INTERIM FINANCIAL REPORT AS AT MARCH 31ST, 2020

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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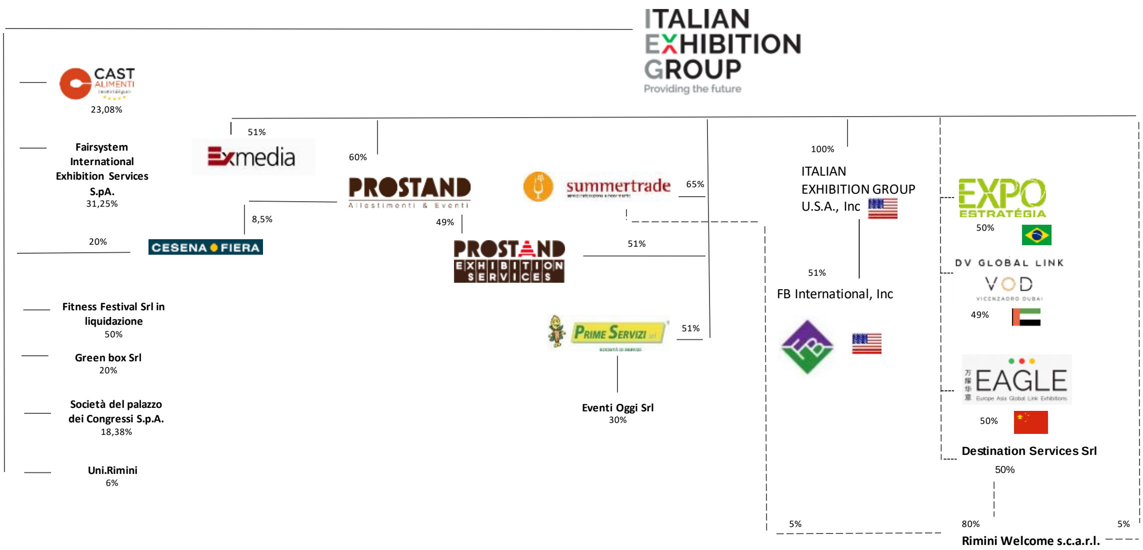
Structure of the IEG Group

STRUCTURE OF THE IEG GROUP
POSITION AS AT MARCH 31ST, 2020



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 (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, 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 March 31st, 2020, 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. in liquidation, Prime Servizi S.r.l., Prostand Exhibition Services S.r.l., Summertrade S.r.l., Prostand S.r.l., Italian Exhibition Group USA Inc. and FB International Inc.

Pursuant to art. 15 of the Markets Regulation adopted with Consob Resolution no. 20249 of December 28th, 2017, with reference to the subsidiaries established and governed by countries that are not Member States of the European Union, the Issuer: (a) intends to make available to the public the accounting situations of the subsidiaries drafted for purposes of developing the consolidated financial statements, by keeping them on file at the registered office or publishing them on the Company’s website; (b) obtained from the subsidiaries the Articles of Association and the composition and powers of the corporate bodies; and (c) will verify that the subsidiaries: (i) provide the Independent Auditors the information they require to conduct audit activities for the annual and interim accounting of the Company; and (ii) maintain an administrative-accounting system suitable for providing to management and the Independent Auditors the financial data necessary for developing the consolidated financial statements.

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.

At the date of drafting of this document, it should also be noted that: (i) there are no acts, resolutions or communications of Rimini Congressi that lead us to reasonably believe that the Company's decisions are the result of a domineering and commanding will of the parent company; (ii) the Company does not receive centralised treasury services (cash pooling) or other functions of financial assistance or coordination from Rimini Congressi; (iii) the Company is not subject to regulations or policies imposed by Rimini Congressi.

COMPOSITION OF THE GROUP AND CHANGES WITH RESPECT TO DECEMBER 31ST, 2019

A summary of the activities carried out by the various Group companies is provided below. Note that the situation has not changed with respect to December 31st, 2019.

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 in management of Group activities, organises/hosts trade fairs and conferences at the above-mentioned sites 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, when 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. in liquidation operates in the trade fair/conference organisation sector; the shareholding is currently 51%. It should be noted that the company was placed into liquidation on December 3rd, 2019 and the deed of sale of the Gluten Free business line to the Parent Company was signed on April 8th.

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 Vicenza Convention Centre, 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 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 December 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 sector in North America.

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

Prostand 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.

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 sector. The acquisition of Prostand resulted in the centralisation within it of the business management of the Group’s stand fitting services, hence, effective from January 2019, Prostand Exhibition Services S.r.l. is essentially inactive.

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

Fairsystem S.r.l., in which IEG S.p.A. holds a 31.25% stake, was active in trade fair services and promoting and organising events abroad. On April 18th, 2019, the company was placed into liquidation and on December 9th, 2019, the liquidation financial statements and distribution plan were approved by the Shareholders’ Meeting.

Eventioggi S.r.l.: an indirect stake of 30% is held through Prime Servizi, 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. The company has been inactive since 2017.

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 **joint ventures** 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: 49% owned by IEG S.p.A. and the result of the joint venture between the former 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 the UAE.

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.

European China Environmental Exhibition Co. Ltd. (EECE)**:** in 2019, EAGLE established the company Europe China Environmental Exhibitions (ECEE) in joint venture with a partner in Chengdu, owner of the CDEPE - Chengdu International Environmental Protection Expo - related to environmental technologies and sustainable development, to jointly carry out this event.

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.

Rimini Welcome S.c.ar.l.: established on October 17th, 2019, 80% of which is owned by the joint venture Destination Services S.r.l., 5% by Italian Exhibition Group S.p.A. and 5% by Summertrade S.r.l. The newco will carry out the functions of Destination Management Company.

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 former 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.

BOARD OF DIRECTORS

Lorenzo Cagnoni	Chairman
Corrado Peraboni	Chief Executive Officer
Daniela Della Rosa	Director (*) (1) (3)
Maurizio Renzo Ermeti	Director (2)
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 Mr. Massimo Conti as his replacement, whose term of office will end 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 (electronic equities market), given the company is considered a Public Interest Entity pursuant to art. 16 of Legislative Decree no. 39/2010, it was necessary to assign the Independent Auditors a new nine-year audit engagement (in accordance with art. 17 of Legislative Decree no. 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 (electronic 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 received the opinion of the Board of Statutory Auditors.

The Board of Directors is vested with all the broadest 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 Articles of Association (for example, the issuing of significant guarantees and transfer of trademarks).

The Board of Directors meeting held on December 18th, 2019 co-opted Corrado Peraboni as a new member of the Board, with the role of Chief Executive Officer and "Director responsible for the internal control and risk management system", assigned the tasks indicated in art. 7, paragraph 4 of the Corporate Governance Code of Borsa Italiana. The co-optation is effective from January 1st, 2020.

On January 30th, 2020, Director Lucio Gobbi submitted his resignation, effective immediately, from all offices held in the Company.

Directors' Report on Operations

DIRECTOR'S REPORT ON OPERATIONS AND ANALYSIS OF THE MAIN RESULTS OF THE FIRST QUARTER OF 2020

In the first quarter of 2020, January was characterised by the excellent results of the Group in terms of directly organised trade fairs and their related services.

The two most important trade fair products of the Parent Company, Sigep and Vicenza Oro (January edition together with T-Gold), confirmed their leading position at international level and recorded better economic results (in terms of revenues and margins) than those of the previous year, due to both organic growth and the staging of the three-yearly event ABTech Expo – international exhibition of technology & products for bakery, pastry and confectionery.

In addition, the events held in the first half of the month of February, in particular, HIT Show, Beer&Food Attraction and BBTech Expo and Pescare Show, albeit with a markedly lower economic significance than those cited above, were duly held and posted generally better results compared to the previous year.

At the same time, in January we witnessed the outbreak of the COVID-19 epidemic in China, which gradually became a pandemic and began to also affect Italy starting in the second half of February. Consequently, in the wake of actions taken by Chinese authorities, the Italian government and the local administrations adopted a series of measures to contain the spread of the virus that, among other things, resulted in severe restrictions on the circulation of goods and people, the performance of commercial and production activities and a ban on mass gatherings, with the subsequent suspension of trade fairs and conferences beginning in March.

The Company immediately reacted to the situation, adopting all the necessary measures to protect the health and safety of its employees, associates, customers and suppliers, and promptly began rescheduling the main organised/hosted trade fairs and conferences envisaged from March. As described later in the paragraph "Events subsequent to the end of the quarter and business outlook", the Company has monitored, and continues to monitor on an ongoing basis, developments in the health emergency and the measures adopted by national and international authorities, working to reschedule the trade fairs and conferences which, to date, involve all those planned through the end of June.

The main effects of the COVID-19 emergency on the first quarter of 2020 are analysed below, which, as stated earlier, had a limited impact on the period as it did not jeopardise the regular execution of January's trade fairs, which represent the most important month of the year, in which a significant portion of the Group's operating income for the full year is achieved.

In terms of organised events, note the early closure of the Golositalia trade fair (set to take place between February 22nd-26th and cancelled following a measure issued by the Lombardy Region on February 23rd) and the cancellation of MIR Tech (planned from March 8th-10th) and Abilmente Primavera (planned for March 19th-22nd at the Vicenza trade fair district).

Subsequently, the virus containment measures caused conferences to be suspended for all of March, with the resulting cancellation of 8 events already confirmed for that period.

The business of related services was also halted in March, as a consequence of the suspension of national and international trade fairs and conferences and the essential closure of production and commercial activities. In particular, the European Union's largest countries as well as the United States (primarily New York and New Jersey) adopted measures similar to Italian efforts to limit the spread of the virus, which had an effect on the global activities of Prostand and FB International.

Lastly, also in terms of the global business, the pandemic had an impact on the Group's business in Brazil and China. In the latter area, in which the Group operates with the Eagle joint venture, the SWTF - Shanghai World Travel Fair, a tourism industry event, and CDEPE - Chengdu International Environmental Protection Expo, related to environmental technologies and sustainable development, which were to be held in March and April, respectively, were postponed, with the new dates set for late July / early August and late September, respectively. With regard to business activities in Brazil, where the Group operates through the Expo Extratégia joint venture, the Ecomondo Brasil event - the international trade fair for the environment and sustainability - initially scheduled for April, had to be rescheduled for the end of November. However, note that the impact of the results of Eagle and Expo Extratégia on IEG's consolidated financial statements is practically immaterial, due to both the small size of the events organised and the fact that they are consolidated with the equity method rather than line-by-line consolidation.

As stated above, the Group promptly reacted by implementing decisive and important actions to protect people's health and to counter the economic and financial impacts of this serious crisis. In particular, in addition to the ongoing and intense rescheduling of trade fairs and conferences, efforts were made to guarantee the Group's financial solidity and mitigate the economic impacts of the contraction in revenues due to the cancellation/postponement of events and the suspension of the related services business. The Group immediately implemented a cautious use of its liquidity, to which were added credit lines which were agreed but not used (additional details on the Group's current financial situation will be provided in the paragraph "Events subsequent to the end of the quarter and business outlook"), through prudent supplier payment policies and trade receivables management. The framework of economic and financial support measures introduced by governmental and financial institutions was continuously monitored, taking advantage, beginning in March, of the possibility of postponing the payment of social security contributions, withholding taxes and VAT. The use of other support measures then continued in the months following the closure of the first quarter of 2020. This will be reported later in the paragraph "Events subsequent to the end of the quarter and business outlook". In that paragraph, the results of discussions with the banking system will also be provided, which began in March with the objective of identifying possible solutions for strengthening the Group's financial solidity.

