

**CONSOLIDATED
INTERIM REPORT
ON OPERATIONS
AT 31 MARCH
2023**

ITALIAN EXHIBITION GROUP S.p.A.
Via Emilia 155 – 47921 Rimini
52,214,897 fully paid-in
Rimini Register of Companies no. 00139440408
NUMBER OF ECONOMIC ADMINISTRATION INDEX
224453
VAT no. and tax code 00139440408

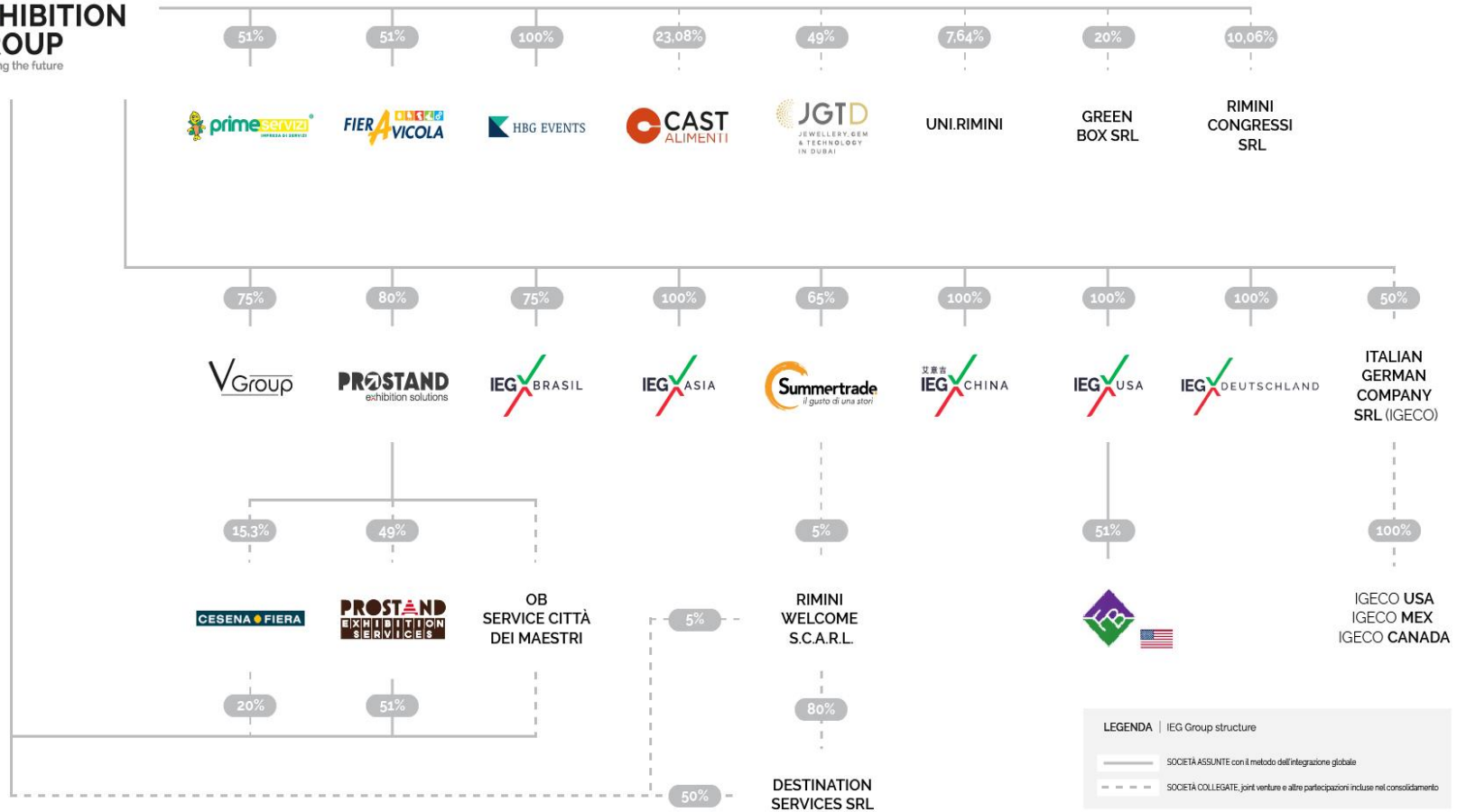
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RELATIONS ON OPERATIONS

GROUP STRUCTURE

ITALIAN EXHIBITION GROUP
Providing the future



CORPORATE BODIES

BOARD OF DIRECTORS⁽¹⁾

Lorenzo Cagnoni	Chairman
Corrado Peraboni	Chief Executive Officer
Alessandra Bianchi	Independent Director
Gian Luca Brasini	Independent Director
Daniela Della Rosa	Independent Director and Lead Independent Director
Maurizio Renzo Ermeti	Director
Andrea Pellizzari	Independent Director
Valentina Ridolfi	Independent Director
Simona Sandrini	Independent Director

BOARD OF AUDITORS (2)

Alessandra Pederzoli	Chairwoman
Stefano Berti	Standing Auditor
Fabio Pranzetti	Standing Auditor
Meris Montemaggi	Alternate Auditor
Luisa Renna	Alternate Auditor

CONTROL AND RISK COMMITTEE AND RPT COMMITTEE

Daniela Della Rosa	Chairman
Alessandra Bianchi	Standing Member
Simona Sandrini	Standing Member

APPOINTMENTS AND REMUNERATION COMMITTEE

Valentina Ridolfi	Chairman
Maurizio Renzo Ermeti	Standing Member
Andrea Pellizzari	Standing Member

INDEPENDENT AUDITING FIRM⁽³⁾

PricewaterhouseCoopers S.p.A.

MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL DOCUMENTS

Teresa Schiavina

(1) The Board of Directors shall remain in office until the Shareholders' Meeting called to approve the financial statements for the year at 31 December 2023.

(2) The Board of Auditors shall remain in office until the Shareholders' Meeting called to approve the financial statements for the year at 31 December 2025.

(3) PricewaterhouseCoopers S.p.A. has been appointed to perform the statutory audit for the nine years 2019 - 2027 and shall remain in office until the Shareholders' Meeting called to approve the financial statements for the year at 31 December 2027.

INTRODUCTION

This Consolidated Interim Report on Operations at 31 March 2023 has been prepared in compliance with Article 154 ter of the Consolidated Law on Finance and is prepared in accordance with the international accounting standards (IAS/IFRS) adopted by the European Union.

The amounts shown in the tables of the Report on Operations are stated in thousands of euros; the notes commenting on them are expressed in thousands of euros.

GROUP PROFILE

The IEG Group organises trade fair events and operates in hospitality at trade fairs and events of operators other than the Group by making its equipped exhibition areas available. The Group also promotes and manages congress centres and supplies services relating to trade fairs and congresses, including publishing.

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, 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 31 December 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, Chengdu, Leon, São Paulo, to mention just a few) also through subsidiaries, associated and joint control companies.

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 is not subject to management and coordination by Rimini Congressi S.r.l. pursuant to art. 2497 et seq. of the Italian Civil Code. In fact, none of the activities that typically prove management and coordination activities, pursuant to art. 2497 et seq. of the Italian Civil Code exist.

FINANCIAL HIGHLIGHTS

The following statement summarises the main economic-financial results of the IEG Group at 30 March 2023 and compares them with the previous period.

	31/03/2023	<i>% of Revenues</i>	31/03/2022	<i>% of Revenues</i>	Variation	Var. %
Revenues	76,993	100.0%	38,040	100.0%	38,953	>100%
Adjusted gross operating margin (EBITDA)	24,709	32.1%	7,002	18.4%	17,707	>100%
Adjusted operating income (EBIT)	20,457	26.6%	2,996	7.9%	17,462	>100%
Profit/(Loss) for the year	13,952	18.1%	1,801	4.7%	12,151	>100%
Net Financial Position (NFP)	(91,286)		(107,239)		15,953	-15%

The Group closes 31 March 2023 with **Revenues** of 77.0 million euros, up 39.0 million compared with the 38.0 million euros recorded in Q1 2022. The first quarter of 2023 books record Group turnover thanks to the organic growth that has led some events to achieve their best ever performance, as well as the recovery of post-pandemic volumes, which had continued to penalise Q1 2022 with the postponement of certain events, reducing exhibition and visitor volumes.

First quarter **Adjusted EBITDA** is 24.7 million euros, up 17.7 million euros on the same period of the previous year, when it was 7.0 million euros. The **Adjusted EBITDA margin** comes to 32.1%, recovering 13.7 percentage points on Q1 2022 thanks to the greater volumes, despite inflation pressure, which continues to impact supplies, particularly of related services, transport and materials.

