

Press release

Italian Exhibition Group S.p.A.: the Board of Directors approves the consolidated financial statements as at December 31st, 2020

Positive EBITDA despite the pandemic and internationalisation strategies for the future

- Total consolidated revenues at € 79.8 million, compared to € 178.6 million in 2019 (-55.3%).
- Positive EBITDA¹ of € 1.8 million (€ 41.9 million in 2019) thanks to the excellent results at the start of the year and the effectiveness of the actions taken to counteract the severe effects of the crisis.
- EBIT posted a loss of € 21.6 million, compared to the positive result of € 24 million in the previous year.
- The net loss attributable to the shareholders of the Parent Company came to € -11.3 million, compared to a profit of € 12.9 million in 2019.

At the same meeting, the Board of Directors:

- approved the Report on Corporate Governance and Ownership Structures and the Report on the policy of remuneration and compensation paid;
- called the Ordinary and Extraordinary Shareholders' Meeting.

Rimini, March 18th, 2021 – The Board of Directors of Italian Exhibition Group S.p.A. (IEG), a leading company in Italy in the organisation of international trade fairs and listed on the MTA (screen-based stock exchange) organised and managed by Borsa Italiana S.p.A., today approved the Consolidated Financial Statements and the Draft Separate Financial Statements which will be submitted for approval to the Shareholders' Meeting of April 29th, 2021, relating to the year ended as at December 31st, 2020.

Main consolidated results of 2020

The total revenues of the Group in 2020 stood at € 79.8 million, down by 55.3% compared to € 178.6 million in 2019. The excellent results recorded in the first two months of the year, which essentially determined the growth in the period amounting to € 2.6 million (+1.5%), were nullified by the pandemic, which caused revenues to drop by € 101.3 million (-56.7%) compared to 2019.

The flexibility of the operating cost structure which essentially characterises all the Group business lines, and the measures adopted by the management to counteract the economic effects of the crisis and the use of social safety nets have made it possible to mitigate the impact of the contraction in revenues on the operating results of the Group. EBITDA remained in positive territory in 2020, sitting at € 1.8 million, compared to € 41.9 million in the previous year. EBIT in 2020, impacted by the write-downs of fixed assets for approximately € 4.7 million, showed a loss of € 21.6 million compared to a positive result of € 24.0 million in 2019.

The pre-tax result was a loss of € 17.5 million – compared to a profit of € 19.7 million in 2019 – after having benefited from the profit from financial management of € 5.4 million (against a charge of € 4.1 million in 2019), obtained primarily following the redetermination, for € 9.3 million, of payables for put options given to minority shareholders of some subsidiaries. The Group result for the period, after the accounting of deferred tax assets on tax losses in the period (also after exercising the option of the tax consolidation regime in 2020), was a loss of € 12.5 million - compared to a profit of 12.6 million in 2019. A loss for the period of € 11.3 million attributable to the shareholders of the Parent Company was recorded, compared to a profit of € 12.9 million in 2019.

The net financial position as at December 31st, 2020 amounted to € 129.1 million, highlighting an increase in net indebtedness of € 24.6 million compared to December 31st, 2019. The monetary NFP – which, therefore, does not take into account the debt of € 24.5 million deriving from the application of IFRS 16, of financial payables for any future put options of € 5.8 million and for derivative financial instruments of € 5.5 million – amounted to € 93.3 million, marking an increase of € 40.1 million compared to the end of 2019. At the same time, the non-monetary items of the aforementioned NFP, as at December 31st, 2020, equal to € 35.8 million, showed a decrease of € 15.4 million compared with the situation as at December 31st, 2019, due primarily to the effects of the aforementioned restatement of the payables for put options.

The consolidated shareholders' equity as at December 31st, 2020 amounted to € 93.0 million, a reduction of € 13.1 million compared to € 106.1 million as at December 31st, 2019.

Results by business segment in 2020

The Group's core business, represented by the direct organisation of trade fairs, accounted for 66.4% of total revenues, equal to € 53.0 million, marking a decrease of € 44.6 million (-45.7%) compared to the previous year. Similar to total revenues, the contraction for this business line was also the result of different factors. First of all, the segment recorded significant growth in the months prior to the outbreak of the pandemic ("Pre-Covid-19 Effect") of € 2.6 million (+2.6%), achieved thanks to the excellent results of the leading events Sigep and VicenzaOro. This growth was completely nullified by the effects of the pandemic ("Covid-19 Effect"), which determined an overall reduction in revenues of € 47.6 million (-48.7%). This overall loss in revenues is attributable, for € 37.4 million (-38.3%) to the cancellation of events ("Covid-19 Effect - cancelled") and, for the remaining € 10.2 million (-10.4%), to the downsizing of events that were held during the limited periods of reopening of activities ("Covid-19 Effect - held").