Starting in March, actions were implemented to contain operating costs, which in any case are characterised by a significant percentage of variable costs, and all investments that are not considered strategic were suspended.

In terms of personnel management, smart working was widely used even before the lockdown imposed by the virus containment measures, which then involved essentially all company staff; in addition, personal protective equipment was distributed and the use of unused holidays and leaves was facilitated. Through these actions, which also entailed developing meticulous planning for employee activities, it was possible to begin realising cost savings - the effects of which will be described later - and not jeopardise the Group's regular operations. However, note that in the first quarter of 2020, limited use was made of the social safety nets envisaged by the government's economic support measures. The use of these tools, as will be explained below, has been expanded over the subsequent months, hence, certainly for the second quarter of the year, an increase in the savings for this cost item is also expected.

The excellent performance of the events of the first two months of the year, which recorded overall growth for the third consecutive year, the outbreak of the COVID-19 health emergency, which caused the suspension of trade fairs and conferences starting in March, the decisive measures adopted by the Group to protect the safety and health of staff and combat the financial and economic impacts of this serious crisis are the salient facts that characterised this first quarter of 2020 and which led to the results that will be reviewed in the following pages. At this point, it is sufficient to remember that the Group's Value of Production amounted to € 60.4 million, down 10.2% (equal to € 6.9 million) compared to the first quarter of 2019. The organic growth of revenues achieved in the first two months of the year, equal to € 2.6 million (+3.9%), mainly thanks to the Sigep and Vicenza Oro January trade fairs organised in January, was abruptly interrupted by the outbreak in Italy of the COVID-19 pandemic, which led to an overall reduction in revenues of € 9.2 million (-13.7%) compared to the same period of 2019 (hereinafter also referred to as the "**COVID-19 effect**"). As will be explained in detail below, there were two types of effects on revenues caused by the health emergency. The first is represented by the cancellation of trade fairs and conferences scheduled in the first quarter of 2020 and by the suspension, starting from

March, of the activities of companies operating in the related services business (hereinafter also identified as the "**cancellation effect**"), which resulted in a loss of revenues of € 5.4 million (-8%). The second is represented by the postponement, due to the rescheduling to a later date in 2020 with respect to the first quarter, of trade fairs organised/hosted by the Parent Company and conferences (hereinafter also identified as the "**postponement effect**"), which led to a decrease in revenues of € 3.9 million (-5.7%).

The measures implemented by the Group to counter the economic effects of the crisis described above and the flexibility of the operating cost structure meant that the contraction of revenues did not have a significant impact on the Group's operating results. EBITDA for the first quarter stood at € 23.4 million, down 7.7% (€ -1.9 million) compared to the same period of the previous year; the EBITDA Margin therefore improved from 37.6% to 38.7%.

These factors then had a cascading impact on all the other interim results of the income statement. EBIT amounted to € 18.8 million, € 2.3 million lower than the same period of the previous year (-11.0%). The pre-tax result was € 17.4 million, down € 2.0 million compared to the first quarter of 2019 (-10.4%). The Group's result for the period amounted to € 11.9 million, down € 1.3 million (-9.7%) compared to the same period of the previous year. The result for the period attributable to the Parent Company's shareholders amounted to € 11.3 million compared to € 12.4 million in the first quarter of 2019, down € 1.1 million (-9.1%).

ANALYSIS OF CONSOLIDATED RECLASSIFIED INCOME STATEMENT DATA

The consolidated interim report of the IEG Group (hereinafter also the "Group") as at March 31st, 2020, 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 required by Art. 154-*ter* of Legislative Decree no. 58 of 24 February 1998. As this Interim Financial Report has been drawn up in a condensed form, it does not include all of the information required for the annual financial report and, therefore, should be read together with that which was prepared for the year ended as at December 31st, 2019.

The table below presents the IEG Group's reclassified Income Statement, in order to highlight the main operating results as at March 31st, 2020 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	**03/31/2020**	**%**	**03/31/2019**	**%**	**Change 2020 - 2019 Restated**	**% chg. 2020 - 2019 Restated**
Revenues from sales and services	58,811	*97.4%*	66,841	*99.4%*	(8,030)	*(12.0%)*
Other revenues	1,595	*2.6%*	419	*0.6%*	1,176	*280.7%*
Value of Production	**60,407**	***100.0%***	**67,260**	***100.0%***	**(6,854)**	***(10.2%)***
Operating costs	(28,412)	*(47.0%)*	(32,909)	*(48.9%)*	4,497	*(13.7%)*
Value added	**31,995**	***53.0%***	**34,351**	***51.1%***	**(2,356)**	***(6.9%)***
Staff costs	(8,613)	*(14.3%)*	(9,031)	*(13.4%)*	418	*(4.6%)*
Gross Operating Profit (EBITDA)	**23,382**	***38.7%***	**25,320**	***37.6%***	**(1,938)**	***(7.7%)***
Amortisation, depreciation and write-downs of fixed assets	(4,336)	*(7.2%)*	(4,011)	*(6.0%)*	(326)	*8.1%*
Write-downs of receivables, provisions, adjustments to value of financial assets	(292)	*(0.5%)*	(244)	*(0.4%)*	(48)	*19.5%*
Operating Profit/Loss (EBIT)	**18,754**	***31.0%***	**21,066**	***31.3%***	**(2,312)**	***(11.0%)***
Financial management	(1,341)	*(2.2%)*	(1,630)	*(2.4%)*	289	*(17.7%)*
Financial income (charges)	*(642)*	*(1.1%)*	*(523)*	*(0.8%)*	*(119)*	*22.8%*
Mark to Market value – derivative	*(218)*	*(0.4%)*	*(612)*	*(0.9%)*	*393*	*(64.3%)*
Financial charges for IFRS 16	*(167)*	*(0.3%)*	*(167)*	*0.0%*	*(0)*	*0.3%*
Financial charges on put options	*(309)*	*(0.5%)*	*(300)*	*(0.4%)*	*(10)*	*3.2%*
Exchange gains (losses)	*(4)*	*(0.0%)*	*(29)*	*(0.0%)*	*25*	*(86.9%)*
Gains and losses on equity investments	0	*0.0%*	0	*0.0%*	(0)	*(66.9%)*
Pre-tax result	**17,413**	***28.8%***	**19,436**	***28.9%***	**(2,023)**	***(10.4%)***
Income taxes	(5,558)	*(9.2%)*	(6,308)	*(9.4%)*	750	*(11.9%)*
Group result for the period	**11,855**	***19.6%***	**13,128**	***19.5%***	**(1,273)**	***(9.7%)***
Of which:						
Result for the period attributable to minority interests	*546*	*0.9%*	*690*	*1.0%*	*(143)*	*(20.8%)*
Result for the period attributable to Shareholders of the Parent Company	***11,309***	***18.7%***	***12,439***	***18.5%***	***(1,130)***	***(9.1%)***

It is specified the data presented in the tables in this report are stated in thousands of Euros, unless specified otherwise.

Recall that the new standard IFRS 16 - Leases entered into force on January 1st, 2019, to which the Group complied as of said date. The impacts on the financial position as at March 31st, 2020 are summarised in the following table.

The impacts of the IFRS 16 - Leases accounting standard on the main statement of financial position items are shown below.

IEG Group - Impacts of IFRS 16	03/31/2020 with IFRS 16	03/31/2020 without IFRS 16	Impact of IFRS 16 03/31/2020
Value of Production	**60,407**	**60,453**	**(47)**
Operating costs	(28,412)	(29,432)	1,020
Gross Operating Profit (EBITDA)	**23,382**	**22,409**	**973**
Amortisation, depreciation and write-downs of fixed assets	(4,336)	(3,475)	(861)
Operating Profit/Loss (EBIT)	**18,754**	**18,642**	**112**
Financial management	(1,341)	(1,173)	(167)
Pre-tax result	**17,413**	**17,469**	**(55)**
Income taxes	(5,558)	(5,594)	36
Result for the period	**11,855**	**11,874**	**(20)**
Property, plant and equipment	**206,992**	**181,799**	**25,193**
Net financial position	**(106,754)**	**(78,261)**	**(28,493)**

With reference to the Group's single 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 commercial and advertising activities to promote the local territory ("**Publishing, Sporting Events and Other Activities**").

Note that in the periods under analysis, there were no changes to the Group's scope of consolidation.

IEG Group
Value of Production by business line

	Balance as at 03/31/2020	% Breakdown	Balance as at 03/31/2019	% Breakdown	Change	% Change
Organised Events	43,084	71.3%	45,926	68.3%	(2,842)	(6.2%)
Hosted Events	18	0.0%	123	0.2%	(105)	(85.7%)
Conferences	753	1.2%	2,509	3.7%	(1,755)	(70.0%)
Related Services	15,994	26.5%	18,178	27.0%	(2,184)	(12.0%)
Publishing, Sporting Events and Other Activities	559	0.9%	525	0.8%	33	6.4%
TOTAL VALUE OF PRODUCTION	**60,407**	100.0%	**67,260**	100.0%	**(6,854)**	**(10.2%)**

The Value of Production recorded an overall contraction of € 6.9 million (-10.2%) compared to the same period of the previous year and affected, albeit to differing extents, mainly the Organised Events, Conferences and Related Services business lines. However, this variation is the result of several factors. The first is represented by organic growth (“**organic growth effect”**), mainly reflected in Organised Events and equal to € 2.7 million (+3.9%), only a small portion of which was offset by the negligible decrease in revenues of approximately € 0.3 million (-0.4%) due to the changed trade fair calendar of the Parent Company (“**calendar effect**”) compared to the same period of the previous year.

These figures highlight how *the initial months of 2020 were once again characterised by growth*; however, this growth was interrupted in March by the outbreak of the COVID-19 emergency (“**COVID-19 effect**”) which led to an overall reduction in revenues of € 9.3 million (-13.7%) compared to same period of the previous year. Thus, the effects of the crisis can be broken down into two types. The first is represented by the cancellation of trade fairs and conferences scheduled in the first quarter of 2020 and the suspension of business activities starting from March for companies operating in the related services business (“**cancellation effect**”), which resulted in a loss of revenues to € 5.4 million (-8%). The second is represented by the postponement, due to the rescheduling to a later date in 2020 with respect to the first quarter, of trade fair events organised or hosted by the Parent Company (“**postponement effect**”), which resulted in a drop in revenues of € 3.9 million (-5.7%). Note that the decrease due to this second type of effect is, at present, only temporary, since it may be fully recovered if the rescheduled event generates revenue volumes equal to that of the previous edition.

The Group’s core business, represented by the **direct organisation of trade fairs**, accounted for 71.3% of total revenues during the first quarter of the year and recorded a decrease of € 2.8 million (-6.2%) compared to the same period of the previous year. Similar to total revenues, the contraction in revenues for this business line was the result of different factors. Firstly, this segment recorded considerable growth of € 2.4 million (+5.1%), due to the excellent results of the Parent Company’s two most important trade fairs, Sigep - which took place along with the three-yearly ABTech Expo event, international exhibition of technology & products for bakery, pastry and confectionery - and Vicenza Oro (January edition together with T-Gold). In addition to the significant results in terms of revenue growth, the events confirmed their leadership position at the international level. However, this growth was completely absorbed by the “COVID-19 effect” in terms of both the “cancellation effect” for € 1.6 million (-3.5%) and the “postponement effect” for € 3.4 million (-7.4%). This business line also reflected a slight calendar effect, for € 0.2 million (-0.5%,) due to the less important “Mondomotori” event which did not take place. As will be seen in the analysis of the results, this business line has been the least impacted by the coronavirus emergency, due to both the timing of the outbreak in Italy and the organic growth recorded by the leading events of the sector.

