

# 2021 ANNUAL FINANCIAL REPORT

**ITALIAN EXHIBITION GROUP S.p.A.**

Via Emilia 155 – 47921 Rimini

Share capital € 52,214,897 fully paid-in

Rimini Register of Companies no. 00139440408

REA 224453

VAT no. and tax code 00139440408



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## IEG Group structure



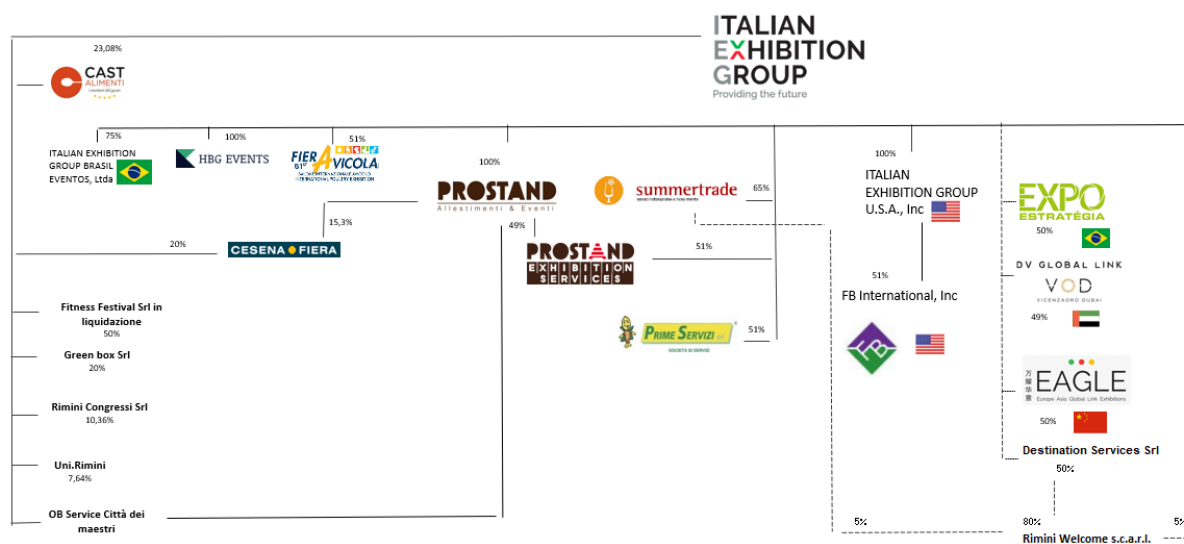






# IEG GROUP STRUCTURE

## POSITION AT 31 DECEMBER 2021



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. The Group is also 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, in via dell'Oreficeria no. 16, Vicenza.

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) also through subsidiaries, associated and joint control companies.

As at 31 December 2021, the Parent Company exercises management and coordination activities, pursuant to and in accordance with art. 2497 bis of the Italian Civil Code, for 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., FB International Inc., HBG Events FZ Llc and Italian Exhibition Group Brasil Eventos Ltda.

In accordance with Article 15 of the Markets Regulation adopted with CONSOB Resolution no. 20249 of 28 December 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 exist. 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 its 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 31 DECEMBER 2020

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 31 December 2020 is provided below.

The structure of the Group as at 31 December 2021 differs from that as at 31 December 2020 due to the inclusion of IEG Brasil Eventos LTDA, a company established by the Parent company on 14 December 2021 and held 75%, in the consolidation area.

On 29 December 2021, the subsidiary Prime Servizi S.r.l., sold its equity investment in EventiOggi S.r.l., which is therefore no longer part of the IEG Group.

**Italian Exhibition Group S.p.A. ("IEG")** is the Parent Company and was 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. In addition to its role in management of Group activities, IEG also organises/hosts trade fairs and conferences at the structures managed in Rimini and Vicenza 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.

**Summertrade S.r.l.**, 65% held, operates in catering and banqueting in both the structures managed by IEG (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 has specialised in the management of catering services under concession and, as well as the IEG structures, also manages the services at Cesena Fiera, the trade fair district and convention centre of Riva del Garda, the Cesena hippodrome, the Misano World Circuit “Marco Simoncelli” and the Porsche Experience Centre of Castrezzato (BS).

**Italian Exhibition Group USA Inc.**, company with registered office in the United States of America, held entirely by IEG. On 1 March 2018, the company acquired 51% of FB International Inc. and will be pursuing the IEG trade fair business in North America.

**FB International Inc.**, company with registered office in the United States, has been a member of the IEG Group since 1 March 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 portering services.

**Pro.Stand S.r.l.**, of which IEG holds 80% of the shares, operates in the sales of stand fitting equipment and integrated solutions in support of trade fairs and conferences for the national and international market.

**Prostand Exhibition Services S.r.l.**, 51% held directly by the Parent Company and 49% by 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.**, whose shares are 51% held 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 poultry and rabbit sector.

**HBG Events FZ LLC**, wholly-owned by the Parent Company, was acquired on 28 October 2020. The company, with registered office in the United Arab Emirates, organises events in the field of sport and fitness ( “Dubai Muscle Show”, “Dubai Active”, “Dubai Classic”) and supports other Group initiatives in the Emirates, such as the event JGT Dubai (Jewellery, Gem and Technologies) organised as part of a JV between IEG and Informa Market.

**Italian Exhibition Group Brasil Eventos Ltda.**, with capital held 75% directly by the Parent Company, is based in São Paulo, Brazil and was established on 14 December 2021. It will work on the opportunities offered up by the Brazilian market in the synergic sectors to the Group’s portfolio and with a particular focus on the fitness market.

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.

**C.A.S.T. Alimenti S.r.l.:** active in the establishment, organisation and management of schools and specialisation courses, management and organisation of conferences in the culinary domain. IEG holds 23.08% of the company’s capital.

**Green Box S.r.l.:** in 2014, Rimini Fiera acquired 20% of the company following agreements with Florasi - 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.:** the management company of Cesena Fiera and organiser of national and international fairs, including 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. The group holds 35.3% of the share capital of Cesena Fiera through a direct investment of IEG (20%) and one of Prostand. S.r.l. (15.3%). Cesena Fiera has a 14% stake in Fieravicola Srl.

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 liquidation:** Joint venture held equally by IEG and the Tecniche Nuove Group of Milan for the management of events and publications in the environmental technologies segment. The company is no longer active and liquidation has started.

**DV Global Link LLC in liquidation:** Joint venture between the Dubai World Trade Centre, through the subsidiary CXB Live LLC (51%) and IEG (49%), established to organise events in the jewellery segment in Dubai. The company was assigned for liquidation on 31 May 2020 insofar as the Group has redesigned its presence in the Emirate in the jewellery industry through the contractual JV with Informa Markets and the organisation of the JGT Dubai event.

**Fitness Festival International S.r.l. in liquidation:** company in which IEG S.p.A. in liquidation has held a 50% stake since 2006.

**Europe Asia Global Link Exhibitions Ltd. (EAGLE):** Joint venture based in Shanghai (China) between IEG and VNU Exhibition Asia Co Ltd., aimed at organising trade fairs in China (environmental technologies and tourism).

**European China Environmental Exhibition Co. Ltd. (EECE):** Joint Venture between EAGLE (60%) and Mr Xin Zhong Lian (40%) for the organisation of the trade fair "CDEPE- Chengdu International Environmental Protection Expo" relative to environmental technologies and sustainable development. The event takes place in Chengdu (capital of the province of Szechuan, China).

**Destination Services S.r.l.:** a company in which a 50% stake is held, incorporated on 26 February 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 17 October 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 company, which operates with the Visit Rimini trademark, acts as a Destination Management Company, having been awarded the tender called by Rimini City Council.

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

**Rimini Congressi S.r.l.:** is the company through which the local entities of Rimini (Rimini City Council, Rimini Provincial Authority and the Chamber of Commerce of Romagna) hold their investment in Italian Exhibition Group S.p.A. Following the incorporation of the subsidiary **Società del Palazzo dei Congressi S.p.A.** (December 2020), the company has become the property of Palazzo dei Congressi di Rimini. Following the incorporation of Palazzo dei Congressi, in which IEG has a minority stake, the latter has acquired 10.36% of the shares of the parent company.

**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. 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

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Lorenzo Cagnoni	Chairman
Corrado Peraboni	Chief Executive Officer
Daniela Della Rosa	Director (*) (1) (3)
Maurizio Renzo Ermeti	Director (2)
Valentina Ridolfi	Director (*) (2)
Andrea Pellizzari	Director (*) (2)
Simona Sandrini	Director (*) (1)
Marino Gabellini	Director
Alessandra Bianchi	Director (*) (1)

(\*) Independent pursuant to the 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

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Alessandra Pederzoli	Chairwoman
Massimo Conti	Standing Auditor
Marco Petrucci	Standing Auditor
Meris Montemaggi	Alternate Auditor
Luisa Renna	Alternate Auditor

### SUPERVISORY BODY

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Massimo Conti	Chairman
Lucia Cicognani	Standing Auditor
Monia Astolfi	Standing Auditor

### INDEPENDENT AUDITORS

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PricewaterhouseCoopers S.p.A.

### MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL DOCUMENTS

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Carlo Costa

The Board of Directors was appointed by the Shareholders' Meeting held on 29 April 2021 and shall remain in office until the first of the following events should take place: effect of any merger by acquisition of Bologna Fiere S.p.A., or for three financial years and therefore until the shareholders' meeting convened to approve the financial statements for the year ended as at 31 December 2023.

During the meeting held on 29 April 2021, the Board of Directors appointed the Supervisory Body, in accordance with Italian Legislative Decree no. 231/2001, comprising three members chosen from those meeting the professionalism and independence requirements and having specific skills in terms of inspections and consultancy. The Supervisory Body, confirmed in its previous members, consists of Massimo Conti (Chairman), Monia Astolfi and Lucia Cicognani.

The Board of Statutory Auditors was appointed by the Shareholders' Meeting held on 08 June 2020 and shall remain in office until the 2022 financial statements are approved.

The nine-year auditing appointment (in accordance with Italian Legislative Decree no. 39/2010) was conferred upon the company PricewaterhouseCoopers by the shareholders' meeting held on 17 October 2018, with effect subject to the start of trading of IEG shares on the Electronic Stock Exchange (MTA) organised and managed by Borsa Italiana (today Euronext Milan); this took place on 19 June 2019. The audit engagement will finish with approval of the financial statements for the year ended as at 31 December 2027.

On 19 March 2021, after having acquired the opinion of the Board of Statutory auditors, the Board of Directors appointed Carlo Costa as company CFO, the Manager responsible for preparing the company's financial documents in lieu of Roberto Bondoli (today CEO of Prostand Srl) and until such time as he should return to Italian Exhibition Group S.p.A..

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 29 April 2021 confirmed Corrado Peraboni as CEO in charge of the establishment and maintenance of the internal control and risk management system in accordance with Recommendation 32, letter b) of the Corporate Governance Code issued by the Corporate Governance Committee and adopted by the Company.

## **Directors' Report on Operations**



## PERFORMANCE AND ANALYSIS OF THE MAIN RESULTS AS AT 31 DECEMBER 2021

FY 2021 was characterised by the continuation of the Covid-19 pandemic, which led the government authorities to impose a ban on holding trade fairs in Italy until 15 June 2021 and on conferences until 01 July 2021. The other countries in which the Group operates (USA, United Arab Emirates and China) also saw trade fairs and conferences suspended by legislative provisions. The effects of the pandemic, both due to the legislative restrictions and the limits imposed on mobility and shifts in behavioural styles of the populations, have impacted both the business of the Group companies involved in events management and organisation and the companies involved in fittings and catering.

During the early months of the year, when in-person events were still not permitted, the IEG Group concentrated on maintaining contact with its customers through a series of appointments that mainly took place in an all-digital manner, with a view to maintaining the appeal of the trade fair brands in the reference communities, and allowing for a quicker return to pre-pandemic levels once the bans had been lifted on in-person events. During the first part of the year, despite the block on activities in Italy, it was in any case possible to host the finals of the Volleyball Nations League (VNL) at the Rimini trade fair district, albeit without a public and in a context of maximum security achieved through the isolation (in "bubbles"), which allowed all those involved to be tested for negativity to the virus. Previously, in February, in Dubai, the subsidiary HBG Events had organised the Dubai Muscle Classic event. Once the ban lifted, activities gradually resumed, thereby confirming the market's interest in the promotion system consisting of the fairs and the need for congresses. However, difficulty in moving around (particularly between continents) and high levels of infection still seen in various parts of the world, have significantly impacted events, particularly those most international in flavour, which saw a reduced attendance by exhibitors and visitors alike. In some cases, the choice was made to postpone to 2022, as for Tecnargilla, the event for the ceramic and masonry chain production technologies, which hosts important quantities of visitors from the east and south America and which needed to be postponed to September 2022.

Starting July, the other events were held on schedule. In autumn, some events were also held that had not been possible in the first half, such as Enada, Rimini Wellness, TGold (held simultaneously with Vicenza Oro September) and the Expodental and Macfrut hosted events.

The market has proven to be very reactive to the re-openings and operator response at the events that have taken place, Ecomondo first and foremost, has been extremely positive, also impacting the related services sector in which the Group operates (fittings, catering and cleaning). The success enjoyed by the events in the second half of the year is important for reasons that go beyond the economic value of the results achieved: it is the sign that the Group's business model has not been made redundant by the digital technologies that monopolised the pandemic period and that the economic operators, scientific, economic and cultural communities demand opportunities to meet and compare notes in person.

Although the Group had adopted severe measures to limit costs and safeguard liquid funds, the Group is ready to start up once again: despite the prolonged inactivity and difficulties experienced by the service companies in recruiting workers (assemblers, carpenters, bartenders, cleaning staff), the strategies implemented by the management team have allowed for an immediate return to operations with the standard quality and operator satisfaction. From an economic viewpoint, it is important to point out that Q4 2021, including net of non-recurring items such as the contributions collected as part of the measures in support of the economy in the face of the Covid-19 emergency, delivered the Group and shareholders positive operating profitability.

Despite the complex context, **international development** continued vigorously, as part of the "4x4" strategy that seeks to position the Group with its four most exportable products in four areas of the world. For the jewellery sector, March 2021 saw the establishment of a contractual joint venture (49% IEG - 51% Informa Market, the main global trade fair operator and leader in goldsmith works in Asia and Turkey) to organise the JGT Dubai event (Jewellery, Gems and Technologies), the first edition of which was successfully held in February 2022 at the Dubai World Trade Centre. In the fitness and wellness

sector, after the acquisition of the Dubai events, a contractual joint venture was established on equal footing with Hannover Messe, through the Mexican branch Hannover Fair Mexico, to organise the MACS - Mexico Active Sport event in the country, starting November 2021. The joint venture will also deal with environmental technologies with Ecomondo Mexico, scheduled for July 2022. In December, IEG Brasil Eventos Ltda was established, initially intended to pursue projects in the Fitness, Jewellery and environmental technologies sectors in Brazil. In the food industry, work has been carried out on achieving an agreement (finally signed in January 2022) to develop SIGEP in a joint venture on equal footing with Koelnmesse alongside the major food fair "Anuga" held outside Europe.

During the year, the Group benefited from (and collected) direct grants to limit the impacts of the Covid-19 pandemic for Euro 28.2 million. Of these, 17.9 were recognised and disbursed in Q4 2021. In 2020, direct grants linked to the Covid emergency had totalled Euro 0.7 million.

COVID grants - 2021	IEG SPA	Prostand Srl	TOTAL
Coverage of fixed costs disbursed by SIMEST	9,778		9,778
Compensation for fairs and conferences - Ministry of Tourism	11,739	6,157	17,896
Contribution on interest on loans SIMEST	525		525
<b>Total</b>	<b>20,042</b>	<b>6,157</b>	<b>28,199</b>

In economic terms, 2021 saw the IEG Group continue its work to limit overheads (limiting expenses to only the services considered strictly necessary) and staffing costs, by using social shock absorbers (Salary Supplementary Fund).

With regard to measures to ensure **financial balance**, the actions implemented starting 2020 with regard to the management of working capital and the maximisation of financial resources continue. The Parent Company has requested and obtained the "Financing and Co-financing for the improvement and safeguarding of capital solidity in support of the trade fair system" promoted by SIMEST S.p.A. and totalling almost 10 million euros, of which about 525 thousand euros pertains to the Fund for Integrated Promotion (non-repayable co-financing) and 9.3 million euros to the 394/81 Fund. The loan was disbursed on 27 August 2021.

In December, IEG completed the contract with Cassa Depositi e Prestiti S.p.A. for the extinguishing of the loan of Euro 15 million, backed by the Italy Guarantee given by SACE S.p.A., stipulated in July 2020 and falling due in June 2026 and the simultaneous disbursement of a new loan of equal amount, again backed by the Italy Guarantee, issued by SACE S.p.A. and maturing in September 2027. A similar transaction was carried out, again in December, in respect of the loan granted by Intesa Sanpaolo for an original 35 million, falling due in 2025, again backed by the Italy Guarantee given by SACE S.p.A. In this second case, the new guaranteed loan obtained is for an amount equal to the residual debt at the time of extinguishing (32.8) with a due date postponed to 2027. Both the new loans benefit from a pre-amortisation period of 24 months.

Thanks to the initiatives carried out so far, the Group currently has liquidity stocks and unused credit lines totalling not less than 60 million euros.

The effects of the pandemic on the 2021 economic results have resulted in covenant breaches in connection with the ratio of NFP/EBITDA identified in the mortgage loan contract stipulated by the Parent Company with a pool of banks coordinated by Credit Agricole (residual value at 31 December 2021: 12 million euros). The Parent Company will request suspension of the application of the covenant for FY 2021 and trusts that this request will be accepted, as was the case for the 2020 financial statements. However, whilst awaiting a formal response, the payables relating to the loan have been reclassified entirely to short-term.

## Summary of results at 31 December 2021

The effects of the pandemic, which were already extremely severe in FY 2020, struck the company even more so in the year ended on 31 December 2021, as the block of activities also impacted January and February (which had been saved from the pandemic in 2020), during which the Group's main events are held: Vicenza Oro January and SIGEP, as well as Beer & Food Attraction and other more minor events.

The Group's operating revenue came to 102.5 million euros, up 28.4% (or 22.7 million euros) on FY 2020. The events held in digital format in H1 2021 (Sigep EXP, We Are, Beer & Food Attraction digital version) mainly represented a way by which to oversee the market and contact customers, with results that cannot be compared with those obtained with editions held in person. The second half of the year represented the turning point, thanks to the re-openings of fairs and conferences in person and the holding of both events repositioned from the first half (TGold, Rimini Wellness, Enada) and new ones (Fieravicola), as well as the events traditionally held in the second half of the year (VicenzaOro September, Ecomondo and TTG).

The last quarter of 2021 also collected much of the contributions linked to compensation for the impacts of Covid-19, for 17.9 million out of a total of 28.2 million euros collected during the year.

2021 EBITDA comes to 21.6 million euros, up 19.8 million euros on 2020. EBIT comes to 2.9 million euros, 24.4 million above the previous year's figure.

The pre-tax result is -1.0 million euros, an improvement of 16.5 million euros on 2020.

The Group's period result posted a loss of 0.7 million euros, an increase of 11.8 million euros on the previous year. The period result pertaining to shareholders of the Parent Company came in as a positive result of 1.6 million euros as compared with a negative -11.3 million euros at end 2020, up by 13.0 million euros.

As confirmation of the information given in the first paragraph, a comparison with 2020 data takes on an entirely different meaning if 2021 data is stripped of the Covid-19 contributions, totalling 28.2 million, accounted for and collected during the year. Revenue would have come in at 74.3 million (-6.1% on 2020), EBITDA would be down by a further 7.7 million, becoming negative for 6.6 million (as compared with 1.1 in 2020 and 41.9 pre-pandemic) and the pre-tax loss would come to -29.2 million, a worsening of 60.4% as compared with the already poor 2020 result.

## 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 31 December 2021 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	31.12.2021	%	31.12.2020 (*)	%	Variation 2021 - 2020	% chg. 2021 - 2020
Revenues from sales and services	71,177	69.4%	74,432	93.3%	(3,255)	(4.4%)
Other revenues	31,327	30.6%	5,378	6.7%	25,949	>100%
<b>Value of Production</b>	<b>102,503</b>	<b>100.0%</b>	<b>79,810</b>	<b>100.0%</b>	<b>22,694</b>	<b>28.4%</b>
Operating costs	(53,889)	(52.6%)	(55,605)	(69.7%)	1,716	(3.1%)
<b>Value added</b>	<b>48,615</b>	<b>47.4%</b>	<b>24,204</b>	<b>30.3%</b>	<b>24,410</b>	<b>&gt;100%</b>
Staff costs	(27,003)	(26.3%)	(22,380)	(28.0%)	(4,623)	20.7%
<b>Gross Operating Profit (EBITDA)</b>	<b>21,611</b>	<b>21.1%</b>	<b>1,824</b>	<b>2.3%</b>	<b>19,787</b>	<b>&gt;100%</b>
Amortisation	(15,241)	(14.9%)	(17,066)	(21.4%)	1,824	(10.7%)
Write-downs of fixed assets	(1,427)	(1.4%)	(4,747)	0.0%	3,320	(69.9%)
Write-downs of receivables, provisions, adjustments to value of financial assets Val. assets financial	(2,088)	(2.0%)	(1,567)	(2.0%)	(521)	33.3%
<b>Operating Profit/Loss</b>	<b>2,855</b>	<b>2.8%</b>	<b>(21,555)</b>	<b>(27.0%)</b>	<b>24,410</b>	<b>&lt;(100%)</b>
Financial management	(3,535)	(3.4%)	5,423	6.8%	(8,957)	<(100%)
<i>Financial income (charges)</i>	(2,621)	(2.6%)	(2,926)	(3.7%)	305	(10.4%)
<i>Mark to Market derivatives</i>	1,346	1.3%	194	0.2%	1,152	>100%
<i>Financial income (charges) for IFRS 16</i>	(493)	(0.5%)	(681)	0.0%	189	(27.7%)
<i>Financial charges on put options</i>	(35)	(0.0%)	(590)	(0.7%)	555	(94.1%)
<i>Financial charges for the restatement of earn-out</i>	(1,655)	(1.6%)	0	0.0%	(1,655)	n.a.
<i>Restatement of payables for put options</i>	0	0.0%	9,344	11.7%	(9,344)	(100.0%)
<i>Exchange gains (losses)</i>	(77)	(0.1%)	82	0.1%	(159)	<(100%)
Gains and losses on equity investments	(361)	(0.4%)	(1,392)	(1.7%)	1,031	(74.0%)
<b>Pre-tax result</b>	<b>(1,041)</b>	<b>(1.0%)</b>	<b>(17,525)</b>	<b>(22.0%)</b>	<b>16,483</b>	<b>(94.1%)</b>
Income taxes	368	0.4%	5,076	6.4%	(4,708)	(92.7%)
<b>Group result for the period</b>	<b>(673)</b>	<b>(0.7%)</b>	<b>(12,449)</b>	<b>(15.6%)</b>	<b>11,775</b>	<b>(94.6%)</b>
<i>Of which:</i>						
<i>Result for the period attributable to minority interests</i>	(2,311)	(2.3%)	(1,160)	(1.5%)	(1,151)	99.3%
<b>Result for the period attributable to Shareholders of the Parent Company</b>	<b>1,638</b>	<b>1.6%</b>	<b>(11,289)</b>	<b>(14.1%)</b>	<b>12,927</b>	<b>&lt; (100%)</b>

(\*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at 31/12/2020, as they reflect the valuations made at the time of the Purchase Price Allocation of HBG Events at final values.

It is specified 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 accounting standard IFRS 16 - Leases, as of its effective date, 1 January 2019. The impacts of the application of IFRS 16 on the financial and economic position as at 31 December 2021 are summarised in the following table.

IEG Group - Impacts of IFRS 16	31.12.2021 with IFRS 16	31.12.2021 without IFRS 16	Impact IFRS 16
<b>Value of Production</b>	<b>102,503</b>	<b>102,690</b>	<b>-187</b>
Operating costs	-53,889	-58,185	4,296
<b>Gross Operating Profit (EBITDA)</b>	<b>21,611</b>	<b>17,502</b>	<b>4,110</b>
Amortisation, depreciation and write-downs of fixed assets	-18,279	-15,334	-2,945
<b>Operating Profit/Loss</b>	<b>2,855</b>	<b>1,690</b>	<b>1,165</b>
Financial management	-3,535	-3,042	-493
<b>Pre-tax result</b>	<b>(1,041)</b>	<b>(1,713)</b>	<b>672</b>
Income taxes	368	573	-204
<b>Result of the period</b>	<b>(673)</b>	<b>(1,141)</b>	<b>468</b>
<b>Property, Plant and Equipment</b>	<b>190,674</b>	<b>166,365</b>	<b>24,309</b>
<b>Net financial position</b>	<b>(105,110)</b>	<b>(78,416)</b>	<b>(26,694)</b>

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

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

#### IEG Group Value of Production by business line

	4Q 2021	%	4Q 2020	%	Change %	Balance as at 31/12/2021	%	Balance as at 31/12/2020	%	Change %
Organised Events	26,011	43.4%	7,788	67.3%	>100%	38,471	37.5%	53,026	66.4%	-27.4%
Hosted Events	106	0.2%	0	0.0%	-	2,096	2.0%	18	0.0%	>100%
Conferences	3,619	6.0%	600	5.2%	>100%	6,894	6.7%	2,546	3.2%	170.8%
Related Services	11,468	19.1%	2,004	17.3%	>100%	23,042	22.5%	20,907	26.2%	10.2%
Publishing, Sporting Events and Other Activities	881	1.5%	484	4.2%	82.2%	3,802	3.7%	2,613	3.3%	45.5%
Covid contributions	17,896	29.8%	702	6.1%	>100%	28,199	27.5%	702	0.9%	>100%
<b>TOTAL VALUE OF PRODUCTION</b>	<b>59,981</b>	<b>100.0%</b>	<b>11,577</b>	<b>100.0%</b>	<b>418.1%</b>	<b>102,503</b>	<b>100.0%</b>	<b>79,810</b>	<b>100.0%</b>	<b>28.4%</b>

The period value of production rose by a total of 22.7 million euros (+28.4%) on the previous year, with different impacts on different business lines. The fourth quarter of 2021 recorded revenue of 60.0 million, more than five times the figures recorded for the same period of 2020, also thanks to the collection of approximately 17,9 million euros in contributions.

The change recorded in the year is due to various factors. First and foremost, a total impact of -50.0 million euros (-62.6%) was recorded due to the cancellation of the events scheduled during the first half

of the year, due to the blocks ruled on the conduct of trade fair and congress activities; this has been defined as the “**Covid Cancelled**” effect. It should, in fact, be recalled that before the pandemic, some of the most important events organised by the Group had taken place, namely Sigep, VincenzaOro January and Beer&Food Attraction. The strong restart recorded by the trade fair-congress sector in the second half of the year involved all business lines and was positive for 39.9 million euros (+50.0%); this has been defined as the “**Restart**” effect. To mention just a few, in 2021, top events were held for the Group, such as Vincenzaoro September and Ecomondo (October), with a consequent positive impact on the Related Services line too. Growth of the events that took place during both years was positive for 9.5 million (+12.0%); this is defined as the “**Organic**” effect. This change also includes the entrance of new events in respect of 2020, like the Dubai Muscle Show, organised by the subsidiary HBG Events FZ LLC in Dubai. The impact of non-recurring items, termed the “**One-off**” effect, was most definitely important, entailing a positive change for 27.5 million euros (+34.4%), mainly thanks to the collection of **contributions** disbursed by the Ministry of Tourism and Simest for a total of 28.2 million in turnover, as compared with the 0.7 million in contributions collected in 2020. Finally, there is a “**Calendar**” effect of -4.2 million euros (-5.3%) due to the absence, as compared with 2020, of the three-year event ABTech, held simultaneously to Sigep prior to the pandemic.

The revenues of the 31 **events organised** in 2021 came to 38.5 million euros, down 27.4% on the previous year, as the organic growth and “restart” effect did not suffice to cover the losses of the events cancelled. Revenues from the events organised in Q4 2021 came to 26.0 million euros, showing clear growth on the results achieved in the same period of the previous year of 7.8 million euros (+18.2 million). This period, which had seen various events take place in 2020, before the block imposed by the Decree of the President of the Council of Ministers of 24 October 2020, recorded significant organic growth on the events TTG and Abilmente Autunno. Excellent results seen for Ecomondo and Key Energy, not far off those achieved before the pandemic, just like those recorded by the Dubai Muscle Show, at the first edition held within the IEG Group. In this case too, the strategic validity of the choice to invest in the industry (that of fitness) is confirmed, which, partly thanks to the synergies with the products already overseen by the Parent Company has significant margin for growth.

The business of **events hosted** generated revenues in 2021 for 2.1 million euros, thanks to the holding of 8 events. In addition to the traditional archery championships, from 25 May to 27 June, the Rimini trade fair district made room for the Volleyball Nations League (VNL), in which 32 national men's and women's teams met and challenged each other, with 248 matches played in logistical conditions of complete safety. During the second part of the year, 1.3 million in revenues were added, mainly as a result of Macfrut and Expodental.

**Conferences** include the results from the management of the Palacongressi di Rimini and the Vicenza Convention Centre (VICC). In 2021, revenues came to 6.9 million euros, showing an increase of 4.3 million euros (+171%) on 2020, equal to 2.5 million (differently to the business line of organised events, the months of January and February 2020 are not particularly important for congress activities). These revenues are 4.9 due to the results achieved in the second half of the year following the reopening of conferences on 1 July 2021, whilst in the first half, during which some digital conventions were held by means of the infrastructures used to this end in the Rimini Conference Centre, a reduction was recorded in the amount of 0.6 million.

FY 2021 revenues from **Related services** came to 23.0 million, up 10.2% on the previous year. During the second half of the year, the return to operations made it possible to record organic growth for 3.1 million (+14.9%) and for 13.1 million due to the “Restart” effect (+62.5%). This latter effect substantively offset the effect due to the Covid-caused cancellations, which on an annual basis, led to a reduction in revenues of 13.3 million on 2020 (-63.4%).

The business connected to **Publishing, Sporting Events and Other Activities** includes publishing activities, linked to information related to Tourism (TTG Italia, Turismo d'Italia and HotelMag) and the gold sector (VO+ and Trendvision), sporting events (which were held in the trade fair district of Rimini) and other residual or exceptional revenues and not directly attributable to the other business lines. In

2021, the line recorded revenues of 3.8 million euros, up 1.2 million on the 2.6 million recorded in 2020 (+45.6%). The improvement is almost entirely due to the summer 2021 conduct of the event "Rimini Sport Dance".

The amounts received from the Parent company and the subsidiary Porstan by way of compensation for the effects caused by the Covid-19 pandemic, have been isolated in a specific business line. The following were recorded here:

- the 9.8 million in contributions liquidated to the Parent company in August and relating to the "Provision for the Integrated Promotion to compensate the fixed costs not covered by profits in the period that goes from 1 March 2020 to 31 December 2020". The contribution was granted against the provision made pursuant to Article 91, paragraph 3 of Decree-Law no. 104 of 14 August 2020, under the scope of the measures intended to support the economy in the face of the COVID-19 emergency and comes under the scope of the measures pursuant to Section 3.12 of the "Temporary framework for the government aid measures in support of the economy in the current COVID-19 emergency" (the "temporary framework").
- The contribution for the interest account on the SIMEST loan for the portion to be applied to the Provision for Integrated Promotion (non-repayable co-financing) for 0.5 million.
- The 17.9 million euros received in total by IEG and Prostand and relative to Decree no. 1004 of the Ministry of Tourism of 2021, containing the application provisions regarding the methods for the breakdown and assignment of resources intended for trade fairs and conferences, following the Covid-19 epidemiological emergency allocated for 2020 on the provision established by Art. 183, paragraph 2 of Decree-Law 34 of 19 May 2020 as subsequently amended and for 2021 on the provision established by Art. 38, paragraph 3 of Decree Law 41/2021 as subsequently amended.

"**Staff costs**" for FY 2021 amounted to 27.0 million euros, up 4.6 million euros on the 22.4 million euros of 2020. Consistently with the events of 2021, the Group has continued to promote use of holidays and permits in arrears and, compatibly with its operative needs, has extended the widespread use of social shock absorbers (in particular the Salary Integration Fund) envisaged by government provisions until 31 December 2021.

2021 **gross operating profit (EBITDA)** came to 21.6 million euros, up 19.8 million on 2020. As already pointed out, this value impacts the collection by approximately 28.2 million euros in contributions to compensate the losses suffered as a result of the Covid-19 pandemic, net of which EBITDA would have come to -6.6 million euros, down 7.7 million on the 1.1 million (stripped of the contributions collected in 2020) of the previous year, to a large extent generated during the months prior to the onset of the pandemic.

In terms of the components of non-monetary operating revenues, in 2021, **Amortisation/Depreciation** amounted to approximately 15.2 million, down 1.8 million euros on the previous year, and the **Impairment of fixed assets** came to 1.4 million euros, showing a 3.3 million improvement on 2020, which had been characterised by 4.7 million in non-recurring write-downs. The write-downs of 2021 had become necessary following works to redo the roof of Pavilion 7 at the Vicenza trade fair district, which entailed the derecognition of the net carrying amount originally entered for this portion of property. In addition, in April 2021, the Milan Bankruptcy Court ordered, at first instance, Vicenza Holding S.p.A. (conferrer) and IEG (conferee) of Fiera di Vicenza, to return 1.8 million euros to the receivers of the bankrupt Biblioteca della Moda, revoking a transfer of credit that had taken place in 2015. IEG and Vicenza Holding, supported in their assessments by their lawyers, have completed a transaction with the receivers, waiving any appeal in exchange for a reduction of approximately 1.2 million euros in the amount due. The full amount has been paid by IEG to the receivers, entering in exchange a receivable due to Vicenza Holding for the entire amount, insofar as, on the basis of the provisions of the deed of conferral, it considers the expense as lying entirely with the conferrer; IEG is taking action to collect the amounts due to it. However, as a prudential measure, IEG has entered a provision for impairment under

“Other provisions and impairment, Bad debt provisions and adjustments”, equal to the full amount of the receivable.

The Group's 2021 **EBIT**, as a result of the effects described above, therefore came in at 21.6 million euros, up 24.4 million on the previous year.

Instead, **Financial Management** has worsened by approximately 9.0 million euros on 2020. It is recalled that last year, a non-recurring gain had been entered of 9.3 million euros, net of which an improvement was seen in non-monetary financial management of 1.9 million euros, above all due to the improvement in the MTM of derivatives and a worsening of monetary financial charges for 1.4 million, due to the greater indebtedness brought about by the operative losses caused by the pandemic.

The **Pre-tax result** for 2021 was -1.0 million euros, up 16.5 million euros compared to the same period of the previous year.

For FY 2021, positive **income tax** was entered for 368 thousand euros. Despite the fact that the 2021 result is in line with expectations, given the uncertainty that remains on the effects of the pandemic, exclusively for reasons of prudence, the Group has chosen not to book prepaid tax on the loss recorded during this period.

The **Group result for the period** showed a loss of 0.7 million euros, improving by 11.8 million euros on the 2020 result. The **period result pertaining to shareholders of the Parent Company** came in as a profit of 1.6 million euros, as compared with the loss of 11.3 million euros in the previous year (up 13.0 million euros).



## ANALYSIS OF RECLASSIFIED CONSOLIDATED BALANCE SHEET 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 equity-financial figures is able to provide an additional disclosure of the breakdown of net invested capital and the nature of the sources used for its financing.

USES	Balance as at 31/12/2021	Balance as at 31/12/2020 <sup>(*)</sup>
Property, Plant and Equipment	190,674	194,070
Intangible fixed assets	34,519	35,909
Equity investments	14,255	14,667
<b>TOTAL FIXED ASSETS AND EQUITY INVESTMENTS</b>	<b>239,448</b>	<b>244,645</b>
Deferred tax assets	6,736	6,675
Other non-current assets	142	150
Employee provisions	(3,754)	(4,287)
Other non-current liabilities	(3,850)	(3,738)
<b>OTHER NON-CURRENT ASSETS/(LIABILITIES)</b>	<b>(727)</b>	<b>(1,201)</b>
<b>NWC</b>	<b>(40,234)</b>	<b>(21,315)</b>
<b>TOTAL USES</b>	<b>198,488</b>	<b>222,130</b>
SOURCES	Balance as at 31/12/2021	Balance as at 31/12/2020 <sup>(*)</sup>
Loans payable/medium-term payables	114,483	114,859
Non-current financial payables for rights of use	24,026	21,974
Other non-current financial liabilities	12,523	15,797
Other non-current financial assets	(1,006)	(1,144)
Other current financial assets	(445)	(227)
Current financial payables for rights of use	3,346	3,359
Other current financial liabilities	4,530	2,347
Shareholders - dividends and payables due to shareholders	304	221
Short-term indebtedness (excess)	(52,651)	(28,108)
<b>TOTAL NFP</b>	<b>105,110</b>	<b>129,077</b>
<i>of which monetary NFP (excluding IFRS 16, put options, derivatives)</i>	<i>(69,073)</i>	<i>(93,307)</i>
Shareholders' equity attributable to shareholders of the Parent Company	94,550	92,300
Shareholders' equity attributable to minority interests	(1,172)	752
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>93,378</b>	<b>93,052</b>
<b>TOTAL SOURCES</b>	<b>198,488</b>	<b>222,130</b>

<sup>(\*)</sup> Some of the amounts shown in this column do not correspond to those of the financial statements published as at 31/12/2020, as they reflect the valuations made at the time of the Purchase Price Allocation of HBG Events at final values.

**ANALYSIS OF THE CONSOLIDATED NET FINANCIAL POSITION**

IEG Group Net Financial Position (Values in Euro/000)	31/12/2021	31/12/2020
<b>1 Short-term available funds</b>		
01:01 Cash on hand	143	142
01:02 Bank current account balances	52,508	27,966
01:03 Invested liquidity	242	43
01:04 Other short-term receivables	0	0
01:05 Financial receivables Shareholders	0	0
01:06 Financial receivables Associates	48	45
01:07 Receivables for right-of-use leased assets (IFRS 16)	184	168
<b>Total</b>	<b>53,125</b>	<b>28,364</b>
02:01 Bank current account overdrafts	(0)	(338)
02:02 Other short-term payables - put options	0	0
02:03 Other short-term payables to banks	(2,726)	(4,334)
02:04 Portions of medium/long-term payables due within 12 months	(19,480)	(24,200)
02:05 Other short-term payables	(4,530)	(2,347)
02:06 Payables due to shareholders	(305)	(221)
02:07 Current financial payables for rights of use (IFRS 16)	(3,346)	(3,359)
<b>Total</b>	<b>(30,387)</b>	<b>(34,800)</b>
<b>3 Short-term financial position (1+2)</b>	<b>22,738</b>	<b>(6,436)</b>
<b>4 Medium/long-term financial receivables (after 12 months)</b>		
04:01 Receivables for right-of-use leased assets (IFRS 16)	487	672
04:02 Other medium/long-term financial receivables	490	443
<b>Total</b>	<b>977</b>	<b>1,115</b>
<b>5 Medium/long-term financial payables (after 12 months)</b>		
05:01 Mortgages	(92,277)	(85,986)
05:02 Other medium/long-term payables – put options	(5,754)	(5,761)
05:03 Bonds	0	0
05:04 Payables due to shareholders	0	0
05:05 Other medium/long-term payables	(3,186)	(4,519)
05:06 Medium/long-term derivative financial instruments	(3,583)	(5,517)
05:07 Non-current payables for rights of use (IFRS 16)	(24,026)	(21,974)
<b>Total</b>	<b>(128,825)</b>	<b>(123,756)</b>
<b>6 Medium/long-term financial position (4+5)</b>	<b>(127,848)</b>	<b>(122,641)</b>
<b>7 TOTAL INDEBTEDNESS</b>	<b>(159,213)</b>	<b>(158,556)</b>
<b>8 Net financial position (3+6)</b>	<b>(105,110)</b>	<b>(129,077)</b>
<b>Net MONETARY financial position</b>		
excluding IFRS 16 rights of use, put options and derivatives	<b>(69,073)</b>	<b>(93,307)</b>

For the net financial position drawn up according to the ESMA layout, refer to the paragraph of the Explanatory Notes 17) Payables due to banks

The Net Financial Position (hereinafter NFP) as at 31 December 2021 amounted to 105.1 million euros, a decrease in net indebtedness of 24.0 million euros compared to 31 December 2020. This amount includes financial payables for put options relating to the acquisition of stand fitting companies for a total of 5.8 million euros, financial payables for rights of use (IFRS 16) equal to 26.7 million euros, and payables, representing the mark to market value of derivative financial instruments (in total, the “non-monetary components”) for 3.6 million euros.

The aforementioned non-monetary components of the NFP totalled 36.0 million euros and show an increase of 0.3 million euros compared with the situation as at 31 December 2020. The change is explained by the increase in financial payables for rights of use (IFRS 16) for 2.0 million euros and the simultaneous reduction in the fair value of derivative instruments for 1.9 million euros. Payables entered for put options are unchanged.

The "Monetary NFP" at 31 December 2021 (given by the NFP net of non-monetary components) came to 69.1 million euros as compared with the 93.3 million euros at 31 December 2020, thereby highlighting a reduction in debt of 24.2 million euros. The change between 31 December 2020 and 31 December 2021, is due to:

- cash absorption of 12.4 million euros deriving from operating income;
- positive flows for 18.3 million deriving from the dynamics of current assets;
- cash absorption for investments of 5.8 million euros (for further details, reference is made to the section entitled "Investments" in this Report on Operations);
- other net outflows for 4.1 million euros, of which Euro 4.4 million are outlays for financial charges and positive flows for 0.3 for other items
- collection of contributions linked to the Covid-19 compensation of 28.2 million euros.

The change in "Monetary NFP" that occurred during the last quarter shows an improvement of 30.9 million euros (100.0 at 30 September) following the generation of current financial operating funds for 34.1 million euros (positive operating income of 5.1 million, positive change in current assets of 11.1 and collection of Covid contributions of 17.9 million), flow absorption deriving from investments for 1.3 million euros and other flows for 1.8 million euros, mainly relating to financial charges.

## CONSOLIDATED CASH FLOW STATEMENT

IEG Group Cash Flow Statement of NFP (Values in Euro/000)	31/12/2021	31/12/2020
<i>Flows generated (absorbed) by:</i>		
Operating profit/loss (EBIT)	2,855	(21,555)
Adjustments of EBITDA for put options	(41)	(299)
Adjustments of EBITDA for IFRS 16	(4,110)	(4,050)
Adjustments of amortisation/depreciation for IFRS 16	2,945	3,701
<b>Monetary operating profit/loss (EBIT)</b>	<b>1,649</b>	<b>(22,203)</b>
Amortisation, depreciation and write-downs of fixed assets	13,724	18,113
Allocation to the provision for credit risks and other provisions	485	1,569
Other non-monetary operating revenues	(194)	1,542
Current income taxes	162	232
<b>1st cash flow from current operations</b>	<b>15,826</b>	<b>748</b>
<i>Flows generated (absorbed) by the change in NWC:</i>		
Change in inventories	53	172
Change in trade receivables	(9,808)	18,854
Change in other current assets	(1,361)	1,669
Net change in tax receivables/payables for direct taxes	(25)	(1,856)
Change in trade payables	10,055	(11,636)
Change in other current liabilities	19,397	(32,315)
<b>Change in NWC</b>	<b>18,311</b>	<b>(25,111)</b>
<b>Cash flow from current operations</b>	<b>34,138</b>	<b>(25,859)</b>
<i>Flows generated (absorbed) by investment activities:</i>		
Investments in intangible fixed assets	(621)	(153)
Investments in property, plant and equipment	(5,085)	(3,534)
Equity investments in associated companies and other companies	(113)	(319)
Net equity investments in subsidiaries	0	(4,279)
<b>Flows generated/(absorbed) by investment activities</b>	<b>(5,819)</b>	<b>(8,286)</b>
<i>Flows generated (absorbed) by the change in other non-current items</i>		
Changes in deferred tax assets/liabilities	4	64
Net change in other non-current assets	8	1
Change in employee severance indemnity and other provisions	(612)	(638)
Net change in other non-current liabilities	108	0
<b>Flows generated/(absorbed) by the change in other non-current items</b>	<b>(492)</b>	<b>(572)</b>
<b>Cash flow from operations</b>	<b>27,826</b>	<b>(34,718)</b>
<i>Flows generated (absorbed) by:</i>		
Income (expenses) of financial management	(4,353)	(2,867)
Gains (losses) from equity investments	0	0
Distribution of dividends	0	0
Other capital changes (share capital increases, etc.)	761	(335)
<b>Payable due for the exercise of the put option</b>	<b>(3,592)</b>	<b>(2,138)</b>
<b>Level 1 cash flow (change in "Monetary NFP")</b>	<b>24,234</b>	<b>(40,058)</b>
<b>Changes in NFP for IFRS 16 on Level 1 cash flow</b>	<b>(2,208)</b>	<b>4,586</b>
<b>Changes in NFP for PUT OPTIONS on Level 1 cash flow</b>	<b>7</b>	<b>11,191</b>
<b>Changes in NFP for derivatives on Level 1 cash flow</b>	<b>1,934</b>	<b>(289)</b>
<b>Level 2 cash flow (change in NFP)</b>	<b>23,967</b>	<b>(24,570)</b>
Change in financial current and non-current payables due to banks	(375)	41,825
Change in other non-current financial liabilities – put options	(7)	(11,191)
Change in other non-current financial liabilities – derivatives	2,208	(4,586)
Change in other current and non-current financial liabilities for rights of use	(1,934)	288
Change in other current and non-current financial liabilities - other	933	2,677
Change in other current and non-current financial assets	(249)	1,465
<b>Level 3 cash flow (change in cash and cash equivalents)</b>	<b>24,543</b>	<b>5,910</b>
Cash and cash equivalents at start of year	28,108	22,198
<b>Cash and cash equivalents at end of year</b>	<b>52,651</b>	<b>28,108</b>

## INVESTMENTS

The tables below detail the net investments made by the Group in 2021.

### IEG Group

#### Net investments in Intangible fixed assets 2021

Euro/000	Investments 2021	Transfers	Exchange rate effect	Investments Net 2021
Industrial patent and intellectual property rights	226			226
Concessions, licenses, trademarks and similar rights	1			1
Goodwill			360	360
Fixed assets under construction and payments on account	33			33
Other intangible fixed assets	1			1
<b>TOTAL NET INVESTMENTS IN INTANGIBLE ASSETS</b>	<b>261</b>	<b>0</b>	<b>360</b>	<b>621</b>

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

The investments in “Fixed assets under construction and payments on account” concern entirely the development of the new management software of the subsidiary Pro.Stand S.r.l.

### IEG Group

#### Net investments in Property, plant and equipment in 2021

Euro/000	Investments 2021	Transfers	Disinvestments	Exchange rate effect	2021 net investments
Land and buildings	2,848	534		0	3,382
Plant and machinery	168			(1)	167
Equipment	959			(55)	940
Other assets	431			(85)	401
Fixed assets under construction and payments on account	730	(534)			196
<b>TOTAL NET INV. IN PROPERTY, PLANT AND EQUIPMENT</b>	<b>5,135</b>	<b>0</b>	<b>(141)</b>	<b>92</b>	<b>5,086</b>

Investments at 31 December 2021 for “Land and buildings” mainly relate to investments for the new roof of Pavilion 7 at the Vicenza trade fair district, works on which were completed in September.

Period changes in “Plant and machinery” of 168 thousand euros mainly consist of investments made by the parent company in electrical and air conditioning systems.

Investments in “Industrial and commercial equipment” refer to structures to build trade fair stands and furniture, period increases, including the exchange effect, come to approximately 1 million euros and were made almost entirely by the companies Prostand and FB International.

Investments in “Other assets” show a period increase of approximately 0.4 million euros, for 280 thousand euros used to buy office machines and vehicles by the Parent company and for 114 equipment purchased by the company Summertrade. The residual portion relates to investments by the company FB International.

Finally “Fixed assets under construction and payments on account” rose by 0.7 million euros, of which 670 thousand mainly referring to works to modernise the Vicenza trade fair district systems and 58 thousand euros contributed by the company Prostand for internal constructions. The reduction of 534 thousand euros is linked to the redoing of the roof on pavilion 7 at the Vicenza trade fair district.

## PARENT COMPANY ITALIAN EXHIBITION GROUP S.P.A.

The following pages provide a summary of the main financial results of the Parent Company Italian Exhibition Group S.p.A., drafted in compliance with IFRS accounting standards. For further details and analysis, please refer to the Company's separate financial statements as at 31/12/2021 in the subsequent chapters of this document.

