

Press release

Italian Exhibition Group: the Board of Directors approves the Half-Yearly Financial Report as at 30 June 2022.

The trade fair-congress sector is back at the heart of companies' promotional investment choices and heads back towards pre-pandemic levels

- Consolidated total revenues come to 72.7 million euros, compared with 7.0 million in the first half of 2021,
- EBITDA¹ comes to 3.4 million euros, an improvement of 17.5 million euros on the first half of 2021. Adjusted EBITDA² comes to 5.7 million euros, an improvement of 19.3 million on 2021
- Net result pertaining to the Parent Company's shareholders comes to -5.2 million euros as compared with the loss of 25.0 million in the same period of 2021.
- Net financial position of 117.3 million euros

Gian Luca Brasini co-opted to the Italian Exhibition Group Board of Directors

Starting 1st September, Lucia Cicognani will be the Manager responsible for preparing the company's financial documents and Martina Malorni will take on the role of Investor Relator

Rimini, 29 August 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., today approved the Half-Yearly Financial Report at 30 June 2022.

Main consolidated results of H1 2022

Total Group revenues came to 72.7 million euros, up 65.6 million on the 7 million euros of H1 2021, during which COVID-19 pandemic restrictions had very much limited business.

First half EBITDA is positive for 3.4 million euros, up 17.5 million euros on the same period of the previous year, when a loss was recorded of 14.1 million euros.

Adjusted EBITDA, which corresponds to EBITDA stripped of the effects of certain specific non-recurring items, in the first half came to 5.7 million euros, an improvement of 19.3 million euros as compared with the equivalent figure of the first half of 2021.

EBIT amounted to -5.7 million euros, an improvement of 18.9 million on the same period of the previous year. The pre-tax result benefited from positive financial operations and was -5.1 million euros, an improvement of approximately 20.9 million compared to the first half of 2021.

The IEG Group's result for the first half of 2022 was a loss of 5.6 million euros, an improvement of 20.6 million euros compared to the same period of the previous year. The result for the period attributable to the Parent Company's shareholders amounted to a loss of 5.2 million euros compared to a loss of 25.0 million euros in the first half of 2021, improving by 19.8 million euros.

The Net Financial Position at 30 June 2022 amounts to 117.3 million euros, climbing by 11.7 million euros compared to 31 December 2021. The "monetary" NFP - which therefore does not consider the debt of 28.1 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 0.1 million euros - came to 83.4 million euros, resulting in a 13.8 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 45 million euros.

Consolidated shareholders' equity at 30 June 2022 amounts to approximately 88.8 million euros, down on the 31 December 2021 figure, which was 93.4 million euros.

Results by business area in the first half of 2022

The period value of production rose by a total of 72.7 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 62.5 million euros. To mention just a few, leading events were held for the Group, such as Vincenzaoro January, along with Tgold, Sigep and Rimini Wellness at the same time, were held, with a consequent positive impact on the Related Services line too. There was a growth of 2.7 million (+4.1%) in the number of activities that took place in both years, referred to as the "**Organic**" effect, attributable mainly to the results of the food serving and stand fitting sector. The impact of non-recurring events has been termed the "**One-off**" effect and resulted in a rise of 0.7 million euros (+1.0%). Finally, there is a "**Calendar**" effect of -0.2 million euros (-0.2%) due to the absence, as compared with the first half of 2021, of the event "Ginnastica in Festa - Summer Edition", which in 2022 had been held in July and in 2021 in June.

Revenues from **events organised** in the first half of 2022 amount to 32.6 million euros, up 31.2 million on the same period of the previous year, when only digital events were held.

There were nine **hosted events** during the half-year, which recorded 3.2 million euros in revenues, up 2.4 million on the half-year. The change is partly due to the return to the traditional dates of the main events Macfrut and Expodental - which obtained excellent performance - and partly to the acquisition of new events, carried out both at Rimini Fiera and Fiera di Vicenza.