The first quarter of the year is characterised by the substantial absence of **Hosted Events** (only one very small event). This is similar to the same period of the previous year, during which there were only three events, of a very limited size.

Conferences include the results from the management of the Palacongressi di Rimini and the Vicenza Convention Centre (VICC). Revenues in the first quarter of 2020 totalled € 0.8 million, marking a contraction of € 1.8 million (-70%) compared to the same period in 2019, entirely attributable to the “cancellation effect” from COVID-19. In fact, this business line was particularly affected by the legislative provisions linked to the coronavirus emergency in a period, such as March, which is typically full of events and, based on the previously acquired contracts, also counted on important national conferences during the current year that have been cancelled.

The business connected to **Publishing, Sporting Events and Other Activities** includes publishing activities, linked to 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. This business line, essentially not affected by the coronavirus emergency in the first quarter of 2020, shows revenues in line with those of the same period in the prior year.

“Staff costs” for the first quarter of 2020 stood at € 8.6 million, down € 0.4 million compared to the first quarter of 2019 (-4.6%). This reduction is the first indicator of the interventions that the Group promptly activated to protect the health of workers and contain the economic impacts of the pandemic. In particular, smart working was widely used even before the lockdown imposed by the virus containment measures, which then involved essentially all company staff; in addition, personal protective equipment was distributed and the use of unused holidays and leaves was facilitated. Through these actions, which also entailed developing meticulous planning for employee activities, it was possible to begin realising cost savings and not jeopardise the Group’s regular operations, continuing to provide constant support our customers. Moreover, note that in the first quarter of 2020, the Group made limited use of the social safety nets envisaged by the government’s economic support measures. The use of these tools, as will be explained below, has been expanded over the subsequent months, hence, certainly for the second quarter of the year, an increase in the savings for this cost item is expected.

The **Gross Operating Profit (EBITDA)** in the first quarter of 2020 amounted to € 23.4 million, a decrease of € 1.9 million (-7.7%) compared to the same period of the previous year. The EBITDA Margin (ratio between EBITDA and Value of Production) improved, reaching 38.7% compared to 37.6% in the previous period. Based on the considerations presented above, the contraction in EBITDA is therefore attributable entirely to the reduction in revenues caused by the pandemic. However, note that the increase in EBITDA Margin (as well as the increase in the ratio of Value Added over Value of Production) highlights the flexibility of the Group’s operating cost structure, characterised by a high percentage of variable costs and the effectiveness of the measures taken to contain general costs.

In terms of the non-monetary components of operating revenues, higher **Amortisation/Depreciation** of around € 0.3 million was recorded in the first quarter of 2020 with respect to the same period of the prior year, an increase that is mainly attributable to the Parent Company in relation to the recent investments made.

As a result of the events described above, the Group’s **Operating Profit/Loss (EBIT)** for the first quarter of 2020 stood at € 18.8 million, € 2.3 million lower than the same period of the previous year (-11.0%). The EBIT Margin (ratio between EBIT and Value of Production) stood at 31%, compared to 31.3% in the same period of the prior year.

Financial management improved by around € 0.3 million (+17.7%) compared to the first quarter of 2019. The largest variation is in the change in the fair value of derivative financial instruments, which improved by around € 0.4 million compared to the same quarter of the previous year (+64.3%). “Ordinary” financial management posted a deterioration of € 0.1 million euro (+22.8%).

The **Pre-tax result** as at March 31st, 2020 came to € 17.4 million, a decrease of € 2.0 million compared to the same period of the prior year (-10.4%).

Income taxes for the period amounted to € 5.6 million (tax rate of 31.9%), a decrease of € 0.8 million compared to the same period of the previous year (tax rate 32.5%).

The **Group's result for the period** amounted to € 11.9 million, down € 1.3 million (-9.7%) compared to the same period of 2019. The **Net Income Margin** (ratio between the Group result for the period and the Value of Production) showed a slight improvement, reaching **19.6%**, compared to **19.5%** in the first quarter of 2019.

The **result for the period attributable to the shareholders of the Parent Company** amounted to € 11.3 million compared to € 12.4 million in the first quarter of the prior year, down € 1.1 million (-9.1%).

ANALYSIS OF RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FIGURES

The statement of financial position data reclassified according to the sources-uses model are presented below. In fact, it is believed that this layout for the reclassification of the statement of financial position figures can provide an additional disclosure of the composition of net invested capital and the nature of the sources used for its financing.

USES	Balance as at 03/31/2020	Balance as at 12/31/2019
Property, plant and equipment	206,992	209,173
Intangible fixed assets	36,575	37,036
Equity investments	15,336	15,311
TOTAL FIXED ASSETS AND EQUITY INVESTMENTS	**258,903**	**261,520**
Deferred tax assets	1,898	1,940
Other non-current assets	119	152
Employee provisions	(4,604)	(4,580)
Other non-current liabilities	(4,007)	(4,055)
OTHER NON-CURRENT ASSETS/(LIABILITIES)	**(6,594)**	**(6,543)**
NWC	**(27,561)**	**(44,369)**
TOTAL USES	**224,748**	**210,607**

SOURCES	Balance as at 03/31/2020	Balance as at 12/31/2019
Loans payable	70,341	73,034
Non-current financial payables for rights of use	25,515	26,115
Other non-current financial liabilities	22,985	22,467
Other non-current financial assets	(1,273)	(1,364)
Other current financial assets	(1,574)	(1,636)
Current financial payables for rights of use	3,942	3,968
Other current financial liabilities	1,439	3,659
Shareholders - dividends and payables due to shareholders	376	464
Short-term indebtedness (excess)	(14,996)	(22,198)
Total non-monetary NFP	**106,754**	**104,507**
of which monetary NFP (excluding IFRS 16, put options, derivatives)	***55,342***	***53,249***
Shareholders' equity attributable to shareholders of the Parent Company	115,263	103,950
Shareholders' equity attributable to minority interests	2,730	2,150
TOTAL SHAREHOLDERS' EQUITY	**117,994**	**106,100**
TOTAL SOURCES	**224,748**	**210,607**

ANALYSIS OF THE CONSOLIDATED NET FINANCIAL POSITION

	IEG Group Net Financial Position (Values in Euro/000)	03/31/2020	12/31/2019
1	**Short-term available funds**		
01:01	Cash on hand	230	211
01:02	Bank current account balances	14,765	21,987
01:03	Invested liquidity	59	72
01:04	Other short-term receivables	1,102	1,152
01:05	Financial receivables due from associated companies	292	292
01:06	Receivables for right-of-use leased assets (IFRS 16)	165	164
	Total	**16,615**	**23,878**
02:01	Bank current account overdrafts	-	(33)
02:02	Other short-term payables to banks	(5,611)	(3,599)
02:03	Portions of medium/long-term payables due within 12 months	(10,425)	(11,083)
02:04	Other short-term payables - put options	(206)	(206)
02:05	Other short-term payables	(1,233)	(3,452)
02:06	Financial payables due to shareholders	(326)	(464)
02:07	Current financial payables for rights of use (IFRS 16)	(3,942)	(3,968)
	Total	**(21,743)**	**(22,806)**
3	**Short-term financial position (1+2)**	**(5,129)**	**1,072**
4	**Medium/long-term financial receivables (after 12 months)**		
04:01	Receivables for right-of-use leased assets (IFRS 16)	798	840
04:02	Other medium/long-term financial receivables	431	480
	Total	**1,229**	**1,320**
5	**Medium/long-term financial payables (after 12 months)**		
05:01	Mortgages	(54,305)	(58,318)
05:02	Other medium/long-term payables – put options	(16,985)	(16,745)
05:06	Other medium/long-term payables – other	(322)	(494)
05:07	Medium/long-term derivative financial instruments	(5,728)	(5,228)
05:08	Non-current financial payables for rights of use (IFRS 16)	(25,515)	(26,115)
	Total	**(102,855)**	**(106,900)**
6	**Medium/long-term financial position (4+5)**	**(101,625)**	**(105,579)**
7	**TOTAL INDEBTEDNESS**	**(124,598)**	**(129,705)**
8	**Net financial position (3+6)**	**(106,754)**	**(104,507)**
9	**Net MONETARY financial position** excluding IFRS 16 rights of use, put options and derivatives	**(55,342)**	**(53,249)**

The Net Financial Position (hereinafter NFP) of the Group as at March 31st, 2020 of € 106.8 million recorded an increase in total indebtedness of € 2.2 million compared to December 31st, 2019 (€ 104.5 million). The value includes financial payables for put options relating to the acquisition of stand fitting companies for a total of € 17.2 million, the net financial payables for rights of use (IFRS 16) equal to € 28.5 million, and financial payables for derivative financial instruments for € 5.7 million. Excluding the aforementioned non-monetary effects, the "**Monetary NFP**" amounted to **€ 55.3 million** as at March 31st, 2020, compared to € 53.2 million as at December 31st, 2019, thus marking an increase in indebtedness of € 2.1 million. The change between December 31st, 2019 and March 31st, 2020, is due to:

- a reduction in available funds from financial management of € 0.4 million (of which € 16.6 million from the profitability of current operations and € -17.1 million for changes in working capital), primarily due to the following two factors:
    - seasonality of the business, which historically involves liquidity absorption in the first quarter of the year (in the first quarter of 2019, current operations absorbed financial resources of € 3.4 million);
    - the COVID-19 emergency, which, on one hand, reduced operating profitability and, on the other, had a positive impact on cash flows generated by changes in NWC;
- investments of € 1.5 million (for further details, refer to the paragraph entitled "Investments");
- other outflows of € 0.2 million due in large part to financial charges.