### RECLASSIFIED INCOME STATEMENT DATA OF ITALIAN EXHIBITION GROUP S.P.A.

Italian Exhibition Group Reclassified Income Statement	31.12.2021	%	31.12.2020	%	Change 2021 - 2020	% chg. 2021 - 2020
Revenues from sales and services	47,971	66.1%	56,589	93.9%	(8,618)	(15.2%)
Other revenues	24,615	33.9%	3,672	6.1%	20,943	>100%
<b>Value of Production</b>	<b>72,587</b>	<b>100.0%</b>	<b>60,261</b>	<b>100.0%</b>	<b>12,325</b>	<b>20.5%</b>
Operating costs	(37,842)	(52.1%)	(39,572)	(65.7%)	1,730	(4.4%)
<b>Value added</b>	<b>34,745</b>	<b>47.9%</b>	<b>20,689</b>	<b>34.3%</b>	<b>14,056</b>	<b>67.9%</b>
Staff costs	(16,723)	(23.0%)	(15,065)	(25.0%)	(1,658)	11.0%
<b>Gross Operating Profit (EBITDA)</b>	<b>18,022</b>	<b>24.8%</b>	<b>5,624</b>	<b>9.3%</b>	<b>12,397</b>	<b>&gt;100%</b>
Amortisation, depreciation and write-downs Fixed assets	(12,343)	(17.0%)	(11,910)	(19.8%)	(434)	3.6%
Write-downs of receivables, provisions, adjustments to value of financial assets Assets Fin	(1,603)	(2.2%)	(1,324)	(2.2%)	(278)	21.0%
<b>Operating Profit/Loss</b>	<b>4,076</b>	<b>5.6%</b>	<b>(7,610)</b>	<b>(12.6%)</b>	<b>11,685</b>	<b>&lt;(100%)</b>
Financial management	(1,625)	(2.2%)	(3,175)	(5.3%)	1,549	(48.8%)
Financial income (charges)	(2,633)	(3.6%)	(2,836)	(4.7%)	203	(7.2%)
Mark to Market derivatives	1,346	1.9%	194	0.3%	1,152	>100%
Financial income (charges) for IFRS 16	(370)	(0.5%)	(478)	0.0%	108	(22.5%)
Exchange gains (losses)	32	0.0%	(55)	(0.1%)	87	<(100%)
Gains and losses on equity investments	(637)	(0.9%)	(5,111)	(8.5%)	4,473	(87.5%)
<b>Pre-tax result</b>	<b>1,813</b>	<b>2.5%</b>	<b>(15,896)</b>	<b>(26.4%)</b>	<b>17,708</b>	<b>&lt;(100%)</b>
Income taxes	(203)	(0.3%)	3,213	5.3%	(3,416)	<(100%)
<b>Result of the period</b>	<b>1,610</b>	<b>2.2%</b>	<b>(12,683)</b>	<b>(21.0%)</b>	<b>14,293</b>	<b>&lt;(100%)</b>

**RECLASSIFIED BALANCE SHEET DATA OF ITALIAN EXHIBITION GROUP S.P.A.****Reclassified Sources-Uses Balance Sheet**

<b>USES</b>	<b>Balance as at 31/12/2021</b>	<b>Balance as at 31/12/2020</b>
Property, Plant and Equipment	180,408	183,381
Intangible fixed assets	19,646	21,251
Equity investments	33,561	32,086
<b>TOTAL FIXED ASSETS AND EQUITY INVESTMENTS</b>	<b>233,615</b>	<b>236,717</b>
Deferred tax assets	5,311	5,621
Other non-current assets	69	98
Employee provisions	(2,716)	(2,893)
Other non-current liabilities	(3,957)	(3,705)
<b>OTHER NON-CURRENT ASSETS/(LIABILITIES)</b>	<b>(1,293)</b>	<b>(880)</b>
<b>NWC</b>	<b>(35,208)</b>	<b>(19,859)</b>
<b>TOTAL USES</b>	<b>197,114</b>	<b>215,979</b>
<b>SOURCES</b>	<b>Balance as at 31/12/2021</b>	<b>Balance as at 31/12/2020</b>
Medium/long-term loans/payables	106,267	107,983
Non-current financial payables for rights of use	19,416	17,683
Other non-current financial liabilities	5,496	9,321
Current financial payables for rights of use	1,265	1,370
Other current financial assets	(3,126)	(2,204)
Other current financial liabilities	4,685	2,519
Shareholders - dividends	2	2
Short-term indebtedness (excess)	(42,538)	(24,542)
<b>TOTAL non-monetary NFP</b>	<b>91,467</b>	<b>112,132</b>
<b>Of which monetary NFP (excluding IFRS 16 and derivatives)</b>	<b>(67,213)</b>	<b>(87,563)</b>
Share capital	52,215	52,215
Share premium reserve	13,947	13,947
Other reserves	33,337	33,147
Profit (loss) for previous years	4,538	17,221
Profit (loss) for the year	1,610	(12,683)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>105,647</b>	<b>103,847</b>
<b>TOTAL SOURCES</b>	<b>197,114</b>	<b>215,979</b>

## NET FINANCIAL POSITION OF ITALIAN EXHIBITION GROUP S.P.A.

### Net financial position

	Balance as at 31/12/2021	Balance as at 31/12/2020
<b>1 Short-term available funds</b>		
01:01 Cash on hand	39	45
01:02 Bank current account balances	42,138	24,025
01:03 Invested liquidity	29	29
01:05 Financial receivables Subsidiaries	2,919	2,159
01:06 Financial receivables Associates	207	45
<b>Total</b>	<b>45,333</b>	<b>26,302</b>
<b>2 Short-term payables</b>		
02:01 C/a debit balances	0	(326)
02:02 Other short-term payables to banks	(1,750)	(1,000)
02:03 Portions of medium/long-term payables due within 12 months	(16,850)	(22,927)
02:04 Other short-term payables	(4,463)	(2,297)
02:05 Financial payables Shareholders	(2)	(2)
02:06 Current payables for rights of use	(1,265)	(1,370)
02:07 Financial payables Subsidiaries	(222)	(222)
<b>Total</b>	<b>(24,551)</b>	<b>(28,143)</b>
<b>3 Short-term financial position (1+2)</b>	<b>20,782</b>	<b>(1,841)</b>
<b>4 Medium/long-term financial receivables (after 12 months)</b>	<b>331</b>	<b>443</b>
<b>5 Medium/long-term financial payables (after 12 months)</b>		
05:01 Medium/long-term loans/payables	(87,667)	(83,730)
05:04 Financial payables due to shareholders/subsidiaries/parent companies	-	-
05:05 Other medium/long-term payables	(1,923)	(3,805)
05:06 Medium/long-term derivative financial instruments	(3,573)	(5,516)
05:07 Non-current payables for rights of use	(19,416)	(17,683)
<b>Total</b>	<b>(112,580)</b>	<b>(110,734)</b>
<b>6 Medium/long-term financial position (4+5)</b>	<b>(112,249)</b>	<b>(110,291)</b>
<b>7 TOTAL INDEBTEDNESS</b>	<b>(137,130)</b>	<b>(138,877)</b>
<b>8 Net financial position (3+6)</b>	<b>(91,467)</b>	<b>(112,132)</b>
<b>9 Net MONETARY financial position</b>		
Excluding IFRS 16 rights of use and derivatives	(67,213)	(87,564)

For the net financial position drawn up according to the ESMA layout, refer to the paragraph of the Explanatory Notes 17) Payables due to banks



**CASH FLOW STATEMENT OF ITALIAN EXHIBITION GROUP S.P.A.**

<b>IEG Group Cash Flow Statement of NFP (Values in Euro/000)</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<i>Flows generated (absorbed) by:</i>		
Operating profit/loss (EBIT)	4,076	(7,610)
Adjustments of EBITDA for IFRS 16	(2,263)	(2,287)
Adjustments of amortisation/depreciation for IFRS 16	1,360	1,925
<b>Monetary operating profit/loss (EBIT)</b>	<b>3,173</b>	<b>(7,972)</b>
Amortisation, depreciation and write-downs of fixed assets	10,983	9,984
Allocation to the provision for credit risks and other provisions	400	1,300
Other non-monetary operating revenues	(194)	1,009
Current income taxes	(5)	402
<b>1st cash flow from current operations</b>	<b>14,357</b>	<b>4,723</b>
<i>Flows generated (absorbed) by the change in NWC:</i>		
Change in inventories		
Change in trade receivables	(9,266)	11,718
Change in other current assets	(988)	95
Net change in tax receivables/payables for direct taxes	(24)	(2,045)
Change in trade payables	8,580	(10,247)
Change in other current liabilities	16,962	(28,585)
<b>Change in NWC</b>	<b>15,264</b>	<b>(29,064)</b>
<b>Cash flow from current operations</b>	<b>29,621</b>	<b>(24,341)</b>
<i>Flows generated (absorbed) by investment activities:</i>		
Investments in intangible fixed assets	(217)	(355)
Investments in property, plant and equipment	(3,941)	(2,899)
Equity investments in associated companies and other companies	(158)	(116)
Net equity investments in subsidiaries	(2,159)	(7,281)
<b>Flows generated/(absorbed) by investment activities</b>	<b>(6,475)</b>	<b>(10,651)</b>
<i>Flows generated (absorbed) by the change in other non-current items</i>		
Changes in deferred tax assets/liabilities	(32)	67
Net change in other non-current assets	29	18
Change in employee severance indemnity and other provisions	(339)	(606)
Net change in other non-current liabilities	108	-
<b>Flows generated/(absorbed) by the change in other non-current items</b>	<b>(234)</b>	<b>(521)</b>
<b>Cash flow from operations</b>	<b>22,912</b>	<b>(35,513)</b>
<i>Flows generated (absorbed) by:</i>		
Income (expenses) of financial management	(2,601)	(2,891)
Gains (losses) from equity investments		
Distribution of dividends		
Other capital changes (share capital increases, etc.)	39	(104)
<b>Level 1 cash flow (change in "Monetary NFP")</b>	<b>20,350</b>	<b>(38,508)</b>
<b>Changes in NFP for IFRS 16 on Level 1 cash flow</b>	<b>(1,629)</b>	<b>3,311</b>
<b>Changes in NFP for derivatives on Level 1 cash flow</b>	<b>1,944</b>	<b>(289)</b>
<b>Level 2 cash flow (change in NFP)</b>	<b>20,665</b>	<b>(35,486)</b>
Change in financial current and non-current payables due to banks	(1,716)	41,335
Change in other non-current financial liabilities – derivatives	(1,944)	289
Change in other current and non-current financial liabilities for rights of use	1,628	-3,311
Change in other current and non-current financial liabilities - other	285	2,155
Change in other current and non-current financial assets	(810)	941
<b>Level 3 cash flow (change in cash and cash equivalents)</b>	<b>18,108</b>	<b>5,923</b>
Cash and cash equivalents at start of year	24,070	18,147
<b>Cash and cash equivalents at end of year</b>	<b>42,178</b>	<b>24,070</b>

## RELATIONS WITH SUBSIDIARIES, ASSOCIATED COMPANIES AND PARENT COMPANIES

To supplement the information already reported in the section “Group structure”, the main data relating to the subsidiaries, associated companies and other companies are summarised below (taken from local financial statements), adjusted to the period-end and average exchange rates where necessary:

	Registered office	Financial Statements	Revenues	Profit (loss) for the year	Employees (FTE)	Shareholders' Equity
<b>Subsidiaries</b>						
Prostand Exhibition Services S.r.l.	Via Emilia, 155 - 47921 Rimini	31/12/2021	0	(2)	0	111
Prime Servizi S.r.l.	Via Flaminia, 233/A - 47924 Rimini	31/12/2021	2,635	76	1	493
Summertrade S.r.l.	Via Emilia, 155 - 47921 Rimini	31/12/2021	9,167	(2,727)	122	(2,104)
FB International Inc. (USD)	1 Raritan Rd, Oakland, NJ 07436	31/12/2021	5,311	(2,884)	35	(1,268)
IEG USA Inc. (USD)	1001 Brickell Bay Dr., Suite 2717 Miami (FL)	31/12/2021	0	(33)	0	6,343
Prostand S.r.l.	Via Santarcangiolese 18 – 47824 Poggio Torriana (RN)	31/12/2021	21,001	3,657	59	5,462
Fieravicola S.r.l.	Via Emilia, 155 – 47921 Rimini	31/12/2021	629	29	0	128
HBG Events FZ LLC (AED)	Creative Tower, 4422, Fujairah, UAE	31/12/2021	2,017	420	6	237
Italian Exhibition Group Brasil Eventos LTDA	Av. Angelica, 2530 – 12° andar – Sao Paolo (Brazil)	31/12/2021	0	(4)	0	677
<b>Associated companies</b>						
Cesena Fiera Spa	Via Dismano 3845 – Cesena (FC)	31/12/2020	1,290	80	10	3,925
Green Box S.r.l.	Via Sordello 11/A – 31046 Oderzo (TV)	n.a.	n.a.	n.a.	n.a.	n.a.
Cast Alimenti S.r.l.	Via Serenissima, 5 - Brescia (BS)	31/12/2020	2,395	(443)	24	2,616
<b>Jointly controlled companies</b>						
Expo Estrategia Brasil Eventos e Producoes Ltda in liquidation	Rua Felix de Souza, 307 Vila Congonhas - Sao Paulo	31/12/2021	0	(382)	n.a.	44
Dv Global Link LLC in liquidation	P.O. Box 9846 – Dubai – U.A.E.	31/12/2020	1	(205)	n.a.	151
Europe Asia Global Link Exhibitions Co., Ltd	no. 18 Tian Shan Road 900-341, Changning District, Shanghai, China	31/12/2021	7	(124)	n.a.	366
Europe China Environmental Exhibitions Co., Ltd.	Getan Building 1, No.588, Yizhou Avenue, High-tech Zone Chengdu, China	n.a.	n.a.	n.a.	n.a.	n.a.
Destination Services S.r.l.	Viale Roberto Valturio 44 – Rimini (RN)	31/12/2020	132	5	n.a.	33
Rimini Welcome S.c.a.r.l.	Via Sassonia, 30 – Rimini (RN)	31/12/2020	793	23	n.a.	140
<b>Other equity investments</b>						
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.
Turismo e Benessere soc. cons.	Via Rasponi 8 – Ravenna (RA)	31/12/2019	55	0	1	20
Uni.Rimini	Via Angherà, 22, Rimini RN	31/12/2019	1,211	14	n.a.	1,408

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

In the stand fitting sector, Prostand maintains supply relations with the Parent Company, to which it pays fees for the commercial brokerage activities carried out. FB International provides stand fitting services to Italian Exhibition Group S.p.A. and Prostand for events in the United States. Summertrade is the official supplier for catering in the trade fair districts of Rimini and Vicenza, to the Palacongressi di Rimini and the Vicenza Convention Centre; the relationship makes provision not only for the sale of assets and services to Italian Exhibition Group S.p.A., but the payment of a fee on the activities carried out in the premises made available to it. Prime Servizi is the supplier of Italian Exhibition Group S.p.A. and Summertrade, regarding cleaning and portorage activities. Italian Exhibition Group S.p.A., also provides Fieravicola S.r.l. with accounting and administrative services. IEG is an agent for HBG Events for the sale in Italy of the Dubai events; HBG is an agent of IEG for the sale of Rimini Wellness.

The following tables show the amount and nature of the receivables/payables as at 31 December 2021 and details of the costs/revenues for the year deriving from relations between the individual company (indicated in the column heading) and all other companies included in the scope of consolidation.

Intercompany receivables	Italian Exhibition Group S.p.A.	IEG USA/FB International	Pro.Stand Srl	HBG Events	Summertrade Srl	Prostand Exhibitions Service S.r.l.	Fieravicola S.r.l.	Ieg Brasil	Prime Servizi S.r.l.	TOTAL ELIMINATIONS
Trade and tax receivables	7,825	75	1,892	15	863	11	37	0	0	10,719
Financial receivables	228	624	1,265	218	949	177	0	0	0	3,462
<b>TOTAL</b>	<b>8,053</b>	<b>699</b>	<b>3,157</b>	<b>234</b>	<b>1,812</b>	<b>188</b>	<b>37</b>	<b>0</b>	<b>0</b>	<b>14,181</b>

Intercompany payables	Italian Exhibition Group S.p.A.	IEG USA/FB International	Pro.Stand Srl	HBG Events	Summertrade Srl	Prostand Exhibitions Service S.r.l.	Fieravicola S.r.l.	Ieg Brasil	Prime Servizi S.r.l.	TOTAL ELIMINATIONS
Trade and tax payables	2,787	55	6,061	0	944	34	5	0	832	10,719
Financial payables	2,919	315	222	0	0	0	0	6	0	3,462
<b>TOTAL</b>	<b>5,706</b>	<b>371</b>	<b>6,283</b>	<b>0</b>	<b>944</b>	<b>34</b>	<b>5</b>	<b>6</b>	<b>832</b>	<b>14,181</b>

Revenues and costs	Italian Exhibition Group S.p.A.	IEG USA/FB International	Pro.Stand srl	Summertrade S.r.l.	HBG Events	Fieravicola S.r.l.	Prime Servizi S.r.l.	TOTAL ELIMINATIONS
<b>REVENUES</b>								
Revenue from sales and services	1,545	188	6,357	1,074	0	0	1,079	10,243
Other revenues	384	0	55	0	0	0	0	439
<b>OPERATING COSTS</b>								
Costs for raw materials	(116)	0	0	0	0	0	0	(116)
Costs for services	(8,385)	0	(1,231)	(593)	(15)	(79)	(3)	(10,305)
Costs for use of third-party assets	0	0	(46)	(178)	0	0	0	(224)
For personnel	0	0	0	0	0	0	0	0
Other operating costs	(33)	0	0	(3)	0	0	0	(36)
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>(6,605)</b>	<b>188</b>	<b>5,135</b>	<b>300</b>	<b>(15)</b>	<b>(79)</b>	<b>1,076</b>	<b>0</b>
<b>FINANCIAL INCOME AND CHARGES</b>								
Financial income	14	0	0	0	0	0	0	14
Financial charges	0	0	(7)	(7)	0	0	0	(14)
<b>TOTAL CHARGES AND INCOME FIN.</b>	<b>14</b>	<b>0</b>	<b>(7)</b>	<b>(7)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>(6,591)</b>	<b>188</b>	<b>5,128</b>	<b>292</b>	<b>(15)</b>	<b>(79)</b>	<b>1,076</b>	<b>0</b>

The tables below summarise all credit/debit and cost/revenue transactions as at 31 December 2021 between companies in the IEG Group and the associated companies:

Receivables due from associated companies	Cesena Fiera S.p.A.	C.A.S.T. Alimenti Srl	Rimini Welcome	Hannover Fair Mexico	DV Global Link LLC	Destination Services	Total
Trade receivables	65	0	18	0	54	0	137
Financial receivables	0	0	0	159	3	45	207
<b>TOTAL</b>	<b>65</b>	<b>0</b>	<b>18</b>	<b>159</b>	<b>57</b>	<b>45</b>	<b>344</b>

Payables due to associated companies	Cesena Fiera S.p.A.	C.A.S.T. Alimenti Srl	Rimini Welcome	Hannover Fair Mexico	DV Global Link LLC	Destination Services	Total
Trade payables	66	2	0	0	3	0	71
<b>TOTAL</b>	<b>66</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>71</b>

Revenues and costs with associated companies	Cesena Fiera S.p.A.	Rimini Welcome	C.A.S.T. Alimenti Srl	Total
REVENUES				
Revenues from sales and services	2,330	15	0	2,345
Other revenues	0	0	0	0
OPERATING COSTS				
Costs for services	(649)	0	(3)	(651)
Costs for use of third-party assets	(26)	0	0	(26)
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>1,656</b>	<b>15</b>	<b>(3)</b>	<b>1,668</b>
FINANCIAL INCOME AND CHARGES				
Financial income				0
<b>TOTAL FINANCIAL CHARGES AND INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>1,656</b>	<b>15</b>	<b>(3)</b>	<b>1,668</b>

Rimini Congressi is the parent company of the Group and the leaseholder of Palazzo dei Congressi. The tables below indicate the receivable/payable and cost/revenue transactions as at 31 December 2021 between IEG and the parent company. In addition, it should be noted that, on application of the IFRS 16 accounting standard, the costs for the use of third-party assets, relating to rental agreements for the Palacongressi di Rimini stipulated between IEG S.p.A. and Rimini Congressi S.r.l., were completely eliminated and replaced with amortisation/depreciation and financial charges, as more fully detailed in the table. Financial payables amounting to 14.9 million euros relate entirely to the discounting of lease instalments to be paid for the rental of Palacongressi di Rimini, as set forth in IFRS 16.

Equity transactions with the Parent Company	Rimini Congressi S.r.l.	Vicenza Holding
Trade receivables	676	18
Trade payables	3	
Financial payables	15,033	0

Revenues and costs with the parent company	Rimini Congressi S.r.l.
REVENUES	
Revenues from sales and services	0
Other revenues	120
OPERATING COSTS	
Costs for services	0
Costs for the use of third-party assets (*)	(1,773)
Other operating charges	0
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>(1,655)</b>
FINANCIAL INCOME AND CHARGES	
Financial income	0
<b>TOTAL FINANCIAL CHARGES AND INCOME</b>	<b>0</b>
<b>TOTAL</b>	<b>(1,654)</b>

(\*) In applying IFRS 16, costs for use of third-party assets are completely eliminated and replaced with amortisation/depreciation on rights of use for 979 thousand euros and financial charges for 317 thousand euros.

## RESEARCH AND DEVELOPMENT

Research and development activities play a significant role in the pursuit of the Group's objectives and in staying competitive in a sector that is becoming increasingly more competitive, characterised by a growing installed productive capacity in relation to a market with more restrained dynamics.

The lines of action of research and development activities were organised primarily with two methods. The development of products and of the ordinary activities of the various subsidiaries and associated companies is handled directly by the Chief Executive Officers of said companies, while at IEG S.p.A. it is monitored by dedicated personnel who deal with both development of the products in the portfolio and the analysis of development of new exhibitions and events. The study of new sectors and major strategic projects are coordinated directly by the management of IEG S.p.A. and the Group, in close collaboration with the Board of Directors.

Research and development costs are expensed in full in the relevant year.

## RISKS CONNECTED TO THE EXTERNAL CONTEXT

The activities and results of the IEG Group depend on the investments budgeted for by its customers (including third-party organisers, conference promoters, exhibitors and other customers of the subsidiaries) in trade fairs, conferences and related services; the volume of these investments is, in turn, heavily influenced by the economic trend in the countries in which the Group customers operate and where the Group operates, with particular reference to the Italian market.

The growth prospects for the Italian market, also thanks to the stimuli of the Italian national recovery and resilience plan (PNRR), are at levels that had not been seen for decades. The uncertainty surrounding the international context and the great tension seen on the prices and availability of commodities and energy may, however, compromise expected economic recovery and project negative effects onto the Group business and its economic, equity and financial position.

The risks brought about by the contraction in the past years, not recovered at system level by the modest growth in the pre-pandemic years and with the effects of the pandemic not recovered in all segments, are added to the more specific risks of the trade fair market, a market that, albeit having shown signs of a recovery in Italy too in 2019, remains characterised by a phase of maturity with the concentration of investments in the most important events with international appeal, to the detriment of those with purely national ambitions. Minor events targeted at the local audience recorded good staying power before the pandemic. Our country remains characterised by excess (on the whole) square metres of exhibition space available and is heavily fragmented; the country is starting to see a shortage of high quality exhibition spaces with suitable dimensions to host important events. Consequently, the main national trade fair hubs were committed to development programmes and the refurbishment of exhibition spaces, essentially suspended at present, while we figure out how and when the trade fair market will recover in a post-pandemic scenario.

Starting end 2021, on a global economic level, major inflation has been recorded, due in particular to the increase in the cost of commodities. Expected inflation forecasts prepared by the European Commission for the European Economic Winter Forecast of 10 February 2022, for the Eurozone come to +2.6% in 2021 (+1.9% in Italy), 3.5% in 2022 (+3.8% in Italy) before then dropping to 1.7% in 2023 (1.6% in Italy). The GDP is also expected to grow by +5.3% in 2021 (+6.5% in Italy), by +4.0% in 2022 (+4.1% in Italy) and by +2.7% in 2023 (+2.3% in Italy). We note, however, that these forecasts were prepared before the outbreak of the conflict in Ukraine, on 24 February 2022, which has given rise to further international tension and uncertainty that has further driven the price of certain commodities up, including energy.

The mentioned conflict in Ukraine has resulted in numerous countries sanctioning Russia. This situation risks impacting the domestic economy connected with exports to that market and Ukraine. To date, the Group does not entertain significant relations with Russian or Ukrainian subjects. The credit risk is also extremely marginal. Greater risks, albeit shared with the whole of the national and international sector, should be hypothesised in respect of possible additional rises in the costs of energy and visitation, although the segments in which the company operates do not record any particular concentration of exports to Russia.

The mitigation actions implemented by the Group are embodied by the constant monitoring of the levels of profitability needed to ensure the objectives of financial and capital equilibrium are met, as well as the continuous alignment with the budget plans and other plans formulated, through diligent reporting to the Top Management and the Board of Directors.

## RISKS CONNECTED TO THE INTERNAL CONTEXT

Group operations primarily entail trade fair activities, whose revenues are distributed among an extremely broad number of customers, concentrated, however, on a small number of events, some of which organised on the basis of agreements with associations representing the biggest exhibitors. Although the risk deriving from the possible loss of events organised by third parties is contained, given that the revenues and margins linked to these events are small, more significant is the potential risk related to a change in relations with the associations or with groups of leading customers which could involve a loss of some events.

In order to counteract this phenomenon, the Group has, for some time, pursued specific diversification strategies, including the enhancement of the events portfolio, the internationalisation of events, the launch of commercial and strategic collaborations and partnerships with other districts and/or organisers and the stipulation of long-term agreements with the most representative trade associations as part of the events organised. From this perspective, the Group is considered the leading national trade fair organiser, as borne out in the latest UFI report published in December 2020 and relating to 2019<sup>1</sup>: of the 36 events organised by IEG in that year, 20 of them were international events, almost double that of the leading national competitors. Reference is maintained to 2019 insofar as this is representative of the last year of "ordinary" trade fair calendars before the onset of the Covid-19 pandemic and without UFI - Euro Fair Statistics report relative to subsequent years.



The Group is constantly committed to research, targeted at distinguishing itself from its competitors, thanks to the continuous improvement in the offering and in the quality of the events organised, by developing the high levels of in-house skills and know-how, the strength of the brands and contents and synergies between the businesses.

<sup>1</sup> Calculations by the Company on data published by UFI, Euro Fair Statistics 2019, updated to November 2021.

## FINANCIAL RISKS

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.

It is also specified that the business conducted by the IEG Group means that it is not significantly exposed to risks associated with climate change.

### Credit risk

The credit risk to which the IEG Group is subject falls under normal commercial activities, both owing to the fragmentation of positions and the excellent credit quality historically recorded. The positions considered at risk were, nonetheless, written down accordingly. In order to contain the risks deriving from the management of trade receivables, each company has identified an office or a person responsible for the systematic coordination of the reminder activities, managed jointly by the commercial and administrative departments, legal representatives and companies specialised in credit recovery. The software implemented by the Parent Company IEG S.p.A. and used by the main subsidiaries keeps track of each reminder.

### Liquidity risk

The Group believes it is fundamentally important to maintain a level of available funds suited to its requirements.

The two main factors that determine the Group's liquidity situation are, on the one hand, the resources generated or absorbed by operating and investment activities, and on the other, the maturity and renewal characteristics of the debt or of the liquidity of financial investments and market conditions.

The Group has adopted a series of policies and processes for optimising the management of financial resources, reducing liquidity risk:

- *maintenance of an adequate level of available liquidity;*
- *obtaining of adequate credit lines;*
- *monitoring of prospective liquidity conditions*, in relation to the process of business planning.

As part of this type of risk, as regards the composition of net financial indebtedness, the IEG Group tends to finance investments with medium/long-term payables, while it meets current commitments with both the cash flow generated by operations and by using short-term credit lines.

### Market risk

#### *Exchange rate risk*

The IEG Group is exposed to exchange rate risk deriving from the fluctuation in exchange rates, in particular, vis-à-vis the US Dollar for the investment made in the subsidiary FB International Inc. and vis-à-vis the United Arab Emirates for the investment made in the Joint Venture DV Global Link LLC (in liquidation) HBG Events FZ LLC and in the Joint Venture JGT, vis-à-vis the Brazilian Real for the investment made in the Joint Venture Expo Estrategia Brasil and in IEG Brasil and vis-à-vis the Chinese Renminbi for the investment made in the Joint Venture Europe Asia Global Link Exhibition Ltd. Purchases and sales of the Italian companies are almost all in the accounting currency and purchases not in Euro are negligible.

### *Interest rate risk*

In order to carry out its activities, the Group obtains finance on the market by taking out primarily floating rate debt (linked to the Euribor), hence exposing itself to the risk deriving from an increase in interest rates.

The objective of interest risk management is to limit and stabilise flows of expenses due to interest paid primarily on medium-term payables to ensure close correlation between the underlying and the hedging instrument.

The hedging activity, evaluated and decided on a case by case basis, is carried out predominantly through derivative contracts targeted at transforming a variable rate to a fixed rate.

### *Price risk*

The type of activity performed by the Group companies operating in the Organised events, Hosted events and Conferences business lines, essentially represented by the provision of services that do not require a process of purchase-transformation of assets, is such that the risk of fluctuations in prices is not particularly significant. The majority of the purchases made in relation to business activities, is represented by the provision of service whose value is not immediately influenced by macroeconomic changes in the prices of the main commodities, with the exception, to a certain extent, of energy costs necessary to climate control the trade fair and conference venues. More immediately exposed to the risks of price changes are the companies operating in the Related services sector (fitting out and catering in particular), which immediately suffer the disturbance of costs of commodities, transport and energy.

For the sake of complete disclosure, it should be noted that, as at 31 December 2021, the Group is exposed to a minimal extent to the price risk associated with investments in listed equities, as it has made a small investment in the shares of the company Gambero Rosso, classified to the financial statements under financial assets at "Fair Value through Profit & Loss".

To complete the information reported hereunder, please refer to the section "Financial Risks" of the Explanatory notes.

## **INFORMATION ON TREASURY SHARES AND PARENT COMPANY SHARES**

As at 31 December 2021, Italian Exhibition Group does not have any treasury shares in the portfolio. During the year, no treasury share purchase or sale transactions were carried out. The same is true for the other companies included in the scope of consolidation.

In December 2020, the incorporation took effect of Società del Palazzo dei Congressi S.p.A: (in which IEG has an investment) into Rimini Congress Srl and IEG became the holder of 10.36% of the share capital of Rimini Congressi S.r.l.

## **INFORMATION ON HUMAN RESOURCES**

In 2021, no workplace accidents occurred involving a fatality or serious injuries to workers recorded in the company's employee register. In compliance with the regulations governing workplace safety, the Single Document for the Assessment of the Risks of Interference (DUVRI) was prepared, and the operating plans for the safety of the suppliers operating in the trade fair district were examined.

No charges were recorded against any Group companies regarding occupational illnesses involving employees or former employees and cases of mobbing.



## INFORMATION ON THE ENVIRONMENT

Italian Exhibition Group S.p.A. considers the focus on the requirements and pursuit of satisfaction of its customers and stakeholders, respect for and safeguarding of the environment and protection of workplace health and safety to be essential values for the development of its business activities.

These values represent the fundamental primary aspects that do not conflict with the Company's development but, on the contrary, promote the Company by distinguishing it. They constitute elements of productive investment and are a tangible and qualifying expression of the commitment to sustainable development and continuous improvement of activities and qualitative, environmental and safety performances.

To this end, Italian Exhibition Group S.p.A. launched a process designed to plan, develop and keep active an integrated company management system compliant with the applicable regulations on the environment (UNI EN ISO 14001:2015) and Workplace Health and Safety (UNI ISO 45001:2018).

The trade fair districts are currently equipped with an Environmental Management System and a certified Workplace Health and Safety Management System which complies with the requirements of the applicable regulations, for the purpose of protecting the health of its workers and other operators that work in the trade fair district. The process is currently in progress that will, within a year, lead to the certification of all IEG districts according to international standard ISO 20121, which defines the requirements of an event sustainability management system.

In all sites managed by IEG, the presence of personnel is monitored from outside Italian Exhibition Group S.p.A. operating in the structures and IEG provides them with all the information relating to the specific risks in the environment in which they are due to operate and the measures for the prevention, protection and management of existing emergencies. In order to optimise the management of safety as a whole, Italian Exhibition Group S.p.A. has outsourced the role of Prevention and Protection Service Manager to a professionally recognised external party.

The Vicenza site holds the environmental certification UNI EN ISO 14001:2015 and the certification UNI ISO 45001:2018 and is also implementing an Energy Efficiency Programme by adhering to the criteria of standard UNI CEI EN ISO 50001:2011 to reach the maximum level of efficiency and effectiveness in observance of protection of the environment and worker health and safety and the quality of services.

The Rimini Trade Fair District, which holds the environmental certification UNI EN ISO 14001:2015 and the certification OHSAS 45001:2018, was designed and managed with a view to a low environmental impact (it was awarded with the prestigious international ELCA "Building with Green" Trend award in Nuremberg). The wood that dominates the architecture of the district comes from Scandinavia, which has a continuous reforestation cycle. Large windows and skylights allow primarily natural light; in addition, in the entrance areas, where constant lighting is needed, LED lighting technology is mostly used, with an 85% saving in electricity. A photovoltaic system has already been in operation on the roof of the main entrance since 2005, which extends over an area of 400 square metres, providing energy to the central hall, saving Rimini roughly 40 tonnes of carbon dioxide annually.

The photovoltaic systems constructed over the years has made Rimini Fiera a "zero impact" trade fair district, since it is able to generate more electricity from renewable sources than it consumes annually. Additional photovoltaic plants will be installed to increase the portion of self-produced energy.

Air conditioning in the district is obtained through a system that produces cold air during night-time hours and recirculates the cold air during daytime hours (a sort of "ice bank" which allows a reduction in the electricity power burden of approximately 50%). By contrast, for the heating, a heating system is in place with condensing boiler, which saves the city of Rimini 90% of nitrogen oxide emissions with respect to burner boilers. The internal and external green spaces cover an area of 160 thousand square metres, with more than 1,500 plants and 30 thousand square metres of lawns (and the irrigation systems use exclusively surface waters).

The fountains are all recirculated water, while in the toilets of the trade fair district, the water jets are pressure controlled (two initiatives with a saving of 23 million litres of water per year). A number of ecological islands are also present throughout the entire district and in the external areas, allowing visitors to separate waste products. Lastly, the district can be reached by train thanks to the railway station located at the southern entrance, which lightens the impact of traffic on the environment.

The same focus on the themes of eco-sustainability is also evident from the Palacongressi venue. The structure is 100% eco-friendly. Low environmental impact, integration in the urban setting, they are completed perfectly with flexibility, functionality and aesthetic quality. For the construction of its 39 rooms with 9,000 seats, eco-compatible materials were used: wood, glass, stone. Spaces and environments are illuminated by natural light, thanks to large windows. Artificial fluorescent lamps are equipped with dimmer switches and those for the lighting of escape routes are equipped with LED technology, thanks to which optimum lighting and minimum energy waste is achieved. By contrast, a rainwater collection system ensures the irrigation of the green areas around the building and alleviates the water burden for storm overflow sewers and combined sewer overflow systems. One of the eco-green jewels is the ice accumulation system. During the night, storage tanks accumulate the energy needed to generate cold air, used during the day to cool the building. Result: 30% reduction in electricity used. At the same time, latest generation boilers and exchangers guarantee energy savings and lower emissions of fumes into the environment.

## **INFORMATION ON THE ADMINISTRATIVE LIABILITY OF COMPANIES AND PERSONAL DATA PROCESSING**

Italian Exhibition Group S.p.A. adopted an organisation, management and control model pursuant to Legislative Decree 231/2001, approved recently by the Board of Directors at the meetings on 15 October 2020 following the update to the model for the extension to the predicate offences "Tax offences" and "Trafficking of illicit influences".

Italian Exhibition Group S.p.A.'s Code of Ethics, updated by the Board of Directors on 15 October 2020, clearly and precisely defines the set of Principles and Values that the Company recognises, accepts and shares, as well as the responsibilities that it assumes vis-à-vis the internal and external environments in relation to all stakeholders.

In compliance with Regulation EU 679/2016 (GDPR), the company communicates that it has appointed a Data Protection Officer and special proxies and, more generally speaking, has complied with the obligations set forth in the aforementioned EU legislation.

## **SIGNIFICANT EVENTS AFTER THE YEAR-END CLOSING AND BUSINESS OUTLOOK**

Before the 2021 Christmas break, the level of contracts signed for the January and February 2022 events were at very satisfactory levels indeed, confirming the trend of seeking a rapid recovery, already seen by the successful performance of the autumn 2021 trade fairs. The sudden return to extremely high levels of infection, due to the spread of the *Omicron* variant of the Sars-Cov-2 infection (less lethal but extremely fast-spreading) changed the scenario expected for the first quarter of 2022. Although no legislation has been introduced to prohibit trade fair-congress activities, following discussions with the main stakeholders involved in the production and distribution chains of the main trade fairs of January and February, the Company decided to postpone the events *Vicenza Oro* January, *TGold*, *Sigep* and *Beer & Food Attraction*, from the original dates in January or February, to March. To continue to insist on the original dates not only entailed a risk to the health of all operators and subjects involved, but

would also have risked serious damage to the image and sustainability of the events as many exhibitors would have renounced taking part, both through fears of limited visitor flows and the risk that technical and sales staff could not assure their presence at the fairs insofar as they may have been infected or isolating following contact with infected persons. This decision was also made by our main competitors with their events scheduled for January or the early months of February and the results in terms of visits to the very few events that were not deferred, confirmed that the decisions made were, indeed, reasonable.

March saw the group's trade fair activities resume and at the date of this report, the events of Sigep, Vicenza Oro January, TGold and VO'Clock have been held with satisfactory results, despite a few inevitable cancellations due to the change in date, in particular for SIGEP. Previously, Dubai hosted the very first edition of the JGT Dubai event organised as a joint venture with Informa Market, with results exceeding expectations. Late March, Rimini will be holding the Beer & Food Attraction, MIR and Enada events; in Vicenza, there will be Abilmente Primavera.

Today, the pandemic continues to be present but data relating to the virus's lethality and complications requiring the hospitalisation of patients remain low as compared with previous waves. Despite this, the effects of still-limited international mobility and the substantive block of the Chinese market, remain in the exhibition industry sector. On 17 March 2022, the Council of Ministers resolved to end the State of Emergency on 31 March 2022 and prepared a road-map for the gradual removal of the restrictions taken to avoid the spread of the virus. All the events organised by the Group and included on the events calendar have been confirmed and marketing and promotion is continuing as usual.

The Group's international development also continued during the early months of 2022. The first few days of January saw the closure of the transaction whereby IEG Brasil Eventos purchased the assets for the organisation of the Brasil Trading Fitness Fair, the next edition of which is scheduled for São Paulo from 18 to 20 November 2022.

In January, a Letter of Intent was signed between the Parent company and Koelnmesse GMBH for the development in a joint venture of the SIGEP event in some non-European countries in which Fiera di Colonia organises the major food fair Anuga (Anufood abroad). Under the scope of this relationship, on 16 March, the agreement was signed for the organisation of Sigep China starting 2023, alongside Anufood China in Shenzhen.

In February, IEG announced that it had reached an agreement for Tommaso Cancellara to join the Group, which will, starting April, will deal with the development of business in North America, as General Manager of IEG USA and Executive Vice President of FB International.

The international development programmes are set to continue over the months to come and penetration strategies of the American, African and Asian markets are currently being researched.

The start of 2022 was characterised by an important increase in the costs of commodities with inflation in Italy that came to +5.7% yoy in the first two months as compared with 2021. The EU Commission Economic Winter Forecast published on 10 February 2022 expect to see inflation in the Eurozone for the whole of 2022 of around 3.5% (3.9% in the EU). Energy costs, in particular, have increased and regard all Group business, along with the cost of commodities. It cannot be excluded that continuing at these inflation levels may impact the Group's economic results insofar as not all the increases can be transferred to sale prices, particularly in participation contracts that have already been concluded.

The outlook worsened further due to the conflict that began on 24 February in Ukraine and, to date, is still, sadly, ongoing. Many countries, including Italy, have responded to Russia's attack of Ukraine by applying severe economic and regulatory sanctions against Russia and its allies. The effects of the sanctions may also be seen through further rises in energy and commodity prices and may lead to a general slow-down of the economy.

The Italian Exhibition Group does not operate directly in the countries involved in the conflict or struck by the sanctions applied by the western world. To date, there are no amounts receivable from or payable to residents in the Ukraine, Russia and Belarus that can be classed as of significant value. The number

of operators of those countries involved in the events organised or hosted by Group companies is not relevant. The product markets represented by the events organised or hosted by the Group companies are not particularly exposed towards these markets. Exports in the jewellery sector to Russia accounts for approximately 1% of the national chain's production, although a more significant effective weight may apply due to indirect exports (through Turkey, Dubai or other commercial markets). The Group remains exposed to the more general risk that the conflict may slow the world economy.

The Group continues to show its resilience at this very delicate point in time for the whole economy and, in particular, the segments in which it operates, successfully generating profits and positive cash flows when it was possible to operate, such as, for example, during the fourth quarter of 2021.

The extraordinary situation brought about by the pandemic has not affected the validity of the Italian Exhibition Group business model. The positive reaction to the reopening of the trade fairs and congresses by the market and operators clearly shows the strategic importance of the trade fair-congress sector as an essential tool for business marketing and globalisation.

## **ALLOCATION OF THE PROFIT FOR THE YEAR**

Dear Shareholders,

We confirm that the financial statements as at 31 December 2021 and submitted for your review and approval in this Shareholders' Meeting were drafted in compliance with application legislation.

In submitting the 2021 separate financial statements of Italian Exhibition Group S.p.A. for the approval of the Shareholders' Meeting, the Company's Board of Directors proposes the following allocation of the profit for the year of Euro 1,609,692:

- Euro 42,185 to the "Legal reserve", which will consequently come to Euro 10,442,979, 20% of the share capital;
- Euro 8,049 to the "Statutory reserve" pursuant to Art. 24, letter b) of the Articles of Association;
- Euro 19,706 to the "Restricted reserve for unrealised capital gains";
- Euro 1,539,752 to the partial coverage of previous period losses.

*Rimini, 24 March 2022*

**Consolidated Financial Statements as at 31  
December 2021**

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (Values in Euro/000)	Note	31/12/2021	31/12/2020 (*)
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	1	190,674	194,070
Intangible fixed assets	2	34,519	35,909
Equity investments valued using the equity method	3	3,397	3,616
Other equity investments	3	10,858	11,051
		<i>of which with related parties</i>	<i>10,770</i>
Deferred tax assets		6,736	6,674
Non-current financial assets for rights of use		487	672
Non-current financial assets		519	472
Other non-current assets		142	150
<b>TOTAL NON-CURRENT ASSETS</b>		<b>247,332</b>	<b>252,614</b>
<b>CURRENT ASSETS</b>			
Inventories		731	784
Trade receivables	4	23,126	13,554
		<i>of which with related parties</i>	<i>813</i>
Tax receivables for direct taxes		352	323
Current financial assets for rights of use		184	168
Current financial assets		261	59
		<i>of which with related parties</i>	<i>207</i>
Other current assets		5,674	4,313
Cash and cash equivalents	5	52,651	28,108
<b>TOTAL CURRENT ASSETS</b>		<b>82,979</b>	<b>47,309</b>
<b>TOTAL ASSETS</b>		<b>330,311</b>	<b>299,923</b>

(\*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at 31/12/2020, as they reflect the valuations made at the time of the Purchase Price Allocation of HBG Events at final values.

LIABILITIES (Values in Euro/000)	Note	31/12/2021	31/12/2020 (*)
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		52,215	52,215
Share premium reserve		13,947	13,947
Other reserves		29,297	28,646
Profit (loss) for previous years		(2,547)	8,781
Profit (Loss) for the period attributable to shareholders of the Parent Company		1,638	(11,289)
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY</b>		<b>94,550</b>	<b>92,300</b>
Share capital and reserves attributable to third parties		1,140	1,912
Profit (Loss) for the period attributable to minority interests		(2,312)	(1,160)
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS</b>		<b>(1,172)</b>	<b>752</b>
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>		<b>93,378</b>	<b>93,052</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables due to banks	7	92,277	85,986
Non-current financial liabilities for rights of use	8	24,026	21,974
		<i>of which with related parties</i>	<i>14,170</i>
Other non-current financial liabilities	9	12,523	15,797
Provisions for non-current risks and charges		1,830	1,632
Employee provisions		3,754	4,287
Other non-current liabilities		2,020	2,106
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>136,430</b>	<b>131,782</b>
<b>CURRENT LIABILITIES</b>			
Payables due to banks	7	22,157	28,837
Current financial liabilities for rights of use		3,346	3,359
		<i>of which with related parties</i>	<i>863</i>
Other current financial liabilities		4,884	2,604
Trade payables	10	33,825	23,445
		<i>of which with related parties</i>	<i>71</i>
Interest expense on other payables		19	15
Other current liabilities	11	36,272	16,829
<b>TOTAL CURRENT LIABILITIES</b>		<b>100,503</b>	<b>75,089</b>
<b>TOTAL LIABILITIES</b>		<b>330,311</b>	<b>299,923</b>

(\*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at 31/12/2020, as they reflect the valuations made at the time of the Purchase Price Allocation of HBG Events at final values.

**CONSOLIDATED INCOME STATEMENT**

	NOTES	2021	2020 (*)
<b>REVENUES</b>			
Revenues from contracts with customers	28	71,177	74,432
		<i>Of which with related parties</i>	<i>2,345</i>
Other revenues	29	31,327	5,378
		<i>Of which with related parties</i>	<i>120</i>
<b>TOTAL REVENUES</b>		<b>102,503</b>	<b>79,810</b>
		<i>Of which non-recurring revenues</i>	<i>28,483</i>
<b>OPERATING COSTS</b>			
Change in inventories	30	(53)	(180)
Costs for raw materials, consumables and goods for resale	30	(7,537)	(6,659)
Costs for services	30	(43,569)	(45,021)
		<i>Of which with related parties</i>	<i>(651)</i>
Costs for use of third-party assets	30	(596)	(214)
		<i>Of which with related parties</i>	<i>(26)</i>
Personnel costs	30	(27,003)	(22,380)
Other operating costs	30	(2,134)	(3,532)
		<i>Of which with related parties</i>	<i>0</i>
<b>TOTAL OPERATING COSTS</b>	<b>30</b>	<b>(80,892)</b>	<b>(77,985)</b>
		<i>Of which non-recurring operating costs</i>	<i>(1,137)</i>
<b>GROSS OPERATING PROFIT (EBITDA)</b>		<b>21,611</b>	<b>1,824</b>
Depreciation, amortisation and write-downs of fixed assets	31	(16,669)	(21,813)
		<i>Of which non-recurring items</i>	<i>(1,427)</i>
Write-down of receivables	10	(236)	(1,739)
Provisions	19	(250)	169
Value adjustments of financial assets other than equity investments		(1,603)	3
		<i>Of which non-recurring cost items</i>	<i>(1,143)</i>
<b>OPERATING PROFIT/LOSS</b>		<b>2,855</b>	<b>(21,555)</b>
<b>FINANCIAL INCOME AND CHARGES</b>			
Financial income	32	37	9,412
Financial charges	32	(3,495)	(4,071)
Exchange rate gains and losses	32	(77)	82
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>		<b>(3,535)</b>	<b>5,423</b>
		<i>Of which non-recurring income and charges</i>	<i>0</i>
<b>GAINS AND LOSSES FROM EQUITY INVESTMENTS</b>			
Effect of valuation of equity investments with the equity method	33	(361)	(1,392)
<b>TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS</b>		<b>(361)</b>	<b>(1,392)</b>
		<i>Of which non-recurring income and charges</i>	<i>0</i>
<b>PRE-TAX RESULT</b>		<b>(1,041)</b>	<b>(17,525)</b>
<b>INCOME TAXES</b>			
Current taxes	34	132	(20)
Deferred tax assets/(liabilities)	34	206	4,844
Taxes related to previous years		31	252
<b>TOTAL INCOME TAXES</b>		<b>368</b>	<b>5,076</b>
<b>GROUP PROFIT/LOSS FOR THE YEAR</b>		<b>(673)</b>	<b>(12,449)</b>
<b>PROFIT (LOSS) PERTAINING TO MINORITY INTERESTS</b>		<b>(2,311)</b>	<b>(1,160)</b>
<b>PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY</b>		<b>1,638</b>	<b>(11,289)</b>
<b>EARNINGS PER SHARE</b>		<b>0.0531</b>	<b>(0.3658)</b>
<b>DILUTED EARNINGS PER SHARE</b>		<b>0.0531</b>	<b>(0.3658)</b>

(\*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at 31/12/2020, as they reflect the valuations made at the time of the Purchase Price Allocation of HBG Events at final values.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2021	2020
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>(673)</b>	<b>(12,449)</b>
<b>Other comprehensive income components which will be subsequently be reclassified under profit/(loss) for the year:</b>			
Gains/(losses) on cash flow hedges	18	588	(483)
Taxes on derivative financial instruments		(141)	116
Gains/(losses) on translation of financial statements in foreign currency	15	378	(645)
<b>Total other comprehensive income components which will be subsequently be reclassified under profit/(loss) for the year</b>		<b>825</b>	<b>(1,013)</b>
<b>Other comprehensive income components which will not be subsequently be reclassified under profit/(loss) for the year:</b>			
Actuarial gains/(losses) from defined benefit plans for employees – IAS 19	20	(36)	(137)
Income taxes		9	33
<b>Total effect of change in actuarial reserve</b>		<b>(27)</b>	<b>(104)</b>
Gains/(losses) on financial assets measured at FVOCI	4	(204)	188
<b>Total other comprehensive income components which will not be subsequently be reclassified under profit/(loss) for the year</b>		<b>(231)</b>	<b>83</b>
<b>TOTAL PROFIT/(LOSS) BOOKED TO SHAREHOLDERS' EQUITY</b>		<b>593</b>	<b>(929)</b>
<b>COMPREHENSIVE INCOME/LOSS FOR THE YEAR</b>		<b>(80)</b>	<b>(13,378)</b>
<b>Attributable to:</b>			
Minority interests		(2,330)	(1,226)
Shareholders of the Parent Company		2,250	(12,152)

(\*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at 31/12/2020, as they reflect the valuations made at the time of the Purchase Price Allocation of HBG Events at final values.

## 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
<b>Balance as at 31/12/2019</b>	<b>52,215</b>	<b>13,947</b>	<b>67,160</b>	<b>9,706</b>	<b>2,462</b>	<b>(52,720)</b>	<b>(1,680)</b>	<b>12,861</b>	<b>103,950</b>	<b>2,374</b>	<b>(224)</b>	<b>106,100</b>
<b>Allocation of profit for the year:</b>												
- Distribution to shareholders												
- Allocation to reserves				695	69		12,096	(12,861)	0	(224)	224	0
Change in scope of consolidation						(14)	517		503	(454)		49
Shareholder payment									0	280		280
Exercise of put options						2,138	(2,138)		0			0
Comprehensive income/loss for the period (*)						(851)	(13)	(11,289)	(12,153)	(64)	(1,160)	(13,377)
<b>Balance as at 31/12/2020 (*)</b>	<b>52,215</b>	<b>13,947</b>	<b>67,160</b>	<b>10,401</b>	<b>2,532</b>	<b>(51,447)</b>	<b>8,782</b>	<b>(11,289)</b>	<b>92,300</b>	<b>1,912</b>	<b>(1,160)</b>	<b>93,052</b>
- Distribution to shareholders									0			0
- Allocation to reserves							(11,289)	11,289	0	(1,160)	1,160	0
Change in scope of consolidation									0	167		167
Shareholder payment									0	238		238
Other variations									0			0
Comprehensive income/loss for the period						611		1,638	2,250	(18)	(2,311)	(80)
<b>Balance as at 31/12/2021</b>	<b>52,215</b>	<b>13,947</b>	<b>67,160</b>	<b>10,401</b>	<b>2,532</b>	<b>(50,836)</b>	<b>(2,507)</b>	<b>1,638</b>	<b>94,550</b>	<b>1,139</b>	<b>(2,311)</b>	<b>93,378</b>

(\*) Some of the amounts do not correspond to those of the financial statements published as at 31 December 2020, as they reflect the adjustments made at the time of the final Purchase Price Allocation. For more details, refer to the paragraph entitled Business Combinations in the Measurement Criteria section of the explanatory notes to the Consolidated Financial Statements.

## CONSOLIDATED CASH FLOW STATEMENT

Values in Euro/000	Notes	31/12/2021	31/12/2020 (*)
<b>Pre-tax result</b>		<b>(1,041)</b>	<b>(17,525)</b>
	<i>Of which with related parties</i>	1,788	106
<i>Adjustments to trace profit for the year back to the cash flow from operating activities:</i>			
Amortisation, depreciation and write-downs of property, plant and equipment and intangible assets	30	16,669	21,813
Provisions and write-downs	10	236	1,739
Other provisions	19	250	(169)
Charges/(income) from valuation of equity investments in other companies with the equity method	32	361	1,392
Write-down of financial assets		1,603	(3)
Net financial charges	31	3,535	(5,423)
Costs for use of third-party assets (IFRS 16)		(4,110)	(4,050)
Effect on EBIT - financial charges for put options		(41)	(299)
Other non-monetary changes	28	(194)	1,542
<b>Cash flow from operating activities before changes in working capital</b>		<b>17,267</b>	<b>(983)</b>
<i>Change in working capital:</i>			
Inventories	9	53	172
Trade receivables	10	(9,808)	18,854
	<i>Of which with related parties</i>	(124)	34
Trade payables	24	10,055	(11,633)
	<i>Of which with related parties</i>	22	31
Other current and non-current assets		(1,353)	1,671
Other current and non-current liabilities	21 - 26	19,505	(32,315)
Receivables/payables for current taxes	11 - 25	138	161
	<i>Of which with related parties</i>		
Deferred tax assets/liabilities		4	61
<b>Cash flow from changes in working capital</b>		<b>18,593</b>	<b>(23,029)</b>
Income taxes paid		0	(1,785)
Employee provisions and provisions for risks		(612)	(637)
<b>Cash flows from operating activities</b>		<b>35,248</b>	<b>(26,434)</b>
<i>Cash flow from investment activities</i>			
Net investments in intangible fixed assets	2	(621)	(164)
Net investments in property, plant and equipment	1	(5,227)	(3,564)
Disinvestments in intangible fixed assets	2	0	10
Disinvestments in property, plant and equipment	1	141	30
Dividends from associated companies and joint ventures	32		
Change in current and non-current financial assets		(1,852)	1,467
	<i>Of which with related parties</i>	(162)	247
Net investments in subsidiaries		0	(926)
Changes in equity investments in associated companies and other companies		(113)	(319)
<b>Cash flow from investment activities</b>		<b>(7,671)</b>	<b>(3,466)</b>
<i>Cash flow from financing activities</i>			
Change in other financial payables	23	541	(2,116)
Payables due to shareholders	23	83	(242)
Obtainment/(repayment) of short-term bank loans	16	(4,508)	1,040
Obtainment of mortgages	16	14,353	64,570
Mortgage repayment	16	(9,912)	(23,706)
Net financial charges paid	31	(4,353)	(2,867)
Dividends paid	15		
Change in Group reserves	15	761	(335)
Payable due for the exercise of the put option		0	(534)
<b>Cash flow from financing activities</b>		<b>(3,034)</b>	<b>35,810</b>
<b>Net cash flow for the period</b>		<b>24,543</b>	<b>5,910</b>
Opening cash and cash equivalents		28,108	22,198
Closing cash and cash equivalents		52,651	28,108

(\*) Some of the amounts do not correspond to those of the financial statements published as at 31 December 2020, as they reflect the adjustments made at the time of the final Purchase Price Allocation. For more details, refer to the paragraph entitled Business Combinations in the Measurement Criteria section of the explanatory notes to the Consolidated Financial Statements.

## Explanatory Notes to the financial statements

## 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 49.29% of the share capital and holds voting rights for 55.86%. 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 its relations with said entity to the normal exercise of administrative and equity rights owing to its status of holder of voting rights; there is no connection between the members of the administration, management control bodies of the two companies;
- the Company does not receive - and, at any rate, is not subject in any way - to the financial or credit directives or instructions from Rimini Congressi;
- the Company has an organisational structure composed of expert professionals who, based on the powers conferred and the positions held, operate independently in line with the indications of the Board of Directors;
- the Company prepares the strategic, industrial, financial and/or budget plans of the Issuer and of the Group independently, and autonomously implements these;
- the Company operates fully independently, from a contractual perspective, in relations with its customers and its suppliers, without any external interference from Rimini Congressi.

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

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.

## STRUCTURE AND CONTENTS OF THE FINANCIAL STATEMENTS

Pursuant to article 25 of Law No. 306 of 31 October 2003 and the associated application regulations contained in Legislative Decree No. 38 of 28 February 2005, in exercise of the option provided therein, the IEG Group (hereinafter also "the Group") adopted the **International Accounting Standards** (IFRS) issued by the I.A.S.B – International Accounting Standard Board for financial statements for the year ended as at 31 December 2015. More specifically, International Accounting Standards 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 Separate Financial Statements as at 31 December 2016, 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 order to prepare these Consolidated Financial Statements, the subsidiaries of the IEG Group, which continue to draft their financial statements according to Italian accounting standards or local ones applicable in the country of residence, have prepared the financial positions in compliance with the international standards.

As regards the preparation of the separate financial statements of ITALIAN EXHIBITION GROUP S.p.A., the Company exercised the option set out in article 25 of Law No. 306 of 31 October 2003, of adopting the international accounting standards at the same date of FTA adopted by the consolidated financial statements.

The **statement of financial position** was classified on the basis of the operating cycle, separating current and non-current items. Based on this distinction, the assets and liabilities are considered current if they are expected to be realised or extinguished in the normal operating cycle of the IEG Group. Non-current assets held for sale and the related liabilities, where present, are shown in the appropriate items.

The **income statement layout** reflects the analysis of aggregated costs by nature given that this classification was considered more significant for the purposes of understanding the Group's economic result. The revenue and costs items recognised in the year are presented through two tables: an income statement table for the year, which reflects the analysis of the aggregated costs by nature, and a table of comprehensive income.

The result of discontinued operations and/or assets held for disposal, where present, is shown in the appropriate item of the consolidated income statement.

Lastly, the **cash flow statement** was prepared by using the indirect method for the determination of the cash flows from operating activities. With this method, the operating profit/loss (EBIT) is adjusted for the effects of non-monetary transactions, any deferral or provision of previous or future operating collections or payments and by elements of revenues or costs connected with cash flows from investment or financing activities.

The functional and presentation currency is the **Euro**, expressed in **thousands**, unless specified otherwise.