Adjusted EBIT comes to 20.5 million euros, up 17.5 million on the same period of the previous year (Euro 3.0 million at 31 March 2022), marking a return to operative profitability, reaching 26.6% of revenues compared with 7.9% in the first quarter of 2022.

The Group closes the quarter with **Profit** of 14.0 million euros, up 12.2 million euros on the first quarter of 2022, when it was 1.8 million euros.

The **Net Financial Position** at 31 March 2023 is 91.3 million euros, an improvement of 16.0 million euros on 31 March 2022 (107.2 million euros) and of 4.1 million euros on 31 December 2022 (95.4 million euros) thanks to solid operative cash generation.

ALTERNATIVE PERFORMANCE INDICATORS (APIs)

Management uses certain performance indicators that are not identified as accounting measures under IFRS (NON-GAAP measures), to enable a better assessment of the Group's performance. The determination criterion applied by the Group may not be consistent with that adopted by other Groups and the indicators may not be comparable with those determined by the latter. These performance indicators, determined in accordance with the provisions of the Guidelines on Performance Indicators issued by ESMA/2015/1415 and adopted by CONSOB in Notice No. 92543 of 3 December 2015, refer only to the performance of the accounting period covered by this Consolidated Annual Financial Report and the periods compared. The performance indicators should be considered as complementary and do not replace the information drafted in accordance with the IFRSs. Below is a description of the main indicators adopted.

- **EBIT (Earnings Before Interest, Taxes) or Operating Income:** this indicator is defined as Profit/(Loss) for the year from continuing operations before financial management and income taxes.
- **EBIT (Earnings Before Interest, Taxes) or Adjusted Operating Income:** this indicator is defined as Profit/(Loss) for the year from continuing operations before financial management and income taxes and costs and revenues considered by management to be non-recurring.
- **EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) or Gross Operating Margin:** this indicator is defined as Profit/(Loss) for the year from continuing operations before depreciation of property, plant and equipment and amortisation of intangible assets and rights of use, financial management and income taxes.
- **EBITDA or Adjusted Gross Operating Margin:** this indicator is defined as Profit/(Loss) for the year from continuing operations before depreciation and amortization of property, plant and equipment, intangible assets and usage rights, financial management, income taxes and costs and revenues considered by management to be non-recurring.
- **Net Commercial Working Capital:** this indicator is calculated as the sum of Inventories and Trade Receivables net of Trade Payables.

- **Net Working Capital:** this indicator is calculated as the sum of Commercial Net Working Capital and Other Current Assets and Liabilities including Current Provisions for Risks and Charges.
- **Net Invested Capital:** this indicator is total Current and Non-Current Assets, excluding financial assets, net of Current and Non-Current Liabilities, excluding financial liabilities.
- **NFP (Net Financial Position):** this indicator is calculated in accordance with the provisions of "Warning notice no. 5/21" dated 29 April 2021 issued by Consob, which refers to ESMA Guideline 32-382-1138 of 4 March 2021.
- **Free Cash Flow:** this indicator is calculated as cash flow from operating activities net of investments in ordinary property, plant and equipment and intangible assets (excluding fixed assets under right of use recognized during the year in accordance with IFRS 16) and financial and tax income and expenses serving operating activities.

RECLASSIFIED GROUP ECONOMIC RESULTS

The table below shows the main economic items for the period, compared with the previous period:

Consolidated Income Statement Reclassified	31.03.2023	%	31.03.2022	%	Variation	Var. %
Revenues	76,993	100.0%	38,040	100.0%	38,953	>100%
Operating costs	(41,653)	-54.1%	(22,491)	-59.1%	(19,162)	85.2%
Value added	35,339	45.9%	15,549	40.9%	19,790	>100%
Staff costs	(10,632)	-13.8%	(8,548)	-22.5%	(2,084)	24.4%
Amortisation, depreciation and impairment	(4,251)	-5.5%	(4,006)	-10.5%	(245)	6.1%
Non-Recurring Charges and Income	-	0.0%	-	0.0%	-	n.a.
Adjusted Operating Income (EBIT)	20,457	26.6%	2,996	7.9%	17,462	>100%
Non-Recurring Charges and Income	-	0.0%	-	0.0%	-	n.a.
Operating Profit/Loss (EBIT)	20,457	26.6%	2,996	7.9%	17,462	>100%
Financial management	(910)	-1.2%	320	0.8%	(1,230)	>100%
Pre-tax result	19,547	25.4%	3,315	8.7%	16,232	>100%
Income tax	(5,595)	-7.3%	(1,515)	-4.0%	(4,080)	>100%
Group result for the period	13,952	18.1%	1,801	4.7%	12,150	>100%
Amortisation, depreciation and impairment	(4,251)	-5.5%	(4,006)	-10.5%	(245)	6.1%
EBITDA	24,709	32.1%	7,002	18.4%	17,707	>100%
Non-Recurring Charges and Income	-	0.0%	-	0.0%	-	n.a.
Adjusted EBITDA	24,709	32.1%	7,002	18.4%	17,707	>100%

Group **Revenues** as of 31 March 2023 stood at 77.0 million euros, an increase of 39.0 million euros from 31 March 2022.

The first quarter 2022 was still characterized by a limited operation caused by the resurgence of the Covid-19 pandemic, which forced the postponement or the suspension of some of the Group's main events, both in organized events and conferences. The recovery of turnover related to the post-Covid restart ('Restart' effect) with the scheduling of cancelled, suspended, or reduced events amounted to 14.2 million euros (+37.3%), while the incremental revenue for the biennial nature of some events contributed 0.3 million euros (+0.8%) to the first quarter 2023.

Organic revenue growth in the first quarter was 15.5 million euros (+40.6% compared to first quarter 2022), driven in particular by higher volumes and price effects.

In the first quarter 2023 a contribution to revenues growth was given by the increase of the scope of consolidation of 3.3 million euros (+8.4%), after the inclusion of the affiliate company V Group S.r.l., while the changes in schedule which have led to move up some events from the second and third quarter, contributed to the revenue's growth of 5.4 million euros (+14.1%).

With reference to the Group's only operating segment such as "Hosting of trade fairs, events and performance of related services", revenue figures disaggregated by line of business are shown below:

	31/03/2023	%	31/03/2022	%	Variation	Var. %
Organised Events	52,794	69%	25,931	68%	26,863	>100%
Hosted Events	439	1%	63	0%	376	>100%
Conferences	3,752	5%	1,472	4%	2,279	>100%
Related Services	19,322	24%	10,011	27%	9,312	93%
Publishing, Sporting Events and Other Activities	686	1%	562	1%	124	22%
TOTAL REVENUES	76,993	100%	38,040	100%	38,953	>100%

Revenues from Organized Events, which represented 69% of the Group's revenues in the first quarter, were 52.8 million euros, an increase of 26.9 million euros compared to first quarter 2022. A standard pre-pandemic schedule of two of the most important events organized by the Group such as 'Sigep', 'Vicenzaoro January' and 'T.Gold' has been restored in the first quarter 2023. The incremental change in turnover represented by the "Restart" effect was 10.4 million euros (+38.5%), while the organic growth of the events was 8.8 million euros, marking +32.6% compared to the previous period.

'Organized Events' revenues in the first quarter 2023 benefit from the move up of some events, which were organized in the second and third quarters in 2022, with a contribution to the increase of revenues of 4.2 million euros. It should be noted the organization of the event 'K.EY' among the main events moved up in the 3 quarter, at its first edition after the spin-off from 'Ecomondo', which has achieved particularly positive results by doubling its volume both in exhibiting terms and visit terms.

The variation in the scope of consolidation, through the inclusion of the event 'My Plant & Garden' contributed to the growth of revenues of 3.3 million euros.

The **Events Hosted** recorded total revenues of 0.4 million euros, up from the first quarter 2022.

Conferences hold the results from the operation of Rimini Convention Centre and Vicenza Convention Centre (VICC). In the first quarter 2023 a total of 25 conferences were held in the two locations, with revenues of 3.8 million euros, and an incremental change of 2.3 million euros compared to the same period in 2022 (when the amount was 1.5 million euros), thanks to the recovery of the on-site congress events, which were restricted in the first quarter 2022.

Revenues from **Related Services** in the first quarter 2023 amounted to 19.3 million euros (10.0 million euros at 31 March 2022), with an increase of 9.3 million compared to the same period in the previous financial year, driven by an organic growth of 6.2 million euros, the post-pandemic "Restart" effect contributed to the growth of revenues for 1.5 million euros, while the schedule move up contributed for 1.2 million euros.

