



Press release

## **Italian Exhibition Group: the Board of Directors approves the Consolidated Interim Management Report as at March 31st, 2021**

*The results in the quarter, in line with the expectations, put IEG in the solid position needed to capitalise on the recovery opportunities that will materialise in the second half.*

Total revenues in the first quarter of 2021 came to € 2.5 million, due to the lengthening of the suspension of activities to contain the pandemic (-95.9% over the first quarter of 2020).

EBITDA<sup>1</sup> stood at € -7.2 million, a reduction compared with the € 23.4 million of the first quarter of 2020. EBIT amounted to € -11.4 million compared to € 18.8 million in the same period of 2020.

The Group's net result came to € -11.8 million, down compared to € 11.9 million in the first quarter of 2020.

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*Rimini, May 13, 2021* – The Board of Directors of Italian Exhibition Group S.p.A. (IEG), a company listed since June 2019 on the MTA (screen-based equity market) organised and managed by Borsa Italiana S.p.A., today approved the Consolidated Interim Management Report as at March 31, 2021.

### **The main consolidated results of the first quarter of 2021**

In an altogether exceptional context in which the IEG Group was unable to carry out its ordinary business, the Group's activities concentrated on getting ready for a resumption and on an accurate and meticulous control of costs and cash flows, control which enabled it to report slightly better results than expected.

The total revenues of the IEG Group in the first quarter of 2021 stood at € 2.5 million, down by 95.9% compared with the € 60.4 in the same period of 2020. Despite having postponed the trade fair calendar, due to the persistence of the health crisis, the IEG Group was unable to open the doors of its trade fair districts and supported its exhibitors through digital platforms.

The drastic slump in turnover, despite the significant reduction in costs, led to a negative EBITDA of € 7.2 million, down compared to € 23.4 million in the same period of the previous year.

As a result of the events described above, the Group's Operating Profit/Loss (EBIT) stood at € -11.4 million, € 30.2 million lower than the same period of the previous year.

The Group's net result was impacted by the general reduction of the financial management expenses - which dropped from € 1.3 million in the first quarter of 2020 to € 0.4 million in the first quarter of 2021 (-67.7%) due primarily to the change in the fair value of derivatives and the decrease in financial expenses from put options - but also the non-provision of deferred tax assets on the reported loss, which came to € -11.8 million, compared to profit of € 11.9 million in the same period of the previous year.

The result for the period attributable to the shareholders of the Parent Company amounted to € -11.1 million compared to € 11.3 million in the same quarter of the prior year, down by € 22.5 million.

As at March 31, 2021, the net financial position amounted to € 141.5 million, compared to € 129.1 million as at December 31, 2020. The monetary NFP (which, therefore, does not take into account the debt of € 23.4 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 € 5.1 million) amounted to € 107.2 million, compared to € 93.3 million as at December 31, 2020.

The consolidated shareholders' equity as at March 31, 2021 amounted to € 81.5 million compared to € 92.3 million as at December 31, 2020.

### **Results by business area in the first quarter of 2021**

The reduction in revenues recorded in the first quarter of 2021 compared to the same period in the previous year concerned primarily the Organised Events and related services business line.

In particular, despite having presented Sigep Exp, the fully digital version of Sigep, and WeARe - new digital format for the Jewellery sector – Organised Events saw a reduction of € 33.4 million revenues compared to the same quarter of 2020, in which it was possible to hold on-site events. This effect is augmented by the impact of a different calendar, due to the postponement of the events traditionally held between February and March like Beer&Food Attraction, Bbtech and Pescare Show and the absence of the three-yearly event Abtech, which involved a further reduction in revenues of € 9.1 million compared to the first quarter of 2020. Despite the difficult context, albeit closed to the general public, a new event organised by the newly acquired entity HBG Events FZ Llc was held in February: «Dubai Muscle Classic», the biggest bodybuilding competition ever organised in the United Arab Emirates.

In the same way, revenues from Related Services - represented by stand fittings, catering and cleaning, recorded a reduction of roughly € 15 million (-93.6%) in the first quarter of 2021, compared to the same period of the previous year, a variation strictly related to the absence of on-site events.

Conferences that include the results deriving from the management of the venues of Palacongressi di Rimini and the Vicenza Convention Centre (VICC), reported revenues of € 0.2 million, marking a drop of € 0.6 million (-73.4%) with respect to the same period of 2020. In fact, this business line continued to be heavily impacted by the legislative provisions related to the health emergency and, also in this case, activities have been restricted to solely events in digital format.

