INTERIM FINANCIAL REPORT AS AT SEPTEMBER 30TH, 2019

ITALIAN EXHIBITION GROUP S.p.A.
Via Emilia 155 – 47921 Rimini
Share capital: € 52,214,897 fully paid-in
Rimini Register of Companies no. 00139440408
REA (economic and administrative index) no. 224453
VAT no. and Tax Code 00139440408

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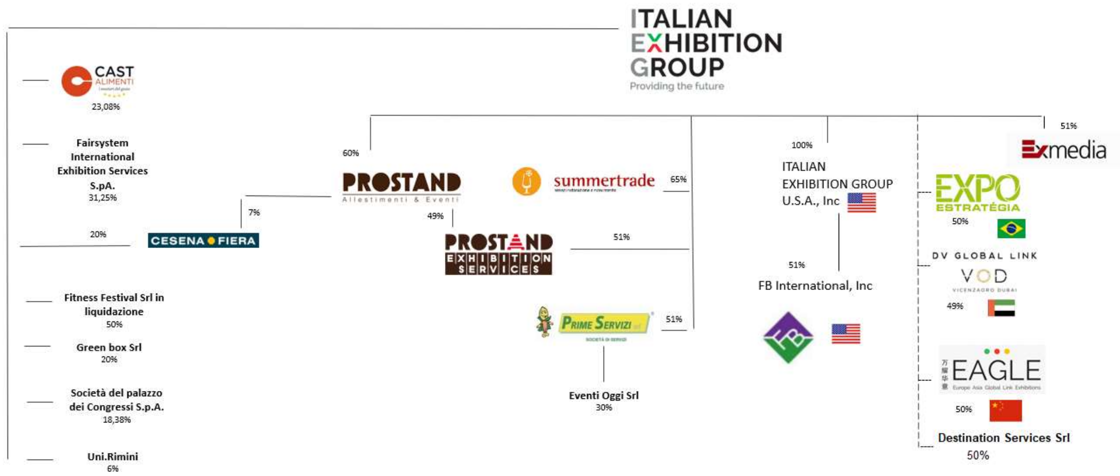
Structure of the IEG Group

STRUCTURE OF THE IEG GROUP
POSITION AS AT SEPTEMBER 30TH, 2019



The IEG Group is active in organising trade fairs, hospitality for trade fairs and other events through the provision of fitted-out exhibition spaces, promoting and managing convention centres and supplying services related to trade fairs and conferences. Lastly, the Group is active in the publishing sector and trade fair services connected with sporting events hosted.

The Group confirmed its position as one of the leading national and European operators in the trade fair organisation sector: in particular, it is a leader in Italy in organising international events, focussing on those targeted at the professional sector (so-called B2B events).

It organises and manages trade fairs primarily in the following structures:

- Quartiere Fieristico (Trade Fair District) of Rimini, located in via Emilia no. 155;
- Quartiere Fieristico (Trade Fair District) of Vicenza, situated in via dell'Oreficeria no. 16;
- Palacongressi di Rimini, located in via della Fiera no. 23 in Rimini;
- Vicenza Convention Centre of Vicenza, in via dell'Oreficeria no. 16.

The two trade fair districts are owned by the Parent Company Italian Exhibition Group S.p.A., the Rimini convention centre is leased while the one in Vicenza is part owned and part leased, based on a gratuitous loan for use agreement expiring on December 31st, 2050.

The Parent Company also operates through a local unit in Milan.

Aside from the Rimini and Vicenza sites, the Group organises trade fairs in the trade fair districts of other operators in Italy and abroad (e.g. Rome, Milan, Arezzo, Dubai, Las Vegas), also through subsidiaries and associated companies.

As at September 30th, 2019, the Parent Company exercises management and coordination activities, pursuant to and in accordance with art. 2497 bis of the Italian Civil Code, for Exmedia S.r.l., Prime Servizi S.r.l., Prostand Exhibition Services S.r.l., Summertrade S.r.l., Pro.Stand S.r.l., Italian Exhibition Group USA Inc. and FB International Inc.

Italian Exhibition Group S.p.A. is a subsidiary of Rimini Congressi S.r.l., which, in turn, drafts the consolidated financial statements. The Company, nonetheless, is not subject to management and coordination by Rimini Congressi S.r.l. pursuant to art. 2497 et seq. of the Italian Civil Code. In fact, none of the activities that typically prove management and coordination activities pursuant to art. 2497 et seq. of the Italian Civil Code exist, given that, by way of a non-exhaustive example:

- Rimini Congressi does not exercise any significant influence over the management decisions and operations of the Issuer, but limits it relations with said entity to the normal exercise of administrative and equity rights owing to its status of holder of voting rights; there is no connection between the members of the administration, management control bodies of the two companies;
- the Company does not receive - and, at any rate, is not subject in any way - to the financial or credit directives or instructions from Rimini Congressi;
- the Company has an organisational structure composed of expert professionals who, based on the powers conferred and the positions held, operate independently in line with the indications of the Board of Directors;
- the Company prepares the strategic, industrial, financial and/or budget plans of the Issuer and of the Group independently, and autonomously implements these;
- the Company operates fully independently, from a contractual perspective, in relations with its customers and its suppliers, without any external interference from Rimini Congressi.

COMPOSITION OF THE GROUP AND CHANGES WITH RESPECT TO DECEMBER 31ST, 2018

A summary of the activities carried out by the various Group companies and the main changes in the composition of the Group compared to the situation as at December 31st, 2018 is provided below. The Group structure as at September 30th, 2019 differs from the one as at December 31st, 2018 due to the following changes.

- Merger by incorporation of Colorcom S.r.l. in Prostand S.r.l., carried out on April 1st, 2019, backdated to January 1st, 2019 for accounting and tax purposes.
- Incorporation, on February 26th, 2019, of the company Destination Services S.r.l., a jointly controlled company that will handle the promotion and organisation of tourist services.

Italian Exhibition Group S.p.A. is the Parent Company, created as a result of the transfer to Rimini Fiera S.p.A. of the company managed by Fiera di Vicenza S.p.A. (now Vicenza Holding S.p.A.) and the simultaneous change of the former's company name. Italian Exhibition Group S.p.A., in addition to its role of management of Group activities, organises/hosts trade fairs and conferences at the above-mentioned places and in other locations. As part of trade fair support services, IEG also carries out publishing activities.

The Group is composed of **various operating subsidiaries** which, given held directly or indirectly, with stakes of more than 50%, are consolidated on a *line-by-line basis*. The companies listed below fall under this group.

Exmedia S.r.l. operates in the trade fair/conference organisation sector. In particular, in the trade fair district of Rimini, the company organises the event *Food Nova – international show dedicated to gluten-free products and the latest food trends.* The company is currently 51% owned.

Summertrade S.r.l., 65% owned, operates in catering and banqueting in both the trade fair districts of Rimini and Vicenza and at the Palacongressi and Convention Centre of Vicenza, for which it is the exclusive concession holder of the service, and at other sales points, restaurants and company cafeterias. Summertrade also manages catering services at Cesena Fiera, the trade fair district and the convention centre of Riva del Garda, the Cesena hippodrome and at the Misano World Circuit "Marco Simoncelli".

Italian Exhibition Group USA Inc., company with registered office in the United States, established in 2017 by the Parent Company and wholly-owned by the latter, acquired 51% of FB International Inc. on March 1st, 2018.

FB International Inc., company with registered office in the United States, joined the IEG Group on March 1st, 2018 through the acquisition of 51% of the share capital by Italian Exhibition Group USA Inc,. The Company operates in the trade fair stand fitting field in North America.

Prime Servizi S.r.l., established in 2005, is 51% owned and operates in the marketing of cleaning and porterage services.

Pro.Stand S.r.l., 60% owned as a result of the acquisition of shares on September 1st, 2018, operates in the sales of stand fitting equipment and integrated solutions in support of trade fairs and conferences for the national and international market.

Colorcom S.r.l., wholly-owned by Pro.Stand S.r.l. as a result of the acquisition of shares on September 1st, 2018, at the same time as the acquisition of Pro.Stand S.r.l. by the Parent Company. The company was merged by incorporation into its holding company Pro.Stand S.r.l., effective for statutory and tax-related purposes from January 1st, 2019.

Prostand Exhibition Services S.r.l., 51% owned directly by the Parent Company and 49% indirectly through Pro.Stand S.r.l., operates in the trade fair stand fitting field.

Some ***associated companies*** recorded in the consolidated financial statements using the *equity method* also belong to the Group. The following companies fall into this category.

Fairsystem S.r.l., in which IEG S.p.A. holds a 31.25% stake, is active in trade fair services and promoting and organising events abroad. It should be noted that the company was placed into liquidation on April 18th, 2019.

Eventioggi S.r.l.: in which an indirect stake of 30% is held through Prime Servizi, is active in the event design and organisation sector.

Green Box S.r.l.: in 2014, Rimini Fiera acquired 20% of the company following agreements with Florasì -– Consorzio Nazionale per la promozione dei florovivaisti Soc. Coop.- and Florconsorzi for the organisation in Rimini of an event dedicated to plant nursery in autumn 2015.

Cesena Fiera S.p.A.: in 2017, IEG S.p.A. acquired 20% of the capital of the company active in the trade show events and exhibitions organisation sector. In particular, the company conceived MacFrut, the professional trade show, a reference point of the entire national and international fruit and vegetable chain, held in the Rimini trade fair district. Through the acquisition of Pro.Stand S.r.l., the Group indirectly holds an additional 8.5% of the company.

In addition to the subsidiaries and associated companies cited above, note should be taken of the Parent Company's participation in the **joint-venture** for the development of international trade fairs. The following companies fall into this category.

Expo Extratégia Brasil Eventos e Produções Ltda: in 2015, Rimini Fiera S.p.A. (now IEG S.p.A.), together with the company Tecniche Nuove S.p.A. of Milan and local partner Julio Tocalino Neto, completed the incorporation of the jointly-controlled Brazilian company, with registered office in San Paolo. The company holds events and produces technical publications in the environmental sector. In 2016, the shareholders IEG S.p.A. and Tecniche nuove increased their stake, bringing it to 50% each, by acquiring the shares of the local shareholder. In 2017, the shareholder Tecniche nuove sold its shares to its subsidiary, Senaf S.r.l., specialised in organising events.

Dv Global Link LLC: is 49% owned by IEG S.p.A. and the result of the Joint Venture between the then Fiera di Vicenza S.p.A. and the company DXB Live LLC, a UAE company 99% owned by Dubai World Trade Centre LLC. The Joint Venture organises Vicenzaoro Dubai, an event dedicated to jewellery and gold in an exclusive location in the UAE, able to compete at global level with the main events currently in existence.

Europe Asia Global Link Exhibitions Ltd. (EAGLE): on December 29th, 2018, the Parent Company acquired 50% of the company established in 2018 by VNU Exhibition Asia Co Ltd. The company has its registered office in Shanghai and is active in organising and managing trade fairs in the Asian market.

Destination Services S.r.l.: a company in which a 50% stake is held, incorporated on February 26th, 2019 together with the shareholder Promozione Alberghiera soc. coop. The company will handle the promotion and organisation of tourist services.

Lastly, the Group has some **minority shareholdings**, listed below, which are classified under fixed assets. These will be detailed extensively in the Explanatory notes to the consolidated financial statements.

Società del Palazzo dei Congressi S.p.A.: the company, incorporated in 2005 by the then Rimini Fiera, through the transfer of its conference business unit, constructed and is the owner of the Rimini Conference Centre which it leases to the Parent Company. In 2007, as a result of the share capital increase and the subsequent entry of new shareholders Rimini Fiera (now IEG) lost control of the company, reducing its share of ownership to 35.34%. Subsequently, as a result of further share capital increases subscribed by other shareholders, Italian Exhibition Group S.p.A.'s share fell to the current 18.38%.

Administration and Control Bodies of Italian Exhibition Group S.p.A.

ADMINISTRATION AND CONTROL BODIES OF IEG S.P.A.

BOARD OF DIRECTORS

Lorenzo Cagnoni	Chairman and Chief Executive Officer
Daniela Della Rosa	Director (*) (1) (3)
Maurizio Renzo Ermeti	Director (2)
Lucio Gobbi	Director (*) (1)
Catia Guerrini	Director (*) (1)
Valentina Ridolfi	Director (*) (2)
Simona Sandrini	Director (*)
Fabio Sebastiano	Director (*) (2)

(*) Independent pursuant to the Corporate Governance Code of Borsa Italiana
(1) Member of the Control and Risk Committee
(2) Member of the Remuneration and Appointments Committee
(3) Lead Independent Director

BOARD OF STATUTORY AUDITORS

Massimo Conti	Chairman
Cinzia Giaretta	Standing Auditor
Marco Petrucci	Standing Auditor
Mariliana Donati	Alternate Auditor
Paola Negretto	Alternate Auditor

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL DOCUMENTS

Roberto Bondioli

The Board of Directors was appointed by the Shareholders' Meeting held on April 27th, 2018 and shall remain in office until the financial statements for the year ended as at December 31st, 2020 are approved. The Board of Statutory Auditors was appointed by the Shareholders' Meeting held on July 4th, 2017 and shall remain in office until the financial statements for the year ended as at December 31st, 2019 are approved. On August 3rd, 2018, following the resignation of Mr. Mario Giglietti, Chairman of the Board of Statutory Auditors, the Shareholders' Meeting appointed Massimo Conti as his replacement, who will step down from office together with the rest of the members of the Board of Statutory Auditors.

Effective from June 19th, 2019, the date of the start of trading of ordinary shares on the MTA (screen-based equities market), given the company is considered a Public Interest Entity pursuant to art. 16 of Legislative Decree 39/2010, it was necessary to assign the independent auditors a new nine-year audit engagement (in accordance with art. 17 of Legislative Decree 39/2010) through the Shareholders' Meeting of October 17th, 2018, subject to the start of trading. The audit engagement will finish with approval of the financial statements for the year ended as at December 31st, 2027.

Again effective from the date of the start of trading of ordinary shares on the MTA (screen-based equities market), in order to satisfy the requirements of Law no. 262 of December 28th, 2005 (art. 154 bis of the Consolidated Law on Finance), Roberto Bondioli assumed the position of Manager responsible for preparing the company's financial documents as per the resolution of the Board of Directors of September 3rd, 2018, having acquired the opinion of the Board of Statutory Auditors.

The Board of Directors is vested with all the widest powers for the ordinary and extraordinary administration of the company, with the sole exclusion of those acts that the national or regional laws reserve to the shareholders' meeting or which are assigned to it by the company Articles of Association (for example, the issuing of significant guarantees and transfer of trademarks).

