

Annual Report

2021



FIERA MILANO

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This document contains a faithful translation into English of the original report in Italian Relazione Finanziaria Annuale 2021. However, for information about Fiera Milano Group reference should be made exclusively to the original report in Italian. The Italian version of the Relazione Finanziaria Annuale 2021 shall prevail upon the English version.

Annual Report

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Letter to Shareholders

Dear Shareholders,

"For Fiera Milano, 2021 was a new start. After initial uncertainty caused by the prolonged suspension of exhibitions and congresses during the first six months, we were finally back on track by June. In just over three months, we have held over 30 exhibitions attracting more than a million visitors.

Once again, at a difficult time, Fiera Milano is still a reference model for the sector, at the service of companies that choose exhibitions to increase their network and shape their international dimension. Thanks to the exhibition and congress business restarting, and Government aid, we can present positive economic and financial results, as well as a robust financial position.

At the beginning of the year we presented the 2021-2025 Strategic Plan called "CONN.E.C.T. 2025" which is based on a development programme focused on four strategic guidelines capable of making Fiera Milano a leading European hub with a strong international presence.

The consolidation of the exhibition portfolio is one of the guidelines of the plan and, in this sense, activities have already taken shape and we aim to develop, in the short term, new innovative concepts related to the mobility and circular economy sectors.

A stronger leadership in the congress sector is also an integral part of the Group's future development plans. Thanks to our experience and our universally recognised know-how in the management of congress centres, Fiera Milano Congressi will manage the new international congress centre in Turin, that will be built in 2024-25 in the area of the former Westinghouse facility. And so we have the opportunity to export to the capital city of Piedmont, a congress model that in Milan, in terms of side industries, is worth over Euro 900 million and accounts for 24% of tourism in the city.



Activities abroad, despite contingent difficulties, confirmed the positive trend compared to 2020, meeting expected objectives. During 2021, Fiera Milano also signed two important partnerships with leading international players. With dmg events, an international exhibition company, for the launch of FIND, a key Asian event for the design sector that will take place for the first time in September 2022 in Singapore. Thanks to this partnership agreement, Fiera Milano will host Gastech next September, the world's largest international event for the energy industry, at its exhibition site in Rho.

We have also signed a strategic partnership with Informa Markets, a leading global exhibition organiser with over 450 events in its portfolio. The agreement provides for mutual visibility in the respective markets for food and professional hospitality exhibitions.

In addition, throughout the year we have always given the utmost importance to the safety of our exhibition-congress hubs. In terms of initiatives for key stakeholders, priority was given to protecting the health and safety of employees, suppliers and customers. The Fiera Milano Group has in fact worked on guidelines to set out the procedures for holding exhibitions and congress events. In particular, the protocol for containing the spread of Coronavirus has been further strengthened to ensure that visitors, exhibitors and organisers can safely participate in exhibitions and events held within the exhibition and congress centres.

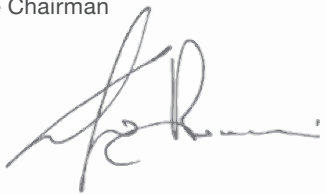
The CONN.E.C.T. 2025 strategic plan, announced in February, focuses on sustainability as a rewarding factor for business development, and in this direction Fiera Milano has developed important transactions during the year, with further information given in the "Non-Financial Statement".

During the year, one of the solid enablers for our business was enhanced: human capital. Last but not least, the Company has launched an extraordinary training plan called "Fiera Milano Education" which is designed to improve employees' skills and especially their digital capabilities. The demand for new professional skills in the exhibition industry, and the importance of flexibility in professional positions have accelerated the approach towards all-round training course for all employees.

Finally, our vision for 2022. The exhibition calendar has already started thanks to some important exhibitions, and offers a considerable number of appointments, with some fifty events taking place. In the first part of the year, in agreement with our organising customers, we considered it appropriate to reschedule some exhibitions to ensure they had a more suitable location and above all, would not be affected by the increase in Covid cases, particularly important between December 2021 and January 2022, due to the health emergency still underway. No event has been cancelled, and we are now confident that the rest of the calendar will not be affected further. For Fiera Milano, 2022 will be the year that consolidates this recovery".

We will continue our commitment to implementing the "CONN.E.C.T. 2025" Strategic Plan, seizing opportunities for growth and value generation for all Stakeholders.

Carlo Bonomi
The Chairman



Luca Palermo
Chief Executive Officer





Mission

Fiera Milano intends to become the leading platform in the exhibition and congress business in the context of the new normal.



Purpose

Creating multiple opportunities for businesses and people through a European hub and a global network.



Mission

To be a leading, smart, hybrid platform for leading innovative, sustainable, global events.

EXCELLENCE

We want to offer an innovative experience in safe, welcoming and trustworthy surroundings with a topquality service level.

CUSTOMER

We want to operate with a strong customer focus and aim for maximum customer satisfaction.



