CONSOLIDATED INTERIM MANAGEMENT REPORT AS AT SEPTEMBER 30, 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
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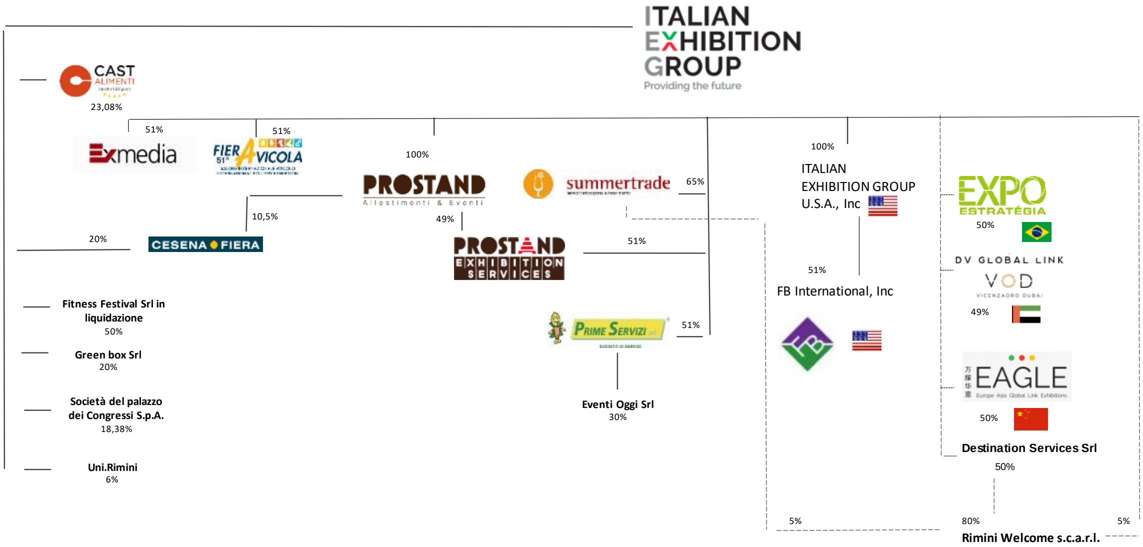
Structure of the IEG Group

STRUCTURE OF THE IEG GROUP
POSITION AS AT SEPTEMBER 30, 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 (so-called B2B events).

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

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

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

The Parent Company also operates through local units located in Milan and Arezzo.

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, Chengdu) also through subsidiaries, associated and joint control companies.

As at September 30, 2020, the Parent Company carries out 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, Fieravicola S.r.l., Prime Servizi S.r.l., Prostand Exhibition Services S.r.l., Summertrade S.r.l., Pro.Stand S.r.l., Italian Exhibition Group USA Inc. and FB International Inc.

Pursuant to art. 15 of the Markets Regulation adopted with CONSOB Resolution no. 20249 of December 28, 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 provide, to the public, the accounting information on the subsidiaries that were used for drawing up the consolidated financial statements, and that include at least the balance sheet and the income statement, by keeping them on file at the registered office or publishing them on the Company's website; (b) has obtained from the subsidiaries the Articles of Association as well as the composition and powers of the corporate bodies; and (c) will ensure that the subsidiaries: (i) provide the Independent Auditors with 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 economic, equity and financial data necessary for preparing 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, exists since, by way of a non-exhaustive example:

- Rimini Congressi does not exercise any significant influence over the management decisions and operations of the Issuer, but limits it relations with said entity to the normal exercise of administrative and equity rights owing to its status of holder of voting rights; there is no connection between the members of the administration, management control bodies of the two companies;
- the Company does not receive - and, at any rate, is not subject in any way - to the financial or credit directives or instructions from Rimini Congressi;
- the Company has an organisational structure composed of expert professionals who, based on the powers conferred and the positions held, operate independently in line with the indications of the Board of Directors;
- the Company prepares the strategic, industrial, financial and/or budget plans of the Issuer and of the Group independently, and autonomously implements these;

  the Company operates fully independently, from a contractual perspective, in relations with its customers and its suppliers, without any external interference from Rimini Congressi.

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

A summary of the activities carried out by the various Group companies and the main changes in the composition of the Group compared to the situation as at December 31, 2019 is provided below.

The structure of the Group as at September 30, 2020, differs from that as at December 31, 2019 due to the early exercise of the put option given to one of the minority shareholders, on 20% of the capital of Pro.Stand S.r.l. The agreement in question, executed on June 22, 2020, has involved the increase to 80% of the stake held in the subsidiary. However, it should be noted that there is still a second type of option, given to the other minority shareholders of Pro.Stand, which overall represents an additional 20% of the share capital and grants them the right to sell their shares along with the IEG obligation to purchase them at a price previously defined (nominal value € 2.47 million). However, this option can be exercised starting from the approval date of the 2022 financial statements of Pro.Stand until the ninetieth day following said date. Since the price for the exercise of the option is fixed, the risks and benefits related to this equity investment are transferred de facto to IEG at the time of the subscription. Consequently, the consolidated financial statements were prepared considering a 100% equity investment in Pro.Stand.

Furthermore, on May 13, 2020, Fieravicola S.r.l. was established by the Parent Company IEG, Cesena Fiera S.p.A. and Fiera di Forlì S.p.A., for the purpose of enhancing and relaunching the historical fair event of the sector with the same name. The strategies for the event, which will take place in the Rimini trade fair district, will be set out by the NewCo, with IEG as the majority shareholder, while operational management will be entrusted to Cesena Fiera, which organises the Macfrut event in Rimini on the same dates, thus being able to offer the advantage of common synergies. Technical and cultural content, conferences and market surveys will be the focus of Forlì, which has experience in the sector dating back to 1961.

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

The Group is composed of various operating subsidiaries which, when held directly or indirectly with stakes exceeding 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 on December 3, 2019, the company was placed into liquidation and that on April 8, 2019 the deed of transfer of the Gluten Free business unit to the Parent Company was executed. It should also be noted that the liquidation procedure ended on October 2, 2020, with the filing, at the Chamber of Commerce, of the final liquidation financial statements as at September 15, 2020 and the simultaneous striking-off of the company from the Register of Companies.

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 the convention centre of Riva del Garda, the Cesena hippodrome and at the Misano World Circuit “Marco Simoncelli”.

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

FB International Inc., company with registered office in the United States, joined the IEG Group on March 1, 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.

Pro.Stand S.r.l., 80% owned as a result of the acquisition of shares performed on September 1, 2018 and the early exercise of the put option given to a minority shareholder on June 22, 2020, operates in the sales of stand fitting equipment and integrated solutions in support of trade fairs and conferences for the national and international markets.

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 Pro.Stand 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.

Fieravicola S.r.l., 51% directly owned by the Parent Company, operates in the organization of the trade fair event with the same name, one of the main B2B events in the sector.

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

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 10.5% 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 in liquidation: is 49% owned by IEG S.p.A. and the result of the Joint Venture between the then Fiera di Vicenza S.p.A. and the company DXB Live LLC, a UAE company 99% owned by Dubai World Trade Centre LLC.. The joint venture has organized Vicenzaoro Dubai, an event dedicated to jewellery and gold. The company was placed into liquidation on May 31, 2020 since the Group is replanning its presence in the Emirates.

Europe Asia Global Link Exhibitions Ltd. (EAGLE)**:** on December 29, 2018, the Parent Company has purchased 50% of the company established in 2018 by VNU Exhibition Asia Co Ltd. The Company is based in Shanghai and is active in the organization and management of trade fair events in the Asian market.

European China Environmental Exhibition Co. Ltd. (ECEE**)**: 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 - with regard 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 26, 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 17, 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 equity investments**, 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%.

Uni.Rimini S.p.A.: The purpose of the consortium company is to promote and support the development of the University, scientific research and the higher education and training system in the Rimini area by developing and organising educational activities in various forms: university courses, specialist schools, post-graduate specialisation courses, summer and winter schools. The company is 7.64%-owned by Italian Exhibition Group S.p.A.

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

Administration and Control Bodies of IEG S.p.A.

Board of Directors

Lorenzo Cagnoni	Chairman
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])
Alessandra Bianchi	Director (*) (1)

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

Board of Statutory Auditors

Alessandra Pederzoli	Chairman
Massimo Conti	Standing Auditor
Marco Petrucci	Standing Auditor
Meris Montemaggi	Alternate Auditor
Luisa Renna	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 27, 2018 and shall remain in office until the financial statements for the year ended as at December 31, 2020 are approved. The Board of Statutory Auditors was appointed by the Shareholders' Meeting held on July 8, 2020 and shall remain in office until the financial statements for the year ended as at December 31, 2022 are approved.

Effective June 19, 2019, the date of the start of trading of ordinary shares on the MTA (screen-based equities market), given that the Company is considered a Public Interest Entity pursuant to art. 16 of Italian Legislative Decree 39/2010, it was necessary to give to the Independent Auditing firm a new nine-year mandate (pursuant to art. 17 of Italian Legislative Decree 39/2010) at the Shareholders' Meeting of October 17, 2018, subject to the start of negotiations. The audit engagement will finish with approval of the financial statements for the year ended as at December 31, 2027.

Again effective from the date of the start of trading of ordinary shares on the MTA (screen-based equities market), in order to satisfy the requirements of Law no. 262 of December 28, 2005 (art. 154bis 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 3, 2018, having received the opinion of the Board of Statutory Auditors.

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

The Board of Directors meeting held on December 18, 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", with the tasks indicated in art. 7.C.4 of the Corporate Governance Code of Borsa Italiana. The co-optation is effective from January 1, 2020.

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

The Shareholders' Meeting, held on June 8, 2020, has confirmed the co-optation of Corrado Peraboni and has appointed, as new Director, Alessandra Bianchi until the end of the mandate granted to the Board of Directors currently in office, and therefore until the date of the Shareholders' Meeting's approval of the 2020 financial statements.

On the same date, the new Board of Statutory Auditors was appointed and will remain in office until the approval of the 2022 financial statements.

Interim Management Report

REPORT ON OPERATIONS AND ANALYSIS OF THE MAIN RESULTS OF THE THIRD QUARTER OF 2020 AND AS AT SEPTEMBER 30, 2020

In the first nine months 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 reported 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, 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 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 total suspension of the Group’s activities therefore affected all the remaining months of the first half and continued also in July and for almost the entire month of August. The Group's activities were only able to resume from August 18, with the important cultural event "Meeting for friendship among peoples" ("Meeting per l'amicizia fra i popoli" in Italian) held at the Palacongressi conference centre in Rimini.

The **main effects of the COVID-19 emergency on the first nine months of 2020** are analysed below, and as stated earlier, although having a significant impact on the period, they did not prevent trade fairs from being held in January, the most important month of the year, in which a significant portion of the Group’s operating income of the full year was achieved.

In terms of **Organised Events**, the first effect of the pandemic on the Group’s activities was the early closure of the Golositalia event, scheduled to be held in Montichiari, Brescia, in February 22-26, suspended upon an order issued by the Lombardy Region on February 23. Immediately after, the events MIR Tech (scheduled to be held in Rimini for March 8-10) and Abilmente Primavera (scheduled for March 19-22 at the Vicenza trade fair district) were **cancelled**. The continuation of the health emergency and the consequent difficulties that have heavily affected international mobility, entailed the cancellation of all events scheduled for the second quarter of the year and for the months of August and September. More specifically, the following events were cancelled: OroArezzo (scheduled for April 18-21 in Arezzo), Hunting Show Sud (scheduled for April 18-19 in Marcianise, Caserta), Rimini Wellness (in Rimini for May 28-31), Fimast (in Brescia for May 27-30), Origin Passion & Beliefs (Milan, for July 7-9), VicenzaOro September (scheduled for September 5-9 in Vicenza), Koinè (in Vicenza for October 25-27), Abilmente Autunno Roma (for September 27-30), Abilmente Christmas Cesena (in Cesena from November 29 to December 1), Cosmofood (in Vicenza for November 7-11), Gold Italy (in Arezzo for October 24-26), Mondomotori (in Vicenza for November 21-22), Superfaces (in Rimini for November 12-14) and Tecnargilla (in Rimini for September 28 to October 2) which, having been postponed until 2021, will not lose this edition since its occurrence will change from even to odd numbered years. The postponement from March to October of the Enada Primavera event resulted in the cancellation of the autumn edition of Enada Roma (Rome, October 9-11).

Despite the impossibility of regularly holding the important planned VicenzaOro September event, IEG maintained its reference role in the world jewellery industry and created the new Vicenza Oro International Community Event (VOICE), the first example in Italy of a real hybrid trade fair combining the physical presence of operators at the fair venue with the new communication opportunities offered by digital technologies. The event took place in the Vicenza fair district in September 12-14.

The Enada Primavera event was instead rescheduled, and held in Rimini from September 30 to October 2.

Due to the effects of the pandemic, the **Hosted Events** scheduled for March were also cancelled. More specifically, the organiser of Macfrut (scheduled for May 4-6 in the Rimini trade fair district) had initially rescheduled the event for September but subsequently, given the continued uncertainties, decided to cancel the traditional event opting instead for a fully digital edition. Having attempted to postpone from May to November, the organisers of Expodental also opted to cancel the 2020 edition.

The measures to contain the spread of the virus led also to the suspension of **Conference Activities** from March, with the consequent cancellation of 31 events that were already confirmed for the first half year, 8 of which in the first quarter. It must be noted that the restrictive measures essentially cancelled all activities normally carried out in the spring, a period historically characterised by a high number of events with a significant business impact. As previously mentioned, conference activities resumed on August 18, with "Meeting" - albeit a “special edition” version to comply with the virus containment measures in force at the time - and other important events such as, for example, ANMCO (the Italian National Congress of Cardiology) and the Grand’Oriente d’Italia conference.

The **Related Services** business also came to a halt in March as a consequence of the suspension of national and international trade fairs and conferences and the substantial close-down of production and commercial activities. Notably, the adoption by the European Union’s largest countries and the United States (primarily New York and New Jersey) of containment measures similar to those adopted in Italy, had an effect on the activities of Pro.Stand and FB International. With the exception of some marginal activities, Summertrade S.r.l., which operates in the catering and banqueting business, also suspended its activities until mid-summer. From the end of August, there was a recovery, albeit at significantly reduced volumes, in the related services business supporting trade fairs and conferences organised until the end of the third quarter of 2020 and in Misano World Circuit activities. FB International was the only company not to see activities resume following the March shut-down.

As for **Sporting Events**, the Coach Experience event (scheduled to be held in Rimini at the beginning of June) and the Rimini Danza Sportiva event (scheduled for July) were cancelled, while for the Ginnastica in Festa event, the option of holding a closed-door event at the beginning of December at the Rimini Fiera exhibition centre is being looked into, although the changes to the infection curve seen since the end of the third quarter make this option more challenging.

As regards **international activities**, in addition to the aforementioned suspension of FB International's activities, the pandemic has 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) scheduled for March was cancelled, and the CDEPE (Chengdu International Environmental Protection Expo, an event related to environmental technologies and sustainable development), which was to be held in April, took place in September, albeit without the participation of certain European, and particularly Italian, companies. 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, the current state of the health emergency makes it unlikely that the event will take place physically. 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.

In agreement with the local partner, the company DV Global Link LLC of Dubai was placed into liquidation on May 31, 2020 in order to allow IEG to implement a different development project within the Jewellery sector in the Gulf, a proven area of strategic interest for the Company. Negotiations are currently at an advanced stage with an international *business* partner for the organisation, in a joint venture, of a new event within the jewellery sector, exclusively dedicated to the business public, starting in 2021 at the Dubai World Trade Centre.

Summarising the effects of the pandemic, as at this reporting date, 19 organised events, 2 hosted event, 2 sporting events and 75 conferences have been cancelled from the 2020 calendar. These figures take into account the issue of the Decree of the President of the Council of Ministers (DPCM) on October 24, which, as illustrated below, prevented trade shows and conferences from being physically held from October 26 until November 24. The Group postponed to the following year the events planned in that period (among the most important events, Ecomondo and Key Energy) and therefore no longer has events organised in the calendar for 2020. A number of digital events remain planned, including a special digital version of Ecomondo and a number of conferences.