Publishing, Sports Events and Other Activities, through the publishing activities carried out for tourism sector (TTG Italia, Turismo d'Italia e HotelMag) and for the gold sector (VO+ e Trendvision), the sports events and other residual revenues, have developed total revenues for 0.7 million euros, with an increase of 0.1 million compared to the first quarter 2022 result.

Operating Costs as of 31 March 2023 amounted to 41.7 million euros (22.5 million euros as of 31 March 2022) with the percentage of turnover decreasing from 59.1% to 54.1%. The recovery in volume allows for a 5.0 percentage point improvement in the percentage of sales despite inflationary increases in material and transportation procurement costs on related services and energy costs.

The **Value Added** recorded in the period amounted to 35.3 million euros, with an increase of 19.8 million

euros compared to the previous period (15.5 million euros). The Value added improves by 5.0 percentage points compared to 31 March 2022, from 40.9% to 45.9% recorded in the first quarter 2023.

Staff Costs amounted to 10.6 million euros in the first quarter 2023, with an increase of 2.1 million euros compared to the first quarter 2022 (+24.4%), The percentage of revenues improves from 22.5% to 13.8% in the first quarter 2023, thanks to the recovery of volumes.

Adjusted Gross Operating Margin (Adjusted EBITDA) amounted to 24.7 million euros in the first quarter 2023, with an increase of 17.7 million compared to the same period of the previous financial year, when it amounted to 7.0 million euros. **Adjusted EBITDA Margin** at 32.1% of revenues, compared to the same period in 2022, when it was 18.4%. The margin recovery of 13.7 percentage points in the first quarter 2023, was encouraged by the post-pandemic recovery of the volumes ('Restart' effect), and by the organic growth, while the increase due the variation of the consolidation scope and the schedule variation was compensated for the higher structural costs.

Adjusted Operating Income (Adjusted EBIT) amounted to 20.5 million euros in the first quarter 2023, up 17.5 million euros compared to the same period of the previous financial year, with a percentage of revenues of 26.6%, compared to the 7.9% of the previous period in 2022.

The Financial Management decrease by 1.2 million euros compared to the first quarter 2022. The change is mainly attributable to the negative spread fair value spread of derivative financial instruments.

Income before taxes amounted to 19.5 million euros, an improvement of 16.2 million euros compared to the same period of the previous financial year.

Income taxes amounted to 5.6 million euros, with a tax rate of 28.6%.

The Group's Period Result amounted to 14.0 million euros, an increase of 12.2 million compared to 31 March 2022.

ANALYSIS OF RECLASSIFIED CONSOLIDATED BALANCE SHEET FIGURES

	31.03.2023	31.12.2022	Changes	Var. %
Intangible fixed assets	11,972	12,373	(402)	-3.25%
Goodwill	27,388	25,360	2,027	7.99%
Property, plant and equipment	188,096	191,032	(2,936)	-1.54%
Financial assets and Investments in affiliates	18,265	18,223	42	0.23%
Other Fixed Assets	3,646	6,622	(2,977)	-44.95%
Capital Assets	249,367	253,611	(4,244)	-1.67%
Trade receivables	22,996	30,041	(7,045)	-23.45%
Trade payables	(43,886)	(42,807)	(1,079)	2.52%
Inventories	701	852	(151)	-17.70%
Commercial Net Working Capital (CNWC)	(20,188)	(11,914)	(8,274)	69.45%
Other Current Assets	6,854	7,382	(529)	-7.16%
Other Liabilities and Provisions for Current Risks	(29,660)	(52,680)	23,020	-43.70%
Net Working Capital (NWC)	(42,995)	(57,212)	14,217	-24.85%
Other non-current liabilities	(1,883)	(1,805)	(78)	4.31%
Employee severance indemnity (TFR)	(3,062)	(2,959)	(102)	3.46%
Provisions for non-current risks	(2,349)	(2,174)	(174)	8.02%
NET INVESTED CAPITAL (NIC)	199,079	189,460	9,618	5.08%
Shareholders' equity	107,793	94,106	13,687	14.54%
Net Financial Position (NFP)	91,286	95,354	(4,068)	-4.27%
TOTAL SOURCES	199,079	189,460	9,618	5.08%

Net Invested Capital, at 199.1 million euros (189.5 million euros as of 31 December 2022), shows an increase of 9.6 million euros, of which 14.2 million euros as incremental change on Net Working Capital and 4.2 million euros as decrease in in fixed assets.

Fixed Capital (249.4 million euros as of 31 March 2023) marks an overall decrease of 4.2 million euros mainly attributable to the amortization of the period of 4.0 million euros and to the release of deferred tax asset of 3.0 million euros on past tax losses, partially offset by the recognition of goodwill for 2.2 million euros related to the acquisition of two events in Singapore through the participated company IEG Asia.

Negative **Net Working Capital** amounted to 43.0 million euros as of 31 March 2023, shows a decrease of 14.2 million euros compared to 31 December 2022, when it amounted to 57.2 million euros, mainly attributable to the release of prepayments accounted at the end of 2022 against advances from customers for the events held in the first quarter 2023.

The Group's **Net Financial Position** as of 31 March 2023 was 91.3 million euros, an improvement of 4.1 million euros compared to 31 December 2022, thanks to an operating cash generation of 6.7 million euros.

Net Financial Position	31/03/2023	31/03/2022
Opening Net Financial Position	(95,354)	(105,110)
Adjusted EBITDA	24,709	7,002
Change in net working capital	(16,552)	(6,837)
Investments	(823)	(1,981)
Acquisitions	(2,170)	-
Net financial income/(expenses)	(674)	(591)
Taxes	-	(269)
(Purchase)/sale of treasury shares	(236)	-
Dividends	-	-
Other non-monetary changes	(185)	548
Closing Net Financial Position	(91,286)	(107,239)

Period investments came to 0.8 million euros and regarded ordinary maintenance work on trade fair districts and plants of production companies, whilst the cash outlay absorbed by development investments made through acquisitions came to approximately 2.2 million euros.

Below is a breakdown of the net financial position at 31 March 2023 compared with the previous year and prepared according to the "Warning notice no. 5/21" of 29 April 2021 issued by Consob, which refers to ESMA guideline 32-382-1138 of 04 March 2021.

Net Financial Position	31/03/2023	31/12/2022
A. Cash and cash equivalents	51,771	50,586
B. Cash equivalents	-	-
C. Other current financial assets	147	137
D. Liquidity: (A) + (B) + (C)	51,917	50,722
E. Current financial payables	(8,888)	(10,272)
F. Current portion of non-current financial debt	(12,345)	(18,301)
G. Current financial debt: (E) + (F)	(21,233)	(28,572)
H. Current net financial indebtedness: (G + D)	30,684	22,150
I. Non-current financial liabilities	(117,962)	(114,073)
J. Debt instruments	-	-
K. Trade payables and other non-current payables	(4,008)	(3,431)
L. Non-current financial debt: (I)+(J)+(K)	(121,970)	(117,504)
M. Total financial debt: (H) + (L)	(91,286)	(95,354)

NUMBER AND VALUE OF TREASURY SHARES HELD

In 2022, Italian Exhibition Group launched its programme for the purchase and disposal of treasury shares. At 31 March 2023, the total number of ordinary shares is 30,864,197, of which 155,000 held as treasury shares, accounting for 0.50% of the total instruments issued, hence at that date, there were a total of 30,709,197 outstanding shares. The shares have no nominal value and are fully subscribed.

	Balance as at	Changes in 2023		Balance as at
	31/12/2022	Purchases	Sales	31/03/2023
Ordinary shares issued	30,864,197			30,864,197
Company's own shares	64,000	91,000	0	155,000
Outstanding shares	30,800,197	91,000	0	30,709,197

SIGNIFICANT EVENTS DURING THE PERIOD

On 27 February 2023, has been finalized the acquisition of a company branch containing all the asset useful for the organization of two events such as Singapore International Jewellery Event (SIJE) and Cafè Asia e Sweets & Bakes Asia & Restaurant Asia (CARA), which integrate the Group's portfolio in the Southeast Asia and in the food sector and in the jewellery sector. The consideration amount for the acquisition is composed by a fixed price of 1.1 million euros paid at the closing day and by a variable price estimated at 1.1 million euros, to be paid in 3 tranches and subject to the results of the future events, to be held in 2023 and 2024.