Values

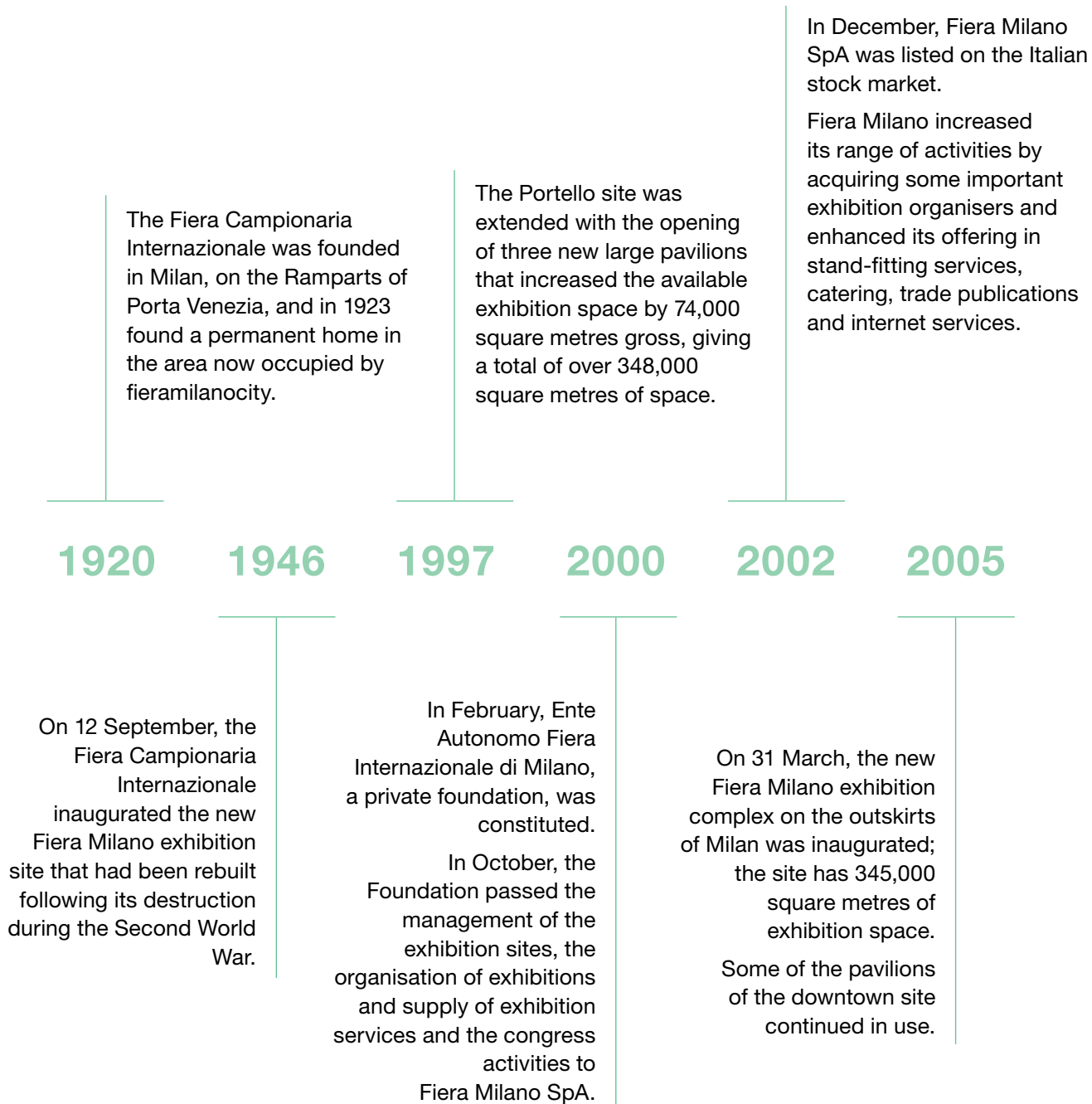
RESPECT

We want to be responsible, sustainable, honest and transparent to create relationships of trust and value for all stakeholders.

PEOPLE

We want to work as a team, promoting professionalism, passion and curiosity in our day-to-day relationships.

History of the Group



An intense internationalisation process started with the signing of a joint venture with Deutsche Messe, the Hannover exhibition site owner, covering regions outside Europe.

2008

Fiera Milano was Official Partner for Operations of EXPO 2015 and provides stand-fitting, logistics, and structure management services for the event and some participating countries.

2015

In 2021, the Group presented its 2021-2025 strategic plan: CONN.E.C.T. 2025 (Connections, Exhibitions, Community, Transformation). The aim of the plan is to conform and strengthen Fiera Milano's role as a strategic partner supporting companies in their processes of innovation, growth and internationalisation. For the first time the Group, within this plan, defined the purpose, revised the mission, values and material topics.

2021

MiCo – Milano Congressi opened: this is the largest and most modern congress centre in Europe with capacity for 2011 delegates. It is managed by Fiera Milano Congressi and was built by Fondazione Fiera Milano through the conversion of part of the fieramilanocity exhibition site.

2011

The Fiera Milano Group embarked upon the digital transformation of its Exhibition Sites, to provide visitors, exhibitors and organisers with even more high-quality services thanks to a better customer experience.