The Group promptly reacted to the pandemic by implementing decisive and important **actions** to protect **people's health** and to **counter the economic and financial impacts of this serious crisis.**

With regard to **measures to protect the health and safety of employees, contractors, suppliers and clients**, the Company has established a strict system of measures, known as the #safebusiness project, aimed at ensuring that the events that take place at its premises fully comply with the health rules and protocols defined by the national Technical and Scientific Committee (Comitato Tecnico Scientifico). 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, digital access passes, temperature scanners for checks on the general public, and transparent masks to communicate with hearing-impaired individuals. In July, this project achieved the programme accreditation of GBAC STARTM (acronym for Global Biorisk Advisory Council - GBAC is a division of ISSA, International Sanitary Supply Association, the international association of the cleaning services sector) for the purpose of meeting the strict international protocols for the sanitation of its facilities. Given the experience gained at an international level in cleaning facilities where in the past some pathogenic agents spread, from the flu to infective diseases resistant to antibiotics, the GBAC STARTM programme will allow us to establish and maintain a control, on the cleaning and sanitisation process, based on the training and awareness-building of the managers and employees of IEG. The mitigation of the risk associated with COVID-19 starts from standard cleaning procedures, through the choice of selected equipment and products, and the management of the disposal of waste produced from cleaning the facilities, which will be assessed on a regular basis through internal audits.

As regards the safety of employees and contractors, where possible the Group companies continue to widely implement a remote work from home policy (smart working) which the Parent Company had already begun testing out across all its offices before the pandemic and therefore already had all the necessary technological systems in place. Most of the company's employees are working remotely; as on-site activities begin to resume post lockdown, specific protocols have been prepared involving various measures such as social distancing, temperature checking upon entry, distribution of personal protective equipment and detailed procedures for conduct in the event of positive cases among employees and those accessing the work sites. Mass antibody testing was also carried out on two occasions, on a voluntary basis, for all employees of the different sites and companies of the Group.

The main **measures adopted by the Group to counter the economic and financial impact of the pandemic** are described below. These are in addition to the daily monitoring of developments in the health emergency and of any new restrictive legislative orders – which are, however, to be considered as temporary – and the ongoing work with customers and partners to enable postponed events to take place and to come up with alternative solutions for cancelled events.

As regards initiatives aimed at supporting its Organised Events, starting from the month of August the Company made available to its exhibition customers a special team dedicated to supporting them in their applications for granted loans from SIMEST (76% held by SACE) regarding their participation in Italian trade fair events qualified as international. Companies that have submitted a request could cover a significant portion of their participation costs – including those related to stand-fitting – thanks to grants (including free grants) paid from state funds on behalf of the Ministry of Foreign Affairs and International Cooperation.

The Group has worked – and is working – to actively develop all opportunities related to the world of digitalisation. Given the strategic nature of this approach, during the summer the Parent Company set up a special working group, headed by a newly-hired *digital manager*.

On July 29 Summertrade S.r.l., the Group's catering company, entered into a two-year agreement to supply the MotoGP Suzuki Ecstar team during the world motorcycle championship. Due to COVID-19, for this year the service will be provided to team members only, in strict compliance with safety protocols, with the expectation that normality should resume in 2021 allowing the service also to be provided to external guests.

As part of the Summertrade catering services, an agreement was signed with Parma Calcio for the management of the Tardini Stadio – Tribuna Petitot hospitality for Serie A home games, 2020/2021 season.

Since the beginning of the pandemic, management's priority has been to implement strategies to maintain the Group's **financial balance** and **liquidity**. In particular, the Group has carefully planned its cash flows and used certain economic and financial support measures introduced by governmental and financial institutions, thus benefiting, for example, from the possibility of deferring the payment of social security contributions, tax withholdings and VAT for several months and obtaining moratoriums on principal amounts and extending the maturities on some loans.

On April 16, the Parent 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, for the purpose of developing the Rimini trade fair district. The agreement entails two distinct mortgage-backed loans on the properties making up the Rimini trade fair district. One line of € 15,000,000 for the refinancing of pre-existing bank loans backed by mortgages on 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 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. As will be illustrated below, note that on October 15, 2020, the Parent Company's Board of Directors, in light of the effects of the health emergency, resolved to suspend this project, the resumption of which will be subject to an adequate recovery of trade activities.

In order to further bolster financial and capital stability, the Shareholders' Meeting held on June 8, 2020, approved the proposal to allocate to reserves the profit for financial year 2019, as other listed companies have done and as recommended by financial institutions and institutional investors.

On July 27, 2020, taking advantage of the opportunities offered by the "liquidity decree", the Parent Company executed loan agreements with Intesa San Paolo S.p.A. and Cassa Depositi e Prestiti S.p.A., with SACE guarantees, within the "Garanzia Italia" programme for a total of € 50 million. The first loan agreement amounts to € 35 million with the repayment set at 5 years; the second amounts to € 15 million with the repayment set at 6 years.

Subsequently, the Company began a series of initiatives to contain **operating costs** which are still 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 holiday and leave and, starting from April, made extensive use of social safety nets (specifically, the Wage Guarantee Fund) envisaged by governmental measures. The largest subsidiaries activated social safety nets as early as March. The impacts on staff costs, which were only partial in the first quarter (-5% compared with the first quarter of 2019), were significant in the second quarter (-57.1% compared with the second quarter of 2019) and slightly lower, due to the partial return to operations, in the third quarter (-40.7%). Lastly, hiring was frozen until June 30, 2020 and management agreed to a voluntary reduction in remuneration for as long as the social safety nets are in use for non-managerial staff.

The Group has suspended all non-essential **investments**, continuing however to devote resources to the development activities provided for in the business plan and that can be implemented given the current situation. With regard to the actions taken on the investment front, please also refer to the section "Events subsequent to the end of the third quarter and business outlook".

Lastly, it should be noted that on June 16 the Board of Directors of the Parent Company declared its interest in assessing an integration transaction with the Bologna Fiere Group and conferred a mandate to the Chairman and to the CEO for an in-depth analysis of the feasibility of the transaction with the management of the Bologna company. This analysis will be reported on in the section "Events subsequent to the end of the third quarter and business outlook".

Summary of the income statement results for the first nine months of 2020

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 in the March-August period with activities beginning to slowly resume from September, and the decisive measures adopted by the Group to protect the safety and health of staff and combat the financial and economic impacts of the crisis are the main facts that characterised this first nine months 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 € 68.2 million, down 46.8% compared with the first nine months of 2019 (equal to € 128.3 million). The organic growth of revenues achieved in the first two months of the year, equal to € 2.6 million (+2.0%), mainly thanks to the Sigep and VicenzaOro January trade fairs organised in January, was abruptly interrupted by the outbreak of the COVID-19 pandemic, which led to an overall reduction in revenues of € 62.0 million (-48.3%) 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 for the first nine months 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 € 58.2 million (-45.4%). The second is represented by the postponement, due to the rescheduling to the second half of 2020, 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 € 3.8 million (-3.0%).

The afore-described measures adopted by the Group to counter the economic effects of the crisis, the flexibility of the operating cost structure and the use of the social safety nets have made it possible to mitigate the impact of the contraction in revenues on the operating results of the Group. **EBITDA** in the first nine months totalled € 9.1 million, a decrease of 70.3% compared to € 30.6 million in the same period of the previous year. The EBITDA Margin, for the reasons explained above, stands at 13.3%, marking a decrease of 10.6% (the index stood at 23.9% as at September 30, 2019).

EBIT in the first nine months, impacted by a non-recurring write-down of *intangible assets* of approximately € 2.6 million (which will be fully disclosed on the following pages), shows a loss of € 7.1 million compared to a profit of € 17.5 million in the same period of 2019.

The **pre-tax result** was a loss of € 620 thousand – compared to a profit of € 13.7 million in the first nine months of 2019 – after having benefited from the profit from financial management of € 6.8 million (against a charge of € 3.9 million in the first nine months of 2019), obtained primarily following the redetermination, for € 9.3 million, of payables for put options given to minority shareholders of some subsidiaries. The **Group Result for the period**, after the estimate of "deferred tax assets" on tax losses for the period, shows a profit of € 0.8 million – compared to € 8.9 million in the first nine months of the previous year (-90.7%). The **Result for the period pertaining to shareholders of the Parent company** shows a profit of € 1.6 million, compared to € 8.4 million in the first nine months of 2019 (-81.4%).

ANALYSIS OF CONSOLIDATED RECLASSIFIED INCOME STATEMENT DATA

The table below presents the IEG Group's reclassified Income Statement, in order to highlight the main operating results as at September 30, 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	**09.30.2020**	**%**	**09.30.2019**	**%**	**Change 2020 - 2019**	**% change 2020 - 2019**
Revenues from sales and services	65,457	*95.9%*	125,196	*97.6%*	(59,739)	*(47.7%)*
Other revenues	2,776	*4.1%*	3,087	*2.4%*	(311)	*(10.1%)*
Value of Production	**68,233**	***100.0%***	**128,283**	***100.0%***	**(60,050)**	***(46.8%)***
Operating costs	(41,909)	*(61.4%)*	(71,637)	*(55.8%)*	29,729	*(41.5%)*
Value added	**26,325**	***38.6%***	**56,646**	***44.2%***	**(30,321)**	***(53.5%)***
Staff costs	(17,244)	*(25.3%)*	(26,038)	*(20.3%)*	8,794	*(33.8%)*
Gross Operating Profit (EBITDA)	**9,081**	***13.3%***	**30,608**	***23.9%***	**(21,527)**	***(70.3%)***
Amortisation/depreciation	(12,559)	*(18.4%)*	(12,327)	*(9.6%)*	(231)	*1.9%*
Write-downs of fixed assets	(2,573)	*(3.8%)*	0	*0.0%*	(2,573)	*n.a.*
Write-downs of Receivables, Provisions, Adjustments to value of financial assets	(1,051)	*(1.5%)*	(814)	*(0.6%)*	(237)	*29.1%*
Operating Profit/Loss (EBIT)	**(7,102)**	***(10.4%)***	**17,467**	***13.6%***	**(24,569)**	***>(100%)***
Financial management	6,823	*10.0%*	(3,892)	*(3.0%)*	10,714	***>(100%)***
Financial income (charges)	(1,419)	*(2.1%)*	(1,206)	*(0.9%)*	(213)	*17.7%*
Mark to Market derivatives	(179)	*(0.3%)*	(1,212)	*(0.9%)*	1,032	*(85.2%)*
Financial income (charges) for IFRS 16	(492)	*(0.7%)*	(495)	*0.0%*	3	*(0.7%)*
Financial charges on put options	(490)	*(0.7%)*	(910)	*(0.7%)*	420	*(46.2%)*
Restatement of payables for put options	9,344	*13.7%*	0	*0.0%*	9,344	*n.a.*
Exchange gains (losses)	59	*0.1%*	(70)	*(0.1%)*	128	***>(100%)***
Gains and losses on equity investments	(342)	*(0.5%)*	99	*0.1%*	(441)	***>(100%)***
Pre-tax result	**(621)**	***(0.9%)***	**13,675**	***10.7%***	**(14,295)**	***>(100%)***
Income taxes	1,449	*2.1%*	(4,738)	*(3.7%)*	6,187	***>(100%)***
Group result for the period	**828**	***1.2%***	**8,937**	***7.0%***	**(8,109)**	***(90.7%)***
Of which:						
Result for the period attributable to minority interests	*(735)*	*(1.1%)*	*550*	*0.4%*	*(1,285)*	***>(100%)***
Result for the period attributable to Shareholders of the Parent Company	***1,563***	***2.3%***	***8,387***	***6.5%***	***(6,824)***	***(81.4%)***

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

It must be noted that the Group has complied with the new accounting standard IFRS 16 - Leases, as of its effectiveness date, January 1, 2019. The impacts of the application of IFRS 16 on the financial and economic position as at September 30, 2020 are summarised in the following table. As a result of the Amendment to IFRS 16 published on October 12, 2020 in the Official Journal of the EU, the Group reversed financial payables for a total of € 426 thousand, charged to “Other revenues”, resulting from discounts received on lease fees following the COVID-19 emergency.

IEG Group - Impacts of IFRS 16	09.30.2020 with IFRS 16	09.30.2020 without IFRS 16	Impact of IFRS 16 09.30.2020
Value of Production	**68,233**	**67,948**	**286**
Operating costs	(59,152)	(62,183)	3,031
Gross Operating Profit (EBITDA)	**9,081**	**5,764**	**3,317**
Amortisation, depreciation and write-downs of fixed assets	(15,132)	(12,537)	(2,595)
Operating Profit/Loss (EBIT)	**(7,102)**	**(7,823)**	**722**
Financial management	6,823	7,314	(492)
Pre-tax result	**(621)**	**(851)**	**230**
Income taxes	1,449	1,505	(56)
Result for the period	**828**	**655**	**173**
Property, plant and equipment	**199,115**	**176,652**	**22,463**
Net financial position	**(116,743)**	**(91,384)**	**(25,359)**

The table below presents the IEG Group’s reclassified Income Statement, in order to highlight the main operating results for the third quarter of 2020 and the changes with respect to the third quarter of the previous year. The table also shows the percentage breakdown of revenues and the percentage impact of each item with respect to the “Value of Production”.

IEG Group Reclassified Quarterly Income Statement	Third quarter 2020	%	Third quarter 2019	%	Change 2020 - 2019	% change 2020 - 2019
Revenues from sales and services	6,482	*101.3%*	26,678	*94.1%*	(20,196)	*(75.7%)*
Other revenues	(84)	*(1.3%)*	1,673	*5.9%*	(1,758)	*>(100%)*
Value of Production	**6,397**	***100.0%***	**28,351**	***100.0%***	**(21,954)**	***(77.4%)***
Operating costs	(8,234)	*(12.1%)*	(16,527)	*(12.9%)*	8,293	*(50.2%)*
Value added	**(1,837)**	***(2.7%)***	**11,824**	***9.2%***	**(13,661)**	***>(100%)***
Staff costs	(4,721)	*(6.9%)*	(7,928)	*(6.2%)*	3,207	*(40.5%)*
Gross Operating Profit (EBITDA)	**(6,558)**	***(9.6%)***	**3,897**	***3.0%***	**(10,454)**	***>(100%)***
Amortisation/depreciation	(3,967)	*(5.8%)*	(4,181)	*(3.3%)*	214	*(5.1%)*
Write-downs of fixed assets	0	*0.0%*	0	*0.0%*	0	*n.a.*
Write-downs of Receivables, Provisions, Adjustments to value of financial assets	(6)	*(0.0%)*	(76)	*(0.1%)*	69	*(91.5%)*
Operating Profit/Loss (EBIT)	**(10,531)**	***(15.4%)***	**(360)**	***(0.3%)***	**(10,171)**	***>100%***
Financial management	(828)	*(1.2%)*	(1,202)	*(0.9%)*	374	*(31.1%)*
Financial income (charges)	(540)	*(0.8%)*	(220)	*(0.2%)*	(320)	>100%
Mark to Market derivatives	(92)	*(0.1%)*	(467)	*(0.4%)*	374	*(80.2%)*
Financial charges for IFRS 16	(165)	*(0.2%)*	(165)	*0.0%*	0	*(0.1%)*
Financial charges on put options	(86)	*(0.1%)*	(306)	*(0.2%)*	220	*(71.9%)*
Restatement of payables for put options	0	*0.0%*	0	*0.0%*	0	*n.a.*
Exchange gains (losses)	56	*0.1%*	(43)	*(0.0%)*	99	>(100%)
Gains and losses on equity investments	(69)	*(0.1%)*	9	*0.0%*	(78)	>(100%)
Pre-tax result	**(11,428)**	***(16.7%)***	**(1,553)**	***(1.2%)***	**(9,875)**	***>100%***
Income taxes	2,896	*4.2%*	(278)	*(0.2%)*	3,174	>(100%)
Total result for the year	**(8,532)**	***(12.5%)***	**(1,832)**	***(1.4%)***	**(6,701)**	***>100%***
Profit (loss) for the year attributable to Minority Interests	(314)	*(0.5%)*	(550)	*(0.4%)*	235	*(42.8%)*

Profit (loss) for the year attributable to the Parent Company	**(8,218)**	***(12.0%)***	**(1,282)**	***(1.0%)***	**(6,936)**	***>100%***

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 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**").