## **Events subsequent to the end of the quarter and business outlook**

On April 23, 2021, the Council of Ministers extended the state of emergency until July 31, 2021, with the resumption of trade fair activities confirmed for June 15 and conferences from July 1, 2021. Also internationally, limitations on movements and generalised lockdowns remain in place, at times limited to specific areas or countries. Therefore, international mobility is still heavily restricted at present.

As a result, the Hosted Events Expodental and Macfrut will not be staged in the second quarter of 2021. Expodental was postponed to September (September 9-11, 2021), while Macfrut, which will be held at the same time as Fieravicola, has been scheduled for September 7-9, 2021.

Rimini Wellness, usually scheduled for the end of May, will be held on-site in the third quarter, also taking advantage of the huge outside space of the Rimini trade fair district for the entire part of the event dedicated to the world of fitness. Enada will take place from September 21-23, while the 2021 editions of Golositalia, Music Inside Rimini, HIT (this will have an special on line event for the Outdoor communities– the Special Sales – to be held from June 1st, to June 7th 2021), OroArezzo were cancelled, scheduled for 2022.

Beer&Food Attraction and Bbtech were instead held in digital format from April 12-13, 2021. The project, moving from a full digital trade fair format to a sponsored webinar session, hosted the «International Horeca Meeting» of Italgrob, talks, demos and show cooking.

From May 27-30, 2021, Abilmente Primavera Vicenza will switch to an on-line platform with Abilmente Academy, the digital event for aficionados with a wide variety of workshops on Paper, Scrap & Colour, Bijoux, Decoration, Needlework & Yarn, Embroidery.

In response to the lengthening of the Covid-19 health emergency, the Company continued to scrupulously monitor operating costs, structurally characterised by a significant incidence of variable costs, and pressed ahead with the process of cutting all general costs not strictly necessary and to maintaining the operations of facilities, and suspended all non-essential investments.

With regard to staff costs, the Company extended the use of social safety nets (specifically, the Wage Guarantee Fund) envisaged by governmental measures, until December 2021.

As at April 30, 2021, the Group has liquidity reserves augmented by authorised credit lines and not drawn down, for a total amount of at least € 33 million and is working on increasing these further for prudential purposes. From this perspective, the Board of Directors today resolved to authorise the CEO to finalise the application for a loan of € 10 million (of which € 647 thousand as non-repayable grant) as part of Simest's "Capitalisation in support of the trade fair system" programme.

Evaluations are continuing for a possible integration with Bologna Fiere.

The long months of pandemic have severely tested the men and women of IEG, but they have restored our awareness of being an agile company, prepared for rapid changes and able to respond effectively to emergencies. The experience gained in digital events and the constant interaction with our customers have convinced us of the unique value of trade fairs and conferences held on-site and the potential they hold if accompanied by a forward-looking policy of digitalisation created to support them. It will be possible to hold trade fairs from June 15, conferences from July 1. The IEG Group is ready.

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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 Operations as at March 31, 2021, approved today by the Board of Directors of Italian Exhibition Group S.p.A. will be made available on the website of the Company [www.iegexpo.it](http://www.iegexpo.it) in the Investor Relations section as well as at the registered office and the authorised storage device 1INFO Storage at [www.1info.it](http://www.1info.it) managed by 1INFO - Computershare S.p.A. - Via Lorenzo Mascheroni 19, 20145 Milan.

The results for the first quarter 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](http://www.iegexpo.it) from 5:45 pm.

## **FOCUS ON ITALIAN EXHIBITION GROUP**

Italian Exhibition Group (IEG), listed on the MTA (screen-based stock exchange) organized and managed by Borsa Italiana S.p.A., is a leader in Italy in the organization of trade fairs and one of the main operators in the trade fair and conference sector at European level, with structures in Rimini and Vicenza, as well as further sites in Milan and Arezzo. The IEG Group stands apart in the organisation of events in five categories: Food & Beverage; Jewellery & Fashion; Tourism, Hospitality and Lifestyle; Wellness, Sport and Leisure; Green & Technology. In the last few years, IEG started a significant expansion process abroad, also through the conclusion of joint ventures with local operators (for example, in the United States, Arab Emirates and in China). [www.iegexpo.it](http://www.iegexpo.it)

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.