The **Congress Events** include the results deriving from the management of the structures of the Palacongressi of Rimini and the Vicenza Convention Centre (VICC). During the first half of 2022, 51 conferences were held, booking revenues of 5.8 million euros, showing a recovery of 5.5 million euros on the same period of 2021.

Revenues from **Related Services** came to 29.9 million, up 26.8 million on H1 2022. The business volume exceeded expectations, both as concerns stand fitting services and food serving services, which, in addition to benefiting from the recovery of congress trade fair activities in the districts served, also showed growing volumes for other activities held in other locations (stadiums, canteens, car racing circuits and catering points). The increase is due to the “restart” effect for 23.5 million euros and for 2.5 million to the “Organic” effect, while around 0.7 million euros were due to the “one-off” effect.

Post-reporting events and business outlook

The participation recorded during the events of the first half and the results achieved, both in terms of volumes and, above all, maintenance of the pricing applied, suggest that the darkest period of this pandemic can be considered as definitively behind us. Confirmations of the positive sensations on the recovery of the domestic market come from the visibility on sales of events of the second half: all second half events were confirmed and the space booking levels are, to date, higher than the levels recorded in the previous year and in line or even exceeding expectations.

As regards the continuation of the Russia-Ukraine conflict and the instability that it is generating in Europe in terms of the procurement of raw materials and energy and price instability, the Group is operating with the aim of adjusting the tariffs to fit with the altered economic scenario.

The next few months will see a continuation of events present in the IEG Group portfolio, including the two-yearly events Tecnargilla and IBE.

On 18 July 2022, the parent company’s BoD approved the “**Strategic Plan 2022-2027**”. The key points of the plan were presented to analysts and investors the next day and are currently published on the company’s website, in the Investor Relations section.

In light of these considerations, the Company has confirmed its expectations in respect of Turnover and Adjusted EBITDA², respectively as 139 and 13 million euros.

The company’s Board of Directors today co-opted Gian Luca Brasini as member of the board in lieu of Marino Gabellini, who had resigned last 18 July.

During the co-optation, the Board of Directors verified that Gianluca Brasini met the legal requirements and those of independence defined by art. 148, paragraph 3 of Italian Legislative Decree no. 58/1998. At the time of co-optation, Gianluca Brasini did not hold any shares in the company. The CV of the new member of the administrative body is available on the company website at www.iegexpo.it.

With the opinion in favour given by the Board of Statutory Auditors, the Board of Directors has appointed Lucia Cicognani as IEG’s Financial Reporting Manager, the Manager responsible for preparing the company’s financial documents in lieu of Carlo Costa, who will complete his experience with IEG this coming 31st August, as disclosed to the market on 30 June 2022. Lucia Cicognani’s appointment will take effect starting 1 September 2022. Mrs Cicognani, graduated in Business Administration in 2007, has been part of the IEG Group since 2015, with previous experience in a leading auditing firm. At the time of her appointment, Lucia Cicognani did not hold any shares in the company.

Again, on 1st September, Martina Malorni will be flanking her current role of Treasury and Credit Manager with that of Investor Relator, in lieu of Roberto Bondioli, who has been confirmed as Chief Executive Officer of the subsidiary of Prostand Srl, which operates in stand fitting solutions.

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 Half-Yearly Financial Report at 30 June 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 half 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.

² Adjusted EBITDA is represented by EBIT gross of amortisation/depreciation and certain non-recurring items.