IEG Group
Value of Production by business line

	Q3 2020	**%**	**Q3 2019**	**%**	**% Change**	**Balance as at 09/30/20**	**%**	**Balance at 09/30/19**	**%**	**% Change**
Organised Events	1,776	27.8%	13,615	48.0%	-87.0%	45,237	66.3%	67,256	52.4%	-32.7%
Hosted Events	0	0%	0	0%	n.a.	18	0%	1,801	1.4%	-99.0%
Conferences	1,065	16.6%	2,046	7.2%	-47.9%	1,946	2.9%	9,654	7.5%	-79.8%
Related Services	2,446	38.2%	10,058	35.5%	-75.7%	18,903	27.7%	45,246	35.3%	-58.2%
Publishing, Sporting Events and Other Activities	1,110	17.3%	2,631	9.3%	-57.8%	2,129	3.1%	4,326	3.4%	-50.8%
TOTAL VALUE OF PRODUCTION	**6,397**	100.0%	**28,351**	100.0%	-77.4%	**68,233**	100.0%	**128,283**	100.0%	-46.8%

The Value of Production in the first nine months recorded an overall contraction of € 60 million (-46.8%) compared to the same period of the previous year and affected, albeit to differing extents, all business lines. The third quarter recorded revenues of € 6.4 million in 2020, down by 77.4% compared to the same period of the previous year. The change in the nine months is the result of various factors. The first is represented by organic growth ("**organic growth effect**"), mainly reflected in Organised Events and equal to € 2.6 million (+2.0%), only a small portion of which was offset by the negligible decrease in revenues of approximately € 0.1 million (-0.1%) 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 two 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 € 62.0 million (-48.4%) compared to the 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 for the first nine months of 2020 and by 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 equal to € 58.2 million (-45.4%). The second is represented by the postponement, due to the rescheduling to a later date in 2020 with respect to the first half year, of organised/hosted trade fair events and conference events (**"postponement effect"**), which resulted in a decline in revenues of € 3.8 million (-3.0%).

The Group's core business, represented by the **direct organisation of trade fairs**, accounted for 66.3% of total revenues, during the first nine months of the year, equal to € 45.2 million, and recorded a decrease of € 22.0 million (-32.7%) 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 organic growth of € 2.8 million (+4.2%), due to the excellent results of the Parent Company's two most important trade fairs, Sigep – which took place alongside the three-yearly ABTech Expo event, international exhibition of technology & products for bakery, pastry and confectionery – and VicenzaOro (January edition together with T-Gold). However, this growth was completely absorbed by the "COVID-19 effect" in terms of both the "cancellation effect" for € 22.0 million (-32.7%) – with VicenzaOro September, Rimini Wellness and OroArezzo among the major affected events – and the "postponement effect" for € 2.8 million (-4.2%).

During the first nine months of the year, only one small **Hosted Event** was held, while during the same period of the previous year, two major events were hosted in the trade fair districts of the Group, Macfrut and Expodental (2020 edition cancelled for both). As in the previous year, no Hosted Events were held in the third quarter of 2020.

Conferences include the results from the management of the Palacongressi conference centre in Rimini and the Vicenza Convention Centre (VICC). Revenues in the first nine months of 2020 totalled € 1.9 million, marking a contraction of € 7.7 million (-79.8%) compared to the same period in 2019, attributable entirely to the COVID-19 "cancellation effect". Indeed, this business line was particularly affected by the legislative provisions governing the Coronavirus emergency, at a time, such as spring and autumn, that is typically full of events and that, based on previously acquired contracts, also relied on important national and international conferences that were cancelled or, in fewer instances, rescheduled, both for the current or the next year. Changes to these provisions made it possible to hold conferences starting from August, with several national and local conferences being able to be held in the third quarter, bringing in around € 1.1 million (-47.9% compared to the same quarter of the previous year).

Revenues from **Related Services**, represented by stand fitting, catering and cleaning, accounted for 27.7% of the total revenues in the first nine months of 2020 and amounted to € 18.9 million, down by approximately € 26.3 million (-58.2%) compared to the same period of the previous year due mainly to the pandemic. The business line, which in the first few months of the year reported results in line with the same period of 2019, had all its activities suspended starting from March until the end of August. In relation to catering services, some catering activities partially resumed in the summer months, so as for the stand fitting sector, it was possible to recommence activities from around the middle of August, albeit in a context in which many of the events historically held in this quarter have been postponed. By contrast, cleaning services continued to operate, albeit on an extremely reduced capacity, for sanitisation activities. During the quarter, the business line recorded revenues of € 2.4 million, down by 75.7% compared to the same period of the previous year (€ 10.1 million). The "cancellation effect" led to a loss in revenues of € 25.7 million (-56.8%) and the "postponement effect", a loss of € 1.0 million (-2.1%).

The **Publishing, Sporting Events and Other Activities** business includes publishing activities, with the titles related to Tourism (TTG Italia, Turismo d'Italia and HotelMag) and to the gold sector (VO+ and Trendvision), sporting events (which were held in the Rimini trade fair district) and other residual revenues not directly attributable to the other business lines. This line shows, in the first nine months of the year, revenues of approximately € 2.1 million, down by € 2.2 million (-50.8%) compared with the same period of 2019, of which € 1.3 million attributable to the effect of the cancellation of sports events. The remaining difference, is explained by the presence in the 2019 revenues of around € 1.0 million deriving from the one-off recharge to the selling shareholders of part of the costs incurred at the time of listing on the stock exchange and the presence in 2020 of income recorded in application of accounting standard IFRS 16 as a result of the revision of some lease fees for € 0.4 million.

"**Staff costs**" in the first nine months of 2020 stood at € 17.2 million, down € 8.7 million compared to the same period of 2019 (-33.8%). In the third quarter, the cost was € 4.7 million, compared to € 7.9 million in the same quarter of 2019. The reduction is the result of the actions promptly taken by the Group to protect the health of workers and contain the economic impacts of the pandemic. More specifically, smart working was widely used by almost all company staff even before the lockdown imposed by the virus containment measures; in addition, the use of unused holiday and leave was encouraged and implemented. Through these actions, which also entailed developing meticulous planning for employee activities and the extended use of the social safety nets provided for by governmental provisions (in particular the Wage Guarantee Fund), it was possible to achieve cost savings and not jeopardise the regular operations of the Group which continued to provide constant support for its customers. It should be noted that the use of the social safety nets by the Parent Company occurred starting from the beginning of April, therefore the first quarter recorded a 5% contraction in costs, which rose to 57.1% in the second quarter, then falling to 40.5% in the third quarter due to increased levels of activity.

The **Gross Operating Profit (EBITDA)** in the first nine months of 2020 amounted to € 9.1 million, a decrease of € 21.6 million (-70.3%) compared to the same period of the previous year. The EBITDA Margin (ratio of EBITDA to the Value of Production) stood at 13.3% compared to 23.9% in the previous year. Based on the considerations presented above, the contraction in EBITDA is therefore attributable entirely to the reduction in revenues caused by the pandemic. In the third quarter, the **Gross Operating Profit (EBITDA)** was -€ 6.6 million, compared with € 3.9 million in the third quarter of 2019.

In terms of the components of non-monetary operating revenues, in the first nine months of 2020, **Amortisation/Depreciation** amounted to € 12.6 million, up by € 0.2 million versus the same period of the previous year. To be noted is a € 0.7 million increase in the amortisation of intangible assets, which, compared with the same period of the previous year, include the value of the assets for holding the Oro Arezzo, Gold Italy and Fiera Avicola events. The quarter in question reported amortisation/depreciation of € 4.0 million, down by € 0.2 million compared to the same period of the previous year, mainly due to the conclusion of the depreciation process of some trade fair equipment.

In compliance with CONSOB's recommendation in its “Warning Notice No. 8/20 of July 16, 2020”, the Group had already for the previous close as at June 30, 2020 carried out its assessment of the recoverability of the value of assets with an indefinite useful life, based on the possible economic and financial impacts of the effects of COVID-19. Given their pervasiveness, these were and are still considered a “impairment indicator”. The assessments carried out gave a recoverable value of the goodwill that was recognised following the transaction for the acquisition of FB International Inc. at a price below its accounting value, i.e. € 2.6 million. Consequently, a write-down of the same amount was recorded under the item **Write-downs of fixed assets**.

The item **Write-downs of receivables, provisions, adjustments to the value of financial assets** showed a € 0.2 million increase compared with the first nine months of 2019. If only the **Write down of receivables** component is analysed, this increase stood at € 0.3 million given that it takes into consideration the possible risk of default of the counterparties in relation to the prolonged inactivity of some of them to which they were subject in order to counteract the COVID-19 emergency.

The Group’s **EBIT** as at September 30, 2020, as a result of the effects described above, showed a loss of € 7.1 million compared to the positive result of € 17.5 million in the same period of the previous year. As a result of the pandemic, the third quarter, in which historically there are fewer events, recorded a loss of € 10.5 million compared to a loss of € 0.4 million in the first nine months of 2019.

The closing **Financial Management** showed a gain of € 6.8 million compared with a charge of € 3.9 million as at September 30, 2019. The estimate of the impact of the pandemic on an economic-financial level of the subsidiary FB International Inc. has involved a change in the parameters at the base of the determination of value of the put options given to the minority shareholder on the shares it still holds in the company. The financial payable recognised in the financial statements was aligned with the new results and the surplus of € 6.2 million was recognised under the appropriate item **Financial Management**, “Restatement of payables for put options”. At the same time, the early exercise of the put option on 20% of the shares of Pro.Stand S.r.l. held by a minority shareholder has involved the extinction of the financial payable recognised in the financial statements, the surplus of which compared with the strike price of € 3.1 million was added as a non-recurring additional gain. The transactions just described, having involved a reduction in the overall payable for the put options recognised in the financial statements, have also determined a reduction in the cost of “Financial charges on put options” (-46.2% compared with the first nine months of 2019). Lastly, there was an improvement of € 1 million compared to the first nine months of 2019 on the change in the fair value of derivative financial instruments, due both to the normal reduction in the notional value due to payments made from September 30, and to a substantial stability in the forecast rates of the two periods in question. Lastly, charges related to “ordinary” financial management worsened by € 0.2 million due to the taking out of new loans illustrated in detail in Note 7. In the third quarter of 2020, the result from financial management improved by € 0.4 million compared to the same period of 2019, mainly thanks to the changes in the “non-monetary” components mentioned above, such as the “Fair Value of derivative financial instruments” and “Financial charges on Put Options”.

The **Pre-tax result** as at September 30, 2020 showed a loss of € 0.6 million compared to the positive result of € 13.7 million in the same period of the previous year.

As at September 30, 2020, **Income taxes for the period** amounted to € 1.4 million due to the recognition of deferred tax assets on losses recorded in the first nine months by Group companies, compared to the charge of € 4.7 million as at September 30, 2019. In addition to the recognition of deferred tax assets on the losses recorded by Group companies, the tax rate is also affected by the tax non-significance of the gains from the “Restatement of payables for put options” and “Write-downs of fixed assets”.

As a result of the effect of the income taxes described above, the **Group’s Profit for the period** amounted to € 0.8 million, compared to € 8.9 million as at September 30, 2019 (-90.7%).

The **Result for the period pertaining to shareholders of the Parent company**, which includes non-recurring income of € 6.3 million, shows a profit of € 1.6 million, compared to € 8.4 million in the first nine months of 2019 (-80.3%).

ANALYSIS OF RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FIGURES

The statement of financial position data reclassified according to the sources-uses model is 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 09/30/2020	Balance as at 12/31/2019
Property, plant and equipment	199,115	209,173
Intangible fixed assets	33,118	37,036
Equity investments	14,802	15,311
TOTAL FIXED ASSETS AND EQUITY INVESTMENTS	**247,036**	**261,520**
Deferred tax assets	3,517	1,940
Other non-current assets	155	152
Employee provisions	(4,753)	(4,580)
Other non-current liabilities	(3,836)	(4,055)
OTHER NON-CURRENT ASSETS/(LIABILITIES)	**(4,737)**	**(6,543)**
NWC	**(19,594)**	**(44,369)**
TOTAL USES	**222,705**	**210,607**

SOURCES	Balance as at 09/30/2020	Balance as at 12/31/2019
Loans payable	117,198	73,034
Non-current financial payables for rights of use	23,124	26,115
Other non-current financial liabilities	12,952	22,467
Other non-current financial assets	(1,171)	(1,364)
Other current financial assets	(469)	(1,636)
Current financial payables for rights of use	3,116	3,968
Other current financial liabilities	2,328	3,659
Shareholders - dividends and payables due to shareholders	232	464
Short-term indebtedness (excess)	(40,567)	(22,198)
Total non-monetary NFP	**116,744**	**104,507**
of which monetary NFP (excluding IFRS 16, put options, derivatives)	***79,739***	***53,249***
Shareholders’ equity attributable to shareholders of the Parent Company	105,040	103,950
Shareholders’ equity attributable to minority interests	922	2,150
TOTAL SHAREHOLDERS’ EQUITY	**105,962**	**106,100**
TOTAL SOURCES	**222,705**	**210,607**

ANALYSIS OF THE CONSOLIDATED NET FINANCIAL POSITION

IEG Group
Net financial position

		IEG Group Net Financial Position (Values in Euro/000)	09/30/2020	12/31/2019
1		**Short-term available funds**		
	01:01	Cash on hand	207	211
	01:02	Bank current account balances	40,360	21,987
	01:03	Invested liquidity	41	72
	01:04	Other short-term receivables	0	1,152
	01:05	Financial receivables due from associated companies	287	292
	01:06	Receivables for right-of-use leased assets (IFRS 16)	167	164
		Total	**41,062**	**23,878**
2		**Short-term payables**		
	02:01	Bank current account overdrafts	(226)	(33)
	02:02	Other short-term payables to banks	(4,620)	(3,599)
	02:03	Portions of medium/long-term payables due within 12 months	(9,354)	(11,083)
	02:04	Other short-term payables - put options	(25)	(206)
	02:05	Other short-term payables	(2,303)	(3,452)
	02:06	Financial payables Due to shareholders	(232)	(464)
	02:07	Current financial payables for rights of use (IFRS 16)	(3,116)	(3,968)
		Total	**(19,876)**	**(22,806)**
3		**Short-term financial position (1+2)**	**21,186**	**1,072**
4		**Medium/long-term financial receivables (after 12 months)**		
	04:01	Receivables for right-of-use leased assets (IFRS 16)	714	840
	04:02	Other medium/long-term financial receivables	430	480
		Total	**1,145**	**1,320**
5		**Medium/long-term financial payables (after 12 months)**		
	05:01	Mortgages	(102,998)	(58,318)
	05:02	Other medium/long-term payables – put options	(5,717)	(16,745)
	05:06	Other medium/long-term payables – other	(1,333)	(494)
	05:07	Medium/long-term derivative financial instruments	(5,902)	(5,228)
	05:08	Non-current financial payables for rights of use (IFRS 16)	(23,124)	(26,115)
		Total	**(139,074)**	**(106,900)**
6		**Medium/long-term financial position (4+5)**	**(137,929)**	**(105,579)**
7		**TOTAL INDEBTEDNESS**	**(158,951)**	**(129,705)**
8		**Net financial position (3+6)**	**(116,743)**	**(104,507)**
9		**Net MONETARY financial position** **excluding IFRS 16 rights of use, put options and derivatives**	**(79,740)**	**(53,249)**

The **Net Financial Position** (hereinafter NFP) as at September 30, 2020 amounted to **€ 116.7 million**, an increase in net indebtedness of € 12.2 million compared to December 31, 2019. This amount includes **financial payables for put options** relating to the acquisition of stand fitting companies for a total of **€ 5.7 million**, **financial payables for rights of use** (IFRS 16) equal to **€ 25.4 million**, and **payables for derivative financial instruments for € 5.9 million**.

The aforementioned **non-monetary components of the NFP** totalled **€ 37 million** and show a reduction of € 14.2 million compared with the situation as at December 31, 2019. This contraction is to be attributed primarily (for a total of € 11.2 million) to the reduction in payables for put options due to the exercise of a portion thereof (for € 5 million) and due to the effect of the restatement of the payable related to another portion (for approximately € 6.2 million). Again with regard to non-monetary components, there was, as expected, a reduction, for around € 3.2 million, of the payable recorded in view of the application of IFRS 16, in addition to a further reduction of around € 0.5 million relating to the application of the Amendment to IFRS 16 which came into force during the year and which will be explained in detail in the sections of the Explanatory notes "Measurement criteria" and "IFRS accounting standards, amendments and interpretations applied from January 1, 2020 or applicable early".