## GOING CONCERN

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, also in light of the latest declarations made by the government authorities regarding the close of the State of Emergency on 31 March 2022, is believed to be temporary. It will also continue to work with its customers and partners to ensure that the trade fairs and conferences scheduled will be conducted in the best way possible. It should be noted in that sense that to date, Sigep and VO January have already been held on the repositioned dates of March and that many of the Group's most important events, including VicenzaOro September, Ecomondo, TTG and Tecnargilla, are scheduled from September 2022 onwards, in the period they are normally held in.
- 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 60 million euros. In addition, thanks to the leading position in its sector, the company believes it will be able to enjoy support from the financial system. In addition, the Group formalised a cash budget with a time horizon until February 2023, which shows the absence of liquidity stress in the next 12 months. Therefore, the belief is that the Group's financial situation will allow us to deal with a period where the operations will still be affected by the current crisis.
- The Company and the Group concluded the process of updating the Business Plan with an explicit time horizon until 2025, approved by the Board of Directors on 14 March 2021. This document was drawn up on the basis of two different scenarios, in order to highlight the possible trend in the Group's economic-financial results based on the expectations of the evolution of the pandemic on both the national territory and on the possibility of movements abroad (for more details, please refer to the Directors' Report).
- The effects of the pandemic on the 2021 economic results have resulted in covenant breaches in connection with the ratio of NFP/EBITDA established in the mortgage loan contract stipulated by the Parent Company with a pool of banks coordinated by Credit Agricole Italy (residual value at 31 December 2021, 12.2 million). The Parent Company will request suspension of the application of the covenant for FY 2021 and trusts that this request will be accepted, as was the case for the 2020 financial statements. While awaiting formal acceptance of the request, the loan has been fully reclassified to short-term payables.
- The company will continue to 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.

## MEASUREMENT CRITERIA

### Property, Plant and Equipment

Property, Plant and Equipment are booked to the financial statements at purchase or production cost, including directly attributable expenses, and adjusted for the respective accumulated depreciation.

The cost includes any expense incurred directly to prepare the assets for use plus any dismantling and removal costs that will be incurred to restore the asset to its original conditions and the financial charges related to construction or production which require a significant period of time to be ready for use and sale (qualifying assets).

Property, plant and equipment are amortised systematically in every period on a straight-line basis, based on the economic-technical rates determined in relation to the residual possibility of use of the assets.

Ordinary maintenance costs are charged to the income statement when they are incurred.

Maintenance costs which determine an increase in value, or functionality, or useful life of the assets, are directly attributable to the assets to which they refer and amortised in relation to the residual possibility of use of said assets.

Improvements to third-party assets are classified in the item "Other assets"; the depreciation period corresponds to the lower of the residual useful life of the tangible fixed asset and the residual duration of the lease agreement.

The depreciation rates applied are as follows:

Items	Rates %
Land	-
Buildings	1.9% - 10%
Plant and machinery	7.5% - 30%
Industrial and commercial equipment	15% - 27%
Other assets	12% - 25%

If indicators of impairment emerge, the property, plant and equipment are subject to an impairment test through the procedure outlined in the section "impairment of assets".

Following the entry into force of new IFRS 16, from 1 January 2019, leases are accounted for in the financial statements based on a single accounting model similar to the one governed by IAS 17 regarding the accounting of financial leases.

At the moment of the stipulation of each contract, the Group:

- determines whether the contract is or contains a lease, a circumstance that is verified when said contract gives the right to control the use of an identified asset for a period of time in exchange for a consideration. This measurement is repeated in the event of the subsequent change to the terms and conditions of the contract.
- separates the components of the contract, by distributing the consideration of the contract between the lease and non-lease component.
- determines the duration of the lease as the period that cannot be cancelled of the lease, augmented by any periods covered by a lease extension or termination option.

At the date of effectiveness of each contract in which the Group is the lessee of an asset, the asset consisting of the right of use, measured at cost, and the financial lease liability, equal to the present value of the residual future payments discounted by using the implicit interest rate of the lease or, alternatively, the marginal financing rate of the Group, are recognised in the financial statements. Subsequently, the asset consisting of the right of use is measured by applying the cost model, or netted



of amortisation/depreciation and any accumulated impairment and adjusted to take account of any new lease measurements or amendments. By contrast, the lease liability is measured by increasing the book value to take account of interest, decreasing the book value to take account of the payments due made and redetermining the book value to take into account any new lease measurements or amendments.

The assets are depreciated on the basis of a period of depreciation represented by the duration of the lease agreement, except where the duration of the lease is less than the useful life of the asset based on the rates applied for property, plant and equipment and there is a reasonable certainty of the transfer of ownership of the leased asset on the natural expiry of the contract. In that case, the depreciation period will be calculated on the basis of the criteria and rates indicated for the property, plant and equipment.

For leases ending within 12 months of the date of initial application and that do not make provision for renewal options, and for leases for which the underlying asset is of low value, lease payments are booked to the income statement on a linear basis for the duration of the respective contracts.

## **Intangible fixed assets**

An intangible asset is recognised in the accounts only if it is identifiable and controllable, it is likely to generate future economic benefits and if its cost can be reliably determined.

### *Goodwill and intangible assets with an indefinite useful life*

Goodwill and intangible assets with an indefinite useful life are no longer amortised from the date of first time adoption (1 January 2014). Goodwill and other intangible assets with an indefinite useful life relating to the acquisitions completed after 1 January 2014 are, nonetheless, not amortised.

### *Goodwill*

Goodwill represents the excess of the purchase cost with respect to the portion pertaining to the purchaser of the fair value of the net identifiable assets and liabilities of the entity acquired. After initial recognition, goodwill is valued at cost, less any impairment deriving from the impairment test (see paragraph "impairment of assets").

### *Other intangible assets*

Intangible assets with a definite useful life are measured at purchase or production cost, including any accessory charges, and are amortised systematically on a straight-line basis during the period of their expected future use. If indicators of impairment emerge they are subject to an impairment test which is outlined in the section "impairment of assets".

Industrial patent and intellectual property rights are amortised over a period of 3 and 5 years, licences and concessions are amortised starting from when the cost is incurred and for the duration of the licence or concession envisaged contractually, while trademarks have a useful life which may vary between ten and twenty-five years.

## Impairment of non-financial assets

*Property, plant and equipment* and *intangible assets with a definite useful life*, subject to amortisation/depreciation, are subject to an impairment test only if indicators of impairment emerge.

The recoverability of the values recognised is verified by comparing the carrying amount with the net sale price and the value in use of the asset, whichever is higher. The net sale price is the amount which can be obtained from the sale of an asset in a transaction between independent, informed and willing parties, less disposal costs; in the absence of binding agreements, reference must be made to the prices expressed by an active market, or the best information available, by taking into account, among other things, recent transactions for similar assets carried out in the same business sector. The value in use is defined on the basis of the discounting at an appropriate rate, which expresses the cost of capital of an entity not indebted with a homogeneous risk profile, the expected cash flows from use of the asset (or from an aggregation of assets - the so-called cash-generating units) and its disposal at the end of its useful life.

Subsequently, when an impairment loss on an asset other than goodwill ceases to exist or decreases, the book value of the asset is increased to the new estimated recoverable value and cannot exceed the value that would have been calculated if no impairment loss had been recorded. The reversal of impairment is recognised to the income statement.

Goodwill and the other intangible assets with an indefinite useful life are subject to a systematic verification of recoverability ("impairment test") carried out on an annual basis, at the date of year-end, or more frequently if there are indicators of impairment.

Goodwill impairment is calculated by assessing the recoverable value of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. If the recoverable amount of the cash-generating unit is less than the carrying amount of the cash-generating unit to which the goodwill was allocated, impairment is recognised. The decrease in value to goodwill cannot be restored in future periods.

## Business combinations

Business combinations are accounted for using the acquisition method set out in IFRS 3 revised in 2008. According to this method, the consideration transferred in a business combination is measured at fair value, determined as the sum of the fair values of the transferred assets and liabilities assumed by the purchaser at the acquisition date and capital instruments issued in exchange for the control of the acquired entity. Transaction accessory costs are recognised in the statement of comprehensive income when incurred.

The contingent considerations, considered part of the transfer price, are measured at fair value at the acquisition date. Any subsequent fair value changes are booked to the statement of comprehensive income. At the date of acquisition, the identifiable assets acquired and the liabilities assumed are booked at fair value. Goodwill is determined as the excess between the sum of the considerations transferred in the business combination, of the portion of shareholders' equity pertaining to minority interests and of the fair value of any equity investment held previously in the acquired entity, with respect to the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and liabilities assumed at the acquisition date exceeds the sum of the considerations transferred, of the portion of shareholders' equity pertaining to minority interests and the fair value of any equity investment held previously in the acquired entity, this excess is booked immediately to the statement of comprehensive income as income deriving from the transaction concluded.

In the process of fair value measurement of business combinations, the Group avails itself of the available information, and for the most significant business combinations, also of the support of external evaluations.

## Financial assets

At the time of initial recognition, financial assets must be classified into one of the three categories indicated below based on the following elements:

- the business model of the entity for the management of financial assets; and
- the characteristics relating to the contractual cash flows of the financial asset.

Financial assets are derecognised from the financial statements only if the sale involved the substantial transfer of all risks and benefits related to them. Conversely, whenever a significant part of the risks and benefits related to the financial assets sold have been maintained, these continue to be recognised in the financial statements, even if legal ownership of the assets has effectively been transferred.

### *Financial liabilities designated at amortised cost*

This category includes financial assets that meet both the following conditions:

- the financial asset is held in accordance with a business model whose objective is achieved through the collection of contractually agreed cash flows (“Hold to Collect” business model); and
- the contractual terms of the financial asset envisage, at certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (the “SPPI test” passed).

Financial assets are initially recognised at fair value, considering the transaction costs and revenues directly attributable to the instrument itself. Subsequent to their initial recognition, financial assets under examination are measured at amortised cost, using the effective interest rate method. The amortised cost method is not used for assets - measured at historical cost - whose short duration makes the effect of the discounting principle negligible, for those without a set maturity and for revocable loans.

### *Financial assets designated at fair value through comprehensive income*

This category includes financial assets that meet both the following conditions:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (“Held to Collect and Sell” Business Model); and
- the contractual terms of the financial asset envisage, at certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (the “SPPI test” passed).

This category includes equity interests, not qualifying as controlling, associated or jointly controlled, which are not held for trading purposes, for which the option of designation at fair value through comprehensive income is exercised.

Financial assets are initially recognised at fair value, considering the transaction costs and revenues directly attributable to the instrument itself. Subsequent to initial recognition, equity interests that are non-controlling, associated or of joint control, are measured at fair value and the amounts recorded as a balancing entry to shareholders' equity (Statement of comprehensive income) must not be subsequently transferred to the income statement, even in the event of disposal. The only component relating to the equity securities in question that is recorded in the income statement is represented by the relative dividends.

For equities included in this category, not listed in an active market, the cost criterion is used as an estimate of the fair value only in a residual manner and in limited circumstances, i.e. when the most

recent information available for measuring the fair value is insufficient, or there is a wide range of possible valuations of the fair value and the cost represents the best estimate of the fair value in that range of values.

#### *Financial assets designated at fair value through profit and loss*

This category includes financial assets other than those classified under financial assets measured at amortised cost and financial assets designated at fair value through comprehensive income.

This category includes financial assets held for trading and includes derivative contracts not classifiable as hedging derivatives (which are represented as assets if the fair value is positive and as liabilities if the fair value is negative).

On initial recognition, financial assets measured at fair value through profit or loss are recorded at fair value, without considering the transaction costs or revenues directly attributable to the instrument itself. At subsequent reference dates, they are measured at fair value and the effects of the measurement are booked to the income statement.

#### Impairment of financial assets

In accordance with the provisions of IFRS 9, the Group applies a simplified approach to estimate expected credit losses over the entire life of the instrument and takes into consideration its past experience regarding credit losses, corrected on the basis of specific forward-looking factors of the nature of Group receivables and the economic context.

In brief, the Group measures the expected losses of the financial assets so as to reflect:

- a target amount weighted on the basis of the probabilities determined by evaluating a range of possible results;
- the time value of money; and
- reasonable and demonstrable information that is available without undue costs or efforts at the reporting date on past events, current conditions and forecasts of future economic conditions.

The financial asset is impaired when one or more events are verified that have a negative impact on the future cash flows estimated from the financial asset. Observable data relating to the following events (it may be the case that a single event cannot be identified: the impairment of financial assets may be due to the combined effect of different events) constitute proof that the financial asset is impaired:

- a) significant financial difficulty of the issuer or debtor;
- b) breach of contract, such as non-fulfilment of an obligation or failure to respect an expiry;
- c) for economic or contractual reasons relating to the debtor's financial difficulty, the creditor grants the debtor a concession that the creditor would not otherwise have considered;
- d) the probability that the debtor will file for bankruptcy or other financial restructuring procedures;
- e) disappearance of an active market for that financial asset due to financial difficulties; or
- f) the purchase or creation of the financial asset with huge discounts that reflect the credit losses incurred.

For financial assets measured using the amortised cost method, when impairment has been identified, its value is measured as the difference between the asset's carrying amount and the present value of expected future cash flows, discounted on the basis of the original effective interest rate. This value is recognised in the income statement.

### Derivative financial instruments

The derivative financial instruments are accounted for in accordance with the provisions of IFRS 9.

At the date of stipulation of the contract, the derivative financial instruments are initially accounted for at fair value, as financial liabilities at fair value through profit and loss when the fair value is positive or as a financial liability designated at fair value through profit and loss when the fair value is negative.

If the financial instruments are not accounted for as hedging instruments, the fair value changes recognised after the initial recognition are treated as components of the result for the year. If, by contrast, the derivative instruments satisfy the requirements to be classified as hedging instruments, subsequent fair value changes are accounted for by applying the specific criteria outlined below.

A derivative financial instrument is classified as a hedge if formal documentation exists of the relationship between the hedging instrument and the hedged element, including the risk management objectives, the strategy for carrying out the hedge and the methods which will be used to check the prospective and retrospective effectiveness of the hedge. The effectiveness of each hedge is verified both at the time each derivative instrument is entered into and during its life, and in particular, at the close of the financial year or interim period. Generally, a hedge is considered highly “effective” if, both at the inception and during its life, fair value changes, in the event of a fair value hedge, or hedge of expected future cash flows, in the event of cash flow hedges, in the hedged element are essentially offset by fair value changes in the hedging instrument.

IFRS 9 provides the possibility of designating the following three hedging relationships:

- a) fair value hedge: when the hedge concerns the fair value changes of assets and liabilities booked to the financial statements, both the fair value changes in the hedging instrument and the changes in the object of the hedge are booked to the income statement.
- b) cash flow hedges: in the event of hedges aimed at neutralising the risk of changes in cash flows originating from the future fulfilment of obligations defined contractually at the reporting date, the fair value changes in the derivative instrument recorded after the initial recognition are accounted for, limited solely to the effective portion, in the statement of comprehensive income and, therefore, in a shareholders’ equity reserve called “Reserve for cash flow hedges”. When the economic effects originating from the object of the hedge materialise, the portion accounted for in the statement of comprehensive income is reversed to the income statement. If the hedge is not fully effective, the change in fair value of the hedging instrument relating to the ineffective portion of the same is immediately recognised in the income statement.
- c) hedge of a net investment in a foreign operation (net investment hedge).

If the checks do not confirm hedge effectiveness, as from that moment, accounting for the hedging transactions is suspended and the derivative contract is reclassified under financial assets designated at fair value through profit and loss or under financial liabilities designated at fair value through profit and loss. The hedging relationship also ceases when

- the derivative expires, is sold, cancelled or exercised,
- the element being hedged is sold, expires or is reimbursed,
- it is no longer highly probable that the future hedged transaction will be carried out.

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised from the financial statements when:

- the rights to receive the cash flows from the asset are extinguished;
- the company has transferred the right to receive the cash flows from the asset or assumed the contractual obligation to pay them in full and without delay to a third party and (a) has

transferred substantially all rights and benefits of ownership of the financial asset, or (b) has neither transferred nor retained substantially all risks and benefits of the asset, but has transferred control of it.

In cases in which the company has transferred the rights to receive the cash flows from an asset and has not substantially transferred or retained all the risks and benefits or has lost control of the asset, the asset is recognised in the company's financial statements to the extent of its continuing involvement in said asset. In this case, the company also recognises an associated liability. The asset transferred and the associated liability are measured to reflect the rights and obligations that the company has retained.

#### *Equity investments*

Equity investments in associated and jointly-controlled companies, according to IAS 28, are initially entered at cost and, following acquisition, are adjusted as a result of changes in the investor's share in the investee company's net assets. The profit or loss of the investor reflects its own share of the profit (loss) for the year of the investee and other comprehensive income (expense) of the investor reflects its own share of other comprehensive income (expense) of the investee.

According to the provisions of IFRS 9 and IAS 32, the equity investments in companies other than subsidiaries, associated companies and jointly-controlled companies are classified as assets at fair value and entered in the income statement or shareholders' equity reserve depending on whether they fall into the FVOCI or FVPL measurement categories. Gains and losses deriving from value adjustments are therefore booked to the income statement or a shareholders' equity reserve respectively.

### **Inventories**

Inventories are measured at purchase cost, including any accessory expenses, determined in accordance with the FIFO method, and the presumed net realisable value drawn from market trends, whichever is the lower. IEG Group inventories are composed primarily of consumables and products held for sale in bars and catering services.

### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand as well as on-demand bank deposits and other treasury investments with an original envisaged maturity of no more than three months.

The definition of cash and cash equivalents of the cash flow statement corresponds to that of the balance sheet.

### **Provisions for risks and charges**

Allocations to provisions for risks and charges are made whenever the Group must meet a present obligation (legal or implicit) as the result of a past event, whose amount can be estimated reliably and involving a probable outlay of resources to meet the obligation. If the expectations of the use of resources go beyond the next year, the obligation is booked at the present value, determined by discounting the expected future cash flows discounted at a rate which also takes into account the cost of borrowing and the risk of the liability.

Risks for which the occurrence of a liability is only possible are indicated in the appropriate section on "guarantees given, commitments and other contingent liabilities" and no allocation is made.

## Employee benefits

The employee benefits provided on or after the termination of the employment contract are composed of employee severance indemnity or retirement provisions.

Law no. 296 of 27 December 2006, the “2007 Finance Law” introduced major changes to the allocation of amounts of the provision for employee severance indemnity. Until 31 December 2006, employee severance indemnity fell under post-employment plans known as “defined-benefit plans” and were measured according to IAS 19, using the projected unit credit method carried out by independent actuaries.

This calculation consists of estimating the amount of the benefit that an employee will receive at the presumed date of termination of employment by using demographic assumptions (e.g. mortality rate and staff turnover rate) and financial assumptions (e.g. discount rate and future salary increases). The amount determined in this way is discounted and re-proportioned on the basis of the length of service accrued with respect to total length of service and represents a reasonable estimate of the benefits that each employee has already accrued based on their work services.

Following said reform, the provision for employee severance indemnity, for the part accrued from 1 January 2007, is to be considered essentially similar to a “defined contribution plan”. In particular, these changes introduced the possibility for the worker to choose where to allocate their employee severance indemnity being accrued: the new flows of the employee severance indemnity can, in companies with more than 50 employees, be allocated by the worker to pre-established pension funds or maintained in the company and transferred to the INPS (Italian National Social Security Institute). In short, for the employee severance indemnity accrued prior to 2007, the IEG Group carried out an actuarial evaluation, without subsequently including the component relating to future salary increases. The part subsequently accrued was instead accounted for according to the methods attributable to defined contribution plans.

EC Regulation no. 475/2012 was issued in 2012, which acknowledged, at EU level, the revised version of IAS 19 (Employee Benefits) applicable, as per mandatory requirements, from 1 January 2013 according to the retrospective method. Therefore, the IEG Group applied said revised version of IAS 19 from the date of transition to the IAS/IFRS, or 1 January 2014.

## Financial liabilities

Financial liabilities are initially recognised at their fair value, equal to the consideration received at the relevant date, augmented, in the case of payables and loans, by the directly attributable transaction costs. Subsequently, non-derivative financial liabilities are measured using the amortised cost criterion, by using the effective interest rate method.

Financial liabilities that are included in the scope of application of IFRS 9 are classified as payables and loans, or as hedging derivatives, depending on the case. The Company determines the classification of its financial liabilities on initial recognition.

Gains and losses are recognised in the income statement when the liability is extinguished as well as through the amortisation process.

The amortised cost is calculated by recognising all discounts or bonuses on the purchase and the fees or costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is included among financial charges in the income statement.

A financial liability is derecognised when the obligation underlying the liability is discharged, cancelled, or expires.

In the event that an existing financial liability is replaced by another from the same lender, in substantially different conditions, or the conditions of an existing liability substantially change, the exchange or amendment is treated as an accounting derecognition of the original liability and the recognition of a new liability, with any differences in the carrying amount recorded in the income statement.

#### *Put options on minority interests*

The Group granted put options to minority shareholders which entitle the latter to sell to the Group the shares held by them at a future date.

As regards EU-IFRS, the treatment applicable to put options regarding minority interests is not fully regulated. 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.

#### *Tax payables for direct taxes and other liabilities*

Payables are recognised at nominal value. Payables are eliminated from the financial statements when the underlying financial obligations have been extinguished.

The liabilities, if expiring after twelve months, are discounted in order to bring them back to the current value through the use of a rate as such to reflect the market evaluations of the present value of money and the specific risks connected with the liability. Discounting interest is classified under financial charges.



## Hedging instruments

The IEG Group uses derivative financial instruments to hedge its exposure to interest rate risk. The Group has never owned speculative financial instruments. These financial instruments are accounted for using the rules of hedge accounting when:

- At the inception of the existing hedge, the formal designation and documentation of said hedging relationship;
- It is presumed that the hedge is highly effective;
- The effectiveness can be reliably measured and said hedge is highly effective during the designated periods.

The IEG Group applies the accounting of cash flow hedges in the event in which there is formal documentation of the hedging relationship of the changes in cash flows originating from an asset or liability or a future transaction (underlying element hedged) considered highly likely and which could impact the income statement.

The measurement criterion of the hedging instruments is represented by the fair value at the designated date. The fair value of the interest rate derivatives is determined by their market value at the designated date when it refers to future cash flow hedges. It is booked to the hedging reserve of shareholders' equity and transferred to the income statement when the underlying financial charge/income materialises.

In cases in which the instruments do not meet the required conditions for the accounting of hedging instruments set out in IAS 39, the fair value changes are booked to the income statement as financial charges/income.

## Translation of foreign currency items

Transactions in foreign currency are initially recognised in the functional currency, using the spot exchange rate at the transaction date. Monetary assets and liabilities, denominated in foreign currency, are translated into the functional currency at the exchange rate at the end of the reporting period. The differences are posted to the income statement.

## Treasury shares

Treasury shares are posted as a reduction in shareholders' equity. The original cost of the treasury shares and the revenues from any subsequent sales are recognised as changes in shareholders' equity.

## Revenue recognition

Revenue from contracts with customers are recognised when the following conditions are verified:

- the contract with the customer has been identified;
- the performance obligations contained in the contract have been identified;
- the price has been determined;
- the price has been allocated to the individual performance obligations contained in the contract;
- the performance obligation contained in the contract has been satisfied.

The Group recognises revenues from contracts with customers when (or as) it fulfils the obligation by transferring the promised good or service (or asset) to the customer. The asset is transferred when (or as) the customer acquires control over it.

The Group transfers control of the good or service over time, and therefore fulfils the performance obligation and recognises the revenues over time, if one of the following criteria is satisfied:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the Group's performance creates or enhances the asset (for example, work in progress) that the customer controls as the asset is created or enhanced;
- the Group's performance does not create an asset that has an alternative use to the Group and the Group has an enforceable right to payment for performance completed to the date considered.

If the performance obligation is not fulfilled over time, it is fulfilled at a point in time. In that case, the Group recognises the revenue at the moment in which the customer acquires control of the promised asset.

The Group believes that the customer acquires control of all services provided to it at the end of the event, owing to its short duration.

### **Operating costs**

Costs are recognised when they relate to goods and services sold or consumed in the period or for systematic allocation or when their future use cannot be identified.

Personnel expenses also include, on an accruals basis, taking into account the period of actual service, the fees to directors, both fixed and variable.

Costs that do not meet the conditions to be recognised under balance sheet assets are booked to the income statement in the period in which they are incurred.

### **Financial income and charges**

Financial income and charges are recognised according to a time criterion that takes into account the actual return/expense of the relevant asset/liability.

### **Dividends**

Revenues for dividends are recognised when the shareholder's right to receive payment is established, which normally coincides with the date of the annual shareholders' meeting that resolves on the distribution of the dividends.

### **Taxes**

Taxes for the period include current and deferred taxes. Income taxes are generally booked to the income statement, except where they relate to events recorded directly in shareholders' equity. In this case, the income taxes are also booked directly to shareholders' equity.

Current taxes are the taxes the company expects to have to pay on taxable income in the year and are calculated in compliance with the legislation in force at the reporting date.

Deferred tax liabilities are calculated based on the liability method applied to the temporary differences between the amounts of assets and liabilities in the consolidated financial statements and the

corresponding values recognised for tax purposes. Deferred tax liabilities are calculated using tax rates that are expected to apply at the moment in which the asset is realised or the liability settled.

Deferred tax assets are recognised only if it is likely that taxable income sufficient for said assets to be realised will be generated in the following years.

Deferred tax assets and liabilities are only offset when there is a legal right to offset and when they refer to taxes due to the same tax authorities.

The tax provisions that may be generated by the transfer of non-distributed profit from the subsidiaries are made only when there is a real intention to transfer said profit.

## 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 company's separate financial statements mainly concern:

- the measurement of fixed assets (amortisation/depreciation and any write-downs due to impairment, price allocations);
- the measurement of receivables.
- the recognition and quantification of contingent liabilities;
- the determination of deferred tax assets/liabilities and income taxes;
- the determination of liabilities relating to "Employee severance indemnity" accrued prior to 2007, which was carried out by making use of the actuarial evaluation prepared by independent actuaries.
- Financial payables on put options and conditional earn-outs;
- Provision for risks;
- Fair value of financial instruments.

With reference to fixed assets, notice is hereby given that, for the impairment test, the processes and measurement methods and the methods for calculating the estimates are based on complex assumptions relating to revenues, operating costs, margins, investments, rates of growth in the terminal value and discount rates differentiated for each of the CGUs identified, to which the different scenarios subject to sensitivity analysis are applied.

With reference to the measurement of receivables, notice is hereby given that the bad debt provisions reflects the estimates of expected losses for the Group's loan portfolio. Allocations were made to cover expected losses on loans, estimated on the basis of previous experience with reference to loans with similar credit risk, to amounts of current and historical unpaid amounts, as well as careful monitoring of the quality of the loan portfolio and the current and expected conditions and reference markets. The estimates and assumptions are periodically reviewed and the impact of any change recognised in the income statement in the relevant year.

With reference to the measurement of financial instruments, notice is hereby given that the fair value of unlisted financial assets is determined through financial measurement techniques used that require basic assumptions and estimates. These assumptions may not materialise in the times and methods envisaged. Therefore, the estimates prepared by the Group may differ from the final data.

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. For matters not specifically addressed, please refer to the respective paragraphs in “Measurement criteria”.

## SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

The table below shows the significant, non-recurring transactions included in the Group's financial statements.

Period revenues benefited from the collection of **contributions** disbursed by the Ministry of Tourism and Simest for a total of 28.2 million in turnover, as compared with 0.7 million of contributions collected in 2020. The revenues generated by and costs incurred for fitting out the vaccination points at the Rimini and Vicenza trade fair districts, have also been considered as “non-recurring”. Equally, the operating costs incurred for the aggregation with Bologna Fiere have also been considered as “non-recurring”.

In terms of the components of non-monetary operating revenues, in 2021, Impairment is recorded of fixed assets for 2.6 million euros. The write-downs of 2021 had become necessary following works to redo the roof of Pavilion 7 at the Vicenza trade fair district, which entailed the derecognition of the net carrying amount originally entered for this portion of property. In addition, in April 2021, the Milan Bankruptcy Court ordered, at first instance, Vicenza Holding S.p.A. (conferrer) and IEG (conferee) of Fiera di Vicenza, to return 1.8 million euros to the receivers of the bankrupt Biblioteca della Moda, revoking a transfer of credit that had taken place in 2015. IEG and Vicenza Holding, supported in their assessments by their lawyers, have completed a transaction with the receivers, waiving any appeal in exchange for a reduction of approximately 1.2 million euros in the amount due. The full amount has been paid by IEG to the receivers, entering in exchange a receivable due to Vicenza Holding for the entire amount, insofar as, on the basis of the provisions of the deed of conferral, it considers the expense as lying entirely with the conferrer; IEG is taking action to collect the amounts due to it. However, as a prudential measure, IEG has entered a provision for impairment under “Other provisions and impairment, Bad debt provisions and adjustments”, equal to the full amount of the receivable.

Euro/000	31/12/2021	31/12/2020
Revenues	28,483	1,519
Operating costs	(796)	(2,393)
Staff costs	(342)	0
<b>Gross Operating Profit (EBITDA)</b>	<b>27,345</b>	<b>(874)</b>
Amortisation/depreciation and provisions	(2,570)	(4,747)
Financial (charges)/income	(158)	8,444
(Costs)/Income from investments	0	(1,032)
<b>Result of the period</b>	<b>24,618</b>	<b>1,791</b>

## 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.

## Credit risk

The credit risk to which the IEG Group is subject falls under normal commercial activities, both owing to the fragmentation of positions and the excellent credit quality historically recorded. The positions considered at risk were, nonetheless, written down accordingly. In order to contain the risks deriving from the management of trade receivables, each company has identified an office or a person responsible for the systematic coordination of the reminder activities, managed jointly by the commercial and administrative departments, legal representatives and companies specialised in credit recovery. The software implemented by the Parent Company Italian Exhibition Group S.p.A. and used by the main subsidiaries keeps a track of each reminder.

The table below shows the breakdown by past due brackets, of the receivables past due as at 31 December 2021 and 31 December 2020 and the overall value of the Bad Debt Provision.

Analysis of past due 2021								
	Balance as at 31/12/2021	Falling due	Past due	0-90 days	91-180 days	181-365 days	Beyond 365 days	Bad debt provision
TRADE RECEIVABLES	23,126	3,806	25,019	11,333	1,646	832	11,209	(5,700)
Analysis of past due 2020								
	Balance as at 31/12/2020	Falling due	Past due	0-90 days	91-180 days	181-365 days	Beyond 365 days	Bad debt provision
TRADE RECEIVABLES	13,554	4,395	15,195	3,115	1,029	2,120	8,930	(6,036)

The bad debt provision is calculated on the basis of the criteria of presumed recoverability, through both internal evaluations and with the support of external legal representatives. For more details on changes in the Bad debt provision, please refer to Note 9) Trade receivables.

## Liquidity risk

The Group believes it is fundamentally important to maintain a level of available funds suited to its requirements.

The two main factors that determine the Group's liquidity situation are, on the one hand, the resources generated or absorbed by operating and investment activities, and on the other, the maturity and renewal characteristics of the debt or of the liquidity of financial investments and market conditions.

The Group has adopted a series of policies and processes for optimising the management of financial resources, reducing liquidity risk:

- *maintenance of an adequate level of available liquidity;*
- *obtaining of adequate credit lines;*
- *monitoring of prospective liquidity conditions, in relation to the process of business planning.*

As part of this type of risk, as regards the composition of net financial indebtedness, the IEG Group tends to finance investments with medium/long-term payables, while it meets current commitments with both the cash flow generated by operations and by using short-term credit lines.

The table below shows the breakdown and maturity of financial payables and trade payables:

	Within 1 year	From 1 to 5 years	Due after 5 years	Total
<b>31.12.2021</b>				
Payables due to banks	22,215	58,826	33,451	114,434
Financial liabilities on rights of use	3,346	9,551	14,475	27,372
Financial liabilities for put options		5,754		5,754
Other financial liabilities	4,834	6,769		11,653
Trade payables	33,825			33,825
<b>TOTAL</b>	<b>64,211</b>	<b>80,899</b>	<b>47,926</b>	<b>193,037</b>
<b>31.12.2020</b>				
Payables due to banks	28,837	60,234	25,752	114,823
Financial liabilities on rights of use	3,359	10,323	11,651	25,333
Financial liabilities for put options		5,761		5,761
Other financial liabilities	2,568	10,072		12,640
Trade payables	23,445			23,445
<b>TOTAL</b>	<b>58,209</b>	<b>86,389</b>	<b>37,403</b>	<b>182,001</b>

For further information on the breakdown of the items reported in the table, please refer to Notes 15, 16, 20 and 21.

As at 31 December 2021, the IEG Group can rely on around 23.8 million euros of unused credit lines, cash and cash equivalents of 52.6 million euros and trade receivables of 23.1 million for a total of 99.5 million euros.

## Market risk

### Exchange rate risk

The IEG Group is exposed to exchange rate risk deriving from the fluctuation in exchange rates, in particular, vis-à-vis the US Dollar for the investment made in the subsidiary FB International Inc., vis-à-vis the United Arab Emirates for the investment made in HBG FZ LLC, vis-à-vis the Brazilian Real for the investment made in the Joint Venture Expo Estrategia Brasil and the investment made in the subsidiary IEG Brasil eventos LTDA and vis-à-vis the Chinese Renminbi for the investment made in the Joint Venture Europe Asia Global Link Exhibition Ltd.

The exchanges rates against the Euro (foreign currency for euro units) adopted to translate the items denominated in another currency are shown below:

Currency	Exchange rate at 31/12/2021	Average exchange rate 2021	Exchange rate at 31/12/2020	Average exchange rate 2020
United Arab Emirates Dirham	4.15950	4.34361	4.5065	4.1947
US dollar	1.13260	1.18274	1.2271	1.1422
Brazilian Real	6.31010	6.37789	6.3735	5.8943
Chinese Renminbi	7.19470	7.62823	8.0225	7.8747

As at 31 December 2021, a change of +/- 1% in the above rates versus the Euro, based on all other variables remaining the same, would not have involved significant differences to the pre-tax result and, therefore, to the corresponding variation in shareholders' equity.

Below are the values expressed in currencies other than the euro of the net assets included in the consolidated financial statements closed at 31 December 2021:

Expressed in /000	Values in USD/000	Values in AED/000	Values in Reals/000
	31/12/2021	31/12/2021	31/12/2021
Intangible fixed assets	953	0	0
Property, Plant and Equipment	2,343	6	0
Receivables from customers	4,772	1,753	0
Tax receivables and deferred tax assets	170	0	0
Other receivables	324	408	0
Cash and cash equivalents	1,625	1,885	3,178
Provisions	0	(223)	0
Payables due to banks	(7)	0	0
Financial payables for rights of use	(1,085)	0	0
Other financial payables	(2,205)	(907)	0
Trade payables	(5,629)	(429)	(6)
Tax payables	(27)	0	0
Other payables	(772)	(12)	0
Accrued expenses and deferred income	(901)	(1,494)	0

### Interest rate risk

In order to carry out its activities, the Group obtains finance on the market by taking out primarily floating rate debt (linked to the Euribor), hence exposing itself to the risk deriving from an increase in interest rates.

The objective of interest risk management is to limit and stabilise flows of expenses due to interest paid primarily on medium-term payables to ensure close correlation between the underlying and the hedging instrument.

The hedging activity, evaluated and decided on a case by case basis, is carried out predominantly through derivative contracts targeted at transforming a variable rate to a fixed rate.

In 2021, following a hypothetical increase or decrease of 100 basis points in the interest rate, based on all other variables remaining the same, the higher or lower pre-tax charge (and therefore a corresponding change in shareholders' equity) would have been for an insignificant amount.

### Price risk

The type of activity performed by the Group, essentially represented by the provision of services that do not require a process of purchase-transformation of assets, is such that the risk of fluctuations in prices is not particularly significant. The majority of the purchases made in relation to business activities is represented by the provision of service whose value is not immediately influenced by macroeconomic changes in the prices of the main commodities. In addition, as stated in relation to exchange rate risk, sales are almost all in the accounting currency and purchases not in Euro are negligible.

For the sake of complete disclosure, it should be noted that, as at 31 December 2021, the Group is exposed to a minimal extent to the price risk associated with investments in listed equities, as it has made a small investment in the shares of the company Gambero Rosso, classified to the financial statements under financial assets at "Fair Value through Profit & Loss".

## Fair value

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

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

The following tables show the classification of financial assets and liabilities and the level of inputs used for the fair value measurement, as at 31 December 2021 and 31 December 2020.

31/12/2021						
<i>in euro/000</i>	Notes	Level of fair value	Amortised cost	Fair value through OCI	Fair value through profit and loss	Total
<b>ASSETS</b>						
Other equity investments	4	2-3		10,770	88	10,858
Non-current financial assets	7	1-2	646		360	1,006
Other non-current assets	8		142			142
Trade receivables	10		23,126			23,126
Current financial assets	12	2	445			445
Other current assets	13		5,674			5,674
Cash and cash equivalents	14		52,651			52,651
<b>TOTAL ASSETS</b>			<b>82,684</b>	<b>10,770</b>	<b>448</b>	<b>93,902</b>
<b>LIABILITIES</b>						
Non-current payables due to banks	16		92,277			92,277
Other non-current financial liabilities	18	2	32,966	444	3,139	36,549
Other non-current liabilities	21		2,020			2,020
Current payables due to banks	16		22,157			22,157
Other current financial liabilities	23		8,230			8,230
Trade payables	24		33,825			33,825
Other current liabilities	26		36,272			36,272
<b>TOTAL LIABILITIES</b>			<b>227,747</b>	<b>444</b>	<b>3,139</b>	<b>231,330</b>
31/12/2020						
<i>in euro/000</i>	Notes	Level of fair value	Amortised cost	Fair value through OCI	Fair value through profit and loss	Total
<b>ASSETS</b>						
Other equity investments	4	2-3		10,974	77	11,051
Non-current financial assets	7	1-2	672		472	1,144
Other non-current assets	8		150			150
Trade receivables	10		13,554			13,554
Current financial assets	12	2	227			227
Other current assets	13		4,313			4,313
Cash and cash equivalents	14		6,025			6,025
<b>TOTAL ASSETS</b>			<b>27,038</b>	<b>10,974</b>	<b>549</b>	<b>36,464</b>
<b>LIABILITIES</b>						
Non-current payables due to banks	16		85,986			85,986
Other non-current financial liabilities	18	2	32,253	1,032	4,485	37,770
Other non-current liabilities	21		2,107			2,107
Current payables due to banks	16		28,837			28,837
Other current financial liabilities	23		5,963			5,963
Trade payables	24		23,445			23,445
Other current liabilities	26		16,828			16,828
<b>TOTAL LIABILITIES</b>			<b>195,419</b>	<b>1,032</b>	<b>4,485</b>	<b>200,936</b>



## Change in liabilities deriving from financing activities

The reconciliation of liabilities deriving from financing activities, as reported in the cash flow statement, for the periods ended respectively as at 31 December 2021 and 31 December 2020 is reported below. It should be noted that the fair value changes in Other non-current financial payables refer to the performance of the MTM value of the derivative subscribed on 04 November 2011 with Banca Popolare di Vicenza, now Banca Intesa Sanpaolo S.p.A.; while the other non-monetary changes include the impacts of IFRS 16, on current and non-current financial liabilities and the change in payables for put options.

<i>in Euro/000</i>	Balance as at 31/12/2020	Change in cash flow	Change in Fair value	Other non- monetary changes	Balance as at 31/12/2021
Current bank payables	28,873	(6,716)			22,157
Non-current bank payables	85,986	6,291			92,277
Other current financial payables	5,927	2,309		(6)	8,230
Other non-current financial payables	37,770	(4,619)	1,346	2,052	36,549

<i>in Euro/000</i>	Balance as at 31/12/2019	Change in cash flow	Change in fair value	Other non- monetary changes	Balance as at 31/12/2020
Current bank payables	14,601	14,272			28,873
Non-current bank payables	58,318	27,668			85,986
Other current financial payables	8,205	(1,462)		(815)	5,927
Other non-current financial payables	48,582		289	(15,126)	37,770

## OPERATING SEGMENTS

An operating segment is defined by IFRS 8 as a component of the entity that: i) carries out business activities which generate revenues or costs (including revenues or costs regarding transactions with other components of the same entity); ii) whose operating results are periodically reviewed by the entity's highest operating decision-maker for the purposes of taking decisions regarding resources to be allocated to the segment and the assessment of results; iii) for which separate financial statements information is available.

For the purposes of IFRS 8 - Operating segments, the activities performed by the Group are incorporated in a single operating segment.

In fact, the Group structure identifies a strategic and unitary business vision and this representation is consistent with the methods used by management to take its decisions, allocate resources and define the communication strategy, making the assumptions of a division-based business drive financially ineffective at the current state of play.

## CONSOLIDATION PRINCIPLES

### *Subsidiaries*

Companies are defined as subsidiaries when the Parent Company has the power, directly or indirectly, to exercise management so as to obtain the benefits from the exercise of said activities. More specifically, control is obtained when the Group is exposed, or has the right to variable returns deriving from its involvement with the entity invested in and, in the meantime, is also able to impact those results

by exercising its power over that entity. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. the Group has existing rights that give it the ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to exercise its power over the entity invested in to impact the amount of its returns.

Generally, the assumption is that the majority of voting rights entails control. Supporting this assumption, and when the Group holds less than the majority of voting rights (or similar rights), the Group considers all the relevant facts and circumstances to establish whether it controls the entity invested in, including:

- contractual agreements with other holders of voting rights;
- rights deriving from contractual arrangements;
- voting rights and potential voting rights of the Group.

The Group reconsiders whether it has control over an investee if the facts and circumstances indicate that there have been changes in one or more of the three relevant factors for the purpose of defining control.

The financial statements of subsidiaries are consolidated on a line-by-line basis from the moment of the acquisition of control until the date of its cessation. According to the provisions of IFRS 3, subsidiaries acquired by the Group are accounted for using the acquisition method, based on which:

- the consideration transferred in a business combination is measured at fair value, determined as the sum of the fair values of the transferred assets and liabilities assumed by the Group at the acquisition date and the capital instruments issued in exchange for the control of the acquired entity; transaction accessory expenses are booked to the income statement at the moment they are incurred;
- the excess of the acquisition cost with respect to the market value of the amount pertaining to the Group of the net assets is recorded as goodwill;
- if the acquisition cost is lower than the fair value of the amount pertaining to the Group of the net assets of the acquired subsidiary, the difference is recognised directly in the income statement.

The reciprocal payables and receivables, costs and revenues between consolidated companies and the effects of all significant transactions between them were eliminated.

In particular, profits still not yet realised with third parties deriving from intercompany transactions were eliminated.

The portion of shareholders' equity attributable to minority interests is recognised in a specific item, while their portion of net income is shown separately in the consolidated income statement.

#### *Associated companies*

Associated companies are those over which the Group exercises significant influence, but in which they do not have management control.

This influence is presumed to exist when the Group holds between 20% and 50% of voting rights. The consolidated financial statements include the share of profits and losses of associated companies, measured using the equity method from the date on which significant influence over management was obtained, up until its cessation.

The portion pertaining to the Group of profits or losses following the acquisition of associated companies is recognised in the income statement.

The equity investment in associated companies is accounted for based on the acquisition method and any excess of the acquisition cost with respect to the portion pertaining to the Group of the current value of the net assets of the acquired entity is included in the value of the equity investment.

#### *Joint ventures*

These are companies in which the Group shares contractually established control, or for which there are contractual agreements under which two or more parties undertake an economic activity subject to joint control. Equity investments in jointly controlled companies are valued using the equity method.

## **SCOPE OF CONSOLIDATION AND CHANGES**

The consolidated financial statements as at 31 December 2021 includes the income statement and balance sheet data of Italian Exhibition Group S.p.A. (Parent Company) and all companies which it directly or indirectly controls.

(Parent Company) and of all companies it directly and indirectly controls. The company year of Italian Exhibition Group S.p.A. and all the Group companies is the calendar year (1/1 - 12/31).

The consolidated financial statements have been drafted on the basis of the accounting positions as at 31 December 2021 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, with an indication of the method used for consolidation is provided in Annex 1 of the Explanatory Notes.

The balance sheet and income statement figures as at 31 December 2021 also include the share of profits and losses of companies measured using the equity method on the date on which the company gained its significant influence over management up to its cessation.

The scope of consolidation as at 31 December 2021 differs from that as at 31 December 2020 due to the establishment of IEG Brasil Eventos Ltda, a Brazilian company held 75% by the Parent company and for the remaining 25% by a local shareholder.

As regards the joint ventures, it is noted that Expo Estrategia was liquidated in July 2021.

## BUSINESS COMBINATIONS

On 28 October 2020, the acquisition of 100% of the subsidiary HBG Events FZ LLC, with registered office in United Arab Emirates, was finalised. The transaction was settled partly in cash and partly with a variable payment commitment connected with the performance of future events organised by the company. The table below shows the definitive values for the transaction in question. During the year, the PPA process was concluded of the acquisition described, identifying the fair value of the List of exhibitors belonging to the new acquisition, for 661 thousand euros. The useful life of the identified asset has been established as ten years.

HBG Events	Book values at the acquisition date in Euro	Fair value at the acquisition date in Euro
Tangible assets	1	1
Intangible assets	0	661
Trade receivables	275	275
Other current assets	94	94
Cash and cash equivalents	8	8
Other non current financial liabilities	(83)	(83)
Provisions	(20)	(20)
Trade payables	(17)	(17)
Deferred tax	0	(159)
Other current liabilities	(607)	(607)
<b>Total net assets acquired (negative equity)</b>	<b>(350)</b>	<b>152</b>
<b>Fixed price paid</b>		<b>934</b>
<b>Variable price estimated to be paid after 12 months</b>		<b>3,269</b>
<b>Goodwill</b>		<b>4,051</b>

## **IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2021 OR APPLICABLE IN ADVANCE**

In 2021, the IEG Group adopted the following new accounting standards, amendments and interpretations, revised by the IASB.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and 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. 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 December 2021.
- Amendment to IFRS 16 Leases COVID 19 – Related Rent Concessions beyond 30 June 2021. The amendment, published on 31 March 2021, extended the period of application of the amendment to **IFRS 16** (issued in 2020), by one year; it had been introduced in order to neutralise the changes in payments of instalments consequent to agreements stipulated by 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 this amendment on the consolidated financial statements of the IEG Group has not had any significant impact on the financial statements closed at 31 December 2021.
- Amendment to IFRS 4 Insurance Contracts. The amendment sets forth the deferral to 1 January 2023 of the application of IFRS 9 to insurance contracts, for which, as indicated in the current standard, the temporary application of IFRS 9 was suspended until 1 January 2021 (only under certain conditions).

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

Following 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:

- 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 1 January 2023.
- Amendment to IFRS 3 – Business combinations. This document, issued by the IASB on 22 October 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 1 January 2022.

- Amendment to IAS 16 Property, Plant and Equipment. The purpose of the amendment is to set some constraints on some types of capitalisable expenses in order to make the asset available and ready to be used. The amendment, once approved, shall enter into effect starting from 1 January 2022.
- Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets. This amendment, issued by IASB in May 2020, indicates which costs must be considered in order to evaluate whether a contract can be defined as an onerous contract. The amendment, once approved, shall enter into effect starting from 1 January 2022.
- Annual Improvements 2018-2020: In May 2020, the IASB issued some amendments to IFRS 1 First time adoption of IFRS, IFRS 9 Financial instruments, IAS 41 Agriculture and to the illustrative examples accompanying IFRS 16 Leases, which will come into force on 01 January 2022.
- IFRS 17 – Insurance Contracts. IFRS 17 introduces a consistent approach on an international level to the accounting of insurance contracts. Before IFRS 17, there was significant diversity worldwide in relation to the accounting and disclosure on insurance contracts, with IFRS 4 making it possible to continue to follow many previous accounting approaches (not IFRS). IFRS 17 will mean significant changes for a great many insurance companies, calling for adjustments to existing systems and processes.

## COMMENTS ON MAIN ASSET ITEMS

### NON-CURRENT ASSETS

#### 1) Property, Plant and Equipment

The tables below indicate the changes in the last two financial years.

	Balance as at 31/12/2019	Changes as at 31/12/2020									Balance as at 31/12/2020
		Increases	Changes IFRS 16	Write-downs	Decr.	Depr	Depr. IFRS16	Transfers	Exchange rate effect	Changes in scope of consol.	
<b>Land and buildings</b>											
Book value	299,201	673	(1,327)					1,403			299,950
Amortisation	(122,722)		155			(5,034)	(3,578)				(131,179)
<b>Total land and buildings</b>	<b>176,479</b>	<b>673</b>	<b>(1,171)</b>	<b>0</b>	<b>0</b>	<b>(5,034)</b>	<b>(3,578)</b>	<b>1,403</b>	<b>0</b>	<b>0</b>	<b>168,771</b>
<b>Plant and machinery</b>											
Book value	77,531	773			(19)			605			78,890
Amortisation	(66,865)				14	(1,878)					(68,729)
<b>Total plant and machinery</b>	<b>10,666</b>	<b>773</b>	<b>0</b>	<b>0</b>	<b>(5)</b>	<b>(1,878)</b>	<b>0</b>	<b>605</b>	<b>0</b>	<b>0</b>	<b>10,161</b>
<b>Industrial and commercial equipment</b>											
Book value	35,158	753		(979)	(853)			(183)	(259)		33,636
Amortisation	(25,919)			(492)	853	(3,032)			189		(28,401)
<b>Total industrial and commercial equipment</b>	<b>9,239</b>	<b>753</b>	<b>0</b>	<b>(1,471)</b>	<b>0</b>	<b>(3,032)</b>	<b>0</b>	<b>(183)</b>	<b>(70)</b>	<b>0</b>	<b>5,235</b>
<b>Other assets</b>											
Book value	24,374	425	98		(127)	0	0	96	(129)	2	24,738
Amortisation	(17,349)		1		85	(1,248)	(122)	0	66	(1)	(18,567)
<b>Total other assets</b>	<b>7,025</b>	<b>425</b>	<b>100</b>	<b>0</b>	<b>(42)</b>	<b>(1,248)</b>	<b>(122)</b>	<b>96</b>	<b>(63)</b>	<b>1</b>	<b>6,171</b>
<b>Total Fixed assets under construction and payments on account</b>	<b>5,764</b>	<b>1,069</b>		<b>(1,203)</b>				<b>(1,899)</b>			<b>3,732</b>
<b>TOTAL</b>	<b>209,173</b>	<b>3,693</b>	<b>(1,071)</b>	<b>(2,673)</b>	<b>(47)</b>	<b>(11,192)</b>	<b>(3,701)</b>	<b>22</b>	<b>(134)</b>	<b>1</b>	<b>194,070</b>

	Balance as at 31/12/2020	Changes as at 31/12/2021									Balance as at 31/12/2021
		Increases	Changes IFRS 16	Write-downs	Decr.	Depr	Depr IFRS 16	Transfers	Exchange rate effect	Changes in scope of consol.	
<b>Land and buildings</b>											
Book value	299,950	2,848	4,441	(1,806)				534			305,967
Amortisation	(131,179)		1,342	379		(5,022)	(2,727)				(137,207)
<b>Total land and buildings</b>	<b>168,771</b>	<b>2,848</b>	<b>5,782</b>	<b>(1,427)</b>		<b>(5,022)</b>	<b>(2,727)</b>	<b>534</b>			<b>168,760</b>
<b>Plant and machinery</b>											
Book value	78,890	168			(30)	0					79,027
Amortisation	(68,729)				29	(1,726)					(70,425)
<b>Total plant and machinery</b>	<b>10,161</b>	<b>168</b>			<b>(1)</b>	<b>(1,726)</b>					<b>8,602</b>
<b>Industrial and commercial equipment</b>											
Book value	33,636	959			(387)				251		34,459
Amortisation	(28,401)				331	(2,426)			(214)		(30,710)
<b>Total industrial and commercial equipment</b>	<b>5,235</b>	<b>959</b>			<b>(55)</b>	<b>(2,426)</b>			<b>37</b>		<b>3,748</b>
<b>Other assets</b>											
Book value	24,738	431	396		(247)				117		25,364
Amortisation	(18,567)	0	(2)		175	(1,112)	(218)		(61)		(19,728)
<b>Total other assets</b>	<b>6,171</b>	<b>431</b>	<b>394</b>		<b>(72)</b>	<b>(1,112)</b>	<b>(218)</b>		<b>55</b>		<b>5,636</b>
<b>Total Fixed assets under construction and payments on account</b>	<b>3,732</b>	<b>730</b>						<b>(534)</b>			<b>3,928</b>
<b>TOTAL</b>	<b>194,070</b>	<b>5,135</b>	<b>6,177</b>	<b>(1,427)</b>	<b>(128)</b>	<b>(10,287)</b>	<b>(2,945)</b>	<b>0</b>	<b>92</b>		<b>190,674</b>

The net value of “**Land and buildings**” as at 31 December 2021 amounts to approximately 169 million euros and shows no change on the previous year. The increases of 2.8 million relate to costs for the new roof of Pavilion 7 at the Vicenza trade fair district, works on which were completed in September. The reductions are related to the net write-down of fixed assets for 1.4 million euros against the works to redo the roof of Pavilion 7, which entailed the derecognition of the net carrying amount originally entered for this portion of property. The increases connected with the application of IFRS 16 are mainly due to the renewal of the rental contract of Pavilion 9 at the Vicenza trade fair district and the stipulation of new lease contracts signed by Prostand for new deposits.

The net value of item “**Plant and machinery**” as at 31 December 2021 amounted to 8.6 million euros, a net decrease of 1.6 million euros, mainly due to period amortisation/depreciation.

The item “**Industrial and commercial equipment**”, with a balance of 3.7 million, recorded a net decrease of 1.5 million euros. Period increases, including the exchange effect, amount to approximately 1 million euros and mainly refer to structures for the building of trade fair stands acquired by FB international and Prostand. The depreciation for the period amounted to 2.4 million euros.

The item “**Other assets**”, with a balance of 5.6 million, recorded a net decrease of 0.5 million euros. Period increases come to 431 thousand euros, for 280 thousand euros used to buy office machines and vehicles by the Parent company and for 114 equipment purchased by the company Summertrade. The depreciation for the period amounted to 1.1 million euros.

Finally “**Fixed assets under construction and payments on account**” rose by 0.7 million euros, of which 670 thousand referring to works to modernise the Vicenza trade fair district and 58 thousand euros contributed by the company Prostand for internal constructions. The reduction of 534 thousand euros is linked to the redoing of the roof on pavilion 7 at the Vicenza trade fair district

The property at Via Emilia 155 (Rimini trade fair district) is encumbered by a first mortgage of 150 million euros issued as a guarantee of the loan granted by the pool of banks headed by Credit Agricole Italia S.p.A. The first priority 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 euros to guarantee the loan granted by Banca Popolare di Vicenza and drawn down in 2008.