On June 20th, 2019, the resignation from the position of member of the Board of Directors was received from Roberta Albiero, effective immediately, and Fabio Sebastiano renounced his role of Deputy Chairman of the Board of Directors who, however, will continue to hold the office of member of the company's administrative body.

On August 28th, 2019, the Chief Executive Officer, Ugo Ravanelli, resigned from all of the positions held in the Parent Company and in the investee companies of the same.

The Board of Directors meeting held on August 29th, 2019, whist awaiting to identify a suitable individual to act as Chief Executive Officer of Italian Exhibition Group S.p.A., resolved to award the Chairman of the Board of Directors, Lorenzo Cagnoni, all powers relating to the ordinary and extraordinary management of the Parent Company IEG, excluding matters that according to the articles of association must be decided by Shareholders or the Board of Directors, as well as others that will in any event continue to be the responsibility of the Board of Directors. Furthermore, the Board of Directors appointed Lorenzo Cagnoni as "director responsible for the internal control and risk management system" for the tasks indicated in art. 7, paragraph 4 of the Corporate Governance Code of Borsa Italiana

Interim Report on Operations

GROUP PERFORMANCE AND ANALYSIS OF THE MAIN RESULTS OF THE THIRD QUARTER OF 2019 AND AS AT SEPTEMBER 30TH 2019

The consolidated interim report of the IEG Group (hereinafter also the "Group") as at September 30th, 2019, not subject to auditing, was drafted in accordance with International Financial Reporting Standards (IFRS), all International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with the procedure laid down in art. 6 of Regulation (EC) No. 1606/2002 of the European Parliament and the European Council of July 19th, 2002. As this Interim financial report has been drawn up in a condensed format, it does not include all of the information required for the annual financial report and, therefore, should be read together with the same prepared for the year ended as at December 31st, 2018, and with the half-yearly financial report drawn up for the period ending on June 30th, 2019.

The total revenues of the IEG Group in the third quarter, characterised by less intense trade fair and conference activity than the summer months, amounted to € 28.4 million, compared to € 34.7 million in the third quarter of 2018 and mainly reflect the absence of the important biennial exhibition Tecnargilla, which is held in even-numbered years.

The EBITDA and EBIT, positively impacted by the application of accounting standard IFRS 16 by €1.1 million and € 105 thousand respectively, amounted to € 3.9 million and € -360 thousand respectively, against € 5.5 million and € 2.6 million recorded in the first nine months of 2018. In additional to the impact of the trade fair calendar mentioned above, the EBITDA was influenced by the consolidation of the operating results for July and August of the Italian stand fitting companies, acquired at the beginning of September 2018, which also reflected the seasonal nature of the trade fair-conference business. These negative impacts were partially offset by the organic growth of the main exhibitions of the third quarter, by the stabilisation and strengthening of efforts to improve efficiency, which started in previous periods and by the one-off chargeback to the selling shareholders of a fair part of the costs incurred for the IPO process (around € 1 million). Lastly, the EBIT also reflected the rise in depreciation costs following the entry into operation of investments made in previous periods.

Due to the higher financial charges resulting from the change in the fair value of financial derivatives (€ 602 thousand) and from figurative payables for put options (€ 84 thousand), the Group recorded a net loss for the period of € 1.8 million, compared to a net profit of € 1.7 million in the same period of the previous year. A net loss of € 1.3 million, against a net profit of € 1.2 million in the same period of the previous year was recorded for the part attributable to the shareholders of the Parent Company.

The total revenues for the first nine months of the IEG Group, corresponding to € 128.3 million, indicate a 14.6% rise against € 112 million recorded for the same period of the previous year. Despite the less favourable trade fair calendar, these results indicate a continuation of the growth trend already recorded at the end of 2018 (+22% against the previous year) and demonstrate the effectiveness of the strategies set in place by IEG targeting both the development of products in the portfolio and external growth.

The EBITDA and EBIT, positively impacted by € 3 million and € 0.1 million respectively, following the application of IFRS 16, amounted to € 30.6 million and € 17.5 million respectively, showing a strong growth trend against the first nine months of 2018, which did not enjoy the impact of IFRS 16, and which amounted to € 22.6 and € 14.5 million. Even if the positive impact of the application of the above-cited accounting standard are not considered, the operating profit indicators, EBITDA and EBIT show an increase of 22.4% and 19.9% respectively, compared to the same period of the previous year, due also to policies make the management of operating costs more efficient.

Due to the higher financial management charges resulting from the change in the fair value of financial derivatives (€ 1.5 million) and the charges relating to figurative payables for put options (€ 434 thousand), the Group recorded a net profit for the period of € 8.9 million, compared to € 9.3 million for the first nine months of 2018.

The net profit attributable to the shareholders of the Parent Company amounted to € 8.4 million (reflecting a negative impact of IFRS 16 of € 221 thousand) against € 8.1 million in the first nine months of 2018. If the negative impact of the application of accounting standard IFRS 16 is removed for comparison purposes, the net profit would have been € 8.6 million, therefore 6.4% better than that of the same period of the previous year.

The results achieved in the first nine months of 2019, therefore, confirm the IEG Group's leading position in the management of directly organised events and, consequently, in the level of profitability of its core business which, through the above-mentioned acquisitions in the stand fitting business, registered significant expansion in the world of related higher value-added services.

It should be noted that the data reported in the tables in this report are stated in thousands of Euros, unless specified otherwise.

It should be pointed out that new standard IFRS 16 - Leases entered into force on January 1st, 2019, which the Group complied with as of said date. The impacts on the financial position as at September 30th, 2019 are summarised in the following table. In particular, the new standard involved lower profit for the period of around € 0.3 million, a net increase in fixed assets of around € 28.6 million and a worsening in the NFP of around € 32.0 million.

IEG Group - Impacts of IFRS 16	30.09.2019 with IFRS 16	30.09.2019 without IFRS 16	Impact of IFRS 16 30.09.2019
Operating costs	(97,675)	(100,664)	2,989
Gross Operating Profit (EBITDA)	**30,608**	**27,619**	**2,989**
Amortisation, depreciation and write-downs of fixed assets	(12,327)	(9,474)	(2,853)
Operating Profit/Loss (EBIT)	**17,467**	**17,331**	**136**
Financial management	(3,892)	(3,396)	(495)
Pre-tax result	**13,675**	**14,034**	**(359)**
Income taxes	(4,738)	(4,818)	81
Profit/loss for the period	**8,937**	**9,215**	**(278)**
Property, Plant and Equipment	**210,824**	**182,243**	**28,581**
Net financial position	**(119,116)**	**(87,127)**	**(31,989)**

IEG Group - Impacts of IFRS 16	3Q 2019 with IFRS 16	3Q 2019 without IFRS 16	Impact of IFRS 16 3Q 2019
Operating costs	(24,318)	(25,412)	1,094
Gross Operating Profit (EBITDA)	**4,033**	**2,939**	**1,094**
Amortisation, depreciation and write-downs of fixed assets	(4,181)	(3,191)	(990)
Operating Profit/Loss (EBIT)	**(224)**	**(328)**	**104**
Financial management	(1,211)	(1,045)	(165)
Pre-tax result	**(1,425)**	**(1,364)**	**(61)**
Income taxes	(317)	(326)	11
Profit/loss for the period	**(1,742)**	**(1,691)**	**(50)**
Property, Plant and Equipment	**(523)**	**285**	**(808)**
Net financial position	**1,068**	**1,051**	**16**

ANALYSIS OF CONSOLIDATED RECLASSIFIED INCOME STATEMENT DATA

The table below presents the IEG Group's reclassified Income Statement, in order to highlight the main operating results as at September 30th, 2019 and the changes with respect to the previous period. The table also shows the percentage breakdown of revenues and the percentage impact of each item with respect to the "Value of production".

IEG Group Reclassified Income Statement	30.09.2019	%	30.09.19 rev. Excluding IFRS16	%	30.09.2018 (*)	%	Change 2019 rev - 2018	% chg. 2019 rev - 2018
Revenues from sales and services	125,196	*97.6%*	125,196	*97.6%*	110,225	*98.4%*	14,971	*13.6%*
Other revenues	3,087	*2.4%*	3,087	*2.4%*	1,748	*1.6%*	1,339	*76.6%*
Value of production	**128,283**	***100.0%***	**128,283**	***100.0%***	**111,973**	***100.0%***	**16,310**	***14.6%***
Operating costs	(71,637)	*(55.8%)*	(74,626)	*(58.2%)*	(66,850)	*(59.7%)*	(7,777)	*11.6%*
Value added	**56,646**	***44.2%***	**53,657**	***41.8%***	**45,124**	***40.3%***	**8,533**	***18.9%***
Staff costs	(26,038)	*(20.3%)*	(26,038)	*(20.3%)*	(22,563)	*(20.2%)*	(3,474)	*15.4%*
Gross Operating Profit (EBITDA)	**30,608**	***23.9%***	**27,619**	***21.5%***	**22,560**	***20.1%***	**5,059**	***22.4%***
Amortisation, depreciation and write-downs of fixed assets	(12,327)	*(9.6%)*	(9,474)	*(7.4%)*	(7,338)	*(6.6%)*	(2,137)	*29.1%*
Write-downs of receivables, provisions, adjustments to value of financial assets	(814)	*(0.6%)*	(814)	*(0.6%)*	(773)	*(0.7%)*	(41)	*5.3%*
Operating Profit/Loss (EBIT)	**17,467**	***13.6%***	**17,331**	***13.5%***	**14,450**	***12.9%***	**2,882**	***19.9%***
Financial management	(3,892)	*(3.0%)*	(3,396)	*(2.6%)*	(1,156)	*(1.0%)*	(2,240)	*193.8%*
Financial income (charges)	(1,206)	*(0.9%)*	(1,206)	*(0.9%)*	(958)	*(0.9%)*	(248)	*25.9%*
Mark to Market value - derivative	(1,212)	*(0.9%)*	(1,212)	*(0.9%)*	303	*0.3%*	(1,515)	*<(100%)*
Financial charges for IFRS 16	(495)	*(0.4%)*	0	*0.0%*	0	*0.0%*	0	*0.0%*
Financial charges on Put Options	(910)	*(0.7%)*	(910)	*(0.7%)*	(475)	*(0.4%)*	(434)	*91.3%*
Exchange gains (losses)	(70)	*(0.1%)*	(70)	*(0.1%)*	(26)	*(0.0%)*	(43)	*165.7%*
Gains and losses on equity investments	99	*0.1%*	99	*0.1%*	24	*0.0%*	74	*305.7%*
Pre-tax result	**13,675**	***10.7%***	**14,034**	***10.9%***	**13,318**	***11.9%***	**716**	***5.4%***
Income taxes	(4,738)	*(3.7%)*	(4,818)	*(3.8%)*	(4,043)	*(3.6%)*	(776)	*19.2%*
Group result for the period	**8,937**	***7.0%***	**9,215**	***7.2%***	**9,275**	***8.3%***	**(60)**	***(0.6%)***
Of which:								
Result for the period attributable to Minority interests	*550*	*0.4%*	*608*	*0.5%*	*1,188*	*1.1%*	*(580)*	*(48.8%)*
Result for the period attributable to Shareholders of the Parent Company	***8,387***	***6.5%***	***8,608***	***6.7%***	***8,087***	***7.2%***	***520***	***6.4%***

(*) Some of the amounts shown in this column do not correspond to those of the 2018 financial statements, as they reflect the valuations made at the time of the Purchase Price Allocation of Prostand and Colorcom at final values. For more details, refer to the paragraph entitled Business Combination in the Measurement criteria section of the explanatory notes to the Consolidated Financial Statements.

The table below presents the IEG Group's reclassified Income Statement, in order to highlight the main operating results for the third quarter of 2019 and the changes with respect to the third quarter of the previous year. The table also shows the percentage breakdown of revenues and the percentage impact of each item with respect to the "Value of production".

IEG Group Reclassified Quarterly Income Statement	**3Q 2019**	**%**	**3Q rev. Excluding IFRS16**	**%**	**3Q 2018 (*)**	**%**	**Change 2019 rev - 2018**	**% chg. 2019 rev - 2018**
Revenues from sales and services	26,678	*94.1%*	26,678	*94.1%*	34,106	*98.4%*	(7,429)	*(21.8%)*
Other revenues	1,673	*5.9%*	1,673	*5.9%*	558	*1.6%*	1,115	*199.8%*
Value of production	**28,351**	***100.0%***	**28,351**	***100.0%***	**34,664**	***100.0%***	**(6,313)**	***(18.2%)***
Operating costs	(16,527)	*(12.9%)*	(17,621)	*(13.7%)*	(21,538)	*(19.2%)*	3,917	*(18.2%)*
Value added	**11,824**	***9.2%***	**10,730**	***8.4%***	**13,126**	***11.7%***	**(2,396)**	***(18.3%)***
Staff costs	(7,928)	*(6.2%)*	(7,928)	*(6.2%)*	(7,605)	*(6.8%)*	(323)	*4.2%*
Gross Operating Profit (EBITDA)	**3,897**	***3.0%***	**2,803**	***2.2%***	**5,521**	***4.9%***	**(2,719)**	***(49.2%)***
Amortisation, depreciation and write-downs of fixed assets	(4,181)	*(3.3%)*	(3,191)	*(2.5%)*	(2,583)	*(2.3%)*	(608)	*23.5%*
Write-downs of receivables, provisions, adjustments to value of financial assets	(76)	*(0.1%)*	(76)	*(0.1%)*	(290)	*(0.3%)*	214	*(73.8%)*
Operating Profit/Loss (EBIT)	**(360)**	***(0.3%)***	**(465)**	***(0.4%)***	**2,649**	***2.4%***	**(3,113)**	***(117.5%)***
Financial management	(1,202)	*(0.9%)*	(1,037)	*(0.8%)*	(309)	*(0.3%)*	(728)	*236.0%*
Financial income (charges)	(220)	*(0.2%)*	(220)	*(0.2%)*	(135)	*(0.1%)*	(86)	*63.4%*
Mark to Market value - derivative	(467)	*(0.4%)*	(467)	*(0.4%)*	135	*0.1%*	(602)	*<(100%)*
Financial charges for IFRS 16	(165)	*(0.1%)*	0	*0.0%*	0	*0.0%*	0	*0.0%*
Financial charges on Put Options	(306)	*(0.2%)*	(306)	*(0.2%)*	(223)	*(0.2%)*	(84)	*37.7%*
Exchange gains (losses)	(43)	*(0.0%)*	(43)	*(0.0%)*	(86)	*(0.1%)*	43	*(49.9%)*
Gains and losses on equity investments	9	*0.0%*	9	*0.0%*	0	*0.0%*	9	*>100%*
Pre-tax result	**(1,553)**	***(1.2%)***	**(1,492)**	***(1.2%)***	**2,340**	***2.1%***	**(3,832)**	***(163.8%)***
Income taxes	(278)	*(0.2%)*	(289)	*(0.2%)*	(683)	*(0.6%)*	394	*(57.7%)*
Total result for the year	**(1,832)**	***(1.4%)***	**(1,781)**	***(1.4%)***	**1,657**	***1.5%***	**(3,438)**	***(207.5%)***
Of which:								
Result for the period attributable to Minority interests	*(550)*	*(0.4%)*	*(598)*	*(0.5%)*	*502*	*0.4%*	*(1,100)*	*(219.1%)*
Result for the period attributable to Shareholders of the Parent Company	***(1,282)***	***(1.0%)***	***(1,183)***	***(0.9%)***	***1,155***	***1.0%***	***(2,337)***	***(202.4%)***

(*) Some of the amounts shown in this column do not correspond to those of the 2018 financial statements, as they reflect the valuations made at the time of the Purchase Price Allocation of Prostand and Colorcom at final values. For more details, refer to the paragraph entitled Business Combination in the Measurement criteria section of the explanatory notes to the Consolidated Financial Statements.