In 2020, just one small Hosted Event was held, whereas important events like Macfrut and Expodental were held in 2019.

Conferences recorded revenues of € 2.5 million, marking a contraction of € 12.9 million (-83.5%) compared to 2019, attributable entirely to the Covid-19 effect. The measures to contain the spread of the virus allowed limited activities to be carried out from the end of August, while from the end of October it has only been possible to hold events virtually.

Revenues from Related Services, amounting to € 21.2 million, represented by stand fitting, catering and cleaning, accounted for 26.5% of the total revenues in 2020, down by approximately € 36.6 million (-63.4%) compared to 2019 due to the pandemic. Activities in the stand fitting sector which, in the first few months of the year, had reported results in line with the same period of 2019, were subject to a shutdown from March and partial resumption, following the same trends in trade fair activities. A similar trend was observed

in catering and cleaning activities for trade fairs and conferences. Only the cleaning services continued to operate throughout the year, albeit on an extremely reduced capacity, thanks to sanitisation works. The "Covid-19 Effect" involved a loss in revenues of € 37.6 million (-65.0%), of which € 33 million (-57.1%) due to the above-mentioned "Covid-19 Effect- cancelled" and € 4.6 million (-7.9%) due to the "Covid-19 Effect - held".

Results of the Parent Company Italian Exhibition Group S.p.A. and proposed allocation of the result for the year

The Parent Company Italian Exhibition Group S.p.A. closed 2020 with total revenues of € 60.3 million, EBITDA of € 5.6 million and a loss of 12.7 million. The BoD will propose that the Shareholders' Meeting allocate the profit for the year to the "Retained earnings/losses" reserve.

Events after the close of the year and business outlook

In the first few months of 2021, the pandemic situation did not show significant improvements, also as a result of the appearance of so-called "variants" of the virus, and despite the start of the vaccination campaign, which is lagging behind the initial plans announced by the Government authorities. Consequently, on January 13th, 2021, the Council of Ministers extended the state of emergency to April 30th, 2021 and, by means of DPCM (Decree of the President of the Council of Ministers) of March 2nd, 2021, the shutdown of trade fairs and conferences until April 6th, 2021 was confirmed. Also internationally, significant limitations on movements are still in place due to the general adoption of tight restrictions.

The ongoing situation of uncertainty has involved the identification of new dates for the events traditionally organised and hosted, planned for the first half of the year and, for certain ones, the reconversion to "full digital" events, such as SigepExp (March 15th-17th) and WeAre (March 23rd, in the jewellery sector, from Arezzo). Onsite activities only resumed abroad with the first edition of the new event Dubai Muscle Classic in February, the biggest bodybuilding competition in the UAE, organised by the newly acquired HBG Events FZ LLC.

In this hugely difficult context, the Company will continue to support its customers to enable them to keep in touch with their market and best organise the restart of onsite events. The Company will continue to implement the action plan defined to protect the health and safety of all stakeholders and to combat the economic-financial impacts of the crisis. Lastly, the Company will work on remapping its future path, by focusing on both international activities and on developing services through a new physical-digital mix.

In particular, during the months of suspension of onsite activities, the Company ramped up its evaluation of the potential expansion on the international front. The current strategy aims to cover the main international markets in the flagship sectors of its portfolio: Food, Gold, Environment and Fitness/wellness. In this regard, significant international expansion operations in some of these areas will be announced over the coming weeks.

The process of aggregation with Bologna Fiere continues on a new basis.

The Company, confirming the business validity of the project and the determination to pursue it, announces that it will continue to work to verify its feasibility, considering the positions adopted by the respective reference shareholders, the intentions of the Emilia-Romagna Region (shareholder of both companies) and also taking account of its complexity and of the macroeconomic and pandemic context.

In light of the above, it is announced that the provisions contained in the non-binding term-sheet signed on October 15th, 2020 and communicated to the market must be considered outdated given that they didn't consider a bigger role for the shareholder Emilia-Romagna Region.

Despite this difficult situation, the Company is looking to the future with confidence and will continue to operate with determination, convinced of the strategic importance of the trade fair sector - and its role - as a business policy and internationalisation tool serving the companies in our country, which are showing a strong willingness to resume activities and return to onsite events.

Italian Exhibition Group S.p.A. announces that the Draft Separate Financial Statements for 2020 and the Consolidated Financial Statements as at December 31st, 2020, approved by the Board of Directors on March 18th, 2021, will be made available to the public at the Company's registered office, Via Emilia 155, Rimini, on the authorised storage mechanism of 1INFO Storage available at the address www.1info.it, and can also be consulted on the company's website at the address www.iegexpo.it in the Investor Relations section, in accordance with the legal terms.

The Manager responsible for preparing the company's financial documents, Roberto Bondioli, declares that, pursuant to paragraph 2 of art. 154-bis of the Consolidated Law on Finance (TUF), the information in this press release corresponds to the accounting documents, books and records.