Consolidated Cash Flow Statement

IEG Group Cash Flow Statement of NFP (Values in Euro/000)	03/31/2020	03/31/2019
Flows generated (absorbed) by:		
Operating profit/loss (EBIT)	18,754	21,065
Adjustments of EBITDA for put options	(70)	(68)
Adjustments of EBITDA for IFRS 16	(973)	(944)
Adjustments of amortisation/depreciation for IFRS 16	861	890
Monetary operating profit/loss (EBIT)	**18,572**	**20,944**
Amortisation, depreciation and write-downs of fixed assets	3,475	3,120
Allocation to the provision for credit risks and other provisions	292	244
Other non-monetary operating revenues	(48)	(48)
Current income taxes	(5,680)	(6,258)
1st cash flow from current operations	**16,610**	**18,001**
Flows generated (absorbed) by the change in NWC:		
Change in inventories	14	218
Change in trade receivables	10,274	(1,277)
Change in other current assets	(539)	(2,302)
Net change in tax receivables/payables for direct taxes	5,779	5,554
Change in trade payables	(1,641)	457
Change in other current liabilities	(30,941)	(24,063)
Change in NWC	**(17,054)**	**(21,413)**
Cash flow from current operations	**(444)**	**(3,412)**
Flows generated (absorbed) by investment activities:		
Investments in intangible fixed assets	(200)	(59)
Investments in property, plant and equipment	(1,289)	(2,564)
Equity investments in associated companies and other companies	(25)	(5)
Net equity investments in subsidiaries		-
Flows generated/(absorbed) by investment activities	**(1,514)**	**(2,627)**
Flows generated (absorbed) by the change in other non-current items		
Changes in deferred tax assets/liabilities	215	297
Net change in other non-current assets	32	(5)
Change in employee severance indemnity and other provisions	(9)	(907)
Net change in other non-current liabilities	-	-
Flows generated/(absorbed) by the change in other non-current items	**239**	**(614)**
Cash flow from operations	**(1,719)**	**(6,654)**
Flows generated (absorbed) by:		
Income (expenses) of financial management	(570)	(309)
Gains (losses) from equity investments	-	-
Distribution of dividends	-	-
Other capital changes (share capital increases, etc.)	196	343
Level 1 cash flow (change in "Monetary NFP")	**(2,093)**	**(6,620)**
Changes in NFP for IFRS 16 on Level 1 cash flow	**585**	**(30,789)**
Changes in NFP for PUT OPTIONS on Level 1 cash flow	**(239)**	**(232)**
Changes in NFP for derivatives on Level 1 cash flow	**(500)**	**(904)**
Level 2 cash flow (change in NFP)	**(2,247)**	**(38,545)**
Change in financial current and non-current payables due to banks	(2,693)	(3,189)
Change in other non-current financial liabilities – put options	239	232
Change in other non-current financial liabilities – derivatives	500	904
Change in other current and non-current financial liabilities for rights of use	(585)	30,789
Change in other current and non-current financial liabilities - other	(2,529)	180
Change in other current and non-current financial assets	112	(27)
Level 3 cash flow (change in cash and cash equivalents)	**(7,202)**	**(9,655)**
Cash and cash equivalents at start of year	22,198	29,479
Cash and cash equivalents at end of year	**14,996**	**19,824**

INVESTMENTS

The tables below detail the net investments made by the Group as at March 31st, 2020.

IEG Group
Net investments in intangible fixed assets as at 03/31/2020

Euro/000	Investments	Disinvestments	Transfers	Exchange rate effect	Net investments Q1 2020
Industrial patent and intellectual property rights	53				53
Concessions, licenses, trademarks and similar rights					
Goodwill		(26)		119	94
Other intangible fixed assets	20				20
Fixed assets in progress and payments on account	33				33
TOTAL NET INVESTMENTS IN INTANGIBLE FIXED ASSETS	**106**	**(26)**	**-**	**119**	**200**

The investments in "**Industrial patent and intellectual property rights**" refer primarily to the Parent Company's purchase and development of the new CRM (customer relationship management) software.

The changes in the item "**Goodwill**" are mainly due to the euro/dollar exchange rate fluctuations in relation to the goodwill recognised by IEG USA for the purchase of FB International.

Investments in "**Other intangible fixed assets**" refer entirely to improvements on third-party assets made by Summertrade S.r.l. on rented premises.

IEG Group
Net investments in property, plant and equipment as at 03/31/2020

Euro/000	Investments	Movements for entry into operation and transfers	Disinvestments	Exchange rate effect	Net investments Q1 2020
Land and buildings	294	1,120			1,414
Plant and machinery	95	461			555
Equipment	450			38	488
Other assets	131			21	152
Fixed assets under construction and payments on account	300	(1,580)	(40)		(1,320)
TOTAL NET INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT	**1,270**	**-**	**(40)**	**59**	**1,289**

The investments relating to "**Land and buildings**" refer entirely to the renovation of car parks in the Rimini trade fair district.

The investments in "**Plant and machinery**" relate entirely to systems installations relating to the car parks of the Rimini trade fair district.

Investments in "**Industrial and commercial equipment**" are principally related to structures to build trade fair stands acquired by Prostand for € 232 thousand and FB International for € 198 thousand.

Investments in "**Other assets**" refer to the purchase of cars and office machines by the Parent Company for a total of € 74 thousand and by Summertrade for a total of € 48 thousand.

Investments in "**Fixed assets under construction and payments on account**" are principally related to projects for the expansion/refurbishment of the Vicenza trade fair district.

INFORMATION ON SUBSIDIARIES, ASSOCIATED COMPANIES, AND OTHER 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. in liquidation	Via Emilia, 155 – 47921 Rimini	12/31/2019	8	(451)	3	(217)
Prostand Exhibition Services S.r.l.	Via Emilia, 155 - 47921 Rimini	12/31/2019	11	(10)	0	114
Prime Servizi S.r.l.	Via Flaminia, 233/A - 47924 Rimini	12/31/2019	3,329	27	1	404
Summertrade S.r.l.	Via Emilia, 155 - 47921 Rimini	12/31/2019	16,638	460	153	1,053
Sub-consolidated company IEG USA Inc and FB International Inc	IEG USA - 1001 Brickell Bay Dr., Suite 2717° Miami (FL)	12/31/2019	17,836	(461)	45	7,501
Prostand S.r.l.	Via Santarcangiolese 18 – 47824 Poggio Torriana (RN)	12/31/2019	38,724	(456)	74	7,408
Associated companies						
Fitness Festival International S.r.l. in liquidation	Via Martiri dei Lager, 65 – 06128 Perugia	12/31/2017	164	93	n.a.	67
Cesena Fiera Spa	Via Dismano 3845 – Cesena (FC)	12/31/2018	5,423	141	n.a.	3,566
Green Box S.r.l.	Via Sordello 11/A – 31046 Oderzo (TV)	n.a.	n.a.	n.a.	n.a.	n.a.
Cast Alimenti S.r.l.	Via Serenissima, 5 - Brescia (BS)	12/31/2018	4,622	620	n.a.	3,074
Jointly controlled companies						
Expo Estrategia Brasil Eventos e Producoes Ltda	Rua Felix de Souza, 307 Vila Congonhas - Sao Paulo	12/31/2019	9	(44)	n.a.	1
Dv Global Link LLC	P.O. Box 9846 – Dubai – U.A.E.	12/31/2018	3,579	(520)	n.a.	161
Europe Asia Global Link Exhibitions Co., Ltd	no. 18 Tian Shan Road 900-341, Changning District, Shanghai, China	12/31/2019	451	(138)	n.a.	368
Europe China Environmental Exhibitions Co., Ltd.	Getan Building 1, no. 588, Yizhou Avenue, High-tech Zone Chengdu, China	n.a.	n.a.	n.a.	n.a.	n.a.
Destination Services S.r.l.	Viale Roberto Valturio 44 – Rimini (RN)	n.a.	n.a.	n.a.	n.a.	n.a.
Other equity investments						
Uni.Rimini	Via Angherà, 22, Rimini RN	12/31/2017	1,309	20	n.a.	1,406
Centro Interscambio Merci e Servizi - C.I.S. in liquidation	Contrà Gazzolle 1 - 36100 - Vicenza (VI)	n.a.	n.a.	n.a.	n.a.	n.a.
Società del Palazzo dei Congressi S.p.A.	Via Emilia, 155 – 47921 Rimini	12/31/2019	1,659	(1,199)	0	75,207
Eventi Oggi S.r.l.	Via Mazzoni 43 – Cesena (FC)	12/31/2017	479	0	n.a.	15
Turismo e Benessere soc. cons.	Via Rasponi 8 – Ravenna (RA)	n.a.	n.a.	n.a.	n.a.	n.a.
Rimini Welcome S.c.a.r.l.	Via Sassonia, 30 – Rimini (RN)	n.a.	n.a.	n.a.	n.a.	n.a.

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, to which it pays fees for the commercial brokerage activities carried out. FB International provides stand fitting services to Italian Exhibition Group S.p.A. and Prostand 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 envisages not only the sale of assets and services to Italian Exhibition Group S.p.A., 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 S.p.A. and Summertrade, regarding cleaning and porterage activities. Italian Exhibition Group S.p.A., also provides Exmedia with accounting and administrative services.

ADDITIONAL 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 2020 it did not undertake any sale or purchase transactions relating to the aforesaid shares and/or quotas.

As at March 31st, 2020, 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 AND BUSINESS OUTLOOK

Following the closure of the first quarter of 2020, as the COVID-19 health emergency continued, the restrictive measures adopted by government authorities were confirmed in April, and in some cases intensified, with the aim of stopping the spread of the virus through social distancing. Only beginning on May 4th, after the first faint signs that the spread of the virus was slowing, were some limited production and commercial activities permitted to start up again in Italy and there was a slight easing of restrictions on individual’s movements (which, however, continued to be limited within one’s region and for proven needs). If the data on the health emergency continue to be positive, a further easing of measures to combat the spread of the virus is expected by the end of May or beginning of June. Nevertheless, it can be assumed that, for the next few months, there will be severe restrictions on carrying out production and commercial activities, on domestic and global mobility and, at least for the month of June, prohibitions on gatherings will continue, preventing trade fairs and conferences from being held. It is reasonable to hypothesise, including by looking at what is happening in Asia, that the resumption of our business activities will be accompanied by the need to adopt organisational measures that reduce the risk of contagion, which are currently being studied. The combined effect of uncertainty regarding the date and procedures for resuming business activities make it impossible, based on the information available to date, to formulate reliable forecasts on the economic and financial effects of the Covid-19 emergency on 2020 results.

As a result of continued restrictions imposed by various authorities and the persistence of a high degree of uncertainty regarding the future of the trade fair and conference sector, the rescheduling of events in the portfolio continued and the activities of the Related Services business line were essentially halted. The effects recorded to date are described below.

For Organised Events, no events are planned for the second quarter of 2020, which is, however, the least important period of the year, as almost all those scheduled during the period indicated have been postponed. The current context of uncertainty has also had an impact on some events in the second half of the year: “Tecnargilla”, “Origin Passion & Beliefs” and “Enada Roma”. With regard to the first event (which generated revenues of around € 6 million in the previous edition), due to the uncertainties about possible developments in international travel, the Parent Company, together with the ACIMAC trade association, a partner in organising the event, has decided to postpone the event to 2021. Therefore, “Tecnargilla” will return in the autumn of 2021, without missing any editions, but changing its biennial schedule from even to odd years. However, the Company is studying the possibility of carrying out some alternative initiatives to events (such as conferences and virtual business meetings) for “Cersaie - International Exhibition of Ceramics for Architecture and Bathroom Furnishings”, which has been postponed until November. For Origin, a small event scheduled for July at the Milan trade fair district, it was not possible to identify a new location suitable for the visiting public and exhibitors and therefore it was cancelled. The postponement to September 30th - October 2nd of “Enada Primavera” inevitably resulted in an overlap with the Rome edition of the event (October 13th-15th), therefore the 2020 edition has been cancelled. Hence, considering also the effects on the first quarter of 2020 previously analysed, the pandemic has, at present, resulted in the cancellation of 6 organised events (including Golositalia, suspended on its second day).

In the second quarter of 2020, there will not be any Hosted Events or Sporting Events. With regard to the first business line, note in particular the decision by the respective organisers to reschedule the “Expodental Meeting” to September (originally scheduled for May) and to cancel the 2020 edition of “Macfrut” (scheduled for May and then postponed until September 8th-10th). For Sporting Events, the 2020 editions of “The Coach Experience” and “Gymnastics Festival”, scheduled for June, and “Rimini Dancesport” scheduled for July, were all cancelled. Therefore, to date, the COVID-19 emergency has led to the cancellation of a hosted event and 3 sporting events which, even considered as a whole, have a decidedly limited impact on the Group’s operating result, considering the low weight of these two business lines.