SUBSEQUENT EVENTS

Governance

On 28 April 2023 the Shareholders' Meeting appointed the member of the Board of Statutory Auditors, who were in charge until the Shareholders' Meeting for the approval of the Financial Statement as of 31 December 2022, and confirming Ms. Alessandra Pederzoli as Chairwoman and Mr. Stefano Berti and Mr. Fabio Pranzetti as Standing Auditor, and Ms. Meris Montemaggi and Ms. Luisa Renna as Alternate Auditor. The new Board of Statutory Auditors will be in charge until the approval of the Financial Statement as of 31 December 2025.

The Shareholders' Meeting confirmed Mr. Gian Luca Brasini as Independent Director, in charge from 29 August 2022 in replacement of Mr. Marino Gabellini, who left his role on 18 July 2022 (to meet the Article 2386, comma 1 of the Civil Code and the Article 14.14 of the Company Statute).

Other events

It should be noted that on 18 April 2023 has been issued the judgment of the Council of State, Sec. IV, 18 April 2023, n. 3880 to the Municipality of Rimini, the Province of Rimini and to the Chamber of Commerce of Romagna – Forlì, Cesena, Rimini, that are public shareholders of Rimini Congressi S.r.l., the controlling shareholder of Italian Exhibition Group, about shareholdings indirectly held by public entities through IEG. The mentioned judgment does not establish obligations for IEG, but only for IEG's public shareholders. IEG is currently not aware of the determination of the public shareholders of Rimini Congressi S.r.l. in order to comply with the judgment and, therefore, of any other effect that these determinations could have on the Company.

OUTLOOK

The macroeconomic scenario expected in 2023 continues to have elements of uncertainty. Continuing inflationary pressure, consequent restrictive monetary policies, as well as global geo-political tensions still lead to uncertainties about growth, even the post-pandemic recovery has been confirmed in the first months of the year, when the Group has reached and exceeded, in some business, the result of 2019. The Group is confident, in this context and for the 2023, to be able to pursue the margin targets set out in the business plan, to improve the turnover and to reinforce the cash generation capability to support investments.

Rimini, 10 May 2023

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	31/03/2023	31/12/2022
NON-CURRENT ASSETS			
Property, Plant and Equipment	1	188,096	191,032
Intangible fixed assets	2	39,359	37,734
Equity investments valued using the equity method	3	8,917	8,874
Other equity investments	4	9,349	9,349
		<i>of which with related parties</i>	<i>9,248</i>
		9,248	9,248
Deferred tax assets	5	1,871	5,286
Non-current financial assets for rights of use	6	240	290
Non-current financial assets	7	3,227	3,011
		<i>of which with related parties</i>	<i>1,170</i>
		1,170	731
Other non-current assets		281	271
TOTAL NON-CURRENT ASSETS		251,340	255,846
CURRENT ASSETS			
Inventories	8	701	852
Trade receivables	9	22,996	30,041
		<i>of which with related parties</i>	<i>966</i>
		966	1,182
Tax receivables for direct taxes		372	468
Current financial assets for rights of use	6	198	197
Current financial assets		147	137
		<i>of which with related parties</i>	<i>93</i>
		93	93
Other current assets	10	6,482	6,914
Cash and cash equivalents	11	51,771	50,586
TOTAL CURRENT ASSETS		82,667	89,195
TOTAL ASSETS		334,008	345,041

LIABILITIES	Note	31/03/2023	31/12/2022
SHAREHOLDERS' EQUITY			
Share capital	12	51,953	52,110
Share premium reserve	12	13,846	13,924
Other reserves	12	30,240	30,433
Profit (loss) for previous years	12	(166)	(938)
Profit (Loss) for the period attributable to shareholders of the Parent Company	12	13,270	772
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		109,143	96,301
Share capital and reserves attributable to third parties	12	(2,031)	(649)
Profit (Loss) for the period attributable to minority interests	12	681	(1,546)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		(1,350)	(2,195)
TOTAL GROUP SHAREHOLDERS' EQUITY		107,793	94,106
NON-CURRENT LIABILITIES			
Payables due to banks	13	89,645	84,846
Non-current financial liabilities for rights of use	14	28,557	29,516
<i>of which with related parties</i>		12,371	12,624
Other non-current financial liabilities	15	5,741	5,377
Provisions for non-current risks and charges	16	2,349	2,174
Employee provisions	16	3,062	2,959
Other non-current liabilities	17	1,883	1,805
TOTAL NON-CURRENT LIABILITIES		131,237	126,678
CURRENT LIABILITIES			
Payables due to banks	13	12,791	18,488
Current financial liabilities for rights of use	14	4,505	4,779
<i>of which with related parties</i>		1,012	1,001
Other current financial liabilities	18	4,135	5,502
Trade payables	19	43,886	42,807
<i>of which with related parties</i>		44	40
Tax payables for direct taxes		2,538	438
Other current liabilities	20	27,122	52,242
TOTAL CURRENT LIABILITIES		94,977	124,257
TOTAL LIABILITIES		334,008	345,041

Consolidated Income Statement

	Note	31/03/2023	31/03/2022
REVENUES			
Revenues from sales and services	21	75,706	37,386
<i>Of which with related parties</i>		54	12
Other revenues	22	1,287	654
<i>Of which with related parties</i>		2	20
TOTAL REVENUES		76,993	38,040
OPERATING COSTS			
Change in inventories		(87)	187
Costs for raw materials, consumables and goods for resale		(5,527)	(3,177)
Costs for services		(35,138)	(19,016)
<i>Of which with related parties</i>		(15)	(65)
Costs for use of third-party assets		(130)	(29)
Personnel costs		(10,632)	(8,548)
Other operating costs		(772)	(456)
TOTAL OPERATING COSTS	23	(52,285)	(31,038)
GROSS OPERATING PROFIT (EBITDA)		24,709	7,002
Amortisation, depreciation and impairment		(4,251)	(4,006)
OPERATING PROFIT/LOSS		20,457	2,996
FINANCIAL INCOME AND EXPENSE			
Financial income		84	962
Financial charges		(1,223)	(728)
Exchange rate gains and losses		183	(26)
TOTAL FINANCIAL INCOME AND EXPENSE		(957)	207
TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS		47	112
PRE-TAX RESULT		19,547	3,316
TOTAL INCOME TAXES		(5,595)	(1,515)
PROFIT/(LOSS) FOR THE YEAR		13,952	1,802
PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTERESTS		681	(405)
PROFIT (LOSS) ATTRIBUTABLE TO THE PARENT COMPANY		13,270	2,207

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

	31/03/2023	31/03/2022
PROFIT (LOSS) FOR THE PERIOD	13,952	1,801
Other comprehensive income components which will be subsequently be reclassified under profit/(loss) for the year:		
Gains/(losses) on cash flow hedges	(82)	576
Gains/(losses) on translation of financial statements in foreign currency	(95)	187
Total other Comprehensive Income which will be subsequently reclassified under profit/(loss) for the year	(177)	763
TOTAL PROFIT/(LOSS) BOOKED TO SHAREHOLDERS' EQUITY	(177)	763
COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD	13,775	2,564
Attributable to:		
Minority interests	700	(391)
Shareholders of the Parent Company	13,075	2,955

CONSOLIDATED STATEMENT OF CHANGES IN 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 31/12/2021	52,215	13,947	67,160	10,401	2,532	(50,836)	(2,507)	1,638	94,550	1,139	(2,311)	93,378
Allocation of profit for the year:												
- Distribution to shareholders												
- Allocation to reserves							1,638	(1,638)	-	(2,311)	2,311	-
Change in scope of consolidation									-			-
Shareholder payment									-			-
Other variations									-			-
Comprehensive income/loss for the period						750		2,206	2,956	18	(405)	2,569
Balance as at 31/03/2022	52,215	13,947	67,160	10,401	2,532	(50,086)	(869)	2,206	97,508	(1,154)	(405)	95,949
- Distribution to shareholders									-			-
- Allocation to reserves				42	8	20	(69)		-			-
Change in scope of consolidation									-	162		162
Shareholder payment									-	353		353
Other variations	(105)	(22)							(127)			(127)
Comprehensive income/loss for the period						356		(1,434)	(1,078)	(11)	(1,141)	(2,230)
Balance as at 31/12/2022	52,110	13,925	67,160	10,443	2,540	(49,710)	(938)	772	96,301	(650)	(1,546)	94,106
- Distribution to shareholders									-			-
- Allocation to reserves							772	(772)	-	(1,546)	1,546	-
Change in scope of consolidation									-			-
Shareholder payment									-	146		146
Other variations	(157)	(79)							(236)			(236)
Comprehensive income/loss for the period						(194)		13,270	13,075	19	681	13,775
Balance as at 31/03/2023	51,953	13,846	67,160	10,443	2,540	(49,903)	(166)	13,270	109,143	(2,031)	681	107,793