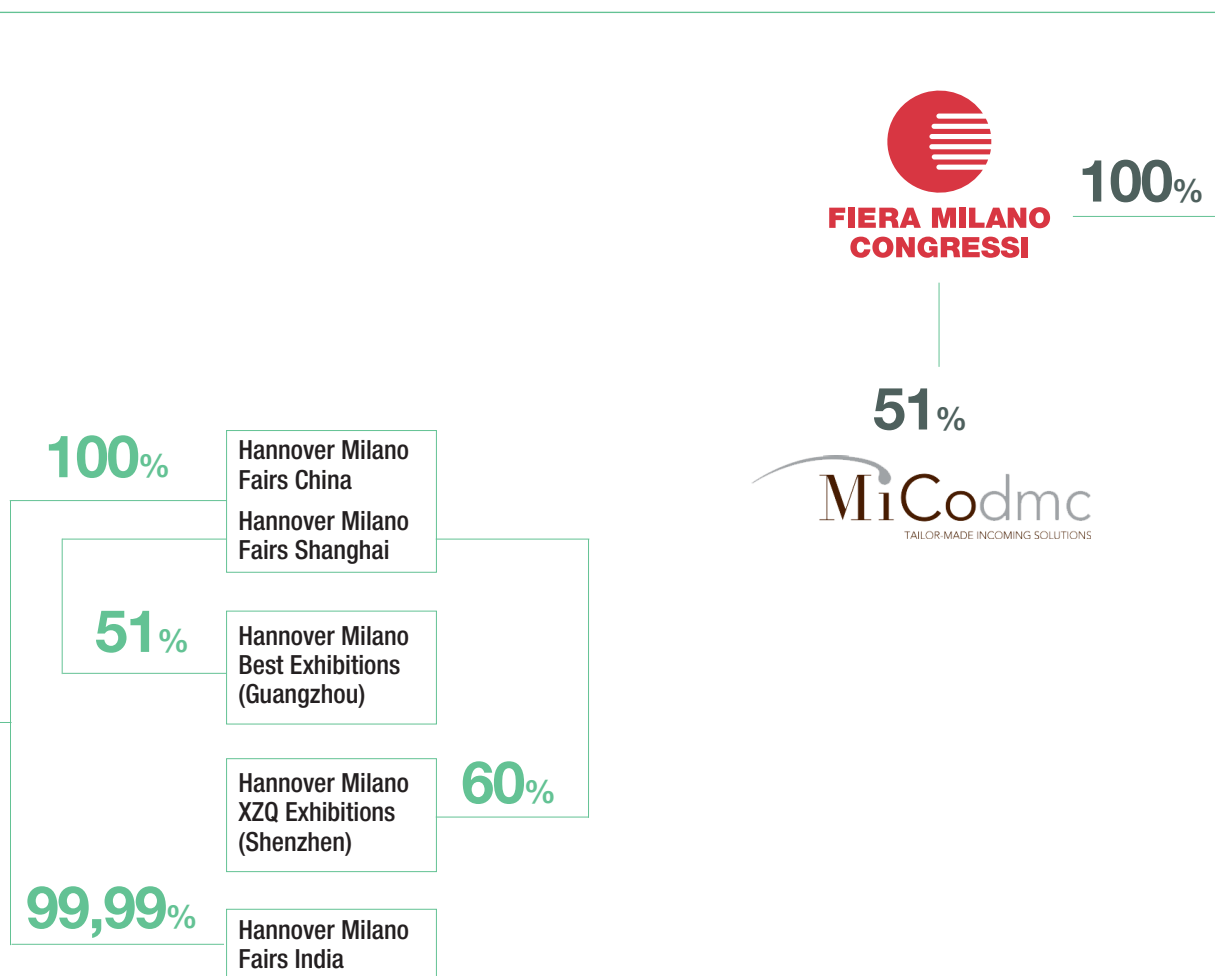
2019

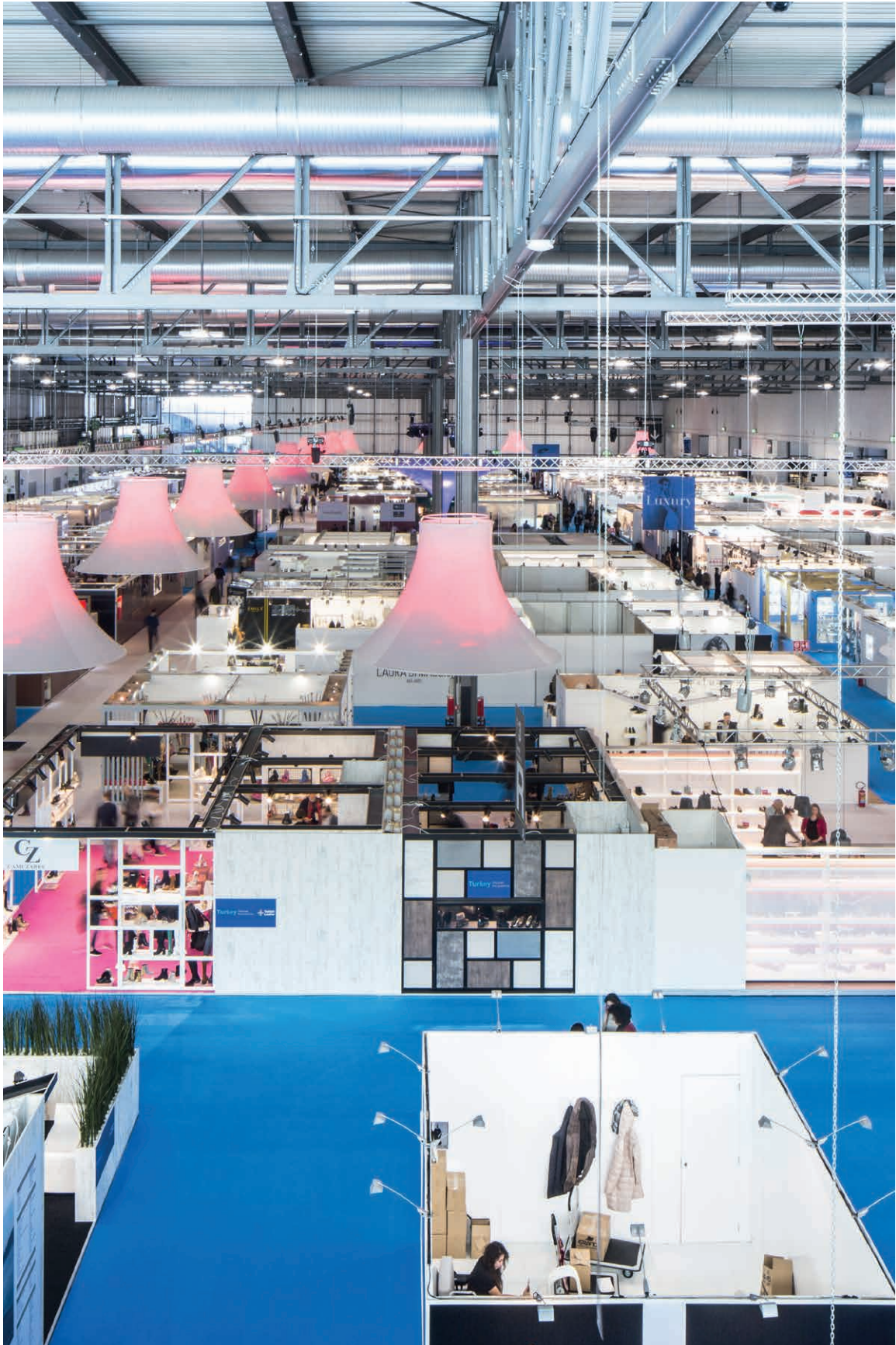
Group structure



* Società in liquidazione

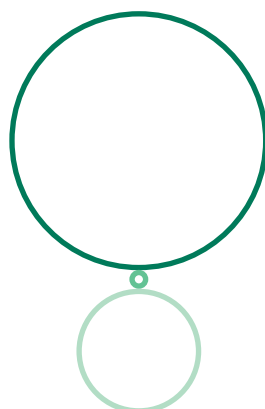
Congresses





Highlights

Performance

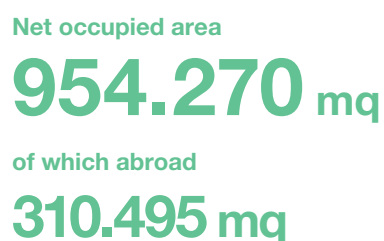


- **82,7%**
Italian Exhibitions
Business
- **0,1%**
Foreign Exhibitions
Business
- **17,2%**
Congresses

Business

Number of exhibitions	Of which abroad	Number of exhibitors	Of which abroad
47	17	17.600	5.265

Exhibition spaces



Human resources



Gross exhibition capacity



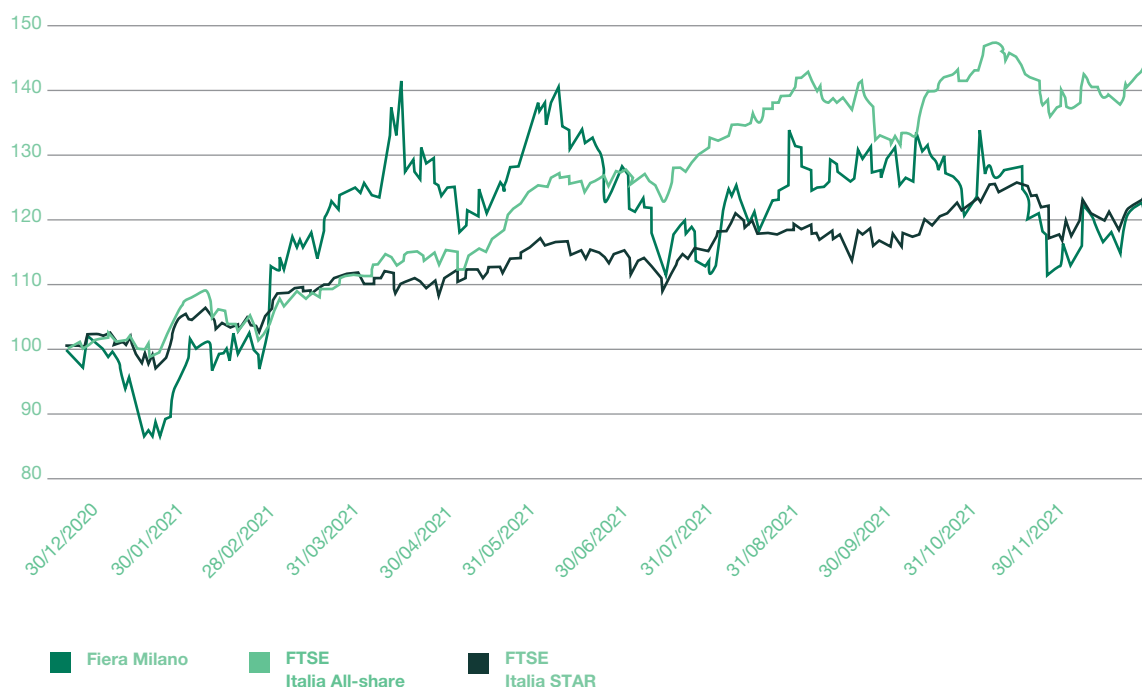
Women in the Group



Fiera Milano on the Stock Exchange

Fiera Milano S.p.A. has been listed in the STAR segment of Borsa Italiana SpA's MTA market since 12 December 2002. The STAR segment (High Performance Equities) is the MTA market segment, now Euronext Milan, trading securities with capitalisation of between Euro 40 million and Euro 1 billion issued by companies committed to satisfying the highest requirements of corporate governance and reporting. The chart below shows the performance of Fiera Milano shares in 2021 on the Euronext Milan, compared to that of the FTSE Italia All-Share and FTSE Italia STAR indices. Fiera Milano shares gained 16%, while the FTSE Italia All-Share and FTSE Italia STAR indices grew by 24% and 45% respectively.