Excluding the aforementioned non-monetary effects, the "**Monetary NFP**" amounted to **€ 79.7 million** as at September 30, 2020, compared to € 53.2 million as at December 31, 2019, thus marking an increase in indebtedness of € 26.5 million. The change between December 31, 2019 and September 30, 2020 is due to:

- an absorption of available funds from financial management of € 18.9 million (of which +€ 7 million deriving from the profitability of current operations and -€ 25.9 million for changes in working capital) due mainly to the COVID-19 emergency which has reduced operating profitability (which recorded lower flows compared with the same period of the previous year for € 24.6 million) and at the same time had a negative impact on net working capital due to the lack of advance invoicing for future events (lower net working capital compared with the same period of the previous year of € 6 million);
- investments of € 3.2 million (for further details, reference is made to the section entitled "Investments" in this Interim Report on Operations);
- other outflows of € 3.9 million, mainly attributable to the early exercise of the put option by one of Pro.Stand's minority shareholders for € 2.1 million and financial charges of € 1.4 million.

The **change in "Monetary NFP" that occurred during the last quarter**, that is, with respect to the situation as at June 30, 2020 (€ 65.8 million), shows a decrease of € 13.9 million due to an absorption of available funds from current financial management of € 11.9 million, an absorption of flows deriving from investments of € 0.8 million and other flows, mainly financial charges, of € 1.2 million.

CONSOLIDATED CASH FLOW STATEMENT

IEG Group Cash Flow Statement of NFP (Values in Euro/000)	09.30.2020	09.30.2019
Flows generated (absorbed) by:		
Operating profit/loss (EBIT)	(7,102)	17,467
Adjustments of EBITDA for put options	(223)	(317)
Adjustments of EBITDA for IFRS 16	(3,317)	(2,989)
Adjustments of amortisation/depreciation for IFRS 16	2,595	2,853
Monetary operating profit/loss (EBIT)	**8,046**	**17,014**
Amortisation, depreciation and Write-downs of fixed assets (no IFRS 16)	12,537	9,474
Allocation to the provision for credit risks and other provisions	1,024	700
Other non-monetary operating revenues and costs	1,057	(146)
Current income taxes	436	(5,117)
1st cash flow from current operations	**7,009**	**21,895**
Flows generated (absorbed) by the change in NWC:		
Change in inventories	(25)	108
Change in trade receivables	17,768	(353)
Change in other current assets	79	515
Net change in tax receivables/payables for direct taxes	(1,608)	1,914
Change in trade payables	(12,465)	(13,652)
Change in other current liabilities	(24,606)	(9,114)
Change in NWC	**(25,859)**	**(19,875)**
Cash flow from current operations	**(18,850)**	**2,020**
Flows generated (absorbed) by investment activities:		
Investments in intangible fixed assets	(287)	(487)
Investments in property, plant and equipment	(2,863)	(8,462)
Equity investments in associated companies and other companies	(86)	(341)
Net equity investments in subsidiaries	-	-
Flows generated/(absorbed) by investment activities	**(3,236)**	**(9,290)**
Flows generated (absorbed) by the change in other non-current items		
Changes in deferred tax assets/liabilities	(449)	125
Net change in other non-current assets	(4)	(6)
Change in employee severance indemnity and other provisions	(90)	(1,004)
Net change in other non-current liabilities	(1)	48
Flows generated/(absorbed) by the change in other non-current items	**(542)**	**(836)**
Cash flow from operations	**(22,628)**	**(8,106)**
Flows generated (absorbed) by:		
Income (expenses) of financial management	(1,355)	(1,275)
Gains (losses) from equity investments	-	43
Distribution of dividends	-	(5,556)
Other capital changes (share capital increases, etc.)	(370)	393
Payable due for the exercise of the put option	**(2,138)**	-
Level 1 cash flow (change in "Monetary NFP")	**(26,491)**	**(14,501)**
Changes in NFP for IFRS 16 on Level 1 cash flow	**3,719**	**(31,990)**
Changes in NFP for PUT OPTIONS on Level 1 cash flow (*)	**11,209**	**(592)**
Changes in NFP for derivatives on Level 1 cash flow	**(674)**	**(2,029)**
Level 2 cash flow (change in NFP)	**(12,237)**	**(49,112)**
Change in financial current and non-current payables due to banks	44,165	3,249
Change in other non-current financial liabilities – put options (*)	(11,209)	592
Change in other non-current financial liabilities – derivatives	674	2,029
Change in other current and non-current financial liabilities for rights of use	(3,719)	31,990
Change in other current and non-current financial liabilities - other	(542)	(794)
Change in other current and non-current financial assets	1,237	333
Level 3 cash flow (change in cash and cash equivalents)	**(18,369)**	**(11,712)**
Cash and cash equivalents at start of year	22,198	29,479
Cash and cash equivalents at end of year	**40,567**	**17,767**

(*) The change in the put option includes € 5,063 thousand for a reversal of the payable following the exercise of the put option, at a variable price, for the purchase of 20% of Pro.Stand, and € 6,217 thousand for the adjustment of the put option of FB Int.

INVESTMENTS

The tables below detail the net investments made by the Group in the third quarter of 2020 and as at September 30, 2020.

IEG Group
Net investments in Intangible fixed assets Q3 2019

Euro/000	Investments	Disinvestments	Exchange rate effect	Net investments Q3 2020
Patent rights and intellectual property rights	148	-	-	148
Concessions, licenses, trademarks and similar rights	-	-	-	-
Goodwill	-	-	(206)	(206)
Fixed assets under construction and payments on account	77	-	-	77
Other intangible fixed assets	-	-	-	-
TOTAL NET INVESTMENTS IN INTANGIBLE FIXED ASSETS	**225**	**-**	**(206)**	**19**

IEG Group
Net investments in intangible fixed assets as at 09.30.2020

Euro/000	Investments	Disinvestments	Exchange rate effect	Net investments 09.30.2020
Patent rights and intellectual property rights	246			246
Concessions, licenses, trademarks and similar rights				-
Goodwill		(25)	(191)	(216)
Fixed assets under construction and payments on account	213			213
Other intangible fixed assets	44			44
TOTAL NET INVESTMENTS IN INTANGIBLE FIXED ASSETS	**503**	**(25)**	**(191)**	**287**

The investments in “**Industrial patents and intellectual property rights**” refer primarily to the purchase and development of the new CRM (customer relationship management) software as well as to the development of the SOFAIR software (technical management of events) by the Parent Company. The increases in the quarter mainly refer to new modules implemented in relation to the Parent Company's CRM 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 and for the adjustment to the goodwill of FIMAST in IEG following the first verifications carried out for the purposes of the PPA.

The investments in “**Fixed assets under construction and payments on account**” both as at September 30 and during the quarter refer entirely to the current development of the new management software EXPOPLANNING by Pro.Stand S.r.l.

The investments in “**Other intangible fixed assets**” refer primarily to improvements on third-party assets made by Summertrade S.r.l. on rented premises.

IEG Group
Net investments in Property, plant and equipment Q3 2020

Euro/000	Investments	Movements for entry into operation and transfers	Disinvestments	Exchange rate effect	Net investments Q3 2020
Land and buildings		72			72
Plant and machinery	7		(3)		4
Equipment	18		17	(49)	(15)
Other assets	50	(64)		(33)	(47)
Fixed assets under construction and payments on account	836	(10)	15		840
TOTAL NET INV. IN PROPERTY, PLANT AND EQUIPMENT	**911**	**-**	**28**	**(83)**	**855**

IEG Group
Net investments in property, plant and equipment as at 09.30.2020

Euro/000	Investments	Movements for entry into operation and transfers	Disinvestments	Exchange rate effect	Net investments Q3 2020
Land and buildings	299	1,175		(1)	1,473
Plant and machinery	322	461	(3)		780
Equipment	824		(27)	(37)	761
Other assets	238	(45)		(29)	164
Fixed assets under construction and payments on account	1,276	(1,590)			314
TOTAL NET INV. IN PROPERTY, PLANT AND EQUIPMENT	**2,961**	**-**	**(30)**	**(67)**	**2,863**

The investments as at September 30, 2020 in "**Land and buildings**" refer primarily to the renovation of car parks in the Rimini trade fair district for € 0.3 million.

The investments made during the period in "**Plant and machinery**", for € 0.3 million, consisted primarily of the implementation of a new climate monitoring system at the trade fair districts (€ 210 thousand).

Investments in "**Industrial and commercial equipment**" are mainly related to structures to build trade fair stands, panels, furniture and accessories purchased by Pro.Stand for € 576 thousand and FB International for € 203 thousand.

Investments in "**Other assets**" included the purchase of cars and office equipment by the Parent Company for a total of € 130 thousand, by Summertrade for a total of € 49 thousand and by Pro.Stand for a total of € 48 thousand, the latter relating entirely to the third quarter.

Investments in "**Fixed assets under construction and payments on account**" are mainly attributable, in the amount of € 578 thousand, to expansion projects for the Rimini trade fair district (of which € 292 thousand in the third quarter), € 222 thousand for the renovation of car parks in the Rimini trade fair district (relating entirely to the third quarter), € 402 thousand for the renovation of the roof of pavilion 7 in the Vicenza trade fair district (almost entirely relating to the third quarter) and € 87 thousand relating to stands in production by Pro.Stand.

INFORMATION ON TREASURY SHARES

As at September 30, 2020, Italian Exhibition Group does not have any treasury shares or shareholdings in the parent company in the portfolio. During the first nine months of the year, no treasury share or parent company shareholding purchase or sale transactions were carried out. The same is true for the other companies included in the scope of consolidation.

During the first nine months of 2020, the Group did not perform any atypical or unusual transactions.

EVENTS SUBSEQUENT TO THE END OF THE THIRD QUARTER AND BUSINESS OUTLOOK

The period after the close of the third quarter was characterised by a "second wave" of infections with the subsequent issuing of gradual restrictions, as from October 7, by the government authorities resulting in trade fair and conference activities being once again suspended. More specifically, on October 18 a Decree of the President of the Council of Ministers (DPCM) was issued, which prevented conferences from being held until November 13 and, just one week later, on October 24, a subsequent DPCM introduced further restrictions, preventing physical trade fairs and conferences from being held until November 24, 2020. At an international level the situation is similar, if not worse in certain countries, with well-known effects on the trade fair and conference activities and on international mobility.

After September 30, Group activities were essentially characterised by a partial recovery in trade fair and conference activities and the related services. Specifically, 6 physical organised events and 8 physical conferences were held. Among the trade fair events organised at Rimini Fiera are ENADA – International Amusement and Gaming Show – postponed to spring, the tourism events TTG Travel Experience, Sia! Regeneration, Sun Beach&Outdoor Style and the passenger transport show IBE – International Bus Expo. In the Vicenza district, Abilmente – The Creative Ideas Show was held in its usual autumn edition.

The trade fair events organised, albeit scaled down in terms of the exhibition spaces occupied and the number of visitors, were held in respect of the *SafeBusiness* protocol, demonstrating how trade fairs can be a place where activities can be carried out safely and with peace of mind. In fact, both the exhibiting companies and visitors were satisfied with the events organised.

The ban on trade fair activities introduced with the above-mentioned DPCM of October 24 meant that Ecomondo and Key Energy could not be held physically. However, the Group postponed the 2020 editions of the events to 2021, and for 2020 gave companies and visitors the opportunity to visit them virtually through the digital platform, from November 3 to 15.

Based on the information currently available and assuming the health crisis continues, it is reasonable to expect that the new restrictions introduced by the DPCM of October 24 will bring Group activities to almost a complete halt until the end of 2020. Indeed, just a handful of digital trade fairs and conferences remain in the calendar and related services, particularly those relating to cleaning and catering in workplaces, are expected to continue on a reduced basis.

It is therefore estimated that total Group revenues for 2020 should be between € 74 and € 78 million.

In this situation of uncertainty, the Company will continue to work with its customers and partners to organise as best as possible the currently scheduled trade fairs and conferences, it will continue to implement the action plan defined for the safety and health of its stakeholders and to mitigate the economic and financial impacts of the crisis while remaining committed to implementing the strategic development guidelines of its own business plan.

In particular, with regard to the initiatives aimed at supporting its organised events, the Group continues to develop all opportunities linked to the world of digitalisation in order to identify increasingly better solutions for its exhibitors and visitors.

As regards the measures aimed at guaranteeing the financial balance, the actions implemented in the first nine months of the year continue in terms of managing the trade receivables and the policies for the payment of suppliers as described above. Moreover, in October Volksbank completed the disbursement to the Parent Company of a new short-term credit line of € 5 million.

Thanks to the initiatives implemented to date, the Group currently has liquidity reserves, including agreed and unused credit lines, for a total amount of at least € 57 million.

The impact of the pandemic on the overall results for 2020, particularly in terms of EBITDA, will reasonably result in serious issues in terms of compliance with the financial covenants associated with some existing loans. Therefore, the Company has already started discussions with the lending banks in order to manage these issues.

The Group will continue to focus on the objectives of maximising its financial resources thanks to the excellent relationships it has established with the banking system, while constantly monitoring the possibility of taking advantage of future support measures introduced by the government and financial authorities. Indeed, discussions are still in progress with other banks to obtain additional credit lines for at least a further € 6/7 million.

All actions aimed at containing overheads and staff costs, initiated in the first nine months of the year and described above, will continue to be applied, and whenever possible, optimised.

Also as regards investments, the Group will continue with the strategy of limiting them to those strictly necessary, continuing however to devote resources to the development activities envisaged in the business plan and that can be implemented given the current situation. For this reason, on October 15, 2020, the Board of Directors of the Parent Company resolved to suspend the project for the expansion of the Rimini Trade Fair District, the continuation of which will be subject to an adequate recovery of trade fair activities. However, the Group will continue to devote the necessary resources to the development activities envisaged in its business plan and that can be implemented given the current situation.

In October, the purchase of 100% of HBG Events FZ LLC, with registered office in the United Arab Emirates, was completed. The company organises the simultaneous events “Dubai Muscle Show” and “Dubai Active”, the most important fitness events in the Middle East. This initiative falls under the strategy for the internalisation and development of the “Wellness & Leisure” category. The value of the acquisition was set at a guaranteed minimum of $1.1 million, disbursed at the time of the transfer. An earn out will be added to this amount according to the results that will be achieved in the next two editions of the events. The transaction was financed with the liquid assets of the company.

In-depth analysis of the feasibility of integration with the Bologna Fiere Group continues. This transaction aims to create the leading Italian operator in the sector, able to compete, also thanks to its organisational capacity in Italy and abroad, with the most important international players, making itself a flag bearer for Made in Italy and, at the same time, maintaining strong links with the local areas. In addition, the transaction would enable the combined entity to boost its visibility on the reference markets as well as increase its free float in order to facilitate subsequent access to the STAR segment of Borsa Italiana (Italian stock market)

On October 15, the parent companies signed a non-binding term-sheet regarding an integration based on a share exchange ratio of 1:1 and according to the methods still to be defined by the parties. The completion of the transaction is subject, among other things, to the successful outcome of due diligence activities that will be carried out, as well as the implementation of any corporate transactions that should be necessary for the purposes of reaching the aforementioned share swap ratio. The Term-Sheet also outlines the assumed new governance structure of the combined entity aimed at reflecting the above-mentioned equal share swap ratio and ensuring the continuation of the programme of investments in proprietary trade fair districts compatibly with the financial position of the combined entity and in accordance with the contractual commitments already defined, without prejudice to any different agreements that are reached between the reference shareholders of the companies involved.

On October 19, the shareholders’ meetings of the companies Rimini Congressi Srl, which holds 49.29% of IEG, and Società del Palazzo dei Congressi S.p.A., in which IEG holds 18.39% of the share capital, resolved to incorporate the latter into the former. On the effective date of the merger, scheduled for December, IEG will become the holder of 10.36% of the share capital of Rimini Congressi Srl.

Lastly, the Group is carefully monitoring the development of the pandemic and the relative decisions being adopted by national governments. With regard to the domestic market, in the light of the DPCM of October 7, which extended the duration of the health emergency until January 31, 2021, it was deemed appropriate to plan any events usually scheduled in January and February in a subsequent period. Indeed, it is reasonable to expect that international mobility will still be extremely limited until that time. For these reasons, the Company postponed Sigep to mid-March 2021. It will be held physically in the Rimini Trade Fair District, as the Sigep Expanded version, and will also involve a significant digital component. Similarly, VicenzaOro January was also postponed to mid-March 2021, as was Beer&Food Attraction to April 2021.