The results for 2020 will be presented in a conference call with the Financial Community scheduled for today at 6:00 pm (CET). The presentation will be available in the Investor Relations section on the website www.iegexpo.it from 5:45 pm.

Mr. Bondioli appointed Chief Executive Officer of Pro.Stand S.r.l.. The role of Manager responsible for preparing the company's financial reports is temporarily assigned to the Company's CFO.

Italian Exhibition Group S.p.A. asked Roberto Bondioli, Manager responsible for preparing the company's financial reports, to assume the role of Chief Executive Officer of the subsidiary Pro.Stand Srl for a few months. For the period in which Mr. Bondioli will hold the position of executive director of the subsidiary, IEG's Board of Directors assigned the role of Manager responsible for preparing the company's financial reports to the Group CFO Carlo Costa.

Approval of the Report on Corporate Governance and Ownership Structures and the Report on the policy of remuneration and compensation paid.

The Board of Directors approved the Report on Corporate Governance and Ownership Structures relating to 2020 pursuant to art. 123-bis of Legislative Decree no. 58/1998 as subsequently amended (the "TUF" - Consolidated Law on Finance) and the Report on the policy of remuneration for 2021 and on compensation paid to directors and executives with strategic responsibilities of the company in the year 2020 pursuant to art. 123-ter of the TUF, art. 84-quater and Annex 3A, Schedule 7-bis of CONSOB Regulation no. 11971/1999 (the "Issuers' Regulation").

The aforementioned reports will be made available to the public, according to the legal terms, at the Company's registered office, Via Emilia 155, Rimini, and on the Company's website www.iegexpo.it, Corporate Governance section.

Consolidated Non-Financial Statement

Since, in 2020, the Group employed, on average, a number of staff below the 500 threshold (art. 2 of Legislative Decree 254/16), the Parent Company is no longer obligated to draft the Consolidated Non-Financial Statement required by Legislative Decree 254/16. However, in order to continue the process of maximum transparency of communication, the Parent Company's Board of Directors decided to continue providing disclosures on the Group's non-financial performances by voluntarily drafting a Sustainability Report, which will be soon made available to the public at the Company's registered office, Via Emilia 155, Rimini, and on the Company's website www.iegexpo.it, Investor Relations section.

Calling of Ordinary Shareholders' Meeting

The Board of Directors resolved the calling of the ordinary and extraordinary shareholders' meeting on April 29th, 2021 on single call.

The Call Notice, accompanied by all the information prescribed by art. 125-bis of the TUF, as well as all the documentation that will be submitted to the Shareholders' Meeting pursuant to articles 125-ter and 125-quater of the TUF, will be made available to the public, according to the legal terms, at the Company's registered office, Via Emilia 155, Rimini, and on the Company's website www.iegexpo.it, Corporate Governance section. The Call Notice will also be published in the daily newspaper Italia Oggi, within the legal terms.

FOCUS ON ITALIAN EXHIBITION GROUP

Italian Exhibition Group (IEG), listed on the MTA (screen-based stock exchange) organised and managed by Borsa Italiana S.p.A., has built up over the years, through its Rimini and Vicenza venues, a position of domestic leadership in the organisation of trade fairs and conferences, and has developed its foreign activities - also through joint ventures with global or local organisers, in the United States, United Arab Emirates and China - which have positioned it among the leading European operators in the sector.

This press release includes provisional elements and estimates that reflect the current views of the management team ("forward-looking statements") in particular with regard to future management performance, realisation of investments, cash flow trends and the evolution of the financial structure. The forward-looking statements by their nature include a component of risk and uncertainty because they depend on the occurrence of future events. The actual results may differ, also in a significant manner, from those announced, in relation to a number of factors including but not exclusive to: the performance of the out-of-home-food consumption market and of tourist flows to Italy, the performance of the gold-jewellery market, the performance of the green economy, the developments in the price of raw materials, the general macroeconomic conditions, geopolitical factors and development in the regulatory environment.

¹The EBITDA is represented by the operating profit (loss) including depreciation and amortisation expense. The EBITDA is a measure defined and used by the Group to monitor and assess the operating performance of the Group, but it is not defined in the context of IFRS standards; therefore, it must not be viewed as an alternative measure for the assessment of the Group's operating profit (loss). The Company believes that the EBITDA is an important parameter for the measurement of the Group's performance as it allows to analyse the profitability of the same by eliminating the effects deriving from non-recurrent economic elements. As EBITDA is not a measure whose determination is regulated by reference accounting standards for the preparation of the Group's consolidated financial statements, the criterion applied for the determination of the EBITDA could not be consistent with that adopted by other groups and might, therefore, not be comparable to them.