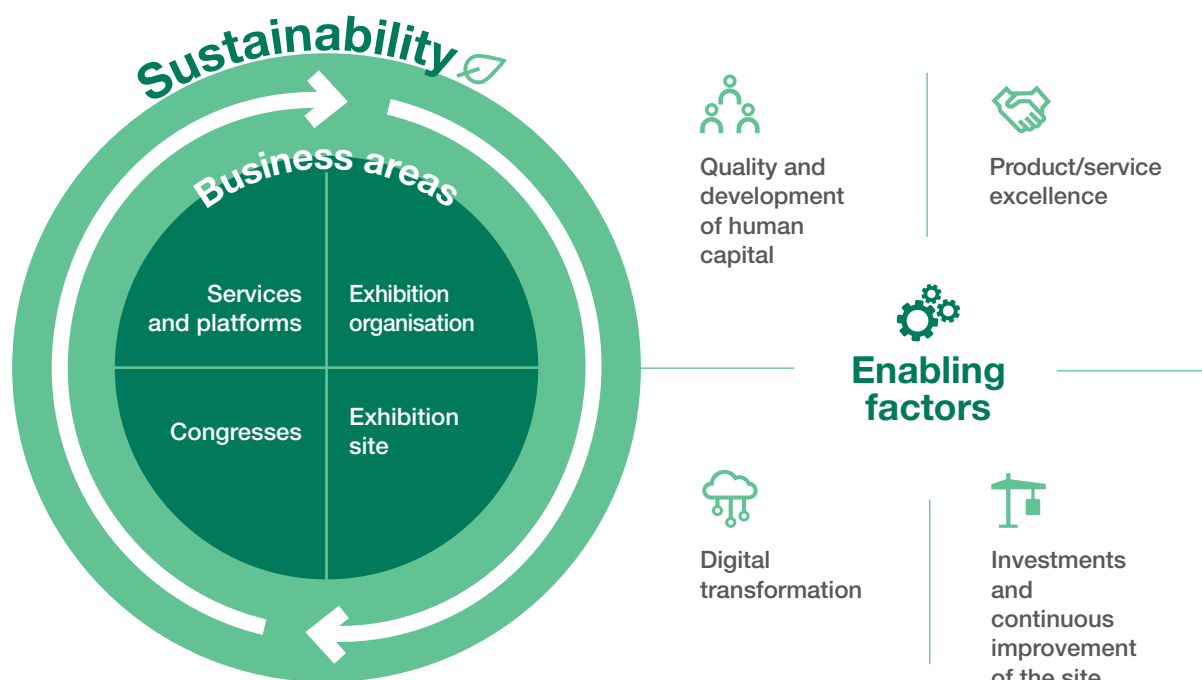
Fiera Milano share performance and the main indices (base 30.12.2020=100)



Listing and Capitalisation from 30/12/2020 to 30/12/2021

	Prices (euro)				Capitalisation (millions of Euro)			
	at 30/12/2020	maximum	minimum	at 30/12/2021	at 30/12/2020	maximum	minimum	at 30/12/2021
Fiera Milano	2,84	4,14	2,39	3,38	204	279	172	243

Strategy



Source: Fiera Milano, Roland Berger

Fiera Milano Group's strategy, outlined in the CONN.E.C.T. 2025 Strategic Plan communicated to the market on 22 February 2021, is based on four strategic lines:

- better promotion of services to capture their full potential;
- strengthening of the portfolio of directly organised exhibitions, expanding their international size and launching new events in resilient sectors linked to promising macro-trends;
- consolidation of leadership in the congress business, leveraging one of the most modern and largest congress centre in Europe;
- harnessing the potential of the Rho exhibition site, to strengthen ties with organisers and attract new exhibitions and events.

The execution of the Plan is based on a series of enabling and cross-cutting elements that see the quality and nurturing of human capital, product and service excellence, technological innovation and huge investments designed to improve the efficiency and competitiveness of the exhibition site as the fundamental pillars for achieving the set targets.

Sustainability becomes a key factor in the strategy with an impact right across the business.

Corporate Bodies and Independent Auditor

BOARD OF DIRECTORS

Carlo Bonomi	Chairman ^o
Luca Palermo	Chief Executive Officer
Alberto Baldan	Director*
Stefania Chiaruttini	Director*
Anna Gatti	Director*
Francesca Golfetto	Director*
Angelo Meregalli	Director*
Marina Natale	Director*
Elena Vasco	Director*

^o Independent Director under Art. 148, paragraph 3 of Italian Legislative Decree 58 of 24 February 1998.

* Independent Director under Art. 148, paragraph 3 of Italian Legislative Decree 58 of 24 February 1998 and the *Corporate Governance Code* of Borsa Italiana.

CONTROL, RISK AND SUSTAINABILITY COMMITTEE

Stefania Chiaruttini
Francesca Golfetto
Angelo Meregalli

APPOINTMENTS AND REMUNERATION COMMITTEE

Elena Vasco
Alberto Baldan
Marina Natale

BOARD OF STATUTORY AUDITORS

Monica Mannino	Chairman
Piero Antonio Capitini	Standing Statutory Auditor
Daniele Federico Monarca	Standing Statutory Auditor
Livia Amidani Aliberti	Substitute Statutory Auditor
Simone Bruno	Substitute Statutory Auditor

FINANCIAL REPORTING OFFICER ITALIAN LAW 262/2005

Andrea Maldi

SUPERVISORY BOARD, ITALIAN LEGISLATIVE DECREE 231/01

Enrico Maria Giarda

Luigi Bricocoli

Basilio Postiglione

The Board of Directors was appointed by the Shareholders' Meeting of 20 April 2020. The Directors' mandates will expire at the Shareholders' Meeting to approve the Financial Statements at 31 December 2022.

At the Shareholders' Meeting of 2 October 2020, the Chairman Mr Carlo Bonomi, co-opted by the Board of Directors on 25 April 2020, was confirmed in his role as Director and Chairman of Fiera Milano SpA. At the same Shareholders' Meeting, Luca Palermo was appointed to the Board of Directors of Fiera Milano S.p.A., bringing the number of members to nine.