## 2) Intangible fixed assets

	Balance as at 31/12/2019	Changes in 2020					Balance as at 31/12/2020 (*)
		Net increases	Decreases	Amortisation/ depreciation/ write-downs	Transfers	Exchange rate effect	
<b>Industrial patent and intellectual property rights</b>							
Book value	4,192	292					4,484
Accumulated amortisation	(3,488)			(336)			(3,824)
<b>Total industrial patent and intellectual property rights</b>	<b>704</b>	<b>292</b>	<b>0</b>	<b>(336)</b>	<b>0</b>	<b>0</b>	<b>660</b>
<b>Concessions, licenses, trademarks and similar rights</b>							
Book value	11,672				60	128	11,861
Accumulated amortisation	(3,050)			(604)			(3,654)
<b>Total concessions, licenses, trademarks and similar rights</b>	<b>8,622</b>		<b>0</b>	<b>(604)</b>	<b>60</b>	<b>0</b>	<b>8,207</b>
<b>Goodwill</b>	<b>22,114</b>	<b>4,519</b>		<b>(3,759)</b>		<b>(398)</b>	<b>21,752</b>
<b>Fixed assets under construction and payments on account</b>	<b>46</b>	<b>122</b>	<b>(10)</b>				<b>158</b>
Book value	9,709	52			(83)	845	10,523
Accumulated amortisation	(4,158)			(1,221)		(12)	(5,391)
<b>Total other intangible fixed assets</b>	<b>5,551</b>	<b>52</b>		<b>(1,221)</b>	<b>(83)</b>	<b>121</b>	<b>5,132</b>
<b>TOTAL INTANGIBLE FIXED ASSETS</b>	<b>37,036</b>	<b>4,985</b>	<b>(10)</b>	<b>(5,919)</b>	<b>(22)</b>	<b>(398)</b>	<b>35,909</b>

	Balance as at 31/12/2020 (*)	Changes in 2021					Balance as at 31/12/2021
		Net increases	Decreases	Amortisation/ depreciation/ write-downs	Transfers	Exchange rate effect	
<b>Industrial patent and intellectual property rights</b>							
Book value	4,485	226					4,711
Accumulated amortisation	(3,824)			(371)			(4,195)
<b>Total industrial patent and intellectual property rights</b>	<b>660</b>	<b>226</b>		<b>(371)</b>			<b>515</b>
<b>Concessions, licenses, trademarks and similar rights</b>							
Book value	11,860	1					11,861
Accumulated amortisation	(3,654)			(525)			(4,179)
<b>Total concessions, licenses, trademarks and similar rights</b>	<b>8,206</b>	<b>1</b>		<b>(525)</b>			<b>7,682</b>
<b>Goodwill</b>	<b>21,752</b>					<b>360</b>	<b>22,112</b>
<b>Fixed assets under construction and payments on account</b>	<b>158</b>	<b>33</b>					<b>190</b>
Book value	10,523	1					10,524
Accumulated amortisation	(5,391)			(1,114)			(6,505)
<b>Total other intangible fixed assets</b>	<b>5,132</b>			<b>(1,114)</b>			<b>4,019</b>
<b>TOTAL INTANGIBLE FIXED ASSETS</b>	<b>35,909</b>	<b>259</b>		<b>(2,010)</b>		<b>360</b>	<b>34,519</b>

(\*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at 31/12/2020, as they reflect the valuations made at the time of the Purchase Price Allocation of HBG Events at final values.

Under the item “**Industrial patents and intellectual property rights**”, the costs for the purchase of software licences and legally protected intellectual property are capitalised. The balance at the end of the period amounted to 0.5 million euros. The increases refer primarily to the Parent Company’s development of the new CRM (customer relationship management) software.

The item “**Concessions, licenses, trademarks and similar rights**” recorded a decrease of 0.5 million euros compared with 31 December 2020, due to the amortisations for the period.

“**Assets under construction and advance payments**” rises in connection with the development of new management software by the company Prostand.

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. As at 31

December 2021, the balance of said item was approximately 22,112 thousand euros, up 360 thousand euros as a result of the change in the euro/dollar exchange rate, which impacted the value of the goodwill of FB International Inc., entered in foreign currency. The following table shows the related details:

Euro/000	Balance as at 31/12/2021	Balance as at 31/12/2020 <sup>(*)</sup>
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.	912	552
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	4,051	4,051
<b>TOTAL GOODWILL</b>	<b>22,112</b>	<b>21,752</b>

(\*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at 31/12/2020, as they reflect the valuations made at the time of the Purchase Price Allocation of HBG Events at final values.

As outlined in the chapter relating to the “Measurement criteria”, goodwill, excluding that emerged from the recent acquisitions indicated previously, is subject to impairment testing at the date of year-end (or more frequently if there are indicators of impairment), using the methodology described in the paragraph “Impairment of non-financial assets”. In particular, the impairment test verifies the recoverability of goodwill by comparing the Net Capital Invested, including the value of the goodwill, of the CGU/group of CGUs to which the goodwill was allocated, with the Recoverable value of said CGU/group of CGUs, represented by the higher of the fair value, less disposal costs, and the value in use.

Goodwill emerging from the transfer of Fiera di Vicenza was allocated to the “IEG CGU” as the recipient of the benefits of the business combination. These benefits refer to the acquired capacity to be recognised on the market as an aggregator, the synergies deriving from the use and optimisation of the workforce with the elimination of duplications, the sharing of mutual best practices, the comparison of the services provided by the suppliers with price savings, the acquisition of specific expertise to grow on the foreign market.

The goodwill that has emerged from the purchases of the fitting companies FB International Inc. and Prostand S.r.l. has been allocated to the cash generating units called **FB CGU** and **Italy CGU**, which respectively represent the flows of the financial statements of the US “stand-alone” subsidiary and those mainly comprising the IEG CGU, the Pro.Stand CU and the Summertrade CGU, which indicatively constitute the flows of the whole of the IEG Group except for those of FB International Inc. and **HBG Events**. The latter forms the CGU called **Emirates**, to which the goodwill has been allocated as emerging from the acquisition of the subsidiary.

For the IEG CGU, the FB CGU, the Emirates CGU and the Italy CGU, the relevant value in use was determined by adopting the Group’s Discounted Cash Flow (DCF) methodology.

Unlevered free cash flows were determined by using the 2022-2025 Plan approved by the Board of Directors on 14 March 2022. The document was prepared by updating the previous 21-25 Plan, considering:

- i) the final data for 2021.
- ii) a review of the prospective flows carried out as best estimate, given a) the performance of events in 2021 and b) the expectations of operators for the next few years. The reformulation of flows takes into account the greater reactivity of the market as the blocks to mobility and operations of the industry stakeholders are lifted. 2021 in fact showed us that the events held when the pandemic risk indicators attenuated, recorded better performance than had been hypothesised in the previous document.
- iii) the inclusion of new flows deriving from recent acquisitions (“IEG Brazil”), contractual agreements (“Hannover Fair Mexico” and “Informa”), the new digital services and the launch of new events (“Joy”).

During the meeting held on 14 March, the Board examined two scenarios: the “normal case”, which reports management’s best estimates on the basis of the information available to date and constitutes

the 2022 budget and the “worst case” prepared by the management with a view to testing cash flows and goodwill if the effects of the pandemic should continue into the next few months too. The worst scenario envisages, for FY 2022, a reduction in revenues on 2019 of approximately 38% and approximately 19% as compared with the normal case, hypothesising an unstable scenario through to the following autumn-winter. At the level of cash flows, the consolidated business plan, in its “worst case” version, for 2022 envisages cash absorption by operations of approximately 4.4 million euros, whilst the “normal case” envisages cash generation of approximately 7.7 million.

In order to determine the Terminal Value, a long-term growth rate “g” was used, differentiated, depending on the country in which the individual CGUs or groups of CGUs generate their flows and, in particular, 1.39% for those operating on the Italian market, 2.24% for those operating on the US market and 2.0% for the United Arab Emirates market. The source of the data is the estimate of the expected inflation envisaged in the aforementioned countries in 2025 by the International Monetary Fund.

Also the parameters for the discounting of the explicit cash flows and the Terminal Value were differentiated by country and, in particular a WACC rate of 9.15% used for flows produced by Italian entities, 9.74% for the FB CGU and 10.02% for the Emirates CGU. In constructing all the WACCs, a Small Size Premium of 3.02% was used, in consideration of the smaller size of the Group with respect to comparable companies (Source: Duff & Phelps) and continuing on from the WACC calculated at 31 December 2020, a Specific Risk Premium was maintained of 1.00% inserted to take account of the “execution risk” resulting from the reduced forecasting capacity generated by the effects of COVID-19.

The impairment tests carried out for all the CGUs described, at the reference date based on the methods specified above, brought to light higher recoverable values than the book values of the net capital invested (including goodwill), therefore excluding the need to reduce the value of the goodwill.

Considering the persistence of the pandemic and current scenario of uncertainty, the company's Directors decided to further test the recoverable value of each CGU and the groups of CGUs described above and two separate sensitivity analyses were conducted, through which the WACC, the “g rate” and the estimates of the Operating Cash Flow were subject to assumptions of change. More specifically:

- assumption 1: change in the WACC (+/- 1%) combined with the change in the g rate (+/- 0.4%)
- assumption 2: percentage change in operating cash flow (+/- 10%) combined with the change in the WACC (+/- 1%)

The sensitivity analyses described herein did not bring to light any criticalities in terms of recoverability of the goodwill booked in the consolidated financial statements and the separate financial statements of the Parent company. The parameters that, taken individually or keeping all other elements constant, zero the cover are:

	WACC	g	Reduction in cash flow
IEG CGU	13.2%	-4.6%	81.7%
Italy CGUs	13.2%	-4.8%	77.3%
FB CGU	20.8%	-32.3%	33.0%
HBG CGU	19.6%	-15.0%	63.1%

The Company will continue to constantly monitor the situation and will make sure to update its estimates in order to support its assessments when preparing the next financial reports.

The assumptions used for impairment purposes and the results achieved, were approved by the Board of Directors of Italian Exhibition Group S.P.A. respectively on 14 March 2022 and 24 March 2022, independently and before these financial statements.

### 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. Movements in the period are detailed in the following table.

	% held as at 31/12/2021	Balance as at 31/12/2020	Changes 2021				Balance as at 31/12/2021
			Increases	Reval./Write.down	Decreases	Exchange rate effect	
<b>Associated companies</b>							
Cesena Fiera S.p.A.	35.30%	1,368	102	20			1,490
Fitness Festival Int. S.r.l. in liquidation	50.00%	30		(30)			0
CAST Alimenti S.r.l.	23.08%	1,592		(125)			1,467
<b>TOTAL ASSOCIATED COMPANIES</b>		<b>2,990</b>	<b>102</b>	<b>(135)</b>	<b>0</b>	<b>0</b>	<b>2,957</b>
<b>Jointly controlled companies</b>							
Expo Estrategia Brasil Ltda	50.00%	213		(191)		1	23
Destination Services srl	50.00%	14		28			42
Rimini Welcome Scarl	48.00%	14		2			16
EAGLE Asia	50.00%	384		(65)		39	359
<b>TOTAL JOINTLY CONTROLLED COMPANIES</b>		<b>625</b>	<b>0</b>	<b>(226)</b>	<b>0</b>	<b>40</b>	<b>440</b>
<b>TOTAL EQUITY INVESTMENTS MEASURED USING THE EQUITY METHOD</b>		<b>3,616</b>	<b>102</b>	<b>(361)</b>	<b>0</b>	<b>40</b>	<b>3,397</b>

The item in question as at 31 December 2021 came to 3,397 thousand, marking a net decrease of 219 thousand euros.

Increases came to 102 thousand euros and referred to the share capital increase subscribed by the Parent company in Cesena Fiera S.p.A.: with this transaction, IEG maintained a 20% share in the subsidiary's capital.

The measurements using the equity method contributed a total write-down of 361 thousand euros.

The Company conducted an impairment test on the main qualified equity investments booked to the financial statements that include implicit goodwill shares, as required by IAS 36, in the presence of trigger events which may suggest impairment of the same. Since the outbreak of the Covid-19 pandemic is considered, especially for the sector in which the Group operates, an event that could involve a loss in value of the company assets, Cast Alimenti and EAGLE Asia were subject to a valuation.

Those comprised of the flows of each of the individual investees were identified as the reference CGUs. Therefore, the value in use of the CGUs identified was determined, by adopting the Discounted Cash Flow (DCF) methodology. This value, pro-rata with respect to the percentage stake held by the Group and net of the Net Financial Position based on the financial statements of the individual entities as at 31 December 2021 (equity value), was compared with the value booked to the financial statements of the equity investments analysed. The growth and discounting parameters of the Cast Alimenti flows are the same as those described for the IEG and Italy CGU in Note 2) Intangible fixed assets. For the EAGLE Asia flows, a growth rate of 2.0% and a WACC of 11.20% was considered.

The analyses did not reveal the need to impair any equity investment.

#### 4) Equity investments in other companies

The movements in the period for the item in question are reported below.

	% held at 31/12/2021	Balance 31/12/2020	Changes 2021				Balance 31/12/2021
			Increases	Reval./Write down	Decreases	Transfers	
Uni Rimini S.p.A.	7.64%	62					62
Rimini Congressi S.r.l.	10.36%	10,974		(204)			10,770
Observice – Città dei maestri		0	15				15
Eventi oggi	0.00%	4			(4)		0
BCC Alto Vicentino	<0.5%	1					1
BCC San Giorgio	<0.5%	10					10
<b>TOT. EQUITY INVESTMENTS IN OTHER COMPANIES</b>		<b>11,051</b>	<b>15</b>	<b>(204)</b>	<b>(4)</b>	<b>0</b>	<b>10,858</b>

The equity investment in Rimini Congressi S.r.l. is measured at FV (through OCI without recycling): the write-down for the period, therefore, relates to the adjustment for the period.

#### 5) Deferred tax assets

“Deferred tax assets” are recognised up to the limits in which future taxable income will be available against which to utilise the temporary differences. Deferred tax assets and liabilities are offset given that they refer to the same tax authority. During the period, no additional Deferred tax asset provisions have been made on the reported loss booked for 2021 by the IEG Group.

	Balance as at 31/12/2021	Balance as at 31/12/2020 (*)
Credits for advance IRES/IRAP	9,478	9,804
<b>Total deferred tax assets</b>	<b>9,478</b>	<b>9,804</b>
Provision for deferred IRES	(2,742)	(3,130)
<b>Total deferred tax liabilities</b>	<b>(2,742)</b>	<b>(3,130)</b>
<b>TOTAL DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES</b>	<b>6,736</b>	<b>6,674</b>

(\*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at 31/12/2020, as they reflect the valuations made at the time of the Purchase Price Allocation of HBG Events at final values.

Net deferred tax assets relate to both the temporary differences between the book values of the assets and liabilities in the financial statements and the corresponding values recognised for tax purposes and the losses from tax consolidation deemed recoverable based on company plans, whose materialisation is subject to the intrinsic risk of non-implementation inherent in the provisions contained therein. Management, with the support of its tax advisors, prepared an analysis based on the forecasts of the 2022-2025 Plan, approved by the Board of Directors on 14 March 2022, aimed at verifying the recoverability of deferred tax assets. Said analysis did not highlight any problems connected with the recoverability of the deferred tax assets booked in the financial statements.

#### 6) Non-current financial assets for rights of use

“Non-current financial assets for rights of use” amounting to 487 thousand euros refer to financial receivables for active sub-leases of rights of use.

## 7) Non-current financial assets

The changes in the item in question are shown below.

	Balance	Changes in 2021			Balance
	31/12/2020	Increases/decreases	Revaluations/ Write-downs	Transfers	31/12/2021
Gambero Rosso shares	25		4		29
Banca Malatestiana Credito Coop. shares	4	(4)			0
TFR policy	443	(121)	9		331
Payables due to minority interests	-	159			159
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>472</b>	<b>34</b>	<b>13</b>	<b>0</b>	<b>519</b>

The nature and classification according to the categories established by IFRS 9 of “Non-current financial assets” is reported in the Fair value section of these Explanatory notes. For the measurement of the fair value of the Gambero Rosso shares, the prices quoted on active markets at the measurement date were used.

## 8) Other non-current assets

“Other non-current assets” amounted to 142 thousand euros (150 thousand euros as at 31 December 2020), and refer primarily to security deposits.

## CURRENT ASSETS

### 9) Inventories

Details are given below.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Raw materials and consumables	323	286
Finished goods and goods for resale	408	497
<b>TOTAL INVENTORIES</b>	<b>731</b>	<b>784</b>

The item “Inventories” is composed of finished products and goods relating to the stand fitting company Prostand and raw materials relating to the catering activities performed by Summertrade and does not note any significant changes on last year.

### 10) Trade receivables

	Balance as at 31/12/2021	Balance as at 31/12/2020
Receivables from customers	22,313	12,894
Receivables from associated companies	83	110
Receivables from jointly controlled companies	54	23
Receivables from parent companies	676	557
<b>TOTAL TRADE RECEIVABLES</b>	<b>23,126</b>	<b>13,554</b>

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 and increase due to the resumption of trade fair activities. For more information on the past due brackets, please refer to the section “Credit risk”, while as regards the estimate evaluations, please see the section “Use of estimates”.

“Receivables from associated companies” totalled 83 thousand euros and refer primarily to trade receivables due to the subsidiary Summertrade S.r.l. from Cesena Fiera S.p.A., for the catering services provided during Macfrut 2021.

“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 previous years, relating to the expenses incurred for the event VicenzaOro Dubai 2019.

“Receivables due from parent companies” shows the portion due to Rimini Congressi S.r.l. by the Parent company, which for Euro 491 thousand refers to the portion not yet collected of the listing costs incurred by IEG and pertaining to the parent company, invoiced in 2020.

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

	Balance as at 31/12/2020	Changes in 2021			Balance as at 31/12/2021
		Uses	Provisions	Exchange difference	
Bad debt provision	832	(84)	235	6	989
Bad debt provision - taxed	5,173	(462)	0	0	4,711
Bad debt provision - DV Global	30	(30)	0	0	0
<b>TOTAL BAD DEBT PROVISION</b>	<b>6,036</b>	<b>(576)</b>	<b>235</b>	<b>6</b>	<b>5,700</b>

## 11) Tax receivables for direct taxes

	Balance as at 31/12/2021	Balance as at 31/12/2020
Tax receivables for direct taxes	352	323
<b>TOTAL TAX RECEIVABLES FOR DIRECT TAXES</b>	<b>352</b>	<b>323</b>

The balance as at 31 December 2021 refers to credits for direct taxes, primarily relating to FB International Inc. and Prostand S.r.l.

## 12) Current financial assets for rights of use

“Non-current financial assets for rights of use” amounting to 184 thousand euros refer to financial receivables for active sub-leases of rights of use.

**13) Current financial assets**

	Balance as at 31/12/2021	Balance as at 31/12/2020
<b>Financial receivables from associated companies</b>	<b>48</b>	<b>45</b>
Destination Services srl	45	45
DV Global Link LLC	3	0
<b>Financial receivables due from Shareholders</b>	<b>169</b>	<b>0</b>
Vicenza Holding S.p.A.	1,143	0
Provision for doubtful debt Vicenza Holding S.p.A.	(1,143)	0
Receivables for capital payments to be made	169	0
<b>Short-term securities</b>	<b>44</b>	<b>14</b>
USA Security Deposit	44	14
<b>TOTAL CURRENT FINANCIAL ASSETS</b>	<b>261</b>	<b>59</b>

“Current financial assets” amounted to 261 thousand euros, an increase of 198 thousand euros compared to 31 December 2020. Financial receivables due from associates are stated net of a provision for impairment of 294 thousand euros.

During the period, receivables were entered in this item, due from the shareholder Vicenza Holding S.p.A., through the provision set aside for doubtful debt, for an amount of 1,143 thousand euros in connection with the bankruptcy procedure of Biblioteca della Moda S.r.l. (hereinafter also “BDM”). The events date back to the years of management of what was at the time Fiera di Vicenza S.p.A., which entertained commercial relations regarding the publishing business of Vicenza Oro with the companies BDM and Milano Fashion Media Srl, companies managed and headed by the same natural person. The bankruptcy receivers of BDM have stated that Biblioteca della Moda S.r.l. held a receivable of Euro 1,224 thousand in regard to what was at the time Fiera di Vicenza S.p.A. and that in 2015, Biblioteca della Moda S.r.l. had transferred such receivable to Milano Fashion Media S.r.l. Following this transfer, the then Fiera di Vicenza S.p.A. had offset that payable against a greater receivable it was due in respect of Milano Fashion Media S.r.l. The BDM bankruptcy receivers has contacted the Court of Milan to request revocation of this transfer. On 9 March 2021, the first-instance ruling on the dispute described above was issued by the Court of Milan, ordering Vicenza Holding S.p.A. (transferor) and IEG (as transferee of the business unit of Vicenza Holding S.p.A.), jointly and severally, to pay to the Biblioteca della Moda S.r.l. bankruptcy the total amount of 1,224 thousand euros, plus default interest pursuant to Legislative Decree 231/2002 and legal costs for a total in excess of Euro 1.8 million.

During the period, IEG and Vicenza Holding S.p.A., assisted in their assessments by their lawyers, settled with the receiver of the procedure, waiving an appeal in exchange for a reduction in the amount due to 1.1 million euros, to be paid during the first few days of July. Although it had advanced full payment so as to avoid compromising the regular pursuit of its business, IEG believes that, on the basis of the deed of conferral of the “Fiera di Vicenza” business unit to IEG in October 2016, the entire expense lies with Vicenza Holding S.p.A. and it is taking action to recover the amounts due to it. However, as a prudential measure, IEG has entered a provision for impairment under “Other provisions and impairment, Bad debt provisions and adjustments” equal to the full , amount of the receivable of 1.1 million euros, classifying it as a non-recurring charge.

The item “Receivables for payments to be made” of 169 thousand euros, includes the value of the capital subscribed and not yet paid-up, by the minority shareholder, in the subsidiary IEG Brasil.



## 14) Other current assets

Details are given below.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Other tax receivables	504	898
Receivables due from others	1,949	963
Accrued income and prepaid expenses	1,150	919
Costs paid in advance pertaining to subsequent years	2,071	1,533
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>5,674</b>	<b>4,313</b>

“Prepaid expenses” refer to portions of costs not pertaining exclusively to 2021, which have already been recorded in the accounts. “Accrued income” refers to revenues pertaining to the period which will be recorded in the accounts in a subsequent period. Prepaid expenses as at 31 December 2021 refer mainly to insurance charges, software and maintenance fees, rental expenses and consulting costs.

The costs already incurred for the staging of trade fairs that will be held in the next few months, and therefore fully pertaining to subsequent years, were accounted as “Costs advanced pertaining to subsequent years”.

“Receivables due from others” amounted to 1,949 thousand euros and are detailed in the table below:

	Balance as at 31/12/2021	Balance as at 31/12/2020
Down payments	18	34
Suppliers - advances	1,265	340
Trade receivables	63	122
Receivables due from employees	58	33
Receivables due from social security institutions	87	40
Agents - advances	47	47
Sundry receivables	411	346
<b>TOTAL Receivables due from others</b>	<b>1,949</b>	<b>963</b>

## 15) Cash and cash equivalents

The item “Cash and cash equivalents” amounted to 52,651 thousand euros as at 31 December 2021, and includes almost exclusively short-term deposits remunerated at floating rate.

The trend in cash flows with respect to the previous year has been reported in the “Consolidated Cash Flow Statement” to which reference should be made.

## COMMENTS ON THE MAIN ITEMS OF LIABILITIES AND SHAREHOLDERS' EQUITY

### SHAREHOLDERS' EQUITY

#### 16) Shareholders' Equity

	Balance as at	Changes in 2020				Balance as at
	31/12/2019	Increases	Decreases	Allocation of profit	Other changes	31/12/2020 (*)
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		2,531
Capital grants	5,878					5,878
First-time adoption reserve	(46,306)					(46,306)
CFH reserve	(417)		(367)			(784)
Actuarial reserve	(384)		(115)			(499)
Translation reserve	476		(583)			(107)
OCI reserve	138	201				339
Put option reserve	(12,105)				2,138	(9,967)
Retained earnings (losses carried forward)	(1,680)	517	(14)	12,097	(2,138)	8,781
Profit (loss) for the year	12,861		(11,289)	(12,861)		(11,289)
<b>SHAREHOLDERS' NET ASSETS OF THE PARENT COMPANY</b>	<b>103,950</b>	<b>717</b>	<b>(12,392)</b>	<b>0</b>	<b>0</b>	<b>92,301</b>
Capital and reserves pertaining to minority interests	2,396	329	(578)	(224)		1,923
First-time adoption reserve of minority interests	8					8
Actuarial reserve of minority interests	(30)	14	(3)			(20)
Profit (loss) attributable to minority interests	(224)		(1,160)	224		(1,160)
<b>SHAREHOLDERS' EQUITY PERTAINING TO MINORITY INTERESTS</b>	<b>2,150</b>	<b>343</b>	<b>(1,741)</b>	<b>0</b>	<b>0</b>	<b>752</b>
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>	<b>106,100</b>	<b>1,060</b>	<b>(14,133)</b>	<b>0</b>	<b>0</b>	<b>93,052</b>

	Balance as at	Changes in 2021				Balance as at
	31/12/2020(*)	Increases	Decreases	Allocation of profit	Result of the period	31/12/2021
Share capital	52,215					52,215
Share premium reserve	13,947					13,947
Revaluation reserves	67,160					67,160
Legal reserve	10,401					10,401
Statutory reserves	2,531					2,531
Capital grants	5,878					5,878
First-time adoption reserve	(46,306)					(46,306)
CFH reserve	(784)	447				(337)
Actuarial reserve	(499)		(21)			(520)
Translation reserve	(107)	390				283
OCI reserve	339		(204)			135
Put option reserve	(9,967)					(9,967)
Retained earnings (losses carried forward)	8,781			(11,289)		(2,507)
Profit (loss) for the year	(11,289)			11,289	1,638	1,638
<b>SHAREHOLDERS' NET ASSETS OF THE PARENT COMPANY</b>	<b>92,301</b>	<b>837</b>	<b>(225)</b>	<b>0</b>	<b>1,638</b>	<b>94,550</b>
Capital and reserves pertaining to minority interests	1,923	393		(1,160)		1,157
First-time adoption reserve of minority interests	8					8
Actuarial reserve of minority interests	(20)		(6)			(25)
Profit (loss) attributable to minority interests	(1,160)			1,160	(2,311)	(2,311)
<b>SHAREHOLDERS' EQUITY PERTAINING TO MINORITY INTERESTS</b>	<b>752</b>	<b>393</b>	<b>(6)</b>	<b>0</b>	<b>(2,311)</b>	<b>(1,172)</b>
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>	<b>93,052</b>	<b>1,230</b>	<b>(231)</b>	<b>0</b>	<b>(673)</b>	<b>93,378</b>

(\*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at 31/12/2020, as they reflect the valuations made at the time of the Purchase Price Allocation of HBG Events at final values.

The total shareholders' equity of the Group as at 31 December 2021 totalled 93.4 million euros, of which 94.6 million euros attributable to the shareholders of the Parent Company and -1.2 million euros attributable to minority interests.

The Parent Company's Share Capital, fully subscribed and paid-up, amounted to 52.2 million euros and is divided into 30,864,197 shares.

The share capital of minorities increases by 0.4 million euros due to the increase in capital applied through a waiver of receivable by the minority shareholder of FB International Inc. and the subscription of the 25% share of the capital of IEG Brasil by the local shareholder.

The table below analyses the reconciliation between the shareholders' equity and the profit for the year of the Parent Company with those of the consolidated financial statements.

	Shareholders' equity (including the result for the year)	Profit for the year
<b>Shareholders' equity and result of the Parent company</b>	<b>105,647</b>	<b>1,610</b>
<b>Group Companies valued with the Equity Method</b>	21	(1)
<b>Elimination of book value of consolidated companies</b>		
- Difference between the book value and the pro-rata value of shareholders' equity	(18,181)	0
- Pro-rata results of the investees	(10,891)	744
- Value adjustments of the net assets of the investees	(5,157)	(990)
- Consolidation difference	13,901	0
<b>Elimination of the effects of intercompany transactions</b>		
Elimination of business combinations of entities under common control	9,213	276
Elimination of write-downs of fully consolidated equity investments	(3)	0
Distribution of dividends	0	0
<b>Other</b>	0	0
<b>Shareholders' equity and result pertaining to the Group</b>	<b>94,550</b>	<b>1,638</b>
Share pertaining to minority interests	(1,172)	(2,311)
<b>Consolidated shareholders' equity and result for the year</b>	<b>93,378</b>	<b>(673)</b>

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

(in Euro)	2021	2020
Basic EPS	0.0531	(0.3658)
Diluted EPS	0.0531	(0.3658)

The calculation is based on the following data:

(in Euro)	2021	2020
Period result	1,638,320	(11,288,652)
Number of shares	30,864,197	30,864,197

## NON-CURRENT LIABILITIES

### 17) Payables due to banks

The Group's bank debt at 31 December 2021 remains basically the same as last year, due to the net effect of the short-term loans repaid in the year and the obtainment of new short-term and medium/long-term lines. Following are details about the Payables due to banks in the short and long term and beyond 5 years.

	Balance as at 31/12/2021	Balance as at 31/12/2020
C/a debit balances	-	400
Other short-term credit facilities	2,676	4,334
Credit Agricole mortgage - POOL	12,027	13,853
Banco BPM mortgage	1,128	1,116
Volksbank mortgage	2,019	1,990
Banca Intesa Sanpaolo (former Banca Popolare di Vicenza) mortgage	1,926	1,620
ICCREA mortgage	1,205	640
Unipol Stand-by	-	-
Unipol mortgage	334	329
MPS mortgage	451	-
Malatestiana mortgage	145	-
Banca Popolare Valconca mortgage	-	243
Credit Agricole mortgage	246	-
Loan - Cassa Depositi e Prestiti - SACE	-	(15)
Loan - Intesa San Paolo - SACE	-	4,328
SIMEST loan - Trade fair entities	-	-
Other loans	-	-
<b>TOTAL SHORT-TERM PAYABLES DUE TO BANKS</b>	<b>22,157</b>	<b>28,837</b>

	Balance as at 31/12/2021	Of which due beyond 5 years	Balance as at 31/12/2020
Credit Agricole mortgage - POOL	-	-	-
BPM mortgage	-	-	1,128
Banca Intesa Sanpaolo (former Banca Popolare di Vicenza) mortgage	29,656	21,994	30,986
Volksbank mortgage	1,192	-	3,210
ICCREA mortgage	-	-	1,199
Unipol Stand-by	-	-	2,900
Unipol mortgage	113	-	393
MPS mortgage	1,545	42	-
Malatestiana mortgage	1,352	459	-
Credit Agricole mortgage	1,249	-	-
Banca Popolare Valconca mortgage	0	-	594
Loan - Cassa Depositi e Prestiti - SACE	15,000	2,812	14,959
Loan - Intesa San Paolo - SACE	32,812	6,152	30,546
SIMEST loan - Trade fair entities	9,352	2,338	-
Other loans	6	-	69
<b>TOTAL MEDIUM/LONG-TERM PAYABLES DUE TO BANKS</b>	<b>92,277</b>	<b>33,797</b>	<b>85,986</b>

The overall net financial position of the IEG Group is reported hereunder, drafted according to the provisions of CONSOB Communication 6064293 of 28 July 2006 and the CESR recommendation of 10 February 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 ESMA format)**

Net financial position (Euro/000)		Balance as at 31/12/2021	Balance as at 31/12/2020
A.	Cash and cash equivalents	52,651	28,108
B.	Cash equivalents	-	-
C.	Other current financial assets	290	88
<b>D.</b>	<b>Liquidity: (A) + (B) + (C)</b>	<b>52,941</b>	<b>28,196</b>
E.	Current financial payables	(10,723)	(10,431)
F.	Current portion of non-current financial debt	(19,480)	(24,200)
<b>G.</b>	<b>Current financial debt: (E) + (F)</b>	<b>(30,203)</b>	<b>(34,632)</b>
<b>H.</b>	<b>Current net financial indebtedness: (G + D)</b>	<b>22,738</b>	<b>(6,436)</b>
I.	Non-current financial liabilities	(115,815)	(107,287)
J.	Debt instruments	0	0
K.	Trade payables and other non-current payables	(12,523)	(15,797)
<b>L.</b>	<b>Non-current financial debt: (I) + (J) + (K)</b>	<b>(128,338)</b>	<b>(123,084)</b>
<b>M.</b>	<b>Total financial debt: (H) + (L)</b>	<b>(105,600)</b>	<b>(129,520)</b>

Net financial position as defined by the new ESMA Guidelines of 04 March 2021  
(Consob note of attention no. 5/21 to the Consob Communication)

The Net Financial Position (hereinafter NFP) at 31 December 2021 amounted to 105 million euros, a decrease of net indebtedness for 24 million euros compared to 31 December 2020. The value includes 5.8 million euros of financial payables for put options relating to acquisitions, 26.7 million euros of financial payables on rights of use (IFRS 16) and 3.6 million euros of payables for derivative financial instruments.

At 31 December 2021, bank payables were made up of 104.5 million euros in mortgages relative to the Parent company, 5.1 million euros in mortgages contracted by the subsidiary Pro.Stand S.r.l., 2 million euros Summertrade S.r.l. and, for a residual amount, FB International Inc. the item also includes other short-term bank payables for 1.7 million euros, mainly relating to short-term loans used by the Parent company (i.e. "hot money") and approximately 1 million used by Pro.Stand S.r.l. in the form of invoice advances subject to final payment.

Compared with the previous year, bank payables recorded a slight reduction due to the net effect of new loans for 14.3 million euros, repayments of existing loans for 9.9 million euros and a decrease in short term credit lines used. It should also be noted that compared to 31 December 2020, the hot money of 1.7 million euros mentioned above (used for 2.9 million euros at 31 December last year and instead included in the calculation of the portions of medium/long-term payables due within 12 months), has been reclassified to short-term bank payables.

On 27 August 2021, the Parent Company requested and obtained the "Financing and Co-financing for the improvement and safeguarding of capital solidity in support of the trade fair system" promoted by SIMEST S.p.A. and totalling almost 10 million euros, of which about 525 thousand euros pertains to the Fund for Integrated Promotion (non-repayable co-financing) and 9.3 million euros to the 394/81 Fund.

The subsidiary Pro.stand obtained a 5-year (of which one pre-amortisation) loan from Monte dei Paschi di Siena, disbursed on 25 January 2021, of 2 million euros and a 6-year (of which one pre-amortisation) loan of 1.5 million euros from Banca Malatestiana, disbursed in February 2021 on day 18. Both loans are 90% backed by a state guarantee from the Guarantee Fund pursuant to Law 662/92 managed by Mediocredito Centrale S.p.A.

The subsidiary Summertrade obtained a state guarantee from the Guarantee Fund pursuant to Law 662/92 managed by Mediocredito Centrale S.p.A. to cover 90% of a loan of 3 million euros, disbursed on 18 May 2021 by Credit Agricole Italia S.p.A. for 1.5 million euros.

It should be noted that the consolidated results achieved in 2021 due to the pandemic involved the verification of the covenant breach in relation to the NFP/EBITDA ratio (covenant <3.5) at the end of the year identified in the loan agreement stipulated by the Parent Company with Credit Agricole Italia Spa (Pool Agent Bank). The Parent Company requested the suspension of the covenant for the year 2021, receiving reassurances that said request would be accepted. However, in the absence of a formal response, the payables relating to the loan were fully reclassified to short-term, amounting to 12 million euros. These payables will be reclassified in keeping with the repayment plan when the company receives formal approval of its request.

In December, the parent company concluded its discussions with Intesa SanPaolo and Cassa Depositi e Prestiti for the renegotiation of the two loans backed by the SACE Italy Guarantee programme, disbursed in 2020. The company thus obtained the replacement of the previous loans with two with a maturity of 72 months (in the formula of 24 + 48), repayable in quarterly instalments starting 2023. In detail, the loan granted by Intesa SanPaolo comes to € 32,812 million, while that granted by Cassa Depositi e Prestiti is for 15 million; in both cases, the financial covenants have been revised and are shown below.

Bank	Parameter per year	2021	2022	2023	2024	Year 2025 and later
Intesa SanPaolo SpA	NFP/EBITDA	-	-	<4.0	<3.5	<3.0
Cassa Depositi e Prestiti SpA	NFP/EBITDA	-	<=8.5	<=5.0	<=3.0	<=3.0
Cassa Depositi e Prestiti SpA	NFP/SE	-	<=2.0	<=1.8	<=1.5	<=1.1

Intesa SanPaolo requests the first verification at the Calculation Date of 31 December 2023 (NFP/EBITDA), while the Cassa Depositi e Prestiti Group at 31 December 2022 (NFP/EBITDA and NFP/SE).

We also report the present, and respect at 31 December 2021, of financial covenants for which the subsidiary Pro.Stand Srl has made a commitment to ICCREA Banca; details are given below.

Parameter per year	2021	2022	2023
NFD/EBITDA	<3.5	<3.5	<3.5
NFD/SE	<2.0	<2.0	<2.0

## 18) Non-current financial liabilities for rights of use

The balance of 24.0 million euros represents the non-current portion of liabilities recognised for lease fees still not paid at the close of the half, in compliance with the introduction of accounting standard IFRS 16 on 1 January 2019. It should be noted that the item includes 14,169 thousand euros relating to the parent company Rimini Congressi S.r.l.

## 19) Other non-current financial liabilities

Details are given below.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Fair value of derivative instruments	3,583	5,517
Financial liabilities for Pro.Stand put option	2,413	2,379
Financial liabilities for FB International Inc. put option	3,299	3,299
Financial liabilities for minimum guarantee amounts to minority shareholders of Pro.Stand	42	83
Financial liabilities for the purchase of HBG - estimated variable	1,923	3,270
Payables due to other lenders	1,263	1,249
<b>TOTAL OTHER LIABILITIES FIN. NON-CURRENT</b>	<b>12,523</b>	<b>15,797</b>

The item “Fair value of derivative instruments” amounted to 3,583 thousand euros, down compared with the previous year by 1,934 thousand euros due to the changes in fair value that occurred during the year in the Group's instruments.

The derivative stipulated on 04 November 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 1st, 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 31/12/2026, 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 03 June 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 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:

- trading date: 07 December 2018;
- effective date: 29 June 2018;
- maturity date: 30 June 2036;
- interest payment dates: six-monthly, 31 December and 30 June of each year;
- total notional: EUR 9635397.46
- fixed rate (pay IEG): 0.96400%
- floating rate (receive IEG): Euribor 6M (Actual/360)

On 16 April 2020, a new loan agreement was entered into with the pool of banks headed up by Credit Agricole for a total loan of 15 million euros, due on 30 June 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 euros. Information is provided below on the four contracts stipulated during the year, respectively with Credit Agricole, BPER, BNL, Banco Popolare di Milano, which have the same characteristics:

- Trading date: 23 June 2020;

- Effective date: 31 December 2020;
- Maturity date: 18 April 2028;
- Interest payment dates: six-monthly, 31 December and 30 June of each year;
- Total notional (of the four contracts): EUR 10546876
- Fixed rate (pay IEG): -0.01%
- Floating rate (receive IEG): Euribor 6M (Actual/360)

In addition, during the year, the subsidiary Summertrade, continuing on from the stipulation of the loan contract with Credit Agricole, subscribed an IRS contract with the following characteristics:

- Trading date: 18 May 2021;
- Effective date: 18 May 2021;
- Maturity date: 19 May 2025;
- Interest payment date: quarterly aligned with the underlying;
- Total notional: EUR 1500000
- Fixed rate (pay IEG): -0.01%
- Floating rate (receive IEG): Euribor 6M (Actual/360)

The table below shows the impacts of the change in the fair value of the seven derivative instruments as at 31 December 2021.

VALUATION DATE	IRS Fair Value	Financial income (charges) through profit and loss	Change in CFH reserve
31/12/2019	(5,228)		
31/12/2020	(5,517)	(179)	(483)
31/12/2021	(3,583)	1,346	588

The items “Financial liabilities for put options” relate to the valuation, at the moment of the acquisition of the equity investment, increased as necessary due to the financial charges for the period, in the sale options granted to the minority shareholder of FB International Inc. and the minority shareholders of Pro.Stand S.r.l..

The item “Financial liabilities for minimum guarantee amounts to minority shareholders of Pro.Stand” includes the decrease in payables recognised at the PPA time, 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. The reduction in the period is mainly due to the early end of the contract stipulated with some minority shareholders, which involved the recognition of financial income.

The item “Financial liabilities for purchase of HBG - variable estimated” represents the variable portion of the price estimated to be disbursed to the selling shareholders for the acquisition of the new subsidiary HBG Events FZ LLC, which took place on 31 October 2020. The portion to be disbursed beyond the year is correlated with the performance of the Dubai Muscle Show, to be held this coming November.

“Payables due to other lenders beyond 12 months” includes the balance of the Government Small Business Loan disbursed starting end FY 2020 for the Covid-19 emergency, in the favour of FB International Inc. for an amount of 1,130 thousand euros and the Economic Injury Disaster loan obtained during the year, by the US subsidiary for an amount of 132 thousand euros.



## 20) Provisions for non-current risks and charges

The changes in the item in question are shown below.

	Balance as at 31/12/2020	Changes 2021				Balance as at 31/12/2021
		Provisions	Uses/decreases	Releases	Exchange difference	
Provision for dispute risks	1,589	311	(7)	(127)	0	1,766
Other provisions for risks	43	17	0	0	4	64
Provision for the write-down of equity investments	-	0	0	0	0	0
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>1,632</b>	<b>328</b>	<b>(7)</b>	<b>(127)</b>	<b>4</b>	<b>1,830</b>

The provision made during the period refers to the employment law disputes that have arisen in the subsidiaries Prostand S.r.l. and Summertrade S.r.l. and a prudent provision made by IEG. The subsidiary operating in the field of fittings has set aside the value of the proposed incentives to take voluntary redundancy for some employees of the Santorso office, which was decided to be closed at the start of the year. The collective agreement reached with the trade union has already been signed by the company and the workers' representatives, whilst the individual agreements will be signed upon effectively leaving the company. The other part relates to the risk of losing in the case in progress with the previous General Manager. IEG has prudently set aside a provision for risks for possible claims by certain employees relating to the company's interpretation of the application of the measures envisaged to limit the spread of Covid-19. Provision releases include Euro 72 thousand previously set aside in connection with the dispute with a former company manager, which ended with all claims being rejected, as also confirmed by the second instance judgement.

The release relates to the positive conclusion of certain disputes brought by former employees of the Parent company. With the agreement of its lawyers, in previous years, the company had made a provision to cover the risk of losing.

## 21) Employee provisions

The changes in the item in question are shown below.

	Balance as at 31/12/2020	Changes in 2021			Balance as at 31/12/2021
		Provisions	Uses/decreases	Actuarial (Gains)/Losses	
Provision for customers' leaving indemnities	188	13	(107)		94
Provision for employee severance indemnity	4,099	283	(737)	15	3,660
<b>TOTAL EMPLOYEE PROVISIONS</b>	<b>4,287</b>	<b>296</b>	<b>(844)</b>	<b>15</b>	<b>3,754</b>

The balance is composed primarily of employee severance indemnity accrued during the lockout period. By contrast, for a total of 94 thousand euros, it is composed of the "Provision for agents' leaving indemnities" allocated in compliance with article 1751 of the Italian Civil Code and the collective economic agreement for the regulation of the agency and commercial representation relationship of the commerce sector signed on 16 February 2009.

The value of the provision for employee severance indemnity at the end of the year conforms to the amount due to personnel and the allocation was calculated in respect of the laws, the company employment contract and, for matters not provided for, the C.C.N.L. (national collective labour agreement) for the trade sector. It should also be pointed out that, following the supplementary pension

reform (Italian Legislative Decree no. 252/2005; Italian Law no. 296/2006, article 1, paragraphs 755 *et seq* and paragraph 765), the amount indicated in the column “Provisions” does not include the sums paid to forms of supplementary pension or to the “INPS Treasury Fund”.

The IEG Group, in determining the actuarial calculations, avails itself of the support of a professional listed in the appropriate Register of Actuaries. The main hypotheses/assumptions used for the actuarial calculation of the defined benefit plans are shown below.

### Demographic assumptions

Probability of death	Mortality tables broken down by gender - ISTAT 2019
Probability of disability	Zero probability (in consideration of the type of company under analysis)
Probability of resignations	The probability of company turnover of 3% was used
Probability of anticipation	An annual value of 3% was presumed with respect to an average value of accumulated employee severance indemnity of 70%

### Economic-financial assumptions for calculation of the TFR (employee severance indemnity)

	2021	2020
Annual discount rate	0.98%	0.34%
Annual inflation rate	1.75%	1.00%
Assumption of real salary growth	1.75%	1.50%

The discounting of future services for employees deriving from Employee severance indemnity was measured by recognising market yields according to the provisions of IAS 19. For the discount rate, the rate relating to high credit rating Corporate Bonds AA with a duration equal to the plan of company commitments to its employees was taken as a reference.

The results of the actuarial evaluations depend strictly on the financial, demographic and behavioural assumptions adopted.

The following table, as required by the international accounting standard, shows the results of the DBO deriving from the change in assumptions.

Sensitivity Analysis - DBO		IEG Group SPA	Prostand Srl	Summertrade Srl	TOTAL	Change %
<b>Central Assumption</b>	€	<b>2,619,655</b>	<b>761,587</b>	<b>244,081</b>	<b>3,625,323</b>	
Discount rate (+0.5%)	€	2,410,180	713,039	233,447	3,356,665	-7.41%
Discount rate (-0.5%)	€	2,856,769	815,345	255,410	3,927,524	8.34%
Rate of payments Increases (+0.5%)	€	2,588,698	754,958	243,297	3,586,953	-1.06%
Rate of payments Decreases (-0.5%)	€	2,653,583	768,806	244,900	3,667,289	1.16%
Rate of Price Inflation Increases (+0.5%)	€	2,763,257	800,684	251,016	3,814,957	5.23%
Rate of Price Inflation Decreases (-0.5%)	€	2,489,301	725,795	237,545	3,452,641	-4.76%
Rate of Salary Increases (+0.5%)	€	2,619,655	778,032	244,081	3,641,768	0.45%
Rate of Salary Decreases (-0.5%)	€	2,619,655	746,306	244,081	3,610,042	-0.42%
Increase the retirement age (+1 year)	€	2,627,055	766,452	245,736	3,639,243	0.38%
Decrease the retirement age (-1 year)	€	2,611,765	756,449	242,301	3,610,515	-0.41%
Increase longevity (+1 year)	€	2,619,669	761,599	244,088	3,625,356	0.00%
Decrease longevity (-1 year)	€	2,619,630	761,575	244,072	3,625,277	0.00%
Assumptions of the previous year	€	2,702,673	787,693	248,136	3,738,502	3.12%
Economic assumpt. of the previous and new demographic assumpt.	€	2,702,673	787,693	248,136	3,738,502	3.12%

**22) Other non-current liabilities**

The item “Other non-current liabilities” includes the amount of the grant disbursed by the Emilia-Romagna Region for the construction of the Rimini Trade Fair District, still not booked to the income statement, amounting to 1,918 thousand euros (2,106 thousand euros as at 31 December 2020).

## CURRENT LIABILITIES

### 23) Current financial liabilities for rights of use

The item includes current financial liabilities relative to the application of IFRS 16, in the amount of 3,346 thousand euros, down 13 thousand euros on the previous year. It should be noted that the item included a total of 863 thousand euros relating to the parent company Rimini Congressi S.r.l., which took over the leases in place previously with Società del Palazzo S.p.A.

### 24) Other current financial liabilities

The table shows a breakdown of the item in question:

	Balance as at 31/12/2021	Balance as at 31/12/2020
Accrued expenses on mortgages	50	36
Payables due to shareholders	304	221
Payables for exercise of put options - Prostand	535	1,069
Payables due to other lenders within 12 months	3,995	1,278
<b>TOTAL OTHER CURRENT FINANCIAL LIABILITIES</b>	<b>4,884</b>	<b>2,604</b>

Accrued expenses relate to amounts of interest expense on mortgages pertaining to the current year and debited in the next year.

“Payables due to shareholders” amounted to 304 thousand euros and related to payables due to the minority shareholder of FB International Inc., which, in accordance with the Parent company, has subscribed to a loan in the company’s favour.

The “Payables for exercise of Prostand put options” of 535 thousand euros refer to the parent company’s purchase of an additional 20% in the subsidiary Prostand S.r.l., which in 2021 involved the payment of 535 thousand euros and a residual figure of the same amount to be paid in January 2022 to the former minority shareholder, which exercised its put option in June 2020 and accepted deferred payment in three instalments.

“Payables due to other lenders within 12 months” mainly includes:

- The variable amount of the price recognised to Arezzo Fiere e Congressi for the acquisition of the trademark GoldItaly and the use of the trademark Oro Arezzo and all other assets connected with the two events in question, for 956 thousand euros;
- Payables relating to the expected earn-out to be paid to the former shareholders of HBG Events LLC, at the start of FY 2023 and corresponding to 2,967.

## 25) Trade payables

The details of the item in question are provided below.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Trade payables	33,751	23,350
Vehicle ownership tax	71	87
Membership fees and contributions	3	8
<b>TOTAL TRADE PAYABLES</b>	<b>33,825</b>	<b>23,445</b>

Trade payables refer, for the most part, to purchases of the services needed for the staging of trade fairs and increase as a result of the resumption of core business. Payables due to associated companies relate, for 68 thousand euros, to Cesena Fiera S.p.A. and, for 2 thousand euros, to CAST Alimenti Srl. Payables due to jointly controlled companies regard exclusively DV Global Link LLC for 3 thousand euros.

## 26) Interest expense on other payables

	Balance as at 31/12/2021	Balance as at 31/12/2020
Tax payables	19	15
<b>TOTAL TRADE PAYABLES</b>	<b>19</b>	<b>15</b>

“Tax payables for direct taxes” reported a debt of 19 thousand euros in 2021, not therefore recording any significant changes during the year.

## 27) Other current liabilities

The details of the item in question are provided below.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Advance payments	4,384	2,575
Payables due to social security institutions	1,281	1,664
Other payables	5,044	8,203
Accrued expenses and deferred income	704	470
Revenues paid in advance pertaining to subsequent years	21,373	1,904
Other tax payables	3,486	2,011
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>36,272</b>	<b>16,828</b>

The item recorded an increase of 19.4 million euros compared to the previous year, primarily relating to the item 'Revenues paid in advance pertaining to subsequent years'.

“Revenues paid in advance pertaining to subsequent years” include revenues billed in the year, but relating to events pertaining to subsequent years. In 2021, invoices were issued, by the period deadlines, with most significant values, for SIGEP 2022 and Vicenza Oro January 2022, while the figures recorded at 31 December 2020, both in respect of the item in question and the item “Advance payments” suffered the government-imposed block on activities to limit the Covid-19 pandemic. “Advance payments” is divided between the subsidiary Prostand S.r.l. for 1,281 thousand euros and the Parent company for 3,102 thousand euros.

“Other payables” mainly include payables to employees such as accrued holidays, leave, ‘hour bank’, deferred monthly pay and other payables accrued and still not enjoyed or paid to personnel, fees accrued and not paid to statutory bodies.

## COMMENTS ON MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

### 28) Revenues from contracts with customers

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

	Balance as at 31/12/2021	Balance as at 31/12/2020
Organised Events	37,381	51,386
Hosted Events	2,096	18
Conferences	6,882	2,545
Related Services	22,358	19,288
Publishing, Sporting Events and Other Activities	2,459	1,195
<b>REVENUES FROM CONTRACTS WITH CUSTOMERS</b>	<b>71,177</b>	<b>74,432</b>

The year 2021 recorded a reduction in revenues of 3.3 million euros (-4.4%).

As regards the analysis of the trend in revenues in 2021 and the comparison with the data in the previous year, please refer to the information already outlined in the Directors' Report on Operations, where the variation is analysed by breaking it down into the various components that generated it. Here, we would merely remind you that there is a major difference in the two years in the portfolio of events held, due to the different lock-down periods in which the trade fairs and conferences were forced to a stop.

### 29) Other revenues

"Other revenues and income" are detailed as follows:

	Balance as at 31/12/2021	Balance as at 31/12/2020
Covid contributions	28,199	702
Other operating grants	779	983
Other revenues and income	2,349	3,693
<b>TOTAL OTHER REVENUES</b>	<b>31,327</b>	<b>5,378</b>

"Covid contributions" includes the contribution received by the Parent company, for 9.8 million, relating to the "Provision for integrated promotion and Commensurate to fixed costs not covered in accordance with Art. 6, paragraph 3, point 2 of Italian Decree Law no. 137 of 28 October 2020, to compensate the fixed costs not covered by profits in the period from 1 March 2020 to 31 December 2020. In addition, an additional operating grant has been entered, for 525 thousand euros, relative to the SIMEST loan, for the portion applicable to the Provision for Integrated Promotion (non-repayable co-financing).

In October (by way of advance) and in December (balance), 17.9 million were collected by the Parent company and the subsidiary Prostand as Contribution from the Ministry in accordance with Ministerial Decree of 24 June 2021, prot.1004, intended to compensate the losses suffered by the trade fair and conference industry. The Covid Contributions are classified as "non-recurring" items in these financial statements.

"Other operating grants" are composed of grants for internationalisation and development of trade fairs, as well as for the promotion of conference activities.

The item “Other revenues and income” includes mostly accessory trade fair income, but 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.

The item also includes the portion of the grant provided by the Emilia Romagna Region for the construction of the new district pertaining to the year (Euro 194 thousand). (for more details see paragraph “27) Revenues” in the comments to the Parent company's Income Statement.

The 2020 item included non-recurring revenues for 818 thousand euros (315 thousand euros for the signing of a settlement agreement with one of the minority shareholders of Prostand S.r.l, 503 thousand for the Amendment to IFRS 16). This year, there is 284 thousand for the charge-back to local health authorities of the cost of utilities for the use of certain pavilions for the Covid emergency.

