarter of 2022 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 S.p.A., listed on Euronext Milan, a market regulated 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, Brazil 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.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in Euro thousand)

ASSETS (Values in Euro/000)	03/31/2022	12/31/2021
NON-CURRENT ASSETS		
Property, plant and equipment	188,736	190,674
Intangible fixed assets	34,551	34,519
Equity investments valued using the equity method	3,509	3,397
Other equity investments	10,858	10,858
<i>Of which with related parties</i>	10,770	10,770
Deferred tax assets	5,307	6,736
Non-current financial assets for rights of use	445	487
Non-current financial assets	520	519
Other non-current assets	143	142
TOTAL NON-CURRENT ASSETS	244,069	247,332
CURRENT ASSETS		
Inventories	918	731
Trade receivables	18,102	23,126
<i>Of which with related parties</i>	777	813
Tax credits for direct taxes	543	352
Current financial assets for rights of use	184	184
Current financial assets	312	261
<i>Of which with related parties</i>	210	207
Other current assets	4,876	5,674
Cash and cash equivalents	44,580	52,651
TOTAL CURRENT ASSETS	69,515	82,979
TOTAL ASSETS	313,584	330,311

LIABILITIES (Values in Euro/000)	03/31/2022	12/31/2021
SHAREHOLDERS' EQUITY		
Share capital	52,215	52,215
Share premium reserve	13,947	13,947
Other reserves	30,006	29,257
Profit (loss) for previous years	(866)	(2,507)
Profit (loss) for the period attributable to shareholders of the Parent Company	2,206	1,638
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	97,508	94,550
Share capital and reserves attributable to minority interests	(1,154)	1,140
Profit (loss) for the period attributable to minority interests	(405)	(2,311)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	(1,559)	(1,172)
TOTAL GROUP SHAREHOLDERS' EQUITY	95,949	93,378
NON-CURRENT LIABILITIES		
Payables due to banks	91,246	92,277
Non-current financial liabilities for rights of use	23,368	24,026
	<i>Of which with related parties</i>	<i>14,170</i>
Other non-current financial liabilities	8,886	12,523
Provisions for non-current risks and charges	1,756	1,830
Employee provisions	3,743	3,754
Other non-current liabilities	1,972	2,020
TOTAL NON-CURRENT LIABILITIES	130,971	136,430
CURRENT LIABILITIES		
Payables due to banks	21,092	22,157
Current financial liabilities for rights of use	4,101	3,346
	<i>Of which with related parties</i>	<i>863</i>
Other current financial liabilities	4,585	4,884
Trade payables	33,550	33,825
	<i>Of which with related parties</i>	<i>38</i>
Tax payables for direct taxes	282	19
Other current liabilities	23,054	36,272
TOTAL CURRENT LIABILITIES	86,664	100,503
TOTAL LIABILITIES	313,584	330,311

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in Euro thousand)

<i>(Values in Euro/000)</i>	03.31.2022	03.31.2021 (*)
REVENUES		
Revenues from sales and services	37,386	1,909
<i>of which with related parties</i>	12	0
Other revenues	654	561
<i>of which with related parties</i>	20	0
TOTAL INCOME	38,040	2,470
<i>of which non-recurring revenues</i>	0	93
Change in inventories	187	(14)
Costs for raw materials, consumables and goods for resale	(3,177)	(273)
Cost of services	(19,016)	(4,354)
<i>of which with related parties</i>	8	0
<i>Of which costs for non-recurring services</i>	0	(550)
Costs for use of third-party assets	(29)	(1)
Personnel costs	(8,548)	(4,702)
Other operating costs	(456)	(349)
TOTAL OPERATING COSTS	(31,038)	(9,695)
GROSS OPERATING PROFIT (EBITDA)	7,002	(7,225)
<i>of which non-recurring operating costs</i>	0	(643)
Amortisation, depreciation and write-downs of fixed assets	(3,998)	(4,195)
Write-down of receivables	(1)	0
Provisions	(6)	(1)
Value adjustments of financial assets other than equity investments	(2)	2
OPERATING PROFIT (LOSS)	2,996	(11,420)
FINANCIAL INCOME AND EXPENSE		
Financial income	962	5
Financial charges	(728)	(374)
Exchange rate gains and losses	(26)	(65)
TOTAL FINANCIAL INCOME AND CHARGES	207	(433)
GAINS AND LOSSES FROM EQUITY INVESTMENTS		
Effect of valuation of equity investments with the equity method	112	0
TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS	112	0
EARNINGS BEFORE TAXES	3,316	(11,853)
INCOME TAX		
Current taxes	(266)	(2)
Deferred tax assets/(liabilities)	(1,246)	0
Previous year taxes	(3)	0
TOTAL INCOME TAXES	(1,515)	(2)
PROFIT (LOSS) FOR THE PERIOD	1,801	(11,855)
PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTERESTS	(405)	(624)
PROFIT (LOSS) ATTRIBUTABLE TO THE PARENT COMPANY	2,206	(11,231)
EARNINGS PER SHARE	0.0715	(0.3639)
DILUTED EARNINGS PER SHARE	0.0715	(0.3639)