The income statement figures for the third quarter of 2019 and for the nine months ending on September 30th, 2019, compared with the third quarter of 2018, and with the nine months ending on September 30th, 2018, encompass the effects of the change in the scope of consolidation due to the acquisition of FB International Inc., which became part of the IEG Group from March 1st 2018, of Prostand S.r.l. and of Colorcom Allestimenti Fieristici S.r.l. acquired on September 1st, 2018.

With reference to the single Group business sector relating to the "Hosting of trade fairs, events and performance of related services", the revenues from sales and services are presented below, broken down according to the following business lines:

- organisation and holding of trade fairs and exhibitions (the "**Organised Events**");

- the rental of trade fair facilities at events organised by third party organisers (the "**Hosted Events**");
- the promotion and management of convention centres and the supply of specific connected services (the "**Conferences**");
- the provision and supply of services related to trade fairs and conferences, in relation to both proprietary events and events organised by third parties at the Group's facilities or in other locations (the "**Related Services**");
- the performance of other activities and the provision of non-core services, such as publishing, sports, rental of advertising spaces and district commercial and advertising activities ("**Publishing, Sporting events and Other Activities**").

IEG Group
Revenues from sales and services by business line

	3Q 2019	%	3Q 2018	%	% Change	Balance as at 30/09/2019	%	Balance as at 30/09/2018	%	% Change
Organised Events	13,615	48%	18,707	54%	-27%	67,256	52%	69,043	62%	-3%
Hosted Events	0	0%	38	0%	-100%	1,801	1%	1,676	1%	7%
Conferences	2,046	7%	1,407	4%	45%	9,654	8%	7,446	7%	30%
Related Services	10,058	35%	12,712	37%	-21%	45,246	35%	30,499	27%	48%
Publishing, Sports Events, Other Activities	2,631	9%	1,799	5%	46%	4,326	3%	3,308	3%	31%
TOTAL VALUE OF PRODUCTION	**28,351**	100%	**34,664**	100 %	-18%	**128,283**	100%	**111,973**	100%	15%

The significant growth in revenues recorded in the first nine months of 2019, compared to the same period of the previous year, is due to the extremely positive results achieved by each business line, and the increase of around €16.3 million is due to both purely organic growth (€+7.6 million, corresponding to +6.8%) and the change in scope (€+8.8 million, corresponding to 7.8%). As already pointed out at the end of the first half of 2019, the latter is comprised by a positive change of around € 15.3 million (corresponding to +13.6%) resulting from the acquisitions of stand fitting companies made in 2018 (in March FB International in USA, in September Prostand and Colorcom in Italy) and from a negative change of around € 6.5 million (corresponding to -5.8%), almost all recorded in the third quarter of 2019, due to the calendar effect (€-7.5 million) and to the one-off payable of listing costs (€+1 million). Therefore, it is extremely important to note that *organic growth alone in all business lines was able to overcome the negative calendar-related effects of even-numbered years.*

The Group's "core business", comprised of the **direct organisation of trade fairs**, accounted for 52% of total revenues in the first nine months of the year, and recorded a decrease of just 2.6 percentage points compared to the same period of the previous year. In fact, even though the calendar effect, mainly represented by the absence in the third quarter of Tecnargilla, which led to a 9.4% fall in revenues (around €-6.5 million), the organic growth of the key leading products in the "Food and Beverage" and "Jewellery & Fashion" categories enabled a 6.8% increase in revenues (around €+4.7 million) to be achieved.

No **hosted events** took place in the third quarter of 2019, which generated revenues of € 38 thousand in 2018, through the one-off Rimini Park Rock event. With regard to the nine-month period, the latter events generated a +7% due to the Elettromondo and Lo Show dei Motori events, not held last year, and to the increase in the profits of recurring events, Macfrut and Expodental in particular.

Conferences include the results from the management of the Palacongressi of Rimini and the Vicenza Convention Centre (VICC). Revenues in the third quarter of 2019 totalled € 2.0 million, marking a +45% (corresponding to around € 0.6 million in revenues) compared to the same period of the previous year.

This improvement strengthened the positive result of the nine-month period even further, compared to the same period of the previous year (+30%, corresponding to € 2.2 million) This important performance is attributable primarily to an improvement in the mix of conferences held in the first nine months of 2019 which, with respect to those held in the same period of the previous year, were bigger in terms of the number of participants, conference areas used and additional services required.

Revenues from **Related Services** in the third quarter of 2019 came to € 10.1 million, down by around € 2.7 million (-21%) compared to the same period of the previous year. With regard to the first nine months, revenues amounted to € 45.2 million compared to € 30.5 million (+48%).

The decrease in the quarter is due mostly to the different trade fair calendar, which also impacted the related sale of stand fittings and catering services worth around € 1.1 million. Furthermore, with regard to the US stand fitting business, it should be noted that the "Summer Fancy Food" event took place in the second quarter of 2019, instead of in the third, as in 2018.

With regard to the nine-month period, the business line recorded an increase of **€ 14.7 million** (+48%). This significant increase, in addition to the organic growth of catering services (+0.6 million) and the decrease in related services due to the above-cited calendar effect, is largely a result of the change in the Group's scope of consolidation, which concerned the stand fitting business (-1.1 million), with the Parent Company's acquisition of FB International Inc. (from March 1st, 2018) and Prostand S.r.l. and Colorcom Allestimenti Fieristici S.r.l. (from September 1st, 2018), which were added to the already operational Prostand Exhibition Services S.r.l. The 2018 results reported by way of a comparison, therefore, take account solely of the seven months of operations of FB International Inc. and one month of Prostand and Colorcom. The contribution of Prostand S.r.l. (which, in the first half of the year, merged Colorcom by incorporation) to the consolidated results of the first nine months of 2019 was approximately € 18.3 million and must be considered jointly with the reduction in the revenues of the subsidiary Prostand Exhibition Services S.r.l. for € 7.1 million. The increase in revenues contributed by FB International Inc. came to € 4.1 million compared to 2018.

The business connected to **Publishing, Sports Events and Other Activities** includes publishing activities, embodied by the information related to Tourism (TTG Italia, Turismo d'Italia and HotelMag) and the gold sector (VO+ and Trendvision), sporting events (which were held in the trade fair district of Rimini) and other residual revenues and, therefore, not directly attributable to the other business lines. The main reason for this increase regards the charge, made in the quarter, for part of the costs incurred for the listing to selling shareholders of around € 1 million, in accordance with the agreements between the Parent Company and the same.

"Staff costs" for the third quarter of 2019 came to € 7.9 million, up € 0.3 million against the third quarter of 2018 (+4%), and for the nine months to September 30th, 2019, were € 26 million, up € 3.5 million (+15%) against the previous period. This increase was mainly due to the change in the scope of consolidation following the acquisition of the stand fitting companies.

In light of the reasons outlined above, the **Gross Operating Profit (EBITDA)** in the third quarter of 2019 (excluding IFRS 16) amounted to € 2.8 million, a decrease of € 2.7 million (-49.2%) compared to the same period of the previous year. Instead, in the first nine months (excluding IFRS 16) EBITDA amounted to € 27.6 million, an increase of € 5.1 million (+22.4%) compared to the previous year. **The EBITDA Margin** (ratio between EBITDA and Value of production excluding IFRS 16), at September 30th, 2019, also improved, standing at 21.5%, compared to 20.1% in the same period of the previous year. Considering the impact of accounting standard IFRS 16, EBITDA amounted to € 30.6 million, while the EBITDA Margin stood at 23.9%. The application of the accounting standard actually involved a reduction in operating costs due to the use of third-party assets amounting to € 3.0 million.

In terms of the components of non-monetary operating revenues, in the first nine months of 2019 (excluding IFRS 16), higher **Amortisation/Depreciation** of around € 2.1 million was recorded with respect to the same period of the previous year. Also in this case, this was mostly due to new stand fitting companies, and due to the fact some of the expansion works on the Parent Company's venues got up to full speed. At September 30th, 2019, considering the effects of IFRS 16, Amortisation/Depreciation amounted to € 12.3 million. In fact, the new accounting standard led to a worsening in the item in question of € 2.9 million.

In the first nine months of 2019, the Group's **Operating profit/loss (EBIT)** therefore stood at € 17.3 million (excluding IFRS 16), € 2.9 million higher than the same period of the previous year (+19.9%). The EBIT Margin (ratio between EBIT and Value of Production) stood at 13.5%, an increase compared to 12.9% in the previous year. Considering the impact of accounting standard IFRS 16, EBIT amounted to € 17.5 million (EBITDA Margin 13.6%), with an impact of € +136 thousand.

In the first nine months of 2019, **Financial Management** (excluding IFRS 16), recorded total charges of € 3.4 million, an increase of € 2.2 million compared to the same period of the previous year. The "ordinary" part of management, understood as that related to financial charges on loans and mortgages (primarily relating to the Parent Company), shows a slight increase in total net charges of roughly € 248 thousand compared to the previous year. The main change on financial charges is therefore linked to other factors described hereunder.

a) Higher charges of € 1.5 million relating to fair value changes in the derivative financial instrument linked to the Banca Intesa loan taken out to expand Fiera di Vicenza (charges of € 1.2 million in the first nine months of 2019 compared to income of € 0.3 million in the same period of 2018).

b) Higher charges on put options of € 0.4 million. In fact, in the first nine months of 2019, financial charges of around € 0.9 million were recorded, linked to the put options for the purchase of the remaining shares of FB International Inc., Prostand S.r.l. and Colorcom S.r.l. In the same period of 2018, charges on put options accrued were included solely for the March-September period regarding the purchase of FB International Inc, and for a single month with regard to the purchase of Prostand and Colorcom, made on September 1st. The Group's potential payable to the minority shareholders of these companies is represented by the present value of the presumed outlay when the options are exercised, and, therefore, incorporates a financial element which is gradually booked to the income statement based on the approaching date of potential exercising of the options.

The introduction of the new accounting standard IFRS 16 led to a worsening in financial management as at September 30th, 2019 of € 0.5 million. Therefore, the balance of the item in question, at the end of the third quarter of 2019, considering the impact of the application of this new standard, was approximately € 3.9 million.

The **Pre-tax result** (excluding IFRS 16) as at September 30th, 2019 came to € 14.0 million, an increase of € 0.7 million compared to the same period of the previous year, therefore marking an increase of +5.4%. The same balance, considering the application of the new standard, which led to a net worsening of € 0.3 million, amounted to € 13.7 million.

Income taxes for the period (excluding IFRS 16) amounted to € 4.8 million (tax rate of 34.3%), an increase of € 0.8 million compared to the same period of the previous year (tax rate 30.3%). The effect of the application of the new IFRS had an insignificant impact on the estimate of income taxes (positive effect of € 80 thousand).

The **Group result for the period** (excluding IFRS 16) amounted to € 9.2 million for the first nine months of 2019, down € 60 thousand (-0.6%), compared to the same period of 2018. As already illustrated, this result was impacted by the effect that financial charges on payables for put options and the negative change in the fair value of derivative contracts had on operating profit. The **Net Income Margin** (ratio between the Group result for the period and the Value of Production) stood at **7.2%**, compared to 8.3% in the previous year. The Group result for the period, considering the new accounting standard, worsened with a net effect of € 0.3 million, recording a figure of € 8.9 million as at September 30th, 2019.

The **Net Profit for the Period attributable to the shareholders of the Parent Company** amounted to € 8.4 million (reflecting a negative impact of IFRS 16 of € 221 thousand) against € 8.1 million in the first nine months of 2018. If the negative impact of the application of accounting standard IFRS 16 is removed for comparison purposes, the net profit would have been **€ 8.6 million, therefore 6.4% better** than that of the same period of the previous year.

ANALYSIS OF RECLASSIFIED CONSOLIDATED BALANCE SHEET FIGURES

The balance sheet data reclassified according to the *sources-loans model* are presented below. In fact, it is believed that this layout for the reclassification of the equity-financial figures is able to provide an additional disclosure of the breakdown of net invested capital and the nature of the sources used for its financing.

LOANS	Balance at 30/09/2019	Balance at 31/12/2018 (*)
Property, Plant and Equipment	210,824	182,315
Intangible fixed assets	32,318	32,771
Equity investments	15,533	15,182
TOTAL FIXED ASSETS AND EQUITY INVESTMENTS	**258,675**	**230,269**
Deferred tax assets	1,810	991
Other non-current assets	122	117
Employee provisions	(4,385)	(4,565)
Other non-current liabilities	(4,003)	(4,903)
OTHER NON-CURRENT ASSETS/(LIABILITIES)	**(6,456)**	**(8,360)**
NWC	**(30,579)**	**(50,450)**
TOTAL LOANS	**221,641**	**171,459**

SOURCES	Balance at 30/09/2019	Balance at 31/12/2018 (*)
Loans payable	82,037	78,667
Non-current financial payables for rights of use	27,598	0
Other non-current financial liabilities	23,646	21,042
Other non-current financial liabilities	(470)	(1,826)
Other current financial assets	(1,546)	(523)
Current financial payables for rights of use	4,392	0
Other current financial liabilities	702	970
Shareholders - dividends and payables due to shareholders	525	1,154
Short-term indebtedness (excess)	(17,767)	(29,479)
Total non-monetary NFP	**119,116**	**70,004**
of which monetary NFP (excluding IFRS 16, Put options, Derivatives)	***63,735***	***49,234***
Shareholders’ equity attributable to shareholders of the Parent Company	99,509	98,891
Shareholders' equity attributable to minority interests	3,016	2,563
TOTAL SHAREHOLDERS’ EQUITY	**102,525**	**101,454**
TOTAL SOURCES	**221,641**	**171,459**

(*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at December 31st, 2018, as they reflect the valuations made at the time of the Purchase Price Allocation of Prostand and Colorcom at final values. For more details, refer to the paragraph entitled Business Combination in the Measurement criteria section of the explanatory notes to the Consolidated Financial Statements.