CONSOLIDATED STATEMENT OF FINANCIAL DATA

	Notes	31/03/2023	31/03/2022
Profit before tax		19,547	3,316
	<i>Of which with related parties</i>	35	15
Adjustments to trace profit for the year back to the cash flow from operating activities:			
Amortisation, depreciation and impairment of property, plant and equipment and intangible assets		3,989	3,998
Provisions and write-downs		218	1
Other provisions		266	6
Charges/(income) from valuation of equity investments in other companies with the equity method		(47)	(112)
Write-down of financial assets		(4)	2
Net financial charges		957	(207)
Costs for use of third-party assets (IFRS 16)		(1,113)	(965)
Effect on EBIT - financial charges for put options		-	(38)
Other non-monetary changes		(48)	(48)
Cash flow from operating activities before changes in working capital		23,765	5,951
Change in working capital:			
Inventories		151	(187)
Trade receivables	2	6,827	5,023
	<i>Of which with related parties</i>	186	36
Trade payables		823	550
	<i>Of which with related parties</i>	12	12
Other current and non-current assets		422	797
Other current and non-current liabilities	8	(24,975)	(13,196)
Receivables/payables for current taxes		44	(196)
Prepaid/deferred taxes		4	1
Cash flow from changes in working capital		(16,704)	(7,209)
Income taxes paid		-	-
Employee provisions and provisions for risks		11	(91)
Cash flows from operating activities		7,071	(1,349)
Cash flow from investment activities			
Net investments in intangible fixed assets		(31)	(486)
Net investments in property, plant and equipment		(827)	(1,496)
Disinvestments in property, plant and equipment		36	-
Dividends from associated companies and joint ventures		-	-
Change in current and non-current financial assets		(435)	(53)
	<i>Of which with related parties</i>	(439)	(3)
Net equity investments in subsidiaries		(1,095)	-
Changes in equity investments in associated companies and other companies		-	-
Cash flow from investment activities		(2,353)	(2,035)
Cash flow from financing activities			
Change in other financial payables		(1,527)	(3,101)
Payables due to shareholders		(8)	665
Obtainment/(repayment) of short-term bank loans		(259)	(708)
Mortgage repayments		(1,182)	(1,145)
Net financial charges paid		(674)	(591)
Purchase of treasury shares		(236)	-
Dividends paid		-	-
Change in Group reserves		352	193
Cash flow from financing activities		(3,534)	(4,687)
Net cash flow for the period		1,185	(8,071)
Opening cash and cash equivalents		50,586	52,651
Closing cash and cash equivalents		51,771	44,580

ITALIAN EXHIBITION GROUP

Providing the future

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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 Euronext Milan market (formerly the Electronic Stock Exchange - MTA) organised and managed by Borsa Italiana S.p.A. on 19 June 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.

Italian Exhibition Group S.p.A. is controlled by Rimini Congressi S.r.l., which holds 49.90% of the share capital and holds voting rights for 55.98%. 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, indeed, none of the activities that typically prove management and coordination activities, pursuant to art. 2497 et seq. of the Italian Civil Code exist.

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

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.

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 24 February 1998. EU-IFRS mean all International Financial Reporting Standards (IFRS), all International Accounting Standards ("**IAS**"), all interpretations of the International Financial Reporting Standards Interpretations Committee ("**IFRIC**"), previously named the Standard Interpretations Committee ("**SIC**") which, at the date of approval of the Consolidated Financial Statements, had been approved by the European Union in accordance with the procedure laid down in Regulation (EC) no. 1606/2002, by the European Parliament and the European Council of 19 July 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 31 December 2022, drafted in compliance with the EU-IFRS and approved by the Board of Directors on 16 March 2023.

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

2.2. Form and content of the financial statements

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

Below are the financial statements and related classification criteria adopted by the Group, under the scope of the options envisaged by IAS 1 "Presentation of the Financial Statements" ("IAS 1"):

- the consolidated statement of financial position has been prepared classifying assets and liabilities as "current/non-current";
- 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 statement of cash flows has been prepared by stating cash flows arising from operating activities according to the "indirect method".

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

MEASUREMENT CRITERIA

The accounting standards and criteria adopted to prepare the Interim Financial Report as at 31 March 2023 conform to those used for drafting the consolidated financial statements as at 31 December 2022, with the exception of the new accounting standards, amendments and interpretation applicable from 1 January 2023, as more fully explained in the paragraph below.

ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO IFRS APPLIED FROM 1 JANUARY 2023 OR WHICH CAN BE APPLIED EARLY

In 2023, the IEG Group adopted the following new accounting standards, amendments and interpretations, revised by the IASB.

- IFRS 17 Insurance Contracts: This standard introduces a new accounting approach to insurance contracts by insurance companies, previously indicated in IFRS 4. These amendments aim to make the accounting of insurance products more transparent and to improve the consistency of their accounting representation. The application of this standard has not had any impact on the financial statements closed at 31 March 2023.
- Amendment to IAS 8 – Accounting policies, Changes in Accounting Estimates and Errors. This document, issued by the IASB on 12 February 2021, is targeted at resolving the difficulties that arise when an entity needs to distinguish between changes to accounting standards and changes to estimates. The application of this amendment on the consolidated financial statements of the IEG Group has not had any impact on the financial statements closed at 31 March 2023.
- Amendment to IAS 1 – Presentation of Financial Statements, to IFRS Practice Statement 2: Disclosure of Accounting policies. The amendment issued by the IASB on 12 February 2021 aims to help those preparing the financial statements understand which accounting policies require disclosure in the financial report. The application of this amendment on the consolidated financial statements of the IEG Group has not had any impact on the financial statements closed at 31 March 2023.
- Amendment to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendment issued by the IASB on 07 May 2021 aims to clarify how the Company books deferred tax on operations such as leasing and decommissioning obligations. The application of these Annual Improvements on the consolidated financial statements of the IEG Group has not had any significant impact on the financial statements closed at 31 March 2023.
- Amendment to IFRS 17 Insurance Contracts – Initial Application of IFRS 17 and IFRS 9 – Comparative information. The amendment issued by the IASB on 09 December 2021 aims to provide additional information to those preparing the financial statements as to how to present comparative information of the previous period on the initial application of IFRS 17. The application of this amendment on the consolidated financial statements of the IEG Group has not had any significant impact on the financial statements closed at 31 March 2023.

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

The following new accounting standards, amendments and interpretations, approved by the competent bodies of the European Union. The IEG Group is assessing the impacts that the application of these will

have on the consolidated financial statements. The new accounting standards, amendments and interpretations will be adopted according to the effective dates of introduction as reported below.

- Amendment to IAS 1 Presentation of Financial Statements - Non-current liabilities with covenants. The specified amendment issued by the IASB on 31 October 2022 aims to clarify the conditions under which an entity can enter a short- or long-term liability. The amendment will come into effect starting 1 January 2024.
- Amendments to IFRS 16 Leases – Lease liability in a Sale and Leaseback: this amendment issued by the IASB on 22 September 2022 aims to clarify how the seller and lessee can value the sale and leaseback in such a way as to respect the requirements of IFRS 15 in accounting for the sale. The amendment will come into effect starting 1 January 2024.

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 statement of cash flows, as well as the explanatory notes.

SCOPE OF CONSOLIDATION AND ITS CHANGES

The Interim financial report as at 31 March 2023 includes the economic and equity data of IEG S.p.A. (Parent Company) and all companies which it directly or indirectly controls.

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

The scope of consolidation as at 31 March 2023 does not differ from that as at 31 December 2022.

TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS

The exchange rates used to determine the equivalent value in euros of financial statements expressed in foreign currencies of the subsidiaries (value for 1 euro) are given in the table below:

Currency (ISO code)	Amounts of currency for 1 euro			
	March 2023		December 2022	March 2022
	Spot exchange rate	Average exchange rate	Spot exchange rate	Average exchange rate
US dollar (USD)	1.0875	1.0730	1.0666	1.1217
Chinese renminbi (CNY)	7.4763	7.3419	7.3582	7.1319
Singapore dollar (SGD)	1.4464	1.4302	1.4300	1.4469
Brazilian real (BRL)	5.5158	5.5750	5.6386	5.8696
United Arab Emirates dirham (AED)	3.9938	3.9406	3.9171	4.1194

BUSINESS COMBINATIONS

On 27 February 2023, the purchase of the business units for the Café Asia/Sweets & Bakes Series & Restaurant Asia (“CARA”) and Singapore International Jewelry Expo (“SIJE”) was completed by the subsidiary IEG Asia pte Ltd.