<sup>1</sup>The 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:**

**ITALIAN EXHIBITION GROUP S.P.A.**

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in Euro thousand)**

<b>ASSETS (Values in Euro/000)</b>	<b>03/31/2021</b>	<b>12/31/2020</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	190,646	194,070
Intangible fixed assets	35,513	35,729
Equity investments valued using the equity method	3,717	3,616
Other equity investments	11,051	11,051
<i>Of which with related parties</i>	<i>10,974</i>	<i>10,974</i>
Deferred tax assets	6,766	6,830
Non-current financial assets for rights of use	629	672
Non-current financial assets	474	472
Other non-current assets	150	150
<b>TOTAL NON-CURRENT ASSETS</b>	<b>248,948</b>	<b>252,589</b>
<b>CURRENT ASSETS</b>		
Inventories	771	784
Trade receivables	10,423	13,554
<i>Of which with related parties</i>	<i>133</i>	<i>199</i>
Tax receivables for direct taxes	299	323
Current financial assets for rights of use	169	168
Current financial assets	59	59
<i>Of which with related parties</i>	<i>45</i>	<i>45</i>
Other current assets	4,144	4,313
Cash and cash equivalents	16,867	28,108
<b>TOTAL CURRENT ASSETS</b>	<b>32,732</b>	<b>47,309</b>
<b>TOTAL ASSETS</b>	<b>281,680</b>	<b>299,898</b>

LIABILITIES (Values in Euro/000)	03/31/2021	12/31/2020
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	52,215	52,215
Share premium reserve	13,947	13,947
Other reserves	28,937	28,645
Profit (loss) for previous years	(2,531)	8,781
Profit (loss) for the period attributable to shareholders of the Parent Company	(11,217)	(11,313)
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY</b>	<b>81,351</b>	<b>92,276</b>
Share capital and reserves attributable to minority interests	769	1,912
Profit (loss) for the period attributable to minority interests	(624)	(1,160)
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS</b>	<b>145</b>	<b>752</b>
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>	<b>81,496</b>	<b>93,028</b>
<b>NON-CURRENT LIABILITIES</b>		
Payables due to banks	85,981	85,986
Non-current financial liabilities for rights of use	21,282	21,974
<i>Of which with related parties</i>	<i>15,039</i>	<i>15,296</i>
Other non-current financial liabilities	14,262	15,797
Provisions for non-current risks and charges	1,621	1,632
Employee provisions	4,253	4,287
Other non-current liabilities	2,058	2,106
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>129,457</b>	<b>131,781</b>
<b>CURRENT LIABILITIES</b>		
Payables due to banks	30,983	28,837
Current financial liabilities for rights of use	2,913	3,359
<i>Of which with related parties</i>	<i>1,066</i>	<i>953</i>
Other current financial liabilities	4,259	2,604
Trade payables	18,482	23,445
<i>Of which with related parties</i>	<i>109</i>	<i>95</i>
Tax payables for direct taxes	14	15
Other current liabilities	14,076	16,828
<b>TOTAL CURRENT LIABILITIES</b>	<b>70,727</b>	<b>75,089</b>
<b>TOTAL LIABILITIES</b>	<b>281,680</b>	<b>299,898</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in Euro thousand)**

	03.31.2021	03.31.2020
<b>REVENUES</b>		
Revenues from sales and services	1,909	58,811
<i>Of which with related parties</i>	0	22
Other revenues	561	1,595
<i>Of which with related parties</i>	0	10
<b>TOTAL REVENUES</b>	<b>2,470</b>	<b>60,406</b>
<i>Of which non-recurring revenues</i>	93	315
<b>OPERATING COSTS</b>		
Change in inventories	(14)	(22)
Costs for raw materials, consumables and goods for resale	(273)	(4,128)
Costs for services	(4,354)	(21,912)
<i>Of which with related parties</i>	0	(9)
<i>Of which costs for non-recurring services</i>	(550)	0
Costs for use of third-party assets	(1)	(1,528)
Personnel costs	(4,702)	(8,613)
Other operating costs	(349)	(822)
<i>Of which with related parties</i>	0	(3)
<b>TOTAL OPERATING COSTS</b>	<b>(9,695)</b>	<b>(37,025)</b>
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>(7,225)</b>	<b>23,382</b>
<i>Of which impact of non-recurring items</i>	(643)	315
Depreciation, amortisation and write-downs of fixed assets	(4,178)	(4,336)
Write-down of receivables	0	(259)
Provisions	(1)	(33)
Value adjustments of financial assets other than equity investments	2	0
<b>OPERATING PROFIT/LOSS</b>	<b>(11,402)</b>	<b>18,754</b>
<b>FINANCIAL INCOME AND CHARGES</b>		
Financial income	5	7
Financial charges	(374)	(1,344)
Exchange rate gains and losses	(65)	(4)
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>(433)</b>	<b>(1,341)</b>
<b>GAINS AND LOSSES FROM EQUITY INVESTMENTS</b>		
Effect of valuation of equity investments with the equity method	0	0
Other gains/losses on equity investments	0	0
<i>Of which with related parties</i>	0	0
<b>TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS</b>	<b>0</b>	<b>0</b>
<b>PRE-TAX RESULT</b>	<b>(11,835)</b>	<b>17,413</b>
<b>INCOME TAXES</b>		
Current taxes	(2)	(5,664)
Deferred tax assets/liabilities	(4)	106
Taxes related to previous years	0	0
<b>TOTAL INCOME TAXES</b>	<b>(6)</b>	<b>(5,558)</b>
<b>GROUP PROFIT/LOSS FOR THE YEAR</b>	<b>(11,841)</b>	<b>11,855</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTERESTS</b>	<b>(624)</b>	<b>546</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY</b>	<b>(11,217)</b>	<b>11,309</b>
<b>EARNINGS PER SHARE</b>	<b>(0.3634)</b>	<b>0.3664</b>
<b>DILUTED EARNINGS PER SHARE</b>	<b>(0.3634)</b>	<b>0.3664</b>