For further information:

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| ASSETS (Values in Euro/000) | 12/31/2020 | 12/31/2019 |
|---|----------------|----------------|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 194,070 | 209,173 |
| Intangible fixed assets | 35,729 | 37,036 |
| Equity investments valued using the equity method | 3,616 | 4,437 |
| Other equity investments | 11,051 | 10,873 |
| <i>Of which with related parties</i> | 10,974 | 10,786 |
| Deferred tax assets | 5,329 | 1,940 |
| Non-current financial assets for rights of use | 672 | 840 |
| Non-current financial assets | 472 | 524 |
| Other non-current assets | 150 | 153 |
| TOTAL NON-CURRENT ASSETS | 251,089 | 264,976 |
| CURRENT ASSETS | | |
| Inventories | 784 | 956 |
| Trade receivables | 13,554 | 33,899 |
| <i>Of which with related parties</i> | 199 | 724 |
| Tax receivables for direct taxes | 323 | 505 |
| Current financial assets for rights of use | 168 | 164 |
| Current financial assets | 59 | 1,472 |
| <i>Of which with related parties</i> | 45 | 292 |
| Other current assets | 5,813 | 5,857 |
| Cash and cash equivalents | 28,108 | 22,198 |
| TOTAL CURRENT ASSETS | 48,839 | 65,051 |
| TOTAL ASSETS | 299,898 | 330,027 |

| LIABILITIES (Values in Euro/000) | 12/31/2020 | 12/31/2019 |
|---|----------------|----------------|
| SHAREHOLDERS' EQUITY | | |
| Share capital | 52,215 | 52,215 |
| Share premium reserve | 13,947 | 13,947 |
| Other reserves | 28,645 | 26,608 |
| Profit (loss) for previous years | 8,781 | (1,680) |
| Profit (loss) for the period attributable to shareholders of the Parent Company | (11,313) | 12,861 |
| SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY | 92,276 | 103,951 |
| Share capital and reserves attributable to minority interests | 1,912 | 2,374 |
| Profit (loss) for the period attributable to minority interests | (1,160) | (224) |
| SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS | 752 | 2,150 |
| TOTAL GROUP SHAREHOLDERS' EQUITY | 93,028 | 106,101 |
| NON-CURRENT LIABILITIES | | |
| Payables due to banks | 85,986 | 58,318 |
| Non-current financial liabilities for rights of use | 21,974 | 26,115 |
| <i>Of which with related parties</i> | 15,296 | 17,219 |
| Other non-current financial liabilities | 15,797 | 22,467 |
| Provisions for non-current risks and charges | 1,632 | 1,755 |
| Employee provisions | 4,287 | 4,580 |
| Other non-current liabilities | 2,106 | 2,300 |
| TOTAL NON-CURRENT LIABILITIES | 131,781 | 115,535 |
| CURRENT LIABILITIES | | |
| Payables due to banks | 28,837 | 14,601 |
| Current financial liabilities for rights of use | 3,359 | 3,968 |
| <i>Of which with related parties</i> | 953 | 1,320 |
| Other current financial liabilities | 2,604 | 4,237 |
| Trade payables | 23,445 | 34,978 |
| <i>Of which with related parties</i> | 95 | 126 |
| Tax payables for direct taxes | 15 | 2,053 |
| Other current liabilities | 16,828 | 48,554 |
| TOTAL CURRENT LIABILITIES | 75,089 | 108,391 |
| TOTAL LIABILITIES | 299,898 | 330,027 |

CONSOLIDATED INCOME STATEMENT (in Euro thousand)