The transaction is worth a total of approximately 3,112 thousand Singapore dollars; the amount agreed is variable on the basis of the results recorded by the two events for the 2022-2024 editions.

The acquisition envisages a price paid at closing of 1,556 thousand Singapore dollars.

As envisaged by IFRS 3, the difference between the acquisition cost of the two events and the net assets acquired by the Group comes to 2,190 thousand euros; this has been provisionally allocated to goodwill for the IEG Asia CGU, whilst awaiting completion of the purchase price allocation phase.

A specific analysis of the fair value of the net assets acquired and the consideration transferred will be carried out within 12 months of the acquisition. If, at the end of the measurement period, property, plant and equipment and intangible assets with a definite life are identified, the provisional amounts recorded at the time of acquisition will be adjusted, with retroactive effect to the acquisition date. The table below shows the provisional values for the transaction in question.

“CARA” & “SIJE” - SGD/000	(A) - Book values at the acquisition date	(B) - Fair value at the acquisition date (provisional values)
Other receivables	600	600
Prepaid costs for services	404	404
Customer advances	(1,004)	(1,004)
Total net assets acquired	-	-
Cost of the acquisition	3,112	3,112
Provisional goodwill at 31.03.2023	3,112	3,112

Below are the provisional figures for the operation in question, converted into euros at the exchange rate in force on the operation date:

“CARA” & “SIJE” - EUR/000	(A) - Book values at the acquisition date	(B) - Fair value at the acquisition date (provisional values)
Other receivables	422	422
Prepaid costs for services	284	284
Customer advances	(706)	(706)
Total net assets acquired	-	-
Cost of the acquisition	2,190	2,190
Provisional goodwill at 31.03.2023	2,190	2,190

COMMENTS ON THE MAIN ITEMS OF THE BALANCE SHEET

1) Property, Plant and Equipment

At 31 March 2023, property, plant and equipment totalled 188,096 thousand euros, a reduction of €2,936 thousand euros compared with 31 December 2022. During the period, investments were made for 826 thousand euros and depreciation recorded for 3,547 thousand euros.

Below is the breakdown of the item at 31 March 2023 and at 31 December 2022:

	Balance as at 31/03/2023	Balance as at 31/12/2022
Land and buildings	170,077	172,529
Plant and machinery	9,429	9,727
Industrial and commercial equipment	2,642	2,887
Other assets	5,437	5,405
Fixed assets under construction and payments on account	511	485
TOTAL PROPERTY, PLANT AND EQUIPMENT	188,096	191,032

2) Intangible fixed assets

At 31 March 2023, property, plant and equipment totalled 39,359 thousand euros, an increase of 1,625 thousand euros compared with 31 December 2022. The change is mainly due to the posting of goodwill for the acquisition of the “CARA” and “SIJE” fairs by IEG Asia Ptd, for a total amount of 2,190 thousand euros. The residual change consists of period amortisation.

Below is the breakdown of intangible fixed assets at 31 March 2023 and 31 December 2022:

	Balance as at 31/03/2023	Balance as at 31/12/2022
Industrial patents and intellectual property rights	496	522
Concessions, licenses, trademarks and similar rights	7,442	7,590
Goodwill	27,713	25,685
Fixed assets under construction and payments on account	644	644
Other intangible fixed assets	3,064	3,292
INTANGIBLE ASSETS TOTAL AMOUNT	39,359	37,734

The item “**Goodwill**” includes the values generated by the surplus between the cost of the business combinations and the fair value of the assets, liabilities and contingent liabilities acquired. The item amounted to 27,713 thousand euros at the end of the period. The values resulting from the acquisitions and booked to the Group’s financial statements are set out below.

	Balance as at 31/03/2023	Balance as at 31/12/2022
Goodwill emerging from the transfer of Fiera di Vicenza	7,948	7,948
Other goodwill	355	355
Goodwill emerging from the purchase of FB International Inc.	877	894
Goodwill emerging from the purchase of Pro.Stand S.r.l. and Colorcom S.r.l.	8,847	8,847
Goodwill emerging from the purchase of HBG Events	4,357	4,443
Goodwill emerging from the purchase of V Group Srl	2,893	2,893
Goodwill emerging from the purchase of IEG China	284	306
Goodwill emerging from the purchase of “CARA” and “SIJE”	2,151	-
TOTAL GOODWILL	27,713	25,686

The changes to goodwill of FB International Inc., HBG Events and IEG China relate to the change in the euro/dollar, euro/dirham and euro/renminbi exchange rates, which total a negative change of 125 thousand euros.

Goodwill, excluding that which originated from the recent acquisitions indicated previously, was subject to impairment testing at the year-end closing date for 2022. IAS 36 requires that goodwill be tested at least once a year, in order to detect any impairment losses and at each reporting date if there are any indications of impairment (IAS 36.9-10). The Company will repeat its impairment testing with the close of the financial statements at 31 December 2023.

3) Equity investments measured using the equity method

Equity investments measured using the equity method come to 8,917 thousand euros, slightly up as a result of the updated valuations at 31 March 2023 by approximately 42 thousand euros compared with 31 December 2022.

The following are details of equity investments at 31 March 2023 and at 31 December 2022.

	Balance as at 31/03/2023	Balance as at 31/12/2022
Cesena Fiera S.p.A.	1,891	1,891
IGECO Srl	5,127	5,127
CAST Alimenti Srl	1,526	1,526
Destination Services Srl	76	36
Rimini Welcome Scarl	21	15
EECE	275	279
TOTAL EQUITY INVESTMENTS MEASURED USING THE EQUITY METHOD	8,917	8,874

4) Other equity investments

“Other equity investments” comes to 9,349 thousand euros and has not changed on 31 December 2022. The following are details of equity investments at 31 March 2023 and at 31 December 2022.

	Balance as at 31/03/2023	Balance as at 31/12/2022
Uni. Rimini S.p.A.	62	62
Rimini Congressi Srl	9,248	9,248
Observe – Città dei maestri	28	28
BCC Alto Vicentino	1	1
BCC San Giorgio	10	10
TOTAL OTHER EQUITY INVESTMENTS	9,349	9,349

5) Deferred tax assets

“Prepaid and deferred tax assets” come to 1,871 thousand euros at 31 March 2023, a clear reduction of 3,415 thousand euros compared with 31 December 2022 as a result of the use of previous losses accrued at end 2020 on the estimated period tax.

Below are details of the item at 31 March 2023 and at 31 December 2022:

	Balance as at 31/03/2023	Balance as at 31/12/2022
Prepaid tax	5,046	8,464
Provisions for deferred tax liabilities	(3,174)	(3,178)
TOTAL DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES	1,871	5,286

6) Financial assets for rights of use

Non-current financial assets for rights of use come to 240 thousand euros as at 31 March 2023, slightly down on 31 December 2022.

Current financial assets for rights of use are equal to 198 thousand euros, essentially unchanged compared with 31 December 2022.

Below are details of the item at 31 March 2023 and at 31 December 2022.

	Balance as at 31/03/2023	Balance as at 31/12/2022
Non-current financial assets for rights of use	240	290
Current financial assets for rights of use	198	197
TOTAL FINANCIAL ASSETS FOR RIGHTS OF USE	438	487

7) Non-current financial assets

Non-current financial assets totalled 3,227 thousand euros, up 216 thousand euros on 31 December 2022. The main changes affecting the item during Q1 2023 regard the adjustment made to the fair value of derivative assets, which entailed a reduction of 212 thousand euros and the concession of a loan to the associate IGECO Srl, for 450 thousand euros.

Below are details of the item at 31 March 2023 and at 31 December 2022.