ANALYSIS OF THE CONSOLIDATED NET FINANCIAL POSITION

IEG Group
Net financial position

		IEG Group Net financial position (Values in Euro/000)	30/09/2019	31/12/2018 (*)
1		**Short-term available funds**		
	01:01	Cash on hand	290	152
	01:02	Bank current account balances	17,477	29,327
	01:03	Invested liquidity	49	1,405
	01:04	Other short-term receivables	1,173	-
	01:05	Financial receivables due from associated companies	373	523
		Total	**19,361**	**31,407**
	02:01	Bank current account overdrafts	(253)	(5,578)
	02:02	Other short-term payables to banks	(8,800)	(2,490)
	02:03	Portions of medium/long-term payables due within 12 months	(12,068)	(8,849)
	02:04	Other short-term payables - Put Option	(240)	(273)
	02:05	Other short-term payables	(683)	(797)
	02:06	Financial payables due to shareholders	(525)	(710)
	02:07	Current financial payables for rights of use	(4,392)	-
		Total	**(26,960)**	**(18,698)**
3		**Short-term financial position (1+2)**	**(7,599)**	**12,709**
4		**Medium/long-term financial receivables (after 12 months)**	**421**	**421**
5		**Medium/long-term financial payables (after 12 months)**		
	05:01	Mortgages	(60,695)	(61,649)
	05:02	Other medium/long-term payables – Put Option	(16,587)	(15,692)
	05:06	Other medium/long-term payables – Other	(494)	(988)
	05:07	Medium/long-term derivative financial instruments	(6,566)	(4,536)
	05:08	Non-current financial payables for rights of use	(27,598)	-
		Total	**(111,939)**	**(83,134)**
6		**Medium/long-term financial position (4+5)**	**(111,518)**	**(82,713)**
7		**TOTAL INDEBTEDNESS**	**(138,478)**	**(101,411)**
8		**Net financial position (3+6)**	**(119,116)**	**(70,005)**
9		**Net MONETARY financial position** **excluding rights of use - IFRS16, Put Option and derivatives (8 – 02:04 – 05:02 – 05:07 – 05:08)**	**(63,735)**	**(49,234)**

(*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at December 31st, 2018, as they reflect the valuations made at the time of the Purchase Price Allocation of Prostand and Colorcom at final values. For more details, refer to the paragraph entitled Business Combination in the Measurement criteria section of the explanatory notes to the Consolidated Financial Statements.

The Net Financial Position (hereinafter NFP) of the Group as at September 30th, 2019, of € 119.1 million, recorded an increase in total indebtedness of € 49.1 million, compared to December 31st, 2018 (€ 70 million). The value includes financial payables for put options relating to the acquisition of stand fitting companies for a total of € 16.8 million, the effects of the introduction of IFRS 16, which involved the recognition of financial payables for rights of use as at September 30th, 2019 equal to € 32.0 million and financial payables for derivative financial instruments for € 6.6 million. *Excluding the aforementioned non-monetary effects*, the "**Monetary NFP**" amounted to **€ 63.7 million** as at September 30th, 2019, compared to € 49.2 million as at December 31st, 2018, thus marking an increase in indebtedness of € 14.5 million. The change between December 31st, 2018 and September 30th, 2019, is mainly due to:

- a contribution of the financial-management available funds resulting from the seasonal nature of the business for € 2.0 million;
- investments of € 9.3 million (for further details, refer to the paragraph entitled "Investments")
- the distribution to shareholders of € 5.6 million relating to the 2018 result for the year.

The **change in "Monetary NFP" recorded in the last quarter**, compared to the situation as at June 30th, 2019, therefore shows an **improvement of € 2.8 million**, despite investments and other minor changes amounting to € 3.9 million, thanks to the contribution of financial resources from current operations of € 2.3 million and an improvement in the trend of net working capital of € 4.4 million. To reach the balance of NFP as at September 30th, 2019, negative non-monetary changes of € 1.7 million have to be added, relating to the worsening in the third quarter of the fair value of the derivative underlying the Banca Intesa mortgage loan, granted for the extension of the Fiera di Vicenza, and the increase of the payable for put options subscribed with the minority shareholders to finalise the acquisitions of FB International Inc., Prostand and Colorcom. Therefore, with respect to the situation at the end of the first half of 2019, the Group's overall indebtedness fell by around € 1.1 million.

CONSOLIDATED CASH FLOW STATEMENT

IEG Group NFP (Values in Euro/000)	30.09.2019	30.09.2018 (*)
Flows generated (absorbed) by:		
Operating profit/loss (EBIT)	17,149	14,427
Costs for use of third-party assets (IFRS 16)	(2,989)	-
Amortisation, depreciation and write-downs of fixed assets (IFRS 16)	2,853	-
Monetary (EBIT) operating profit/loss	**17,014**	**14,427**
Amortisation, depreciation and write-downs of fixed assets	9,474	7,338
Allocation to the provision for credit risks and other provisions	670	759
Other non-monetary operating revenues	(145)	(145)
Current income taxes	(5,117)	(3,989)
1st cash flow from current operations	**21,895**	**18,388**
Flows generated (absorbed) by the change in NWC:		
Change in inventories	108	(18)
Change in trade receivables	353	3,414
Change in other current assets	515	1,999
Net change in tax receivables/payables for direct taxes	1,914	1,027
Change in trade payables	(13,652)	(14,110)
Change in other current liabilities	(9,114)	(3,532)
Change in NWC	**(19,875)**	**(11,218)**
Cash flow from current operations	**2,020**	**7,169**
Flows generated (absorbed) by investment activities:		
Investments in intangible fixed assets	(488)	(361)
Investments in property, plant and equipment	(8,462)	(5,315)
Equity investments in associated companies and other companies	(341)	(913)
Net equity investments in subsidiaries	-	(20,227)
Flows generated/(absorbed) by investment activities	**(9,290)**	**(26,816)**
Flows generated (absorbed) by the change in other non-current items		
Changes in deferred tax assets/liabilities	125	(76)
Net change in other non-current assets	(6)	34
Change in employee severance indemnity and other provisions	(1,004)	(345)
Net change in other non-current liabilities	48	(194)
Flows generated/(absorbed) by the change in other non-current items	**(836)**	**(581)**
Cash flow from operations	**(8,106)**	**(20,227)**
Flows generated (absorbed) by:		
Income (expenses) of financial management	(1,275)	(983)
Gains (losses) from equity investments	43	44
Distribution of dividends	(5,556)	(5,556)
Other capital changes (share capital increases, etc.)	393	1,812
Level 1 cash flow (change in "Monetary NFP")	**(14,501)**	**(24,909)**
Changes in NFP for IFRS 16 on Level 1 cash flow	**(31,990)**	**-**
Changes in NFP for PUT OPTION on Level 1 cash flow	**(592)**	**(16,003)**
Changes in NFP for Derivative financial instruments on Level 1 cash flow	**(2,029)**	**304**
Level 2 cash flow (change in NFP)	**(49,112)**	**(40,609)**
Change in financial current and non-current payables due to banks	3,249	28,332
Change in other non-current financial liabilities – put options	591	16,002
Change in other non-current financial liabilities – derivatives	2,029	(304)
Change in other current and non-current financial liabilities for rights of use	31,990	-
Change in other current and non-current financial liabilities - other	(794)	1,662
Change in other current and non-current financial assets	333	5,510
Level 3 cash flow (change in cash and cash equivalents)	**(11,712)**	**10,595**
Cash and cash equivalents at start of year	29,479	6,234
Cash and cash equivalents at end of year	**17,767**	**16,994**

(*) Some of the amounts shown in this column do not correspond to those of the 2018 financial statements, as they reflect the valuations made at the time of the Purchase Price Allocation of Prostand and Colorcom at final values. For more details, refer to the paragraph entitled Business Combination in the Measurement criteria section of the explanatory notes to the Consolidated Financial Statements.

INVESTMENTS

The tables below detail the net investments made by the Group in the third quarter of 2019 and as at September 30th, 2019.

IEG Group
Net investments in Intangible fixed assets 3Q 2019

Euro/000	Investments	Transfers for entry into operation	Exchange rate effect	Net investments 3Q 2019
Patent rights and intellectual property rights	18	-	-	18
Concessions, licenses, trademarks and similar rights	-	-	-	-
Goodwill	-	-	210	210
Fixed assets under construction and payments on account	141	-	-	141
Other intangible fixed assets	17	-	-	17
TOTAL NET INVESTMENTS IN INTANGIBLE FIXED ASSETS	**175**	**-**	**210**	**385**

IEG Group
Net investments in Intangible fixed assets as at 30.09.2019

Euro/000	Investments	Transfers for entry into operation	Exchange rate effect	Net investments 30.09.2019
Patent rights and intellectual property rights	77	18	-	95
Concessions, licenses, trademarks and similar rights	15	18	-	34
Goodwill	-	-	215	215
Fixed assets under construction and payments on account	201	-	-	201
Other intangible fixed assets	61	(119)	-	(57)
TOTAL NET INVESTMENTS IN INTANGIBLE FIXED ASSETS	**354**	**(82)**	**215**	**488**

«**Industrial patents and intellectual property rights**» as at September 30th, 2019, included primarily the investments made by the Parent Company for the purchase of the new licences for the SO-FAIR software needed for the technical management of trade fairs/exhibitions and the development of some modules of the treasury management software. During the quarter, this item rose a further € 18 thousand, € 6 thousand of which regarded SO-FAIR licenses and € 12 thousand software purchased from Summertrade S.r.l.

The investments made by the subsidiary Summertrade S.r.l. for rebranding activities, for the filing of the trademark and the review of all "permanent" graphical aspects were recorded under the item "**Concessions, licences, trademarks and similar rights**".

The investments relating to «**Goodwill**» refer entirely to exchange rate differences of the goodwill expressed in dollars in the financial statements of IEG USA Inc. for the acquisition of FB International Inc.

The item "**Fixed assets under construction and payments on account**" mainly includes the investments of the Parent Company, still not completed, relating to the implementation of new software: CRM SALESFORCE of € 120 thousand (€ 60 thousand of which in the third quarter), software for purchasing management SW Suite Jaggaer of € 27 thousand, entirely related to the third quarter, business intelligence software Microsoft Power BI of € 17 thousand, entirely related to the third quarter.

IEG Group
Net investments in property, plant and equipment 3Q 2019

Euro/000	Investments	Transfers for entry into operation	Disinvestments	Exchange rate effect	Net investments 3Q 2019
Land and buildings	329	-	-	18	347
Plant and equipment	562	-	-	-	562
Equipment	435	-	(5)	49	480
Other assets	307	-	(9)	20	318
Fixed assets under construction and payments on account	1,477	-	-	-	1,477
TOTAL NET INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT	**3,110**	**-**	**(14)**	**87**	**3,184**

IEG Group
Net investments in property, plant and equipment as at 30.09.2019

Euro/000	Investments	Transfers for entry into operation	Disinvestments	Exchange rate effect	Net investments 30.09.2019
Land and buildings	771	309	-	-	1,080
Plant and equipment	1,033	10	-	-	1,042
Equipment	1,469	-	(45)	58	1,481
Other assets	1,342	100	(29)	23	1,437
Fixed assets under construction and payments on account	3,758	(337)	-	-	3,421
TOTAL NET INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT	**8,373**	**82**	**(74)**	**81**	**8,462**

Investments relating to «**Land and buildings**» amounted to € 1,080 thousand as at September 30th, 2019, of which € 347 thousand represent investments in the quarter, and in particular, € 238 thousand relating to the construction of car parks, and € 92 thousand to work on the trade fair pavilions belonging to the Parent Company. For a more detailed description of the capitalisations made in the first half of the year, refer to the 2019 Half-yearly financial report, in any event, we draw attention to the entry into operation of the new offices built by the Parent Company, the work on which finished in the second quarter of 2019.

Investments in «**Plant and equipment**» totalled € 1,042 thousand as at September 30th, 2019, of which € 562 thousand was recorded in the third quarter of 2019, broken down as follows:

- €398 thousand relating to the new climate and lighting supervision system of the Parent Company, entirely constructed in the third quarter of 2019;
- € 274 thousand to systems to serve the new offices at the Rimini site, the work on which was finished in the first quarter of 2019;
- € 191 thousand relating largely to the strengthening of the lighting systems in the trade fair pavilions, € 91 thousand of which built in this quarter;
- € 80 thousand relating to investments made by Summertrade S.r.l., mostly for the installation of new ovens in the Rimini kitchen and various systems installed in the new Riva del Garda site, with purchases in the current quarter amounting to € 19 thousand;

- € 53 thousand relating to other specific systems purchased from Prostand, made in the third quarter of 2019.

«**Industrial and commercial equipment**» as at September 30th 2019, recorded a net increase of € 1,481 thousand, € 480 thousand of which was attributable to the current quarter, of which:

- € 73 thousand for fire prevention systems and radio-microphones installed at the Parent Company's venues;
- € 213 thousand for purchases made by Prostand of structures for the building of trade fair stands;
- € 144 thousand for purchases made by FB International Inc. of structures and other materials for the building of trade fair stands;

Overall, as at September 30th, 2019, this item was mainly comprised by:

- investments totalling € 633 thousand made by FB for the purchase of visual display equipment;
- investments of around € 290 thousand for the purchase of technological equipment (ledwall and monitors), fire prevention systems and other equipment for trade fair pavilions;
- investments totalling € 474 thousand made by Prostand for the purchase of structures for the building of trade fair stands;
- investments totalling € 65 thousand made by Summertrade for the purchase of equipment for bars and kiosks.