Both directors appointed at the Shareholders' Meeting will expire with the entire Board of Directors with the approval of the financial statements at 31 December 2022.

Following his appointment by the Board of Directors on 15 December 2020, Mr Luca Palermo took over as Chief Executive Officer and General Manager from 1 January 2021.

The Board of Directors is invested with the broadest powers for the ordinary and extraordinary management of the Company; it has the power to carry out all acts it deems appropriate or useful to attain the corporate objectives, except for those which, pursuant to law, are reserved for the Shareholders' Meeting.

Under the law and the Company Articles of Association, the Chairman is the legal representative of the Company. He is also vested with all powers concerning Fiera Milano's institutional external relations.

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 28 April 2021 and its mandate expires at the Shareholders' Meeting to approve the Financial Statements at 31 December 2023.

INDEPENDENT AUDITORS

EY SpA

The mandate, given by the Shareholders' Meeting of 29 April 2014, is for the financial years 2014-2022.

Notice of Call of the Ordinary Shareholders' Meeting



FIERA MILANO

FIERA MILANO SpA

Registered office in Milan, Piazzale Carlo Magno 1

Operating and administrative offices in Rho (MI), S.S. del Sempione 28

Share Capital Euro 42,445,141.00 fully paid-up

Milan Register of Companies,

Tax code and VAT number 13194800150

Notice of Call of the Ordinary Shareholders' Meeting

The Shareholders' Meeting of Fiera Milano S.p.A. (the '**Company**') is convened in a single call for **22 April 2022 at 3.30 pm**, to discuss and pass resolutions relating to and resulting from the following

Agenda

1. Financial Statements at 31 December 2021:
 - 1.1 Approval of the Financial Statements at 31 December 2021, Report of the Board of Directors on Operations and Report of the Board of Statutory Auditors and of the Independent Auditors. Presentation of the Consolidated Financial Statements at 31 December 2021 and the 2021 Consolidated Disclosure of Non-financial Information pursuant to Legislative Decree no. 254/2016;
 - 1.2 Allocation of the result for the financial year.
2. Report on the Remuneration Policy and remuneration paid pursuant to Article 123-ter of Legislative Decree 58/98:
 - 2.1 binding resolution on the first section;
 - 2.2 non-binding resolution on the second section.
3. Authorisation to purchase and dispose of own shares under Articles 2357 and 2357-ter of the Italian Civil Code.

Representation at the Shareholders' Meeting

Pursuant to Article 3, paragraph 1, letter b of Italian Legislative Decree no. 228 of 30 December 2021 (Decreto Milleproroghe), as amended by Conversion Law no.15 of 25 February 2022, which extended until 31 July 2022, among others, the provisions of Art. 106, paragraph 4 of Italian Decree-Law 18 of 17 March 2020, **the Company established that attendance at the Shareholders' Meeting shall take place exclusively through Computershare SpA - with registered office in Milan, Via Lorenzo Mascheroni 19 - appointed for this purpose as Designated Representative pursuant to Art. 135-undecies of Italian Legislative Decree 58/98 (the Consolidated Finance Act), as participation in person or by proxy by third parties is not allowed.**

The proxy to the Designated Representative pursuant to Article 135-undecies may be issued by signing the form 'Proxy Form and Voting Instructions to Computershare S.p.A. as Designated Representative', available from 16 March 2022 (i.e. the date of publication of the notice of call) on the Company's website www.fieramilano.it in the 'Investors' section. The proxy pursuant to Article 135-undecies of the Consolidated Finance Act with the voting instructions, together with a copy of a valid document, must be attached to an email message to be sent to operations@pecserviziolitoli.it. A copy may be sent in advance by email to operations@computershare.it by the end of the second trading day before the date of the Shareholders' Meeting (i.e. by 20 April 2022). A proxy thus granted takes effect only for those proposals concerning which voting instructions have been issued. The proxy and voting instructions may be revoked within the same deadline as above (i.e. by 20 April 2022).

Please note that the Appointed Representative may also be granted proxies or sub-proxies pursuant to Article 135-novies of the Consolidated Finance Act as an exception to Article 135-undecies, paragraph 4, of the Consolidated Finance Act, exclusively using the 'Proxy or Sub-Proxy Form', available from 16 March 2022 (i.e. the date of publication of the call notice) on the Company's website www.fieramilano.it in the "Investors" section. The proxy pursuant to Article 135-novies of the Consolidated Finance Act with the voting instructions, together with a copy of a valid document, must be attached to an email message to be sent to operations@pecserviziolitoli.it. A copy may be sent in advance by email to operations@computershare.it.

The intermediary must communicate to the Company, certifying entitlement to participate in the Shareholders' Meeting. This is also necessary in case of the conferral of proxy or sub-proxy to the Company's Designated Representative; therefore, in the absence of the communication mentioned above, the proxy and/or sub-proxy shall be considered invalid.

The Authorised Representative is available for any request or information at the email address operations@computershare.it.

It is understood that participation in the Shareholders' Meeting will be allowed to the Authorised Representative and to the other parties entitled to attend, other than the shareholders, through electronic means of communication that allow the identification and immediate participation of the same, with electronic methods that the Company will communicate.

Information on share capital

The Company's subscribed and paid-up share capital amounts to Euro 42,445,141.00 and consists of 71,917,829 shares with no nominal value. The shares are indivisible and give the right to one vote each, except for treasury shares which do not confer such right. The Company holds 273,758 treasury shares at today's date, equal to 0.38% of the share capital.