	Balance as at 31/03/2023	Balance as at 31/12/2022
Gambero Rosso shares	29	25
TFR policy	295	309
Receivables from jointly controlled companies	1,170	731
Derivative assets	1,734	1,945
TOTAL NON-CURRENT FINANCIAL ASSETS	3,227	3,011

The table below shows the impacts of the change in the fair value of the seven derivative instruments as at 31 March 2023

VALUATION DATE	IRS Fair Value	Financial income (charges) through profit and loss	Change in CFH reserve
31/12/2022	1,945	3,328	2,200
31/03/2023	1,734	(99)	(112)

8) Inventories

Inventories amounted to 701 million euros at 31 March 2023, down 151 thousand euros compared to the

31 December 2022.

Below are details of the item at 31 March 2023 and at 31 December 2022

	Balance as at 31/03/2023	Balance as at 31/12/2022
Raw and complementary materials and consumables	383	446
Finished products and goods	318	406
TOTAL INVENTORIES	701	852

9) Trade receivables

“Trade receivables” amounted to 22,996 thousand euros, a decline of 7,045 thousand euros compared to 31 December 2022. 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.

	Balance as at 31/03/2022	Balance as at 31/12/2022
Receivables from customers	22,030	28,859
Receivables from associated companies	54	268
Receivables from jointly controlled companies	90	54
Receivables from parent companies	822	861
TOTAL TRADE RECEIVABLES	22,996	30,041

“Receivables from associated companies” total 54 thousand euros and refer primarily to trade receivables due to Summertrade S.r.l. from Cesena Fiera S.p.A..

“Receivables from jointly controlled companies” include the receivables due to the Parent Company from DV Global Link LLC for 54 thousand euros and IGECO S.r.l. for the remaining 36 thousand euros.

“Receivables from parent companies” include the receivables due to the Parent company by Rimini Congressi S.r.l. and Vicenza Holding S.p.A.

Trade receivables due from associates derive from commercial transactions concluded at arm's length.

Trade receivables are stated net of a provision for impairment of 8,316 thousand euros.

10) Other current assets

Other current assets are 6,482 thousand euros at 31 March 2023, down 432 thousand euros compared to 31 December 2022.

Below are details of the item at 31 March 2023 and at 31 December 2022

	Balance as at 31/03/2023	Balance as at 31/12/2022
Other tax receivables	558	1,203
Other receivables	2,699	1,470
Accrued income and deferred expenses	653	1,184
Deferred costs	2,572	3,057
TOTAL OTHER CURRENT ASSETS	6,482	6,914

The comprehensive reduction is due to the combined effect of lesser prepaid costs, accrued income and deferred expenses and supplier advances in place at 31 March 2023, compared with 31 December 2022,

due to an effect linked to the cyclical nature of the trade fair business.

11) Cash and cash equivalents

Cash and cash equivalents represent almost exclusively short-term deposits remunerated at floating rate. The item amounted to 51,771 thousand euros, up 1,185 thousand euros compared to 31 December 2022.

12) Shareholders' equity

The Group's shareholders' equity compared with 31 December 2022 has changed exclusively as a result of the adjustment of the OCI reserves, the quarter result and the treasury share buy-back programme. Below are details of the item at 31 March 2023 and at 31 December 2022.

	Balance as at 31/03/2023	Balance as at 31/12/2022
Share capital	51,953	52,110
Share premium reserve	13,846	13,924
Revaluation reserves	67,160	67,160
Legal reserve	10,443	10,443
Statutory reserve	2,540	2,540
Other reserves	(49,903)	(49,710)
Retained profits (losses)	(166)	(938)
Profit/(loss) for the period	13,270	772
GROUP SHAREHOLDERS' EQUITY	109,143	96,301
Share capital and reserves attributable to third parties	(2,031)	(649)
Profit (loss) attributable to third parties	681	(1,546)
THIRD PARTY SHAREHOLDERS' EQUITY	(1,350)	(2,195)
TOTAL SHAREHOLDERS' EQUITY	107,793	94,106

13) Payables due to banks

Payables due to banks at 31 March 2023 total 102,436 thousand euros, of which 89,645 thousand euros relate to non-current portions and 12,791 thousand euros to current portions.

Details are given of the breakdown of current and non-current payables due to banks at 31 March 2023 and at 31 December 2022:

	Balance as at 31/03/2023	Balance as at 31/12/2022
Banca Intesa mortgage	27,593	27,578
Credit Agricole pool mortgage	8,367	-
SACE mortgages	51,189	54,177
Other group company loans and mortgages	2,497	2,955
TOTAL NON-CURRENT PAYABLES DUE TO BANKS	89,645	84,846
Banca Intesa mortgage	1,733	1,733

Credit Agricole pool mortgage	1,838	10,196
SACE mortgages	5,977	2,988
Volksbank mortgage	684	1,192
Other group company loans and mortgages	2,559	2,379
TOTAL CURRENT PAYABLES DUE TO BANKS	12,791	18,488
TOTAL PAYABLES DUE TO BANKS	102,436	103,334

During the period, the Group repaid mortgage shares for a total of 1,182 thousand euros.

Below are the financial covenants on the consolidated result at 31 December 2023, to which the Parent Company is contractually bound:

Bank	Parameter per year	2023 covenants
Intesa SanPaolo SpA	NFP/EBITDA	<4.0
Cassa Depositi e Prestiti SpA	NFP/EBITDA	<=5.0
Cassa Depositi e Prestiti SpA	NFP/SE	<=1.8
Credit Agricole Italia SpA	NFP/EBITDA	<=3.0

The measurement at 31 December 2022 revealed that the covenants linked to the loans stipulated with Cassa Depositi e Prestiti had been respected. At 31 December 2022, the covenant breach occurred in connection with the NFP/EBITDA ratio (covenant < 3.5) related to the loan stipulated by the Parent Company with Credit Agricole Italia Spa (the pool Agent Bank). On 5 December, the Parent Company asked that the application of the covenant be suspended for FY 2022; this request was granted on 10 March 2023. Following this reply, the non-current portion of the pool loan was reclassified for 8,367 thousand euros.

14) Financial liabilities for rights of use

Non-current financial liabilities for rights of use are 28,557 thousand euros at 31 March 2023, down 959 thousand euros compared to 31 December 2022. Current financial liabilities for rights of use are 4,505 thousand euros at 31 March 2023, down 274 thousand euros compared to 31 December 2022. Note that the current and non-current item respectively include 1,012 thousand euros and 12,371 thousand euros in relation to the parent company Rimini Congressi S.r.l. for the rental contract of the Rimini Palacongressi.

The comprehensive reduction of 1,233 thousand euros is due to the impacts of period amortisation of the financial payable entered by virtue of the application of IFRS 16.

Below are details of the breakdown of the item at 31 March 2023 and at 31 December 2022:

	Balance as at 31/03/2023	Balance as at 31/12/2022
Non-current financial liabilities for rights of use	28,557	29,516
Current financial liabilities for rights of use	4,505	4,779
TOTAL FINANCIAL LIABILITIES FOR RIGHTS OF USE	33,062	34,295

15) Other non-current financial liabilities

“Other non-current financial liabilities” during the first quarter show an increase of approximately 400 thousand euros due to the recording of the non-current portion of the second tranche of the price agreed for the acquisition of the “CARA” and “SIJE” trade fairs by the subsidiary IEG Asia.

16) Provisions for non-current risks and charges and employee provisions

Provisions for non-current risks and charges come to 2,349 thousand euros at 31 March 2023, compared with 2,174 thousand euros at 31 December 2022.

Provisions for disputes in progress come to 1,919 thousand euros, whilst provisions for future charges come to 429 thousand euros. The period change is equal to provisions for future charges by the subsidiary Prostand Srl.

Employee provisions come to 3,062 thousand euros, compared to the 2,959 thousand euros as at 31 December 2022.

17) Other non-current liabilities

Other non-current liabilities come to 1,883 thousand euros at 31 March 2023, whilst at 31 December 2022, they came to 1,805 thousand euros, up 78 thousand euros.

This item only includes deferred income, i.e. portions of revenues to be recognised in a subsequent period.

18) Other current financial liabilities

“Other current financial liabilities” amount to 4,135 thousand euros at 31 March 2023, a decrease of 1,367 thousand euros compared to 31 December 2022.

Below are details of the item at 31 March 2023 and at 31 December 2022:

	Balance as at 31/03/2023	Balance as at 31/12/2022
Accrued expenses on mortgages	368	29
Payables due to shareholders	632	645
Payables for the exercise of put options and earn-out	3,135	
TOTAL OTHER CURRENT FINANCIAL LIABILITIES	4,135	5,502

“Other current financial liabilities” reduce by 1,367 thousand euros on 31 December 2022, due to the joint effect of the payment of the variable portion for the purchase of the subsidiary HBG Events LLC for 2,373 thousand euros and the posting of the current portion of the second tranche of the price agreed for the acquisition of the “CARA” and “SIJE” trade fairs by the subsidiary IEG Asia for 673 thousand euros.