| | 2020 | 2019 |
|---|-----------------|------------------|
| REVENUES | | |
| Revenues from contracts with customers | 74,432 | 174,228 |
| <i>Of which with related parties</i> | 76 | 2,138 |
| Other revenues | 5,378 | 4,372 |
| <i>Of which with related parties</i> | 65 | 1,134 |
| TOTAL REVENUES | 79,810 | 178,601 |
| <i>Of which non-recurring revenues</i> | 818 | 981 |
| OPERATING COSTS | | |
| Change in inventories | (180) | 142 |
| Costs for raw materials, consumables and goods for resale | (6,659) | (15,420) |
| Costs for services | (45,054) | (82,499) |
| <i>Of which with related parties</i> | (28) | (172) |
| Costs for use of third-party assets | (214) | (492) |
| <i>Of which with related parties</i> | | (50) |
| Personnel costs | (22,380) | (35,543) |
| Other operating costs | (3,532) | (2,914) |
| <i>Of which with related parties</i> | (7) | (6) |
| TOTAL OPERATING COSTS | (78,019) | (136,726) |
| <i>of which non-recurring operating costs</i> | (2,393) | (238) |
| GROSS OPERATING PROFIT (EBITDA) | 1,791 | 41,874 |
| Depreciation, amortisation and write-downs of fixed assets | (21,801) | (16,559) |
| <i>Of which non-recurring items</i> | (4,747) | |
| Write-down of receivables | (1,739) | (1,134) |
| Provisions | 169 | (145) |
| Value adjustments of financial assets other than equity investments | 3 | 1 |
| OPERATING PROFIT/LOSS | (21,577) | 24,038 |
| FINANCIAL INCOME AND CHARGES | | |
| Financial income | 9,412 | 169 |
| Financial charges | (4,071) | (4,276) |
| Exchange rate gains and losses | 82 | 42 |
| TOTAL FINANCIAL INCOME AND CHARGES | 5,423 | (4,065) |
| <i>Of which non-recurring income and charges</i> | 8,444 | |
| GAINS AND LOSSES FROM EQUITY INVESTMENTS | | |
| Effect of valuation of equity investments with the equity method | (1,392) | (290) |
| Other gains/losses on equity investments | | 43 |
| <i>Of which with related parties</i> | | 43 |
| TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS | (1,392) | (248) |
| PRE-TAX RESULT | (17,546) | 19,725 |
| INCOME TAXES | | |
| Current taxes | 1,481 | (7,031) |
| Deferred tax assets/liabilities | 3,341 | 292 |
| Taxes related to previous years | 251 | (348) |
| TOTAL INCOME TAXES | 5,073 | (7,088) |
| GROUP PROFIT/LOSS FOR THE YEAR | (12,473) | 12,637 |
| PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTERESTS | (1,160) | (224) |
| PROFIT (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY | (11,313) | 12,861 |
| EARNINGS PER SHARE | (0.3665) | 0.4167 |
| DILUTED EARNINGS PER SHARE | (0.3665) | 0.4167 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in Euro thousand)

| | 2020 | 2019 |
|---|-----------------|---------------|
| PROFIT/(LOSS) FOR THE YEAR | (12,473) | 12,637 |
| Other comprehensive income components which will be subsequently reclassified under profit/(loss) for the year: | | |
| Gains/(losses) on financial instruments for cash flow hedges | (483) | (342) |
| Taxes on derivative financial instruments | 116 | 133 |
| Gains/(losses) on translation of financial statements in foreign currency | (645) | (156) |
| Gains/(losses) on financial assets measured at FVOCI | 201 | |
| Total other comprehensive income components which will be subsequently reclassified under profit/(loss) for the year | (812) | (365) |
| Other comprehensive income components which will not be subsequently reclassified under profit/(loss) for the year: | | |
| Actuarial gains/(losses) from defined benefit plans for employees – IAS 19 | (137) | (216) |
| Income taxes | 33 | 52 |
| Total effect of change in actuarial reserve | (104) | (164) |
| Total other comprehensive income components which will not be subsequently reclassified under profit/(loss) for the year | (104) | (164) |
| TOTAL PROFIT/(LOSS) RECOGNISED IN EQUITY | (916) | (529) |
| COMPREHENSIVE INCOME/LOSS FOR THE YEAR | (13,389) | 12,108 |
| Attributable to: | | |
| Minority interests | (1,226) | (205) |
| Shareholders of the Parent Company | (12,164) | 12,312 |

CONSOLIDATED CASH FLOW STATEMENT (in Euro thousand)

| <i>Values in Euro'000</i> | 12/31/2020 | 12/31/2019 |
|---|-------------------|-------------------|
| Profit before tax | (17,546) | 19,725 |
| <i>Of which with related parties</i> | 106 | 1,815 |
| <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 | 21,801 | 16,559 |
| Provisions and write-downs | 1,739 | 1,134 |
| Other provisions | (169) | 1,353 |
| Charges/(income) from valuation of equity investments in other companies with the equity method | 1,392 | 248 |
| Write-down of financial assets | (3) | - |
| Net financial charges | (5,423) | 4,065 |
| Costs for use of third-party assets (IFRS 16) | (4,050) | (3,747) |
| Effect on EBIT - financial charges for Put Options | (299) | (501) |
| Other non-monetary changes | 1,542 | (194) |
| Cash flow from operating activities before changes in working capital | (1,016) | 38,586 |
| <i>Change in working capital:</i> | | |
| Inventories | 172 | (71) |
| Trade receivables | 18,854 | (850) |
| <i>Of which with related parties</i> | 525 | (450) |
| Trade payables | (11,636) | (5,133) |
| <i>Of which with related parties</i> | 31 | 421 |
| Other current and non-current assets | 170 | 2,270 |
| Other current and non-current liabilities | (32,315) | (2,983) |
| Receivables/payables for current taxes | 1,661 | (6,152) |
| <i>Of which with related parties</i> | | 1,745 |
| Deferred tax assets/liabilities | 61 | (11) |
| Cash flow from changes in working capital | (23,032) | (12,931) |
| Income taxes paid | (1,785) | (1,356) |
| Employee provisions and provisions for risks | (637) | (2,156) |
| Cash flows from operating activities | (26,471) | 22,198 |
| <i>Cash flow from investment activities</i> | | |
| Net investments in intangible fixed assets | (295) | (6,246) |
| Net investments in property, plant and equipment | (3,564) | (12,275) |
| Disinvestments in intangible fixed assets | 178 | 24 |
| Disinvestments in property, plant and equipment | 30 | 154 |
| Dividends from associated companies and joint-ventures | | 43 |
| <i>Of which with related parties</i> | | 43 |
| Change in current and non-current financial assets | 1,467 | 353 |
| <i>Of which with related parties</i> | 247 | 231 |
| Net equity investments in subsidiaries | (926) | - |
| Changes in equity investments in associated companies and other companies | (319) | (575) |
| Cash flow from investment activities | (3,429) | (18,522) |
| <i>Cash flow from financing activities</i> | | |
| Change in other financial payables - other | (2,116) | 2,605 |
| Payables due to shareholders | (242) | (690) |
| Obtainment/(repayment) of short-term bank loans | 1,040 | (3,603) |
| Obtainment of mortgages | 64,570 | 6,677 |
| Repayment of mortgages | (23,706) | (8,607) |
| Net financial charges paid | (2,867) | (1,845) |
| Dividends paid | | (5,556) |
| Change in Group reserves | (335) | 61 |
| Payable due for the exercise of the put option | (534) | |
| Cash flow from financing activities | 35,809 | (10,958) |
| Net cash flow for the period | 5,910 | (7,281) |
| Opening cash and cash equivalents | 22,198 | 29,479 |
| Closing cash and cash equivalents | 28,108 | 22,198 |