The Conferences business line continues to be heavily affected by the ongoing crisis. As previously described, activities continue to be suspended and there are no events planned for the second quarter of 2020. To date, third-party organisers have decided to cancel another 41 events, in addition to the 8 cancelled in the first quarter, for a total of 49 conferences.

In addition, for the Related Services business line, the suspension of activities is expected to be confirmed at least for part, if not all, of the second quarter of the year. Note that only a very limited activity is carried out in relation to catering and cleaning, thanks to the new activities for sanitation services.

Therefore, based on the current state of the trade fair/conference calendar and the suspension of the activity of subsidiaries operating in Related Services, the Company estimates that the impacts described above (including those recognised in the first quarter of 2020) generate a contraction of approximately € 40 million in total revenues for 2020. However, as the scenario is constantly changing, it is difficult to develop a realistic estimate of the overall effects of these restrictions, which could also extend beyond June, and the consequences that this severe crisis will have on future events, thereby causing a deterioration in the estimate just provided for the impacts on the results of the Company and of the Group.

In response to the exacerbation of the consequences of the health emergency, as previously mentioned, beginning in March the Company adopted a decisive and significant action plan to protect the health and safety of all stakeholders and to counteract the economic and financial impacts of the crisis.

With regard to measures to protect the health and safety of employees, associates, suppliers and customers, the Company immediately activated a cross-functional team (“Safe Business” operation) with the aim of identifying all the solutions that will ensure that each area's activities meet the highest levels of health and safety and are in line with the safety measures indicated by the competent authorities. With regard to the safety of the employees and associates of the Company and the Group, smart working was widely used, which involved essentially all company staff; in addition, specific protocols were prepared to allow the safe resumption of working activities in the office. The protocols adopted include, among the various measures, social distancing, checking of temperature upon entrance, and distribution of personal protection systems. Mass serological screening was also provided on a voluntary basis. Since the Group operates in different regions, the operation will be carried out according to protocols issued and in the process of being issued, and an appropriate notice has already been submitted to the Emilia-Romagna region. The team then devised a project that envisages a comprehensive system of measures to allow participation in trade fairs and conferences in complete safety and in full compliance with health rules and protocols. The measures envisaged include: a centralised digital system to manage visitor flows, desks for distributing masks (with the requirement that they be worn throughout the visit to the event), safety corridors and distancing markers, dematerialised access passes, thermal scanners for checks on the general public, and transparent masks to communicate with hearing-impaired individuals.

The Company then activated a series of initiatives to contain the economic and financial impacts of the health emergency.

The Company constantly monitors the development of the epidemic and the restrictive regulatory provisions, which are believed, nonetheless, to be temporary, and works continuously with its customers and partners to ensure the postponed trade fairs and conferences can be held and to create alternatives for the cancelled events.

At the date of drafting of this document, the Group has liquidity stocks, augmented by authorised credit lines and not drawn down for a total amount of at least € 38 million. In addition, thanks to the leading position in its sector, the Company believes it will be able to enjoy support from the financial system. In particular, discussions are in progress with certain credit institutions in order to obtain new funding lines. The subsidiary Prostand requested and obtained a moratorium on the two outstanding loans, with the consequent suspension of principal payments until September 2020.

On April 16th, the Company entered into a loan agreement with a pool of banks led by Crédit Agricole Italia and composed of BNL, Bper Banca, Banco BPM and Istituto per il Credito Sportivo, intended for development of the Rimini trade fair district. The contract entails two distinct mortgage-backed loans on the properties making up Rimini trade fair district: a line of € 15,000,000 for the refinancing of pre-existing bank loans backed by mortgages in the Rimini trade fair district, which were simultaneously extinguished. The second line, of a maximum of € 60,000,000, will be disbursed as work progresses and is intended to finance projects to expand the exhibition capacity and services of the Rimini trade fair district, which will have multifunctional spaces that can also be used for sporting events. The new spaces will be available from January 2023. The credit lines, with a duration of 8 and 12 years, respectively (including an availability period of 36 months), include conditions, commitments and contractual terms in line with standards for the banking credit market.

The Company is planning to take advantage of the financial support measures provided for in the "Liquidity Decree" and will continue to monitor the possibility of using additional future financial support measures.

The uncertainty regarding the results for 2020, in particular as regards the forecasted EBITDA, does not allow a forecast to be made at this time regarding compliance with the financial covenants linked to some of the outstanding loans. As soon as it has sufficient information, the Company will begin discussions with the lending banks in order to manage any issues triggered by the pandemic.

In order to further bolster financial and capital stability, the Parent Company's Board of Directors, in its meeting of April 7th, 2020, decided to submit for the approval of the Shareholders' Meeting on June 8th a proposal to allocate 2019 profit to reserves, as other listed companies have done and as recommended by financial institutions and institutional investors. The Board and the Shareholders' Meeting can assess the possibility of distributing dividends once the uncertainties related to the current health emergency are resolved.

Lastly, again in the context of measures to support the financial structure, the Company is maintaining an elevated focus on managing its trade receivables and has adopted prudent supplier payment policies.

Subsequently, the Company activated a series of initiatives to contain operating costs which, as highlighted above, are however characterised by the high percentage of variable costs. In particular, a policy to reduce all general costs has been implemented and the renegotiation of certain supply contracts is being evaluated.

With regard to staff costs, the Company immediately facilitated the use of unused holidays and leaves and, starting from April, made extensive use of social safety nets (specifically, the Wage Integration Fund) envisaged by governmental measures. The largest subsidiaries activated social safety nets as early as March. It is therefore believed that the effects of adopting these measures, in terms of reducing staff costs, will be fully reflected in the coming months. Lastly, hiring was halted and management agreed to a voluntary reduction in remuneration for the entire period that the social safety nets envisaged for non-managerial staff are in use. Obviously, in relation to developments in the crisis, the Company will assess the possibility of extending the use of this type of instrument.

The Group has suspended all non-essential investments.

In addition to the elements described above, the Company will continue to evaluate the possibility of taking advantage of additional economic and financial support measures that will hopefully be introduced in the future, in order to minimise the impacts of the temporary difficulties and ensure it is ready to re-start activities alongside its customers and partners as soon these moments of uncertainty are overcome. Management continues to be convinced of the resilience of the Group and of the entire trade fair industry and of the important role it will have to play upon the re-commencement of activities.

Rimini, May 12th, 2020

Consolidated Interim Financial Report as at March 31st, 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (Euro/000)	NOTES	03/31/2020	12/31/2019
NON-CURRENT ASSETS			
Property, plant and equipment	1	206,992	209,173
Intangible fixed assets	2	36,575	37,036
Equity investments valued using the equity method		4,462	4,437
Other equity investments		10,873	10,873
Of which with related parties		*10,786*	*10,786*
Deferred tax assets		1,898	1,940
Non-current financial assets for rights of use		798	840
Other non-current financial assets		475	524
Other non-current assets		119	152
TOTAL NON-CURRENT ASSETS		**262,193**	**264,976**
CURRENT ASSETS			
Inventories		942	956
Trade receivables	3	23,370	33,899
Of which with related parties		*687*	*724*
Tax receivables for direct taxes		26	505
Current financial assets for rights of use		165	164
Other current financial assets		1,409	1,472
Of which with related parties		*292*	*292*
Other current assets		6,396	5,856
Cash and cash equivalents	4	14,996	22,198
TOTAL CURRENT ASSETS		**47,305**	**65,051**
TOTAL ASSETS		**309,497**	**330,027**

LIABILITIES	NOTES	03/31/2020	12/31/2019
SHAREHOLDERS' EQUITY			
Share capital	5	52,515	52,215
Share premium reserve	5	13,947	13,947
Other reserves	5	26,613	26,608
Profit (loss) from previous years	5	11,180	(1,680)
Profit (Loss) for the period attributable to shareholders of the Parent Company	5	11,309	12,861
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		115,563	103,950
Share capital and reserves attributable to minority interests	5	2,184	2,374
Profit (loss) for the year attributable to minority interests	5	546	(224)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		2,730	2,150
TOTAL GROUP SHAREHOLDERS' EQUITY		117,994	106,100
NON-CURRENT LIABILITIES			
Payables due to banks		54,305	58,318
Non-current financial liabilities for rights of use		25,515	26,114
Of which with related parties		*16,996*	*17,219*
Other non-current financial liabilities		22,985	22,467
Provisions for non-current risks and charges		1,755	1,755
Employee provisions		4,604	4,580
Deferred tax liabilities		0	0
Other non-current liabilities		2,252	2,300
TOTAL NON-CURRENT LIABILITIES		111,415	115,535
CURRENT LIABILITIES			
Payables due to banks		15,473	14,601
Current financial liabilities for rights of use		3,942	3,968
Of which with related parties		*1,322*	*1,320*
Other current financial liabilities		2,378	4,237
Provisions for current risks and charges		0	0
Trade payables		33,343	34,979
Of which with related parties		*90*	*126*
Tax payables for direct taxes		7,353	2,053
Other current liabilities	6	17,599	48,554
TOTAL CURRENT LIABILITIES		80,088	108,392
TOTAL LIABILITIES		309,497	330,027

Consolidated Income Statement

	NOTES	03/31/2020	03/31/2019
REVENUES			
Revenues from sales and services	7	58,811	66,841
Of which with related parties		*22*	*35*
Other revenues	8	1,595	419
Of which with related parties		*10*	*20*
TOTAL REVENUES		60,406	67,260
Of which non-recurring revenues		*315*	*0*
OPERATING COSTS			
Change in inventories		(22)	(157)
Costs for raw materials, consumables and goods for resale		(4,128)	(5,845)
Costs for services		(21,912)	(25,512)
Of which with related parties		*(9)*	*(22)*
Of which costs for non-recurring services		*0*	*(2)*
Costs for use of third-party assets		(1,528)	(672)
Personnel costs		(8,613)	(9,031)
Other operating costs		(822)	(723)
Of which with related parties		(3)	0
TOTAL OPERATING COSTS		(37,025)	(41,940)
GROSS OPERATING PROFIT (EBITDA)		23,382	25,320
Of which impact of non-recurring items		*315*	*(2)*
Depreciation, amortisation and write-downs of fixed assets	1-2	(4,336)	(4,011)
Write-down of receivables		(259)	(184)
Provisions		(33)	(60)
Value adjustments of financial assets other than equity investments		0	0
OPERATING PROFIT/LOSS (EBIT)		18,754	21,066
FINANCIAL INCOME AND CHARGES			
Financial income		7	25
Financial charges		(1,344)	(1,383)
Exchange rate gains and losses		(4)	(29)
TOTAL FINANCIAL INCOME AND CHARGES		(1,341)	(1,388)
GAINS AND LOSSES FROM EQUITY INVESTMENTS			
Effect of valuation of equity investments with the equity method		0	0
Other gains/losses on equity investments		0	0
Of which with related parties		*0*	*0*
TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS		0	0
PRE-TAX RESULT		17,413	19,678
INCOME TAXES			
Current taxes		(5,664)	(6,252)
Deferred tax assets/(liabilities)		106	(114)
Taxes related to previous years		0	0
TOTAL INCOME TAXES		(5,558)	(6,366)
GROUP PROFIT/LOSS FOR THE YEAR		11,855	13,312
PROFIT (LOSS) PERTAINING TO MINORITY INTERESTS		546	690
PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		11,309	12,623
EARNINGS PER SHARE		0.3664	0.4090
DILUTED EARNINGS PER SHARE		0.3664	0.4090