«**Other assets**» as at September 30th 2019, recorded a net increase of € 1,437 thousand, € 318 thousand of which was attributable to the current quarter, of which:

- € 36 thousand for new motor vehicles and € 44 thousand for furniture for the Parent Company's new offices;
- € 42 thousand for furniture, materials and fittings of FB International Inc.
- € 88 thousand for vehicles, € 53 thousand for furniture and fittings, € 23 thousand for electronic machine purchased by Summertrade S.r.l.

Overall, as at September 30th, 2019, this item was mainly comprised by:

- investments by the Parent Company, of which € 133 thousand relating to office machines, € 315 thousand relating to improvements for the modernisation of the new offices, € 200 thousand relating to network infrastructure and € 81 thousand for vehicles;
- investments by Summertrade S.r.l., of which € 393 thousand was mainly due to the purchase of new vehicles for the transport of meals, foodstuffs and equipment and the purchase of new cash terminals for the adjustment into line with the electronic management of the flow of payments, € 53 thousand for furniture and fittings;
- investments by the subsidiary FB International Inc. totalling € 110 thousand relating primarily to stand furniture and fittings;

Lastly, «**Fixed assets under construction and payments on account**» as at September 30th, 2019 showed a net increase of € 3,421 thousand, € 1,477 thousand of which is attributable to the quarter, € 1,292 thousand relating to the Parent Company mainly for the renovation of several car parks and € 185 thousand relating to new electrical and extraction systems currently being built by Prostand S.r.l.

Overall, as at September 30th, 2019 this item was comprised by € 3,503 thousand for increases relating to expansion/renovation projects for the Patent Company's venues and € 254 thousand for increases relating to new electrical and extraction systems currently being built by Prostand S.r.l.

OTHER INFORMATION

The company does not hold, and has never held, shares or quotas in controlling entities, even though third party individuals and/or companies, and therefore in 2019 it did not undertake any sale or purchase transactions relating to the aforesaid shares and/or quotas.

As at September 30th 2019, the company has no treasury shares in the portfolio.

During the first nine months of 2019, the Group did not perform any atypical or unusual transactions.

EVENTS SUBSEQUENT TO THE END OF THE QUARTER

On October 10th, the purchase of the FIMAST (Fiera Internazionale per macchine ed accessori del settore tessile – calzetteria [International trade fair for machines and accessories of the textile - hosiery industry]) exhibition, organised by Principemedia S.r.l., an event that is held biannually at Brixia Expo. The next exhibition will take place from May 27, 2020.

This exhibition, the only one of its kind in Italy for this industry, reveals the latest global innovations in textile machines for hosiery, and, with the attendance of the leading hosiery manufacturers, this also means the presence of the largest producers of yarn precisely in the area where both the main district of machines for this type of item is based (Brescia), and that of the finished products (Mantua).

Even though not characterised by a high economic value, the acquisition of FIMAST has significant strategic value as it is part of an acquisition plan that seeks to consolidate the trade fair portfolio in the technological-industrial sphere, as well as of a programme to develop events organised for a strictly professional public, above all with a view to enhancing the industrial districts that are most representative of 'made in Italy'.

On October 17th, 2019, Rimini Welcome S.c.a.r.l. was incorporated, a newco that will act as Destination Management Company, 80% of which is held by the joint venture of the Destination Service S.r.l. group, 5% by Italian Exhibition Group S.p.A. and 5% by Summertrade S.r.l.

On October 28th, 2019, the Parent Company IEG send an irrevocable proposal to Arezzo Fiere e Congressi S.r.l. in which it proposed to bring forward the exercise period for the option to purchase assets and rights relating to the "OroArezzo" and "GoldItaly" trade fairs.

Said option had been regulated under agreements signed in April 2017 between IEG and Arezzo Fiere e Congressi S.r.l., by virtue of which, the Parent Company had undertaken the exclusive management of the Arezzo goldsmiths' made in Italy trade fairs "OroArezzo" and "GoldItaly" for the period 2017-2021. The agreement had envisaged the subsequent opportunity for the parties to exercise a "call" and "put" option in the period between January 1st, 2021 and February 28th, 2021, to finalise the purchase and sale of the assets and rights relating to the two exhibitions (including the intellectual property rights and the customer database).

The early exercise of the option would enable IEG to consolidate its leadership in the goldsmithing and jewellery sector.

The amount proposed for the acquisition of the assets and the rights relating to the two above-cited exhibitions, which mandatorily includes a non-compete clause in the jewellery and goldsmithing sector by Arezzo Fiere e Congressi, is comprised by a fixed component of € 3,494,000 and a variable component, which could reach a maximum of € 956,000 if certain conditions relating to the “OroArezzo 2020” exhibition are met. If Arezzo Fiere e Congressi accepts the proposal, and therefore transfers the assets and the rights of the exhibitions, IEG will no longer have to pay the concession fee for the exhibitions in Arezzo for FY 2020, which amount to € 1,144,000.

The proposal sent to Arezzo Fiere e Congressi envisages a deadline to accept and formalise the deeds of 13 December 2019.

On October 31st 2019, the shareholders’ meeting of Fiera di Forlì S.p.A. resolved to accept the proposal of Italian Exhibition Group regarding the acquisition by the latter from the former of the business division relating to the organisation of the “Fieravicola – Salone Internazionale Avicolo” exhibition, which is held in odd-numbered years at the trade fair district of Forlì. By accepting this proposal, Fiera di Forlì has undertaken to draw up the detailed terms of the transaction with IEG which, inter alia, envisages the subsequent incorporation of a new.co for the organisation and management of the exhibition and the transfer of the same to the trade fair district of Rimini. Note that drawing up the details of the transaction and the finalisation of the same, will be subject to the successful outcome of the due diligence exercise that IEG will perform by the first half of December, on the above-cited business division.

Rimini, November 13th, 2019

For the Board of Directors
the Chairman
Lorenzo Cagnoni

IEG Group
Consolidated Quarterly Financial Statements
as at 30/09/2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (Values in Euro/000)		30/09/2019	31/12/2018 [1]
NON-CURRENT ASSETS			
	Property, Plant and Equipment	210,824	182,315
	Intangible fixed assets	32,318	32,771
	Equity investments valued using the equity method	4,559	4,166
	Other equity investments	10,974	11,016
	Deferred tax assets	1,810	991
	Non-current financial assets	470	1,826
	Other non-current assets	122	117
	TOTAL NON-CURRENT ASSETS	261,077	233,203
CURRENT ASSETS			
	Inventories	777	885
	Trade receivables	33,179	34,182
	Tax credits for direct taxes	1,980	20
	Current financial assets	1,546	523
	Other current assets	7,646	8,161
	Cash and cash equivalents	17,767	29,479
	TOTAL CURRENT ASSETS	62,895	73,250
TOTAL ASSETS		323,973	306,453

[1] *Some of the amounts shown in this column do not correspond to those of the financial statements published as at December 31st, 2018, as they reflect the valuations made at the time of the Purchase Price Allocation of Prostand and Colorcom at final values. For more details, refer to the paragraph entitled Business Combination in the Measurement criteria section of the explanatory notes to the Consolidated Financial Statements.*

LIABILITIES	(Values in Euro/000)	30/09/2019	31/12/2018 [1]
SHAREHOLDERS' EQUITY			
	Share capital	52,215	52,215
	Share premium reserve	13,947	13,947
	Other reserves	26,641	26,613
	Profit (loss) for previous years	(1,680)	(4,232)
	Profit (Loss) for the period attributable to shareholders of the Parent Company	8,387	10,348
	SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	99,509	98,891
	Share capital and reserves attributable to minority interests	2,466	2,030
	Profit (Loss) for the period attributable to minority interests	550	533
	SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	3,016	2,563
	TOTAL GROUP SHAREHOLDERS' EQUITY	102,525	101,454
NON-CURRENT LIABILITIES			
	Payables due to banks	60,695	61,649
	Non-current financial payables for rights of use	27,598	-
	Other non-current financial liabilities	23,646	21,042
	Provisions for non-current risks and charges	1,605	2,409
	Employee provisions	4,385	4,565
	Other non-current liabilities	2,397	2,494
	TOTAL NON-CURRENT LIABILITIES	120,326	92,159
CURRENT LIABILITIES			
	Payables due to banks	21,121	16,918
	Current financial payables for rights of use	4,392	-
	Other current financial liabilities	1,447	2,224
	Trade payables	26,149	40,553
	Tax payables for direct taxes	5,620	1,745
	Other current liabilities	42,392	51,400
	TOTAL CURRENT LIABILITIES	101,122	112,840
TOTAL LIABILITIES		323,973	306,453

[1] *Some of the amounts shown in this column do not correspond to those of the financial statements published as at December 31st, 2018, as they reflect the valuations made at the time of the Purchase Price Allocation of Prostand and Colorcom at final values. For more details, refer to the paragraph entitled Business Combination in the Measurement criteria section of the explanatory notes to the Consolidated Financial Statements.*

CONSOLIDATED INCOME STATEMENT

(Values in Euro/000)	Note	3Q 2019	3Q 2018	30/09/2019	30/09/2018 [1]
REVENUES					
Revenues from sales and services		26,678	34,106	125,196	110,225
Other revenues	2	1,673	558	3,087	1,747
of which Other non-recurring revenues		*981*		*981*	*0*
TOTAL REVENUES	1	28,351	34,664	128,283	111,973
Change in inventories		(18)	55	53	100
Costs for raw materials, consumables and goods for resale		(2,827)	(2,563)	(10,304)	(6,243)
Costs for services		(13,067)	(17,127)	(58,325)	(56,147)
of which costs for non-recurring services				*(248)*	0
Costs for use of third-party assets		(29)	(1,360)	(1,135)	(2,777)
Personnel costs		(7,928)	(7,605)	(26,038)	(22,563)
Other operating costs		(585)	(543)	(1,926)	(1,782)
TOTAL OPERATING COSTS	3	(24,454)	(29,143)	(97,675)	(89,413)
GROSS OPERATING PROFIT (EBITDA)		3,897	5,521	30,608	22,560
of which impact of non-recurring items		*981*		*733*	*0*
Amortisation, depreciation and write-downs of fixed assets	4	(4,181)	(2,583)	(12,327)	(7,338)
Write-down of receivables		(115)	(132)	(650)	(541)
Provisions		40	(152)	(20)	(217)
Value adjustments of financial assets other than equity investments		(1)	(6)	(144)	(15)
OPERATING PROFIT/LOSS (EBIT)		(360)	2,649	17,467	14,450
FINANCIAL INCOME AND CHARGES					
Financial income	5	21	22	65	66
Financial charges	5	(1,180)	(245)	(3,887)	(1,195)
Exchange rate gains and losses	5	(43)	(86)	(70)	(26)
TOTAL FINANCIAL INCOME AND CHARGES		(1,202)	(309)	(3,892)	(1,156)
GAINS AND LOSSES FROM EQUITY INVESTMENTS					
Effect of valuation of equity investments with the equity method	6	9		56	(20)
Other gains/losses on equity investments	6			43	44
TOTAL GAINS AND LOSSES ON EQUITY INVESTMENTS	6	9		99	24
PRE-TAX RESULT		(1,553)	2,340	13,675	13,318
INCOME TAXES	7	(278)	(683)	(4,738)	(4,043)
PROFIT/(LOSS) FOR THE PERIOD		(1,832)	1,657	8,937	9,275
PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTERESTS		(550)	502	550	1,188
PROFIT (LOSS) ATTRIBUTABLE TO THE PARENT COMPANY		(1,282)	1,155	8,387	8,087
EARNINGS PER SHARE		(0.0415)	0.0374	0.2717	0.2620
DILUTED EARNINGS PER SHARE		(0.0415)	0.0374	0.2717	0.2620

[1] *Some of the amounts shown in this column do not correspond to those of the 2018 financial statements, as they reflect the valuations made at the time of the Purchase Price Allocation of Prostand and Colorcom at final values. For more details, refer to the paragraph entitled Business Combination in the Measurement criteria section of the explanatory notes to the Consolidated Financial Statements.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Values in Euro/000)	3Q 2019	3Q 2018	30/09/2019	30/09/2018 [1]
PROFIT/(LOSS) FOR THE PERIOD	**(1,832)**	**1,657**	**8,937**	**9,275**
Other comprehensive income components which will be subsequently be reclassified under profit/(loss) for the period:				
Gains/(losses) on cash flow hedges	(232)		(818)	-
Gains/(losses) on translation of financial statements in foreign currency	396	(89)	438	216
Gains/(losses) on financial assets measured at FVOCI			(46)	404
Total other comprehensive income components which will be subsequently be reclassified under profit/(loss) for the period:	**164**	**(89)**	**(426)**	**620**
TOTAL PROFIT/(LOSS) BOOKED TO EQUITY	**164**	**(89)**	**(426)**	**620**
COMPREHENSIVE INCOME/LOSS FOR THE PERIOD	**(1,667)**	**1,567**	**8,511**	**9,895**
Attributable to:				
Minority interests	**(465)**	**536**	**638**	**1,221**
Shareholders of the Parent Company	**(1,202)**	**1,032**	**7,873**	**8,674**

[1] *Some of the amounts shown in this column do not correspond to those of the 2018 financial statements, as they reflect the adjustments made at the time of the final Purchase Price Allocation. For more details, refer to the paragraph entitled Business Combination in the Measurement criteria section of the explanatory notes to the Consolidated Financial Statements.*

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Share capital	Share premium reserve	Revaluation reserves	Legal reserve	Statutory reserve	Other reserves	Retained earnings (Losses) carried forward	Profit (Loss) for the period	Shareholders' equity of shareholders of the parent company	Share capital and reserves attributable to minority interests	Profit (loss) attributable to minority interests	Total shareholders' equity
Balance 31/12/17	**52,215**	**13,947**	**67,160**	**8,777**	**2,369**	**(40,748)**	**(7,235)**	**9,079**	**105,564**	**457**	**97**	**106,118**
Allocation of profit for the year:									0			0
- Distribution to shareholders							(5,556)		(5,556)			(5,556)
- Allocation to reserves				437	44		8,598	(9,079)	0	97	(97)	0
Change in scope of consolidation (**)							(10)		(10)	1,401		1,391
PUT OPTION reserve						(12,105)			(12,105)			(12,105)
Fair Value OCI						30	(30)		0			0
Comprehensive income/loss for the period (**)						586		8,087	8,674	34	1,188	9,895
Balance 30/09/18 (**)	**52,215**	**13,947**	**67,160**	**9,213**	**2,413**	**(52,236)**	**(4,232)**	**8,087**	**96,567**	**1,989**	**1,188**	**99,744**
Comprehensive income/loss for the period (**)						63		2,261	2,323	41	(654)	1,710
Balance 31/12/18 (**)	**52,215**	**13,947**	**67,160**	**9,213**	**2,413**	**(52,173)**	**(4,232)**	**10,348**	**98,891**	**2,030**	**533**	**101,454**
Adoption of IFRS 16							(1,699)		(1,699)	(134)		(1,833)
Balance 01/01/2019	**52,215**	**13,947**	**67,160**	**9,213**	**2,413**	**(52,173)**	**(5,931)**	**10,348**	**97,192**	**1,896**	**533**	**99,621**
Allocation of profit for the year:									0			0
- Distribution to shareholders							(5,556)		(5,556)	(53)		(5,608)
- Allocation to reserves				493	49		9,806	(10,348)	0	533	(533)	0
Comprehensive income/loss for the period						(514)		8,387	7,873	88	550	8,511
Balance 30/09/19	**52,215**	**13,947**	**67,160**	**9,706**	**2,462**	**(52,687)**	**(1,680)**	**8,387**	**99,509**	**2,466**	**550**	**102,525**