Supplement to the Agenda

Shareholders who, even jointly, represent at least one fortieth of the Company's share capital may request, in writing, within ten days of the publication of this notice and, in compliance with the provisions of Article 126-bis

of the Consolidated Finance Act and Article 10.3 of the Articles of Association, additions to the list of items to be discussed, indicating in the request the additional items proposed or further proposals for resolutions on items already on the agenda. Such requests, together with certification confirming the ownership of the shareholding, must reach the Company at its certified email address fieramilano@legalmail.it or the email address investor.relations@fieramilano.it or by registered letter with return receipt at the operational and administrative offices of the Company at S.S. del Sempione 28, Rho (MI) (*Investor Relations Office*). By this deadline and using the same means, a report must be sent to the Company's Board of Directors containing the reasons for the additional resolution proposals submitted or relating to further resolution proposals submitted on matters already included in the agenda. The Company shall make the report available to the public, accompanied by its assessments, if any, at the same time as it publishes the news of the supplementation or presentation, following the procedures set out in Article 125-ter, paragraph 1, Consolidated Finance Act. A request to add to the agenda is not permitted for items on which the Shareholders' Meeting resolves, in accordance with the law, on the proposal of the Directors or pursuant to a project or report prepared by them.

Submission of draft resolutions

Since participation in this Shareholders' Meeting is allowed exclusively through the Appointed Representative, shareholders who intend to submit proposals on the agenda items are invited to send them by 28 March 2021 to the email address investor.relations@fieramilano.it or in hard copy to the Company's operating and administrative offices in Rho (MI), S.S. del Sempione 28 (Investor Relations Office), together with a copy of their identity document and documentation proving their entitlement to exercise their right under the law.

We recommend that proposals are formulated clearly and comprehensively, preferably accompanied by an explanatory report.

After verifying the relevance of the proposals for the agenda, as well as their completeness and compliance with the applicable regulations, the Company will disclose all the proposals (and any accompanying illustrative reports) received, within the deadline above, by publishing them on the Company's website at www.fieramilano.it in the "Investors" section by 7 April 2022.

Entitlement to attend the Shareholders' Meeting

Pursuant to the law and Article 12 of the Articles of Association, the right to participate in the Shareholders' Meeting and exercise the right to vote is certified by a notification to the Company, made by the authorised intermediary in accordance with its accounting records. The intermediary does this on behalf of the person entitled to vote, based on evidence recorded at the end of the accounting day of the seventh trading day before the date set for the Shareholders' Meeting (i.e. 11 April 2022, so-called '*record date*'); Credit and debit records completed in accounts after this deadline do not legitimise the right to vote at the Shareholders' Meeting. Consequently, persons who become owners of the Company's shares only after that date will not be entitled to attend and vote at the Shareholders' Meeting. The notification from the intermediary mentioned above must reach the Company by close of business on the third trading day before the date of the Shareholders' Meeting (i.e. by 19 April 2022).

Participation and voting rights are unaffected if the Company receives notification after this deadline, provided that it takes place before the beginning of the Shareholders' Meeting. Please note that the authorised intermediary notifies the Company at the request of the rights holder.

Right to ask questions on the agenda items

Holders of voting rights can submit questions on agenda items even before the Shareholders' Meeting, under the provisions of Article 127-ter of the Consolidated Finance Act, sending the questions via email to investor.relations@fieramilano.it or by registered letter with return receipt to the operational and administrative offices of the Company (*Investor Relations* Office). Such questions must reach the Company by 19 April 2022. The Company will answer the questions at the latest during the Shareholders' Meeting. The Company reserves the right to provide a single answer to the questions with the same content.

Documentation and Information

The Board of Directors' Reports and further documentation relating to items on the agenda, as required by current regulations, will be made available to Shareholders and the public (at the latest 31 March 2022), in accordance with laws and regulations, at the Company's registered office, the operational and administrative offices, S.S. del Sempione 28, Centro Servizi, Rho (MI), the *reception* offices, on the Company website www.fieramilano.it (in the '*Investors*' section) and on the authorised storage mechanism www.emarketstorage.com. Shareholders have the right to obtain a copy of the documentation mentioned above.

Rho (Milan), 16 March 2022

The Chairman of the Board of Directors

Carlo Bonomi



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31 December 2021

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Proposals for the
Ordinary Shareholders'
Meeting
(Report pursuant to
Article 125-ter, paragraph
1, Italian Legislative
Decree no. 58 of 24
February 1998, as
amended)

Summary of results and significant events during the year

The annual results were affected by the suspension of exhibitions and congresses in Italy, in the first half of the year, as required under Italian government regulations to contain and prevent the Covid-19 pandemic, which prevented the organisation of in-person events. Exhibitions could only be restarted from 15 June 2021 and congresses from 1 July 2021. The Group's results for the year largely reflect the activity carried out in the second half of the year as well as the effect of public grants received as compensation for the EBITDA losses caused by the Covid-19 pandemic in 2020 and 2021.

Exhibition and congress calendars had to be rescheduled, with most exhibitions being concentrated in the last four months of the year. Consequently, great efforts were made to reorganise the 2021 exhibition programme, with the principal objective being to host as many events as possible within the 4-month period while also seeking to create synergies between related sectors.

The new edition of the Salone del Mobile, known as the 'Supersalone', held in September, was the symbol of the restart of the exhibition sector. The event was also recognised at national level as an occasion for the economic system and country to restart. This was followed by exhibitions of the most representative economic sectors of Italian manufacturing: the entire fashion industry, automation, pharmaceuticals, industry, motorbikes, the food & beverage sector and professional hospitality, construction and security, and crafts. In just over three months, 30 exhibitions were hosted, attended by 9,695 exhibitors in a net exhibition space of 592,895 square metres.