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	03/31/2020	03/31/2019
PROFIT/(LOSS) FOR THE YEAR		**11,855**	**13,312**
Other comprehensive income components which will be subsequently be reclassified under profit/(loss) for the year:			
Gains/(losses) on cash flow hedges		(206)	(385)
Taxes on derivative financial instruments		50	92
Gains/(losses) on translation of financial statements in foreign currency		196	171
Gains/(losses) on financial assets measured at FVOCI		-	-
Total other comprehensive income components which will be subsequently be reclassified under profit/(loss) for the year		**39**	**(121)**
Other comprehensive income components which will not be subsequently be reclassified under profit/(loss) for the year:			
Actuarial gains/(losses) from defined benefit plans for employees – IAS 19			
Income taxes			
Total effect of change in actuarial reserve			
Total other comprehensive income components which will not be subsequently be reclassified under profit/(loss) for the year			
TOTAL PROFIT/(LOSS) BOOKED TO SHAREHOLDERS' EQUITY		**39**	**(121)**
COMPREHENSIVE INCOME/LOSS FOR THE YEAR		**11,894**	**13,191**
Attributable to:			
Minority interests		**580**	**721**
Shareholders of the Parent Company		**11,314**	**12,470**

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 as at 12/31/2018 (**)	**52,215**	**13,947**	**67,160**	**9,213**	**2,413**	**(52,173)**	**(4,232)**	**10,301**	**98,844**	**2,195**	**520**	**101,559**
Adoption of IFRS 16							(1,452)		**(1,452)**	21		**(1,431)**
PPA effect								47	**47**	(165)	13	**(105)**
Balance as at 01/01/2019	**52,215**	**13,947**	**67,160**	**9,213**	**2,413**	**(52,173)**	**(5,684)**	**10,348**	**97,439**	**2,051**	**533**	**100,023**
Allocation of profit for the year:												
- Allocation to reserves							10,301	(10,301)	**0**	520	(520)	**0**
Comprehensive income/loss for the period						**(153)**		12,391	**12,238**	196	677	**13,111**
Balance as at 03/31/2019	**52,215**	**13,947**	**67,160**	**9,213**	**2,413**	**(52,326)**	**4,617**	**12,438**	**109,677**	**2,768**	**690**	**113,134**
IFRS 16 adoption adjustments							(247)		**(247)**	(155)		**(402)**
Allocation of profit for the year:												
- Distribution to shareholders							(5,556)		**(5,556)**	(73)		**(5,629)**
- Allocation to reserves				493	49		(542)		**0**			
Comprehensive income/loss for the period						(394)		470	**76**	(178)	(901)	**(1,003)**
Balance as at 12/31/2019	**52,215**	**13,947**	**67,160**	**9,706**	**2,462**	**(52,720)**	**(1,727)**	**12,908**	**103,950**	**2,361**	**(211)**	**106,100**
Allocation of profit for the year:												
- Distribution to shareholders												
- Allocation to reserves							12,908	(12,908)	**0**	(211)	211	**0**
Comprehensive income/loss for the period						5		11,309	**11,314**	34	546	**11,894**
Balance as at 03/31/2020	**52,215**	**13,947**	**67,160**	**9,706**	**2,462**	**(52,715)**	**11,180**	**11,309**	**115,264**	**2,184**	**546**	**117,994**

(**) 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 Combinations in the Measurement Criteria section of the explanatory notes to the Consolidated Financial Statements.*

CONSOLIDATED CASH FLOW STATEMENT

Values in Euro/000		Notes	03/31/2020	03/31/2019
Profit before tax			**17,413**	**19,678**
	Of which with related parties		*20*	*34*
Adjustments to trace profit for the year back to the cash flow from operating activities:				
Amortisation, depreciation and write-downs of property, plant and equipment and intangible assets		1-2	4,336	4,011
Provisions and write-downs			259	184
Other provisions			33	60
Charges/(income) from valuation of equity investments in other companies with the equity method			-	-
Write-down of financial assets			-	-
Net financial charges			1,341	1,388
Costs for use of third-party assets (IFRS 16)			(973)	(944)
Effect on EBIT - financial charges for put options			(70)	(68)
Other non-monetary changes			(48)	(48)
Cash flow from operating activities before changes in working capital			**22,290**	**24,260**
Change in working capital:				
Inventories			14	218
Trade receivables		3	10,274	(1,277)
	Of which with related parties		*36*	*(48)*
Trade payables			(1,641)	457
	Of which with related parties		*36*	*459*
Other current and non-current assets			(205)	(2,307)
Other current and non-current liabilities		6	(30,941)	(24,063)
Receivables/payables for current taxes			98	(705)
	Of which with related parties		-	-
Deferred tax assets/liabilities			215	297
Cash flow from changes in working capital			**(22,487)**	**(27,379)**
Income taxes paid			-	-
Employee provisions and provisions for risks			(9)	(907)
Cash flows from operating activities			**(205)**	**(4,027)**
Cash flow from investment activities				
Net investments in intangible fixed assets		2	(200)	(58)
Net investments in property, plant and equipment		1	(1,289)	(2,564)
Dividends from associated companies and joint ventures			-	-
	Of which with related parties		-	-
Change in current and non-current financial assets			112	(27)
	Of which with related parties		-	*131*
Net investments in subsidiaries			-	-
Changes in equity investments in associated companies and other companies			(25)	(5)
Cash flow from investment activities			**(1,402)**	**(2,654)**
Cash flow from financing activities				
Change in other financial payables			(5,134)	(3,016)
Payables due to shareholders			(87)	8
Net financial charges paid			(570)	(309)
Dividends paid			-	-
Change in Group reserves		5	196	343
Cash flow from financing activities			**(5,596)**	**(2,975)**
Net cash flow for the period			**(7,203)**	**(9,655)**
Opening cash and cash equivalents			22,198	29,479
Closing cash and cash equivalents			14,996	19,824

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 March 31st, 2020 (hereinafter "**Interim Financial Report**") were approved by the Company's Board of Directors on May 12th, 2020, 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**), as provided for in art. 154-*ter* of Legislative Decree no. 58 of February 24th, 1998. EU-IFRS refers to 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" or "summary" form, 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 December 31st, 2019, drafted in compliance with the EU-IFRS and approved by the Board of Directors on April 7th, 2020.

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.

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 Euro, unless otherwise specified.

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 according to 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 March 31st, 2020 conform to those used for drafting the consolidated financial statements as at December 31st, 2019, with the exception of the new accounting standards, amendments and interpretation applicable from January 1st, 2020, as more fully explained in the paragraph below, as well as a different accounting criterion for government grants, governed by IAS 20. Specifically, paragraph 7 of the standard governs the conditions for defining when the contributions accrue, specifying it as the time of recognition, when the Company has reasonable certainty of complying with the conditions envisaged for the grant's disbursement and of receiving the grant. Previously, the standard was interpreted by adopting a prudential approach and therefore recognising the grant from the moment at which it is collected. Instead, beginning January 1st, 2020, it was considered more representative to consider the moment at which the expense reporting is submitted as reasonable certainty, including from the perspective of correlating costs and revenues, as the costs are already present in the company's income statement. In fact, expense reporting is not necessary for obtaining the grant, which has already been approved by the public entity for the maximum amount obtainable, but only for verifying that the expenses have actually been incurred by the company and in the amount corresponding to the submitted project. The impact of the new interpretation resulted in higher revenues of € 550 thousand in the quarter, recorded under the item "Other revenues".

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM JANUARY 1ST, 2020 OR APPLICABLE IN ADVANCE

In 2020, the IEG Group adopted the following new accounting standards, amendments and interpretations, revised by the IASB.

- 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".
- Amendment to the Conceptual Framework. The principal changes compared to the previous version of the Conceptual Framework concern i) a new chapter on measurement; ii) better definitions and guidance, in particular with reference to the definition of liabilities; and iii) clarifications of important concepts such as stewardship, prudence and uncertainty in measurements.
- Amendment to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform. The standard amends some of the specific hedge accounting requirements in order to mitigate the effects on financial statements of the uncertainty of the reform of benchmark interest rates for the majority of financial instruments (known as "IBOR").
- 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.

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.

- 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 IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current and Non-Current. The standard clarifies the requirements for classifying current and non-current liabilities. The changes will take effect from January 1st, 2021.

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 from January 1st, 2016.
- Amendment to IFRS 10 and 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.

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.

SCOPE OF CONSOLIDATION AND ITS CHANGES

The Interim Financial Report as at March 31st, 2020 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 Annex 1 of the Explanatory Notes.

The scope of consolidation as at March 31st, 2020 does not differ from that as at December 31st, 2019.

FINANCIAL RISK MANAGEMENT

The IEG Group is exposed to financial risks related to its activities, in particular relating to the following types:

- *credit risk*, deriving from commercial transactions or financing activities;
- *liquidity risk*, relating to the availability of financial resources and access to the credit market;
- *market risk* (composed of exchange rate risk, interest rate risk, price risk), with particular reference to interest rate risk, relating to the exposure to the Group on financial instruments that generate interest.

This document does not contain all the information required for drafting the annual financial statements and reported therein, in relation to managing financial risk and the policies adopted by the Group to combat it. Thus, the information reported here must be read together with the financial statements prepared for the year ended December 31st, 2019.

Fair value

IFRS 13 defines the following three levels of fair value to which to refer the measurement of financial instruments recognised in the statement of financial position.

- *Level 1*: Prices quoted on an active market;
- *Level 2*: Inputs other than the listed prices described for Level 1, which can be directly (price) or indirectly (price derivatives) observed on the market;
- *Level 3*: Inputs that are not based on observable market data.

The following table shows the classification of financial assets and liabilities and the level of inputs used for the fair value measurement, as at March 31st, 2020.

03/31/2020						
in euro/000	**Notes**	**Fair value level**	**Amortised cost**	**Fair value through OCI**	**Fair value through profit and loss**	**Total**
ASSETS						
Other equity investments		2-3	-	10,862	12	10,873
Non-current financial assets		1-2	1,229	-	44	1,273
Other non-current assets			119	-	-	119
Trade receivables	3		23,370	-	-	23,370
Current financial assets		2	1,574	-	-	1,574
Other current assets			6,396	-	-	6,396
Cash and cash equivalents	4		14,996	-	-	14,996
TOTAL ASSETS			**47,684**	**10,862**	**56**	**58,602**
LIABILITIES						
Non-current payables due to banks			54,305	-	-	54,305
Other non-current financial liabilities		2	42,772	755	4,973	48,500
Other non-current liabilities			2,252	-	-	2,252
Current payables due to banks			15,473	-	-	15,473
Other current financial liabilities			6,320	-	-	6,320
Trade payables			33,343	-	-	33,343
Other current liabilities	6		17,599	-	-	17,599
TOTAL LIABILITIES			**172,064**	**755**	**4,973**	**177,792**

BUSINESS CONTINUITY

Although considering the complexity and uncertainty that define the context in the Group operates, characterised by the COVID-19 health emergency and related restrictive measures, based on the observations made below, the Company believes that the going concern assumption is appropriate and correct, taking into account its capacity to meet its obligations in the foreseeable future and, in particular, over the next 12 months.

The Company constantly monitors the development of the epidemic and the restrictive regulatory provisions, which are believed, nonetheless, to be temporary, and works continuously with its customers and partners to ensure the postponed trade fairs and conferences can be held and to create alternatives for the cancelled events.

The Company then activated a series of initiatives to contain the economic and financial impacts of the health emergency, described below.