STATEMENT OF FINANCIAL POSITION OF IEG S.p.A.

| ASSETS (in Euro units) | 12/31/2020 | 12/31/2019 |
|---|--------------------|--------------------|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 183,380,519 | 192,746,689 |
| Intangible fixed assets | 21,250,808 | 22,926,970 |
| Equity investments in subsidiaries | 18,094,980 | 14,630,674 |
| Equity investments valued using the equity method | 2,949,304 | 4,128,368 |
| Equity investments in other companies | 11,041,757 | 10,853,134 |
| <i>Of which with related parties</i> | <i>10,974,064</i> | <i>10,786,287</i> |
| Deferred tax assets | 4,119,857 | 1,260,667 |
| Non-current financial assets | 472,072 | 474,924 |
| Other non-current assets | 98,243 | 115,929 |
| TOTAL NON-CURRENT ASSETS | 241,407,540 | 247,137,355 |
| CURRENT ASSETS | | |
| Inventories | - | - |
| Trade receivables | 9,803,500 | 23,025,821 |
| <i>Of which with related parties</i> | <i>2,750,346</i> | <i>2,646,043</i> |
| Tax receivables for direct taxes | 76,011 | - |
| Current financial assets | 2,203,594 | 3,141,432 |
| <i>Of which with related parties</i> | <i>2,203,594</i> | <i>1,989,697</i> |
| Other current assets | 4,781,533 | 4,876,681 |
| Cash and cash equivalents | 24,069,554 | 18,147,288 |
| TOTAL CURRENT ASSETS | 40,934,192 | 49,191,222 |
| TOTAL ASSETS | 282,341,732 | 296,328,577 |

| LIABILITIES (in Euro units) | 12/31/2020 | 12/31/2019 |
|--|--------------------|--------------------|
| SHAREHOLDERS' EQUITY | | |
| Share capital | 52,214,897 | 52,214,897 |
| Share premium reserve | 13,946,713 | 13,946,713 |
| Other reserves | 33,147,188 | 32,733,409 |
| Profit (loss) for previous years | 17,221,060 | 4,100,972 |
| Profit (loss) for the year | (12,682,991) | 13,897,502 |
| TOTAL SHAREHOLDERS' EQUITY | 103,846,867 | 116,893,493 |
| NON-CURRENT LIABILITIES | | |
| Payables due to banks | 83,730,328 | 56,403,007 |
| Non-current financial liabilities on rights of use | 17,682,965 | 20,087,572 |
| <i>Of which with related parties</i> | <i>15,295,527</i> | <i>17,219,277</i> |
| Other non-current financial liabilities | 9,321,361 | 5,721,769 |
| <i>Of which with related parties</i> | <i>0</i> | <i>221,840</i> |
| Provisions for non-current risks and charges | 1,598,727 | 1,865,531 |
| Employee provisions | 2,893,214 | 3,357,455 |
| Deferred tax liabilities | - | - |
| Other non-current liabilities | 2,106,514 | 2,300,485 |
| TOTAL NON-CURRENT LIABILITIES | 117,333,109 | 89,735,819 |
| CURRENT LIABILITIES | | |
| Payables due to banks | 24,216,647 | 10,133,115 |
| Current financial liabilities on rights of use | 1,369,744 | 2,276,394 |
| <i>Of which with related parties</i> | <i>952,875</i> | <i>1,319,894</i> |
| Other current financial liabilities | 2,556,303 | 3,787,795 |
| <i>Of which with related parties</i> | <i>221,840</i> | <i>221,840</i> |
| Trade payables | 18,060,026 | 28,005,904 |
| <i>Of which with related parties</i> | <i>4,451,369</i> | <i>7,524,673</i> |
| Tax payables for direct taxes | 0 | 1,969,082 |
| <i>Of which with related parties</i> | <i>-</i> | <i>-</i> |
| Other current liabilities | 14,959,036 | 43,526,975 |
| <i>Of which with related parties</i> | <i>-</i> | <i>163,599</i> |
| TOTAL CURRENT LIABILITIES | 61,161,756 | 89,699,265 |
| TOTAL LIABILITIES | 282,341,732 | 296,328,577 |