(**) Some of the amounts do not correspond to those of the financial statements published as at December 31st, 2018, as they reflect the adjustments made at the time of the final Purchase Price Allocation. For more details, refer to the paragraph entitled Business Combination in the Measurement criteria section of the explanatory notes to the Consolidated Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT

Values in Euro/000	*Note*	**30/09/2019**	**30/09/2018 ([1])**
Profit before tax		**13,675**	**13,318**
Amortisation, depreciation and write-downs of property, plant and equipment and intangible assets	**4**	12,327	7,338
Provisions and write-downs		650	541
Other provisions		20	217
Charges/(income) from valuation of equity investments in other companies with the equity method	**6**	(99)	(24)
Net financial charges	**5**	3,892	1,156
Costs for use of third-party assets (IFRS 16)		(2,989)	-
Effect of PPA Prostand on EBIT		(318)	(23)
Other non-monetary changes		(145)	(145)
Cash flow from operating activities before changes in working capital		**27,012**	**22,377**
Change in working capital:			
Inventories		108	(18)
Trade receivables		353	3,415
Trade payables		(13,652)	(14,110)
Other current and non-current assets		510	2,032
Other current and non-current liabilities		(9,065)	(3,726)
Receivables/payables for current taxes		(2,503)	(2,962)
Deferred/prepaid taxes		124	(76)
Cash flow from changes in working capital		**(24,124)**	**(15,444)**
Income taxes paid		(700)	-
Employee provisions and provisions for risks		(1,004)	(345)
Cash flows from operating activities		**1,184**	**6,588**
Cash flow from investment activities			
Net investments in intangible fixed assets		(487)	(361)
Net investments in property, plant and equipment		(8,462)	(5,315)
Dividends from associate companies and joint-ventures		43	44
Change in current and non-current financial assets		333	5,510
Net equity investments in subsidiaries		-	(9,443)
Changes in equity investments in associated companies and other companies		(341)	(913)
Cash flow from investment activities		**(8,914)**	**(10,478)**
Cash flow from financing activities			
Change in other financial payables		(1,118)	9,081
Payables to shareholders		(629)	1,130
Obtainment/(repayment) of short-term bank loans		4,203	9,165
Net financial charges paid		(1,275)	(983)
Dividends paid		(5,556)	(5,556)
Change in Group reserves		393	1,812
Cash flow from financing activities		**(3,983)**	**14,650**
Net cash flow for the period		**(11,712)**	**10,760**
Opening cash and cash equivalents		29,479	6,234
Closing cash and cash equivalents		17,767	16,994

[1] *Some of the amounts shown in this column do not correspond to those of the 2018 financial statements, as they reflect the adjustments made at the time of the final Purchase Price Allocation. For more details, refer to the paragraph entitled Business Combination in the Measurement criteria section of the explanatory notes to the Consolidated Financial Statements.*

Explanatory notes to the financial statements

STRUCTURE AND CONTENTS OF THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1. Introduction

Italian Exhibition Group S.p.A. (hereinafter "IEG", the "Company" or the "Parent Company", together with its subsidiaries, associated companies and/or jointly controlled companies, the "Group" or the "IEG Group") is a joint-stock company domiciled in Italy, with registered office in Via Emilia 155, Rimini, and organised according to the legal system of the Italian Republic. IEG is the Parent Company, created as a result of the transfer of Fiera di Vicenza S.p.A. to Rimini Fiera S.p.A. and the simultaneous change of the latter's company name to Italian Exhibition Group S.p.A.

The company is controlled by Rimini Congressi S.r.l., which holds 49.29% of the share capital and holds voting rights for 66.03%. The Company, nonetheless, is not subject to management and coordination by Rimini Congressi S.r.l. pursuant to art. 2497 et seq. of the Italian Civil Code. In fact, none of the activities that typically prove management and coordination activities pursuant to art. 2497 et seq. of the Italian Civil Code exist.

The Group's activities consist of the organisation of trade fairs (Exhibition Industry) and hospitality for trade fairs and other events, through the design, management and provision of fitted-out exhibition spaces (mainly in the "Trade fair districts"), the supply of services connected to trade fairs and conferences, as well as the promotion and management, in both its own locations and those of third parties, of conferences, conventions, exhibitions, cultural events, shows and leisure activities, including not related to organised events and conferences.

These condensed consolidated interim financial statements for the quarter ending on September 30th, 2019 (hereinafter "**Interim financial report**") were approved by the Company's Board of Directors on November 13th, 2019, and are not subject to an external audit.

2. METHOD OF PRESENTATION AND ACCOUNTING STANDARDS

2.1. Method of presentation

The Interim financial report was prepared in compliance with the International Financial Reporting Standards, issued by the International Accounting Standards Board and adopted by the European Union (**EU-IFRS**). EU-IFRS mean all International Financial Reporting Standards (**IFRS**), all International Accounting Standards (**IAS**), all interpretations of the International Financial Reporting Standards Interpretations Committee (**IFRIC**), previously named the Standard Interpretations Committee (**SIC**) which, at the date of approval of the Consolidated Financial Statements, had been approved by the European Union in accordance with the procedure laid down in Regulation (EC) No. 1606/2002, by the European Parliament and the European Council of July 19th, 2002. In particular, it is pointed out that the EU-IFRS were applied consistently to all periods included in this document.

In particular, the Interim financial report was prepared in compliance with IAS 34, concerning interim financial disclosures. IAS 34 allows the drafting of the financial statements in "condensed" form and, that is, based on the minimum level of information which is significantly less that required by the International Financial Reporting Standards, issued by the International Accounting Standards Board and adopted by the European Union (hereinafter "EU-IFRS"), where a complete set of financial statements prepared on the basis of the EU-IFRS have been made available to the public for the previous year. The Interim financial report must, therefore, be read together with the IEG Group's consolidated financial statements for the year ending on December 31st, 2018, drafted in compliance with the EU-IFRS and approved by the Board of Directors on March 21st, 2019, and with the Condensed

Consolidated Half-Yearly Financial Statements, drafted in compliance with the EU-IFRS and approved by the Board of Directors on August 27th, 2019.

In order to prepare this Interim financial report, the subsidiaries of the IEG Group, which continue to draft their financial statements according to local accounting standards, have prepared the financial positions in compliance with the international standards.

This Interim financial report was drawn up:

- based on the best understanding of the EU-IFRS and taking into account the best interpretations in this area; any future interpretative guidelines and updates will be reflected in subsequent years, according to the procedures envisaged by the accounting standards in question at any given time;
- on the basis of the going concern assumption, as the Directors verified that there were no financial, managerial or other indicators that could signify critical issues concerning the Group's ability to meet its obligations in the foreseeable future and, in particular, over the next 12 months;
- based on the conventional historical cost method, with the exception of the measurement of financial assets and liabilities in cases in which the application of the fair value criterion is mandatory.

2.2. Form and content of the financial statements

The Interim financial report was drafted in Euro, which is the currency of the prevailing economic area in which the entities forming part of the Group operate. All amounts included in this document are in thousands of Euros, unless specified otherwise.

Shown below are the financial statements layouts and the relative classification criteria adopted by the Group, as part of the options provided by IAS 1 “Presentation of Financial Statements”:

- the *consolidated statement of financial position* has been prepared by classifying assets and liabilities in accordance with the “current/non-current” criterion;
- the *consolidated income statement* – whose layout is based on the classification of costs and revenues on the basis of their nature; the net profit (loss) before taxes and the effects of discontinued operations is shown, as well as the net profit (loss) attributable to minority interests and the net profit (loss) attributable to the Group;
- the *consolidated statement of comprehensive income* – presents the changes in shareholders’ equity deriving from transactions other than capital transactions carried out with the company’s shareholders;
- the *consolidated cash flow statement* has been prepared by stating cash flows arising from operating activities according to the “indirect method”.

The layouts used are those that best represent the Group’s financial position, results and cash flows.

MEASUREMENT CRITERIA

The accounting standards and criteria adopted to prepare the Interim financial report as at September 30th, 2019 conform to those used for the drafting of the consolidated financial statements as at December 31st, 2018, to which reference should be made for further information, with the exception of the application of the new standard IFRS 16 – Leases.

Starting from January 1st, 2019, the Group complied with new IFRS 16 – Leases for all leases that, in exchange for a consideration, confer the right to control the use of a specified asset for a given period of time - with the exception of a lease with a duration of less than 12 months and leases in which the underlying asset is a of low value - according to the provisions of paragraphs 5, B3-B8 of the standard. The duration of the lease has been defined on the basis of the term established contractually and, where required, the reasonable certainty of exercising (or not) the options of extension and suspension of the contract, by considering all pertinent facts and circumstance that create a financial incentive for the lessee to exercise the option.

The Group has applied the standard by using the simplified retrospective method, by measuring, for leases classified previously as operating leases, the lease liability at the present value of the remaining payments due, discounted using the marginal financing rate of the lessee at the date of initial application, and recognising the asset consisting of the right of use for an amount equal to the initial value of the liability at the start of the operating lease net of accumulated depreciation at the date of initial application. In addition, the data of the comparative period have not been re-stated.

In particular, the amount of net assets (Right of use) booked on the date of initial application amounts to € 30.3 million (net property, plant and equipment of € 29.8 million and deferred tax assets of € 0.6 million) and the amount of financial lease liabilities of € 32 million. Subsequently, the cumulative effects adjusting the opening balance at January 1st, 2019 on shareholders' equity came to € 1.8 million.

In this interim financial report, the amount of assets relating to rights of use have been included under the item Property, Plant and Equipment in the statement of financial position and lease liabilities under the new item Financial liabilities for rights of use (current and non-current).

The leases stipulated by the Group are essentially attributable to leases of property, land and vehicles.

The group has chosen to apply the following practical expedients set forth in the accounting standard:

- for the discounting of the flows of future payments, both the lease components and the non-lease components of existing leases (as indicated in paragraph 15 of the standard) were considered;
- recognition in shareholders' equity of the accumulated retroactive effect due to the application of this standard as at January 1st, 2019, without re-stating the data of the comparative period as set forth in the simplified approach (indicated in paragraphs C7 – C13);
- aggregation of a leasing portfolio with reasonably similar characteristics (such as leases with a similar residual duration for a similar category of underlying asset).

The impacts that were acknowledged in the group's consolidated financial statements as at January 1st, 2019 and the situation as at September 30th, 2019 are summarised below:

(+) sign = Debit

(-) sign = Credit

Values in Euro/000	01/01/2019 pre IFRS 16	Impact of IFRS 16	01/01/2019	30/09/2019 pre IFRS 16	impact of IFRS 16	30/09/2019
BALANCE SHEET						
Net property, plant and equipment	182,315	29,786	212,101	182,244	28,581	210,824
Deferred tax assets	991	563	1,554	1,164	646	1,810
Accrued expenses and deferred income	(1,983)	(135)	(2,118)	305	(106)	199
Trade payables	(40,553)	0	(40,553)	(26,901)	751	(26,149)
Current financial payables	(2,224)	(3,219)	(5,442)	(1,757)	(4,083)	(5,839)
Non-current financial payables	(21,042)	(28,829)	(49,871)	(23,646)	(27,598)	(51,244)
Accumulated losses of shareholders of the parent company	4,232	1,700	5,932	(23)	1,703	1,680
Share capital and reserves attributable to minority interests	(3,020)	134	(2,886)	(3,592)	137	(3,456)

INCOME STATEMENT						
Costs for use of third-party assets	0	0	0	4,124	(2,989)	1,135
Amortisation/depreciation	0	0	0	8,534	2,853	11,387
Financial charges	0	0	0	3,392	495	3,887
Income taxes	0	0	0	4,818	(81)	4,738

The difference between the commitments indicated in the financial statements as at December 31st, 2018 relating to operating leases and rentals and liabilities deriving from the impact of IFRS 16 as at January 1st, 2019 indicated in this interim financial report is reported below:

Values in Euro/000	Values as at 31/12/2018	Values as at 01/01/2019 (financial liabilities booked to the financial statements due to IFRS 16)	Differences
Current financial commitments	(3,259)	(3,219)	(40)
Non-current financial commitments	(29,516)	(28,829)	(687)
Total commitments	**(32,775)**	**(32,048)**	**(727)**

The differences indicated refer primarily to the different considerations of the duration of contracts drawn up at the time of the analysis of the existing contracts at the date of the adoption of the new accounting standard.

USE OF ESTIMATES

The preparation of the consolidated financial statements requires Directors to use accounting principles and methods that, in some instances, require the use of complex and subjective valuations and estimates drawn from historical experience and assumptions that, in each case, are deemed to be reasonable and realistic under the circumstances existing at that time.

The use of these estimates and assumptions has an impact on the amounts reported in the financial statements, which include the statement of financial position, the income statement and the cash flow statement, as well as the explanatory notes.

The final amounts shown in the consolidated financial statements for which the above-mentioned estimates and assumptions were used may differ from the amounts reported in the financial statements of the individual companies due to the uncertainty that is inherent in the assumptions and the conditions upon which the estimates were based.

The financial statements items that, more than others, require greater subjective input by the Directors in the preparation of estimates and for which a change in the conditions underlying the assumptions used could have a material impact on the Group's financial statements mainly concern:

- the measurement of fixed assets (amortisation/depreciation and any write-downs due to impairment);
- the measurement of receivables;
- the recognition and quantification of contingent liabilities;
- the determination of deferred tax assets/liabilities;
- the determination of liabilities relating to "Employee severance indemnity" kept at the company, which was carried out by making use of the actuarial evaluation prepared by independent actuaries.