At the date of drafting of this document, the Group has liquidity stocks, augmented by authorised credit lines and not drawn down for a total amount of at least € 38 million. In addition, thanks to the leading position in its sector, the Company believes it will be able to enjoy support from the financial system. In particular, discussions are in progress with certain credit institutions in order to obtain new funding lines. The subsidiary Prostand requested and obtained a moratorium on the two outstanding loans, with the consequent suspension of principal payments until September 2020.

On April 16th, the Company entered into a loan agreement with a pool of banks led by Crédit Agricole Italia and composed of BNL, Bper Banca, Banco BPM and Istituto per il Credito Sportivo, intended for development of the Rimini trade fair district. The contract entails two distinct mortgage-backed loans on the properties making up Rimini trade fair district: a line of € 15,000,000 for the refinancing of pre-existing bank loans backed by mortgages in the Rimini trade fair district, which were simultaneously extinguished. The second line, of a maximum of € 60,000,000, will be disbursed as work progresses and is intended to finance projects to expand the exhibition capacity and services of the Rimini trade fair district, which will have multifunctional spaces that can also be used for sporting events. The new spaces will be available from January 2023. The credit lines, with a duration of 8 and 12 years, respectively (including an availability period of 36 months), include conditions, commitments and contractual terms in line with standards for the banking credit market.

The Company is analysing the possibility of taking part in financial support measures provided for in the “Liquidity Decree” and will continue to monitor the possibility of using additional future financial support measures.

The uncertainty regarding the results for 2020, in particular as regards the forecasted EBITDA, does not allow a forecast to be made at this time regarding compliance with the financial covenants linked to some of the outstanding loans. As soon as it has sufficient information, the Company will begin discussions with the lending banks in order to manage any issues triggered by the pandemic.

In order to further bolster financial and capital stability, the Parent Company’s Board of Directors, in its meeting of April 7th, 2020, decided to submit for the approval of the Shareholders' Meeting on June 8th a proposal to allocate 2019 profit to reserves, as other listed companies have done and as recommended by financial institutions and institutional investors. The Board and the Shareholders’ Meeting can assess the possibility of distributing dividends once the uncertainties related to the current health emergency are resolved.

Lastly, again in the context of measures to support the financial structure, the Company is maintaining an elevated focus on managing its trade receivables and has adopted prudent supplier payment policies.

Subsequently, the Company activated a series of initiatives to contain operating costs which, as highlighted above, are however characterised by the high percentage of variable costs. In particular, a policy to reduce all general costs has been implemented and the renegotiation of certain supply contracts is being evaluated.

With regard to staff costs, the Company immediately facilitated the use of unused holidays and leaves and, starting from April, made extensive use of social safety nets (specifically, the Wage Integration Fund) envisaged by governmental measures. As noted previously, only certain subsidiaries used these instruments in March, therefore it is believed that the effects of adopting these measures will be reflected in the coming months, in terms of reducing staff costs. Lastly, hiring was halted and management agreed to a voluntary reduction in salaries for the entire period that the social safety nets are in use for employees. Obviously, in relation to developments in the crisis, the Company will assess the possibility of extending the use of this type of instrument.

The Group has suspended all non-essential investments.

In addition to the elements described above, the Company will continue to evaluate the possibility of taking advantage of additional economic and financial support measures that will hopefully be introduced in the future, in order to minimise the impacts of the temporary difficulties and ensure it is ready to re-start activities alongside its customers and partners as soon these moments of uncertainty are overcome.

COMMENTS ON THE MAIN STATEMENT OF FINANCIAL POSITION ITEMS

1) Property, plant and equipment

The tables below indicate the changes during the period.

		Changes Q1 2020								
	Balance as at 12/31/2019	Increases	Change IFRS 16	Decreases/ Write-downs	Depr	Depr IFRS 16	Transf.	Exchange rate effect	Changes in scope of consol.	Balance as at 03/31/2020
Land and buildings										
Book value	299,201	294	221				1,120			300,835
Depreciation	(122,722)		(32)		(1,264)	(845)				(124,862)
Total land and buildings	**176,479**	**294**	**189**	**-**	**(1,264)**	**(845)**	**1,120**	**-**	**-**	**175,973**
Plant and machinery										
Book value	77,531	95					461			78,086
Depreciation	(66,865)				(465)					(67,330)
Total plant and machinery	**10,666**	**95**	**-**	**-**	**(465)**	**-**	**461**	**-**	**-**	**10,756**
Industrial and commercial equipment										
Book value	35,158	450						78		35,685
Depreciation	(25,919)				(759)			(40)		(26,718)
Total industrial and commercial equipment	**9,239**	**450**	**-**	**-**	**(759)**	**-**	**-**	**38**	**-**	**8,967**
Other assets										
Book value	24,374	131	16					39		24,560
Depreciation	(17,349)				(326)	(16)		(18)		(17,709)
Total other assets	**7,025**	**131**	**16**	**-**	**(326)**	**(16)**	**-**	**21**	**-**	**6,851**
Total fixed assets under construction and payments on account	**5,764**	**300**		**(40)**			**(1,580)**			**4,444**
TOTAL	**209,173**	**1,270**	**205**	**(40)**	**(2,815)**	**(861)**	**-**	**59**	**-**	**206,991**

The net value of “**Land and buildings**” as at March 31st, 2020 amounts to roughly € 176 million, a net decrease of € 0.5 million. The increases during the period and the transfers following the entry into operation of fixed assets under construction amounted to a total of € 1.4 million and are entirely attributable to the refurbishment of the car parks in the Rimini trade fair district. Depreciation for the period amounted to € 1.3 million and the net effect of applying IFRS 16 was € 0.7 million.

The net value of “**Plant and machinery**” as at March 31st, 2020 amounts to roughly € 10.8 million, a net increase of € 0.1 million. The increases during the period and the transfers following the entry into operation of fixed assets under construction amounted to a total of € 0.6 million and are entirely attributable to systems installations in the car parks of the Rimini trade fair district. Depreciation for the period amounted to € 0.5 million.

The item “**Industrial and commercial equipment**”, with a balance of € 9.0 million, recorded a net decrease of € 0.3 million. Increases during the period and transfers following the entry into operation of fixed assets under construction amounted to € 0.5 million and are principally related to structures to build trade fair stands acquired by Prostand for € 0.3 million and FB International for € 0.2 million. Depreciation for the period amounted to € 0.8 million.

The item “Other assets”, with a balance of € 6.9 million, recorded a net decrease of € 0.2 million. Increases for the period amounted to € 0.1 million and refer to the purchase of cars and office machines by the Parent Company and Summertrade S.r.l. Depreciation for the period totalled € 0.3 million.

Lastly, the item “**Fixed assets under construction and payments on account**” recorded a net decrease of € 1.3 million, following the entry into operation of fixed assets for € 1.6 million and increases for the period of € 0.3 million attributable to projects for the expansion/refurbishment of the Vicenza trade fair district.

2) Intangible fixed assets

	Balance as at	Changes Q1 2020					Balance as at
	12/31/2019	Net increases	Write-downs	Amortisation	Transfers	Exchange rate effect	03/31/2020
Industrial patent and intellectual property rights							
Book value	4,192	53					4,246
Accumulated amortisation	(3,489)			(79)			(3,567)
Total industrial patent and intellectual property rights	**704**	**53**		**(79)**			**678**
Concessions, licenses, trademarks and similar rights							
Book value	11,672						11,672
Accumulated amortisation	(3,050)			(188)			(3,238)
Total concessions, licenses, trademarks and similar rights	**8,622**			**(188)**			**8,434**
Goodwill	**22,114**	**(26)**				**120**	**22,208**
Fixed assets in progress and payments on account	**46**	**20**					**66**
Other intangible fixed assets							
Book value	9,709	33					9,742
Accumulated amortisation	(4,158)			(394)			(4,552)
Total other intangible fixed assets	**5,551**	**33**		**(394)**			**5,190**
TOTAL INTANGIBLE FIXED ASSETS	**37,036**	**81**	**-**	**(661)**	**-**	**120**	**36,575**

Under the item “**Industrial patents and intellectual property rights**”, the costs for the purchase of software licences and legally protected intellectual property are capitalised. The balance at the end of the period amounted to € 0.7 million. The increases refer primarily to the Parent Company’s purchase and development of the new CRM (customer relationship management) software.

The item “**Concessions, licenses, trademarks and similar rights**” had a balance at the end of the period of € 8.4 million. The change compared to the balance for the prior period is entirely due to amortisation for € 0.2 million.

The item “**Goodwill**” includes the values generated by the surplus between the cost of the business combinations and the fair value of the assets, liabilities and contingent liabilities acquired. The item amounted to € 22.2 million at the end of the period. The values resulting from the acquisitions and booked to the Group’s financial statements are set out below.

Euro/000	Balance as at 03/31/2020	Balance as at 12/31/2019
Goodwill emerging from the transfer of Fiera di Vicenza	7,948	7,948
Goodwill emerging from the purchase of the business unit FIMAST (provisional)	180	205
Goodwill emerging from the purchase of the business unit FIERAVICOLA (provisional)	50	50
Other goodwill	355	355
Goodwill emerging from the purchase of FB International Inc.	4,828	4,708
Goodwill emerging from the purchase of Prostand S.r.l. and Colorcom S.r.l.	8,847	8,847
TOTAL GOODWILL	**22,208**	**22,114**

The change during the period is mainly due to the euro/dollar exchange rate fluctuations in relation to the goodwill recognised by IEG USA for the purchase of FB International.

Goodwill, excluding that which originated from the recent acquisitions indicated previously, was subject to impairment testing at the year-end closing date for 2019. IAS 36 requires that goodwill be tested at least once a year, in order to detect any impairment losses and at each reporting date if there are any indications of impairment (IAS 36.9-10). The closure of all gathering places and the restrictions on individuals' movements are undoubtedly having a negative impact on the reference market in which the Group operates; these circumstances are causing a contraction in the expected results for 2020.

Therefore, it was deemed appropriate to repeat the impairment test carried out at the end of last year, with the parameters described in the following paragraphs.

The complexity and uncertainty that are defining this moment have rendered it impossible to reformulate cash flows in line with current scenarios; however, note that the Group had already prepared a simulation as at December 31st, 2019, designed to include the possible effects of the COVID-19 health emergency on 2020 cash flows and the sensitivity analyses developed as part of that impairment test, re-calculated at that time, showed results with even more negative effects than those identified for purposes of the COVID-19 simulation. Lastly, it should be noted that the Group will redefine the long-term plan in the coming months, which will also be formulated based on possible future scenarios following the COVID-19 emergency. The situation and the changes in regulations to fight the pandemic will continue to be the subject of careful monitoring and reflection over the next few months and, if necessary according to the applied accounting standards, impairment tests will be repeated at the next reporting date.

Thus, at present, for the "IEG GROUP CGUs", comprised primarily of the IEG, FB, Prostand and Summertrade CGUs, the relevant value in use was determined by adopting the Group Discounted Cash Flow (DCF) methodology, using:

- The Consolidated 2019-2023 Business Plan and the Company Business Plan approved by the Board of Directors on September 7th, 2018 and including the effects of subsequent resolutions;
- The Consolidated 2020 Budget and Company Budget approved by the Board of Directors on December 18th, 2019, adjusted to reflect actual data for the first quarter of 2020 and the estimate of the impacts of events that have so far been cancelled in relation to the 2020 trade fair and conference calendar.