**For further information:
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in Euro thousand)

| ASSETS (Values in Euro/000) | 06/30/2022 | 12/31/2021 |
|---|----------------|----------------|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 187,441 | 190,674 |
| Intangible fixed assets | 37,499 | 34,519 |
| Equity investments valued using the equity method | 3,640 | 3,397 |
| Other equity investments | 9,989 | 10,858 |
| <i>Of which with related parties</i> | 9,901 | 10,770 |
| Deferred tax assets | 5,994 | 6,736 |
| Non-current financial assets for rights of use | 400 | 487 |
| Non-current financial assets | 496 | 519 |
| <i>Of which with related parties</i> | 173 | 159 |
| Other non-current assets | 172 | 142 |
| TOTAL NON-CURRENT ASSETS | 245,632 | 247,332 |
| CURRENT ASSETS | | |
| Inventories | 896 | 731 |
| Trade receivables | 22,003 | 23,126 |
| <i>Of which with related parties</i> | 1,813 | 813 |
| Tax credits for direct taxes | 565 | 352 |
| Current financial assets for rights of use | 184 | 184 |
| Current financial assets | 123 | 261 |
| <i>Of which with related parties</i> | 93 | 48 |
| Other current assets | 8,755 | 5,674 |
| Cash and cash equivalents | 31,217 | 52,651 |
| TOTAL CURRENT ASSETS | 63,744 | 82,979 |
| TOTAL ASSETS | 309,376 | 330,311 |

| LIABILITIES (Values in Euro/000) | 06/30/2022 | 12/31/2021 |
|---|-------------------|-------------------|
| SHAREHOLDERS' EQUITY | | |
| Share capital | 52,215 | 52,215 |
| Share premium reserve | 13,947 | 13,947 |
| Other reserves | 30,155 | 29,257 |
| Profit (loss) for previous years | (938) | (2,507) |
| Profit (loss) for the period attributable to shareholders of the Parent Company | (5,248) | 1,638 |
| SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY | 90,131 | 94,550 |
| Share capital and reserves attributable to minority interests | (1,000) | 1,140 |
| Profit (loss) for the period attributable to minority interests | (368) | (2,311) |
| SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS | (1,369) | (1,172) |
| TOTAL GROUP SHAREHOLDERS' EQUITY | 88,762 | 93,378 |
| NON-CURRENT LIABILITIES | | |
| Payables due to banks | 89,917 | 92,277 |
| Non-current financial liabilities for rights of use | 24,813 | 24,026 |
| <i>Of which with related parties</i> | 13,129 | 14,170 |
| Other non-current financial liabilities | 6,511 | 12,523 |
| Provisions for non-current risks and charges | 1,795 | 1,830 |
| Employee provisions | 3,788 | 3,754 |
| Other non-current liabilities | 1,913 | 2,020 |
| TOTAL NON-CURRENT LIABILITIES | 128,737 | 136,430 |
| CURRENT LIABILITIES | | |
| Payables due to banks | 18,589 | 22,157 |
| Current financial liabilities for rights of use | 3,839 | 3,346 |
| <i>Of which with related parties</i> | 962 | 863 |
| Other current financial liabilities | 5,551 | 4,884 |
| Trade payables | 37,180 | 33,825 |
| <i>Of which with related parties</i> | 82 | 71 |
| Tax payables for direct taxes | 121 | 19 |
| Other current liabilities | 26,596 | 36,272 |
| TOTAL CURRENT LIABILITIES | 91,876 | 100,503 |
| TOTAL LIABILITIES | 309,376 | 330,311 |

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT (in thousands of euros)

| (Values in Euro/000) | 06.30.2022 | 06.30.2021 (*) |
|---|----------------|-----------------|
| PROFIT/(LOSS) FOR THE PERIOD | (5,616) | (26,254) |
| Other comprehensive income components which will be subsequently reclassified under profit/(loss): | | |
| Gains/(losses) on financial instruments for cash flow hedges | 1,131 | 266 |
| Taxes on derivative financial instruments | 0 | 0 |
| Gains/(losses) on translation of financial statements in foreign currency | 549 | 170 |
| Total other comprehensive income components which will be subsequently reclassified under profit/(loss) | 1,680 | 436 |
| Other components of comprehensive income which will not be subsequently reclassified to the income statement | | |
| Gains/(losses) on financial assets measured at FVOCI | (869) | (110) |
| Total Other components of comprehensive income which will not be subsequently reclassified to the income statement | (869) | (110) |
| TOTAL PROFIT/(LOSS) BOOKED TO SHAREHOLDERS' EQUITY | 812 | 326 |
| COMPREHENSIVE INCOME/LOSS FOR THE PERIOD | (4,805) | (25,928) |
| Attributable to: | | |
| Minority interests | (385) | (1,197) |
| Shareholders of the Parent Company | (4,420) | (24,731) |