INCOME STATEMENT OF IEG S.P.A.

| (in Euro units) | 2020 | 2019 |
|---|---------------------|---------------------|
| REVENUES | | |
| Revenues from contracts with customers | 56,588,982 | 120,282,468 |
| <i>Of which with related parties</i> | 1,490,004 | 3,721,541 |
| Other revenues | 3,672,211 | 3,818,420 |
| <i>Of which with related parties</i> | 237,284 | 1,390,865 |
| TOTAL REVENUES | 60,261,193 | 124,100,888 |
| <i>Of which non-recurring revenues</i> | 293,938 | 981,162 |
| OPERATING COSTS | | |
| Change in inventories | - | - |
| Costs for raw materials, consumables and goods for resale | (1,224,472) | (2,241,838) |
| <i>Of which with related parties</i> | (12,900) | - |
| Costs for services | (36,479,732) | (61,983,610) |
| <i>Of which with related parties</i> | (8,990,766) | (18,353,278) |
| <i>Of which costs for non-recurring services</i> | (1,913,329) | (237,702) |
| Costs for use of third-party assets | (123,499) | (219,768) |
| Personnel costs | (15,064,597) | (21,193,546) |
| Other operating costs | (1,744,770) | (2,495,969) |
| <i>Of which with related parties</i> | (20,879) | (18,016) |
| TOTAL OPERATING COSTS | (54,637,070) | (88,134,731) |
| GROSS OPERATING PROFIT (EBITDA) | 5,624,123 | 35,966,157 |
| Depreciation, amortisation and write-downs of fixed assets | (11,909,510) | (11,605,980) |
| Write-down of receivables | (1,504,645) | (995,215) |
| Provisions and releases | 204,500 | (144,728) |
| Value adjustments of financial assets other than equity investments | (24,238) | 1,088 |
| OPERATING PROFIT/LOSS | (7,609,770) | 23,221,322 |
| FINANCIAL INCOME AND CHARGES | | |
| Financial income | 46,599 | 138,174 |
| <i>Of which with related parties</i> | 3,176 | 4,105 |
| Financial charges | (3,166,417) | (2,578,759) |
| <i>of which non-recurring</i> | (900,000) | |
| Exchange rate gains and losses | (55,052) | 98,541 |
| TOTAL FINANCIAL INCOME AND CHARGES | (3,174,870) | (2,342,044) |
| GAINS AND LOSSES FROM EQUITY INVESTMENTS | | |
| Effect of valuation of equity investments with the equity method | (1,535,212) | (332,765) |
| Effect of measurement of equity investments in subsidiaries | (3,575,665) | (209,617) |
| Other gains/losses on equity investments | | 140,440 |
| <i>Of which with related parties</i> | 0 | 140,440 |
| TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS | (5,110,877) | (401,942) |
| <i>Of which with related parties</i> | (4,607,665) | 140,440 |
| PRE-TAX RESULT | (15,895,517) | 20,477,336 |
| INCOME TAXES | | |
| Current taxes | 150,084 | (6,612,350) |
| Taxes related to previous years | 251,977 | (348,247) |
| Deferred tax assets/liabilities | 2,810,466 | 380,763 |
| TOTAL INCOME TAXES | 3,212,527 | (6,579,834) |
| PROFIT (LOSS) FOR THE YEAR | (12,682,990) | 13,897,502 |

STATEMENT OF COMPREHENSIVE INCOME OF IEG S.P.A.