Rimini, November 12, 2020

Consolidated Quarterly Financial Statements
as at
September 30, 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (Values in Euro/000)	Note	09/30/2020	12/31/2019
NON-CURRENT ASSETS			
Property, plant and equipment	1	199,115	209,173
Intangible fixed assets	2	33,118	37,036
Equity investments valued using the equity method	3	4,168	4,437
Other equity investments	3	10,634	10,873
of which with related parties		*10,558*	*10,786*
Deferred tax assets		3,517	1,940
Non-current financial assets for rights of use		714	840
Non-current financial assets		457	524
Other non-current assets		155	153
TOTAL NON-CURRENT ASSETS		251,880	264,976
CURRENT ASSETS			
Inventories		981	956
Trade receivables	4	20,140	33,899
of which with related parties		*227*	*724*
Tax receivables for direct taxes		253	505
Current financial assets for rights of use		167	164
Current financial assets		301	1,472
of which with related parties		*281*	*292*
Other current assets		5,777	5,857
Cash and cash equivalents	5	40,567	22,198
TOTAL CURRENT ASSETS		68,189	65,051
TOTAL ASSETS		320,069	330,027

LIABILITIES (Values in Euro/000)	Note	09/30/2020	12/31/2019
SHAREHOLDERS' EQUITY			
Share capital		52,215	52,215
Share premium reserve		13,947	13,947
Other reserves		28,530	26,608
Profit (loss) for previous years		8,795	(1,680)
Profit (Loss) for the period attributable to shareholders of the Parent Company		1,563	12,861
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		105,040	103,951
Share capital and reserves attributable to minority interests		1,657	2,374
Profit (Loss) for the period attributable to minority interests		(735)	(224)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		922	2,150
TOTAL GROUP SHAREHOLDERS' EQUITY	6	105,962	106,101
NON-CURRENT LIABILITIES			
Payables due to banks	7	102,998	58,318
Non-current financial liabilities for rights of use	8	23,124	26,115
of which with related parties		*15,855*	*17,219*
Other non-current financial liabilities	9	12,952	22,467
Provisions for non-current risks and charges		1,680	1,755
Employee provisions		4,573	4,580
Other non-current liabilities		2,155	2,300
TOTAL NON-CURRENT LIABILITIES		147,484	115,535
CURRENT LIABILITIES			
Payables due to banks	7	13,782	14,601
Current financial liabilities for rights of use		3,116	3,968
of which with related parties		*819*	*1,320*
Other current financial liabilities		2,998	4,237
Trade payables	10	22,649	34,978
of which with related parties		*84*	*126*
Tax payables for direct taxes		193	2,053
Other current liabilities	11	23,905	48,554
TOTAL CURRENT LIABILITIES		66,623	108,391
TOTAL LIABILITIES		320,069	330,027

CONSOLIDATED INCOME STATEMENT

(Values in Euro/000)	Note	Q3 2020	Q3 2019	09/30/2020	09/30/2019
REVENUES					
Revenues from sales and services	12	6,482	26,678	65,457	125,196
of which with related parties		*34*	783	*67*	*2,242*
Other revenues	13	(84)	1,673	2,776	3,087
of which with related parties		*8*	10	*30*	*30*
TOTAL REVENUES		6,397	28,351	68,233	128,283
of which non-recurring revenues		*426*	981	*741*	*981*
Change in inventories		(23)	(18)	18	53
Costs for raw materials, consumables and goods for resale		(959)	(2,827)	(5,084)	(10,304)
Costs for services		(6,642)	(13,067)	(34,877)	(58,325)
of which with related parties		*12*	*(24)*	*(9)*	*(182)*
Costs for use of third-party assets		(48)	(29)	(138)	(1,135)
Personnel costs		(4,721)	(7,928)	(17,244)	(26,038)
Other operating costs		(561)	(585)	(1,829)	(1,926)
of which with related parties		-	-	*(3)*	*(3)*
TOTAL OPERATING COSTS	14	(12,955)	(24,454)	(59,152)	(97,675)
of which non-recurring operating costs		*(1,212)*	-	*(1,212)*	*(248)*
GROSS OPERATING PROFIT (EBITDA)		(6,558)	3,897	9,081	30,608
Depreciation, amortisation and write-downs of fixed assets		(3,967)	(4,181)	(15,132)	(12,327)
of which non-recurring write-downs		-	-	*(2,573)*	*0*
Write-down of receivables		-	(115)	(991)	(650)
Provisions		-	40	(33)	(20)
Value adjustments of financial assets other than equity investments		(5)	(1)	(27)	(144)
OPERATING PROFIT/LOSS		(10,531)	(360)	(7,102)	17,467
FINANCIAL INCOME AND CHARGES					
Financial income		7	21	9,378	65
of which non-recurring financial income		-	-	*9,344*	*0*
Financial charges		(891)	(1,180)	(2,614)	(3,887)
Exchange rate gains and losses		56	(43)	59	(70)
TOTAL FINANCIAL INCOME AND CHARGES		(828)	(1,202)	6,823	(3,892)
GAINS AND LOSSES FROM EQUITY INVESTMENTS					
Effect of valuation of equity investments with the equity method		(69)	9	(342)	56
Other gains/losses on equity investments		-	-	0	43
Of which with related parties		-	-	*0*	*43*
TOTAL GAINS/LOSSES ON EQUITY INVESTMENTS		(69)	9	(342)	99
PRE-TAX RESULT		(11,428)	(1,553)	(621)	13,675
INCOME TAXES					
Current taxes	15	2,323	(400)	437	(5,125)
Deferred tax assets/liabilities		573	121	1,012	388
TOTAL INCOME TAXES		2,896	(278)	1,449	(4,738)
PROFIT/(LOSS) FOR THE PERIOD		(8,532)	(1,832)	828	9,937
PROFIT (LOSS) PERTAINING TO MINORITY INTERESTS		(314)	(550)	(735)	550
PROFIT (LOSS) ATTRIBUTABLE TO THE PARENT COMPANY		(8,218)	(1,282)	1,563	8,387
EARNINGS PER SHARE		(0.2663)	(0.0415)	0.0506	0.2717
DILUTED EARNINGS PER SHARE		(0.2663)	(0.0415)	0.0506	0.2717

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Values in Euro/000	Q3 2020	Q3 2019	09/30/2020	09/30/2019
PROFIT/(LOSS) FOR THE PERIOD	**(8,532)**	**(1,832)**	**828**	**8,937**
Other comprehensive income components which will be subsequently be reclassified under profit/(loss) for the period:				
Gains/(losses) on cash flow hedges	(73)	(232)	(495)	(818)
Taxes on financial instruments for cash flow hedges	18	438	119	438
Gains/(losses) on translation of financial statements in foreign currency	(345)	(88)	(412)	(46)
Gains/(losses) on financial assets measured at FVOCI	(111)	46	(229)	-
Total other comprehensive income components which will subsequently be reclassified under profit/(loss) for the period:	**(512)**	**164**	**(1,017)**	**(426)**
Other comprehensive income components which will not be subsequently reclassified under profit/(loss) for the period:				
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 period:				
TOTAL PROFIT/(LOSS) RECOGNISED IN EQUITY	**(512)**	**164**	**(1,017)**	**(426)**
COMPREHENSIVE INCOME/LOSS FOR THE PERIOD	**(9,044)**	**(1,668)**	**(189)**	**8,511**
Attributable to:				
Minority interests	**(360)**	**(465)**	**(776)**	**638**
Shareholders of the Parent Company	**(8,683)**	**(1,202)**	**587**	**7,873**

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)**	**10,348**	**98,891**	**2,030**	**533**	**101,454**
Adoption of IFRS 16							(1,699)		(1,699)	(134)		(1,833)
Balance at 01/01/2019	**52,215**	**13,947**	**67,160**	**9,213**	**2,413**	**(52,173)**	**(5,931)**	**10,348**	**97,192**	**1,896**	**533**	**99,621**
Allocation of profit for the year:									0			0
- Distribution to shareholders							(5,556)		(5,556)	(53)		(5,608)
- Allocation to reserves				493	49		9,806	(10,348)	0	533	(533)	0
Comprehensive income/loss for the period						(514)		8,387	7,873	88	550	8,511
Balance at 09/30/19	**52,215**	**13,947**	**67,160**	**9,706**	**2,462**	**(52,687)**	**(1,680)**	**8,387**	**99,509**	**2,466**	**550**	**102,525**
Distribution to shareholders									0	(21)		(21)
Comprehensive income/loss for the period						(33)		4,474	4,440	**(71)**	**(774)**	3,596
Balance at 12/31/2019	**52,215**	**13,947**	**67,160**	**9,706**	**2,462**	**(52,720)**	**(1,680)**	**12,861**	**103,950**	**2,374**	**(224)**	**106,100**
- Distribution to shareholders									0			0
- Allocation to reserves				695	69		12,096	(12,861)	0	(224)	224	0
Change in scope of consolidation						(14)	517		503	(452)		50
Exercise of put options						2,138	(2,138)		0			0
Comprehensive income/loss for the period						(976)		1,563	587	(41)	(735)	(189)
Balance at 09/30/20	**52,215**	**13,947**	**67,160**	**10,401**	**2,532**	**(51,572)**	**8,795**	**1,563**	**105,040**	**1,657**	**(735)**	**105,962**

(*) *Some of the amounts do not correspond to those of the financial statements published as at December 31, 2018, as they reflect the adjustments made at the time of the final Purchase Price Allocation.*

CONSOLIDATED CASH FLOW STATEMENT

Values in Euro/000		Notes	09/30/2020	09/30/2019
Profit before tax			**(621)**	**13,675**
	Of which with related parties		*86*	*2,087*
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			15,132	12,327
Provisions and write-downs			991	650
Other provisions			33	20
Charges/(income) from valuation of equity investments in other companies with the equity method			342	(99)
Write-down of financial assets			27	144
Net financial charges			(6,823)	3,892
Costs for use of third-party assets (IFRS 16)			(3,317)	(2,989)
Effect on EBIT of integration of historic shareholders put options			(223)	(318)
Other non-monetary changes			1,057	(145)
Cash flow from operating activities before changes in working capital			**6,599**	**27,156**
Change in working capital:				
Inventories			(26)	108
Trade receivables		4	12,768	353
	Of which with related parties		*496*	*(1,290)*
Trade payables		10	(12,465)	(13,652)
	Of which with related parties		*42*	*314*
Other current and non-current assets			75	510
Other current and non-current liabilities		11	(24,606)	(9,065)
Receivables/payables for current taxes			613	(2,503)
	Of which with related parties		*-*	*700*
Deferred tax assets/liabilities			(449)	125
Cash flow from changes in working capital			**(24,089)**	**(24,124)**
Income taxes paid			(1,785)	(700)
Employee provisions and provisions for risks			(90)	(1,004)
Cash flows from operating activities			**(19,365)**	**1,328**
Cash flow from investment activities				
Net investments in intangible fixed assets		2	(312)	(510)
Net investments in property, plant and equipment		1	(2,893)	(8,537)
Disinvestments in intangible fixed assets		2	25	23
Disinvestments in property, plant and equipment		1	30	74
Dividends from associated companies and joint-ventures				43
	Of which with related parties			*43*
Change in current and non-current financial assets			1,210	189
	Of which with related parties		*10*	*151*
Net equity investments in subsidiaries				
Changes in equity investments in associated companies and other companies		3	(86)	(341)
Cash flow from investment activities			**(2,026)**	**(9,058)**
Cash flow from financing activities				
Change in other financial payables		7 – 11	(1,587)	(1,118)
Payables due to shareholders			(232)	(629)
Obtainment/(repayment) of short-term bank loans		7	1,213	4,319
Obtainment of mortgages		7	65,526	6,304
Mortgage repayment		7	(22,902)	(6,421)
Net financial charges paid			(1,355)	(1,275)
Dividends paid				(5,556)
Change in Group reserves		6	(370)	393
Payment for put options			(534)	
Cash flow from financing activities			**39,760**	**(3,982)**
Net cash flow for the period			**18,369**	**(11,712)**
Opening cash and cash equivalents			22,198	29,479
Closing cash and cash equivalents			40,567	17,767

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 successfully completed the process of listing on the MTA (screen-based equities market) organised and managed by Borsa Italiana S.p.A. on June 19, 2019.

It should be noted that, pursuant to article 70, paragraph 8 and article 71, paragraph 1-bis, of the Regulation adopted by CONSOB by means of resolution no. 11971/1999, as supplemented and amended, (the “Issuers’ Regulation”), the Company signed up to the opt-out system set forth in the aforementioned articles, availing itself of the option to depart from the obligations of publication of the information documents set out in Annex 3B of the Issuers’ Regulation, at the time significant transactions are being carried out incorporating mergers, demergers, share capital increases through contribution of assets in kind, acquisitions and sales.

The Company is controlled by Rimini Congressi S.r.l., which holds 49.29% of the share capital and holds voting rights for 55.86%.

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.

For the purposes of economic and financial comparability of the IEG Group, it should be noted that

- the profit trend of the Group is influenced by seasonality factors, characterised by more significant events in the first and fourth quarters of the year, as well as the presence of important two-yearly trade fairs, in even-numbered years.
- the Group’s financial trend is therefore characterised by an increase in working capital in the first half, while the fourth quarter generally, thanks to the advances received on events organised at the start of the next period, shows a significant improvement in the net financial position.

These condensed consolidated interim financial statements for the quarter ending on September 30th, 2020 (hereinafter “**Interim Financial Report**”) were approved by the Company’s Board of Directors on November 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 and with the Condensed Consolidated Half-Yearly Financial Statements, drafted in compliance with the EU-IFRS and approved by the Board of Directors on August 27th, 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.

This Interim financial report was drawn up:

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

2.2. Form and content of the financial statements

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

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

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

activities according to the “indirect method”.

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

BUSINESS CONTINUITY

Although considering the complexity and uncertainty of this rapidly evolving situation, the Company considers the going concern assumption to be appropriate and correct, taking into account its capacity to meet its obligations in the foreseeable future and, in particular, over the next 12 months, based on the following considerations.

- The Company will continue to monitor the development of the epidemic and of the regulatory provisions, which are believed, nonetheless, to be temporary, and to work with its customers and partners to ensure that the trade fairs and conferences on the current calendar will be conducted in the best way possible.
- At the date of drafting of this document, the Group has liquidity stocks, augmented by authorised credit lines and not drawn down for an amount of at least € 57 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. Therefore, the belief is that this financial situation will allow us to face a period where the operations will still be affected by the current crisis.
- Even assuming that the effects of the pandemic on the trade fair and conference business will be temporary, the impact of the pandemic on the results for 2020, in particular as regards the forecasted EBITDA, will reasonably lead to critical issues with regard to compliance with the financial covenants linked to some of the outstanding loans. Therefore, the Company has already started discussions with the lending banks in order to manage these issues.
- The Company will keep a close eye on the management of its trade receivables, will adopt prudent policies in the payment of its suppliers and in managing its operating costs which, given always characterised by a significant incidence of variable costs, will enable it to contain the impacts on margins despite the decrease in revenues.
- In addition to the elements described above, the Group took advantage of some measures of economic and financial support introduced by the government institutions, and will verify the possibility of applying those that may be adopted in the future, by continuing to make extensive use of forms of agile working; all in order to minimise the impacts of these temporary difficulties.

MEASUREMENT CRITERIA

The accounting standards and criteria adopted to prepare the Interim financial report as at September 30, 2020 conform to those used for the drafting of the consolidated financial statements as at December 31, 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 € 966 thousand as at September 30, 2020, recorded under the item “Other revenues”. The retrospective application of the standard, as required by IAS 8, has not produced significant effects on the comparative periods.

On October 12, 2020, the amendment to IFRS 16 was published in the Official Journal of the EU. This amendment allows the application of a practical expedient in order to account for the effects of changes to the payment plans of lease agreements following the COVID-19 emergency (until June 30, 2021). The expedient allows the financial debt to be derecognised with a balancing entry in the income statement. Specifically, the Group has applied the practical expedient to all contracts falling under the requirements indicated in paragraph 46B of the Amendment resulting in higher “Other revenues” totalling € 426 thousand.

The treatment adopted for the accounting of the put options given to the minority shareholders is to be noted.

Pursuant to EU-IFRS, the accounting treatment of this specific case is not fully governed. While, in fact, it has been established that the accounting of a put option on minority interests gives rise to the recognition of a liability, its contra-entry has not been governed. In this regard, when an entity becomes party to a contract as a result of which it assumes an obligation to pay cash or another financial asset in exchange for one of its equity instruments, in compliance with the provisions of paragraph 23 of IAS 32, it must record a financial liability. At the moment of initial recognition, the financial liability will be recognised to the extent corresponding to the amount, appropriately discounted, which must be paid for the exercise of the put option. The subsequent changes in the value of the liability will be recognised in the consolidated income statement.