### 30) Operating costs

Operating costs amounted to Euro 80.9 million (Euro 78 million as at 31 December 2020) and are detailed as follows:

	Balance as at 31/12/2021	Balance at 31 December 2020 (*)
Costs for raw materials, consumables and goods for resale	(7,537)	(6,849)
Costs for services	(43,569)	(45,020)
For use of third-party assets	(596)	(214)
For personnel	(27,003)	(22,380)
<i>Wages and salaries</i>	(18,929)	(15,456)
<i>Social security costs</i>	(5,242)	(4,248)
<i>Employee severance indemnity</i>	(1,493)	(1,345)
<i>Other costs</i>	(323)	(279)
<i>Directors' fees</i>	(1,016)	(1,052)
Change in inventories	(53)	10
Other operating costs	(2,134)	(3,532)
<b>TOTAL OPERATING COSTS</b>	<b>(80,892)</b>	<b>(77,985)</b>

(\*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at 31/12/2020, as they reflect the valuations made at the time of the Purchase Price Allocation of HBG Events at final values.

Operating costs rose by 2.9 million euros compared to the previous year (+3.7%). The variation, in reference to staff costs, is mainly due to lesser use of social shock absorbers and an increase in the operations of the workforce, particularly in the last quarter.

As also indicated in the Income Statement, operating costs were encumbered by non-recurring items, specifically “Costs for services” include 795 thousand euros relative, for around half their amount, to costs for consultant provided for the integration project with Bologna Fiere and the other half to costs incurred for having lent the spaces of the district to be used as Covid-19 vaccination points. “Staff costs” instead include non-recurring items for 182 thousand euros relative to the outlay of Pro.stand S.r.l. in respect of the trade union agreement for incentives to take voluntary redundancy assigned to some employees of the Santorso (VI) office, which was earmarked for closure in February 2021. It is recalled that the previous year also booked non-recurring charges for approximately 2.4 million euros.

The table below provides details of the main costs included in the item “Other operating costs”.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Municipal taxes	(1,038)	(925)
Membership fees and contributions	(443)	(367)
Capital losses from fixed asset disposal	(41)	(545)
Other operating expenses	(612)	(1,695)
<b>TOTAL OTHER OPERATING COSTS</b>	<b>(2,134)</b>	<b>(3,532)</b>

### 31) Depreciation, amortisation and write-downs of fixed assets

	Balance as at 31/12/2021	Balance as at 31/12/2020 (*)
Amortisation of intangible fixed assets	(2,010)	(2,173)
Depreciation of property, plant and equipment	(13,231)	(14,893)
Write-downs of fixed assets	(1,428)	(4,747)
<b>TOTAL AMORTISATION, DEPRECIATION AND WRITE-DOWNS</b>	<b>(16,669)</b>	<b>(21,813)</b>

(\*) Some of the amounts shown in this column do not correspond to those of the financial statements published as at 31/12/2020, as they reflect the valuations made at the time of the Purchase Price Allocation of HBG Events at final values.

The item "Impairment of fixed assets" mainly includes the value entered in respect of the work to redo the roof of Pavilion 7 at the Vicenza trade fair district, which entailed the write-off of the net carrying amount originally entered for this portion of property and the impairment of the receivable due from the shareholder Vicenza Holding S.p.A., for an amount equal to 1,143 thousand euros, in connection with the bankruptcy procedure of Biblioteca della Moda S.r.l..

### 32) Financial income and charges

Details of "Financial income" are reported below:

	Balance as at 31/12/2021	Balance as at 31/12/2020
<b>From securities in Current assets other than equity investments</b>	<b>36</b>	<b>52</b>
Interest income on bank deposits	1	2
Actuarial value of the TFR provision	-	14
Restatement of payables for put options	-	9,344
<b>Income other than the above</b>	<b>1</b>	<b>9,360</b>
<b>TOTAL FINANCIAL INCOME</b>	<b>37</b>	<b>9,412</b>

Financial income amounted to 37 thousand euros, mainly due to items other than equity investments.

It is recalled that at 31 December 2020, financial income amounted to 9.3 million euros, attributable almost entirely to non-recurring transactions involving the restatement of payables recognised for the future exercise of put options set forth contractually for the purchase of the remaining shares in Prostand Srl and FB International Inc, as a result of the revision of the estimates of future results of companies due to the impact of the pandemic Covid-19.

Details of the item "Interest and financial charges" are provided below:

	Balance as at 31/12/2021	Balance as at 31/12/2020
Interest expense on payables due to banks	(1,565)	(1,833)
Other interest expense and charges	(201)	(200)
Negative differences of swaps	(1,044)	(962)
IRS differential	1,346	194
Financial charges on put options and earn-out	(1,485)	(590)
Actuarial value of the TFR provision	(35)	-
Interest expense on rights of use - IFRS 16	(511)	(681)
<b>TOTAL INTEREST AND FINANCIAL CHARGES</b>	<b>(3,495)</b>	<b>(4,071)</b>

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



The “IRS Differential” represents the change in the fair value of the derivative, solely for management purposes, contracted by the Parent Company with former Banca Popolare di Vicenza (now Banca Intesa San Paolo), between 31 December 2019 and 31 December 2020.

The “Negative differences of swaps”, which came to 1,044 million euros, refers to the interest paid by the Group in respect of the variables of the underlyings. In detail, the Parent company pays Intesa SanPaolo the fixed rate of the above contract and the second subscribed in 2018, in addition, in 2021, the first negative differences of swaps were noted, and added here, on the interest paid to the four banks of the pool loan (Bper, Banco BPM, BNL and Credit Agricole). The subsidiary Summertrade paid negative swap differences for approximately 5 thousand euros to Credit Agricole Italia Spa, hence these charges too are mainly due to Italian Exhibition Group S.p.A.

The item “Financial charges on put options and earn-out” came to 1,485 million euros and included financial charges entered for the remeasurement of the debt deriving from the earn-out to be paid to the former founding members of HBG and, to a residual extent, to the discounting component of payables for put options relative to the fitting companies acquired in 2018.

It should be noted that, as a result of the application of IFRS 16 Leases, the Group recognised interest expense totalling 511 thousand euros.

Exchange gains and losses result in a net loss for the Group of 77 thousand euros.

Note that “interest and financial charges” includes a non-recurring expense of 158 thousand euros due by the Parent company following failure to use the credit facility made available by the pool of banks headed by Credit Agricole (“Non-utilisation fee of Credit Facility B), regulated in the contract.

### 33) Gains and losses from equity investments

Equity investments in associated companies were measured using the equity method. The other equity investments are booked at cost and are written down in the event of a significant and prolonged reduction in the fair value with respect to the cost of recognition.

For more information, please refer to the previous comments on financial fixed assets.

	Balance as at 31/12/2021	Balance as at 31/12/2020
<b>Revaluations of equity investments</b>		
Cesena Fiera S.p.a.	20	26
Destination Service	28	0
Rimini Welcome S.c.a.r.l.	2	0
<b>Total revaluations of equity investments</b>	<b>50</b>	<b>26</b>
<b>Write-downs of equity investments</b>		
Expo Estrategia Brasil Eventos e Producoes Ltda	(191)	(11)
EAGLE	(65)	(1,109)
C.A.S.T. Alimenti Srl	(125)	(51)
Rimini Welcome S.c.a.r.l.	0	(2)
Fitness Festival International S.r.l. (in liquidation)	(30)	(4)
DV Global Link LLC	0	(241)
<b>Total Write-down of equity investments</b>	<b>(411)</b>	<b>(1,418)</b>
<b>TOTAL GAINS/LOSSES FROM EQUITY INVESTMENTS</b>	<b>(361)</b>	<b>(1,392)</b>

### 34) Taxes

Period income tax yields a gain of 0.3 million euros, due to the changes in prepaid and deferred tax, as can be seen from the calculation of current tax.

Despite the fact that the 2021 result is in line with expectations, given the uncertainty that remains on the effects of the pandemic, exclusively for reasons of prudence, the Group has chosen not to book prepaid tax on the loss recorded during this period.

Deferred tax liabilities have been calculated according to the global allocation approach, taking into account the cumulative amount of all temporary taxable differences, based on the expected average rates in force when these temporary differences are offset.

Deferred tax assets were recorded given there is reasonable certainty as to the existence, in the years in which the temporary deductible differences will carry forward, in respect of which prepaid taxes were recognised, of a taxable income not lower than the amount of the differences that will be cancelled.

### 35) 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 31 December 2021 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..

Related party transactions	Rimini Congressi (*)	Destination Services	DV Global Link LLC	Rimini Welcome	Hannover Fair Mexico	Cesena Fiera	CAST Alimenti Srl
Trade receivables	676	0	54	18	0	65	0
Current financial assets	0	45	3	0	159	0	0
<b>TOTAL RECEIVABLES</b>	<b>676</b>	<b>45</b>	<b>57</b>	<b>18</b>	<b>159</b>	<b>65</b>	<b>0</b>
Trade payables	(3)	0	(3)	0	0	(66)	(2)
Financial payables	(15,033)	0	0	0	0	0	0
Interest expense on other payables	0	0	0	0	0	0	0
<b>TOTAL PAYABLES</b>	<b>(15,036)</b>	<b>0</b>	<b>(3)</b>	<b>0</b>	<b>0</b>	<b>(66)</b>	<b>(2)</b>
Revenues from sales and services	0	0	0	15	0	2,330	0
Other revenues	120	0	0	0	0	0	0
Costs for services, use of third-party assets, other expenses	(1,773)	0	0	0	0	(185)	(3)
Income from equity investments	0	0	0	0	0	0	0
<b>TOTAL REVENUES AND COSTS</b>	<b>(1,654)</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>2,146</b>	<b>(3)</b>

(\*) In applying IFRS 16, costs for use of third-party assets are completely eliminated and replaced with amortisation/depreciation on rights of use for 979 thousand euros and financial charges for 317 thousand euros.

Rimini Congressi is the parent company of the Group in which, following the merger by incorporation between the aforementioned company and Società del Palazzo S.p.A., the Group holds a stake of 10.36%. The tables below indicate the receivable/payable and cost/revenue transactions as at 31 December 2021 between IEG and the parent company. In addition, it should be noted that, on application of the new IFRS 16 accounting standard, the costs for the use of third-party assets, relating to rental agreements for the Palacongressi di Rimini stipulated between IEG S.p.A. and Rimini Congressi S.r.l., were completely eliminated and replaced with amortisation/depreciation and financial charges, as more fully detailed in the table. Financial payables amounting to 15.0 million euros relate entirely to the discounting of lease instalments to be paid for the rental of Palacongressi di Rimini, as set forth in IFRS 16.

**36) Disclosure no. 124 pursuant to 04 August 2017**

The information required pursuant to art. 1, paragraph 125 of Law no. 124 of 04 August 2017, divided up between amounts received and benefits.

No.	Name of disbursing entity	Reason	Sum collected (€)	Collection date
1	G.S.E. S.p.A.	Photovoltaic incentives - January	1,531	30/04/2021
2	G.S.E. S.p.A.	Photovoltaic incentives - February	1,531	30/04/2021
3	G.S.E. S.p.A.	Photovoltaic incentives - March	1,531	30/06/2021
4	G.S.E. S.p.A.	Photovoltaic incentives - April	1,312	30/06/2021
5	G.S.E. S.p.A.	Photovoltaic incentives - May	1,312	31/08/2021
6	G.S.E. S.p.A.	Photovoltaic incentives - June	1,312	31/08/2021
7	G.S.E. S.p.A.	Photovoltaic incentives - August	914	30/11/2021
8	G.S.E. S.p.A.	Photovoltaic incentives - September	914	30/11/2021
9	G.S.E. S.p.A.	Photovoltaic incentives - July	914	30/11/2021
10	Municipality of Vicenza	Municipality of Vicenza - grant VIOFF20 DET.2055	19,000	03/11/2021
11	ICE - AGENZIA PER LA PROMOZIONE (Agency for the promotion abroad and internationalisation of Italian companies)	Ecomondo grants 2019	297,981	23/04/2021
12	Ministry of Tourism	Covid grants IEG Fairs and conferences	3,984,474	27/12/2021
13	Ministry of Tourism	Covid grants IEG Fairs and conferences	6,973,202	27/12/2021
14	SIMEST SPA	Promotion of exports and globalisation	101,115	31/03/2021
15	Veneto Innovazione	Buy Veneto project	7,800	14/06/2021
16	SIMEST SPA	Safeguarding of equity solidity Trade fair	524,753	27/08/2021
17	SIMEST SPA	Contribution for compensating fixed costs	9,777,808	27/08/2021
18	Ministry of Tourism	Covid grants IEG Fairs and conferences	781,103	14/10/2021
19	Veneto Union of Chambers of Commerce	Covid-19 compensation contributions - Letter A to F	1,394	08/10/2021
20	Ministry of Tourism	Covid grants PR Fairs and conferences	594,959	16/12/2021
21	Ministry of Tourism	Covid grants PR Fairs and conferences	2,449,385	22/12/2021
22	Ministry of Tourism	Covid grants PR Fairs and conferences	3,112,817	23/12/2021
23	Fondimpresa	Mappamondo 2021 project	15,300	29/09/2021
<b>Total</b>			<b>28,652,362</b>	

No.	Name of disbursing entity	Reason	Benefit granted (€)	Date granted
1	ADE	Provisions on the payment of IRAP	265,889	14/12/2021
2	MCC	COVID-19 Government aid SME guarantee fund SA 56966 2020/N	55,504	31/01/2021
3	MCC	COVID-19: Government aid SME guarantee fund SA 56966 2020/N	53,649	20/02/2021
4	MCC	Special Section Fund Guarantee Art. 56 DI 17 032020 No.18	50,000	30/04/2021
5	MCC	Special Section Fund Guarantee Art. 56 DI 17 03/2020 No.18	268,626	30/04/2021
6	MCC	COVID-19: Government aid SME guarantee fund SA 56966 2020/N	30,255	31/03/2021
7	SACE	COVID-19: SACE Italy guarantee	4,636	08/08/2021
8	SACE	COVID-19: SACE Italy guarantee	282,961	05/08/2021
9	ADE	Provisions on the payment of IRAP	27,497	14/12/2021
10	INPS	COVID-19: INPS CONTRIBUTION RELIEF	64,300	18/11/2021
11	Fondirigenti	Open organisation & change management	12,500	16/09/2021
<b>Total</b>			<b>1,115,817</b>	

### 37) Independent Auditors' fees

The following table shows the fees paid to auditors of group companies and to their network, broken down into audit and related services.

COMPENSATION FOR THE STATUTORY AUDIT	Balance as at 31/12/2021	Balance as at 31/12/2020
Audit services	217	154
Related Services	183	247

### 38) Additional Information

#### *Sureties and guarantees granted to third parties*

It should be noted that, as at 31 December 2021, the Group has guarantees in place relating to sureties and third party assets at IEG totalling 1,246 thousand euros.

The following guarantees were issued:

- by the Parent Company in favour of the former minority shareholder Pro.Stand following the acquisition occurring in 2020 of the additional 20% of the equity investment for the residual portion to be paid in the short-term in the amount of 534.5 thousand euros;
- by the Parent Company in favour of the lessor who owns the Milan offices for 193 thousand euros;
- by the Parent Company in favour of the lessor who owns Pavilion 9 of the Vicenza trade fair district for 75 thousand euros;
- by the Parent Company in favour of other entities for a total of 100.4 thousand euros;
- by Summertrade S.r.l. in favour of Riva del Garda S.p.A as a guarantee for the contractual commitments concerning the management of the catering services internal to the trade fair complex and to other parties for a total of 76 thousand euros;
- by Pro.Stand S.r.l. in favour of the lessors for 252 thousand euros to guarantee the contractual commitments relating to leases on industrial depots/warehouses;
- by Pro.Stand S.r.l. for 15 thousand euros as guarantee for the works carried out for the benefit of the customer.

It should also be noted that Italian Exhibition Group S.p.A. replaced Fiera di Vicenza S.p.A. in the guarantees issued by the latter in favour of the investee C.I.S. S.p.A. in liquidation in the amount of Euro 1,200 thousand. This amount was not recorded under guarantees given as the associated provision for risks is allocated in the financial statements for the same amount.

#### *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 in 2021 and the previous year is shown below.

FTE	2021	2020
Executives	13.8	12.2
Middle managers/White-collar workers	371.1	386.6
Blue-collar workers	128.1	92.2
<b>AVERAGE NUMBER OF EMPLOYEES</b>	<b>513.0</b>	<b>491.0</b>

The exact number of workers (headcount) as at 31 December 2021 compared with the figure as at 31 December 2020 is shown here below.

Headcount	31/12/2021	31/12/2020
Executives	13	14
Middle managers/White-collar workers	395	378
Blue-collar workers	161	56
<b>TOTAL HEADCOUNT AT THE END OF THE PERIOD</b>	<b>569</b>	<b>448</b>

## 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 DECEMBER 2021 USING THE LINE-BY-LINE METHOD

Company Name	Registered office	Core business	Share capital (figures in thousands)	% Share held by the Group			Group company
				Total Group	Direct - IEG S.p.A.	Indirect - other Group Companies	
Italian Exhibition Group S.p.A.	Via Emilia, 155 – 47921 Rimini	Organiser and host site of trade fairs/events/conferences		<i>Parent Company</i>			
Italian Exhibition Group Brasil Eventos LTDA	Av. Angélica, 2530 - 12° andar - Sao Paulo (Brazil)	Organiser of trade fairs/events/conferences and other trade fair activity accessory services	REAL 4,300	75%	75%		
Fieravicola S.r.l.	Via Emilia, 155 – 47921 Rimini	Organiser and host site of trade fairs/events/conferences	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 Santarcangeloese 18	Trade fair stand fittings	182	100%	100%		(1)
IEG USA Inc.	1001 Brickell Bay Dr., Suite 2717° Miami (FL)	Equity holding company	USD 7,200	100%	100%		
FB International Inc.	1 Raritan Road, Oakland, New Jersey 07436 - USA	Trade fair stand fittings	USD 48	51%		51%	IEG USA Inc.
Prime Servizi S.r.l.	Via Flaminia, 233/A – 47924 Rimini	Cleaning and portorage services	60	51%	51%		
HBG Events FZ LLC	Creative Tower, 4422, Fujairah, UAE	Organisation of trade fair events	AED 799	100%	100%		

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

## COMPANIES ACCOUNTED FOR IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021 USING THE EQUITY METHOD

Company Name	Registered office	Core business	Share capital (figures in thousands)	% Share held by the Group			Group company
				Total Group	Direct - IEG S.p.A.	Indirect - other Group Companies	
Expo EstrategiaBrasilEventos e Producoes Ltda in liquidation	Rua Felix de Souza, 307 Vila Congonhas – Sao Paulo	Organiser and host site of trade fairs/events/conferences	REAL 6,091	50%	50%		
Dv Global Link LLC in liquidation	P.O. Box 9292, Dubai, United Arab Emirates	Organiser and host site of trade fairs/events/conferences	AED 500	49%	49%		
Fitness Festival International S.r.l. in liquidation	Via Martiri dei Lager, 65 – 06128 Perugia	Organiser of trade fairs/events and conferences	220	50%	50%		
EAGLE	Shanghai, China	Organiser of trade fairs/events and conferences	CNY 7,000	50%	50%		
Cesena Fiera S.p.A.	Via Dismano, 3845 – 47522 Pievesestina di Cesena (FC)	Organiser of trade fairs/events and conferences	2,288	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.	via Sordello 11/A – 31046 Oderzo (TV)	Organiser of trade fairs/events and conferences	15	20%	20%		

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

**Statement relating to the Consolidated Financial  
Statements pursuant to art. 154 bis, paragraph 5 of  
Italian Legislative Decree no. 58/1998**



**STATEMENT RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS  
PURSUANT TO ART. 154 BIS, PARAGRAPH 5 OF ITALIAN LEGISLATIVE DECREE  
NO. 58/1998**

1. The undersigned, Corrado Peraboni, as Chief Executive Officer and Carlo Costa as Manager responsible for preparing the company's financial documents of Italian Exhibition Group S.p.A. hereby certify, also taking into account the provisions of article 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998:

- the adequacy with respect to the company's profile, and
- the effective application

of the administrative and accounting procedures for the preparation of the Consolidated Financial Statements as at 31 December 2021.

2. It is also certified that:

2.1. the consolidated financial statements as at 31 December 2021:

- were prepared in accordance with the international accounting standards recognised by the European Union pursuant to European Parliament and Council Regulation no. 1606/2002/EC of 19 July 2002;
- correspond to the results of the books and the accounting records;
- are suitable to provide a true and fair representation of the capital, economic and financial situation of the issuer and group of companies included within the scope of consolidation.

2.2. the Directors' Report on Operations includes a reliable analysis of the trends and results of operations as well as of the position of the issuer and of all entities included within the scope of consolidation, together with a description of the main risks and uncertainties they are exposed to.

Rimini, 24 March 2022

*Signed*

**The Chief Executive Officer**

*Corrado Arturo Peraboni*

*Signed*

**Manager responsible for drafting  
the company's financial documents**

*Carlo Costa*

**Independent Auditors' Report to the  
Consolidated Financial Statements**



## Relazione della società di revisione indipendente

ai sensi dell'articolo 14 del D.Lgs. 27 gennaio 2010, n° 39 e dell'articolo 10 del Regolamento (UE) n° 537/2014

Agli Azionisti della Italian Exhibition Group SpA

### Relazione sulla revisione contabile del bilancio consolidato

#### Giudizio

Abbiamo svolto la revisione contabile del bilancio consolidato della Italian Exhibition Group SpA (di seguito anche la "Società") e sue società controllate (di seguito, il "Gruppo IEG" o il "Gruppo"), costituito dalla situazione patrimoniale-finanziaria consolidata al 31 dicembre 2021, dal conto economico consolidato, dal conto economico complessivo consolidato, dal prospetto delle variazioni del patrimonio netto consolidato e dal rendiconto finanziario consolidato per l'esercizio chiuso a tale data e dalle note illustrative al bilancio consolidato, che includono anche la sintesi dei più significativi principi contabili applicati.

A nostro giudizio, il bilancio consolidato della Italian Exhibition Group SpA fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria del Gruppo IEG al 31 dicembre 2021 e del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità agli *International Financial Reporting Standards* adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'articolo 9 del D.Lgs. n° 38/2005.

#### Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione "Responsabilità della società di revisione per la revisione contabile del bilancio consolidato" della presente relazione. Siamo indipendenti rispetto alla Italian Exhibition Group SpA in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di avere acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

#### Aspetti chiave della revisione contabile

Gli aspetti chiave della revisione contabile sono quegli aspetti che, secondo il nostro giudizio professionale, sono stati maggiormente significativi nell'ambito della revisione contabile del bilancio consolidato dell'esercizio in esame. Tali aspetti sono stati da noi affrontati nell'ambito della revisione contabile e nella formazione del nostro giudizio sul bilancio consolidato nel suo complesso; pertanto, su tali aspetti non esprimiamo un giudizio separato.

#### PricewaterhouseCoopers SpA

Sede legale: Milano 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 I.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: Ancona 60131 Via Sandro Totti 1 Tel. 071 2132311 - Bari 70122 Via Abate Gimma 72 Tel. 080 5640211 - Bergamo 24121 Largo Belotti 5 Tel. 035 229691 - Bologna 40126 Via Angelo Finelli 8 Tel. 051 6186211 - Brescia 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - Catania 95129 Corso Italia 302 Tel. 095 7532311 - Firenze 50121 Viale Gramsci 15 Tel. 055 2482811 - Genova 16121 Piazza Piccapietra 9 Tel. 010 29041 - Napoli 80121 Via dei Mille 16 Tel. 081 36181 - Padova 35138 Via Vicenza 4 Tel. 049 873481 - Palermo 90141 Via Marchese Ugo 60 Tel. 091 349737 - Parma 43121 Viale Tanara 20/A Tel. 0521 275911 - Pescara 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - Roma 00154 Largo Fochetti 29 Tel. 06 570251 - Torino 10122 Corso Palestro 10 Tel. 011 556771 - Trento 38122 Viale della Costituzione 33 Tel. 0461 237004 - Treviso 31100 Viale Fellissent 90 Tel. 0422 606011 - Trieste 34125 Via Cesare Battisti 18 Tel. 040 3480781 - Udine 33100 Via Foscolle 43 Tel. 0432 25789 - Varese 21100 Via Albuzzi 43 Tel. 0332 285039 - Verona 37135 Via Francia 21/C Tel. 045 8263001 - Vicenza 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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<b>Aspetti chiave</b>	<b>Procedure di revisione in risposta agli aspetti chiave</b>
<p><b>Recuperabilità del valore degli avviamenti</b></p> <p>Si vedano il paragrafo “Criteri di valutazione” e la nota n° 2 - “Immobilizzazioni immateriali” delle note illustrative al bilancio consolidato al 31 dicembre 2021</p> <p>Al 31 dicembre 2021, il valore contabile degli avviamenti iscritti nel bilancio consolidato del Gruppo IEG è pari a circa Euro 22,1 milioni.</p> <p>Tali avviamenti, trattandosi di attività immateriali a vita utile indefinita, ai sensi del principio contabile internazionale IAS 36 - “Impairment of assets”, non sono assoggettati ad ammortamento, ma sottoposti, almeno annualmente, a verifiche di eventuali perdite di valore (c.d. “impairment test”).</p> <p>Sulla base delle scelte strategiche effettuate dalla Società, gli avviamenti sono stati allocati, ai fini della verifica del valore recuperabile, sul gruppo di Unità Generatrici di Cassa (“Cash Generating Units” o “CGU”) coincidenti con il settore operativo italiano del Gruppo IEG (la “CGU Italia”), con la “CGU FB” e con la “CGU HBG”.</p> <p>L’impairment test è stato effettuato dagli Amministratori mediante il confronto tra il valore recuperabile delle “CGU Italia”, CGU “HBG” e “CGU FB”, rappresentato dai valori d’uso determinati tramite la metodologia del valore attuale dei flussi di cassa futuri, ed i rispettivi valori contabili, inclusivi degli avviamenti.</p> <p>I valori d’uso determinati dagli Amministratori, che considerano il periodo esplicito 2022-2025, si basano su assunzioni riguardanti, tra l’altro, (i) la stima dei flussi di cassa desumibili dai dati del Piano 2022-2025 - “worst case” approvato dal Consiglio d’Amministrazione della Società in data 14 marzo 2022 (di seguito il “Piano”), che prevede per l’esercizio 2022 una riduzione dei ricavi, rispetto ai dati consuntivi dell’esercizio 2019 (situazione pre Covid-19), di circa il 38%, (ii) la</p>	<p><b>Procedure di revisione svolte</b></p> <p>L’approccio di revisione ha previsto, in via preliminare, la comprensione e la valutazione delle metodologie e delle procedure definite dalla Società per la determinazione dei valori recuperabili delle “CGU Italia”, “CGU FB” e “CGU HBG”, alle quali gli avviamenti oggetto di impairment test sono stati allocati.</p> <p>In particolare, abbiamo verificato la ragionevolezza delle assunzioni degli Amministratori sottostanti l’allocazione degli avviamenti alle “CGU Italia”, “CGU FB” e “CGU HBG”.</p> <p>Abbiamo verificato che la metodologia utilizzata dalla Società risultasse coerente con il principio contabile internazionale IAS 36 e con la normale prassi valutativa, anche attraverso il coinvolgimento degli esperti della rete PwC nell’ambito delle valutazioni d’impresa.</p> <p>Abbiamo verificato la ragionevolezza del tasso di attualizzazione e del tasso di crescita perpetua, rispetto alle prassi valutative normalmente adottate per aziende appartenenti al settore di riferimento del Gruppo IEG.</p> <p>Abbiamo verificato la coerenza tra i flussi finanziari inseriti nel modello di valutazione e quelli riflessi nel Piano 2022-2025 - “worst case”, oltre ad avere valutato la ragionevolezza, sulla base delle informazioni disponibili alla data, delle assunzioni e delle previsioni alla base del Piano.</p> <p>Abbiamo verificato l’accuratezza matematica dei modelli di valutazione predisposti dalla Società, ed esaminato le analisi di sensitività predisposte dalla Direzione.</p> <p>Inoltre, con riferimento agli effetti sull’attività</p>



determinazione di un appropriato tasso di attualizzazione ("WACC") e (iii) la stima di un tasso di crescita a medio-lungo termine ("g") per i flussi oltre il periodo esplicito del Piano.

I criteri di redazione e i risultati dell'*impairment test* sono stati approvati dal Consiglio d'Amministrazione della Società rispettivamente in data 14 marzo 2022 e 24 marzo 2022, senza rilevare perdite di valore degli avviamenti iscritti nel bilancio consolidato.

L'analisi di recuperabilità del valore degli avviamenti è stata considerata di particolare rilevanza per la revisione legale del bilancio consolidato, in considerazione degli elementi di stima (in particolare nella stima dei flussi finanziari attesi e nella determinazione del tasso di attualizzazione e dei tassi di crescita) insiti nelle valutazioni effettuate dagli Amministratori in relazione alla recuperabilità degli avviamenti.

Con riguardo agli effetti sull'attività del Gruppo IEG, gli Amministratori hanno svolto analisi di sensitività sul valore recuperabile delle CGU.

#### **Recuperabilità delle imposte anticipate**

*Si vedano il paragrafo "Criteri di valutazione", la nota n° 5 - "Attività fiscali per imposte anticipate" e la nota n° 34 - "Imposte sul reddito" delle note illustrative al bilancio consolidato al 31 dicembre 2021*

Le attività nette per imposte anticipate iscritte nel bilancio consolidato al 31 dicembre 2021 ammontano a circa Euro 6,7 milioni (esposte al netto di passività per imposte differite pari a circa Euro 2,7 milioni).

Tali attività nette per imposte anticipate includono circa Euro 4,2 milioni relativamente alla perdita fiscale IRES sofferta dalle società appartenenti al consolidato fiscale del Gruppo IEG nell'esercizio 2020.

L'analisi di recuperabilità delle imposte anticipate è stata considerata di particolare rilevanza per la

del Gruppo derivanti dalla pandemia Covid-19, abbiamo svolto un esercizio di *stress test*, considerando *input* peggiorativi per l'esercizio 2022 rispetto a quelli utilizzati negli *impairment test* degli avviamenti iscritti nel bilancio consolidato al 31 dicembre 2021.

Infine, abbiamo verificato l'adeguatezza e la completezza dell'informativa fornita nelle note illustrative al bilancio consolidato.

#### **Procedure di revisione svolte**

Le procedure di revisione svolte hanno incluso, preliminarmente, la comprensione e la valutazione del processo adottato dalla Società per verificare la recuperabilità delle imposte anticipate.

Abbiamo ottenuto la previsione della Società in merito alla tempistica prevista di recuperabilità delle imposte anticipate, che è strettamente correlata alla previsione di futuri redditi imponibili nel periodo 2022-2025 per la Società e per le società controllate italiane incluse nel perimetro del consolidamento fiscale IRES del Gruppo IEG, a sua volta collegata alle previsioni reddituali riflesse nel Piano 2022-2025 - "*worst case*".

Abbiamo verificato la coerenza tra i flussi finanziari inseriti nel modello di valutazione e quelli riflessi nel Piano 2022-2025 - "*worst case*", oltre ad avere valutato la



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revisione legale del bilancio consolidato, in considerazione della complessità del processo di valutazione della recuperabilità di tali attività, che è strettamente correlato alla capacità di realizzazione da parte della Società e del Gruppo IEG del sopraccitato Piano 2022-2025 - "worst case", approvato dal Consiglio d'Amministrazione della Società in data 14 marzo 2022.

ragionevolezza, sulla base delle informazioni disponibili alla data, delle assunzioni e delle previsioni alla base del Piano.

Abbiamo verificato che la metodologia utilizzata dal Gruppo risultasse coerente con il principio contabile internazionale IAS 12 - "Income taxes" e con la normale prassi valutativa, anche attraverso il coinvolgimento degli esperti della rete PwC nell'ambito di verifiche del carico fiscale.

Infine, abbiamo verificato l'adeguatezza e la completezza dell'informativa fornita nel bilancio consolidato in merito alle previsioni alla base della recuperabilità delle imposte anticipate.

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#### **Responsabilità degli Amministratori e del Collegio Sindacale per il bilancio consolidato**

Gli Amministratori della Italian Exhibition Group SpA sono responsabili per la redazione del bilancio consolidato che fornisca una rappresentazione veritiera e corretta in conformità agli *International Financial Reporting Standards* adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'articolo 9 del D.Lgs. n° 38/2005 e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Amministratori sono responsabili per la valutazione della capacità del Gruppo IEG di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio consolidato, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli Amministratori della Società utilizzano il presupposto della continuità aziendale nella redazione del bilancio consolidato, a meno che abbiano valutato che sussistano le condizioni per la liquidazione della capogruppo Italian Exhibition Group SpA o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il Collegio Sindacale della Italian Exhibition Group SpA ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria del Gruppo.

#### **Responsabilità della società di revisione per la revisione contabile del bilancio consolidato**

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio consolidato nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza, si intende un livello elevato di sicurezza, che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da



comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche prese dagli utilizzatori sulla base del bilancio consolidato.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio consolidato, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze, e non per esprimere un giudizio sull'efficacia del controllo interno del Gruppo;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli Amministratori, inclusa la relativa informativa;
- siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli Amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di un'incertezza significativa riguardo a eventi o circostanze che possano far sorgere dubbi significativi sulla capacità del Gruppo di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio, ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successive possono comportare che il Gruppo cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio consolidato nel suo complesso, inclusa l'informativa, e se il bilancio consolidato rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione;
- abbiamo acquisito elementi probativi sufficienti ed appropriati sulle informazioni finanziarie delle imprese o delle differenti attività economiche svolte all'interno del Gruppo per esprimere un giudizio sul bilancio consolidato. Siamo responsabili della direzione, della supervisione e dello svolgimento dell'incarico di revisione contabile del Gruppo. Siamo gli unici responsabili del giudizio di revisione sul bilancio consolidato.

Abbiamo comunicato ai responsabili delle attività di *governance*, identificati ad un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

Abbiamo fornito ai responsabili delle attività di *governance* anche una dichiarazione sul fatto che abbiamo rispettato le norme e i principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano e abbiamo comunicato loro ogni situazione che possa ragionevolmente avere un effetto sulla nostra indipendenza e, ove applicabile, le relative misure di salvaguardia.



Tra gli aspetti comunicati ai responsabili delle attività di *governance*, abbiamo identificato quelli che sono stati più rilevanti nell'ambito della revisione contabile del bilancio consolidato dell'esercizio in esame, che hanno costituito, quindi, gli aspetti chiave della revisione. Abbiamo descritto tali aspetti nella relazione di revisione.

***Altre informazioni comunicate ai sensi dell'articolo 10 del Regolamento (UE) n° 537/2014***

L'Assemblea degli Azionisti della Italian Exhibition Group SpA ci ha conferito, in data 17 ottobre 2018, l'incarico di revisione legale dei bilanci separati e consolidati della Società per gli esercizi in chiusura dal 31 dicembre 2019 al 31 dicembre 2027.

Dichiariamo che non sono stati prestati servizi diversi dalla revisione contabile vietati ai sensi dell'articolo 5, paragrafo 1, del Regolamento (UE) 537/2014 e che siamo rimasti indipendenti rispetto alla Società nell'esecuzione della revisione legale.

Confermiamo che il giudizio sul bilancio consolidato espresso nella presente relazione è in linea con quanto indicato nella Relazione aggiuntiva destinata al Collegio Sindacale, nella sua funzione di Comitato per il controllo interno e la revisione contabile, predisposta ai sensi dell'articolo 11 del citato Regolamento.

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***Relazione su altre disposizioni di legge e regolamentari***

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***Giudizio sulla conformità alle disposizioni del Regolamento Delegato (UE) 2019/815***

Gli Amministratori della Italian Exhibition Group SpA sono responsabili per l'applicazione delle disposizioni del Regolamento Delegato (UE) 2019/815 della Commissione Europea in materia di norme tecniche di regolamentazione relative alla specificazione del formato elettronico unico di comunicazione (ESEF - *European Single Electronic Format*) (nel seguito "Regolamento Delegato") al bilancio consolidato, da includere nella relazione finanziaria annuale.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n° 700B al fine di esprimere un giudizio sulla conformità del bilancio consolidato alle disposizioni del Regolamento Delegato.

A nostro giudizio, il bilancio consolidato è stato predisposto nel formato XHTML, ed è stato marcato, in tutti gli aspetti significativi, in conformità alle disposizioni del Regolamento Delegato.

***Giudizio ai sensi dell'articolo 14, comma 2, lettera e) del D.Lgs. n° 39/2010 e dell'articolo 123-bis, comma 4, del D.Lgs. n° 58/1998***

Gli Amministratori della Italian Exhibition Group SpA sono responsabili per la predisposizione della relazione sulla gestione (redatta unitariamente per il bilancio separato e per il bilancio consolidato) e della relazione sul governo societario e gli assetti proprietari al 31 dicembre 2021, incluse la loro coerenza con il relativo bilancio consolidato e la loro conformità alle norme di legge.





Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n° 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione e di alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'articolo 123-bis, comma 4, del D.Lgs. n°58/1998 con il bilancio consolidato della Italian Exhibition Group SpA al 31 dicembre 2021 e sulla conformità delle stesse alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

A nostro giudizio, la relazione sulla gestione e alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari sopra richiamate sono coerenti con il bilancio consolidato del Gruppo IEG al 31 dicembre 2021 e sono redatte in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'articolo 14, comma 2, lettera e) del D.Lgs. n° 39/2010, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

***Dichiarazione ai sensi dell'articolo 4 del Regolamento CONSOB di attuazione del D.Lgs. 30 dicembre 2016, n° 254***

Gli Amministratori della Italian Exhibition Group SpA sono responsabili per la predisposizione della dichiarazione non finanziaria ai sensi del D.Lgs. 30 dicembre 2016, n° 254.

Abbiamo verificato l'avvenuta approvazione da parte degli Amministratori della dichiarazione non finanziaria.

Ai sensi dell'articolo 3, comma 10, del D.Lgs. 30 dicembre 2016, n° 254, tale dichiarazione è oggetto di separata attestazione di conformità da parte nostra.

Bologna, 8 aprile 2022

PricewaterhouseCoopers SpA

A handwritten signature in black ink that reads 'Gianni Bendandi'.

Gianni Bendandi  
(Revisore legale)

**ITALIAN EXHIBITION GROUP S.p.A.**  
**Separate Financial Statements as at 31/12/2021**

## STATEMENT OF FINANCIAL POSITION

ASSETS (in Euro units)	NOTES	31/12/2021	31/12/2020
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	1	180,408,115	183,380,519
Intangible fixed assets	2	19,645,505	21,250,808
Equity investments in subsidiaries	3	19,977,759	18,094,980
Equity investments valued using the equity method	4	2,728,451	2,949,304
Equity investments in other companies	5	10,855,042	11,041,757
<i>Of which with related parties</i>		10,770,064	10,974,064
Deferred tax assets	6	5,311,087	5,620,702
Non-current financial assets	7	360,040	472,072
Other non-current assets	8	69,389	98,243
<b>TOTAL NON-CURRENT ASSETS</b>		<b>239,355,388</b>	<b>242,908,385</b>
<b>CURRENT ASSETS</b>			
Inventories		-	-
Trade receivables	9	19,069,420	9,803,500
<i>Of which with related parties</i>		3,530,117	2,750,346
Tax receivables for direct taxes	10	100,084	76,011
Current financial assets	11	3,125,871	2,203,594
<i>Of which with related parties</i>		3,125,870	2,203,594
Other current assets	12	4,747,460	3,759,526
Cash and cash equivalents	13	42,177,524	24,069,554
<b>TOTAL CURRENT ASSETS</b>		<b>69,220,359</b>	<b>39,912,185</b>
<b>TOTAL ASSETS</b>		<b>308,575,747</b>	<b>282,820,570</b>

LIABILITIES	(in Euro units)	NOTES	31/12/2021	31/12/2020
<b>SHAREHOLDERS' EQUITY</b>				
	Share capital	14	52,214,897	52,214,897
	Share premium reserve	14	13,946,713	13,946,713
	Other reserves	14	33,337,227	33,147,188
	Profit (loss) for previous years	14	4,538,068	17,221,060
	Profit (loss) for the year	14	1,609,692	(12,682,991)
<b>TOTAL SHAREHOLDERS' EQUITY</b>			<b>105,646,597</b>	<b>103,846,867</b>
<b>NON-CURRENT LIABILITIES</b>				
	Payables due to banks	15	87,667,219	83,730,328
	Non-current financial liabilities on rights of use	16	19,416,184	17,682,965
	<i>Of which with related parties</i>		14,169,553	15,295,527
	Other non-current financial liabilities	17	5,496.23	9,321,361
	<i>Of which with related parties</i>		0	0
	Provisions for non-current risks and charges	18	1,937,147	1,598,727
	Employee provisions	19	2,716,371	2,893,214
	Other non-current liabilities	20	2,020,045	2,106,514
<b>TOTAL NON-CURRENT LIABILITIES</b>			<b>119,253,196</b>	<b>117,333,109</b>
<b>CURRENT LIABILITIES</b>				
	Payables due to banks	15	18,549,514	24,216,647
	Current financial liabilities on rights of use	21	1,264,617	1,369,744
	<i>Of which with related parties</i>		863,404	952,875
	Other current financial liabilities	22	4,736,589	2,556,303
	<i>Of which with related parties</i>		227,737	221,840
	Trade payables	23	26,779,962	18,060,026
	<i>Of which with related parties</i>		6,479,400	4,451,369
	Interest expense on other payables	24	0	0
	<i>Of which with related parties</i>		-	-
	Other current liabilities	25	32,345,272	15,437,874
	<i>Of which with related parties</i>			
<b>TOTAL CURRENT LIABILITIES</b>			<b>83,675,954</b>	<b>61,640,594</b>
<b>TOTAL LIABILITIES</b>			<b>308,575,747</b>	<b>282,820,570</b>

# INCOME STATEMENT

(in Euro units)	NOTES	2021	2020
<b>REVENUES</b>			
Revenues from contracts with customers	27	47,971,085	56,588,982
<i>Of which with related parties</i>		2,171,934	1,490,004
Other revenues	27	24,615,458	3,672,211
<i>Of which with related parties</i>		503,300	237,284
<b>TOTAL REVENUES</b>		<b>72,586,543</b>	<b>60,261,193</b>
<i>Of which non-recurring revenues</i>		22,325,604	743,163
<b>OPERATING COSTS</b>			
Change in inventories		-	-
Costs for raw materials, consumables and goods for resale	28	(937,104)	(1,224,472)
<i>Of which with related parties</i>		0	(12,900)
Costs for services	28	(34,599,662)	(36,479,732)
<i>Of which with related parties</i>		(8,368,415)	(8,990,766)
<i>Of which costs for non-recurring services</i>		(795,733)	(1,913,329)
Costs for use of third-party assets	28	(475,095)	(123,499)
Personnel costs	28	(16,723,001)	(15,064,597)
Other operating costs	28	(1,830,144)	(1,744,770)
<i>Of which with related parties</i>		(32,730)	(20,879)
<b>TOTAL OPERATING COSTS</b>	28	<b>(54,565,006)</b>	<b>(54,637,070)</b>
<b>GROSS OPERATING PROFIT (EBITDA)</b>		<b>18,021,537</b>	<b>5,624,123</b>
Depreciation, amortisation and write-downs of fixed assets	29	(12,343,163)	(11,909,510)
<i>of which non-recurring write-downs</i>		(1,427,198)	0
Write-down of receivables	9	0	(1,504,645)
Provisions and releases	17	0	204,500
Value adjustments of financial assets other than equity investments		(1,602,720)	(24,238)
<i>of which non-recurring write-downs</i>		(1,142,682)	0
<b>OPERATING PROFIT/LOSS</b>		<b>4,075,654</b>	<b>(7,609,770)</b>
<b>FINANCIAL INCOME AND CHARGES</b>			
Financial income	30	32,101	46,599
<i>Of which with related parties</i>		14,211	3,176
Financial charges	30	(1,689,387)	(3,166,417)
<i>of which non-recurring</i>		(157,500)	(900,000)
Exchange rate gains and losses	30	31,909	(55,052)
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	30	<b>(1,625,377)</b>	<b>(3,174,870)</b>
<b>GAINS AND LOSSES FROM EQUITY INVESTMENTS</b>			
Effect of valuation of equity investments with the equity method	31	(361,095)	(1,535,212)
Effect of measurement of equity investments in subsidiaries	31	(276,400)	(3,575,665)
Other gains/losses from equity investments	31	-	-
<b>TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS</b>	31	<b>(637,495)</b>	<b>(5,110,877)</b>
<i>of which non-recurring</i>			(4,607,665)
<b>PRE-TAX RESULT</b>		<b>1,812,782</b>	<b>(15,895,517)</b>
<b>INCOME TAXES</b>			
Current taxes	32	0	0
Taxes related to previous years	32	(197,861)	251,977
Deferred tax assets/(liabilities)	32	(5,229)	2,960,550
<b>TOTAL INCOME TAXES</b>	29	<b>(203,090)</b>	<b>3,212,527</b>
<b>PROFIT (LOSS) FOR THE YEAR</b>		<b>1,609,692</b>	<b>(12,682,991)</b>

## STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>1,609,692</b>	<b>(12,682,991)</b>
<b>Other Comprehensive Income which will be subsequently reclassified under profit/(loss) for the year:</b>		
Gains/(losses) on cash flow hedges	(454,259)	(367,281)
Gains/(losses) on translation of financial statements in foreign currency	40,645	(104,844)
<b>Total other Comprehensive Income which will be subsequently reclassified under profit/(loss) for the year</b>		<b>(472,125)</b>
<b>Other Comprehensive Income which will not be subsequently reclassified under profit/(loss) for the year:</b>		
Actuarial gains/(losses) from defined benefit plans for employees – IAS 19	(132,7179)	(104,322)
Income taxes	31,852	25,037
<b>Total effect of change in actuarial reserve</b>	<b>(100,865)</b>	<b>(79,285)</b>
Gains/(losses) on financial assets measured at FVOCI	(204,000)	200,827
<b>Total other Comprehensive Income which will not be subsequently reclassified under profit/(loss) for the year</b>		<b>121,542</b>
<b>TOTAL PROFIT/(LOSS) BOOKED TO SHAREHOLDERS' EQUITY</b>	<b>190,039</b>	<b>(350,583)</b>
<b>COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>	<b>1,799,731</b>	<b>(13,033,573)</b>

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium reserve	Revaluation reserves	Legal reserve	Statutory reserve	Other reserves	Retained earnings (Losses) carried forward	Profit (loss) for the year	Total
<b>Balance 31/12/2019</b>	52,214,897	13,946,713	67,159,789	9,705,919	2,462,319	(46,594,619)	4,100,969	13,897,502	116,893,489
<b>Allocation of profit for the year</b>									
- Allocation to reserves				694,875	69,488		13,133,139	(13,897,502)	0
Measurement of defined-benefit plans *						(79,285)			(79,285)
Fair value OCI reserve*						200,827	(13,048)		187,779
Reserve for translation of foreign financial statements *						(104,844)			(104,844)
CFH reserve*						(367,281)			(367,281)
Result of the period								(12,682,991)	(12,682,991)
<b>Balance 31/12/2020</b>	52,214,897	13,946,713	67,159,789	10,400,794	2,531,806	(46,945,202)	17,221,060	(12,682,991)	103,846,867
<b>Allocation of profit for the year</b>									
- Allocation to reserves							(12,682,991)	12,682,991	0
Measurement of defined-benefit plans *						(100,865)			(100,865)
Fair value OCI reserve*						(204,000)			(204,000)
Reserve for translation of foreign financial statements *						40,645			40,645
CFH reserve*						454,259			454,259
Result of the period								1,609,692	1,609,692
<b>Balance 31/12/2021</b>	52,214,897	13,946,713	67,159,789	10,400,794	2,531,806	(46,755,163)	4,538,069	1,609,692	105,646,598

\* These items fall under the components of the statement of comprehensive income

# CASH FLOW STATEMENT

Values in euros	31/12/2021	31/12/2020
<b>Profit/(loss) before tax</b>	<b>1,812,782</b>	<b>(15,895,517)</b>
Of which with related parties	(7,615,759)	(7,283,567)
Adjustments to trace profit for the year back to the cash flow from operating activities:		
Costs for use of third-party assets (IFRS 16)	(2,263,272)	(2,286,598)
Amortisation, depreciation and write-downs of property, plant and equipment and intangible assets	12,343,163	11,909,510
Provisions and write-downs	400,000	1,504,645
Other provisions	113,307	(68,130)
Charges/(income) from valuation of equity investments in other companies with the equity method	637,495	5,110,877
Write-down of financial assets		
Net financial charges	1,625,377	3,174,870
Of which with related parties	14,211	3,176
Other non-monetary changes	(193,970)	1,008,659
<b>Cash flow from operating activities before changes in working capital</b>	<b>14,474,882</b>	<b>4,458,316</b>
Change in working capital:		
Inventories		
Trade receivables	(9,265,920)	11,717,676
Of which with related parties	(850,080)	(33,994)
Trade payables	8,580,051	(10,246,975)
Of which with related parties	2,028,031	3,073,304
Other current and non-current assets	(959,080)	112,834
Other current and non-current liabilities	17,069,724	(28,585,003)
Receivables/payables for current taxes	(29,302)	136,666
Of which with related parties	0	163,599
Deferred tax assets/liabilities	(32,395)	67,259
<b>Cash flow from changes in working capital</b>	<b>15,363,077</b>	<b>(26,797,542)</b>
Income taxes paid	0	(1,779,698)
Employee provisions and provisions for risks	(452,595)	(742,200)
<b>Cash flows from operating activities</b>	<b>29,385,365</b>	<b>(24,861,125)</b>
Cash flow from investment activities		
Net investments in intangible fixed assets	(217,419)	(610,945)
Net investments in property, plant and equipment	(3,954,650)	(4,127,353)
Disinvestments in intangible fixed assets	0	255,740
Disinvestments in property, plant and equipment	13,446	1,228,375
Change in current and non-current financial assets	(810,245)	940,690
Of which with related parties	(922,276)	7,043
Acquisitions net of cash and cash equivalents acquired		
Changes in equity investments in associated companies and other companies	(2,316,706)	(7,396,967)
<b>Cash flow from investment activities</b>	<b>(7,285,574)</b>	<b>(9,710,460)</b>
Cash flow from financing activities		
Change in other financial payables	(17,449,438)	695,487
Payables due to shareholders	0	(273)
Obtainment/(repayment) of short-term bank loans	(2,200,000)	1,325,567
Obtainment of mortgages	9,353,999	64,883,121
Mortgage repayment	8,864,000	(23,413,880)
Net financial charges paid	(2,601,026)	(2,891,328)
Dividends paid	0	
Change in Group reserves	40,644	(104,844)
<b>Cash flow from financing activities</b>	<b>(3,991,822)</b>	<b>40,493,850</b>
<b>Net cash flow for the period</b>	<b>18,107,970</b>	<b>5,922,265</b>
Opening cash and cash equivalents	24,069,554	18,147,288
Closing cash and cash equivalents	42,177,524	24,069,554



## Explanatory notes to the financial statements

## 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 MTA (screen-based equities market) 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 49.29% of the share capital and holds voting rights for 55.86%. 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 its relations with said entity to the normal exercise of administrative and equity rights owing to its status of holder of voting rights; there is no connection between the members of the administration, management control bodies of the two companies;
- the Company does not receive - and, at any rate, is not subject in any way - to the financial or credit directives or instructions from Rimini Congressi;
- the Company has an organisational structure composed of expert professionals who, based on the powers conferred and the positions held, operate independently in line with the indications of the Board of Directors;
- the Company prepares the strategic, industrial, financial and/or budget plans of the Issuer and of the Group independently, and autonomously implements these;
- the Company operates fully independently, from a contractual perspective, in relations with its customers and its suppliers, without any external interference from Rimini Congressi.

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

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 company, it should be noted that

- the profit trend, in contexts of normal operations, 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 financial trend, in contexts of normal operations, 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.

## STRUCTURE AND CONTENTS OF THE FINANCIAL STATEMENTS

Pursuant to article 25 of Law No. 306 of 31 October 2003 and the associated application regulations contained in Legislative Decree No. 38 of 28 February 2005, in exercise of the option provided therein, the IEG Group (hereinafter also “the Group”) adopted the **International Accounting Standards (IFRS)** issued by the I.A.S.B – International Accounting Standard Board for financial statements for the year ended as at 31 December 2015. More specifically, International Accounting Standards 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 Separate Financial Statements as at 31 December 2016, 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.

As regards the preparation of the separate financial statements of ITALIAN EXHIBITION GROUP S.p.A., the Company exercised the option set out in article 25 of Law No. 306 of 31 October 2003, of adopting the international accounting standards at the same date of FTA adopted by the consolidated financial statements.

The **statement of financial position** was classified on the basis of the operating cycle, separating current and non-current items. Based on this distinction, the assets and liabilities are considered current if they are expected to be realised or extinguished in the normal operating cycle. Non-current assets held for sale and the related liabilities, where present, are shown in the appropriate items.

The **income statement layout** reflects the analysis of aggregated costs by nature given that this classification was considered more significant for the purposes of understanding the economic result. The revenue and costs items recognised in the year are presented through two tables: an income statement table for the year, which reflects the analysis of the aggregated costs by nature, and a table of comprehensive income.

The result of discontinued operations and/or assets held for disposal, where present, is shown in the appropriate item of the income statement.

Lastly, the **cash flow statement** was prepared by using the indirect method for the determination of the cash flows from operating activities. With this method, the operating profit/loss (EBIT) is adjusted for the effects of non-monetary transactions, any deferral or provision of previous or future operating collections or payments and by elements of revenues or costs connected with cash flows from investment or financing activities.

The functional and presentation currency is the **Euro**, expressed in **thousands**, unless specified otherwise.