| | 2020 | 2019 |
|---|---------------------|-------------------|
| PROFIT (LOSS) FOR THE YEAR | (12,682,990) | 13,897,502 |
| Other comprehensive income components which will be subsequently reclassified under profit/(loss) for the year: | | |
| Gains/(losses) on financial instruments for cash flow hedges | (367,281) | (341,745) |
| Gains/(losses) on translation of financial statements in foreign currency | (104,844) | (18,186) |
| Gains/(losses) on financial assets measured at FVOCI | 200,827 | (156,264) |
| Total Other comprehensive income components which will be subsequently reclassified under profit/(loss) for the year | (271,298) | (516,195) |
| Other comprehensive income components which will not be subsequently reclassified under profit/(loss) for the year: | | |
| Actuarial gains/(losses) from defined benefit plans for employees – IAS 19 | (104,322) | (173,863) |
| Income taxes | 25,037 | 41,727 |
| <i>Total effect of change in actuarial reserve</i> | <i>(79,285)</i> | <i>(132,136)</i> |
| Total Other comprehensive income components which will not be subsequently reclassified under profit/(loss) for the year | (79,285) | (132,136) |
| TOTAL PROFIT/(LOSS) RECOGNISED IN EQUITY | (350,583) | (648,331) |
| COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR | (13,033,573) | 13,249,171 |

| <i>Values in Euro'000</i> | 12/31/2020 | 12/31/2019 |
|---|---------------------|---------------------|
| Profit before tax | (15,895,517) | 20,477,336 |
| <i>Of which with related parties</i> | <i>(7,283,567)</i> | <i>(13,258,889)</i> |
| <i>Adjustments to trace profit for the year back to the cash flow from operating activities:</i> | | |
| Costs for use of third-party assets (IFRS 16) | (2,286,598) | (2,127,394) |
| Amortisation, depreciation and write-downs of property, plant and equipment and intangible assets | 11,909,510 | 11,605,980 |
| Provisions and write-downs | 1,504,645 | 995,215 |
| Other provisions | (68,130) | 1,084,728 |
| Charges/(income) from valuation of equity investments in other companies with the equity method | 5,110,877 | 401,942 |
| Write-down of financial assets | | |
| Net financial charges | 3,174,870 | 2,342,044 |
| <i>Of which with related parties</i> | <i>3,176</i> | <i>4,105</i> |
| Other non-monetary changes | 1,008,659 | (193,970) |
| Cash flow from operating activities before changes in working capital | 4,458,316 | 34,585,881 |
| <i>Change in working capital:</i> | | |
| Inventories | | |
| Trade receivables | 11,717,676 | (364,083) |
| <i>Of which with related parties</i> | <i>(33,994)</i> | <i>(677,435)</i> |
| Trade payables | (10,246,975) | (2,343,767) |
| <i>Of which with related parties</i> | <i>3,073,304</i> | <i>(587,917)</i> |
| Other current and non-current assets | 112,834 | 199,583 |
| Other current and non-current liabilities | (28,585,003) | (2,244,997) |
| Receivables/payables for current taxes | 136,666 | (5,533,045) |
| <i>Of which with related parties</i> | <i>163,599</i> | <i>(1,730,090)</i> |
| Deferred tax assets/liabilities | 67,259 | 60,546 |
| Cash flow from changes in working capital | (26,797,542) | (10,225,762) |
| Income taxes paid | (1,779,698) | (1,356,000) |
| Employee provisions and provisions for risks | (742,200) | (1,744,253) |
| Cash flows from operating activities | (24,861,125) | 21,259,866 |
| <i>Cash flow from investment activities</i> | | |
| Net investments in intangible fixed assets | (610,945) | (6,093,048) |
| Net investments in property, plant and equipment | (4,127,353) | (8,595,994) |
| Disinvestments in intangible fixed assets | 255,740 | - |
| Disinvestments in property, plant and equipment | 1,228,375 | 60,063 |
| Dividends from associated companies and joint-ventures | | 140,440 |
| <i>Of which with related parties</i> | <i>0</i> | <i>140,440</i> |
| Change in current and non-current financial assets | 940,690 | (287,694) |
| <i>Of which with related parties</i> | <i>7,043</i> | <i>(35,621)</i> |
| Acquisitions net of cash and cash equivalents acquired | | - |
| Changes in equity investments in associated companies and other companies | (7,396,967) | (606,218) |
| Cash flow from investment activities | (9,710,460) | (15,382,451) |
| <i>Cash flow from financing activities</i> | | |
| Change in other financial payables | 695,487 | 2,272,970 |
| Payables due to shareholders | (273) | (5,963) |
| Obtainment/(repayment) of short-term bank loans | 1,325,567 | - |
| Obtainment of mortgages | 64,883,121 | 6,546,366 |
| Repayment of mortgages | (23,413,880) | (9,990,077) |
| Net financial charges paid | (2,891,328) | (1,659,491) |
| Dividends paid | | (5,555,555) |
| Change in Group reserves | (104,844) | (18,184) |
| Cash flow from financing activities | 40,493,850 | (8,409,934) |
| Net cash flow for the period | 5,922,265 | (2,532,519) |
| Opening cash and cash equivalents | 18,147,288 | 20,679,799 |
| Closing cash and cash equivalents | 24,069,554 | 18,147,288 |