In order to identify the contra-entry of the recognition of the liability, the company must evaluate whether the risks and benefits of ownership of the minority interests forming the object of the put option have been, due to the conditions of exercise of the option, transferred to the parent company or have remained with the owners of said interests. Based on the results of this analysis, it will depend whether the minority interests forming the object of the put option continue to be represented or not in the consolidated financial statements. They will be if the above-mentioned risks and benefits are not transferred to the parent company through the put option, vice versa, where the transfer has occurred, these minority interests will cease to be represented in the consolidated financial statements.

Therefore, the accounting treatment of the put options on the shares of the parent company can be summarised as follows:

- in the event in which the minority interests do not need to be represented in the financial statements given that the related risks and benefits have been transferred to the parent company, the liability relating to the put option will be recognised:
    - with a goodwill contra-entry, if the put option is recognised to the seller as part of a business combination; or
    - with contra-entry of minorities’ shareholders’ equity to these interests in the event in which the contract is signed outside this scope; vice versa
- if the transfer of the risks and benefits has not occurred, the contra-entry for the recognition of the aforementioned liability will always be the shareholders’ equity pertaining to the Parent Company.

USE OF ESTIMATES

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

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

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

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

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

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

The parameters used to draw up the estimates are commented on in the Explanatory notes to the consolidated financial statements.

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

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

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.

For a more detailed examination, please refer to the Directors' Report and the contents of the financial report to the financial statements for the year ended as at December 31, 2019.

SCOPE OF CONSOLIDATION AND ITS CHANGES

The Interim financial report as at September 30, 2020 include the economic and equity data of IEG S.p.A. (Parent Company) and all companies which it directly or indirectly controls.

The consolidated financial statements have been drafted on the basis of the accounting positions as at September 30, 2020 prepared by the consolidated companies and adjusted, where necessary, in order to bring them into line with the accounting standards and classification criteria of the Group compliant with the IFRS.

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

The balance sheet and income statement figures as at September 30, 2020 also include the share of profits and losses of associates and joint ventures measured using the equity method on the date on which the company gained its significant influence over management up to its cessation.

The structure of the Group as at September 30, 2020 differs from that as at December 31, 2019 due to the early exercise of the put option given to one of the minority shareholders, on 20% of the capital of Pro.Stand S.r.l. The agreement in question, executed on June 22, 2020, has involved the increase to 80% of the stake held in the subsidiary. However, it should be noted that there is still a second type of option, given to the other minority shareholders of Pro.Stand, which overall represents an additional 20% of the share capital and grants them the right to sell their shares along with the IEG obligation to purchase them at a price previously defined (nominal value € 2.47 million). However, this option can be exercised starting from the approval date of the 2022 financial statements of Pro.Stand until the ninetieth day following said date. Since the price for the exercise of the option is fixed, the risks and benefits related to this equity investment are transferred de facto to IEG at the time of the subscription. Consequently, the consolidated financial statements were prepared considering a 100% equity investment in Pro.Stand.

Furthermore, on May 13, 2020, Fieravicola S.r.l. was established by the Parent Company IEG, Cesena Fiera S.p.A. and Fiera di Forlì S.p.A., for the purpose of enhancing and relaunching the historical fair event of the sector with the same name. The strategies for the event, which will take place in the Rimini trade fair district, will be set out by the NewCo, with IEG as the majority shareholder, while operational management will be entrusted to Cesena Fiera, which organises the Macfrut event in Rimini on the same dates, thus being able to offer the advantage of common synergies. Technical and cultural content, conferences and market surveys will be the focus of Forlì, which has experience in the sector dating back to 1961.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM JANUARY 1, 2020 OR APPLICABLE EARLY

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

- Amendment to IAS 1 and IAS 8: *Definition of Material*. This document was issued by the IASB on October 31, 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 users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity".*
- Amendments to IFRS 9, IAS 39 and IFRS 7 - *Interest Rate Benchmark Reform – Phase 1.* 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 (so-called "IBOR"). In addition, the publication requires companies to provide a disclosure for the benefit of investors regarding the impacts the reform will have on existing hedging instruments.
- Amendment to IFRS 16 Leases COVID 19 – *Related Rent Concessions*. This amendment was introduced in order to neutralise any change in the payments of rent instalments following agreements among the parties, in consideration of the negative effects of COVID-19. Without this intervention, IFRS 16 would have forced the lessees to redetermine their financial liability toward the lessor and the asset consisting of the right of use, recognised respectively under liabilities and assets in the financial statements. The application of the exemption is anyway limited only to the changes in the payments of rent instalments until June 30, 2021 and only if aimed at mitigating the effects of COVID-19. The application of this amendment to the consolidated financial statements of the IEG Group entailed the reduction of financial liabilities for rights of use and the simultaneous recognition of income, under the item "Other revenues", for an amount of € 426 thousand.

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

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

At the drafting date of this document, no standards endorsed by the European Union, the application date of which is subsequent to the closing of the analysed period, are in effect.

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

- IFRS 17 *Insurance Contracts*: this standard introduces a new accounting approach to insurance contracts by insurance companies, to date indicated in IFRS 4 (in force). These amendments aim to make the accounting of insurance products more transparent and to improve the consistency of their accounting representation. Once approved, the standard will come into force on January 1, 2023.

- Amendment to IFRS 3 – *Business combinations*. This document, issued by the IASB on October 22, 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, once approved, shall become effective for those business combinations for which the date of acquisition is in effect on or after January 1, 2022.
- Amendment to IAS 16 *Property, Plant and Equipment*. The purpose of the amendment is to set constraints on some types of capitalisable expenses in order to make the asset available and ready to be used. Once approved, it will enter into force on January 1, 2022.
- Amendment to IAS 37 *Provisions*. This amendment, issued by IASB in December 2018, indicates which costs must be considered in order to evaluate whether a contract can be defined as an onerous contract. Once approved, it will enter into force on January 1, 2022.
- Amendment to IFRS 4 *Insurance Contracts*. The amendment sets forth the deferral to January 1, 2023 of the application of IFRS 9 to insurance contracts, for which, as indicated in the current standard, the application of IFRS 9 was temporarily suspended until January 1, 2021 (only under certain conditions). Once approved, the amendment will enter into force on January 1, 2021.
- Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16 - *Interest Rate Benchmark Reform – Phase 2.* The continuation of the first amendment (Interest Rate Benchmark Reform - Phase 1) published in 2019 and approved in January 2020. As compared to the first phase, which indicates the framework of regulations for the management of uncertainty after the reform of reference interest rates for most financial instruments (so-called “IBOR”), phase 2 deals with the management of replacement at the new reference interest rate. The Amendment also deals with IFRS 16 for cases in which lease payments are linked to rates or financial ratios. Once approved, the amendment will come into force on January 1, 2023.

Comments on main asset items

Non-current assets

1) Property, plant and equipment

The table below shows the changes occurred as at September 30, 2020.

	Balance as at 12/31/2019	Changes in 2020							Balance as at 09/30/2020
		Increases	Changes IFRS 16	Decreases/ Write-downs	Deprec.	Dep. IFRS 16	Transf.	Exchange rate effect	
Land and buildings									
Book value	299,201	299	(946)				1,175	(2)	299,728
Amortisation/depreciation	(122,722)		67		(3,776)	(2,502)			(128,933)
Total land and buildings	**176,479**	**299**	**(879)**		**(3,776)**	**(2,502)**	**1,175**	**(2)**	**170,795**
Plant and machinery									
Book value	77,531	323		(3)			460		78,310
Amortisation/depreciation	(66,865)				(1,375)				(68,240)
Total plant and machinery	**10,666**	**323**		**(3)**	**(1,375)**		**460**		**10,071**
Industrial and commercial equipment									
Book value	35,158	824		(27)				(124)	35,832
Amortisation/depreciation	(25,919)				(2,259)			87	(28,091)
Total industrial and commercial equipment	**9,239**	**824**		**(27)**	**(2,259)**			**(37)**	**7,741**
Other assets									
Book value	24,374	238	88	(1)			(45)	(60)	24,593
Amortisation/depreciation	(17,349)			1	(923)	(93)	-	31	(18,333)
Total Other assets	**7,025**	**238**	**88**		**(923)**	**(93)**	**(45)**	**(29)**	**6,260**
Total fixed assets under construction and payments on account	**5,764**	1,276		(1,203)			(1,590)		**4,247**
TOTAL	**209,173**	**2,961**	**(790)**	**(1,233)**	**(8,332)**	**(2,595)**	**-**	**(67)**	**199,115**

The net value of "**Land and buildings**" as at September 30, 2020 amounts to approximately € 171 million, a net decrease of € 5.7 million. The increases for the period amount to € 0.3 million and are mainly attributable to the renovation of car parks in the Rimini trade fair district for € 0.3 million. The transfers following the start of operations of the fixed assets under construction amounted to approximately € 1.2 million and concerned entirely the improvement of the car parks in the Rimini trade fair district. The depreciations for the period amounted to € 3.7 million and the net effect of the application of IFRS 16 was € 3.4 million.

The net value of item "**Plant and machinery**" as at September 30, 2020 amounted to € 10.1 million, a downward change of € 0.6 million. The increases for the period amount to € 0.3 million and mainly refer to the implementation of a new climate monitoring system within the trade fair districts for € 210 thousand. The transfers as a result of the entry into operation of fixed assets under construction totalled € 0.5 million and refer to plant installations relating to the car parks in the Rimini trade fair district. Depreciation for the period totalled € 1.4 million.

The item "**Industrial and commercial equipment**", with a balance of € 7.7 million, recorded a net decrease of € 1.5 million. The increases for the period amounted overall to € 0.8 million and refer primarily to structures for the construction of trade fair booths, panels, furniture and accessories purchased from Pro.Stand for € 576 thousand and FB International for € 203 thousand. Depreciation for the period amounted to € 2.3 million.

The item "**Other assets**", with a balance of € 6.3 million, recorded a net decrease of € 0.8 million. The increases for the period amounted to € 0.2 million and are primarily related to the purchase of cars and office equipment by the Parent Company for € 130 thousand and by Summertrade for € 49 thousand. Depreciation for the period amounted to € 0.9 million and the net effect of the application of IFRS16 was a reduction of € 4 thousand.

Lastly, the item **"Fixed assets under construction and payments on account**" shows a net decrease of € 1.5 million as a result of the entry into operation of assets for € 1.6 million, decreases due to the abandonment of the expansion project designed for the Vicenza trade fair district for € 1.2 million (which constitute a non-monetary change in the cash flow statement) and increases for the period for € 1.3 million, mainly attributable to expansion projects for the Rimini trade fair district for € 578 thousand (of which € 292 thousand in the third quarter), € 222 thousand for the renovation of car parks in the Rimini trade fair district (relating entirely to the third quarter), € 402 thousand for the renovation of the roof of pavilion 7 in the Vicenza trade fair district (almost entirely relating to the third quarter) and € 87 thousand relating to stands in production by Pro.Stand.

The property at Via Emilia 155 (Rimini trade fair district) is encumbered by a first mortgage of € 150 million issued as a guarantee of the loan granted by the pool of banks headed by Credit Agricole Italia S.p.A. The first mortgage is granted in favour of each of the Original Secured Creditors in the following amounts:

- in reference to Crédit Agricole Italia, within the total limit of € 50 million;
- in reference to BNL, within the total limit of € 26 million;
- in reference to Banco Popolare - BPM, within the total limit of € 22 million;
- in reference to BPER, within the total limit of € 26 million;
- in reference to Credito Sportivo, within the total limit of € 26 million.

The property in Vicenza, via dell'Oreficeria 16 (Vicenza trade fair district) is encumbered by a first mortgage of € 84 million to guarantee the loan granted by Banca Popolare di Vicenza and drawn down in 2008.

2) Intangible fixed assets

	Balance as at	Changes in 2020					Balance as at
	12/31/2019	Increases	Decreases	Amortisation/depreciation	Write-downs	Exchange rate effect	09/30/2020
Industrial patent and intellectual property rights							
Book value	4,192		-	-		-	4,438
Accumulated amortisation	(3,489)		-	(247)		-	(3,735)
Total industrial patent and intellectual property rights	**704**	**246**	**-**	**(247)**	**-**	**-**	**703**
Concessions, licenses, trademarks and similar rights							
Book value	11,672		-	-		-	11,672
Accumulated amortisation	(3,050)		-	(433)		-	(3,483)
Total concessions, licenses, trademarks and similar rights	**8,622**	**-**	**-**	**(433)**	**-**	**-**	**8,189**
Goodwill	**22,114**	**-**	**(25)**	**-**	**(2,573)**	**(191)**	**19,325**
Fixed assets under construction and payments on account	**46**	**213**	**-**	**-**	**-**	**-**	**259**
Book value	9,709	44	-	-	-	-	9,753
Accumulated amortisation	(4,158)	-	-	(952)	-	-	(5,110)
Total other intangible fixed assets	**5,551**	**44**	**-**	**(952)**	**-**	**-**	**4,643**
TOTAL INTANGIBLE FIXED ASSETS	**37,036**	**503**	**(25)**	**(1,631)**	**(2,573)**	**(191)**	**33,119**

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 increases for the period refer primarily to the purchase and development of the new CRM (customer relationship management) software as well as to the development of the SOFAIR software (technical management of events) by the Parent Company.

The item **"Concessions, licences, trademarks and similar rights"** changed during the period only due to amortisation.

The item "**Goodwill**" includes the values generated by the surplus between the cost of the business combinations made and the fair value of the assets, liabilities and contingent liabilities acquired. As at September 30, 2020, the balance of said item was approximately € 19,325 thousand. The following table shows the related details:

Euro/000	**Balance as at 09/30/2020**	**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.	1,945	4,709
Goodwill emerging from the purchase of Pro.Stand S.r.l. and Colorcom S.r.l.	8,847	8,847
TOTAL GOODWILL	**19,325**	**22,115**

As outlined in the chapter relating to the "Measurement criteria", goodwill is subject to impairment testing at the date of year-end or more frequently if there are indicators of impairment. Considering the impacts deriving from the effects of the COVID-19 pandemic and the consequent uncertainty of the entire international economic system to be "trigger events", the IEG Group brought forward impairment testing to June 30, 2020. The impairment tests carried out for the CGU FB showed that the carrying amount of net invested capital were higher than the value in the amount of € 2,573 thousand which was fully recognised as a reduction of the goodwill arising at the time of acquisition. For further details, please refer to the 2020 Half-year Financial Report. Compared to what has been reported here, in the third quarter there was a change in the EUR/USD exchange rate which resulted in a further reduction in the goodwill relating to the acquisition of FB International Inc. for € 191 thousand.

To date, no further evidence has emerged that could require a review of the analyses carried out at the close of the half-year. However, it must be reiterated that the scenario remains uncertain and is constantly evolving; therefore, the forecasts underlying the tests carried out could require, in the coming months, significant revisions, which will be included in the new Business Plan, which is currently being drawn up, so as to have updated estimates to support the audits for the next financial reports.

The increase in "**Fixed assets under construction and payments on account**" concerned entirely the current development of the new management software EXPOPLANNING by Pro.Stand S.r.l.

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

3) Equity investments valued using the equity method and other equity investments

Associated companies and jointly controlled companies, stated in the table below, are booked and measured in compliance with IAS 28 or using the equity method.

	% held at 09/30/2020	Balance as at 12/31/2019	Changes in 2020				Balance as at 09/30/2020
			Increases/Decreases	Translation differences	Revaluations/ Write-downs	Transfers	
Associated companies							
Cesena Fiera S.p.A.	30.50%	1,008	100		(176)		932
Fitness Festival Int. S.r.l. in liquidation	50.00%	34			(4)		30
CAST Alimenti S.r.l.	23.08%	1,643			(119)		1,524
TOTAL ASSOCIATED COMPANIES		***2,685***	***100***		***(299)***		***2,486***
Jointly controlled companies							
Expo Estrategia Brasil Ltda	50.00%	285	25	(94)	(11)		205
Dv Global Link LLC	49.00%	0					0
Destination Services S.r.l.	50.00%	65	(45)		(6)		14
Rimini Welcome S.c.a.r.l.	48.00%	0			4	10	14
EAGLE Asia	50.00%	1,403	132	(32)	(52)		1,450
TOTAL JOINTLY CONTROLLED COMPANIES		***1,752***	***112***	***(126)***	***(66)***	***10***	***1,683***
TOTAL EQUITY INVESTMENTS MEASURED USING THE EQUITY METHOD		**4,437**	**212**	**(126)**	**(365)**	**10**	**4,168**

The item in question as at September 30, 2020 came to € 4,168 thousand, marking a net decrease of € 269 thousand.