## GOING CONCERN

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, also in light of the latest declarations made by the government authorities regarding the close of the State of Emergency on 31 March 2022, is believed to be temporary. It will also continue to work with its customers and partners to ensure that the trade fairs and conferences scheduled will be conducted in the best way possible. It should be noted in that sense that to date, Sigep and VO January have already been held on the repositioned dates of March and that many of the Group's most important events, including VicenzaOro September, Ecomondo, TTG and Tecnargilla, are scheduled from September 2022 onwards, in the period they are normally held in.
- At the date of drafting of this document, the company has liquidity reserves, augmented by authorised credit lines and not drawn down for an amount of at least 47 million euros. In addition, thanks to the leading position in its sector, the company believes it will be able to enjoy support from the financial system. In addition, the Company formalised a cash budget with a time horizon until February 2023, in order to verify the absence of liquidity stress in the next 12 months. Therefore, the belief is that the financial situation will allow us to face a period where the operations will still be affected by the current crisis.
- The Company concluded the process of updating the Business Plan with an explicit time horizon until 2025, approved by the Board of Directors on 14 March 2021. This document was drawn up on the basis of two different scenarios, in order to highlight the possible trend in the Group's economic-financial results based on the expectations of the evolution of the pandemic on both the national territory and on the possibility of movements abroad (for more details, please refer to the Directors' Report).
- The effects of the pandemic on the 2021 economic results have resulted in covenant breaches in connection with the ratio of NFP/EBITDA established in the mortgage loan contract stipulated by the Parent Company with a pool of banks coordinated by Credit Agricole Italy (residual value at 31 December 2021, 12.2 million). The Parent Company will request suspension of the application of the covenant for FY 2021 and trusts that this request will be accepted, as was the case for the 2020 financial statements. While awaiting formal acceptance of the request, the loan has been fully reclassified to short-term payables.
- The company will continue to 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.

## MEASUREMENT CRITERIA

### Property, Plant and Equipment

Property, Plant and Equipment are booked to the financial statements at purchase or production cost, including directly attributable expenses, and adjusted for the respective accumulated depreciation.

The cost includes any expense incurred directly to prepare the assets for use plus any dismantling and removal costs that will be incurred to restore the asset to its original conditions and the financial charges related to construction or production which require a significant period of time to be ready for use and sale (qualifying assets).

Property, plant and equipment are amortised systematically in every period on a straight-line basis, based on the economic-technical rates determined in relation to the residual possibility of use of the assets.

Ordinary maintenance costs are charged to the income statement when they are incurred.

Maintenance costs which determine an increase in value, or functionality, or useful life of the assets, are directly attributable to the assets to which they refer and amortised in relation to the residual possibility of use of said assets.

Improvements to third-party assets are classified in the item "Other assets"; the depreciation period corresponds to the lower of the residual useful life of the tangible fixed asset and the residual duration of the lease agreement.

The depreciation rates applied are as follows:

Items	Rates %
Land	-
Buildings	1.9% - 10%
Plant and machinery	7.5% - 30%
Industrial and commercial equipment	15% - 27%
Other assets	12% - 25%

If indicators of impairment emerge, the property, plant and equipment are subject to an impairment test through the procedure outlined in the section "impairment of assets".

Following the entry into force of new IFRS 16, from 1 January 2019, leases are accounted for in the financial statements based on a single accounting model similar to the one governed by IAS 17 regarding the accounting of financial leases.

At the moment of the stipulation of each contract, the Group:

- determines whether the contract is or contains a lease, a circumstance that is verified when said contract gives the right to control the use of an identified asset for a period of time in exchange for a consideration. This measurement is repeated in the event of the subsequent change to the terms and conditions of the contract.
- separates the components of the contract, by distributing the consideration of the contract between the lease and non-lease component.
- determines the duration of the lease as the period that cannot be cancelled of the lease, augmented by any periods covered by a lease extension or termination option.

At the date of effectiveness of each contract in which the Group is the lessee of an asset, the asset consisting of the right of use, measured at cost, and the financial lease liability, equal to the present

value of the residual future payments discounted by using the implicit interest rate of the lease or, alternatively, the marginal financing rate of the Group, are recognised in the financial statements. Subsequently, the asset consisting of the right of use is measured by applying the cost model, or netted of amortisation/depreciation and any accumulated impairment and adjusted to take account of any new lease measurements or amendments. By contrast, the lease liability is measured by increasing the book value to take account of interest, decreasing the book value to take account of the payments due made and redetermining the book value to take into account any new lease measurements or amendments.

The assets are depreciated on the basis of a period of depreciation represented by the duration of the lease agreement, except where the duration of the lease is less than the useful life of the asset based on the rates applied for property, plant and equipment and there is a reasonable certainty of the transfer of ownership of the leased asset on the natural expiry of the contract. In that case, the depreciation period will be calculated on the basis of the criteria and rates indicated for the property, plant and equipment.

For leases ending within 12 months of the date of initial application and that do not make provision for renewal options, and for leases for which the underlying asset is of low value, lease payments are booked to the income statement on a linear basis for the duration of the respective contracts.

### **Intangible fixed assets**

An intangible asset is recognised in the accounts only if it is identifiable and controllable, it is likely to generate future economic benefits and if its cost can be reliably determined.

#### *Goodwill and intangible assets with an indefinite useful life*

Goodwill and intangible assets with an indefinite useful life are no longer amortised from the date of first time adoption (1 January 2014). Goodwill and other intangible assets with an indefinite useful life relating to the acquisitions completed after 1 January 2014 are, nonetheless, not amortised.

#### *Goodwill*

Goodwill represents the excess of the purchase cost with respect to the portion pertaining to the purchaser of the fair value of the net identifiable assets and liabilities of the entity acquired. After initial recognition, goodwill is valued at cost, less any impairment deriving from the impairment test (see paragraph "impairment of assets").

#### *Other intangible assets*

Intangible assets with a definite useful life are measured at purchase or production cost, including any accessory charges, and are amortised systematically on a straight-line basis during the period of their expected future use. If indicators of impairment emerge they are subject to an impairment test which is outlined in the section "impairment of assets".

Industrial patent and intellectual property rights are amortised over a period of 3 and 5 years, licences and concessions are amortised starting from when the cost is incurred and for the duration of the licence or concession envisaged contractually, while trademarks have a useful life which may vary between ten and twenty-five years.

## Impairment of non-financial assets

*Property, plant and equipment* and *intangible assets with a definite useful life*, subject to amortisation/depreciation, are subject to an impairment test only if indicators of impairment emerge.

The recoverability of the values recognised is verified by comparing the carrying amount with the net sale price and the value in use of the asset, whichever is higher. The net sale price is the amount which can be obtained from the sale of an asset in a transaction between independent, informed and willing parties, less disposal costs; in the absence of binding agreements, reference must be made to the prices expressed by an active market, or the best information available, by taking into account, among other things, recent transactions for similar assets carried out in the same business sector. The value in use is defined on the basis of the discounting at an appropriate rate, which expresses the cost of capital of an entity not indebted with a homogeneous risk profile, the expected cash flows from use of the asset (or from an aggregation of assets - the so-called cash-generating units) and its disposal at the end of its useful life.

Subsequently, when an impairment loss on an asset other than goodwill ceases to exist or decreases, the book value of the asset is increased to the new estimated recoverable value and cannot exceed the value that would have been calculated if no impairment loss had been recorded. The reversal of impairment is recognised to the income statement.

Goodwill and the other intangible assets with an indefinite useful life are subject to a systematic verification of recoverability ("impairment test") carried out on an annual basis, at the date of year-end, or more frequently if there are indicators of impairment.

Goodwill impairment is calculated by assessing the recoverable value of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. If the recoverable amount of the cash-generating unit is less than the carrying amount of the cash-generating unit to which the goodwill was allocated, impairment is recognised. The decrease in value to goodwill cannot be restored in future periods.

## Business combinations

Business combinations are accounted for using the acquisition method set out in IFRS 3 revised in 2008. According to this method, the consideration transferred in a business combination is measured at fair value, determined as the sum of the fair values of the transferred assets and liabilities assumed by the purchaser at the acquisition date and capital instruments issued in exchange for the control of the acquired entity. Transaction accessory costs are recognised in the statement of comprehensive income when incurred.

The contingent considerations, considered part of the transfer price, are measured at fair value at the acquisition date. Any subsequent fair value changes are booked to the statement of comprehensive income. At the date of acquisition, the identifiable assets acquired and the liabilities assumed are booked at fair value. Goodwill is determined as the excess between the sum of the considerations transferred in the business combination, of the portion of shareholders' equity pertaining to minority interests and of the fair value of any equity investment held previously in the acquired entity, with respect to the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and liabilities assumed at the acquisition date exceeds the sum of the considerations transferred, of the portion of shareholders' equity pertaining to minority interests and the fair value of any equity investment held previously in the acquired entity, this excess is booked immediately to the statement of comprehensive income as income deriving from the transaction concluded.

In the process of fair value measurement of business combinations, the Group avails itself of the available information, and for the most significant business combinations, also of the support of external evaluations.

## Financial assets

At the time of initial recognition, financial assets must be classified into one of the three categories indicated below based on the following elements:

- the business model of the entity for the management of financial assets; and
- the characteristics relating to the contractual cash flows of the financial asset.

Financial assets are derecognised from the financial statements only if the sale involved the substantial transfer of all risks and benefits related to them. Conversely, whenever a significant part of the risks and benefits related to the financial assets sold have been maintained, these continue to be recognised in the financial statements, even if legal ownership of the assets has effectively been transferred.

### *Financial liabilities designated at amortised cost*

This category includes financial assets that meet both the following conditions:

- the financial asset is held in accordance with a business model whose objective is achieved through the collection of contractually agreed cash flows (“Hold to Collect” business model); and
- the contractual terms of the financial asset envisage, at certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (the “SPPI test” passed).

Financial assets are initially recognised at fair value, considering the transaction costs and revenues directly attributable to the instrument itself. Subsequent to their initial recognition, financial assets under examination are measured at amortised cost, using the effective interest rate method. The amortised cost method is not used for assets - measured at historical cost - whose short duration makes the effect of the discounting principle negligible, for those without a set maturity and for revocable loans.

### *Financial assets designated at fair value through comprehensive income*

This category includes financial assets that meet both the following conditions:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (“Held to Collect and Sell” Business Model); and
- the contractual terms of the financial asset envisage, at certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (the “SPPI test” passed).

This category includes equity interests, not qualifying as controlling, associated or jointly controlled, which are not held for trading purposes, for which the option of designation at fair value through comprehensive income is exercised.

Financial assets are initially recognised at fair value, considering the transaction costs and revenues directly attributable to the instrument itself. Subsequent to initial recognition, equity interests that are non-controlling, associated or of joint control, are measured at fair value and the amounts recorded as a balancing entry to shareholders' equity (Statement of comprehensive income) must not be subsequently transferred to the income statement, even in the event of disposal. The only component relating to the equity securities in question that is recorded in the income statement is represented by the relative dividends.



For equities included in this category, not listed in an active market, the cost criterion is used as an estimate of the fair value only in a residual manner and in limited circumstances, i.e. when the most recent information available for measuring the fair value is insufficient, or there is a wide range of possible valuations of the fair value and the cost represents the best estimate of the fair value in that range of values.

#### *Financial assets designated at fair value through profit and loss*

This category includes financial assets other than those classified under financial assets measured at amortised cost and financial assets designated at fair value through comprehensive income.

This category includes financial assets held for trading and includes derivative contracts not classifiable as hedging derivatives (which are represented as assets if the fair value is positive and as liabilities if the fair value is negative).

On initial recognition, financial assets measured at fair value through profit or loss are recorded at fair value, without considering the transaction costs or revenues directly attributable to the instrument itself. At subsequent reference dates, they are measured at fair value and the effects of the measurement are booked to the income statement.

#### *Impairment of financial assets*

In accordance with the provisions of IFRS 9, the Group applies a simplified approach to estimate expected credit losses over the entire life of the instrument and takes into consideration its past experience regarding credit losses, corrected on the basis of specific forward-looking factors of the nature of Group receivables and the economic context.

In brief, the Group measures the expected losses of the financial assets so as to reflect:

- a target amount weighted on the basis of the probabilities determined by evaluating a range of possible results;
- the time value of money; and
- reasonable and demonstrable information that is available without undue costs or efforts at the reporting date on past events, current conditions and forecasts of future economic conditions.

The financial asset is impaired when one or more events are verified that have a negative impact on the future cash flows estimated from the financial asset. Observable data relating to the following events (it may be the case that a single event cannot be identified: the impairment of financial assets may be due to the combined effect of different events) constitute proof that the financial asset is impaired:

- g) significant financial difficulty of the issuer or debtor;
- h) breach of contract, such as non-fulfilment of an obligation or failure to respect an expiry;
- i) for economic or contractual reasons relating to the debtor's financial difficulty, the creditor grants the debtor a concession that the creditor would not otherwise have considered;
- j) the probability that the debtor will file for bankruptcy or other financial restructuring procedures;
- k) disappearance of an active market for that financial asset due to financial difficulties; or
- l) the purchase or creation of the financial asset with huge discounts that reflect the credit losses incurred.

For financial assets measured using the amortised cost method, when impairment has been identified, its value is measured as the difference between the asset's carrying amount and the present value of expected future cash flows, discounted on the basis of the original effective interest rate. This value is recognised in the income statement.

### *Derivative financial instruments*

The derivative financial instruments are accounted for in accordance with the provisions of IFRS 9.

At the date of stipulation of the contract, the derivative financial instruments are initially accounted for at fair value, as financial liabilities at fair value through profit and loss when the fair value is positive or as a financial liability designated at fair value through profit and loss when the fair value is negative.

If the financial instruments are not accounted for as hedging instruments, the fair value changes recognised after the initial recognition are treated as components of the result for the year. If, by contrast, the derivative instruments satisfy the requirements to be classified as hedging instruments, subsequent fair value changes are accounted for by applying the specific criteria outlined below.

A derivative financial instrument is classified as a hedge if formal documentation exists of the relationship between the hedging instrument and the hedged element, including the risk management objectives, the strategy for carrying out the hedge and the methods which will be used to check the prospective and retrospective effectiveness of the hedge. The effectiveness of each hedge is verified both at the time each derivative instrument is entered into and during its life, and in particular, at the close of the financial year or interim period. Generally, a hedge is considered highly “effective” if, both at the inception and during its life, fair value changes, in the event of a fair value hedge, or hedge of expected future cash flows, in the event of cash flow hedges, in the hedged element are essentially offset by fair value changes in the hedging instrument.

IFRS 9 provides the possibility of designating the following three hedging relationships:

- d) fair value hedge: when the hedge concerns the fair value changes of assets and liabilities booked to the financial statements, both the fair value changes in the hedging instrument and the changes in the object of the hedge are booked to the income statement.
- e) cash flow hedges: in the event of hedges aimed at neutralising the risk of changes in cash flows originating from the future fulfilment of obligations defined contractually at the reporting date, the fair value changes in the derivative instrument recorded after the initial recognition are accounted for, limited solely to the effective portion, in the statement of comprehensive income and, therefore, in a shareholders’ equity reserve called “Reserve for cash flow hedges”. When the economic effects originating from the object of the hedge materialise, the portion accounted for in the statement of comprehensive income is reversed to the income statement. If the hedge is not fully effective, the change in fair value of the hedging instrument relating to the ineffective portion of the same is immediately recognised in the income statement.
- f) hedge of a net investment in a foreign operation (net investment hedge).

If the checks do not confirm hedge effectiveness, as from that moment, accounting for the hedging transactions is suspended and the derivative contract is reclassified under financial assets designated at fair value through profit and loss or under financial liabilities designated at fair value through profit and loss. The hedging relationship also ceases when

- the derivative expires, is sold, cancelled or exercised,
- the element being hedged is sold, expires or is reimbursed,
- it is no longer highly probable that the future hedged transaction will be carried out.

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised from the financial statements when:

- the rights to receive the cash flows from the asset are extinguished;
- the company has transferred the right to receive the cash flows from the asset or assumed the contractual obligation to pay them in full and without delay to a third party and (a) has

transferred substantially all rights and benefits of ownership of the financial asset, or (b) has neither transferred nor retained substantially all risks and benefits of the asset, but has transferred control of it.

In cases in which the company has transferred the rights to receive the cash flows from an asset and has not substantially transferred or retained all the risks and benefits or has lost control of the asset, the asset is recognised in the company's financial statements to the extent of its continuing involvement in said asset. In this case, the company also recognises an associated liability. The asset transferred and the associated liability are measured to reflect the rights and obligations that the company has retained.

### *Equity investments*

Equity investments in associated and jointly-controlled companies, according to IAS 28, are initially entered at cost and, following acquisition, are adjusted as a result of changes in the investor's share in the investee company's net assets. The profit or loss of the investor reflects its own share of the profit (loss) for the year of the investee and other comprehensive income (expense) of the investor reflects its own share of other comprehensive income (expense) of the investee.

According to the provisions of IFRS 9 and IAS 32, the equity investments in companies other than subsidiaries, associated companies and jointly-controlled companies are classified as assets at fair value and entered in the income statement or shareholders' equity reserve depending on whether they fall into the FVOCI or FVPL measurement categories. Gains and losses deriving from value adjustments are therefore booked to the income statement or a shareholders' equity reserve respectively.

## **Inventories**

Inventories are measured at purchase cost, including any accessory expenses, determined in accordance with the FIFO method, and the presumed net realisable value drawn from market trends, whichever is the lower. IEG Group inventories are composed primarily of consumables and products held for sale in bars and catering services.

## **Cash and cash equivalents**

Cash and cash equivalents include cash on hand as well as on-demand bank deposits and other treasury investments with an original envisaged maturity of no more than three months.

The definition of cash and cash equivalents of the cash flow statement corresponds to that of the balance sheet.

## **Provisions for risks and charges**

Allocations to provisions for risks and charges are made whenever the Group must meet a present obligation (legal or implicit) as the result of a past event, whose amount can be estimated reliably and involving a probable outlay of resources to meet the obligation. If the expectations of the use of resources go beyond the next year, the obligation is booked at the present value, determined by discounting the expected future cash flows discounted at a rate which also takes into account the cost of borrowing and the risk of the liability.

Risks for which the occurrence of a liability is only possible are indicated in the appropriate section on "guarantees given, commitments and other contingent liabilities" and no allocation is made.

## Employee benefits

The employee benefits provided on or after the termination of the employment contract are composed of employee severance indemnity or retirement provisions.

Law no. 296 of 27 December 2006, the “2007 Finance Law” introduced major changes to the allocation of amounts of the provision for employee severance indemnity. Until 31 December 2006, employee severance indemnity fell under post-employment plans known as “defined-benefit plans” and were measured according to IAS 19, using the projected unit credit method carried out by independent actuaries.

This calculation consists of estimating the amount of the benefit that an employee will receive at the presumed date of termination of employment by using demographic assumptions (e.g. mortality rate and staff turnover rate) and financial assumptions (e.g. discount rate and future salary increases). The amount determined in this way is discounted and reportioned on the basis of the length of service accrued with respect to total length of service and represents a reasonable estimate of the benefits that each employee has already accrued based on their work services.

Following said reform, the provision for employee severance indemnity, for the part accrued from 1 January 2007, is to be considered essentially similar to a “defined contribution plan”. In particular, these changes introduced the possibility for the worker to choose where to allocate their employee severance indemnity being accrued: the new flows of the employee severance indemnity can, in companies with more than 50 employees, be allocated by the worker to pre-established pension funds or maintained in the company and transferred to the INPS (Italian National Social Security Institute). In short, for the employee severance indemnity accrued prior to 2007, the IEG Group carried out an actuarial evaluation, without subsequently including the component relating to future salary increases. The part subsequently accrued was instead accounted for according to the methods attributable to defined contribution plans.

EC Regulation no. 475/2012 was issued in 2012, which acknowledged, at EU level, the revised version of IAS 19 (Employee Benefits) applicable, as per mandatory requirements, from 1 January 2013 according to the retrospective method. Therefore, the IEG Group applied said revised version of IAS 19 from the date of transition to the IAS/IFRS, or 1 January 2014.

## Financial liabilities

Financial liabilities are initially recognised at their fair value, equal to the consideration received at the relevant date, augmented, in the case of payables and loans, by the directly attributable transaction costs. Subsequently, non-derivative financial liabilities are measured using the amortised cost criterion, by using the effective interest rate method.

Financial liabilities that are included in the scope of application of IFRS 9 are classified as payables and loans, or as hedging derivatives, depending on the case. The Company determines the classification of its financial liabilities on initial recognition.

Gains and losses are recognised in the income statement when the liability is extinguished as well as through the amortisation process.

The amortised cost is calculated by recognising all discounts or bonuses on the purchase and the fees or costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is included among financial charges in the income statement.

A financial liability is derecognised when the obligation underlying the liability is discharged, cancelled, or expires.

In the event that an existing financial liability is replaced by another from the same lender, in substantially different conditions, or the conditions of an existing liability substantially change, the exchange or amendment is treated as an accounting derecognition of the original liability and the recognition of a new liability, with any differences in the carrying amount recorded in the income statement.

### *Put options on minority interests*

The Group granted put options to minority shareholders which entitle the latter to sell to the Group the shares held by them at a future date.

As regards EU-IFRS, the treatment applicable to put options regarding minority interests is not fully regulated. 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.

### *Tax payables for direct taxes and other liabilities*

Payables are recognised at nominal value. Payables are eliminated from the financial statements when the underlying financial obligations have been extinguished.

The liabilities, if expiring after twelve months, are discounted in order to bring them back to the current value through the use of a rate as such to reflect the market evaluations of the present value of money and the specific risks connected with the liability. Discounting interest is classified under financial charges.

## Hedging instruments

The IEG Group uses derivative financial instruments to hedge its exposure to interest rate risk. The Group has never owned speculative financial instruments. These financial instruments are accounted for using the rules of hedge accounting when:

- At the inception of the existing hedge, the formal designation and documentation of said hedging relationship;
- It is presumed that the hedge is highly effective;
- The effectiveness can be reliably measured and said hedge is highly effective during the designated periods.

The IEG Group applies the accounting of cash flow hedges in the event in which there is formal documentation of the hedging relationship of the changes in cash flows originating from an asset or liability or a future transaction (underlying element hedged) considered highly likely and which could impact the income statement.

The measurement criterion of the hedging instruments is represented by the fair value at the designated date. The fair value of the interest rate derivatives is determined by their market value at the designated date when it refers to future cash flow hedges. It is booked to the hedging reserve of shareholders' equity and transferred to the income statement when the underlying financial charge/income materialises.

In cases in which the instruments do not meet the required conditions for the accounting of hedging instruments set out in IAS 39, the fair value changes are booked to the income statement as financial charges/income.

## Translation of foreign currency items

Transactions in foreign currency are initially recognised in the functional currency, using the spot exchange rate at the transaction date. Monetary assets and liabilities, denominated in foreign currency, are translated into the functional currency at the exchange rate at the end of the reporting period. The differences are posted to the income statement.

## Treasury shares

Treasury shares are posted as a reduction in shareholders' equity. The original cost of the treasury shares and the revenues from any subsequent sales are recognised as changes in shareholders' equity.

## Revenue recognition

Revenue from contracts with customers are recognised when the following conditions are verified:

- the contract with the customer has been identified;
- the performance obligations contained in the contract have been identified;
- the price has been determined;
- the price has been allocated to the individual performance obligations contained in the contract;
- the performance obligation contained in the contract has been satisfied.

The Group recognises revenues from contracts with customers when (or as) it fulfils the obligation by transferring the promised good or service (or asset) to the customer. The asset is transferred when (or as) the customer acquires control over it.

The Group transfers control of the good or service over time, and therefore fulfils the performance obligation and recognises the revenues over time, if one of the following criteria is satisfied:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the Group's performance creates or enhances the asset (for example, work in progress) that the customer controls as the asset is created or enhanced;
- the Group's performance does not create an asset that has an alternative use to the Group and the Group has an enforceable right to payment for performance completed to the date considered.

If the performance obligation is not fulfilled over time, it is fulfilled at a point in time. In that case, the Group recognises the revenue at the moment in which the customer acquires control of the promised asset.

The Group believes that the customer acquires control of all services provided to it at the end of the event, owing to its short duration.

## **Operating costs**

Costs are recognised when they relate to goods and services sold or consumed in the period or for systematic allocation or when their future use cannot be identified.

Personnel expenses also include, on an accruals basis, taking into account the period of actual service, the fees to directors, both fixed and variable.

Costs that do not meet the conditions to be recognised under balance sheet assets are booked to the income statement in the period in which they are incurred.

## **Financial income and charges**

Financial income and charges are recognised according to a time criterion that takes into account the actual return/expense of the relevant asset/liability.

## **Dividends**

Revenues for dividends are recognised when the shareholder's right to receive payment is established, which normally coincides with the date of the annual shareholders' meeting that resolves on the distribution of the dividends.

## **Taxes**

Taxes for the period include current and deferred taxes. Income taxes are generally booked to the income statement, except where they relate to events recorded directly in shareholders' equity. In this case, the income taxes are also booked directly to shareholders' equity.

Current taxes are the taxes the company expects to have to pay on taxable income in the year and are calculated in compliance with the legislation in force at the reporting date.

Deferred tax liabilities are calculated based on the liability method applied to the temporary differences between the amounts of assets and liabilities in the consolidated financial statements and the corresponding values recognised for tax purposes. Deferred tax liabilities are calculated using tax rates that are expected to apply at the moment in which the asset is realised or the liability settled.

Deferred tax assets are recognised only if it is likely that taxable income sufficient for said assets to be realised will be generated in the following years.

Deferred tax assets and liabilities are only offset when there is a legal right to offset and when they refer to taxes due to the same tax authorities.

The tax provisions that may be generated by the transfer of non-distributed profit from the subsidiaries are made only when there is a real intention to transfer said profit.

## 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 company's separate financial statements mainly concern:

- the measurement of fixed assets (amortisation/depreciation and any write-downs due to impairment, price allocations);
- the measurement of receivables.
- the recognition and quantification of contingent liabilities;
- the determination of deferred tax assets/liabilities and income taxes;
- the determination of liabilities relating to "Employee severance indemnity" accrued prior to 2007, which was carried out by making use of the actuarial evaluation prepared by independent actuaries.
- Financial payables on put options and conditional earn-outs;
- Provision for risks;
- Fair value of financial instruments.

With reference to fixed assets, notice is hereby given that, for the impairment test, the processes and measurement methods and the methods for calculating the estimates are based on complex assumptions relating to revenues, operating costs, margins, investments, rates of growth in the terminal value and discount rates differentiated for each of the CGUs identified, to which the different scenarios subject to sensitivity analysis are applied.



With reference to the measurement of receivables, notice is hereby given that the bad debt provisions reflects the estimates of expected losses for the Group's loan portfolio. Allocations were made to cover expected losses on loans, estimated on the basis of previous experience with reference to loans with similar credit risk, to amounts of current and historical unpaid amounts, as well as careful monitoring of the quality of the loan portfolio and the current and expected conditions and reference markets. The estimates and assumptions are periodically reviewed and the impact of any change recognised in the income statement in the relevant year.

With reference to the measurement of financial instruments, notice is hereby given that the fair value of unlisted financial assets is determined through financial measurement techniques used that require basic assumptions and estimates. These assumptions may not materialise in the times and methods envisaged. Therefore, the estimates prepared by the Group may differ from the final data.

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. For matters not specifically addressed, please refer to the respective paragraphs in "Measurement criteria".

## SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

The table below shows the significant, non-recurring transactions included in of IEG's financial statements.

Period revenues benefited from the collection of **contributions** disbursed by the Ministry of Tourism and Simest for a total of 22.0 million in turnover, as compared with 0.5 million of contributions collected in 2020. The revenues generated by and costs incurred for fitting out the vaccination points at the Rimini and Vicenza trade fair districts, have also been considered as "non-recurring" along with the operating costs incurred for the merger with Bologna Fiere.

In terms of the components of non-monetary operating revenues, in 2021, Impairment is recorded of fixed assets for 2.6 million euros. The write-downs of 2021 had become necessary following works to redo the roof of Pavilion 7 at the Vicenza trade fair district, which entailed the derecognition of the net carrying amount originally entered for this portion of property. In addition, in April 2021, the Milan Bankruptcy Court ordered, at first instance, Vicenza Holding S.p.A. (conferrer) and IEG (conferee) of Fiera di Vicenza, to return 1.8 million euros to the receivers of the bankrupt Biblioteca della Moda, revoking a transfer of credit that had taken place in 2015. IEG and Vicenza Holding, supported in their assessments by their lawyers, have completed a transaction with the receivers, waiving any appeal in exchange for a reduction of approximately 1.2 million euros in the amount due. The full amount has been paid by IEG to the receivers, entering in exchange a receivable due to Vicenza Holding for the entire amount, insofar as, on the basis of the provisions of the deed of conferral, it considers the expense as lying entirely with the conferrer; IEG is taking action to collect the amounts due to it. However, as a prudential measure, IEG has entered a provision for impairment under "Other provisions and impairment, Bad debt provisions and adjustments", equal to the full amount of the receivable.

Euro/000	31/12/2021	31/12/2020
Revenues	22,326	743
Operating costs	(796)	(1,913)
<b>Gross Operating Profit (EBITDA)</b>	<b>21,530</b>	<b>(1,170)</b>
Amortisation/depreciation and provisions	(2,570)	0
Financial (charges)/income	(158)	(900)
(Costs)/Income from investments	0	(4,608)
<b>Result of the period</b>	<b>18,802</b>	<b>(6,678)</b>

## FINANCIAL RISK MANAGEMENT

The company 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 company on financial instruments that generate interest.

### Credit risk

The credit risk to which the company is subject falls under normal commercial activities, both owing to the fragmentation of positions and the excellent credit quality historically recorded. The positions considered at risk were, nonetheless, written down accordingly. In order to contain the risks deriving from the management of trade receivables, an appropriate department has been set up to systematically coordinate the reminder activities managed, in the initial phase, by the sales structures, subsequently by the credit manager and, finally, entrusted to the legal representative or specialised companies. The software implemented by the company keeps a track of each reminder.

The table below shows the breakdown by past due brackets, of the receivables past due as at 31 December 2021 and 31 December 2020 and the overall value of the Bad Debt Provision.

	Balance as at	Analysis of past due						
	31/12/2021	Falling due	Past due	0-90 days	91-180 days	181-365 days	Beyond 365 days	Bad debt provision
<b>TRADE RECEIVABLES</b>	<b>19,069</b>	<b>6,059</b>	<b>17,429</b>	10,665	1,129	471	5,163	<b>(4,419)</b>

	Balance as at	Analysis of past due						
	31/12/2020	Falling due	Past due	0-90 days	91-180 days	181-365 days	Beyond 365 days	Bad debt provision
<b>TRADE RECEIVABLES</b>	<b>9,805</b>	<b>4,996</b>	<b>9,778</b>	2,788	817	1,635	4,539	<b>(4,969)</b>

The bad debt provision is calculated on the basis of the criteria of presumed recoverability, through both internal evaluations and with the support of external legal representatives. For more details on changes in the Bad debt provision, please refer to Note 9) Trade receivables.

### Liquidity risk

The company believes it is fundamentally important to maintain a level of available funds suited to its requirements and those of the Group.

The two main factors that determine the liquidity situation are, on the one hand, the resources generated or absorbed by operating and investment activities, and on the other, the maturity and renewal characteristics of the debt or of the liquidity of financial investments and market conditions.

The company has adopted a series of policies and processes for optimising the management of financial resources, reducing liquidity risk through:

- *maintenance of an adequate level of available liquidity;*
- *obtainment of adequate credit lines;*

- monitoring of prospective liquidity conditions, in relation to the process of company planning.

As part of this type of risk, as regards the composition of net financial indebtedness, the company tends to finance investments with medium/long-term payables, while it meets current commitments with both the cash flow generated by operations and by using short-term credit lines.

The table below shows the breakdown and maturity of financial payables and trade payables:

Euro/000	Within 1 year	From 1 to 5 years	Due after 5 years	Total
<b>31/12/2021</b>				
Payables due to banks	18,459	54,371	33,297	106,127
Financial liabilities on rights of use	1,265	5,956	13,460	20,681
Other financial liabilities	4,687	5,496		10,183
Trade payables	26,780			26,780
<b>TOTAL</b>	<b>51,191</b>	<b>65,823</b>	<b>46,757</b>	<b>163,771</b>

Euro/000	Within 1 year	From 1 to 5 years	Due after 5 years	Total
<b>31/12/2020</b>				
Payables due to banks	24,217	57,979	25,752	107,947
Financial liabilities on rights of use	1,370	6,032	11,651	19,053
Other financial liabilities	2,520	9,357		11,878
Trade payables	18,060			18,060
<b>TOTAL</b>	<b>46,167</b>	<b>73,368</b>	<b>37,403</b>	<b>156,937</b>

For further information on the breakdown of the items reported in the table, please refer to Notes 15, 16, 17, 21, 22, 23.

As at 31 December 2021, the company can rely on roughly 17 million euros of unused credit lines, cash and cash equivalents of 42 million euros and trade receivables of 19 million euros.

## Market risk

### Exchange rate risk

The IEG Group is exposed to exchange rate risk deriving from the fluctuation in exchange rates, in particular, vis-à-vis the US Dollar for the investment made in the subsidiary FB International Inc., vis-à-vis the United Arab Emirates for the investment made in HBG FZ LLC, vis-à-vis the Brazilian Real for the investment made in the Joint Venture Expo Estrategia Brasil and in the subsidiary IEG Brasil vis-à-vis the Chinese Renminbi for the investment made in the Joint Venture Europe Asia Global Link Exhibition Ltd.

The exchanges rates against the Euro (foreign currency for euro units) adopted to translate the items denominated in another currency are shown below:

Currency	Exchange rate at 31/12/2021	Average exchange rate 2021	Exchange rate at 31/12/2020	Average exchange rate 2020
United Arab Emirates Dirham	4.15950	4.34361	4.5065	4.1947
US dollar	1.13260	1.18274	1.2271	1.1422
Brazilian Real	6.31010	6.37789	6.3735	5.8943
Chinese Renminbi	7.19470	7.62823	8.0225	7.8747

As at 31 December 2021, a change of +/- 1% in the above rates versus the Euro, based on all other variables remaining the same, would not have involved significant differences to the pre-tax result and, therefore, to the corresponding variation in shareholders' equity.

#### *Interest rate risk*

In order to carry out its activities, the company obtains finance on the market by taking out primarily floating rate debt (linked to the Euribor), hence exposing itself to the risk deriving from an increase in interest rates.

The objective of interest risk management is to limit and stabilise flows of expenses due to interest paid primarily on medium-term payables to ensure close correlation between the underlying and the hedging instrument.

The hedging activity, evaluated and decided on a case by case basis, is carried out predominantly through derivative contracts, typically purchases of caps and sales of floors that, when a certain level is reached, transform a variable rate to a fixed rate.

In 2021, following a hypothetical increase or decrease of 100 basis points in the interest rate, based on all other variables remaining the same, the higher or lower pre-tax charge net of the associated tax effect (and therefore a corresponding change in shareholders' equity) would have been for an insignificant amount.

#### *Price risk*

The type of activity performed by the company, essentially represented by the provision of services that do not require a process of purchase-transformation of assets, is as such that the risk of fluctuations in prices is not particularly significant. The majority of the purchases made in relation to business activities is represented by the provision of service whose value is not immediately influenced by macroeconomic changes in the prices of the main commodities. In addition, as stated in relation to exchange rate risk, sales are almost all in the accounting currency and purchases not in Euro are negligible.

For the sake of complete disclosure, it should be noted that, as at 31 December 2020, the company is exposed to a minimal extent to the price risk associated with investments in listed equities, as it has made a small investment in the shares of the company Gambero Rosso, classified in the financial statements as 'available for sale'.

## **Fair value**

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

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

The following tables show the classification of financial assets and liabilities and the level of inputs used for the fair value measurement, as at 31 December 2021 and 31 December 2020.

31/12/2021						
	Notes	Level	Amortised cost	Fair value through OCI	Fair value through profit and loss	Total
<b>ASSETS</b>						
Other equity investments	5	2-3		10,770	70	10,840
Non-current financial assets	7	1-2			360	360
Other non-current assets	8		69			69
Trade receivables	9		19,069			19,069
Current financial assets	11	2	3,126			3,126
Other current assets	12		4,747			4,747
Cash and cash equivalents	13		42,178			42,178
<b>TOTAL ASSETS</b>			<b>69,189</b>	<b>10,770</b>	<b>430</b>	<b>80,389</b>
<b>LIABILITIES</b>						
Non-current payables due to banks	15		87,667			87,667
Other non-current financial liabilities	17	2	21,339	434	3,139	24,912
Other non-current liabilities	20		2,020			2,020
Current payables due to banks	15		18,550			18,550
Other current financial liabilities	22		6,001			6,001
Trade payables	23		26,780			26,780
Other current liabilities	25		32,345			32,345
<b>TOTAL LIABILITIES</b>			<b>194,702</b>	<b>434</b>	<b>3,139</b>	<b>198,275</b>

31/12/2020						
	Notes	Level	Amortised cost	Fair value through OCI	Fair value through profit and loss	Total
<b>ASSETS</b>						
Other equity investments	5	2-3		10,974	68	11,042
Non-current financial assets	7	1-2			472	472
Other non-current assets	8		98			98
Trade receivables	9		9,804			9,804
Current financial assets	11	2	2,204			2,204
Other current assets	12		3,759			3,759
Cash and cash equivalents	13		24,070			24,070
<b>TOTAL ASSETS</b>			<b>39,935</b>	<b>10,974</b>	<b>540</b>	<b>51,449</b>
<b>LIABILITIES</b>						
Non-current payables due to banks	15		83,730			83,730
Other non-current financial liabilities	17	2	21,487	1,032	4,485	27,004
Other non-current liabilities	20		2,107			2,107
Current payables due to banks	15		24,217			24,217
Other current financial liabilities	22		3,926			3,926
Trade payables	23		18,060			18,060
Other current liabilities	25		14,959			14,959
<b>TOTAL LIABILITIES</b>			<b>168,486</b>	<b>1,032</b>	<b>4,485</b>	<b>174,003</b>

## **IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2021 OR APPLICABLE IN ADVANCE**

In 2021, the Company adopted the following new accounting standards, amendments and interpretations, revised by the IASB.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and 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. The application of this amendment has not had any significant impact on the financial statements closed at 31 December 2021.
- Amendment to IFRS 16 Leases COVID 19 – Related Rent Concessions beyond 30 June 2021. The amendment, published on 31 March 2021, extended the period of application of the amendment to **IFRS 16** (issued in 2020), by one year; it had been introduced in order to neutralise the changes in payments of instalments consequent to agreements stipulated by 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 this amendment has not had any significant impact on the financial statements closed at 31 December 2021.
- Amendment to IFRS 4 Insurance Contracts. The amendment sets forth the deferral to 1 January 2023 of the application of IFRS 9 to insurance contracts, for which, as indicated in the current standard, the temporary application of IFRS 9 was suspended until 1 January 2021 (only under certain conditions).

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

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

- IFRS 17 Insurance Contracts: 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 1 January 2023.
- Amendment to IFRS 3 – Business combinations. This document, issued by the IASB on 22 October 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 1 January 2022.

- Amendment to IAS 16 Property, Plant and Equipment. The purpose of the amendment is to set some constraints on some types of capitalisable expenses in order to make the asset available and ready to be used. The amendment, once approved, shall enter into effect starting from 1 January 2022.
- Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets. This amendment, issued by IASB in May 2020, indicates which costs must be considered in order to evaluate whether a contract can be defined as an onerous contract. The amendment, once approved, shall enter into effect starting from 1 January 2022.
- Annual Improvements 2018-2020: In May 2020, the IASB issued some amendments to IFRS 1 First time adoption of IFRS, IFRS 9 Financial instruments, IAS 41 Agriculture and to the illustrative examples accompanying IFRS 16 Leases, which will come into force on 01 January 2022.
- IFRS 17 – Insurance Contracts. IFRS 17 introduces a consistent approach on an international level to the accounting of insurance contracts. Before IFRS 17, there was significant diversity worldwide in relation to the accounting and disclosure on insurance contracts, with IFRS 4 making it possible to continue to follow many previous accounting approaches (not IFRS). IFRS 17 will mean significant changes for a great many insurance companies, calling for adjustments to existing systems and processes.

## COMMENTS ON MAIN ASSET ITEMS

### NON-CURRENT ASSETS

#### 1) Property, Plant and Equipment

The fixed assets were subject to a monetary revaluation in previous years pursuant to law no. 266/2005 carried out, partly, through the revaluation of the historical cost and, partly through the reduction of accumulated depreciation. Therefore, the historical cost of the fixed assets at the end of the previous year was determined as follows:

	Historical cost	Monetary revaluations		Balance as at 31/12/2020
		Law no. 266/2005		
Land and buildings	284,164	6,078		290,242
Accumulated depreciation - buildings	(126,185)	534		(125,651)
Plant and machinery	75,778			75,778
Accumulated depreciation - plant and machinery	(66,862)	391		(66,471)
Industrial and commercial equipment	15,131			15,131
Accumulated depreciation - equipment	(13,606)			(13,606)
Other assets	17,924			17,924
Accumulated depreciation - Other assets	(13,698)			(13,698)
Fixed assets under construction and payments on account	3,732			3,732
	<b>176,378</b>	<b>7,003</b>		<b>183,381</b>

The table below details the changes in fixed assets in the last two financial years.

	Balance as at 31/12/2019	Changes 2020						Balance as at 31/12/2020
		Increases	Changes IFRS	Decreases	Amortisation	Amortisation/depreciation IFRS	Transfers	
<b>Land and buildings</b>								
Book value	289,301	673	(1,171)				1,438	290,242
Amortisation	(118,748)				(5,031)	(1,872)		(125,651)
<b>Total land and buildings</b>	<b>170,553</b>	<b>673</b>	<b>(1,171)</b>		<b>(5,031)</b>	<b>(1,872)</b>	<b>1,438</b>	<b>164,591</b>
<b>Plant and machinery</b>								
Book value	74,564	753					461	75,778
Amortisation	(64,835)				(1,636)		-	(66,471)
<b>Total plant and machinery</b>	<b>9,729</b>	<b>753</b>			<b>(1,636)</b>		<b>461</b>	<b>9,307</b>
<b>Industrial and commercial equipment</b>								
Book value	15,021	110						15,131
Amortisation	(13,183)				(423)			(13,606)
<b>Total industrial and commercial equipment</b>	<b>1,838</b>	<b>110</b>			<b>(423)</b>			<b>1,525</b>
<b>Other assets</b>								
Book value	17,712	279	(14)	(54)				17,924
Amortisation	(12,810)			28	(862)	(54)		(13,698)
<b>Total other assets</b>	<b>4,902</b>	<b>279</b>	<b>(14)</b>	<b>(26)</b>	<b>(862)</b>	<b>(54)</b>		<b>4,225</b>
<b>Fixed assets under construction and payments on account</b>								
Book value	5,724	1,109		(1,203)			(1,899)	3,732
<b>Total Fixed assets under construction and payments on account</b>	<b>5,724</b>	<b>1,109</b>		<b>(1,203)</b>			<b>(1,899)</b>	<b>3,732</b>
<b>TOTAL</b>	<b>192,746</b>	<b>2,925</b>	<b>(1,184)</b>	<b>(1,228)</b>	<b>(7,952)</b>	<b>(1,926)</b>	<b>0</b>	<b>183,380</b>



	Balance as at 31/12/2020	Changes 2021					Balance as at 31/12/2021
		Increases	Changes IFRS	Decreases/ Write- downs	Amortisation	Amortisation/depreciation IFRS	
<b>Land and buildings</b>							
Book value	290,242	2,848	2,094	(1,806)		534	293,912
Amortisation	(125,651)		1,513	379	(5,019)	(1,348)	(130,125)
<b>Total land and buildings</b>	<b>164,591</b>	<b>2,848</b>	<b>3,607</b>	<b>(1,427)</b>	<b>(5,019)</b>	<b>(1,348)</b>	<b>163,786</b>
<b>Plant and machinery</b>	0						
Book value	75,778	121					75,899
Amortisation	(66,471)				(1,555)		(68,026)
<b>Total plant and machinery</b>	<b>9,307</b>	<b>121</b>			<b>(1,555)</b>		<b>7,873</b>
<b>Industrial and commercial equipment</b>							
Book value	15,131	34					15,165
Amortisation	(13,606)				(397)		(14,003)
<b>Total industrial and commercial equipment</b>	<b>1,525</b>	<b>34</b>			<b>(397)</b>		<b>1,162</b>
<b>Other assets</b>							
Book value	17,924	279		(71)			18,132
Amortisation	(13,698)			58	(762)	(12)	(14,415)
<b>Total other assets</b>	<b>4,225</b>	<b>279</b>		<b>(13)</b>	<b>(762)</b>	<b>(12)</b>	<b>3,717</b>
<b>Fixed assets under construction and payments on account</b>							0
Book value	3,732	672				(534)	3,870
<b>Total Fixed assets under construction and payments on account</b>	<b>3,732</b>	<b>672</b>				<b>(534)</b>	<b>3,870</b>
<b>TOTAL</b>	<b>183,380</b>	<b>3,955</b>	<b>3,607</b>	<b>(1,441)</b>	<b>(7,733)</b>	<b>(1,360)</b>	<b>180,408</b>

The net value of “**Land and buildings**” as at 31 December 2021 amounted to roughly 164 million euros, a net decrease of approximately 1 million euros. The increases of 2.8 million relate to costs for the new roof of Pavilion 7 at the Vicenza trade fair district, works on which were completed in September. The reductions are related to the net write-down of fixed assets for 1.4 million euros against the works to redo the roof of Pavilion 7, which entailed the derecognition of the net carrying amount originally entered for this portion of property. The increases connected with the application of IFRS 16 are mainly due to the renewal of the rental contract of Pavilion 9 at the Vicenza trade fair district.

The net value of item “**Plant and machinery**” as at 31 December 2021 amounted to 7.9 million euros, a net decrease of 1.4 million euros, mainly due to period amortisation/depreciation.

The item “**Industrial and commercial equipment**”, with a balance of 1.16 million, recorded a net decrease of 363 thousand euros. The period increases do not record any significant changes and amortisation/depreciation amounts to 397 thousand euros.

The item “**Other assets**”, with a balance of 3.7 million, recorded a net decrease of 0.5 million euros. Period increases came to 280 thousand euros, due to the purchase of trade fair equipment, office machines and vehicles.

Lastly, “**Fixed assets under construction and payments on account**” rose by 0.7 million euros due to the modernisation works carried out on the Vicenza district and a reduction of 534 thousand euros linked to the redoing of the roof of pavilion 7 at the Vicenza trade fair district.

The property on via Emilia 155 (Rimini trade fair district) is encumbered by:

- a first mortgage issued to guarantee the loan granted by Banca Intesa Infrastrutture e Sviluppo (now Banca Intesa San Paolo) for 14.25 million euros;

- a second mortgage of 16 million euros to guarantee the loan granted by Banca Nazionale del Lavoro S.p.A. and drawn down in 2015;
- a third mortgage of 25.2 million euros issued to guarantee the loan granted by BPER Banca S.p.A. and drawn down in 2016.

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

## 2) Intangible fixed assets

	Balance as at 31/12/2019	Changes in 2020				Balance as at 31/12/2020
		Increases	Decreases	Amortisation, depreciation and write-downs	PPA	
Industrial patent and intellectual property rights	681	263		(300)		581
Concessions, licenses, trademarks and similar rights	8,529	26		(554)	128	8,130
Goodwill	8,466				(255)	8,211
Other intangible fixed assets	5,341	9		(1,177)	184	4,329
<b>TOTAL</b>	<b>22,927</b>	<b>298</b>		<b>(2,031)</b>	<b>57</b>	<b>21,251</b>

	Balance as at 31/12/2020	Changes in 2021				Balance as at 31/12/2021
		Increases	Decreases	Amortisation, depreciation and write-downs	Transfers	
Industrial patent and intellectual property rights	581	217		(334)		465
Concessions, licenses, trademarks and similar rights	8,129			(496)		7,633
Goodwill	8,211					8,211
Other intangible fixed assets	4,330			(994)		3,336
<b>TOTAL</b>	<b>21,251</b>	<b>217</b>		<b>(1,823)</b>		<b>19,646</b>

Under the item “**Industrial patents and intellectual property rights**”, the costs for the purchase of software licences and legally protected intellectual property are capitalised. The balance at the end of the period amounted to approximately 0.5 million euros. The increases refer primarily to the Parent Company’s development of the new CRM (customer relationship management) software; decreases are due to period amortisation/depreciation.

The item “**Concessions, licenses, trademarks and similar rights**” recorded a decrease of 0.5 million euros compared with 31 December 2020, due to the amortisations for the period.

“**Other intangible assets**” reduced by 1 million euros due to period amortisation.

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. As at 31 December 2021, the balance of said item was roughly 8.2 million euros.

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. At the date of drafting of this document, no indicators of possible impairment of the goodwill recorded were identified. The values resulting from the acquisitions and booked to the company’s financial statements are set out below.

Euro/000	Balance as at 31/12/2021	Balance as at 31/12/2020
Goodwill emerging from the transfer of Fiera di Vicenza	7,948	7,948
Other goodwill	263	263
<b>TOTAL GOODWILL</b>	<b>8,211</b>	<b>8,211</b>

As outlined in the chapter relating to the “Measurement criteria”, goodwill, excluding that emerged from the recent acquisitions indicated previously, is subject to impairment testing at the date of year-end (or more frequently if there are indicators of impairment), using the methodology described in the paragraph “Impairment of non-financial assets”. In particular, the impairment test verifies the recoverability of goodwill by comparing the Net Capital Invested, including the value of the goodwill, of the CGU to which the goodwill was allocated, with the Recoverable value of said CGU/group of CGUs, represented by the higher of the fair value, less disposal costs, and the value in use.

Goodwill emerging from the transfer of Fiera di Vicenza was allocated to the “IEG CGU” as the recipient of the benefits of the business combination. These benefits refer to the acquired capacity to be recognised on the market as an aggregator, the synergies deriving from the use and optimisation of the workforce with the elimination of duplications, the sharing of mutual best practices, the comparison of the services provided by the suppliers with price savings, the acquisition of specific expertise to grow on the foreign market.

For the IEG CGU, the relevant value in use was determined by adopting the CGU Discounted Cash Flow (DCF) methodology. Unlevered free cash flows were determined by using the 2022-2025 Plan approved by the Board of Directors on 14 March 2022. The document was prepared by updating the previous 21-25 Plan, considering:

- i) the final data for 2021.
- ii) a review of the prospective flows carried out as best estimate, given a) the performance of events in 2021 and b) the expectations of operators for the next few years. The reformulation of flows takes into account the greater reactivity of the market as the blocks to mobility and operations of the industry stakeholders are lifted. 2021 in fact showed us that the events held when the pandemic risk indicators attenuated, recorded better performance than had been hypothesised in the previous document.
- iii) the inclusion of new flows deriving from recent contractual agreements (“Hannover Fair Mexico” and “Informa”), the new digital services and the launch of new events (“Joy”).

During the meeting held on 14 March, the Board examined two scenarios: the “normal case”, which reports management’s best estimates on the basis of the information available to date and constitutes the 2022 budget and the “worst case” prepared by the management with a view to testing cash flows and goodwill if the effects of the pandemic should continue into the next few months too. The worst scenario envisages, for FY 2022, a reduction in revenues on 2019 of approximately 38% and approximately 19% as compared with the normal case, hypothesising an unstable scenario through to the following autumn-winter. At the level of cash flows, the consolidated business plan, in its “worst case” version, for 2022 envisages cash generation by operations of approximately 2.1 million euros, whilst the “normal case” envisages cash generation of approximately 7.7 million.

For the determination of the Terminal Value, a long-term growth rate “g” of 1.39% was used, in line with the expected inflation forecast in Italy in 2025 based on International Monetary Fund estimates.

For the discounting of the explicit cash flows and the Terminal Value, a WACC of 9.15% was used, which includes a Small Size Premium of 3.02%, in consideration of the smaller size of the Group with respect to comparable companies (Source: Duff & Phelps) and continuing on from the WACC calculated at 31 December 2020, a Specific Risk Premium was maintained of 1.00% inserted to take account of the “execution risk” resulting from the reduced forecasting capacity generated by the effects of COVID-19.

The impairment test carried out, at the reference date based on the methods described above, brought to light higher recoverable values than the book values of the net capital invested (including goodwill), therefore excluding the need to reduce the value of the goodwill.

Considering the persistence of the pandemic and current scenario of uncertainty, the company's Directors decided to further test the recoverable value of each CGU and the groups of CGUs described above and two separate sensitivity analyses were conducted, through which the WACC, the "g rate" and the estimates of the Operating Cash Flow were subject to assumptions of change. More specifically:

- assumption 1: change in the WACC (+/- 1%) combined with the change in the g rate (+/- 0.4%)
- assumption 2: percentage change in operating cash flow (+/- 10%) combined with the change in the WACC (+/- 1%)

The sensitivity analyses described herein did not bring to light any criticalities in terms of recoverability of the goodwill booked in the separate financial statements of the Parent company. The parameters that, taken individually or keeping all other elements constant, zero the cover are:

	WACC	g	Reduction in cash flow
IEG CGU	13.2%	-4.6%	81.7%

The Company will continue to constantly monitor the situation and will make sure to update its estimates in order to support its assessments when preparing the next financial reports.

The assumptions used for impairment purposes and the results achieved, were approved by the Board of Directors of Italian Exhibition Group S.P.A. respectively on 14 March 2022 and 24 March 2022, independently and before these financial statements.

"Other intangible assets" only change as a result of period amortisation.

### 3) Equity investments in subsidiaries

The changes in the item in question are shown below.

	% held	Balance 31/12/2020	Changes in 2021			Balance 31/12/2021
			Increases	Decreases	Reval./Write-downs	
Fieravicola S.r.l.	51%	51				51
Ieg Brasil Eventos Ltda	75%	0	502			502
Summertrade S.r.l.	65%	1,711				1,711
Prostand Exhibition Services S.r.l.	51%	148				148
Prime Servizi S.r.l.	51%	31				31
IEG USA Inc	100%	2,278	44		(276)	2,046
Prostand Srl	80%	9,546				9,546
HBG Events FZ LLC	100%	4,331	1,612			5,943
<b>TOTAL EQUITY INVESTMENTS IN SUBSIDIARIES</b>		<b>18,095</b>	<b>2,158</b>		<b>(276)</b>	<b>19,978</b>

During the year, IEG Brasil Eventos Ltda was established with its registered offices in São Paulo, Brazil. Its shares are held 75% by the Company and the remaining 25% by a local shareholder.

For the equity investment IEG USA Inc., during the year a payment was made on capital account of 44 thousand euros and impairment noted of 276 thousand euros, consequent to the results of the impairment tests described in the next few paragraphs.

The table below provides a comparison between the book value in the financial statements of the equity investments in subsidiaries and the value of the relative portion of shareholders' equity resulting from the last set of approved financial statements.