(*) Some amounts of this column don't correspond to those of the financial statement published as at 06/30/2021 because reflect valuations made during the Purchase Price Allocation of HBG Events at final values.

CONSOLIDATED CASH FLOW STATEMENT (in Euro thousand)

| Values in Euro/000 | 06.30.2022 | 06.30.2021 (*) |
|---|-----------------|-----------------|
| Profit before tax | (5,087) | (25,962) |
| <i>Of which with related parties</i> | 2,331 | (31) |
| <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 | 10,552 | 9,323 |
| Provisions and write-downs | 1,498 | 1 |
| Other provisions | 12 | 111 |
| Charges/(income) from valuation of equity investments in other companies with the equity method | (228) | 300 |
| Write-down of financial assets | 31 | 1,106 |
| Net financial charges | (411) | 1,044 |
| Costs for use of third-party assets (IFRS 16) | (1,936) | (2,267) |
| Effect on EBIT - financial charges for Put Options | (42) | (21) |
| Other non-monetary changes | (97) | (97) |
| Cash flow from operating activities before changes in working capital | 4,292 | (16,462) |
| <i>Change in working capital:</i> | | |
| Inventories | (165) | (150) |
| Trade receivables | (326) | 2,167 |
| <i>Of which with related parties</i> | (1,070) | 533 |
| Trade payables | 3,594 | (2,719) |
| <i>Of which with related parties</i> | 29 | 10 |
| Other current and non-current assets | (4,489) | (216) |
| Other current and non-current liabilities | (9,899) | 1,569 |
| Receivables/payables for current taxes | (236) | 17 |
| Prepaid/deferred taxes | (9) | (19) |
| Cash flow from changes in working capital | (11,530) | 650 |
| Income taxes paid | 0 | 0 |
| Employee provisions and provisions for risks | (17) | (87) |
| Cash flows from operating activities | (7,255) | (15,889) |
| <i>Cash flow from investment activities</i> | | |
| Net investments in intangible fixed assets | (1,002) | (248) |
| Net investments in property, plant and equipment | (2,112) | (3,403) |
| Disinvestments in intangible fixed assets | 0 | 0 |
| Disinvestments in tangible fixed assets | 0 | 10 |
| Change in current and non-current financial assets | 129 | (1,115) |
| <i>Of which with related parties</i> | (161) | (181) |
| Net equity investments in subsidiaries | (2,609) | 0 |
| Changes in equity investments in associated companies and other companies | 0 | (132) |
| Cash flow from investment activities | (5,593) | (4,887) |
| <i>Cash flow from financing activities</i> | | |
| Change in other financial payables | (2,618) | 1,274 |
| Payables due to shareholders | 708 | 7 |
| Obtainment/(repayment) of short-term bank loans | (1,722) | (1,300) |
| Loans | 0 | 6,495 |
| Loan repayment | (4,135) | (3,328) |
| Net financial charges paid | (1,353) | (1,401) |
| Dividends paid | 0 | 0 |
| Change in Group reserves | 535 | 140 |
| Put option payment | 0 | 0 |
| Cash flow from financing activities | (8,585) | 1,888 |
| Net cash flow for the period | (21,434) | (18,899) |
| Opening cash and cash equivalents | 52,651 | 28,108 |
| Closing cash and cash equivalents | 31,218 | 9,210 |

(*) Some amounts of this column don't correspond to those of the financial statement published as at 06/30/2021 because reflect valuations made during the Purchase Price Allocation of HBG Events at final values.