(*) Some amounts of this column don't correspond to those of the financial statement published as at 03/31/2021 because reflect valuations made during the Purchase Price Allocation of HBG Events at final values.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT (in thousands of euros)

(Values in Euro/000)	03.31.2022	03.31.2021 (*)
PROFIT/(LOSS) FOR THE PERIOD	1,801	(11,855)
Other comprehensive income components which will be subsequently reclassified under profit/(loss):		
Gains/(losses) on financial instruments for cash flow hedges	758	107
Taxes on derivative financial instruments	(182)	(26)
Gains/(losses) on translation of financial statements in foreign currency	187	227
Total other comprehensive income components which will be subsequently reclassified under profit/(loss)	763	308
TOTAL PROFIT/(LOSS) BOOKED TO SHAREHOLDERS' EQUITY	763	308
COMPREHENSIVE INCOME/LOSS FOR THE PERIOD	2,564	(11,547)
Attributable to:		
Minority interests	(391)	(608)
Shareholders of the Parent Company	2,955	(10,939)

() Some amounts of this column don't correspond to those of the financial statement published as at 03/31/2021 because reflect valuations made during the Purchase Price Allocation of HBG Events at final values.*

CONSOLIDATED CASH FLOW STATEMENT (in Euro thousand)

<i>Values in Euro/000</i>	03.31.2022	03.31.2021 (*)
Profit before tax	3,316	(11,853)
<i>Of which with related parties</i>	15	0
<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	3,998	4,196
Provisions and write-downs	1	0
Other provisions	6	1
Charges/(income) from valuation of equity investments in other companies with the equity method	(112)	0
Write-down of financial assets	2	(2)
Net financial charges	(207)	433
Costs for use of third-party assets (IFRS 16)	(965)	(855)
Effect on EBIT - financial charges for Put Options	(38)	0
Other non-monetary changes	(48)	(48)
Cash flow from operating activities before changes in working capital	5,951	(8,129)
<i>Change in working capital:</i>		
Inventories	(187)	13
Trade receivables	5,023	3,130
<i>Of which with related parties</i>	36	0
Trade payables	550	(5,262)
<i>Of which with related parties</i>	12	0
Other current and non-current assets	797	169
Other current and non-current liabilities	(13,196)	(2,696)
Receivables/payables for current taxes	(196)	21
Prepaid/deferred taxes	1	25
Cash flow from changes in working capital	(7,209)	(4,599)
Income taxes paid	0	0
Employee provisions and provisions for risks	(91)	(46)
Cash flows from operating activities	(1,349)	(12,774)
<i>Cash flow from investment activities</i>		
Net investments in intangible fixed assets	(486)	(276)
Net investments in property, plant and equipment	(1,496)	(326)
Change in current and non-current financial assets	(53)	(1)
<i>Of which with related parties</i>	(3)	0
Net equity investments in subsidiaries	0	0
Changes in equity investments in associated companies and other companies	0	(102)
Cash flow from investment activities	(2,035)	(705)
<i>Cash flow from financing activities</i>		
Change in other financial payables	(4,954)	2,709
Payables due to shareholders	665	10
Net financial charges paid	(591)	(580)
Dividends paid	0	0
Change in Group reserves	193	98
Cash flow from financing activities	(4,687)	2,238
Net cash flow for the period	(8,071)	(11,241)
Opening cash and cash equivalents	52,651	28,108
Closing cash and cash equivalents	44,580	16,867

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