However, some measurement processes, especially those which are more complex, such as the calculation of impairment losses on non-current assets, are generally carried out fully only upon drawing up the annual financial statements, or when all information required is available, except cases in which there are impairment indicators which require an immediate measurement of any impairment losses.

The estimates and assumptions are periodically reviewed and the impact of any change recognised immediately in the income statement.

The economic result for the period is presented net of taxes recognised on the basis of the best estimate of the expected weighted average rate for the whole year.

SCOPE OF CONSOLIDATION AND ITS CHANGES

The Interim financial report as at September 30th, 2019 includes the economic and equity data of IEG S.p.A. (Parent Company) and all companies which it directly or indirectly controls.

The list of the equity investments included in the scope of consolidation, with an indication of the method used for consolidation is provided in attachment 1 of the Explanatory notes.

The balance sheet and income statement figures as at September 30th, 2019 also include the share of profits and losses of companies measured using the equity method on the date on which the company gained its significant influence over management up to its cessation.

The scope of consolidation as at September 30th, 2019 does not differ from that at December 31st, 2018. By contrast, with respect to the previous nine months, note that the income statement of the IEG Group includes the results of the nine-month period of Prostand S.r.l. and Colorcom S.r.l. (merged into Prostand S.r.l., effective from January 1st, 2019 for accounting and tax purposes) which joined the Group on September 1st, 2018 and the additional two months of FB International Inc., consolidated for the first time on March 1st, 2018.

As regards associated companies, on February 26th, 2019, the company Destination Services S.r.l. was incorporated, a jointly controlled company that will handle the promotion and organisation of tourist services.

BUSINESS COMBINATIONS PERFORMED

As already extensively illustrated in the previous financial reports and in this document, as of September 1st, 2018, the Parent Company finalised the purchase of 80% of the shareholding of Prostand S.r.l., which at the same time, acquired 100% of Colorcom S.r.l. on the same date.

During the period, the “Purchase Price Allocation” process was completed, as set forth in international accounting standard IFRS 3 Revised in relation to the provisional goodwill that emerged as at September 1st, 2018 following the above-cited acquisition, amounting to € 9,166 thousand.

Through the evaluations performed at the time of the PPA, no intangible assets separable from the goodwill itself were identified. Instead, the fair values of the amounts acquired were recalculated, and fell from € 1,885 thousand to € 1,060 thousand due to the correct identification of payables due to the selling shareholders as several amounts acknowledged as theirs and paid by Prostand, were initially fully recognised to remunerate their work for the company, whereas, following analyses conducted, they were more consistently allocated to the acquisition price. As a result, the definitive value of the goodwill stood at € 8,860 thousand.

The goodwill that emerged from the acquisition of Prostand and Colorcom will be tested for impairment, at IEG Group level consistently with the synergies expected from the aggregation that is expected to bring benefits for the Group. In line with the provisions of IAS 36, paragraph 80, the IEG Group:

a) represents the minimum level in which the goodwill deriving from the Prostand-Colorcom Combination will be monitored for internal management purposes and

b) is not larger than the single operating segment determined in compliance with IFRS 8 Operating segments.

The following table shows the values defined for the transaction in question, expressed in thousands of Euro.

Consolidated Prostand Colorcom - EUR/000	(A) Book values at the acquisition date	(B) Fair value at the acquisition date (definitive values)
Intangible fixed assets	5,187	233
Property, Plant and Equipment	7,125	6,961
Equity investments	959	959
Inventories	542	542
Receivables	9,303	9,025
Cash and cash equivalents	1,117	1,117
Accrued income and prepaid expenses	446	446
Payables for Employee severance indemnity	(865)	(939)
Payables to shareholders for loans	(676)	(676)
Other payables to shareholders	0	(825)
Payables due to banks	(6,510)	(6,510)
Payments on account	(1,286)	(1,286)
Trade payables	(6,808)	(6,808)
Payables to parent company	(224)	(224)
Tax payables	(106)	(106)
Amounts payable to pension and social security institutions	(88)	(88)
Other payables	(511)	(511)
Accrued expenses and deferred income	(250)	(250)
Total net assets acquired (Shareholders' equity)	**7,356**	**1,060**
Minority interests designated at fair value (20%)		**212**
Cost of the acquisition (60% share)		**7,408**
Put Option Fair Value at fixed price (20% share)		**2,300**
Goodwill (final value)		**8,860**

Cost of the acquisition (final):

Cash consideration	5,926
Cash consideration deferred short term (retained as guarantee)	494
Cash consideration deferred long term (retained as guarantee)	988
Total cost of the acquisition 60% (final)	**7,408**
Put option for purchase of additional 20% Historic Prostand shareholders discounted	2,300
Total cost of the acquisition (final)	**9,708**

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM JANUARY 1ST, 2019 OR APPLICABLE EARLY

In 2019, the IEG Group adopted the following new accounting standards, amendments and interpretations, revised by the IASB.

- Annual Improvements to IFRSs 2015-2017 Cycle: acknowledges the amendments to some standards as part of the annual process for their improvement. The main amendments, which did not impact the IEG Group's financial statements, concern:
  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangements: the amendment clarifies that, at the moment in which an entity obtains control of a business that represents a joint operation, it must remeasure the interest previously held in said business. By contrast, this process is not envisaged in the case of obtainment of joint control.
  - IAS 12 Income Taxes: the amendment clarifies that all the tax effects linked to dividends (including payments on financial instruments classified under shareholders' equity) should be accounted for consistently with the transaction that generated said profits (income statement, OCI or shareholders' equity).
  - IAS 23 Borrowing costs: the amendment clarifies that, in the case of loans that remain outstanding also after the qualifying asset is ready for use or for sale, these become part of the group of loans used to calculate borrowing costs.
- Amendment to IAS 19 – Plan Amendment, curtailment or settlement. This document clarifies that, if there is a change to a defined benefit pension plan, the estimate of the plan must be updated on the basis of updated assumptions, in order to determine the current service cost and the net interest for the rest of the reference period after modification of the plan itself. Up until now, IAS 19 did not specify how to determine these expenses for the period after the plan change. By requiring the use of updated assumptions, the amendments are expected to provide useful information to financial statements users. The new interpretation applies from January 1st 2019. The amendment in question did not have any effects on the IEG Group's financial statements.
- Amendment to IAS 28 – Long-term Interests in Associates and Joint Ventures. This document clarifies the need to apply IFRS 9, including the requirements related to impairment, to other long-term interests in associated companies and joint ventures for which the equity method is not applied. The amendment applies from January 1st, 2019 but early application is allowed. The amendment in question did not have any effects on the IEG Group's financial statements. The amendment in question did not have any effects on the IEG Group's financial statements.
- IFRIC 23 – Uncertainty over Income Tax Treatments. The document addresses the issue of uncertainties over income tax treatment and requires the uncertainties in determining tax assets or liabilities to be reflected in the financial statements solely where it is likely that the entity will pay or recover the amount in question. In addition, the document does not contain any new disclosure obligation, but stresses that the entity must establish whether it is necessary to provide information on the considerations reached by the management and relating to the uncertainty over the accounting of taxes, in accordance with IAS 1. The new interpretation applies from January 1st, 2019, but early application is allowed. The amendment in question did not have any effects on the IEG Group's financial statements.
- Amendment to IFRS 9 – Prepayment Features with Negative Compensation. This document specifies that a debt instrument that provides an early repayment option could respect the characteristics of contractual cash flows ("SPPI" test) and, subsequently, could be valued using the amortised cost method or fair value through other comprehensive income also in the event in which the "reasonable additional compensation" envisaged in the case of early repayment is

a “negative compensation” for the lender. The amendment applies from January 1st, 2019 but early application is allowed. The amendment in question did not have any effects on the IEG Group’s financial statements.

- On January 13th, 2016, IASB published the standard IFRS 16 Leases which is going to replace the standard IAS 17 – Leases, as well as the interpretations IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard provides a new definition of lease and introduces a criterion based on the control (right of use) of an asset to distinguish lease contracts from service contracts, identifying the following as discriminants: the identification of the asset, the right to replace the same, the right to substantially obtain all of the economic benefits resulting from the use of the asset and the right to direct the use of the asset underlying the contract. The standard establishes a single model for the recognition and measurement of leases for the lessee that involves the recognition of the asset subject to lease, including operating lease, under assets with a contra-item in the form of a financial payable, also providing the possibility of not recognising as a lease contracts involving “low-value assets” and leases with a contract duration or less than 12 months. On the contrary, the Standard does not include significant changes for lessors. The standard applies from January 1st, 2019 but early application is allowed, only for companies that have already applied IFRS 15 – Revenue from Contracts with Customers. The impacts on the IEG Group’s financial statements of the application of this standard are detailed extensively in this document.

NEW IFRS AND IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT ADOPTED EARLY BY THE IEG GROUP

The following new accounting standards, amendments and interpretations, approved by the competent bodies of the European Union. The IEG Group is assessing the impacts that the application of these will have on the consolidated financial statements. The new accounting standards, amendments and interpretations will be adopted according to the effective dates of introduction as reported below.

- At the date of drafting of this document, no new accounting standards, amendments and interpretations were approved with a date of future application.

The following accounting standards, updates, interpretations and amendments to accounting standards, already approved by the IASB, are also in the process of being acknowledged by the competent bodies of the European Union:

- IFRS 17 – Insurance Contracts. The objective of the new standard is to ensure that an entity provides relevant information that faithfully represent the rights and obligations from insurance contracts issued. The IASB developed the standard to eliminate inconsistencies and weaknesses in existing accounting policies by providing a single principle-based framework to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The new standard also specifies presentation and disclosure requirements to enhance comparability between insurers. The standard applies from January 1st, 2021 but early application is allowed, only for entities that have already applied IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers.

- Amendment to IFRS 3 – Business combinations. This document, issued by the IASB on October 22nd, 2018, is targeted at resolving the difficulties that arise when an entity determines whether it has acquired a company or a group of assets. These amendments are effective for business combinations for which the date of acquisition is effective on or after January 1st, 2020. Early application is allowed.

- Amendment to IAS 1 and to IAS 8: Definition of Material. This document was issued by the IASB on October 31st, 2018 and provides a different definition of "material", i.e: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary user of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". These amendments will be applicable for years beginning on January 1st, 2020 and thereafter. Early application is allowed.

Lastly, it should be noted that, for the following standards and interpretations, the EU approval process has been suspended indefinitely:

- IFRS 14 – Regulatory Deferral Accounts, the interim standard related to the Rate-regulated activities project. IFRS 14 permits only first-time adopters of IFRS to continue to account for regulatory deferral account balances in accordance with their previous GAAP. To improve comparability with entities that already apply IFRS and do not recognise these balances, the standard requires regulatory deferral account balances to be presented separately from other items. The standard applies as of January 1st, 2016.
- Amendment to IFRS 10 and to IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. On September 11th, 2014, the IASB published the amendments in question which seek to eliminate the conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction that involves an associate or a joint venture the extent to which it is possible to recognise a profit or a loss depends on whether the asset to be sold or transferred is a business. On February 12th, 2016, the IASB indefinitely postponed the effectiveness of the amendment, following the postponement of the amendment's approval procedure.

Comments on main items of the consolidated income statement

1) Revenues from sales and services

The following table shows the breakdown of revenues by business line:

	3Q 2019	%	3Q 2018	%	% Change	Balance as at 30/09/2019	%	Balance as at 30/09/2018	%	% Change
Organised Events	13,615	48%	18,707	54%	-27%	67,256	52%	69,043	62%	-3%
Hosted Events	0	0%	38	0%	-100%	1,801	1%	1,676	1%	7%
Conferences	2,046	7%	1,407	4%	45%	9,654	8%	7,446	7%	30%
Related Services	10,058	35%	12,712	37%	-21%	45,246	35%	30,499	27%	48%
Publishing, Sports and Other activities	2,631	9%	1,799	5%	46%	4,326	3%	3,308	3%	31%
TOTAL VALUE OF PRODUCTION	**28,351**	100%	**34,664**	100 %	-18%	**128,283**	100%	**111,973**	100%	15%

As regards the analysis of the trend in revenues during the third quarter of 2019 and the first nine months, and the comparison with the data in the previous year, please refer to the information already outlined in the Directors' Report on Operations.

Nevertheless, note that the significant growth in revenues recorded in the first nine months of 2019, compared to the same period of the previous year, is due to the extremely positive results achieved by each business line, and the increase of around €16.3 million is due to both purely organic growth and the change in scope. As already pointed out at the end of the first half of 2019, the latter is comprised by a positive change of around € 15.3 million (corresponding to +13.6%) resulting from the acquisitions of stand fitting companies made in 2018 (in March FB International in USA, in September Prostand and Colorcom in Italy) and from a change, almost all recorded in the third quarter of 2019, due to the calendar effect. Therefore, it is extremely important to note that organic growth alone in all business lines was able to overcome the negative calendar-related effects of even-numbered years.

2) Other Revenues

«Other revenues and income» break down as follows:

Other revenues and income	3Q 2019	3Q 2018	30/09/2019	30/09/2018
Operating grants	107	82	107	82
Emilia-Romagna Region Grant	48	48	145	145
Other Revenues	1,518	428	2,835	1,520
Total	**1,673**	**558**	**3,087**	**1,747**

The item «Other revenues and income» includes mostly accessory trade fair income, but falling under the ordinary activities of the Group, for example revenues from concessions, costs pertaining to third parties relating to events managed in collaboration with other parties, income from publications and subscriptions etc..

The main reason for the increase of “Other revenues” regards the charge, made in the quarter, for the costs incurred for the listing to selling shareholders of around € 1 million, in accordance with the agreements between the Parent Company and the same.

3) Operating costs

Operating costs break down as follows:

Values in Euro/000	3Q 2019	3Q 2018	30/09/2019	30/09/2018
Costs for raw materials, consumables and goods for resale	(2,827)	(2,563)	(10,304)	(6,243)
Costs for services	(13,067)	(17,127)	(58,325)	(56,147)
For use of third-party assets	(29)	(1,360)	(1,135)	(2,777)
For personnel	(7,928)	(7,605)	(26,038)	(22,563)
Change in inventories	(18)	55	53	100
Other operating costs	(585)	(543)	(1,926)	(1,783)
TOTAL OPERATING COSTS	**(24,454)**	**(29,143)**	**(97,675)**	**(89,413)**

Operating costs as at September 30th, 2019 amounted to € 97.7 million, up € 8.3 million compared to September 30th, 2018 (+9%), of which € 4.1 million related to costs of raw materials, € 2.2 million to costs for services and € 3.5 million to personnel costs. The increase of Operating Costs, partially mitigated by the absence of the costs relating to the important Tecnargilla exhibition, is mainly due to the following factors:

- Last year’s operating costs included the contribution of Prostand and Colorcom for the month of September only (the companies were acquired on September 1st, 2018) and those of FB International Inc. for 7 months (the data of the business combination was March 1st 2018), while in the period that ended on September 30th, 2019, they were present for the whole nine months. The overall impact of the acquisitions of the stand fitting companies was € 15.3 million.
- Application in 2019 of the new IFRS 16, which led to a reduction in the costs for the use of third party assets totalling € 3 million.