The increases totalled € 257 thousand and related mainly for € 100 thousand to the acquisition of an additional 2% of Cesena Fiera by Pro.Stand S.r.l., for € 132 thousand to the additional capital contribution to EAGLE Asia carried out in order to support the purchase of Chengdu Eagle ZhongLian Exhibition Ltd, a Chinese company operating in the staging of environmental events, and for € 25 thousand to the additional contribution to Expo Estrategia Brasil.

The measurements using the equity method contributed a total write-down of € 365 thousand.

	% held at 09/30/2020	Balance 12/31/2019	Changes in 2020				Balance 09/30/2020
			Inc.	Decr.	Revaluations/Write-downs	Transfers	
Uni Rimini S.p.A.	6.00%	62					62
Società del Palazzo dei Congressi S.p.A.	18.38%	10,786			(229)		10,557
Rimini Welcome S.c.a.r.l.	10%	10				(10)	-
Eventi Oggi S.r.l.	15.30%	4					4
BCC Alto Vicentino	<0.5%	1					1
BCC San Giorgio	<0.5%	11					11
TOTAL EQUITY INVESTMENTS IN OTHER COMPANIES		**10,873**			**(229)**	**(10)**	**10,634**

This item amounted to € 10,634 thousand, marking a net decrease of € 239 thousand due mainly to the write-down of € 229 thousand of the equity investment in Società del Palazzo dei Congressi.

The equity investment in Società del Palazzo dei Congressi S.p.A. is measured at FV (through OCI without recycling) which the directors of IEG believe to coincide, for this type of company, with the adoption of the equity method.

This is because this method approximates, under the circumstances, the “fair value” of the investee, estimated as the sum of the parts, given that the assets and liabilities of Società del Palazzo dei Congressi S.p.A., are composed of:

- financial assets and liabilities, i.e. trade receivables, cash and cash equivalents, trade payables and payables due to banks, which have a book value that does not differ significantly from their fair value.
- the fixed asset “Palacongressi di Rimini”, forming the object of the recent estimate report by an independent expert.

CURRENT ASSETS

4) Trade receivables

	Balance as at 09/30/2020	Balance as at 12/31/2019
Receivables from customers	19,993	33,713
Receivables from associated companies	94	132
Receivables due from jointly controlled companies	54	54
TOTAL TRADE RECEIVABLES	**20,140**	**33,899**

"Receivables from customers" amounted to € 19,993 thousand, a decrease of € 13,720 thousand compared to the previous year. 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 € 95 thousand and refer primarily to trade receivables due to the Parent Company and Summertrade S.r.l. from Cesena Fiera S.p.A.

"Receivables from jointly controlled companies" include receivables of the Parent Company due from the company DV Global Link LLC, related primarily to the costs re-invoiced in the year, relating to the expenses incurred for the event VicenzaOro Dubai 2019.

It should be noted that the item "Receivables from customers" includes € 80 thousand due from the company Società del Palazzo dei Congressi S.p.A., an investee in which the Group holds an 18.38% stake. As at September 30, no receivables from the Parent Company Rimini Congressi are reported.

Receivables are stated net of the bad debt provision, whose changes are reported in the table below.

	Balance as at 12/31/2019	Changes in 2020				Balance as at 09/30/2020
		Uses	Provisions	Transfers	Change In Scope of consolidation	
Bad debt provision	819	(1)	64	(105)		777
Bad debt provision - taxed	3,965	(329)	627	105		4,668
TOTAL BAD DEBT PROVISION	**4,784**	**(330)**	**991**	**0**		**5,445**

5) Cash and cash equivalents

The item "Cash and cash equivalents" amounted to € 6,024 thousand as at September 30, 2020, and includes almost exclusively short-term deposits remunerated at floating rate.
The trend in cash flows with respect to September 30, 2019 has been reported in the "Consolidated Cash Flow Statement" to which reference should be made.

COMMENTS ON THE MAIN ITEMS OF SHAREHOLDERS' EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY

6) Shareholders' Equity

Consolidated shareholders' equity is detailed as follows:

	Balance as at 12/31/2019	Changes in 2020					Balance as at 09/30/2020
		Increases	Decreases	Allocation of profit	Change in scope of consolidation	Transfers	
Share capital	52,215						52,215
Share premium reserve	13,947						13,947
Revaluation reserves	67,160						67,160
Legal reserve	9,706			695			10,401
Statutory reserves	2,462			69			2,532
Capital grants	5,878						5,878
First-time adoption reserve	(46,306)						(46,306)
CFH reserve	(417)		(375)				(793)
Actuarial reserve	(384)				(14)		(398)
Translation reserve for financial statements of	476		(371)				104
OCI reserve (former AFS)	138		(229)				(91)
Put option reserve	(12,105)					2,138	(9,967)
Retained earnings (losses carried forward)	(1,680)			12,096	517	(2,138)	8,795
Profit (Loss) for the period attributable to shareholders of the Parent Company	12,861	1,563		(12,861)			1,563
SHAREHOLDERS' EQUITY OF SHAREHOLDERS OF THE PARENT COMPANY	**103,950**	**1,563**	**(975)**	**-**	**503**	**-**	**105,040**
Share capital and reserves of minority interests	2,396		(40)	(224)	(467)		1,666
First-time adoption reserve of minority interests	8						8
Actuarial reserve of minority interests	(31)				14		(17)
Profit (Loss) for the period attributable to minority interests	(224)		(735)	224			(735)
SHAREHOLDERS' EQUITY PERTAINING TO MINORITY INTERESTS	**2,150**		**(775)**	**-**	**(453)**		**922**
TOTAL SHAREHOLDERS' EQUITY	**106,100**	**1,563**	**(1,710)**	**-**	**50**	**-**	**105,963**

The total shareholders' equity of the Group as at September 30, 2020 totalled € 106.0 million, of which € 105.4 million attributable to the shareholders of the Parent Company and € 0.9 million attributable to minority interests. The Parent Company's Share Capital, fully subscribed and paid-up, amounts to € 52.2 million and is divided into 30,864,197 shares.

Among the main changes that have characterised 2020, to be noted are the increase in shareholders' equity attributable to shareholders of the Parent Company for € 503 thousand following the elimination of minority interests on the subsidiary Pro.Stand S.r.l. and the simultaneous restatement from "Put option reserve" to "Retained earnings (losses) carried forward".

The calculation of the basic and diluted earnings per share is presented in the following table:

(in Euro)	09/30/2020	09/30/2019
Basic EPS	0.0506	0.2717
Diluted EPS	0.0506	0.2717

The calculation is based on the following data:

(in Euro)	09/30/2020	09/30/2019
Profit for the period	1,563,158	8,387,044
Number of shares	30,864,197	30,864,197

NON-CURRENT LIABILITIES

7) Payables due to banks

The Group's bank debt increased by € 43.8 million compared to the previous year, due to the net effect of the loans repaid in the year and the obtainment of new short-term and medium/long-term lines. Below are details regarding the payables due to banks in the short and long term and beyond 5 years.

	Balance as at 09/30/2020	Balance as at 12/31/2019
C/a debit balances	226	34
Other short-term credit facilities	4,620	3,532
Crédit Agricole pool loan	1,815	-
Banca Intesa-Sanpaolo mortgage	-	766
Unicredit mortgage	-	388
BPER mortgage - expiry 2028	-	1,311
BNL mortgage	-	1,778
Banco BPM mortgage	1,113	1,105
Volksbank mortgage	1,982	1,962
Banca Intesa-Sanpaolo (former Banca Popolare di Vicenza) mortgage	818	1,925
ICCREA mortgage (pool)	510	509
Unipol Stand-by	-	900
Unipol mortgage	245	327
Banca Popolare Valconca mortgage	240	-
SACE Cassa Depositi e Prestiti mortgage	(15)	-
SACE Intesa San Paolo mortgage	2,140	-
Other loans	65	-
TOTAL SHORT-TERM PAYABLES DUE TO BANKS	**13,759**	**14,601**

	Balance as at 09/30/2020	Of which due beyond 5 years	Balance as at 12/31/2019
Crédit Agricole pool loan	12,948	5,589	0
Banca Intesa-Sanpaolo mortgage	0	0	1,629
BPER mortgage - expiry 2028	0	0	11,274
BPM mortgage	1,408	0	2,244
Banca Intesa-Sanpaolo (former Banca Popolare di Vicenza) mortgage	31,803	24,811	31,658
Volksbank mortgage	3,709	0	5,199
ICCREA mortgage	1,332	0	1,330
Unipol Stand-by	2,900	0	4,400
Unipol mortgage	476	0	447
Banca Popolare Valconca mortgage	655	0	0
SACE Cassa Depositi e Prestiti mortgage	14,956	2,811	-
SACE Intesa San Paolo mortgage	32,722	-	-
Other loans	89	0	137
TOTAL MEDIUM/LONG-TERM PAYABLES DUE TO BANKS	**102,997**	**28,363**	**58,318**

The overall net financial position of the IEG Group is reported hereunder, drafted according to the provisions of CONSOB Communication 6064293 of July 28, 2006 and the CESR recommendation of February 10, 2005, which differs from the one in the Directors' Report on Operations as regards the items Medium/long-term financial receivables, Receivables due from associated companies and Short and long-term receivables on rights of use.

IEG Group
Net financial position based on the CONSOB/CESR format

IEG Group Net Financial Position (Values in Euro/000)		09/30/2020	12/31/2019
1 Short-term available funds			
01:01	Cash on hand	207	211
01:02	Bank current account balances	40,360	21,987
01:03	Invested liquidity	41	72
01:04	Other short-term receivables		1,152
	Total	**40,608**	**23,422**
2 Short-term payables			
02:01	Bank current account overdrafts	(227)	(33)
02:02	Other short-term payables to banks	(4,620)	(3,599)
02:03	Portions of medium/long-term payables due within 12 months	(9,354)	(11,083)
02:04	Other short-term payables - put options	(25)	(206)
02:05	Other short-term payables	(2,303)	(3,452)
02:06	Financial payables Due to shareholders	(232)	(464)
02:07	Current financial payables for rights of use	(3,118)	(3,968)
	Total	**(19,877)**	**(22,806)**
3 Short-term financial position (1+2)		**20,731**	**616**
5 Medium/long-term financial payables (after 12 months)			
05:01	Mortgages	(102,998)	(58,318)
05:02	Other medium/long-term payables – put options	(5,717)	(16,745)
05:06	Other medium/long-term payables – other	(1,333)	(494)
05:07	Medium/long-term derivative financial instruments	(5,902)	(5,228)
05:08	Non-current financial payables for rights of use	(23,124)	(26,115)
	Total	**(139,074)**	**(106,900)**
6 Medium/long-term financial position (4+5)		**(139,074)**	**(106,900)**
7 TOTAL INDEBTEDNESS		**(158,951)**	**(129,706)**
8 Net financial position (3+6)		**(118,343)**	**(106,283)**

As at September 30, 2020, bank payables were composed for € 108.3 million of loans related to the Parent Company, for € 2.6 million of loans related to Pro.Stand S.r.l., for € 0.9 million of loans related to Summertrade S.r.l. and, on a residual basis, of FB International Inc. This item also includes other short-term bank payables for € 4.8 million concerning primarily invoice advances, subject to final payment, used by Pro.Stand S.r.l.

Compared with the previous year, bank payables recorded an overall increase of € 43.8 million due to new loans for € 65.8 million, repayments of existing loans for € 22.9 million and an increase in short term credit lines for € 1.2 million. The main changes are shown below.

On April 16, 2020, the Parent Company entered into a new pool loan agreement headed by Credit Agricole in the amount of € 15 million, repayable in six-month instalments and expiring on June 30, 2028 at a 1.45% interest rate. As at June 30, a payable was recognised for € 14.7 million of which € 1.8 million due within 12 months. The new loan allowed for the extinction of other loans in effect with Intesa San Paolo and BPER, the residual payable of which, as at December 31, 2019, amounted to € 15 million.

On April 16, 2020, Summertrade S.r.l. executed a loan agreement for € 1 million, maturing on April 16, 2024, with an interest rate of 2.5%. As at the reference date, the residual amount payable for the loan came to € 956 thousand, of which € 240 thousand due within 12 months.

In July, the Parent Company signed two loan agreements assisted by SACE's Italy Guarantee programme. The financing transaction is part of the measures taken by the Company to deal with the increase in financial requirements caused by the Covid-19 emergency. The first loan taken out with Intesa Sanpaolo S.p.A. for € 35 million has a duration of 60 months with quarterly repayment at a rate of 1.16%. The second loan stipulated with Cassa Depositi e Prestiti S.p.A. for an amount of € 15 million has a duration of 72 months and is repayable in quarterly instalments at a rate of 1.80%. For the latter, starting from 2021, two covenants are envisaged on indices defined for each year. Specifically:

Parameter per year	2021	2022	2023	2024 onwards
NFP/EBITDA	<6.0	<3.5	<2.8	<2.2
NFP/SE	<2.0	<1.5	<1.2	<1.0

8) Non-current financial liabilities for rights of use

The balance of € 23.1 million represents the non-current portion of liabilities recognised for lease fees still not paid at the close of the year, in compliance with the introduction of new accounting standard IFRS 16 on January 1, 2019. The balance decreased by € 2.9 million compared to the previous year as a result of the adjustment for the period.

9) Other non-current financial liabilities

The item "Other non-current financial liabilities" as at September 30, 2020 came to € 12,952 thousand recording a decrease of € 9,515 thousand compared to the previous year. The breakdown is shown below.

	Balance as at 09/30/2020	Balance as at 12/31/2019
Fair value of derivative instruments	5,902	5,228
Financial liabilities for Pro.Stand put option	2,370	7,300
Financial liabilities for FB International Inc. Put Option	3,216	9,078
Financial liabilities for minimum guarantee amounts to minority shareholders of Pro.Stand	131	367
Payables due to minority shareholders	-	222
Payables due to other lenders	1,333	272
TOTAL OTHER NON-CURRENT FIN. LIABILITIES	**12,952**	**22,467**

The item "Fair value of derivative instruments" amounted to € 5,902 thousand, up compared with the previous year by € 674 thousand due to the change in fair value that occurred during the year and to the subscription of four additional derivative financial instruments recorded under Cash Flow Hedge.

The derivative stipulated on November 4th, 2011 with Banca Popolare di Vicenza, now Banca Intesa Sanpaolo S.p.A., was stipulated in order to hedge the interest rate risk of part of the underlying loan and makes provision for the swapping of the 6-month Euribor with a fixed rate of 2.95%. The amortisation plan of the derivative perfectly matched, at the date of stipulation of the contract, the repayment plan of the Intesa Sanpaolo loan and, for said reason, was initially classified as a hedge, also for accounting purposes.

In 2014, the company Fiera di Vicenza, transferred to Rimini Fiera S.p.A. effective from November 1, 2016 (which subsequently changed its company name to Italian Exhibition Group S.p.A.), altered the time-scales for repayment of the loan with respect to the original repayment plan, extending the pre-amortisation period. Consequently, the derivative, whose notional value was 60% of the loan subject to hedging, albeit continuing to guarantee an operational hedge given that it follows the amortisation plan of the loan until December 31, 2026, no longer possesses all the characteristics to qualify for hedge accounting. For the reasons just stated, the derivative is classified as an instrument measured at fair value through profit and loss of the Parent Company.

The final date of repayment of the Intesa Sanpaolo loan is set for June 3, 2036, around 10 years after the hedge of the first derivative contract stipulated in 2011. For this reason, IEG's Risk Management department opted to stipulate a second derivative contract at the end of the previous year on the residual amount of the loan not subject to the previous hedge, in order to mitigate potential fluctuation in the interest rate risk, with the following characteristics:

- negotiation date: December 7, 2018;
- effective date: June 29, 2018;
- maturity date: June 30, 2036;
- date of interest payment: six-monthly, December 31 and June 30 of each year;
- total notional: € 9,635,397.46
- fixed rate (pay leg): 0.96400% (Actual/360)
- floating rate (receive leg): 6M Euribor (Actual/360)

On April 16, 2020, a new loan agreement was entered into with the pool of banks headed by Credit Agricole for a total loan of € 15 million, due on June 30, 2028. Following this agreement, four new IRS contracts were executed for a partial cover of the debt, in the total nominal value of € 10.5 million.