Company name	%	Share	Result	Shareholders	% value	Value
Registered office	held	capital	year	' equity booked	of Shareholders ' equity	booked
<b>Subsidiaries</b>						
Summertrade S.r.l. Rimini, via Emilia 155	65.00%	105	(2,727)	(2,104)	(1,368)	1,711
Prostand Exhibition Services S.r.l. Rimini, Via Emilia 155	51.00%	78	(2)	111	57	148
Prime Servizi Srl Rimini, via Flaminia 233/A	51.00%	60	76	493	252	31
IEG USA (*) 1001 Brickell Bay Dr., Suite 2717° Miami (FL)	100%	5,898	(33)	6,343	6,343	2,046
FB International Inc. 1 Raritan Road Oakland, New Jersey 07436	51.00%	525	(2,884)	(1,269)	(647)	838
Prostand Srl Poggio Torriana, via Santarcangiolo 18	80.00%	182	3,658	5,462	4,369	9,546
HBG Events FZ LLC P.o Box 4422 Fujairah UAE	100.00%	83	420	237	237	5,945
Fieravicola S.r.l. Rimini, via Emilia 155	51.00%	100	30	128	65	51
IEG Brasil Eventos LTDA Av. Angelica, 2530 12° andar - San Paulo (Brazil)	75.00%	681	(4)	677	508	502

The Company conducted an impairment test on the main qualified equity investments booked to the financial statements, as required by IAS 36, in the presence of trigger events which may suggest impairment of the same. Since the outbreak of the Covid-19 pandemic is considered, especially for the sector in which the Group operates, an event that could involve a loss in value of the company assets, Summertrade S.r.l., Prostand S.r.l., HBG Events FZ LLC and IEG USA Inc. – parent company of USA International Inc. were subject to a valuation.

Those comprised of the flows of each of the individual investees were identified as the reference CGUs. Therefore, the value in use of the CGUs identified was determined, by adopting the Discounted Cash Flow (DCF) methodology. The operating cash flows (unlevered free cash flow) were determined by using the 22-25 “worst case” Business Plan drafted by the Company and approved by the Parent Company's Board of Directors on 14 March 2022, which forecasts, with respect to the normal case for the financial year ended at 31 December 2022, a reduction in revenues on 2019 of approximately 38% and of approximately 19% as compared with the “normal case”, hypothesising an unstable context through to the next autumn-winter.

The value in use, pro-rata with respect to the percentage stake held by the Group and net of the Net Financial Position based on the financial statements of the individual entities as at 31 December 2021 (equity value), was compared with the value booked to the financial statements of the equity investments analysed. The growth and discounting parameters of said flows are the same as those described in Note 2) Intangible fixed assets.

In order to determine the Terminal Value, a long-term growth rate “g” was used, differentiated, depending on the country in which the individual CGUs or groups of CGUs generate their flows and, in

particular, 1.39% for those operating on the Italian market, 2.24% for those operating on the US market and 2.0% for HBG. The source of the data is the estimate of the expected inflation envisaged in the aforementioned countries in 2025 by the International Monetary Fund.

Also the parameters for the discounting of the explicit cash flows and the Terminal Value were differentiated by country and, in particular a WACC rate of 9.15% used for flows produced by Italian entities, 10.02% for the HBG CGU and 9.74% for the FB CGU. In constructing all the WACCs, a Small Size Premium of 3.02% was used, in consideration of the smaller size of the Group with respect to comparable companies (Source: Duff & Phelps) and, prudentially, a Specific Risk Premium of 1.00% inserted to take account of the “execution risk” resulting from the reduced forecasting capacity generated by the effects of COVID-19.

The assumptions used for impairment purposes and the results achieved, were approved by the Board of Directors of Italian Exhibition Group S.P.A. respectively on 14 March 2022 and 24 March 2022, independently and before these financial statements.

The analyses conducted showed the need to write down the equity investment held in the US subsidiary for 276 thousand euros.

#### 4) Equity investments accounted for using equity method

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.

The changes in the item in question are shown below.

	% held	Balance as at 31/12/2020	Changes 2021				Balance as at 31/12/2021
			Increases	Exchange rate effect	Revaluations/Write-downs	Transfers	
<b>Associated companies</b>							
Cesena Fiera S.p.A.	20.00%	716	102		20	838	
Fitness Festival Int. S.r.l. in liq.	50.00%	30			(30)	0	
CAST Alimenti S.r.l.	23.08%	1,592			(125)	1,467	
<b>TOTAL ASSOCIATED COMPANIES</b>		<b>2,338</b>	<b>102</b>	<b>0</b>	<b>(135)</b>	<b>2,305</b>	
<b>Jointly controlled companies</b>							
Expo Estrategia Brasil Ltda	50.00%	213		1	(191)	23	
Destination Services srl	50.00%	14			28	42	
EAGLE Asia	50.00%	384		39	(65)	358	
<b>TOTAL JOINTLY CONTROLLED COMPANIES</b>		<b>611</b>	<b>0</b>	<b>40</b>	<b>(228)</b>	<b>423</b>	
<b>TOTAL EQUITY INVESTMENTS MEASURED USING THE EQUITY METHOD</b>		<b>2,949</b>	<b>102</b>	<b>40</b>	<b>(363)</b>	<b>2,728</b>	

Increases came to 102 thousand euros and referred to the share capital increase subscribed by the Parent company in Cesena Fiera S.p.A.: with this transaction, IEG maintained a 20% share in the subsidiary's capital.

The measurements using the equity method contributed a total write-down of 391 thousand euros.

The Company conducted an impairment test on the main qualified equity investments booked to the financial statements, as required by IAS 36, in the presence of trigger events which may suggest impairment of the same. Since the outbreak of the Covid-19 pandemic is considered, especially for the

sector in which the Group operates, an event that could involve a loss in value of the company assets, Cast Alimenti and EAGLE Asia were subject to a valuation.

Those comprised of the flows of each of the individual investees were identified as the reference CGUs. Therefore, the value in use of the CGUs identified was determined, by adopting the Discounted Cash Flow (DCF) methodology. The operating cash flows (unlevered free cash flow) were determined by using the 22-25 “worst case” Business Plan drafted by the Company and approved by the Parent Company's Board of Directors on 14 March 2022, which forecasts, with respect to the normal case for the financial year ended at 31 December 2022, a reduction in revenues on 2019 of approximately 38% and of approximately 19% as compared with the “normal case”, hypothesising an unstable context through to the next autumn-winter.

The value in use, pro-rata with respect to the percentage stake held by the Group and net of the Net Financial Position based on the financial statements of the individual entities as at 31 December 2021 (equity value), was compared with the value booked to the financial statements of the equity investments analysed. The growth and discounting parameters of Cast Alimenti flows are the same as those described in Note 2) Intangible fixed assets. For the EALGE Asia flows, a growth rate of 2.0% and a WACC of 11.20% was considered.

The assumptions used for impairment purposes and the results achieved, were approved by the Board of Directors of Italian Exhibition Group S.P.A. respectively on 14 March 2022 and 24 March 2022, independently and before these financial statements.

The analyses did not reveal the need to impair the tested equity investments.

The table below provides a comparison between the book value in the financial statements of the equity investments in associated companies and joint ventures and the value of the relative portion of shareholders' equity resulting from the last set of approved financial statements.

Company name Registered office	% Held	Share capital	Result year	Shareholders' booked	% value of Shareholders' equity	Value booked
<b>Associated companies</b>						
Green Box S.r.l.** Oderzo (TV), via Sordello 11/A	20.00%	15	(18)	9	2	-
Cesena Fiera S.p.A. # Via Dismano 3845	20.00%	2,000	80	3,925	785	838
C.A.S.T. Alimenti Srl # Via Serenissima, 5 - Brescia (BS)	23.08%	126	(443)	2,616	604	1,467
Fitness Festival International Srl in liquidation *** Strada Trasimeno ovest, 10 – Perugia (PG)	50.00%	220	(8)	59	30	-
<b>Jointly controlled companies</b>						
Expo Estrategia Brasil Eventos E Producoes Ltda # Brazil - San Paolo/SP, Rua Felix de Souza n° 307 – Vila Congonhas	50.00%	1,371	(382)	47	23	23
DV Global Link LLC [*] P.O. Box 9846 – Dubai – U.A.E.	49.00%	121	(205)	151	74	0
EAGLE [#] Shanghai, China	50.00%	973	(124)	366	183	358
Destination Services Srl [#] Via Sassonia, 30 - Rimini	50.00%	10	(4)	29	14	42

\* Data referred to 30/09/2020 - \*\* Data referred to 31/12/2015 - \*\*\* Data referred to 31/12/2018 - [#] Data referred to 31/12/2021

All the holdings and shares of the companies referred to above are held directly, without recourse to trust companies or third parties.

Through Prostand Srl, Italian Exhibition Group S.p.A. holds a further 15.3% in Cesena Fiere S.p.A. For more information, please refer to the IEG Group's consolidated financial statements.

## 5) Equity investments in other companies

The changes in the item in question are shown below.

	% held at 31/12/2020	Balance 31/12/2020	Changes 2021				Balance 31/12/2021
			Incr.	Decr.	Revaluations/Write-downs	Transfers	
Uni Rimini S.p.A.	6.00%	62					62
Rimini Congressi S.r.l.	10.36%	10,974			(204)		10,770
Rimini Welcome Scarl	10%	6			2		8
OB Service		0	15				15
<b>TOT. EQUITY INVESTMENTS IN OTHER COMPANIES</b>		<b>11,042</b>	<b>15</b>	<b>0</b>	<b>(202)</b>	<b>0</b>	<b>10,855</b>

The equity investment Rimini Congressi S.r.l. is measured at FV (through OCI without recycling); write-downs in the period relate entirely to the adjustment to fair value of the aforementioned equity investment.

## 6) Deferred tax assets and liabilities

	Balance as at 31/12/2021	Balance as at 31/12/2020
Deferred tax assets	8,042	8,584
Provisions for deferred tax liabilities	(2,731)	(2,963)
<b>TOTAL</b>	<b>5,311</b>	<b>5,621</b>

“Deferred tax assets” are recognised up to the limits in which future taxable income will be available against which to utilise the temporary differences. Deferred tax assets and liabilities are offset given that they refer to the same tax authority.

## 7) Non-current financial assets

The movements in the period for the item in question are reported below.

	Balance as at 31/12/2020	Changes in 2021			Balance as at 31/12/2021
		Increases/ decreases	Revaluations/ Write-downs	Transfers	
Gambero Rosso shares	25		4		29
Banca Malatestiana Credito Coop. shares	4	(4)			0
TFR policy	443	(121)	9		331
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>472</b>	<b>(125)</b>	<b>13</b>		<b>360</b>

The nature and classification according to the categories established by IAS 39 of “Non-current financial assets” is reported in the Fair value section of these Explanatory notes. For the measurement of the fair value of the Gambero Rosso shares, the prices quoted on active markets at the measurement date were used.

Note that on 09 November 2021, the equity investment held in Banca Malatestiana was liquidated in full.

In 2021, 8 positions were redeemed in the collective TFR policy, for a liquidated total of 121 thousand euros.



## 8) Other non-current assets

“Other non-current assets” amounted to 69 thousand euros (98 thousand euros as at 31 December 2020), and refer primarily to security deposits.

## CURRENT ASSETS

### 9) Trade receivables

Details are given below.

TRADE RECEIVABLES	Balance as at 31/12/2021	Balance as at 31/12/2020
Receivables from customers	15,559	6,568
Trade receivables due from subsidiaries	2,780	2,563
Trade receivables due from associated companies	-	94
Trade receivables from parent companies	676	556
Trade receivables due from jointly controlled companies	54	23
<b>TOTAL TRADE RECEIVABLES</b>	<b>19,069</b>	<b>9,804</b>

Receivables due from customers represent 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. For more information on the past due brackets, please refer to the section “Credit risk”, while as regards the estimate evaluations, please see the section “Use of estimates”.

“Receivables due from subsidiaries” relate to trade receivables due from the companies Prostand Srl, Summertrade Srl, Fieravicola Srl, HBG Events and FB Int. (held 100% by IEG USA).

“Receivables from jointly controlled companies” include receivables of the Parent Company due from the company DV Global Link LLC.

Note the reclassification of the receivables due from the parent company Rimini Congressi, an investee in which the parent company holds a stake of 10.36%, to “Trade receivables from parent companies”, following the merger by incorporation with Società del Palazzo S.p.A.

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

	Balance as at 31/12/2020	Changes in 2021			Balance as at 31/12/2021
		Uses	Provisions	Transfers	
Bad debt provision	81	(81)			-
Bad debt provision - taxed	4,858	(439)			4,419
Bad debt provision - associated companies	30	(30)			-
<b>TOTAL PROVISION FOR IMPAIRMENT RECEIVABLES</b>	<b>4,968</b>	<b>(549)</b>			<b>4,419</b>

Details of the items “Receivables due from subsidiaries”, “Receivables from associated companies” and “Receivables due from jointly controlled companies”, relating to receivables exclusively of a trade nature, are provided below:

RECEIVABLES DUE FROM SUBSIDIARIES	Balance as at 31/12/2021	Balance as at 31/12/2020
Receivables due from Summertrade S.r.l.	863	131
Receivables due from Prostand S.r.l.	1,803	2,363
Receivables due from FB International Inc	68	68
Receivables due from HBG Events Ilc	14	-
Receivables due from Fieravicola S.r.l.	32	-
Receivables due from Prime Servizi S.r.l.	-	1
<b>TOTAL RECEIVABLES DUE FROM SUBSIDIARIES</b>	<b>2,780</b>	<b>2,563</b>

RECEIVABLES DUE FROM ASSOCIATED COMPANIES	Balance as at 31/12/2021	Balance as at 31/12/2020
Receivables due from Cesena Fiera S.p.A.	0	94
<b>TOTAL RECEIVABLES DUE FROM ASSOCIATED COMPANIES</b>	<b>0</b>	<b>94</b>

RECEIVABLES FROM JOINTLY CONTROLLED COMPANIES	Balance as at 31/12/2021	Balance as at 31/12/2020
Receivables due from DV Global Link LLC	54	23
Receivables due from Destination Services Srl	0	0
<b>TOTAL RECEIVABLES JOINTLY CONTROLLED COMPANIES</b>	<b>54</b>	<b>23</b>

## 10) Tax receivables for direct taxes

Tax receivables for direct taxes	Balance as at 31/12/2021	Balance as at 31/12/2020
IRES receivable	100	71
Receivables for tax consolidation		5
<b>Total tax receivables for direct taxes</b>	<b>100</b>	<b>76</b>

At the end of 2021, the item direct tax receivables includes tax receivables due from the agency for 100 thousand euros.

## 11) Current financial assets

“Current financial assets” include the credit positions of a financial nature of Italian Exhibition Group S.p.A. vis-à-vis the different subsidiaries and associated companies. An intercompany current accounts system is in place with Summertrade S.r.l. and Prostand Srl in order to optimise the Group’s financial management and debt.

	Balance as at 31/12/2021	Balance as at 31/12/2020
<b>Subsidiaries</b>	<b>2,919</b>	<b>2,159</b>
IEG USA	309	0
Summertrade S.r.l.	949	642
Prostand Exhibition Services S.r.l.	177	177
Prostand S.r.l.	1,266	1,258
HBG Events	218	81
<b>Jointly controlled companies</b>	<b>207</b>	<b>0</b>
DV Global Link LLC	3	0
Destination Services Srl	45	45
Hannover Fair Mexico	159	0
<b>TOTAL FINANCIAL ASSETS CURRENT</b>	<b>3,126</b>	<b>2,204</b>

The period increase, of 922 thousand euros is mainly due to the increase in the receivable of Italian Exhibition Group S.p.A. due from other companies, in particular the stipulation of two new loans, that in respect of the American subsidiary for 309 thousand euros and that in respect of Hannover Fair Mexico.

	Balance as at 31/12/2021	Balance as at 31/12/2020
<b>FINANCIAL RECEIVABLES DUE FROM OTHER SHAREHOLDERS</b>	<b>0</b>	<b>0</b>
Vicenza Holding S.p.A.	1,143	0
Provision for doubtful debt Vicenza Holding S.p.A.	(1,143)	0
<b>TOTAL FINANCIAL RECEIVABLES DUE FROM OTHER SHAREHOLDERS</b>	<b>0</b>	<b>0</b>

During the period, receivables were entered in this item, due from the shareholder Vicenza Holding S.p.A., through the provision set aside for doubtful debt, for an amount of 1,143 thousand euros in connection with the bankruptcy procedure of Biblioteca della Moda S.r.l. (hereinafter also "BDM"). The events date back to the years of management of what was at the time Fiera di Vicenza S.p.A., which entertained commercial relations regarding the publishing business of Vicenza Oro with the companies BDM and Milano Fashion Media Srl, companies managed and headed by the same natural person. The bankruptcy receivers of BDM have stated that Biblioteca della Moda S.r.l. held a receivable of Euro 1,224 thousand in regard to what was at the time Fiera di Vicenza S.p.A. and that in 2015, Biblioteca della Moda S.r.l. had transferred such receivable to Milano Fashion Media S.r.l. Following this transfer, the then Fiera di Vicenza S.p.A. had offset that payable against a greater receivable it was due in respect of Milano Fashion Media S.r.l. The BDM bankruptcy receivers has contacted the Court of Milan to request revocation of this transfer. On 9 March 2021, the first-instance ruling on the dispute described above was issued by the Court of Milan, ordering Vicenza Holding S.p.A. (transferor) and IEG (as transferee of the business unit of Vicenza Holding S.p.A.), jointly and severally, to pay to the Biblioteca della Moda S.r.l. bankruptcy the total amount of 1,224 thousand euros, plus default interest pursuant to Legislative Decree 231/2002 and legal costs for a total in excess of Euro 1.8 million.

During the period, IEG and Vicenza Holding S.p.A., assisted in their assessments by their lawyers, settled with the receiver of the procedure, waiving an appeal in exchange for a reduction in the amount due to 1.1 million euros, to be paid during the first few days of July. Although it had advanced full payment so as to avoid compromising the regular pursuit of its business, IEG believes that, on the basis of the deed of conferral of the "Fiera di Vicenza" business unit to IEG in October 2016, the entire expense lies with Vicenza Holding S.p.A. and it is taking action to recover the amounts due to it. However, as a prudential measure, IEG has entered a provision for impairment under "Other provisions and impairment, Bad debt provisions and adjustments" equal to the full , amount of the receivable of 1.1 million euros, classifying it as a non-recurring charge.

## 12) Other current assets

Details are given below.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Receivables due from others	1,448	579
Accrued income and prepaid expenses	1,114	901
Costs paid in advance pertaining to subsequent years	1,887	1,457
Other tax receivables	299	824
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>4,747</b>	<b>3,760</b>

Details of "Receivables due from others" are provided in the following table:

	Balance as at 31/12/2021	Balance as at 31/12/2020
Personnel - advances	19	27
Receivables due from agents	47	47
Suppliers - advances	969	178
Receivables due from social security institutions	10	8
Down payments		
Trade receivables	39	177
Sundry receivables	364	141
<b>TOTAL RECEIVABLES DUE FROM OTHERS</b>	<b>1,448</b>	<b>579</b>

Total receivables due from others records changes mainly as a result of the booking of advance invoices in connection with 2022 events; the other items do not record any significant changes and relate merely to normal company business.

"Prepaid expenses" refer to portions of costs not pertaining exclusively to 2021, which have already been recorded in the accounts. "Accrued income" refers to revenues pertaining to the period which will be recorded in the accounts in a subsequent period. Prepaid expenses as at 31 December 2021 refer mainly to insurance charges, rental expenses, software and maintenance fees.

The costs already incurred for the staging of trade fairs that will be held in the next few months, and therefore fully pertaining to subsequent years, were accounted as "Costs advanced pertaining to subsequent years".

## 13) Cash and cash equivalents

Cash and cash equivalents are composed of bank current accounts, deposits and available cash. The trend in cash flows with respect to 31 December 2020 has been reported in the "Cash Flow Statement" to which reference should be made. It should be noted that there are no restrictions on the use of the liquidity reported hereunder.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Bank and post office deposits	42,139	24,025
Cash	39	42
Cheques	0	2
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>42,178</b>	<b>24,070</b>

**COMMENTS ON THE MAIN ITEMS OF LIABILITIES AND SHAREHOLDERS' EQUITY****SHAREHOLDERS' EQUITY****14) Shareholders' equity**

The company's Shareholders' equity is detailed as follows:

	Balance	Changes 2020		Balance	Changes 2021		Balance
	as at 31/12/2019	Increases	Decreases	as at 31/12/2020	Increases	Decreases	as at 31/12/2021
<b>Share</b>	<b>52,215</b>			<b>52,215</b>			<b>52,215</b>
<b>Share premium reserve</b>	<b>13,947</b>			<b>13,947</b>			<b>13,947</b>
<b>Revaluation reserves</b>	<b>67,160</b>			<b>67,160</b>			<b>67,160</b>
<i>Reserve pursuant to Law 413/91</i>	1,888			1,888			1,888
<i>Reserve pursuant to Law 266/05</i>	21,051			21,051			21,051
<i>Reserve pursuant to Law 2/09</i>	44,221			44,221			44,221
<b>Legal reserve</b>	<b>9,706</b>	<b>695</b>		<b>10,401</b>			<b>10,401</b>
<b>Statutory reserve</b>	<b>2,462</b>	<b>69</b>		<b>2,532</b>			<b>2,532</b>
<b>Other reserves</b>	<b>(46,595)</b>	<b>201</b>	<b>(551)</b>	<b>(46,945)</b>	<b>494</b>	<b>(305)</b>	<b>(46,756)</b>
<i>Prov. for cap. grant invest. tech.</i>	5,878			5,878			5,878
<i>First time adoption reserve</i>	(52,806)			(52,806)			(52,806)
<i>OCI reserve</i>	138	201		339		(204)	135
<i>Reserve for translation of foreign financial statements</i>	(86)		(105)	(191)	40		(151)
<i>Reserve for transactions under common control</i>	1,019			1,019			1,019
<i>Reserve for actuarial gains/losses - Employee severance indemnity</i>	(321)		(79)	(400)		(101)	(501)
<i>CFH reserve</i>	(417)		(367)	(784)	454		(330)
<b>Retained earnings (Losses) carried forward</b>	<b>4,101</b>	<b>13,133</b>	<b>(13)</b>	<b>17,221</b>		<b>(12,683)</b>	<b>4,538</b>
<b>Profit (loss) for the year</b>	<b>13,898</b>		<b>(26,580)</b>	<b>(12,683)</b>	<b>12,683</b>	<b>1,610</b>	<b>1,610</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>116,893</b>	<b>14,098</b>	<b>(27,145)</b>	<b>103,848</b>	<b>12,683</b>	<b>(11,073)</b>	<b>105,647</b>

The table below presents an analysis of the breakdown of shareholders' equity in terms of availability and distributability, as required by the reformed art. 2427, no. 7-bis of the Italian Civil Code, interpreted by document no. 1 of the OIC (Italian Accounting Standards Setter).

Nature/Description	Amount	Possibility of use (*)	Portion available	Uses in the last three years		
				to cover losses	for increase/replenishment of share capital	For other reasons
<b>Share</b>	52,215					
<b>Capital reserves</b>						
Share premium reserve	13,947	A, B, C	13,947			
Revaluation reserves	21,282	A, B	21,282			
Prov. for cap. grants - prev. inv.	5,878	A, B, C	5,878			
<b>Profit reserves</b>						
Legal reserve	10,401	B	10,401			
Statutory reserve	2,532	A, B	2,532			
Statutory reserves ex Ente Fiera	0	A, B, C	0			
Extraordinary reserve	0	A, B, C	0			
Retained earnings	19,474	A, B, C	19,474			(7,372)
<b>Total</b>			<b>73,513</b>	<b>0</b>	<b>0</b>	<b>(7,372)</b>
<b>Non-distributable amount</b>			<b>66,717</b>			
<b>Residual distributable portion</b>			<b>6,796</b>			

\* Key

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

Detail of calculation of portion of non-distributable reserves	Balance as at 31/12/2021
<b>Non-distributable reserves</b>	<b>55,947</b>
Share premium reserve	42
Revaluation reserves	21,282
Prov. for cap. grants - prev. inv.	0
Legal reserve	10,401
Statutory reserve	2,532
Losses carried forward	14,936
Other negative reserves	6,755
<b>Value of equity investment in the parent company</b>	<b>10,770</b>
Rimini Congressi Srl	10,770
<b>Total</b>	<b>66,717</b>

The amount of non-distributable reserves is composed of the “Legal reserve”, the “Statutory reserve”, and “Revaluation reserves”. In 2016, as a result of the share capital increase carried out with the contribution of Fiera di Vicenza of its entire company, the Legal reserve fell below the minimum threshold of 20% of share capital and, therefore, the “Share premium reserve” can only be distributed for the part exceeding the replenishment of the legal reserve, i.e. for 13,905 thousand euros. In addition, given that the Company now holds shares in the parent company Rimini Congressi S.r.l., based on art. 2359-bis of the Italian Civil Code, the value booked to the financial statements for said shares, amounting to 10,770 thousand euros, cannot be distributed. It should be noted that the “Legal reserve” can be used to cover losses after all other reserves have been utilised.

## NON-CURRENT LIABILITIES

### 15) Payables due to banks

The Group’s bank debt increased by approximately 1.7 million euros in total compared to the previous year, due to the net effect of the loans repaid in the period and the obtainment of new short-term and medium/long-term lines. Following are details about the Payables due to banks in the short and long term and beyond 5 years.

Current payables due to banks	Balance as at 31/12/2021	Balance as at 31/12/2020
Other short-term credit facilities	1,700	1,000
C/a debit balances	-	326
Credit Agricole pool loan	12,027	13,853
Banca Intesa SanPaolo (former Banca Popolare di Vicenza) mortgage	1,676	1,620
Banco BPM mortgage	1,128	1,116
Volksbank mortgage	2,018	1,990
Loan - Cassa Depositi e Prestiti - SACE	-	-14
Loan - Intesa Sanpaolo - SACE	-	4,328
SIMEST loan - Trade fair entities	-	-
<b>TOTAL Short-term payables due to banks</b>	<b>18,549</b>	<b>24,217</b>

Non-current payables due to banks	Balance as at 31/12/2021	of which due after 5 years	Balance as at 31/12/2020
Credit Agricole pool loan	-	-	-
Banca Intesa SanPaolo (former Banca Popolare di Vicenza) mortgage	29,311	21,994	30,986
Banco BPM mortgage	-	-	1,128
Volksbank mortgage	1,192	-	3,210
Loan - Cassa Depositi e Prestiti - SACE	15,000	2,812	14,959
Loan - Intesa Sanpaolo - SACE	32,812	6,152	30,546
SIMEST loan - Trade fair entities	9,352	2,338	-
<b>TOTAL long-term payables due to banks</b>	<b>87,667</b>	<b>33,296</b>	<b>83,730</b>

The overall net financial position of the company is reported hereunder, drafted according to the provisions of Consob Communication no. 6064293 of 28 July 2006 and the recommendation of the CESR of 10 February 2005, which differs from the one in the Directors' Report on Operations as regards the items Medium/long-term financial receivables and Receivables due from subsidiaries and from associated companies.

IEG S.p.A.

Net financial position (based on the ESMA format)

Net financial position (Euro/000)		31/12/2021	31/12/2020
A.	Cash and cash equivalents	42,178	24,070
B.	Cash equivalents	-	-
C.	Other current financial assets	236	74
<b>D.</b>	<b>Liquidity: (A) + (B) + (C)</b>	<b>42,414</b>	<b>24,143</b>
E.	Current financial payables	(7,651)	(5,216)
F.	Current portion of non-current financial debt	(16,850)	(22,927)
<b>G.</b>	<b>Current financial debt: (E) + (F)</b>	<b>(24,551)</b>	<b>(28,143)</b>
<b>H.</b>	<b>Current net financial indebtedness: (G + D)</b>	<b>17,863</b>	<b>(4,000)</b>
I.	Non-current financial liabilities	(107,083)	(101,413)
J.	Debt instruments	0	0
K.	Trade payables and other non-current payables	(5,496)	(9,321)
<b>L.</b>	<b>Non-current financial debt: (I) + (J) + (K)</b>	<b>(112,580)</b>	<b>(110,734)</b>
<b>M.</b>	<b>Total financial debt: (H) + (L)</b>	<b>(94,717)</b>	<b>(114,734)</b>

Net financial position as defined by the new ESMA Guidelines of 04 March 2021  
(Consob note of attention no. 5/21 to the Consob Communication)

Compared with the previous year, bank payables recorded an overall decrease of 1.7 million euros due to new loans for 9.4 million euros, repayments of existing loans for 8.8 million euros and a decrease in short term credit lines for 2.2 million euros. It should also be noted that compared to 31 December 2020, the hot money of 1.7 million euros (Bper Banca) used for 2.9 million euros at 31 December last year and instead included in the calculation of the portions of medium/long-term payables due within 12 months), has been reclassified to short-term bank payables.

The main changes are shown below. During the year, the Company requested and obtained the disbursement of "Financing and Co-financing for the improvement and safeguarding of capital solidity in support of the trade fair system" promoted by SIMEST S.p.A. and totalling almost 10 million euros, of which about 525 thousand euros pertains to the Fund for Integrated Promotion (non-repayable co-financing) and 9.3 million euros to the 394/81 Fund, disbursed on 27 August 2021.

In December, the company concluded its discussions with Intesa SanPaolo and Cassa Depositi e Prestiti for the renegotiation of the two loans backed by the SACE Italy Guarantee programme, disbursed in 2020. The company thus obtained the replacement of the previous loans with two with a maturity of 72 months (in the formula of 24 + 48), repayable in quarterly instalments starting 2023. In detail, the loan granted by Intesa SanPaolo comes to € 32,812 million, while that granted by Cassa Depositi e Prestiti is for 15 million; in both cases, the financial covenants have been revised and are shown below.

Bank	Parameter per year	2021	2022	2023	2024	Year 2025 and later
Intesa SanPaolo SpA	NFP/EBITDA	-	-	<4.0	<3.5	<3.0
Cassa Depositi e Prestiti SpA	NFP/EBITDA	-	<=8.5	<=5.0	<=3.0	<=3.0
Cassa Depositi e Prestiti SpA	NFP/SE	-	<=2.0	<=1.8	<=1.5	<=1.1

Intesa SanPaolo requests the first verification at the Calculation Date of 31 December 2023 (NFP/EBITDA), while the Cassa Depositi e Prestiti Group at 31 December 2022 (NFP/EBITDA and NFP/SE).

It should be noted that the results achieved in 2021 due to the pandemic involved the verification of the covenant breach in relation to the NFP/EBITDA ratio at the end of the year identified in the loan agreement stipulated by the Parent Company with Credit Agricole (NFP/EBITDA <3.5). The Parent Company requested the suspension of the covenant for the year 2021, receiving reassurances that said request would be accepted. However, in the absence of a formal response, the payables relating to the loan were fully reclassified to short-term, amounting to 12 million euros. These payables will be reclassified in keeping with the repayment plan when the company receives formal approval of its request.

## 16) Non-current financial liabilities for rights of use

The balance of 19.4 million euros represents the non-current portion of liabilities recognised for lease fees still not paid at the close of the half, in compliance with the introduction of new accounting standard IFRS 16 on 1 January 2019. It should be noted that the item includes payables due to Rimini Congressi S.r.l. for 14.2 million euros.

## 17) Other non-current financial liabilities

The breakdown of the item in question is shown below.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Fair value of derivative instruments	3,573	5,517
Payables due to subsidiaries	-	-
Other non-current financial liabilities	1,923	3,805
<b>TOTAL OTHER LIABILITIES FIN. NON-CURRENT</b>	<b>5,496</b>	<b>9,321</b>

The item "Fair value of derivative instruments" amounted to 3,573 thousand euros, down compared with the previous year by 1,944 thousand euros due to the changes in fair value that occurred during the year.

The derivative stipulated on 04 November 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 1st, 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 31/12/2026, 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 03 June 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, at end 2018, 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:

- trading date: 07 December 2018;
- effective date: 29 June 2018;
- maturity date: 30 June 2036;
- interest payment dates: six-monthly, 31 December and 30 June of each year;
- total notional: EUR 9635397.46
- fixed rate (pay IEG): 0.96400% (Actual/360)
- floating rate (receive IEG): Euribor 6M (Actual/360)

On 16 April 2020, a new loan agreement was entered into with the pool of banks headed up by Credit Agricole for a total loan of 15 million euros, due on 30 June 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 euros. Information is provided below on the four contracts stipulated during the year, respectively with Credit Agricole, BPER, BNL, Banco Popolare di Milano, which have the same characteristics:

- Trading date: 23 June 2020;
- Effective date: 31 December 2020;
- Maturity date: 18 April 2028;
- Interest payment dates: six-monthly, 31 December and 30 June of each year;
- Total notional (of the four contracts): EUR 10546876
- Fixed rate (pay IEG): -0.01% (Actual/360)
- Floating rate (receive IEG): Euribor 6M (Actual/360)

The table below shows the impacts of the change in the fair value of the six derivative instruments as at 31 December 2021.

VALUATION DATE	IRS Fair Value	Financial income (charges) through profit and loss	Change in CFH reserve
31/12/2020	(5,517)	194	(483)
31/12/2021	(3,573)	1,345	598

The item "Other non-current financial liabilities" represents the variable portion of the price estimated to be disbursed to the selling shareholders for the acquisition of the new subsidiary HBG Events FZ LLC, which took place on 31 October 2020. The portion to be disbursed beyond the year is correlated with the performance of the Dubai Muscle Show, to be held this coming November.

## 18) Provisions for non-current risks and charges

The changes in the item in question are shown below.

	Balance as at 31/12/2020	Changes 2021			Balance as at 31/12/2021
		Provisions	Uses/decreases	Releases	
Provision for dispute risks	1,589	472	(7)	(127)	1,927
Other provisions for risks	10				10
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>1,599</b>	<b>472</b>	<b>(7)</b>	<b>(127)</b>	<b>1,937</b>

The “Provision for dispute risks” changed during the year, for the provision made in respect of the risk of not succeeding in reversing on a supplier, all or part of the costs relative to services sold to exhibitors that have cancelled their equity investment in SIGEP following a date change. At present, the cost is not yet certain, insofar as negotiations are still in progress with both customers and suppliers, aimed at identifying solutions that are acceptable for all those involved. Prudently, the Company has chosen to set aside Euro 72 thousand for possible claims by certain employees relating to the company’s interpretation of the application of the measures envisaged to limit the spread of Covid-19. Provision releases include Euro 72 thousand previously set aside in connection with the dispute with a former company manager, which ended with all claims being rejected, as also confirmed by the second instance judgement.

In this area, it is specified that on 01 February 2022, the Court of Companies of Bologna declared extinguished the case brought by the Aeradria S.p.A. bankruptcy against a series of subjects, including Italian Exhibition Group S.p.A. (formerly Rimini Fiera S.p.A.). The Bankruptcy had charged Rimini Fiera S.p.A., Rimini City Council, Rimini Holding and Rimini Provincial Authority with liability in the management company of Rimini Airport through alleged management and coordination, quantifying the damage as Euro 20 million. On 20 December 2021, the parties signed a final settlement agreement for a total amount of Euro 200,000, creating conditions for the formal extinguishing of the case. The cost incurred by IEG (Euro 50 thousand) has been fully allocated to FY 2021 costs.

## 19) Employee provisions

The changes in the item in question are shown below.

	Balance as at 31/12/2020	Changes in 2021			Balance as at 31/12/2021
		Provisions	Uses/decreases	Actuarial (Gains)/Losses	
Provision for customers’ leaving indemnities	188	13	(107)		94
Provision for employee severance indemnity	2,705	100	(316)	133	2,622
<b>TOTAL EMPLOYEE PROVISIONS</b>	<b>2,893</b>	<b>113</b>	<b>(423)</b>	<b>133</b>	<b>2,716</b>

The balance is composed primarily of employee severance indemnity accrued during the lockout period. By contrast, for a total of 94 thousand euros, it is composed of the “Provision for agents’ leaving indemnities” allocated in compliance with article 1751 of the Italian Civil Code and the collective economic agreement for the regulation of the agency and commercial representation relationship of the commerce sector signed on 16 February 2009.

The value of the provision for employee severance indemnity at the end of the year conforms to the amount due to personnel and the allocation was calculated in respect of the laws, the company employment contract and, for matters not provided for, the C.C.N.L. (national collective labour

agreement) for the trade sector. It should also be pointed out that, following the supplementary pension reform (Italian Legislative Decree no. 252/2005; Italian Law no. 296/2006, article 1, paragraphs 755 *et seq* and paragraph 765), the amount indicated in the column "Provisions" does not include the sums paid to forms of supplementary pension or to the "INPS Treasury Fund".

The Company, in determining the actuarial calculations, avails itself of the support of a professional listed in the appropriate Register of Actuaries. The main hypotheses/assumptions used for the actuarial calculation of the defined benefit plans are shown below.

### Demographic assumptions

Probability of death	Mortality tables broken down by gender - ISTAT 2019
Probability of disability	Zero probability (in consideration of the type of company under analysis)
Probability of resignations	The probability of company turnover of 3% was used
Probability of anticipation	An annual value of 3% was presumed with respect to an average value of accumulated employee severance indemnity of 70%

### Economic-financial assumptions for calculation of the TFR (employee severance indemnity)

	2021	2020
Annual discount rate	0.98%	0.34%
Annual inflation rate	1.75%	1.00%
Assumption of real salary growth	1.75%	1.50%

The discounting of future services for employees deriving from Employee severance indemnity was measured by recognising market yields according to the provisions of IAS 19. For the discount rate, the rate relating to high credit rating Corporate Bonds AA with a duration equal to the plan of company commitments to its employees was taken as a reference.

The results of the actuarial evaluations depend strictly on the financial, demographic and behavioural assumptions adopted.

The following table, as required by the international accounting standard, shows the results of the DBO deriving from the change in assumptions.

Sensitivity Analysis - DBO		IEG Group SPA
<b>Central Assumption</b>	€	<b>2,619,655</b>
Discount rate (+0.5%)	€	2,410,180
Discount rate (-0.5%)	€	2,856,769
Rate of payments Increases (+0.5%)	€	2,588,698
Rate of payments Decreases (-0.5%)	€	2,653,583
Rate of Price Inflation Increases (+0.5%)	€	2,763,257
Rate of Price Inflation Decreases (-0.5%)	€	2,489,301
Rate of Salary Increases (+0.5%)	€	2,619,655
Rate of Salary Decreases (-0.5%)	€	2,619,655
Increase the retirement age (+1 year)	€	2,627,055
Decrease the retirement age (-1 year)	€	2,611,765
Increase longevity (+1 year)	€	2,619,669
Decrease longevity (-1 year)	€	2,619,630
Assumptions of the previous year	€	2,702,673
Economic assumpt. of the previous and new demographic assumpt.	€	2,702,673

## 20) Other non-current liabilities

The item "Other non-current liabilities" is composed entirely of the grant disbursed by the Emilia-Romagna Region for the construction of the Rimini Trade Fair District, still not booked to the income statement, amounting to Euro 2 million.

## CURRENT LIABILITIES

### 21) Current financial liabilities for rights of use

The item is composed of the 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 1 January 2019. The balance includes 863 thousand euros relating to the lease agreement of Palazzo dei Congressi di Rimini, stipulated with Rimini Congressi S.p.A.

### 22) Other current financial liabilities

Details are given below.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Accrued expenses	50	36
Amounts due to shareholders for dividends	2	2
Payables due to other lenders within 12 months	4,463	2,297
Current financial payables due to subsidiaries	222	222
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>4,737</b>	<b>2,556</b>

"Payables due to other lenders within 12 months" includes:

- The residual payable for the purchase of corporate shares in HBG for 2,967 thousand euros;
- The variable amount of the price recognised to Arezzo Fiere e Congressi for the acquisition of the trademark GoldItaly and the use of the trademark Oro Arezzo and all other assets connected with the two events in question, for 956 thousand euros.

"Current financial payables due to subsidiaries" of 222 thousand euros includes the amounts due to Prostand S.r.l. relative to the portion that the company is to pay to the former shareholders of Colorcom S.r.l., which merged into Prostand in 2019, for the company acquisition.

**23) Trade payables**

Details are given below.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Trade payables within 12 months	20,301	14,959
Payables due to parent company	3	-
Payables due to subsidiaries	6,469	3,017
Vehicle ownership tax	4	75
Membership fees and contributions	3	8
<b>TOTAL TRADE PAYABLES</b>	<b>26,780</b>	<b>18,060</b>

Payables to suppliers mainly refer to purchases of services necessary to the holding of trade fairs. The “Payables due to subsidiaries” and “Payables due to associated companies” detailed in the following tables are exclusively of a trade nature.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Payables due to Prostand Exhibition Services S.r.l.	1	1
Payables due to Prime servizi S.r.l.	831	312
Payables due to Summertrade S.r.l.	544	121
Payables due to Prostand S.r.l.	5,093	2,583
<b>TOTAL PAYABLES DUE TO SUBSIDIARIES</b>	<b>6,469</b>	<b>3,017</b>

“Payables due to associated companies” and “Payables due to jointly-controlled companies” are summarised in the following table.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Payables due to Cesena Fiera S.p.A.	2	69
Payables due to C.A.S.T. Alimenti Srl	2	6
<b>TOTAL PAYABLES DUE TO ASSOCIATED COMPANIES</b>	<b>4</b>	<b>75</b>
Payables due to DV Global Link LLC	3	8
<b>TOTAL PAYABLES DUE TO JOINTLY CONTROLLED COMPANIES</b>	<b>3</b>	<b>8</b>

## 24) Other current liabilities

Details are given below.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Advance payments	3,103	2,336
Payables due to subsidiaries	1,351	1,351
Payables due to social security institutions	992	1,448
Other payables	3,788	7,289
Accrued expenses and deferred income	240	385
Revenues paid in advance pertaining to subsequent years	19,983	1,246
Other tax payables	2,888	1,384
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>32,345</b>	<b>15,438</b>

Period changes are mainly due to the increase in revenues paid in advance pertaining to subsequent years, which last year recorded much lower values following the failure to hold events in the first quarter of the year.

The table below details the items included in "Other payables".

	Balance as at 31/12/2021	Balance as at 31/12/2020
Payables due to customers	932	4,839
Payables due to employees	1,190	1,338
Payables due to trade union organisations	0	0
Payables due to statutory bodies	280	197
Other payables	237	205
Personnel - salaries	1,181	700
Security deposits	10	10
<b>TOTAL OTHER PAYABLES</b>	<b>3,830</b>	<b>7,289</b>

"Payables due to employees" include the valuation of accruals of holidays, leave, 'hour bank', deferred monthly pay and other payables accrued and still not enjoyed or paid to personnel of Italian Exhibition Group S.p.A., while "Personnel - salaries" shows the balance of fees accrued in December and paid in January 2022.

## 25) Disclosure on guarantees given, commitments and other contingent liabilities

Guarantee granted in its favour	Balance as at 31/12/2021	Balance as at 31/12/2020
Sureties	903	2,290
Third-party assets held at the company		

It should be noted that, as at 31 December 2021, the Parent company has guarantees in place relating to sureties and third party assets at IEG totalling 903 thousand euros.

The following guarantees were issued:

- by the Company in favour of the former minority shareholder Pro.Stand following the acquisition occurring in the year 2020 of the additional 20% of the equity investment for the portion to be paid in the long term in the amount of 534.5 thousand euros;
- by the Company in favour of the lessor of the Milan offices for 193 thousand euros;
- by the Company in favour of the lessor who owns Pavilion 9 of the Vicenza trade fair district for 75 thousand euros;
- by the Company in favour of other entities for a total of 100.4 thousand euros.

It should also be noted that Italian Exhibition Group S.p.A. replaced Fiera di Vicenza S.p.A. in the guarantees issued by the latter in favour of the investee C.I.S. S.p.A. in liquidation in the amount of Euro 1,200 thousand. This amount was not recorded under guarantees given as the associated provision for risks is allocated in the financial statements for the same amount.

In order to support the activities of the subsidiaries, on 29 December 2021, the Company signed a letter of financial backing to Summertrade Srl, up to the limit of 1.95 million euros and, on 18 February 2022, a letter of financial support to IEG USA, up to the maximum amount of 1.4 million dollars. On that same date, IEG USA guaranteed financial support to FB International Inc., for a maximum of USD 765 thousand.

## COMMENTS ON THE MAIN ITEMS OF THE INCOME STATEMENT

### 26) Revenues

“Revenues from contracts with customers” include the revenues pertaining to 2021 actually realised in the performance of the company’s ordinary activities.

The total of the item “Revenues” rose by 12.3 million in 2021, equal to 20.5%. This was thanks to the Covid contributions received during the year, equal to 22 million. Activities of the second half of the year have in any case made it possible to improve on last year’s results in the business lines of hosted events, conferences, sports and publishing, whilst not offsetting the lesser revenues linked to the events organised.

For a more comprehensive analysis of the trend in revenues in 2021, please refer to the information already outlined in the Directors’ Report on Operations.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Revenues from contracts with customers	47,971	56,589
Other revenues	24,615	3,672
<i>Covid contributions</i>	22,041	449
<b>TOTAL REVENUES</b>	<b>72,586</b>	<b>60,261</b>

The following tables provide details on revenues from sales and services by line of business.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Organised events	36,467	54,186
Hosted Events	2,461	18
Conferences	7,163	2,639
Publishing, Sports and Other lines	4,454	2,969
Covid contributions	22,041	449
<b>TOTAL REVENUES</b>	<b>72,586</b>	<b>60,261</b>

The breakdown of “Other revenues” is shown below.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Covid contributions	22,041	449
Other operating grants	712	1,064
Capital gains on disposals of assets	17	12
Income relating to previous years	372	348
Other revenues and income	1,463	1,799
<b>TOTAL OTHER REVENUES</b>	<b>24,615</b>	<b>3,672</b>

During the third quarter of 2021, the Parent company collected 9.8 million in contributions relating to the Provision for integrated promotion and Commensurate to fixed costs not covered in accordance with Art. 6, paragraph 3, point 2 of Italian Decree Law no. 137 of 28 October 2020, converted with amendments by Law no. 176 of 18 December 2020 Provision for Integrated Promotion to compensate the fixed costs not covered by profits in the period from 1 March 2020 to 31 December 2020. The contribution was granted against the provision made pursuant to Article 91, paragraph 3 of Decree--Law no. 104 of 14 August 2020, under the scope of the measures intended to support the economy in the face of the COVID-19 emergency and comes under the scope of the measures pursuant to Section 3.12 of the Communication from the Commission C (2020) 1863 final “Temporary framework for the



government aid measures in support of the economy in the current COVID-19 emergency” (the “temporary framework”). In addition, an additional operating grant has been entered, for 525 thousand euros, relative to the SIMEST loan, for the portion applicable to the Provision for Integrated Promotion (non-repayable co-financing).

In October (by way of advance) and in December (balance), 11.8 million were collected as Contribution from the Ministry in accordance with Ministerial Decree of 24 June 2021, prot.1004, intended to compensate the losses suffered by the trade fair and conference industry.

“Other operating grants” are composed of grants for internationalisation and development of trade fairs, as well as for the promotion of conference activities.

The item “Other revenues and income” includes mostly accessory trade fair income, but 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.

The item also includes the portion of the grant provided by the Emilia Romagna Region for the construction of the new district pertaining to the year (Euro 194 thousand). The grant from the Region is charged to the income statement in proportion to the depreciation of the assets for which the construction was provided; in this regard, also see the information shown above in Note 21) Other non-current liabilities. The reduction in the item is mainly due to the presence last year of non-recurring revenues for 294 thousand euros, deriving from the application of an 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.

## 27) Operating costs

	Balance as at 31/12/2021	Balance as at 31/12/2020
Raw materials, consumables and goods for resale	(937)	(1,224)
Services	(34,600)	(36,480)
For use of third-party assets	(475)	(123)
For personnel	(16,723)	(15,065)
Other operating costs	(1,830)	(1,745)
<b>TOTAL OPERATING COSTS</b>	<b>(54,565)</b>	<b>(54,637)</b>

“Operating costs” fell by 72 thousand euros compared to the previous year. The greater staff costs are due to a more limited use of the FIS than in 2020 and they are more than offset by lesser costs for services.

	Balance as at 31/12/2021	Balance as at 31/12/2020
<b>Staff</b>	<b>(16,019)</b>	<b>(14,513)</b>
<i>Wages and salaries</i>	<i>(11,477)</i>	<i>(10,417)</i>
<i>Social security costs</i>	<i>(3,416)</i>	<i>(2,937)</i>
<i>Employee severance indemnity</i>	<i>(1,022)</i>	<i>(956)</i>
<i>Other costs</i>	<i>(105)</i>	<i>(203)</i>
For Directors	(704)	(552)
<b>TOTAL PERSONNEL COSTS</b>	<b>(16,723)</b>	<b>(15,065)</b>

The table below provides details of the main costs included in the item “Other operating costs”.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Municipal Property Tax	(479)	(256)
Other municipal taxes	(409)	(469)
Vehicle ownership tax	(6)	(7)
Membership fees and contributions	(442)	(349)
Revenue stamps and certification of the books	(13)	(13)
SIAE (Italian Authors and Publishers Association) fees, exhibition taxes	(2)	(6)
Expenses relating to previous years	(385)	(249)
Other costs	(115)	(396)
<b>TOTAL OTHER OPERATING COSTS</b>	<b>(1,840)</b>	<b>(1,745)</b>

## 28) Depreciation, amortisation and write-downs of fixed assets

By contrast, the table below provides details of amortisation and depreciation:

	Balance as at 31/12/2021	Balance as at 31/12/2020
<b>Intangible fixed assets</b>	<b>(1,823)</b>	<b>(2,031)</b>
Land and buildings	(6,366)	(6,903)
Plant and machinery	(1,555)	(1,636)
Industrial and commercial equipment	(397)	(423)
Other assets	(774)	(916)
<b>Property, Plant and Equipment</b>	<b>(9,093)</b>	<b>(9,878)</b>
<b>Write-downs of fixed assets</b>	<b>(1,427)</b>	<b>0</b>
<b>TOTAL AMORTISATION, DEPRECIATION AND WRITE-DOWNS OF FIXED ASSETS</b>	<b>(12,343)</b>	<b>(11,910)</b>

Refer to the two paragraphs on property, plant and equipment and intangible fixed assets for more information.

## 29) Financial income and charges

The breakdown of “Financial income” is shown below:

	Balance as at 31/12/2021	Balance as at 31/12/2020
Interest income on current accounts and bankbooks	0	1
Interest income on other receivables	18	28
Actuarial value of the TFR provision	0	14
Interest income on bonds	0	1
Interest income on intercompany current accounts from subsidiaries	14	3
<b>TOTAL FINANCIAL INCOME</b>	<b>32</b>	<b>47</b>

With a view to optimising the available funds of the Group, the company has established intercompany accounts with some subsidiaries and associated companies. Interest accrues on these accounts as at 31 December 2021 at the market rates correlated to the 3-month Euribor.

Interest income on current account and bonds are down on last year, mainly due to the new policies adopted by banks in respect of current accounts funds, thereby envisaging no remuneration in terms of interest income.

“Interest income on other receivables” are attributable to credit recovery activities with the collection by the debtor of default interest for late payment and the interest generated by the Generali Employee severance indemnity policy.

Note that the actuarial value adjustment of the Provision for employee severance indemnity at 31 December 2021 recorded a financial charge.

The breakdown of “Interest and financial charges” is shown below.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Interest expense and expenses on bank debts	(1439)	(1,898)
Other interest expense and charges	(170)	(23)
Negative differences of swaps	(1039)	(962)
IRS differential	1,346	194
Financial charges on put options		0
Actuarial value of the TFR provision	(18)	0
Interest expense on rights of use - IFRS 16	(370)	(478)
<b>TOTAL INTEREST AND OTHER FINANCIAL CHARGES</b>	<b>(1,690)</b>	<b>(3,166)</b>

Banking interest expense concerns almost completely the mortgages taken out by the company and, to a residual extent, the temporary use of short-term credit lines.

Note that “interest and financial charges” includes a non-recurring charge of 158 thousand euros due by way of non-utilisation fee of facility B, envisaged in the contract of the pool loan headed by Credit Agricole, the suspension of the investment plan as a consequence of Covid-19 called for the waiver of the line resolved (facility B), with the consequent charge of the above-specified expense.

The “IRS Differential” represents the change in the fair value of the derivative, solely for management purposes, contracted with former Banca Popolare di Vicenza (now Banca Intesa San Paolo) between 31 December 2020 and 31 December 2021. “Negative differences of swaps” refer to the interest paid to Intesa SanPaolo at the fixed rate established by the above-specified contract and the second stipulated in 2018. In addition, in 2021, the first negative swap differences were noted, and added here, on interest paid to the four banks that are part of the pool loan (Bper, Banco BPM, BNL and Credit Agricole).

It should be noted that, as a result of the application of IFRS 16 - Leases, the company recognised interest expense totalling 370 thousand euros.

The breakdown of the item “Exchange gains and losses” is shown below.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Exchange gains	32	0
Negative exchange differences	0	(55)
<b>TOTAL EXCHANGE GAINS AND LOSSES</b>	<b>32</b>	<b>(55)</b>

The positive and negative exchange differences refer to revenues and expenses in foreign currency linked to the change in exchange rates and during the year resulted in a net gain of 32 thousand euros.

### 30) Gains and losses from equity investments

Equity investments in associated companies were measured using the equity method. The other equity investments are booked at cost and are written down in the event of a significant and prolonged reduction in the fair value with respect to the cost of recognition.

For more information, please refer to the previous comments on financial fixed assets.