In the third quarter, this item recorded a decrease of € 4.7 million (-16%), € 1.1 million of which was due to the impact of IFRS 16.

4) Amortisation, depreciation and write-downs of fixed assets

Values in Euro/000	3Q 2019	3Q 2018	30/09/2019	30/09/2018
Amortisation of intangible fixed assets	(312)	(406)	(940)	(993)
Depreciation of property, plant and equipment	(3,869)	(2,150)	(11,387)	(6,318)
Write-downs of fixed assets	0	(27)	0	(27)
TOTAL AMORTISATION, DEPRECIATION AND WRITE-DOWNS	**(4,181)**	**(2,583)**	**(12,327)**	**(7,338)**

«Amortisation, depreciation and write-downs of fixed assets» rose by € 5 million, € 1.6 million of which related to the third quarter. This increase, which mostly relates to property, plant and equipment, can be broken down as follows: increase of € 2.9 million due to the application of accounting standard IFRS 16, of which € 1 million relates to the third quarter; increase of € 1.5 million mainly attributable to the Italian stand fitting companies, present only in September of last year (the impact on the quarter was € 0.4 million). The remainder of the increase is attributable predominantly to the Parent Company, whose

«Depreciation of property, plant and equipment» rose mainly due to the entry into operation of the investments made in the previous year.

5) Financial income and charges

The net amount of “Financial income and charges”, as at September 30th, 2019, recorded higher net charges of € 2.7 million compared to September 30th, 2018 (of which € 0.9 million in the quarter), the main reasons for which were the worsening of the Fair Value of the IRS derivative of € 1.5 million (of which € 0.6 million in the quarter), the recognition of interest expense on rights of use under IFRS 16 of € 0.5 million (of which € 0.2 million in the quarter) and the increase of the financial charges on the put option of € 0.5 million (of which € 0.1 million in the quarter).

«Financial income» amounted to € 65 thousand, and is essentially the result of the Parent Company’s liquidity management.

	3Q 2019	3Q 2018	Balance at 30/09/2019	Balance at 30/09/2018
From securities in Current assets other than equity investments	**18**	**19**	**59**	**49**
Interest income on bank deposits	3	3	6	17
Other interest income	-		-	-
Financial capital gains	-		-	-
Income other than the above	**3**	**3**	**6**	**17**
TOTAL FINANCIAL INCOME	**21**	**22**	**65**	**66**

Financial charges encumber almost exclusively Italian Exhibition Group S.p.A., which acts as the treasury for several of the Group’s operating companies, and relate to mortgages taken out and the temporary use of short-term credit facilities.

The «Fair Value/IRS Differential» represents the change in the fair value of the derivative contracted by the Parent Company with former Banca Popolare di Vicenza (now Banca Intesa San Paolo), between December 31st, 2018 and September 30th, 2019, while the “Negative differences of SWAPs” refer to the interest paid to said institution at the fixed rate established by the contract in question.

	3Q 2019	3Q 2018	Balance at 30/09/2019	Balance at 30/09/2018
Interest expense on payables due to banks	(242)	(136)	(684)	(489)
Medium/long-term charges on derivative financial instruments	(467)	135	(1,696)	(154)
Other interest expense and charges	-	(22)	(103)	(75)
Interest expense for rights of use (IFRS 16)	(165)	-	(495)	-
Financial charges on Put Options	(306)	(221)	(910)	(477)
TOTAL FINANCIAL CHARGES	**(1,180)**	**(244)**	**(3,887)**	**(1,195)**

The positive and negative exchange differences led to a net charge mainly due to the Euro-Dollar exchange rate taken at the end of the period.

Values in Euro/000	**3Q 2019**	**3Q 2018**	**30/09/2019**	**30/09/2018**
Positive exchange differences	21	(38)	40	143
Negative exchange differences	(64)	(49)	(110)	(169)
TOTAL EXCHANGE GAINS AND LOSSES	**(43)**	**(86)**	**(70)**	**(26)**

6) Gains and losses from equity investments

Equity investments in associated companies and joint ventures were measured using the equity method.

	3Q 2019	3Q 2018	Balance at 30/09/2019	Balance at 30/09/2018
Revaluations of equity investments				
Cesena Fiera S.p.A.	10	-	80	30
Fitness Festival International S.r.l. (in liquidation)	-	-	-	46
Total revaluations of equity investments	**10**	**-**	**80**	**76**
Write-downs of equity investments				
Expo Estrategia Brasil Eventos e Producoes Ltda	-	-	(19)	(81)
Fairsystem Srl	-	-	(5)	(15)
Total Write-down of equity investments	**-**	**-**	**(24)**	**(96)**
Income from equity investments				
Dividendi C.A.S.T. Alimenti S.r.l.	-	-	43	44
Total income from equity investments	**-**	**-**	**43**	**44**
TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS	**10**	**-**	**99**	**24**

The item «Gains and losses from equity investments» includes, for € 43 thousand, the dividend collected from the associated company CAST Alimenti S.r.l. resolved at the shareholders' meeting on May 22nd, 2019 on the allocation of the profit posted in the financial statements as at December 31st, 2018.

Note that as at September 30th, 2018, the same measurement criteria were used for equity investments as those applied as at June 30th, 2018, based on the most recent financial statements drawn up by the investee companies.

7) Taxes

The item "Income taxes" includes the taxes as at September 30th, 2019 recognised on the basis of the best estimate of the average weighted expected rate for the entire year. These amounted to around € 4.7 million, marking an increase of € 0.8 million compared to September 30th, 2018.

8) Other information

Employees

The average number of employees is expressed as the number of FTE (full-time equivalent) workers. The comparison between the average number of employees as at September 30th, 2019 and the September 30th, 2018 is shown below.

FTE	30/09/2019	30/09/2018
Executives	14.1	13.3
Middle managers-White collar workers	366.3	314.6
Blue-collar workers	171.1	155.3
AVERAGE NUMBER OF EMPLOYEES	**551.5**	**483.2**

The exact number of workers (headcount) as at September 30th, 2019 compared with the figure as at December 31st, 2018 is indicated hereunder.

Headcount	30/09/2019	31/12/2018
Executives	13	13
Middle managers-White collar workers	399	383
Blue-collar workers	420	164
AVERAGE NUMBER OF EMPLOYEES	**832**	**560**

9) Significant events subsequent to the end of the quarter

On October 10th, the purchase of the FIMAST (Fiera Internazionale per macchine ed accessori del settore tessile – calzetteria [International trade fair for machines and accessories of the textile - hosiery industry]) exhibition, organised by Principemedia S.r.l., an event that is held biannually at Brixia Expo. The next exhibition will take place from May 27th, 2020.

This exhibition, the only one of its kind in Italy for this industry, reveals the latest global innovations in textile machines for hosiery, and, with the attendance of the leading hosiery manufacturers, this also means the presence of the largest producers of yarn precisely in the area where both the main district of machines for this type of item is based (Brescia), and that of the finished products (Mantua).

Even though not characterised by a high economic value, the acquisition of FIMAST has significant strategic value as it is part of an acquisition plan that seeks to consolidate the trade fair portfolio in the technological-industrial sphere, as well as of a programme to develop events organised for a strictly professional public, above all with a view to enhancing the industrial districts that are most representative of ‘made in Italy’.

On October 17th, 2019, Rimini Welcome S.c.a.r.l. was incorporated, a newco that will act as Destination Management Company, 80% of which is held by the joint venture of the Destination Service S.r.l. group, 5% by Italian Exhibition Group S.p.A. and 5% by Summertrade S.r.l.

On October 28th, 2019, the Parent Company IEG send an irrevocable proposal to Arezzo Fiere e Congressi S.r.l. in which it proposed to bring forward the exercise period for the option to purchase assets and rights relating to the “OroArezzo” and “GoldItaly” trade fairs.

Said option had been regulated under agreements signed in April 2017 between IEG and Arezzo Fiere e Congressi S.r.l., by virtue of which, the Parent Company had undertaken the exclusive management of the Arezzo goldsmiths’ made in Italy trade fairs “OroArezzo” and “GoldItaly” for the period 2017-2021. The agreement had envisaged the subsequent opportunity for the parties to exercise a “call” and “put” option in the period between January 1st, 2021 and February 28th, 2021, to finalise the purchase and sale of the assets and rights relating to the two exhibitions (including the intellectual property rights and the customer database).

The early exercise of the option would enable IEG to consolidate its leadership in the goldsmithing and jewellery sector.

The amount proposed for the acquisition of the assets and the rights relating to the two above-cited exhibitions, which mandatorily includes a non-compete clause in the jewellery and goldsmithing sector by Arezzo Fiere e Congressi, is comprised by a fixed component of € 3,494,000 and a variable component, which could reach a maximum of € 956,000 if certain conditions relating to the “OroArezzo 2020” exhibition are met. If Arezzo Fiere e Congressi accepts the proposal, and therefore transfers the assets and the rights of the exhibitions, IEG will no longer have to pay the concession fee for the exhibitions in Arezzo for FY 2020, which amount to € 1,144,000.

The proposal sent to Arezzo Fiere e Congressi envisages a deadline to accept and formalise the deeds of December 13th, 2019.

ANNEX 1

RELATIONS WITH SUBSIDIARIES, ASSOCIATED COMPANIES AND PARENT COMPANIES

To supplement the information already reported in the section "Group structure", the main data relating to the subsidiaries, associated companies and other companies are summarised below:

	Registered office	Financial Statements	Value of production	Profit (loss) for the year	Employees (FTE)	Shareholders' Equity
Subsidiaries						
Exmedia S.r.l.	Via Emilia, 155 – 47921 Rimini	31/12/2018	534	(18)	3	234
Prostand Exhibition Services S.r.l.	Via Emilia, 155 - 47921 Rimini	31/12/2018	13,410	1	0	124
Prime Servizi S.r.l.	Via Flaminia, 233/A - 47924 Rimini	31/12/2018	3,499	57	1	357
Summertrade S.r.l.	Via Emilia, 155 - 47921 Rimini	31/12/2018	14,782	400	135	1,053
Sub-consolidated company Ieg Usa Inc and Fb International Inc	Ieg Usa -1001 Brickell Bay Dr., Suite 2717° Miami (FL)	31/12/2018	13,075	317	44	7,930
Prostand S.r.l.	Via Santarcangiolese 18 – 47824 Poggio Torriana (RN)	31/12/2018	9,156	585	43	7,431
Colorcom Allestimenti Fieristici S.r.l.	Via Delle Prese 4 – Santorso (VI)	31/12/2018	14,782	400	47	1,053
Associated companies						
Fairsystem International Exhibition Services S.r.l. in liquidazione (in liquidation)	Via Maserati, 16 - Bologna	31/12/2018	88	(17)	na	426
Fitness Festival International S.r.l. in liquidazione (in liquidation)	Via Martiri dei Lager, 65 – 06128 Perugia	31/12/2017	164	93	na	67
Cesena Fiera Spa	Via Dismano 3845 – Cesena (FC)	31/12/2018	5,423	141	na	3,567
Green Box S.r.l.	Via Sordello 11/A – 31046 Oderzo (TV)	31/12/2017	na	na	na	na
Cast Alimenti S.r.l.	Via Serenissima, 5 - Brescia (BS)	31/12/2018	4,622	620	na	3,074
Rimini Welcome S.c.a.r.l.	Via Sassonia, 30 – Rimini (RN)	na	na	na	na	100
Eventi Oggi S.r.l.	Via Mazzoni 43 – Cesena (FC)	31/12/2017	479	0	1	15
Jointly controlled companies						
Expo Estrategia Brasil Eventos e Producoes Ltda	Rua Felix de Souza, 307 Vila Congonhas - Sao Paulo	31/12/2018	25	(290)	na	562
Dv Global Link LLC	P.O. Box 9846 – Dubai – U.A.E.	31/12/2016	2,243	(1,206)	na	114
Destination Services S.r.l.	Viale Roberto Valturio 44 – 47923 Rimini (RN)	na	na	na	na	10
Eagle	Shanghai, China	31/12/2018	238	(138)	na	(11)
Other equity investments						
Uni.Rimini	Via Angherà, 22, Rimini RN	31/12/2017	1,309	20	na	1,406
Centro Interscambio Merci e Servizi - C.I.S. in liquidazione (in liquidation)	Contrà Gazzolle 1 - 36100 - Vicenza (VI)	na	na	na	na	na
Società del Palazzo dei Congressi S.p.A.	Via Emilia, 155 – 47921 Rimini	31/12/2018	1,593	(853)	0	76,373

Amounts in €/thousand

The Parent Company, Italian Exhibition Group S.p.A., in addition to its role of management of Group activities, has operating relations with subsidiaries and associated companies, aimed at maximising synergies. All transactions are settled contractually and services are rendered and assets transferred at market prices.

In the stand fitting sector, Prostand maintains supply relations with the parent company and pays fees to the latter for the commercial brokerage activities carried out. FB International provides stand fitting services to Italian Exhibition Group S.p.A. for events in the United States. Summertrade is the official supplier for catering in the Trade fair districts of Rimini and Vicenza, to the Palacongressi di Rimini and the Vicenza Convention Centre; the relationship makes provision not only for the sale of assets and services to Italian Exhibition Group, but the payment of a fee on the activities carried out in the premises made available to it. Prime Servizi is the supplier of Italian Exhibition Group and Summertrade, regarding cleaning and porterage activities. Italian Exhibition Group S.p.A., also provides Exmedia with accounting and administrative services.

Statement by the Manager responsible for preparing the financial documents

The Manager responsible for preparing the company's financial documents, Roberto Bondioli, herby states, pursuant to paragraph 2, article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this Interim financial report as at September 30th, 2019, correspond to the accounting documents, ledgers and registers.

Rimini, November 13th, 2019

Roberto Bondioli
Manager responsible for preparing
the company's financial documents