19) Trade payables

Trade payables amount to 43,886 thousand euros at 31 March 2023, while at 31 December 2022 they came to 42,807 thousand euros, making for a net increase of 1,079 thousand euros, essentially due to the cyclical nature of the trade fair business.

Below are details of the item at 31 March 2023 and at 31 December 2022:

	Balance as at 31/03/2023	Balance as at 31/12/2022
Trade payables	43,842	42,767
Vehicle ownership tax	28	16
Membership fees and contributions	8	8
Payables to other related parties	8	16
TOTAL OTHER CURRENT FINANCIAL LIABILITIES	43,886	42,807

20) Other current liabilities

Other current liabilities come to 27,122 thousand euros at 31 March 2023, a net decrease of 25,120 thousand euros on 31 December 2022, when the item was 52,242 thousand euros.

Below are details of the item at 31 March 2023 and at 31 December 2022:

	Balance as at 31/03/2023	Balance as at 31/12/2022
Prepayments	9,094	8,670
Payables due to social security and welfare institutions	840	1,382
Other payables	9,120	7,215
Accrued expenses and deferred income	644	911
Deferred revenues	4,771	32,393
Other tax payables	2,653	1,671
TOTAL OTHER CURRENT LIABILITIES	27,122	52,242

Period changes are mainly due to the release of liabilities for deferred revenues recorded at 31 December 2022, in respect of the recognition of revenues of competence for the trade fairs held during the first quarter of 2023, for which the advance payments were invoiced in the fourth quarter of 2022.

COMMENTS ON THE MAIN ITEMS OF THE INCOME STATEMENT

21) Revenues from contracts with customers

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

	Balance as at 31/03/2023	Balance as at 31/03/2022
Organised events	52,794	25,931
Hosted Events	439	63
Conferences	3,752	1,472
Related Services (stand fitting, catering, cleaning)	19,322	10,011
Publishing, Sports and Other lines	686	562
TOTAL REVENUES FROM CONTRACTS WITH CUSTOMERS	76,993	38,040

As regards the analysis of the trend in revenues during Q1 2023 and the comparison with the data of the same period of the previous year, please refer to the information already outlined in the Directors' Report on Operations.

22) Other revenues

"Other revenues and income" at 31 March 2023 are detailed as follows:

	Balance as at 31/03/2022	Balance as at 31/03/2021
Operating grants	43	45
Other revenues	1,244	609
TOTAL OTHER REVENUES AND INCOME	1,287	654

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

23) Operating costs

"Operating costs" at 31 March 2023 break down as follows:

	Balance as at 31/03/2023	Balance as at 31/03/2022
Costs for raw materials, consumables and goods for resale	5,527	3,177
Costs for services	35,138	19,016
Costs for use of third-party assets	130	29
Personnel costs	10,632	8,548
Wages and salaries	7,484	6,099
Social security contributions	2,000	1,621

Employee severance indemnity	357	360
Other costs	311	115
Directors' fees	481	353
Change in inventories	(87)	187
Other operating costs	554	456
Write-down of receivables	218	1
TOTAL OPERATING COSTS	52,285	31,038

Operating costs come to 52,285 thousand euros at 31 March 2023, up 21,247 thousand euros on the same period of 2022, when operating costs came to 31,038 thousand euros.

This increase is due to the recovery of post-pandemic operations, already seen starting from the second half of 2022 and which continued throughout 2022 and for the first quarter of 2023.

OTHER INFORMATION

24) 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 31 March 2023 and 31 March 2022 is shown below.

FTE	31/03/2023	31/03/2022
Executives	14.0	15.0
Middle managers/White-collar workers	421.0	370.5
Blue-collar workers	181.0	128.5
AVERAGE NUMBER OF EMPLOYEES	616.0	514.0

The exact number of workers (headcount) as at 31 March 2023 compared with the figure as at 31 December 2022 is shown here below.

Headcount	31/03/2023	31/12/2022
Executives	14	15
Middle managers/White-collar workers	446	438
Blue-collar workers	267	103
TOTAL HEADCOUNT AT THE END OF THE PERIOD	727	556

ANNEX 1

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

COMPANIES ACCOUNTED FOR IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 March 2023 USING THE LINE-BY-LINE METHOD

Company Name	Registered office	Core business	Share capital (figures in thousands)	% Share held by the Group			Group company
				Total Group	Direct - IEG S.p.A	Indirect - other Group Companies	
Italian Exhibition Group S.p.A.	Via Emilia, 155 – 47921 Rimini	Organiser and host site of trade fairs/events/congresses		<i>Parent Company</i>			
Italian Exhibition Group Brasil Eventos LTDA	Av. Angélica, 2530 - 12º andar - Sao Paulo (Brazil)	Organiser of trade fairs/events/congresses and other accessory services to trade fairs	REAL 6,784	75%	75%		
Fieravicola S.r.l.	Via Emilia, 155 – 47921 Rimini	Organiser and host site of trade fairs/events/congresses	100	51%	51%		
Summertrade S.r.l.	Via Emilia, 155 – 47921 Rimini	Catering services	105	65%	65%		
Prostand Exhibition Services S.r.l.	Via Emilia, 129 – 47900 Rimini	Trade fair stand fittings	78	100%	51%	49%	Pro.Stand S.r.l. (1)
Pro.stand S.r.l.	Poggio Torriana, via Santarcangiolese 18	Trade fair stand fittings	182	100%	100%		(1)
IEG USA Inc.	1001 Brickell Bay Dr., Suite 2717º Miami (FL)	Equity holding company	USD 7,250	100%	100%		
FB International Inc.	1 Raritan Road, Oakland, New Jersey 07436 – USA	Trade fair stand fittings	USD 598	51%		51%	IEG USA Inc.
Prime Servizi S.r.l.	Via Flaminia, 233/A – 47924 Rimini	Cleaning and portorage services	60	51%	51%		
HBG Events FZ LLC	Creative Tower, 4422, Fujairah, UAE	Organisation of trade fair events	369 AED	100%	100%		
V Group Srl	Via Emilia, 155 – Rimini	Organiser of trade fair events	10	75%	75%		
IEG Deutschland GmbH	Munich – Germany (DE)	Trade fair business services	25	100%	100%		
IEG China Ltd	Tianshan Road, Changning District – Shanghai, China	Organiser of trade fair events	7000 CNY	100%	100%		
IEG ASIA Pte Ltd	1010 Cecil Street, Tong Eng Building – Singapore	Organiser of trade fair events	500 SGD	100%	100%		

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

COMPANIES ACCOUNTED FOR IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2023 USING THE EQUITY METHOD

Company Name	Registered office	Core business	Share capital (figures in thousands)	% Share held by the Group			Group company
				Total Group	Direct - IEG S.p.A.	Indirect other companies of the Group	
DV Global Link LLC in liquidation (2)	P.O. Box 9292, Dubai, United Arab Emirates	Organiser and host site of trade fairs/events/conferences	AED 500	49%	49%		
Cesena Fiera S.p.A.	Via Dismano, 3845 – 47522 Pievesestina di Cesena (FC)	Organiser of trade fairs/events and conferences	2288	35.3%	20%	15.3%	Pro.Stand S.r.l. (1)
C..A.S.T. Alimenti S.p.A.	Via Serenissima, 5 – Brescia (BS)	Training courses and professional training courses	126	23.08%	23.08%		
Destination Services S.r.l.	Viale Roberto Valturio 44 – 47923 Rimini (RN)	Promotion and organisation of tourist services	10	50%	50%		
Rimini Welcome S.r.l.	Via Sassonia, 30 - 47922 Rimini (RN)	Promotion and organisation of tourist services	100	48%	5%	43%	Destination Service S.r.l and Summertrade S.r.l.
Green Box S.r.l. (2)	via Sordello 11/A - 31046 Oderzo (TV)	Organiser of trade fairs/events and conferences	15	20%	20%		

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

(2) Data referring to 31/12/2021

ANNEX 2

ATTESTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ART. 154 BIS, PARAGRAPH 5 OF ITALIAN LEGISLATIVE DECREE 58/1998

The undersigned Teresa Schiavina, as Manager responsible for preparing the company's financial documents for Italian Exhibition Group S.p.A. hereby certifies that in compliance with the provisions of the second paragraph of Art. 154 bis of Italian Legislative Decree no. 58 of 24 February 1998, the Consolidated Interim Report on Operations at 31 March 2023 coincides with the documented results, records and accounting ledgers.

Rimini, 10 May 2023

**The Manager responsible for preparing
the financial documents**
Teresa Schiavina