The table below shows the impacts of the change in the fair value of the six derivative instruments as at September 30, 2020.

VALUATION DATE	IRS Fair Value	Financial income (charges) through profit and loss	Change in CFH reserve
12/31/2019	(5,228)	(218)	(473)
09/30/2020	(5,901)	(179)	(495)

The items "Financial liabilities for put options" refer to the valuation, at the time of the acquisition of the equity investment, increased due to the financial charges for the period, of the sale options granted to the minority shareholder of FB International Inc. and the minority shareholders of Pro.Stand S.r.l. The decrease in the two items compared to the previous year, amounting to € 10,792 thousand, is attributable, for € 4,930 thousand, to the early exercise of the put option on 20% of the shares of Pro.Stand S.r.l. held by one of the minority shareholders. This agreement, signed on June 22, 2020, defined an exercise price of € 2,138 thousand, paid to the counterparty for € 535 thousand. The remaining portion shall be paid in three tranches due in January 2021, September 2021 and January 2022, therefore with the elimination of the put option the amount of € 535 thousand was stated, at the same time, under the long-term item "Payables due to other lenders", and the amount of € 1,069 thousand was stated under the short term item.

The remaining portion of the downward change, amounting to € 5,862 thousand, refers to the alignment of the payable recognised for the purchase of the minority shares of FB International Inc. It should be noted that the minority shareholder of the US subsidiary hold two put options; the first, equal to 24% of the share capital to be exercised starting from the 4th anniversary of the execution of the agreement that established the business combination and the second one, equal to 25% of the share capital, starting from the 8th year subsequent to the execution of the acquisition agreement. The exercise value of these put options is associated to future returns of the company and these, taking into account the estimates of the effects of the COVID-19 pandemic based on impairment tests on the assets as explained above, resulted in being lower than estimated at the time of the purchase of the company, thus determining a lower expected payable at the due dates mentioned above.

The item “Financial liabilities for minimum guarantee amounts to minority shareholders of Pro.Stand” includes the decrease in payables recognised in the PPA, for the payments carried out during the period: some payments made to Pro.Stand were not considered to be entirely as a remuneration of their work activities in favour of the company but they were instead recognised more logically as part of the acquisition price.

“Payables due to other lenders beyond 12 months” includes:

- the long-term portion of the payables due to one of the former shareholders of Pro.Stand for the purchase of the 20% share that he held in the Italian stand-fitting subsidiary, in the amount of € 535 thousand – for additional details see the previous paragraph;
- payables to former shareholders of Pro.Stand concerning the purchase of the equity investment in Pro.Stand corresponding to the portion of the price with deferred payment beyond 12 months to be paid to the previous minority shareholders in the amount of € 50 thousand;
- Government Small Business Loan granted during the year for the COVID-19 emergency to FB International Inc. in the amount of € 749 thousand.

CURRENT LIABILITIES

10) Trade payables

	Balance as at 09/30/2020	Balance as at 12/31/2019
Trade payables	22,565	34,853
Payables due to associated companies	75	120
Payables due to jointly controlled companies	8	6
TOTAL TRADE PAYABLES	**22,649**	**34,979**

Trade payables amounted to € 22,565 thousand, of which € 75 thousand due to associated companies (€ 69 thousand due to Cesena Fiera Spa and € 6 thousand to C.A.S.T. Alimenti Srl) and € 8 thousand to the jointly controlled company (DV Global Link LLC). Trade payables refer, for the most part, to purchases of the services needed for the staging of trade fairs.

11) Other current liabilities

	Balance as at 09/30/2020	Balance as at 12/31/2019
Payments on account	3,431	1,943
Payables due to social security institutions	1,176	1,345
Other payables	6,124	5,873
Accrued expenses and deferred income	483	778
Revenues paid in advance pertaining to subsequent years	9,100	36,928
Other tax payables	3,592	1,688
TOTAL OTHER CURRENT LIABILITIES	**23,905**	**48,554**

The item "Other current liabilities" amounted to € 23,905 thousand as at September 30, 2020, down by € 24,649 thousand compared to the previous year. The change is mainly due to the lower early invoicing of future events resulting in lower early income as a consequence of the uncertainties created by the COVID-19 emergency, and to the rescheduling of a portion of the events portfolio.

Other tax payables amounted to € 3,592 as at September 30, 2020, up by € 1,903 thousand compared to the previous year. The change is mainly due to higher VAT payables to be paid by the Parent Company with respect to the previous year.

COMMENTS ON MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

12) Revenues from sales and services

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

	Q3 2020	Q3 2019	Balance as at 09/30/2020	Balance as at 09/30/2019
Organised events	1,744	13,423	43,937	66,688
Hosted Events			18	1,798
Conferences	1,065	2,040	1,946	9,484
Related Services (stand fitting, catering, cleaning)	2,724	9,726	18,045	44,616
Publishing, Sports and Other lines	948	1,488	1,511	2,610
TOTAL REVENUES FROM SALES AND SERVICES	**6,481**	**26,677**	**65,457**	**125,196**

As regards the analysis of the trend in revenues during the first nine months of 2020 and the third quarter, and the comparison with the data in the previous year, reference is made to the information already outlined in the Directors' Report on Operations. In summary, it is to be noted that the main reason for the change in values is the suspension of all activities caused by the COVID-19 pandemic which has resulted in a reduction in revenues of € 62 million, of which € 58.2 million due to already cancelled events and € 3.8 million to events that were postponed to a later date. As regards the organic component, in the first 2 months of the year, it had shown a € 2.6 million growth.

13) Other revenues

"Other revenues and income" are detailed as follows:

Other revenues and income	Q3 2020	Q3 2019	09/30/2020	09/30/2019
Operating grants	48	107	1,028	107
Emilia-Romagna Region Grant	48	48	145	145
Other revenues	(180)	1,518	1,603	2,835
Total	**(84)**	**1,673**	**2,776**	**3,087**

The item "Other revenues and income" includes mostly accessory trade fair income, falling under the ordinary activities of the IEG 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 minor revenues. It must be noted that during the period, compared with the previous year, contributions to be received following a presentation of the reports for a total of € 966 thousand were stated under other revenues.

This item includes non-recurring revenues of € 741 thousand. Of these, € 315 thousand are related to the signing of a settlement agreement with one of the minority shareholders of Pro.Stand S.r.l., for the resolution of a dispute that arose with regard to a series of liabilities borne by the previous Colorcom management and which had damaged the post-acquisition management, on which the minority shareholder itself issued indemnity guarantees. The main reason for the increase of "Other revenues" regards the charge, made in the quarter, for the costs incurred for the listing to selling shareholders of around € 1 million, in accordance with the agreements between the Parent Company and the same.

The remainder, amounting to € 426 thousand, derives from the application of a recently published amendment to IFRS 16, which made it possible to account for the effects of changes to the payment plans of lease agreements following the COVID-19 emergency by derecognising the financial liability with a balancing entry in the income statement.

14) Operating costs

Operating costs break down as follows:

	Q3 2020	Q3 2019	Balance as at 09/30/2020	Balance as at 09/30/2019
Costs for raw materials, consumables and goods for resale	959	2,827	5,084	10,304
Costs for services	6,642	13,067	34,877	58,325
For use of third-party assets	48	29	138	1,135
For personnel				
Wages and salaries	3,410	5,622	12,147	18,366
Social security costs	826	1,612	3,207	5,342
Employee severance indemnity	304	576	972	1,299
Other costs	39	218	194	581
Directors' fees	141	(101)	724	450
	4,721	**7,928**	**17,244**	**26,038**
Change in inventories	23	18	(18)	(53)
Other operating costs	561	585	1,829	1,926
TOTAL OPERATING COSTS	**12,955**	**24,454**	**59,152**	**97,675**

As regards the analysis of changes in "Operating costs" as at September 30, 2020, a decrease of € 38.5 million was recorded, of which € 23.4 million referred to costs for services, € 8.8 million referred to personnel costs and € 5.2 million relating to costs for raw materials. During the quarter, a decrease of € 11.5 million was recorded, compared to the same quarter of last year, of which € 6.4 million referred to costs for services, € 3.2 million to personnel costs and € 1.9 million for raw materials. The reasons are largely the same as those mentioned just above.

The reduction in operating costs and, in particular, costs for services is a natural consequence of both the reduction in business volumes due to the stoppage of activities caused by the Covid-19 pandemic and the implementation of all possible general cost containment measures aimed at reducing the impact on profit margins.

In terms of staff costs, employee activities were meticulously planned and the use of the social safety nets provided by government measures was extended (in particular, the Wage Guarantee Fund). These measures made it possible to achieve cost savings and not compromise the Group's regular operations. It should be noted that the use of the social safety nets by the Parent Company occurred starting from the beginning of April, therefore the first quarter recorded a 5% contraction in costs, which rose to 57.1% in the second quarter, then falling to 40.7% in the third quarter when activities were able to be partially resumed.

Lastly, note that costs for the quarter were negatively affected by the decision of the Parent Company's Board of Directors of October 15, 2020. At that meeting, the expansion project designed for the Vicenza Trade Fair District was permanently withdrawn and design costs of around € 1.2 million had already been incurred. The value of this investment was therefore reduced to zero, with this value posted to the income statement under "Costs for services".

15) Taxes

The item "Income taxes" includes taxes as at September 30, 2020 recognised on the basis of the best estimate of the average weighted expected rate for the entire year. The total of this item resulted in a tax gain of € 1.5 million, compared to taxation of € 4.7 million in the previous year. The tax estimate is affected by the recognition of advanced taxes with respect to the losses recorded by the companies of the Group and the tax non-significance of the gains from "Restatement of payables for put options" and "Write-downs of fixed assets".

16) Related party transactions

The companies in the IEG Group entered into transactions under market conditions and based on reciprocal cost effectiveness, both within the Group and with other related companies.

Business transactions between the IEG Group companies are mainly targeted at the organisation and management of exhibitions and events. IEG S.p.A. also provides treasury services to some Group companies. For a description of the nature and the amounts of the transactions between companies consolidated on a line-by-line basis, please refer to the contents of the Directors' Report on Operations.

The table below shows the amount and the nature of the receivables/payables as at September 30, 2020 and details of the costs/revenues in the year deriving from transactions between consolidated companies and associated companies, jointly controlled companies and the Parent Company Rimini Congressi S.p.A..

It should be noted that, on application of the new accounting standard, IFRS 16, the costs for the use of third-party assets, relating to rental agreements for the Rimini Conference Centre stipulated between IEG and Società del Palazzo dei Congressi S.p.A., were replaced in the consolidated financial statements by costs for amortisation/depreciation and financial charges as indicated in the following table. Financial payables amounting to € 16.7 million relate entirely to the discounting of lease instalments to be paid for the rental of Palacongressi di Rimini, as set forth in IFRS 16.

	Balance as at 09/30/2020					
Related party transactions	Società Palazzo dei Congressi (*)	Rimini Congressi	Destination Services	DV Global Link LLC	Cesena Fiera	CAST Alimenti S.r.l.
Trade receivables	80	-	-	54	94	
Current financial assets			45	186		
TOTAL RECEIVABLES	**80**	**-**	**45**	**240**	**94**	
Trade payables				(8)	(69)	(6)
Financial payables	(16,673)					
Tax payables for direct taxes						
TOTAL PAYABLES	**(16,673)**			**(8)**	**(69)**	**(6)**
Revenues from sales and services	40	-		-	24	3
Other revenues	30			-		
Costs for services, use of third-party assets, other expenses	(924)			(3)	(19)	(9)
Income from equity investments						
TOTAL REVENUES AND COSTS	**(854)**	**-**		**(3)**	**6**	**(6)**

(*) In applying IFRS 16, costs for use of third-party assets are completely eliminated and replaced with amortisation/depreciation on rights of use for € 786 thousand and financial charges for € 284 thousand.

17) Additional Information

Employees

The average number of employees is expressed as the number of FTE (full-time equivalent) workers. The comparison between the average number of employees as at September 30, 2020 and the previous financial year is shown below.

Average FTE	09/30/2020	09/30/2019
Executives	11.9	14.1
Middle managers - White collar workers	386.9	366.3
Blue-collar workers	98.0	171.1
AVERAGE NUMBER OF EMPLOYEES	**496.8**	**551.5**

The exact number of workers (headcount) as at September 30, 2020, compared with the figure as at December 31, 2019, is shown below.

Headcount	09/30/2020	12/31/2019
Executives	11	13
Middle managers - White collar workers	394	399
Blue-collar workers	56	420
AVERAGE NUMBER OF EMPLOYEES	**461**	**832**

The significant reduction in the “Blue-collar workers” category relates to the temporary staff used by the subsidiary Summertrade Srl in the banqueting and catering services.

ANNEX 1

RELATIONS WITH SUBSIDIARIES, ASSOCIATED COMPANIES AND PARENT COMPANIES

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

Description	Registered office	Financial Statements	Value of Production	Profit/(loss) for the period	Employees (FTE)	Shareholders' Equity
Subsidiaries						
Prostand Exhibition Services S.r.l.	Via Emilia, 155 - 47921 Rimini	09/30/2020	3	2	0	116
Prime Servizi S.r.l.	Via Flaminia, 233/A - 47924 Rimini	09/30/2020	1,614	5	1.5	409
Summertrade S.r.l.	Via Emilia, 155 - 47921 Rimini	09/30/2020	4,489	(1,504)	95	1,053
IEG USA Inc.	1001 Brickell Bay Dr., Suite 2717° Miami (FL)	09/30/2020	0	(13)	0	6,134
FB International Inc.	1 Raritan Rd, Oakland, NJ 07436	09/30/2020	6,269	(441)	44.6	1,968
Pro.Stand S.r.l.	Via Santarcangiolese 18 – 47824 Poggio Torriana (RN)	09/30/2020	13,662	(1,448)	77.7	6,002
Fieravicola S.r.l.	Via Emilia, 155 – 47921 Rimini	09/30/2020	0	(3)	0	97
Associated companies						
Fitness Festival International S.r.l. in liquidation	Via Martiri dei Lager, 65 – 06128 Perugia	12/31/2018	0	(8)	5	60
Cesena Fiera Spa	Via Dismano 3845 – Cesena (FC)	12/31/2019	5,271	104	13	3,630
Green Box S.r.l.	Via Sordello 11/A – 31046 Oderzo (TV)	12/31/2017	n.a.	n.a.	n.a.	n.a.
Cast Alimenti S.r.l.	Via Serenissima, 5 - Brescia (BS)	12/31/2019	4,302	246	22	3,059
Eventi Oggi S.r.l.	Via Mazzoni 43 – Cesena (FC)	12/31/2017	479	0	1	15
Jointly controlled companies						
Expo Estrategia Brasil Eventos E Producoes Ltda	Rua Felix de Souza, 307 Vila Congonhas - Sao Paulo	06/30/2020	0	(10)	n.a.	453
DV Global Link LLC	P.O. Box 9846 – Dubai – United Arab Emirates	30/092020	1	(205)	n.a.	151
Europe Asia Global Link Exhibitions Ltd	no. 18 Tian Shan Road 900-341, Changning District, Shanghai, China	09/30/2020	0	(104)	n.a.	522
Europe China Environmental Exhibitions Co., Ltd.	Getan Building 1, No.588, Yizhou Avenue, High-tech Zone Chengdu, China	06/30/2020	n.a.	n.a.	n.a.	n.a.
Destination Services S.r.l.	Via Roberto Valturio 44 - Rimini (RN)	12/31/2019	43	(13)	n.a.	(3)
Rimini Welcome S.c.a.r.l.	Via Sassonia, 30 – Rimini (RN)	12/31/2019	52	17	n.a.	117
Other equity investments						
Uni.Rimini	Via Angherà 22, Rimini RN	12/31/2019	1,211	14	n.a.	1,408
Centro Interscambio Merci e Servizi - C.I.S. S.p.A. 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	(1,136)	0	75,269
Oggi S.r.l. Events	Via Mazzoni 43 – Cesena (FC)	12/31/2019	357	3	n.a.	20
Turismo e Benessere soc. cons.	Via Rasponi 8 – Ravenna (RA)	12/31/2019	55	0	1	20

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 September 30, 2020, corresponds to the accounting documents, ledgers and registers.

Rimini, November 12, 2020