	Balance as at 31/12/2021	Balance as at 31/12/2020
<b>Revaluations of equity investments</b>		
Cesena Fiera S.p.a.	20	17
Rimini Welcome S.c.a.r.l.	2	0
Destination Service	28	0
<b>Total revaluations of equity investments</b>	<b>50</b>	<b>17</b>
<b>Write-downs of equity investments</b>		
Expo Estrategia Brasil Eventos e Producoes Ltda	(191)	(11)
EAGLE	(65)	(1,109)
C.A.S.T. Alimenti Srl	(125)	(51)
Rimini Welcome S.c.a.r.l.	0	(5)
Fitness Festival International S.r.l. (in liquidation)	(30)	(4)
DV Global Link LLC	0	(241)
<b>Total Write-down of equity investments</b>	<b>(411)</b>	<b>(1,422)</b>
<b>Total effect of valuation of equity investments with the equity method</b>	<b>(361)</b>	<b>(1,405)</b>
<b>Write-downs of equity investments - subsidiaries</b>		
FB International Inc.	(276)	(3,576)
Exmedia in liquidation	0	(131)
<b>Total measurement of equity investments in subsidiaries</b>	<b>(276)</b>	<b>(3,706)</b>
<b>Total effect of valuation of equity investments with the equity method</b>	<b>(637)</b>	<b>(5,111)</b>

### 31) Income taxes

Taxes are calculated in application of the tax regulations in force.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Taxes from previous years	(5)	252
<b>Total direct taxes</b>	<b>(5)</b>	<b>252</b>
Advance IRES	(430)	2,915
Advance IRAP	0	26
<b>Total deferred tax assets</b>	<b>(430)</b>	<b>2,941</b>
Deferred IRES	232	20
Deferred IRAP	0	0
<b>Total deferred taxes</b>	<b>232</b>	<b>20</b>
<b>TOTAL INCOME TAXES FOR THE YEAR</b>	<b>(203)</b>	<b>3,213</b>

Pursuant to point 14) of article 2427 of the Italian Civil Code, and the requirements of IAS 12, the required information on deferred and prepaid taxes is shown below.

Deferred tax liabilities have been calculated according to the global allocation approach, taking into account the cumulative amount of all temporary taxable differences, based on the expected average rates in force when these temporary differences are offset.

Deferred tax assets were recorded given there is reasonable certainty as to the existence, in the years in which the temporary deductible differences will carry forward, in respect of which prepaid taxes were recognised, of a taxable income not lower than the amount of the differences that will be cancelled.

	2021			2020		
	Temporary differences	Rate	Tax effect	Temporary differences	Rate	Tax effect
<b>Deferred tax assets:</b>						
Bad debt provision	5,445	24.00%	1,307	4,924	24.00%	1,182
Provisions for risks and charges	1,068	24.37%	260	1,129	24.35%	275
Agents' leaving indemnities	100	27.90%	28	100	27.9%	28
Taxes for previous losses	78	24.00%	19	78	24.00%	19
Membership fees paid in subsequent year	10	24.00%	2	10	24.00%	2
Emoluments of statutory bodies not paid in the year	144	24.00%	35	264	24.00%	63
Amortisation/depreciation not deductible in the year	1,001	25.63%	257	1,013	25.66%	260
Write-down of Intangible assets	206	27.90%	61	206	27.90%	61
Photovoltaic prepaid amounts	1,181	27.90%	334	1,294	27.90%	361
Statutory/fiscal misalignment on revaluation of land	1,657	27.90%	462	1,657	27.90%	462
Value adjustments of equity investments	227	1.20%	3	227	1.20%	3
Fair value of derivatives	3,139	24.00%	753	4,485	24.00%	1,076
Service cost and interest cost components	7	24.00%	2	(10)	24.00%	(2)
IFRS16	(354)	17.56%	(106)	324	17.56%	57
2020 loss from tax consolidation	16,624	24.00%	3,990	16,624	24.00%	3,990
<b>Total deferred tax assets charged to Income Statement</b>	<b>30,534</b>		<b>7,406</b>	<b>32,324</b>		<b>7,836</b>
Tax effect on "Actuarial Gain & Losses" component of actuarial calculation of Employee benefits	331	24.00%	79	198	24.00%	48
Effect of cash flow hedge derivatives	434	24.00%	104	1,032	24.00%	248
IFRS16	1,941	23.32%	453	1,941	23.32%	453
<b>Total deferred tax assets charged to Shareholders' equity</b>	<b>2,706</b>		<b>636</b>	<b>3,171</b>		<b>748</b>
<b>Deferred tax liabilities:</b>						
Statutory/fiscal misalignment on revaluation of land	4,537	27.90%	1,266	4,537	27.90%	1,266
Amortised cost - loans	548	24.00%	132	617	24.00%	148
<b>Total deferred tax liabilities charged to Income Statement</b>	<b>5,085</b>		<b>1,398</b>	<b>5,154</b>		<b>1,414</b>
Statutory/fiscal misalignment on revaluation of land	1,542	27.90%	430	1,542	27.90%	430
<b>Total deferred tax liabilities charged to Shareholders' equity</b>	<b>1,542</b>		<b>430</b>	<b>1,542</b>		<b>430</b>
Recognised of deferred tax liabilities on PPA	3,239	27.90%	904	4,011	27.90%	1,119
<b>Total taxes on PPA</b>	<b>3,239</b>		<b>904</b>	<b>4,011</b>		<b>1,119</b>

## ADDITIONAL INFORMATION

### 32) Disclosure no. 124 pursuant to 04 August 2017

The information required pursuant to art. 1, paragraph 125 of Law no. 124 of 04 August 2017, divided up between amounts received and benefits.

No.	Name of disbursing entity	Reason	Sum collected (€)	Collection date
1	G.S.E. S.p.A.	Photovoltaic incentives - January	1,531	30/04/2021
2	G.S.E. S.p.A.	Photovoltaic incentives - February	1,531	30/04/2021
3	G.S.E. S.p.A.	Photovoltaic incentives - March	1,531	30/06/2021
4	G.S.E. S.p.A.	Photovoltaic incentives - April	1,312	30/06/2021
5	G.S.E. S.p.A.	Photovoltaic incentives - May	1,312	31/08/2021
6	G.S.E. S.p.A.	Photovoltaic incentives - June	1,312	31/08/2021
7	G.S.E. S.p.A.	Photovoltaic incentives - August	914	30/11/2021
8	G.S.E. S.p.A.	Photovoltaic incentives - September	914	30/11/2021
9	G.S.E. S.p.A.	Photovoltaic incentives - July	914	30/11/2021
10	Municipality of Vicenza	Municipality of Vicenza - grant VIOFF20 DET.2055	19,000	03/11/2021
11	ICE - AGENZIA PER LA PROMOZIONE (Agency for the promotion abroad and internationalisation of Italian companies)	Ecomondo grants 2019	297,981	23/04/2021
12	Ministry of Tourism	Covid grants IEG Fairs and conferences	3,984,474	27/12/2021
13	Ministry of Tourism	Covid grants IEG Fairs and conferences	6,973,202	27/12/2021
14	SIMEST SPA	Promotion of exports and globalisation	101,115	31/03/2021
15	Veneto Innovazione	Buy Veneto project	7,800	14/06/2021
16	SIMEST SPA	Safeguarding of equity solidity Trade fair	524,753	27/08/2021
17	SIMEST SPA	Contribution for compensating fixed costs	9,777,808	27/08/2021
18	Ministry of Tourism	Covid grants IEG Fairs and conferences	781,103	14/10/2021
<b>Total</b>			<b>22,478,508</b>	

No.	Name of disbursing entity	Reason	Benefit granted (€)	Date granted
1	ADE	Provisions on the payment of IRAP	265,889	14/12/2021
11	Fondirigenti	Open organisation & change management	12,500	16/09/2021
<b>Total</b>			<b>278,389</b>	

### 33) 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 in 2020 and the previous year is shown below.

	2021	2020
Executives	8.7	9.4
Middle managers/White-collar workers	273.5	278.9
Blue-collar workers	8.5	10.4
<b>AVERAGE NUMBER OF EMPLOYEES</b>	<b>290.7</b>	<b>298.7</b>

### 34) Compensation for Corporate Officers

The Directors' fees were defined by means of shareholders' meeting resolution of 31 July 2019 and 08 June 2020 for the period through to 29 April 2021 and then by the shareholders' meeting held on 29 April 2021 for the period thereafter. The fees resolved make provision for a part of short-term and medium-term variable remuneration linked to the attainment of company targets. The fees of the Board of Statutory Auditors were resolved by the Shareholders' Meeting on 08 June 2020.

	Balance as at 31/12/2021	Balance as at 31/12/2020
Directors	638	552
Statutory Auditors	76	124
<b>TOTAL COMPENSATION FOR CORPORATE OFFICERS</b>	<b>714</b>	<b>676</b>

### 35) Independent Auditors' fees

The table below shows the compensation paid to the independent auditors. The shareholders' meeting of 30 April 2019 elected PricewaterhouseCoopers S.p.A. as the company's independent auditors. Total compensation accrued by the PWC network and booked to the company's financial statements is reported below.

COMPENSATION FOR THE STATUTORY AUDIT	Balance as at 31/12/2021	Balance as at 31/12/2020
Annual statutory accounting audit	68	66
Limited audit on the half-yearly accounts	25	27
Other services and sundry advisory services	183	247

This document closely mirrors the economic and equity situation of the company Italian Exhibition Group S.p.A.. Therefore, the shareholders are invited to approve it.

Rimini, 24 March 2022

The Board of Directors  
Chief Executive Officer

**Statement relating to the Separate Financial Statements pursuant to art. 154 bis, paragraph 5 of Italian Legislative Decree no. 58/1998**



## **STATEMENT RELATING TO THE SEPARATE FINANCIAL STATEMENTS PURSUANT TO ART. 154 BIS, PARAGRAPH 5 OF ITALIAN LEGISLATIVE DECREE NO. 58/1998**

1. The undersigned, Corrado Peraboni, as Chief Executive Officer and Carlo Costa as Manager responsible for preparing the company's financial documents of Italian Exhibition Group S.p.A. hereby certify, also taking into account the provisions of article 154-*bis*, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998:

- the adequacy with respect to the company's profile, and
- the effective application

of the administrative and accounting procedures for the preparation of the Financial Statements as at 31 December 2021.

2. It is also certified that:

2.1. the separate financial statements as at 31 December 2021:

- were prepared in accordance with the international accounting standards recognised by the European Union pursuant to European Parliament and Council Regulation no. 1606/2002/EC of 19 July 2002;
- correspond to the results of the books and the accounting records;
- are suitable to provide a true and fair representation of the capital, economic and financial situation of the issuer.

2.2. the Directors' Report on Operations includes a reliable analysis of the trends and results of operations as well as of the position of the issuer, together with a description of the main risks and uncertainties they are exposed to.

Rimini, 24 March 2022

*Signed*

**The Chief Executive Officer**

Corrado Peraboni

*Signed*

**Manager responsible for drafting  
the company's financial documents**

Carlo Costa

**Independent Auditors' Report to the  
Separate Financial Statements**



## **Relazione della società di revisione indipendente**

ai sensi dell'articolo 14 del D.Lgs. 27 gennaio 2010, n° 39 e dell'articolo 10 del Regolamento (UE) n° 537/2014

Agli Azionisti della Italian Exhibition Group SpA

### **Relazione sulla revisione contabile del bilancio separato**

#### **Giudizio**

Abbiamo svolto la revisione contabile del bilancio separato della Italian Exhibition Group SpA (di seguito anche la "Società"), costituito dalla situazione patrimoniale-finanziaria al 31 dicembre 2021, dal conto economico, dal conto economico complessivo, dal prospetto delle variazioni del patrimonio netto e dal rendiconto finanziario per l'esercizio chiuso a tale data e dalle note illustrative al bilancio separato, che includono anche la sintesi dei più significativi principi contabili applicati.

A nostro giudizio, il bilancio separato fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Italian Exhibition Group SpA al 31 dicembre 2021 e del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data, in conformità agli *International Financial Reporting Standards* adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'articolo 9 del D.Lgs. n° 38/2005.

#### **Elementi alla base del giudizio**

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione "Responsabilità della società di revisione per la revisione contabile del bilancio separato" della presente relazione. Siamo indipendenti rispetto alla Società in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di avere acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

#### **Aspetti chiave della revisione contabile**

Gli aspetti chiave della revisione contabile sono quegli aspetti che, secondo il nostro giudizio professionale, sono stati maggiormente significativi nell'ambito della revisione contabile del bilancio separato in esame. Tali aspetti sono stati da noi affrontati nell'ambito della revisione contabile e nella formazione del nostro giudizio sul bilancio separato nel suo complesso; pertanto, su tali aspetti non esprimiamo un giudizio separato.

#### **PricewaterhouseCoopers SpA**

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**Aspetti chiave**

**Procedure di revisione in risposta agli aspetti chiave**

**Recuperabilità dei valori degli avviamenti**

**Procedure di revisione svolte**

Si vedano il paragrafo "criteri di valutazione" e la nota n° 2 - "Immobilizzazioni immateriali" delle note illustrative al bilancio separato al 31 dicembre 2021

L'approccio di revisione ha previsto, in via preliminare, la comprensione e la valutazione delle metodologie e delle procedure definite dalla Società per la determinazione del valore recuperabile della CGU IEG, alla quale gli avviamenti oggetto di *impairment test* sono stati allocati.

Al 31 dicembre 2021, il valore contabile degli avviamenti iscritti nel bilancio separato della Italian Exhibition Group SpA è pari a circa Euro 8,2 milioni, prevalentemente originato, per circa Euro 7,9 milioni, dall'operazione di conferimento del ramo d'azienda "Fiera di Vicenza" realizzata in data 1° novembre 2016.

In particolare, abbiamo verificato la ragionevolezza delle assunzioni degli Amministratori sottostanti l'allocazione degli avviamenti alla CGU IEG.

Tali avviamenti, trattandosi di attività immateriali a vita utile indefinita, ai sensi del principio contabile internazionale IAS 36 - "*Impairment of assets*", non sono assoggettati ad ammortamento, ma sottoposti, almeno annualmente, a verifiche di eventuali perdite di valore (c.d. "*impairment test*").

Abbiamo verificato che la metodologia utilizzata dalla Società risultasse coerente con il principio contabile internazionale IAS 36 e con la normale prassi valutativa, anche attraverso il coinvolgimento degli esperti della rete PwC nell'ambito delle valutazioni d'impresa.

Sulla base delle scelte strategiche effettuate dalla Società, gli avviamenti sono stati allocati, ai fini della verifica del valore recuperabile, sulla *Cash Generating Unit* ("CGU") denominata "CGU IEG".

Abbiamo verificato la ragionevolezza del tasso di attualizzazione e del tasso di crescita perpetua, rispetto alle prassi valutative normalmente adottate per aziende appartenenti al settore di riferimento della Italian Exhibition Group SpA.

L'*impairment test* è stato effettuato dagli Amministratori mediante il confronto tra il valore recuperabile della CGU IEG, rappresentato dal valore d'uso, determinato tramite la metodologia del valore attuale dei flussi di cassa futuri, ed il valore contabile, inclusivo degli avviamenti.

Abbiamo verificato la coerenza tra i flussi finanziari inseriti nel modello di valutazione e quelli riflessi nel Piano 2022-2025 - "*worst case*", oltre ad avere valutato la ragionevolezza, sulla base delle informazioni disponibili alla data, delle assunzioni e delle previsioni alla base del Piano.

Il valore d'uso determinato dagli Amministratori, che considera il periodo esplicito 2022-2025, si basa su assunzioni riguardanti, tra l'altro, (i) la stima dei flussi di cassa desumibili dai dati del Piano 2022-2025 - "*worst case*" approvato dal Consiglio d'Amministrazione della Società in data 14 marzo 2022 (di seguito il "Piano"), che prevede per l'esercizio 2022 una riduzione dei ricavi, rispetto ai dati consuntivi dell'esercizio 2019 (situazione pre-Covid-19), di circa il 38%, (ii) la

Abbiamo verificato l'accuratezza matematica dei modelli di valutazione predisposti dalla Società ed esaminato le analisi di sensitività predisposte dalla Direzione.

Inoltre, con riferimento agli effetti sull'attività della Società derivanti dalla pandemia Covid-19, abbiamo svolto un esercizio di *stress test*,



determinazione di un appropriato tasso di attualizzazione ("WACC") e (iii) la stima di un tasso di crescita a medio-lungo termine ("g") per i flussi oltre il periodo esplicito del Piano.

I criteri di redazione e i risultati dell'*impairment test* sono stati approvati dal Consiglio d'Amministrazione della Società rispettivamente in data 14 marzo 2022 e 24 marzo 2022, senza rilevare perdite di valore degli avviamenti iscritti nel bilancio separato.

Tale aspetto è stato considerato di particolare rilevanza per la revisione legale del bilancio separato, in considerazione degli elementi di stima (in particolare nella stima dei flussi finanziari attesi e nella determinazione del tasso di attualizzazione e dei tassi di crescita) insiti nelle valutazioni effettuate dagli Amministratori in relazione alla recuperabilità degli avviamenti.

Con riguardo agli effetti sull'attività del Gruppo IEG, gli Amministratori hanno svolto analisi di sensitività sul valore recuperabile della CGU.

#### **Recuperabilità dei valori delle partecipazioni in società controllate**

*Si vedano il paragrafo "criteri di valutazione" e la nota n° 3 - "Partecipazioni in imprese controllate" delle note illustrative al bilancio separato al 31 dicembre 2021*

Al 31 dicembre 2021, il valore contabile delle partecipazioni in imprese controllate iscritto nel bilancio separato è pari a circa Euro 20 milioni (già al netto di svalutazioni per circa Euro 3,8 milioni).

Tale importo è principalmente relativo alle società controllate Pro.stand Srl per circa Euro 9,5 milioni, HBG Events FZ Llc per circa Euro 5,9 milioni, IEG USA Inc per circa Euro 2 milioni e Summertrade Srl per circa Euro 1,7 milioni.

Le partecipazioni in società controllate sono valutate al costo; nel caso di evidenze di possibili riduzioni di valore, il costo viene confrontato con il valore recuperabile, rappresentato dal maggiore

considerando *input* peggiorativi per l'esercizio 2022 rispetto a quelli utilizzati nell'*impairment test* degli avviamenti iscritti nel bilancio separato al 31 dicembre 2021.

Infine, abbiamo verificato l'adeguatezza e la completezza dell'informativa fornita nelle note illustrative al bilancio separato.

#### **Procedure di revisione svolte**

Il nostro approccio di revisione contabile ha previsto, in via preliminare, la comprensione e la valutazione della metodologia e delle procedure definite dalla Società per la determinazione del valore recuperabile delle partecipazioni in imprese controllate, approvate dal Consiglio d'Amministrazione della Società in data 14 marzo 2022, in aderenza al principio contabile internazionale IAS 36.

Abbiamo verificato che la metodologia utilizzata dalla Società risultasse coerente con il principio contabile internazionale IAS 36 e con la normale prassi valutativa, anche attraverso il coinvolgimento degli esperti della rete PwC nell'ambito della verifica metodologica dei modelli di *impairment*.

I principali parametri valutativi adottati dalla Società sono stati oggetto di analisi di



tra il *fair value*, al netto dei costi di dismissione, e il valore d'uso.

Al fine di valutare la recuperabilità dei valori di carico delle partecipazioni al 31 dicembre 2021, gli Amministratori della Italian Exhibition Group SpA hanno predisposto specifici *impairment test* relativamente alle principali società controllate Pro.stand Srl, HBG Events FZ LLC, IEG USA Inc (holding della società statunitense di allestimenti FB International Inc) e Summertrade Srl, svolgendo analisi al fine di identificare eventuali indicatori di perdite di valore; in presenza di tali indicatori, la Direzione della Società ha determinato il valore recuperabile delle sopraccitate partecipazioni, poi operando una svalutazione di circa Euro 0,3 milioni del valore della partecipazione nella IEG USA Inc.

L'analisi di recuperabilità delle partecipazioni in società controllate è stata considerata di particolare rilevanza per la revisione legale del bilancio separato, in considerazione della significatività delle poste in oggetto e per i negativi effetti della pandemia Covid-19, che ha impattato in maniera significativa l'attività e la redditività delle società controllate nell'esercizio chiuso al 31 dicembre 2021.

I modelli di valutazione alla base della determinazione del valore recuperabile (valore in uso) delle partecipazioni in società controllate si basano su valutazioni complesse e stime della Direzione della Società. In particolare, i modelli di valutazione delle partecipazioni in società controllate e le assunzioni contenute nei modelli stessi risultano influenzate dalle future condizioni di mercato, per quanto attiene i flussi finanziari attesi, il tasso di crescita perpetua e il tasso di attualizzazione, sui quali gli Amministratori hanno svolto analisi di sensitività sul valore recuperabile delle partecipazioni.

#### **Recuperabilità delle imposte anticipate**

Si vedano il paragrafo "Criteri di valutazione", la nota n° 6 - "Attività fiscali per imposte anticipate e passività per imposte differite" e la nota n° 32 - "Imposte sul reddito" delle note

ragionevolezza. Con specifico riferimento alle modalità di costruzione dei tassi di sconto (il costo medio ponderato del capitale o "WACC"), si è analizzato che gli stessi fossero stati determinati secondo le *best practices* e in base a dati di mercato adottati per società appartenenti ai settori di riferimento delle società controllate. Analogamente, anche la determinazione del tasso di crescita a medio-lungo termine (il tasso "g") è stata valutata rispetto alle indicazioni dei principi contabili IFRS adottati dall'Unione Europea.

Abbiamo verificato la coerenza tra i flussi finanziari inseriti nel modello di valutazione e quelli riflessi nel Piano 2022-2025 - "*worst case*", oltre ad avere valutato la ragionevolezza, sulla base delle informazioni disponibili alla data, delle assunzioni e delle previsioni alla base del Piano.

Abbiamo, inoltre, verificato l'accuratezza matematica dei modelli di valutazione predisposti dalla Società.

Infine, abbiamo verificato l'adeguatezza e la completezza dell'informativa fornita nelle note illustrative al bilancio separato.

#### **Procedure di revisione svolte**

Le procedure di revisione svolte hanno incluso, preliminarmente, la comprensione e la valutazione del processo adottato dalla Società per verificare la recuperabilità delle



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*illustrative al bilancio separato al 31 dicembre 2021*

Le attività nette per imposte anticipate iscritte nel bilancio separato al 31 dicembre 2021 ammontano a circa Euro 5,3 milioni (esposte al netto di passività per imposte differite pari a circa Euro 2,7 milioni). Tali attività nette per imposte anticipate includono circa Euro 2,5 milioni relativamente alla perdita fiscale IRES sofferta dalla Società nell'esercizio 2020.

L'analisi di recuperabilità delle imposte anticipate è stata considerata di particolare rilevanza per la revisione legale del bilancio separato, in considerazione della complessità del processo di valutazione della recuperabilità di tali attività, che è strettamente correlato alla capacità di realizzazione da parte della Società del sopraccitato Piano 2022-2025 - "worst case", approvato dal Consiglio d'Amministrazione della Società in data 14 marzo 2022.

**imposte anticipate.**

Abbiamo ottenuto la previsione della Società in merito alla tempistica prevista di recuperabilità delle imposte anticipate, che è strettamente correlata alla previsione di futuri redditi imponibili nel periodo 2022-2025 per la Società e per le società controllate italiane incluse nel perimetro del consolidamento fiscale IRES del Gruppo IEG, a sua volta collegata alle previsioni reddituali riflesse nel Piano 2022-2025 - "worst case".

Abbiamo verificato la coerenza tra i flussi finanziari inseriti nel modello di valutazione e quelli riflessi nel Piano 2022-2025 - "worst case", oltre ad avere valutato la ragionevolezza, sulla base delle informazioni disponibili alla data, delle assunzioni e delle previsioni alla base del Piano.

Abbiamo verificato che la metodologia utilizzata dalla Società risultasse coerente con il principio contabile internazionale IAS 12 - "Income taxes" e con la normale prassi valutativa, anche attraverso il coinvolgimento degli esperti della rete PwC nell'ambito di verifiche del carico fiscale.

Infine, abbiamo verificato l'adeguatezza e la completezza dell'informativa fornita dalla Società nel bilancio separato in merito alle previsioni alla base della recuperabilità delle imposte anticipate.

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**Responsabilità degli Amministratori e del Collegio Sindacale per il bilancio separato**

Gli Amministratori della Italian Exhibition Group SpA sono responsabili per la redazione del bilancio separato, che fornisca una rappresentazione veritiera e corretta in conformità agli *International Financial Reporting Standards* adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'articolo 9 del D.Lgs. n° 38/2005 e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Amministratori sono responsabili per la valutazione della capacità della Società di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio separato, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli Amministratori utilizzano il presupposto della continuità aziendale nella redazione del



bilancio separato, a meno che abbiano valutato che sussistano le condizioni per la liquidazione della Società o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il Collegio Sindacale della Italian Exhibition Group SpA ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria della Società.

### ***Responsabilità della società di revisione per la revisione contabile del bilancio separato***

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio separato nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza, si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali, e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche prese dagli utilizzatori sulla base del bilancio separato.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio separato, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze, e non per esprimere un giudizio sull'efficacia del controllo interno della Società;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati, nonché la ragionevolezza delle stime contabili effettuate dagli Amministratori, inclusa la relativa informativa;
- siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli Amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di un'incertezza significativa riguardo a eventi o circostanze che possano far sorgere dubbi significativi sulla capacità della Società di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio, ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successive possono comportare che la Società cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio separato nel suo complesso, inclusa l'informativa, e se il bilancio separato rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.





Abbiamo comunicato ai responsabili delle attività di *governance*, identificati ad un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

Abbiamo fornito ai responsabili delle attività di *governance* anche una dichiarazione sul fatto che abbiamo rispettato le norme e i principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano e abbiamo comunicato loro ogni situazione che possa ragionevolmente avere un effetto sulla nostra indipendenza e, ove applicabile, le relative misure di salvaguardia.

Tra gli aspetti comunicati ai responsabili delle attività di *governance*, abbiamo identificato quelli che sono stati più rilevanti nell'ambito della revisione contabile del bilancio separato per l'esercizio in esame, che hanno costituito, quindi, gli aspetti chiave della revisione. Abbiamo descritto tali aspetti nella relazione di revisione.

#### ***Altre informazioni comunicate ai sensi dell'articolo 10 del Regolamento (UE) n° 537/2014***

L'Assemblea degli Azionisti della Italian Exhibition Group SpA ci ha conferito, in data 17 ottobre 2018, l'incarico di revisione legale dei bilanci separato e consolidato della Società per gli esercizi in chiusura dal 31 dicembre 2019 al 31 dicembre 2027.

Dichiariamo che non sono stati prestati servizi diversi dalla revisione contabile vietati ai sensi dell'articolo 5, paragrafo 1, del Regolamento (UE) n° 537/2014 e che siamo rimasti indipendenti rispetto alla Società nell'esecuzione della revisione legale.

Confermiamo che il giudizio sul bilancio separato espresso nella presente relazione è in linea con quanto indicato nella Relazione aggiuntiva destinata al Collegio Sindacale, nella sua funzione di Comitato per il controllo interno e la revisione contabile, predisposta ai sensi dell'articolo 11 del citato Regolamento.

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### ***Relazione su altre disposizioni di legge e regolamentari***

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#### ***Giudizio sulla conformità alle disposizioni del Regolamento Delegato (UE) 2019/815***

Gli Amministratori della Italian Exhibition Group SpA sono responsabili per l'applicazione delle disposizioni del Regolamento Delegato (UE) 2019/815 della Commissione Europea in materia di norme tecniche di regolamentazione relative alla specificazione del formato elettronico unico di comunicazione (*ESEF - European Single Electronic Format*) (nel seguito "Regolamento Delegato") al bilancio separato, da includere nella relazione finanziaria annuale.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n° 700B al fine di esprimere un giudizio sulla conformità del bilancio separato alle disposizioni del Regolamento Delegato.

A nostro giudizio, il bilancio separato è stato predisposto nel formato XHTML in conformità alle disposizioni del Regolamento Delegato.



**Giudizio ai sensi dell'articolo 14, comma 2, lettera e) del D.Lgs. n° 39/2010 e dell'articolo 123-bis, comma 4, del D.Lgs. n° 58/1998**

Gli Amministratori della Italian Exhibition Group SpA sono responsabili per la predisposizione della relazione sulla gestione (redatta unitariamente per il bilancio separato e per il bilancio consolidato) e della relazione sul governo societario e gli assetti proprietari della Società al 31 dicembre 2021, incluse la loro coerenza con il relativo bilancio separato e la loro conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n° 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione e di alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'articolo 123-bis, comma 4, del D.Lgs. n° 58/1998 con il bilancio separato della Italian Exhibition Group SpA al 31 dicembre 2021 e sulla conformità delle stesse alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

A nostro giudizio, la relazione sulla gestione e alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari sopra richiamate sono coerenti con il bilancio separato della Italian Exhibition Group SpA al 31 dicembre 2021 e sono redatte in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'articolo 14, comma 2, lettera e) del D.Lgs. n° 39/2010, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Bologna, 8 aprile 2022

PricewaterhouseCoopers SpA

A handwritten signature in black ink that reads 'Gianni Bendandi'.

Gianni Bendandi  
(Revisore legale)

# **Board of Statutory Auditors' Report**

**Italian Exhibition Group S.p.A.****Report to the 2021 Financial Statements of the Board of Statutory Auditors to the Shareholders' Meeting of Italian Exhibition Group S.p.A. pursuant to art. 153 of Legislative Decree no.58/1998 (TUF) and art. 2429 of the Italian Civil Code**

Dear Shareholders,

During the year ended at 31 December 2021, the Board of Statutory Auditors carried out, in accordance with the law and regulations in force and applicable over time, the controls and supervisory activities reported hereto, taking into account the rules of conduct of the Board of Statutory Auditors of listed companies issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Institute of Chartered Accountants) and the indications given in Consob communications on corporate control and the work of the Board of Statutory Auditors, as well as by the Corporate Governance Code.

PricewaterhouseCoopers S.p.A., to whose reports reference is made, has been appointed to perform the statutory audit of the accounts for FYs 2019-2027 and certify the conformity of the Non-Financial Statement.

The Board of Statutory Auditors carried out the supervisory activities also as Internal Control and Audit Committee.

**1. Appointment of the Board of Statutory Auditors**

The Board of Statutory Auditors currently in office was appointed by the Shareholders' Meeting of 08 June 2020 in accordance with the provisions of the law and the Articles of Association; its mandate will end with the Shareholders' Meeting convened to approve the 2022 financial statements.

**2. Verification of independence requirements of Board of Statutory Auditors**

On 28 February 2022, the Company's Board of Statutory Auditors carried out, with a positive outcome, the annual check to ensure that all members met the independence and professionalism requirements set forth in article 148, paragraph 3, of the Consolidated Law on Finance, as well as recommendation no. 9 of article 2 of the Code of Corporate Governance of Listed Companies, approved by the Corporate Governance Committee, promoted by Borsa Italiana S.p.A., business associations (ABI, Ania, Assonime and Confindustria) and professional investors (Assogestioni), regarding the independence of statutory auditors of listed companies, also based on the certifications and information provided by each statutory auditor.

Lastly, on 28 February 2022, in line with Rule Q.1.1., "Rules of conduct of the board of statutory auditors of listed companies" of the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Institute of Chartered Accountants), the Board of Statutory Auditors conducted the self-evaluation of the Board, drafting a specific disclosure and sent this to the Company. The outcomes of this activity are filed in the records of the Board of Statutory Auditors.

**3. Supervision performed and information received**

During the year, the Board of Statutory Auditors carried out the supervisory duties reserved to it in accordance with Art. 149 of Italian Legislative Decree no. 58/1998 (the Consolidated Law on Finance), the "Rules of conduct of the Board of Statutory Auditors" issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (Italian Professional Order of Tax Advisors) and the indications given in the Corporate Governance Code in force from 01 January 2021.

The year 2021 continued to be characterised by the health emergency caused by the Covid-19 pandemic (so-called Coronavirus) and after two quarters still penalised by the restrictions, in the third and in particular in the fourth quarter, we saw the first signs of normalisation, despite the complication of the sudden return to significant levels of infection (Omicron variant) that altered the scenario envisaged for the first quarter of this year.

The Company, despite the continuation of the health emergency, continued to adopt organisational measures (including smart working) to ensure the continuation of management activities, primarily aimed at guaranteeing the continuity of relations with customers and its presence and image on the market, to best organise the recommencement of on-site events, in full respect and protection of the health of its employees, associates, suppliers and customers, by consolidating a system of measures known as the *#safebusiness* project, formalised in 2020.

The Company also continued to take action to ensure the correct management of operating costs with the suspension of all unnecessary investments, and of staff, using social shock absorbers (Salary supplementary fund). Despite the significant impacts on the 2021 financial statements related to the still ongoing pandemic situation, directors have deemed that pursuit of the strategic objectives, presented in the updated business plan, will guarantee the Company's development and business continuity.

With regard to the activities carried out in 2021 and the initial months of 2022, the Board of Statutory Auditors:

a) met 13 times in 2021, with an average meeting duration of roughly 2 hours and 15 minutes and met 5 times during 2022 up to the present date;

b) attended:

(i) 17 meetings of the Board of Directors in 2021 and 4 meetings in 2022;

(ii) 3 meetings of the Remuneration and Appointments Committee in 2021 and 2 meeting in 2022;

(iii) 8 meetings of the Control and Risk Committee in 2021 and 3 meetings in 2022;

c) held, in addition to informal contact over the telephone and by e-mail, 3 meetings with representatives of the Independent Auditors in 2021 and 3 in 2022;

d) monitored compliance with the law and the Articles of Association, obtained information and supervised, to the extent of its responsibilities, the adequacy of the Company's organisational structure, compliance with the principles of proper administration and the adequacy of the provisions issued by the Company to subsidiaries, pursuant to Art. 114, para. 2 of the Consolidated Law on Finance;

e) obtained from the Chief Executive Officer, with the frequency envisaged by regulations and the Articles of Association, the necessary information on the activities carried out by the Company and subsidiaries, on the general performance of management and its outlook, as well as on the most significant financial transactions resolved and implemented, which are presented in the Directors' Report on Operations, to which reference is made;

f) moreover, acquired the information necessary for carrying out the activities for which it is responsible, by collecting documents, data and information and through periodic meetings, scheduled for the mutual exchange of relevant data and information with: (i) the Company's management; (ii) managers of the Company's organisational functions; (iii) the Manager responsible for preparing the company's financial documents; (iv) the Supervisory Body envisaged by the organisation, management and control model, adopted by the Company in accordance with Legislative Decree no. 231/2001 (the "231 Model"); (v) representatives of the Independent Auditors; and (vi) the control bodies of the subsidiaries;

g) supervised, in its capacity as the "Internal Control and Audit Committee" pursuant to Art. 19 of Italian Legislative Decree no. 39/2010, including through meetings with the Independent Auditors and with the Manager responsible for preparing the company's financial documents, the following matters: (i) the corporate reporting

process; (ii) the effectiveness of the internal control, internal audit and risk management systems; (iii) the statutory audit of the annual and consolidated accounts, and (iv) the independence of the auditing firm.

h) monitored the adequacy of the Internal Control and Risk Management System and of the Administrative-Accounting System, as well as the reliability of the latter to correctly represent the operational events through the competent business functions.

The Board of Statutory Auditors reviewed the assessment developed by the Board of Directors regarding the adequacy and effective functioning of the Internal Control and Risk Management System through:

- the update of the Guidelines of the Internal Control and Risk Management System, within which the Company, using the logic of the ERM model, defined an integrated risk management model to identify, assess and monitor internal (operative), external and strategic risks of the business;
- the certifications of the Separate and Consolidated Financial Statements by the Chief Executive Officer and the Manager responsible for preparing the company's financial documents, who provided the appropriate declarations, pursuant to paragraph 5 of Art. 154-bis of the Consolidated Law on Finance, taking into account the provisions of paragraphs 3 and 4 of the same Article;
- the periodic meetings with the Internal Audit Manager in relation to the activities carried out;
- the review of corporate documents and the results of work carried out by the Independent Auditors to whose Reports reference should be made;
- the interactions with the control bodies of the subsidiaries, pursuant to Art. 151, paras. 1 and 2 of the Consolidated Law on Finance;
- the participation in the works of the Control and Risk Committee and, on the occasions when the matters discussed called for it, the holding of joint meetings with said Committee;

i) monitored the practical methods of implementation of the rules of corporate governance set forth in the Corporate Governance Code approved by the Corporate Governance Committee promoted by Borsa Italiana S.p.A., business associations (ABI, Ania, Assonime and Confindustria) and professional investors (Assogestioni);

l) in connection with social responsibility topics, monitored observance of the provisions set forth by Italian Legislative Decree no. 254/2016, verifying the existence of suitable procedures overseeing the collection, formation and representation of data relating to sustainability; such information was represented in the 2021 Consolidated Non-Financial Statement, prepared in accordance with the international GRI Sustainability Reporting Standards;

m) the Board also states that it has taken into due consideration Consob warning notices no. 6/20 of 09 April 2020 and no. 1/21 of 16 February 2021 which, in light of the consequences of the Covid-19 pandemic and, more specifically, for matters within the competence of the control body, involved the need to:

- (i) strengthen the information flows with the administration body responsible for preparing the draft financial statements;
- (ii) promote effective and prompt communication with the auditors, for the mutual exchange of useful information for fulfilling the respective duties, also in accordance with art. 150, paragraph 3 of the Consolidated Law on Finance;
- (iii) pay adequate attention also on the existence of the going concern assumption, taking into account the publications by the IFRS Foundation on the provisions to be applied during the current emergency situation linked to Covid-19 and the adequacy of the internal control system.

The company also took due consideration of what was indicated by the Consob Note of Attention dated last 18 March, on the current and foreseeable direct and indirect effects of the Russia-Ukraine crisis in compliance with the Public Statement given by ESMA on 14 March 2022.

#### **4. 2021 Consolidated and Separate Financial Statements**

The Board of Statutory Auditors received, within the deadlines prescribed by law, the Directors' Report on Operations, together with the consolidated financial statements of the group headed by Italian Exhibition Group S.p.A. and the separate financial statements for the year ended 31 December 2021.

The financial statements were prepared according to the IFRSs issued by the IASB and adopted by the European Commission according to the procedure set out in Art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and pursuant to Art. 9 of Legislative Decree no. 381/2005. The IFRSs also include the IASs and interpretations in force issued by the IFRS SIC.

The Independent Auditors PricewaterhouseCoopers S.p.a., which has been assigned the mandate for the statutory audit of the accounts, issued today the reports pursuant to Art. 14 of Legislative Decree no. 39/2010 and Art. 10 of Regulation (EU) no. 537/2014 for the separate and consolidated financial statements of Italian Exhibition Group S.p.A. as at 31 December 2021, expressing an unqualified opinion without requests for specific disclosures.

In particular, with these reports, the Independent Auditors certify:

- that the separate and consolidated financial statements provide a true and accurate representation of the financial and equity position respectively of Italian Exhibition Group S.p.A. (IEG) and the IEG Group at 31 December 2021 and of the economic results and cash flows for the year ended on that date, in compliance with the IFRSs and with the provisions issued in implementation of Art. 9 of Italian Legislative Decree no. 38/2005;
- that the separate financial statements and the consolidated financial statements of IEG S.p.A. have been prepared in XHTML format, in compliance with the provisions of Delegated Regulation (EU) 2019/815;
- that the Report on Operations (prepared jointly for the separate and consolidated financial statements) and some specific information of the Report on Corporate Governance and Ownership Structures indicated in Art. 123-bis, paragraph 4 of Italian Legislative Decree no. 58 of 24 February 1998, for which the Directors of Italian Exhibition Group S.p.A. are responsible, are consistent with the separate financial statements and the consolidated financial statements of the IEG Group at 31 December 2021 and have been prepared in compliance with the law.

#### **5. Most significant economic, financial and equity transactions**

During the year, as referred to above, the Company suspended all non-essential investments.

International development continued, seeking to position the IEG Group with its four most exportable products (Sigep, Oreficeria, Fitness/Wellness, Ecomondo) in four areas outside Europe across the world, in collaboration and synergy with important sector international operators. In these terms, in 2021, some contractual joint ventures were pursued, to hold events in Dubai, Mexico and Brazil. In this latter country, late 2021 also saw the establishment of IEG Brasil Eventos Ltda.

Instead, there were no developments or completion of the integration with the Bologna Fiere group.

During the year, the IEG Group collected compensation for indemnity for Covid-19 in the amount of Euro 28.2 million.

As part of the measures envisaged to improve and safeguard equity solidity in support of the trade fair system promoted by Simest S.p.A., IEG applied for and obtained a loan for approximately Euro 10 million. Again under the scope of measures aiming to guarantee financial balance, the loans stipulated in 2020 with Cassa Depositi e Prestiti, backed by SACE and Banca Intesa were renegotiated, with two new stipulations replacing the previous

ones; this made it possible, with equal principal debt remaining, respectively Euro 32,812 million and 15 million, to foresee a longer duration of the repayment plan, of 72 months (24+48) and with the provision for a pre-amortisation period of 24 months, as well as a review of the financial covenants.

As regards the IEG loan with Credit Agricole, the results achieved in 2021, due to the pandemic, gave rise to a covenant breach (NFP/EBITDA < 3.5) and the company has reclassified the debt (Euro 12 million) entirely to short-term, until such time as its request for suspension of the covenant for FY 2021 is accepted; indeed, the bank has not yet provided formal confirmation, although it has declared willing to do so.

## **6. Intercompany transactions or related party transactions**

In accordance with Art. 2391 bis of the Italian Civil Code and Consob resolution no. 17221 of 12 March 2010 (Regulation setting out provisions on related party transactions), amended in order to incorporate Directive 2017/828/EU, on 28 June 2021, the Board of Directors approved a new "Procedure for regulating related party transactions", which came into force the following 1 July.

During FY 2021, the Internal Audit Department Manager provided quarterly reports at the meetings of the Control and Risks Committee attended by the Board of Statutory Auditors, with analytical assessments of the verification of related party transactions.

As noted in the Directors' Report on Operations, intercompany transactions relate to both the exchange of goods and/or services and were carried out under market conditions and on the basis of reciprocal cost effectiveness and financial transactions to offer investee companies financial backing.

Related party transactions were adequately described in the annual directors' financial report, which detailed, accordingly, the nature of the transactions and the resulting economic and equity effects. It should also be pointed out that all commercial transactions and the provision of services with related parties took place under market conditions, taking account of the characteristics of the goods sold and services provided.

A meeting was also held with the parent company Rimini Congressi Srl involving union representatives for the exchange of information.

In this regard, there have been no reports, nor has any evidence emerged, of any situations entailing a conflict of interest or that transactions were carried out that were manifestly imprudent or risky, that is, capable of compromising the financial situation of the Company and/or Group.

Based on the information available to the Board of Statutory Auditors, no evidence has emerged of atypical and/or unusual transactions.

## **7. Meetings with the Boards of Statutory Auditors of subsidiaries: Art. 151, paras. 1 and 2 of Italian Legislative Decree no. 58 of 24.2.1998**

From meetings held with the Boards of Statutory Auditors of the subsidiaries, where present (subsidiary Summertrade S.r.l.), no significant issues and/or facts emerged that should be noted, except for the information which follows. Moreover, the adequacy of the instructions issued by the parent company was confirmed.

Similarly, there is nothing significant to report with regard to information received from the Independent Auditors, where appointed, to audit the accounts for the financial statements (Summertrade S.r.l. and Prostand S.r.l.).

The Board also requested and held a meeting of analysis with the independent auditing firm of Prostand S.r.l. on the implementation of administration and controls.

As explained in the notes, the company ran impairment tests on the main investments booked to the financial statements in the presence of events, such as the outburst of the Covid-19 pandemic, in particular with reference to the segment in which the company operates, which may result in a permanent loss of value affecting company



assets. To this end, the equity investment held by IEG in Summertrade S.r.l., Prostand S.r.l., HGB Events FZ Lic and IEG USA Inc, the parent company of FB International Inc., were measured.

As regards the investee companies Summertrade S.r.l. and Prostand S.r.l., two references are noted to disclosures, given in the respective Independent Auditors' Reports, which, without affecting the opinion, do draw attention to the following:

- Summertrade S.r.l., whose business has still been severely impacted by the Covid-19 pandemic, closed the financial statements at 31 December 2021 with a loss of around Euro 2.6 million, following on from that of FY 2020 (approximately Euro 1.3 million), with consequences on share, which shows a deficit of approximately Euro 1.8 million and the consequent arising of the situation envisaged by Art. 2482-ter of the Italian Civil Code (reduction of share capital to below the legal limit). In order to guarantee operation as a going concern, the shareholders of Summertrade S.r.l. (Italian Exhibition Group S.p.A. and the minority shareholder) have made a commitment, set out in letters signed on 29 December 2021, to provide the company with financial backing in a total maximum amount of Euro 3 million;
- Summertrade S.r.l. and Prostand S.r.l. have used the faculty permitted by Law 15/2022 and reduced, respectively in the amount of 45% and 60%, the amortisation/depreciation of intangible and tangible fixed assets, which would have emerged with straight-line accounting.

On our part, we would point out that Prostand S.r.l. closed the financial statements at 31 December 2021 with profits of around Euro 4.0 million, after having collected indemnities from the Ministry of Tourism to compensate the suspension of trade fair and conference activities in 2020 and 2021 as a result of the Covid-19 pandemic, for approximately Euro 6.1 million.

#### **8. Observations on the adequacy of the organisational structure**

Based on its own competencies, the Board of Statutory Auditors supervised the adequacy of the Company's organisational structure with respect to the management and control requirements in reference to business operations.

The Board of Statutory Auditors acknowledges that the organisational structure has been updated in accordance with the changes that have taken place in the organisation.

#### **9. Observations on the adequacy of the Internal Control and Risk Management System**

It is noted that this Board continued to monitor risk management, which from a methodological point of view, follows the logic of the ERM (Enterprise Risk Management) model.

In accordance with the provisions of Art. 149 of the Consolidated Law on Finance, the Board of Statutory Auditors acknowledges that no weaknesses or critical issues emerged from supervisory activities that could be considered indicators of inadequacy of the internal control and risk management system.

The Supervisory Body pursuant to Legislative Decree no. 231/2001 presented the half-yearly reports on activities carried out during 2020, which involved monitoring the effectiveness of the 231 Model, in which no facts or situations were reported that should be highlighted in this report.

#### **10. Observations on the adequacy of the administrative-accounting system and its reliability in correctly representing operational events**

The Board of Statutory Auditors has no observations to make on the adequacy of the administrative-accounting system and on reliability in correctly representing operational events.

#### **11. Observations on any relevant issues that emerged during meetings held with the Independent Auditors pursuant to Art. 150, para. 2, of Legislative Decree no. 58/1998 and Art. 19, para. 1, of Legislative Decree no. 39/2010**

During 2021, and subsequently in 2022, the Board of Statutory Auditors held 6 meetings as well as engaged in regular exchanges of information with the Independent Auditors. The exchanges of information that took place with the Independent Auditors pursuant to Art. 150 of Legislative Decree no. 58/98 and Art. 19, para. 1 of Legislative Decree no. 39/2010 did not identify any critical issues.

The Independent Auditors PricewaterhouseCoopers S.p.A., in the reports issued on 08 April 2022 pursuant to Art. 14 of Legislative Decree no. 39/2010 and Art. 10 of Regulation (EU) no. 537/2014 for the separate and consolidated financial statements of Italian Exhibition Group S.p.A. as at 31 December 2021, expressed an unqualified opinion without requests for specific disclosures or related observations or limitations.

In the additional Report to the Internal Control and Audit Committee issued in accordance with Art. 11 of European Regulation (EU) 537/2014, on today's date, the independent auditors PricewaterhouseCoopers S.P.A confirm that, based on the evidence acquired, the going concern assumption is appropriate for the preparation of the separate financial statements and the consolidated financial statements as at 31 December 2021.

In particular, the independent auditors evaluated the completeness and consistency of the financial disclosures with the evaluations carried out by the Management on the company's ability to operate as a going concern.

The Independent Auditors in their report, for the purposes referred to in Art. 19 of Legislative Decree no. 39/2010, notes that they did not identify any fundamental issues during the audits nor were there significant weaknesses in the internal control system with reference to the financial reporting process.

## 12. Assignment of mandates to the Independent Auditors and independence

The Board also monitored the independent audit of the annual accounts and the consolidated accounts and the independence of the independent auditors, with particular attention to any non-audit services provided to them.

The fees for the independent audit carried out on the accounts presented for the financial year ended on 31 December 2021, for the Group companies by the independent auditors PricewaterhouseCoopers S.P.A. were published in the 2021 Annual Financial Report.

The table below summarises the taxable fees, relating to audit activities (in Euros):

Type of Services	Entity that provided the service	Recipient	Fees
Audit	PricewaterhouseCoopers S.p.A.	IEG S.p.A.	93,000.
Audit	PricewaterhouseCoopers S.p.A.	Summertrade S.r.l.	10,000.
Audit	PricewaterhouseCoopers S.p.A.	Prostand S.r.l.	23,500.
Audit	GC Consultants Inc	FB International	25,366.
Audit	PKF S.p.A.	FB International	61,892.
Audit	Jaxa Chartered Accounts	HGB Events FZ Lic	3,440.

In relation to the other services, the fees for the independent auditors and other entities in their network, are summarised in the table below (in Euros):

Type of Services	Entity that provided the service	Recipient	Fees
2021 NFS	PricewaterhouseCoopers S.p.A.	IEG S.p.A.	26,000.
Certification of Simest contributions	PricewaterhouseCoopers S.p.A.	IEG S.p.A.	29,793.
Certification of Min. of Tourism contributions.	PricewaterhouseCoopers S.p.A.	IEG S.p.A.	20,352.
Certification of related party rec./pay.	PricewaterhouseCoopers S.p.A.	IEG S.p.A.	1,000.
Audit of pro-forma IEG-Bologna F.	PricewaterhouseCoopers S.p.A.	IEG S.p.A.	82,000.
Analysis of NWC and financial requirements	PwC Advisory S.p.A.	IEG S.p.A.	24,000.

The Board of Statutory Auditors today received from the independent auditing firm PricewaterhouseCoopers S.p.A., annual confirmation of independence in accordance with Art. 6, paragraph 2 of European Regulation no. 537/2014, on which basis in the period running from 01 January 2021 to today's date, they had respected principles in matters of ethics pursuant to Articles 9 and 9 bis of Italian Legislative Decree no. 39/2010 and no situations were seen that had compromised their independence in accordance with Articles 10 and 17 of Italian Legislative Decree no. 39/2010 and Articles 4 and 5 of the above-specified European Regulation.

Considering the foregoing, the Board of Statutory Auditors believes that no critical aspects have emerged regarding the independence of the independent auditing firm.

### **13. Opinions issued during the year**

During the year, the Board of Statutory Auditors issued an opinion pursuant to Art. 2389, third paragraph, of the Italian Civil Code, related to the remuneration of executive directors.

It also gave the opinion, in accordance with the provisions of Art. 154 bis of the Consolidated Law on Finance, on the appointment of Carlo Costa as Manager in charge of preparing the corporate accounting documents in lieu of Roberto Bondioli.

### **14. Indication of the Company's adherence to the Corporate Governance Code of Listed Companies**

In compliance with the provisions in Art. 149, no. 1, letter c) bis of Legislative Decree no. 58/98 we acknowledge that the Company adheres to and has complied, firstly, with the Code of Corporate Governance promoted by Borsa Italiana S.p.A., by business associations (ABI, Ania, Assonime and Confindustria) and by professional investors (Assogestioni), also in respect of the principle of the prevalence of substance over form, applying its recommendations on the basis of the "comply or explain" principle.

Adherence to the regulations envisaged by the aforementioned Code of Corporate Governance approved by the Corporate Governance Committee, was observed and was the subject of the Report on Corporate Governance and Ownership Structures prepared by the Board of Directors on 24 March 2022.

As required by the Code of Corporate Governance, during the year the Board of Directors verified the effective independence of independent directors and the Board of Statutory Auditors verified the correct application of the criteria and the procedures applied. In accordance with the provisions of point 9 of Art. 2 of the Code of Corporate Governance, the Board of Statutory Auditors also verified that it continued to meet the independence requirement. The Board of Statutory Auditors has also acknowledged the preparation of the "Report on Remuneration Policy and Fees Paid in accordance with Art. 123-ter of the Consolidated Law on Finance" approved by the Board of Directors on 24 March 2022; it has no comments to make in this regard.

The Board of Statutory Auditors has been updated regarding developments in the business sector in which the Company operates and the reference regulatory framework, both during the periodic meetings of the Board of Directors and through specific communications pursuant to Recommendation 12.d) envisaged in Art. 3 of the Corporate Governance Code.

### **15. Non-Financial Statement pursuant to Art. 4 of Legislative Decree no. 254/2016**

Having acknowledged Art. 4 of Italian Legislative Decree no. 254/2016 on the communication of non-financial information and the implementing regulation issued by Consob no. 20267 with resolution of 18 January 2018, in accordance with Art. 3, paragraph 7 of Legislative Decree no. 254/2016 and Consob Note of Attention no. 1/21 of 16 February 2021, the Board of Statutory Auditors monitored the approval of the IEG Group NFS at 31 December 2021, which was given by the Board of Directors on 24 March 2022. It also monitored observance of the provisions set forth in this decree and the recommendations, of which the independent auditing firm has certified the existence and compliance, and today issued a separate report on the Consolidated Non-Financial Statement at 31 December

2021, certifying that nothing had been brought to its attention that would suggest that the IEG Group NFS relative to the year ended 31 December 2021 had not been prepared, in all significant aspects thereof, in compliance with the requirements laid down by Articles 3 and 4 of the Decree and by the GRI Standards with reference to the selection of GRI Standards reported therein.

**16. Final assessments regarding the supervisory activities carried out as well as any omissions, reprehensible facts or irregularities found during the assessment.**

By virtue of the supervisory activities carried out by the Board of Statutory Auditors, as described above, no reprehensible facts, omissions or irregularities emerged that required reporting to the competent supervisory and control bodies or presenting in this Report, nor were complaints received pursuant to Art. 2408 of the Italian Civil Code or reported.

The Board of Statutory Auditors is not aware of other facts or reports that should be noted for the Shareholders' Meeting.

**17. Indication of any proposals to be presented to the Shareholders' Meeting pursuant to Art. 153, para. 2 of Legislative Decree no. 58/1998**

Given the above and based on the financial statements as at 31 December 2021, presented by the Board of Directors on 24 March 2022, the Board of Statutory Auditors has not identified any impediments to their approval and expresses a favourable opinion on the proposal to carry forward the loss for the year presented by the Board of Directors and invites the Shareholders' Meeting to resolve accordingly.


Rimini-Modena, 08 April 2022



Dott.ssa Alessandra Pederzoli



Dott. Massimo Conti



Dott. Marco Petrucci



**ITALIAN  
EXHIBITION  
GROUP**

Providing the future