	03.31.21	03.31.20
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(11,841)</b>	<b>11,855</b>
<b>Other comprehensive income components which will be subsequently reclassified under profit/(loss) for the year:</b>		
Gains/(losses) on financial instruments for cash flow hedges	107	(206)
Taxes on derivative financial instruments	(26)	50
Gains/(losses) on translation of financial statements in foreign currency	227	196
<b>Total other comprehensive income components which will be subsequently reclassified under profit/(loss) for the year</b>	<b>308</b>	<b>39</b>
<b>TOTAL PROFIT/(LOSS) BOOKED TO SHAREHOLDERS' EQUITY</b>	<b>308</b>	<b>39</b>
<b>COMPREHENSIVE INCOME/LOSS FOR THE PERIOD</b>	<b>(11,533)</b>	<b>11,894</b>
<b>Attributable to:</b>		
Minority interests	(608)	580
Shareholders of the Parent Company	(10,926)	11,314



**CONSOLIDATED CASH FLOW STATEMENT (in Euro thousand)**

<i>Values in Euro/000</i>	<b>03/31/2021</b>	<b>03/31/2020</b>
<b>Profit before tax</b>	<b>(11,835)</b>	<b>17,413</b>
<i>Of which with related parties</i>	<i>0</i>	<i>20</i>
<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	4,178	4,336
Provisions and write-downs	-	259
Other provisions	1	33
Charges/(income) from valuation of equity investments in other companies with the equity method	-	-
Write-down of financial assets	(2)	-
Net financial charges	433	1,341
Costs for use of third-party assets (IFRS 16)	(855)	(973)
Effect on EBIT - financial charges for Put Options	-	(70)
Other non-monetary changes	(48)	(48)
<b>Cash flow from operating activities before changes in working capital</b>	<b>(8,129)</b>	<b>22,290</b>
<i>Change in working capital:</i>		
Inventories	13	14
Trade receivables	3,130	10,274
<i>Of which with related parties</i>		<i>36</i>
Trade payables	(5,262)	(1,641)
<i>Of which with related parties</i>		<i>36</i>
Other current and non-current assets	169	(205)
Other current and non-current liabilities	(2,696)	(30,941)
Receivables/payables for current taxes	21	98
<i>Of which with related parties</i>		<i>-</i>
Deferred tax assets/liabilities	25	215
<b>Cash flow from changes in working capital</b>	<b>(4,599)</b>	<b>(22,487)</b>
Income taxes paid	-	-
Employee provisions and provisions for risks	(46)	(9)
<b>Cash flows from operating activities</b>	<b>(12,774)</b>	<b>(205)</b>
<i>Cash flow from investment activities</i>		
Net investments in intangible fixed assets	(276)	(200)
Net investments in property, plant and equipment	(326)	(1,289)
Dividends from associated companies and joint-ventures	-	-
<i>Of which with related parties</i>		<i>-</i>
Change in current and non-current financial assets	(1)	112
<i>Of which with related parties</i>		<i>-</i>
Net equity investments in subsidiaries	-	-
Changes in equity investments in associated companies and other companies	(102)	(25)
<b>Cash flow from investment activities</b>	<b>(705)</b>	<b>(1,402)</b>
<i>Cash flow from financing activities</i>		
Change in financial payables	2,709	(5,134)
Payables due to shareholders	10	(87)
Net financial charges paid	(580)	(570)
Dividends paid	-	-
Change in Group reserves	98	196
<b>Cash flow from financing activities</b>	<b>2,238</b>	<b>(5,596)</b>
<b>Net cash flow for the period</b>	<b>(11,241)</b>	<b>(7,203)</b>
Opening cash and cash equivalents	28,108	22,198
Closing cash and cash equivalents	16,867	14,996