Discount rates have been revised in light of the likely worsening that this health crisis will have on the economy. In particular, Duff & Phelps suggested using a market risk premium in the range of 5.5%-6% and country risk of 2.5%. All other parameters being equal, the indications presented above would result in a WACC of 9.06% (8.18% in the impairment test as at December 31st, 2019).

Using the parameters just described, the "IEG GROUP CGU" and the "IEG CGU" maintain recoverable values higher than the book values of the net invested capital (including goodwill) as at March 31st, 2020 - including under the sensitivity assumptions developed for the year-end closing of 2019, thus confirming the assessments made therein.

The item "**Other intangible fixed assets**" amounted to € 5.1 million at the end of the period. The change compared to the balance for the prior period is entirely due to transfers following the entry into operation of fixed assets in progress. The increases during the period refer to improvements on third-party assets made by Summertrade S.r.l. on rented premises.

3) Trade receivables

	Balance as at 03/31/2020	Balance as at 12/31/2019
Receivables from customers	23,213	33,713
Receivables from associated companies	103	132
Receivables due from jointly controlled companies	54	54
TOTAL TRADE RECEIVABLES	**23,370**	**33,899**

“Trade receivables” amounted to € 23.4 million, a decrease of € 10.5 million compared to December 31st, 2019 following the collection of the residual receivables for events held in January and February and the simultaneous suspension of invoicing for events planned for subsequent months, which are now postponed due to the COVID-19 emergency. The item in question represents the balance of amounts due from organisers and exhibitors for services relating to the provision of trade fair/conference spaces and the supply of event-related services.

“Receivables from associated companies” totalled € 103 thousand and refer primarily to trade receivables due to the Parent Company and Summertrade S.r.l. from Cesena Fiera S.p.A.

“Receivables due from jointly controlled companies” include receivables of the Parent Company due from DV Global Link LLC, associated primarily with the costs re-invoiced in the year related to expenses incurred for the event VicenzaOro Dubai.

It should be noted that the item “Receivables from customers” includes € 40 thousand due from the company Società del Palazzo dei Congressi S.p.A., an investee in which the Group holds a 18.38% stake and receivables due from the Parent Company Rimini Congressi for € 491 thousand.

4) Cash and cash equivalents

Cash and cash equivalents represent almost exclusively short-term deposits remunerated at floating rate.
This item had a balance of € 15.0 million, down € 7.2 million compared to the December 31st, 2019 following the principal movements indicated in the consolidated cash flow statement:

- absorption of liquidity related to operating activities for € 0.2 million;
- absorption of liquidity relating to investments in fixed assets during the quarter for € 1.4 million;
- absorption of liquidity relating to the payment of financial liabilities during the quarter for € 5.6 million.

5) Shareholders’ Equity

Shareholders’ equity for the Group posted changes with respect to December 31st, 2019 only for the adjustment of the OCI reserves and the result for the quarter.

For the changes in shareholders’ equity, please refer to the specific financial statement schedule.

Note that the ordinary and extraordinary Shareholders' Meeting was convened on April 29th, 2020 and will take place in June 8th, 2020 to approve, among other items, the 2019 draft financial statements. Due to the uncertainty associated with developments in the COVID-19 pandemic, the Board of Directors has decided to adopt a prudential approach in order to further support the Company's financial and capital stability. Hence, the Board has decided to submit for the approval of the Shareholders' Meeting a proposal to allocate 2019 profit to reserves, as other listed companies have done and as recommended by financial institutions and institutional investors. The Board and the Shareholders' Meeting can assess the possibility of distributing dividends once the uncertainties related to the current health emergency are resolved. Consequently, the proposed allocation of the profit for the year of € 13,897,502 is as follows:

- allocation to "Legal reserve" of € 694,875;
- allocation to "Statutory reserve" pursuant to art. 24 of the Articles of Association of € 69,488;
- allocation to the "2019 profit for the year" retained earnings of € 13,133,139.

6) Other current liabilities

	Balance as at 03/31/2020	Balance as at 12/31/2019
Payments on account	4,002	1,943
Payables due to social security institutions	1,167	1,345
Other payables	7,493	5,873
Accrued expenses and deferred income	253	778
Revenues paid in advance pertaining to subsequent years	2,247	36,928
Other tax payables	2,437	1,688
TOTAL OTHER CURRENT LIABILITIES	**17,559**	**48,554**

This item amounted to € 17.5 million, down € 31 million compared to the December 31st, 2019. The main variation is due to "Revenues paid in advance pertaining to subsequent years", which decreased due to the seasonality effect following the Sigep and Vicenza Oro trade fairs and due to the suspension of invoicing for events scheduled in the second quarter that are now postponed due to the COVID-19 emergency.

COMMENTS ON THE MAIN ITEMS OF THE INCOME STATEMENT

7) Revenues from sales and services

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

	Balance as at 03/31/2020	Balance as at 03/31/2019
Organised Events	42,282	45,767
Hosted Events	18	123
Conferences	753	2,501
Related Services (stand fitting, catering, cleaning)	15,406	18,131
Publishing, Sporting Events and Other Activities	353	319
TOTAL REVENUES FROM SALES AND SERVICES	**58,812**	**66,841**

As regards the analysis of the trend in revenues in 2020 and the comparison with the data in the previous year, please refer to the information already outlined in the Directors' Report on Operations, where the variation is analysed by breaking it down into the various components that generated it.

This income statement shows non-recurring revenues of € 315 thousand. The amount is associated with the signing of a settlement agreement with the minority shareholder of Prostand S.r.l., Luca Galante, to resolve a dispute regarding a series of liabilities borne by the previous Colorcom management and which negatively impacted the post-acquisition management, on which indemnity guarantees had been issued by the minority shareholder.

8) Other revenues

"Other revenues and income" are detailed as follows:

	Balance as at 03/31/2020	Balance as at 03/31/2019
Operating grants	550	0
Emilia-Romagna Region Grant	48	48
Other revenues	997	371
TOTAL OTHER REVENUES AND INCOME	**1,595**	**419**

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 and other items.

The change in the item "Operating grants" refers to accrued contributions for events held in the first two months of 2020 totalling € 550 thousand following the change in the interpretative criterion of IAS 20, as indicated in the section "Measurement criteria".

The change in the item "Other revenues" is due to the invoicing of penalties for late contract cancellation on Prostand S.r.l. orders for € 518 thousand, relating to the ITB event in Berlin.

ADDITIONAL INFORMATION

9) 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 March 31st, 2020 and March 31st, 2019 is shown below.

FTE	03/31/2020	03/31/2019
Executives	13.0	14.7
Middle managers-White collar workers	393.4	376.5
Blue-collar workers	169.3	180.5
AVERAGE NUMBER OF EMPLOYEES	**575.7**	**571.7**

The exact number of workers (headcount) as at March 31st, 2020 compared with the figure as at December 31st, 2019 is indicated hereunder.

Headcount	03/31/2020	12/31/2019
Executives	13	13
Middle managers-White collar workers	412	405
Blue-collar workers	87	420
AVERAGE NUMBER OF EMPLOYEES	**512**	**838**

10) Events subsequent to the end of the quarter

ANNEX 1

These annexes contain additional information with respect to the contents of the Explanatory Notes, of which they constitute an integral part.

COMPANIES ACCOUNTED FOR IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31ST, 2020 USING THE LINE-BY-LINE METHOD

Company Name	Registered office	Core business	Share capital (figures in thousands)	% Share held by the Group			Group company
				Total Group	Direct - IEG S.p.A.	Indirect - other Group Companies	
Italian Exhibition Group S.p.A.	Via Emilia, 155 – 47921 Rimini	Organiser and host site of trade fairs / events / conferences		*Parent Company*			
Exmedia S.r.l. in liquidation	Via Emilia, 155 – 47921 Rimini	Organiser of trade fairs / events / conferences and other trade fair activity accessory services	200	51%	51%		
Summertrade S.r.l. (*)	Via Emilia, 155 – 47921 Rimini	Catering services	105	65%	65%		
Prostand Exhibition Services S.r.l.	Via Emilia, 129 – 47900 Rimini	Trade fair stand fittings	78	90.2%	51%	39.2%	Prostand S.r.l. (**)
Prostand S.r.l. (***)	Poggio Torriana, via Santarcangiolese 18	Trade fair stand fittings	182	80%	80%		(**)
IEG USA Inc.	1001 Brickell Bay Dr., Suite 2717° Miami (FL)	Equity holding company	USD 7,200	100%	100%		
FB International Inc (****).	1 Raritan Road, Oakland, New Jersey 07436 - USA	Trade fair stand fittings	USD 48	51%		51%	IEG USA Inc.
Prime Servizi S.r.l.	Via Flaminia, 233/A – 47924 Rimini	Cleaning and porterage services	60	51%	51%		

(*) Minority shareholder: CAMST S.c.ar.l.

(**) The percentage considered of the equity investment in Prostand S.r.l. includes an option equal to 20% of share capital.

(***) Minority shareholder: Luca Galante

(****) Minority shareholder: Fabrizio Bartolozzi

COMPANIES ACCOUNTED FOR IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31ST, 2020 USING THE EQUITY METHOD

Company Name	Registered office	Core business	Share capital (figures in thousands)	% Share held by the Group			Group company
				Total Group	Direct - IEG S.p.A.	Indirect - other Group Companies	
Expo EstrategiaBrasilEventos e ProducoesLtda	Rua Felix de Souza, 307 Vila Congonhas – Sao Paulo	Organiser and host site of trade fairs / events / conferences	REAL 6,091	50%	50%		
DV Global Link LLC	P.O. Box 9292, Dubai, United Arab Emirates	Organiser and host site of trade fairs / events / conferences	AED 500	49%	49%		
Fitness Festival International S.r.l. in liquidation	Via Martiri dei Lager, 65 – 06128 Perugia	Organiser of trade fairs / events and conferences	220	50%	50%		
Europe Asia Global Link Exhibitions Co., Ltd	no. 18 Tian Shan Road 900-341, Changning District, Shanghai, China	Organiser of trade fairs / events and conferences	CNY 1,000	50%	50%		
Europe China Environmental Exhibitions Co., Ltd.	Getan Building 1, No.588, Yizhou Avenue, Chengdu, China	Organiser of trade fairs / events and conferences	n.a.	30%	0%	60%	E.A.G.L.E.
Cesena Fiera S.p.A.	Via Dismano, 3845 – 47522 Pievesestina di Cesena (FC)	Organiser of trade fairs / events and conferences	2,000	26%	20%	6%	Prostand S.r.l. (1)
C.A.S.T. Alimenti S.p.A.	Via Serenissima, 5 – Brescia (BS)	Training courses and professional training courses	126	23.08%	23.08%		
Destination Services S.r.l.	Viale Roberto Valturio 44 – 47923 Rimini (RN)	Promotion and organisation of tourist services	10	50%	50%		
Rimini Welcome S.c.a.r.l.	Via Sassonia, 30 - Rimini	Promotion and organisation of tourist services	100	8.25%	5%	3.25%	Summertrade S.r.l.
Green Box S.r.l.	via Sordello 11/A – 31046 Oderzo (TV)	Organiser of trade fairs / events and conferences	15	20%	20%		

(1) The percentage considered of the equity investment in Prostand S.r.l. includes an option equal to 20% of share capital.

Statement by the Manager responsible for preparing the company's financial documents

STATEMENT BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL DOCUMENTS

The Manager responsible for preparing the company's financial documents, Roberto Bondioli, hereby 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 March 31st, 2020, correspond to the accounting documents, ledgers and registers.

Rimini, May 12th, 2020