In 2021, 22 congresses were held in the spaces managed by Fiera Milano Congressi. The most important include: Youth4Climate, Driving Ambition and Pre Cop 26, at MiCo in September. In October MiCo hosted World Routes, the most important event in the aviation industry, organised by Informa Markets.

Activities abroad, despite contingent difficulties, confirmed the positive trend compared to 2020, meeting expected objectives. Seventeen exhibitions were held in China, including major events such as: CeMAT Asia Shanghai, Chinafloor Domotex Shanghai, Motor Show Chengdu, PTC Asia Shanghai and the Wuhan Motor Show.

The resumption of business from the second half of the year, which saw a concentration of exhibition and congress events in the last four months, was tangibly reflected in the profit and loss account, generating revenue of Euro 130 million.

The table on the next page shows the key financial figures of the Group. When reading these figures, it should be remembered that the Group's business is seasonal due to exhibitions that take place every two years or at longer intervals. This makes a comparison between financial years more difficult. During the year, non-recurring transactions were recorded in relation to public grants for Euro 61.5 million, received to support exhibition activities following the epidemic emergency due to Covid-19 and in relation to the temporary reduction in rent granted by Fondazione Fiera Milano for Euro 5.5 million. There were no atypical and/or unusual transactions. For details and information on related-party transactions, reference is made to the Notes to the Consolidated Financial Statements.

Fiera Milano Group Summary of key figures

	Full year 31/12/21	Full year 31/12/20
(€ '000)		
Revenues from sales and services	129,756	73,635
EBITDA (a)	77,170	10,443
EBIT	31,936	(34,318)
Net profit/(loss) (continuing operations)	42,909	(34,152)
Net profit/(loss) (discontinued operations)	1,172	-
Net profit/(loss)	44,081	(34,152)
- Attributable to the shareholders of the controlling entity	44,359	(33,943)
- Attributable to non-controlling interests	(278)	(209)
Net capital employed (b)	473,516	536,675
covered by:		
Equity attributable to the Group	108,314	62,883
Equity attributable to non-controlling interests	671	348
Net financial debt/(cash) before IFRS 16 effects	(47,413)	23,872
Total net financial debt/(cash)	364,531	473,444
Investments (continuing operations and assets held for sale)	5,945	6,114
Employees (no. of permanent employees at year end)	669	707

(a) EBITDA is the operating result before adjustments to non-current asset values.

(b) Net capital employed is the sum of non-current assets, non-current liabilities and net working capital..

The main transactions and operations during the year are described below.

Operations to meet the Group's financial needs

During 2021, the Company worked to have adequate financial resources to ensure business continuity and to support its strategic plan. In 2021, medium-term financing of Euro 99 million was raised.

Fiera Milano also has short-term credit lines of Euro 75 million.

Measures to limit management and personnel costs continued throughout 2021. The Salary Integration Fund (FIS) was used until the end of June due to the pause in business activities.

Aid received following the epidemiological emergency

On 21 July, Fiera Milano received a contribution from Simest of Euro 10 million from the Integrated Promotion Fund to cover fixed costs not covered by profit for the period from 1 March 2020 to 31 December 2020.

Last December, the Fiera Milano Group received Euro 33.4 million in contributions from the fund established by Decree Law 34 of 19 May 2020 (converted with amendments by Law 77 of 17 July 2020) for the year 2020, and Euro 18.1 million from the fund established by Decree Law 41 of 22 March 2021 (converted with amendments by Law 69 of 21 May 2021) for the year 2021. These contributions were calculated on the EBITDA losses incurred during the lockdown periods as a result of the Covid-19 epidemic.

Congress development

With a view to developing the congress industry, last September Fiera Milano Congressi won a tender to manage the new international congress centre in Turin, which will be built on the site of the former Westinghouse factory. Work is expected to be completed between 2024 and 2025.

International business development

During 2021 Fiera Milano also signed two important partnerships with leading international players. In particular, it signed an agreement with the international exhibition group dmg events for the launch of FIND, a leading Asian event in the design sector, that will take place in 2022, 2023 and 2024 in Singapore. Thanks to this partnership agreement, in September 2022 Fiera Milano will host Gastech, the world's largest international event for the energy industry, at its exhibition site in Rho. More than 50,000 industry professionals and 1,000 exhibitors are expected to attend the event, to be held in a space of over 60,000 square metres.

Fiera Milano also signed a strategic partnership with Informa Markets, a leading global exhibition organiser with over 450 events in its portfolio. The agreement provides for mutual visibility in the respective markets for food and professional hospitality exhibitions.

One of the first appointments under the agreement is the participation of Italian companies in future editions of Fha-Horeca, an exhibition for the food and hotellerie industry, organised by Informa in Singapore.

Amendments to lease agreements with the parent company Fondazione

Starting from 31 March 2020, for the 2020 financial year, and later extended for the 2021 and 2022 financial years, in light of the serious impact of Covid-19, Fondazione Fiera Milano granted a temporary amendment to the terms of payment of the rentals under both Lease Agreements, so that payment is made quarterly in arrears rather than quarterly in advance.

On 20 December 2021, the Group and Fondazione Fiera Milano signed agreements concerning certain amendments to the existing lease agreements between the same parties, respectively as lessee and lessor, for the Rho and Milan exhibition centres.

For the sake of completeness of information, the subsidiary Fiera Milano Congressi S.p.A. ("Fiera Milano Congressi") has also signed today the agreements modifying the two lease agreements with the Fondazione Fiera Milano, concerning respectively: (i) pavilions 5 and 6, the pertaining areas and the car parks below the entrance square and (ii) pavilion 17.

The amendments to the aforementioned leases qualify as Significant Transactions pursuant to the Related Parties Procedure and Consob Regulation 17221/2010, thus amending a Significant Transaction between related parties. Pursuant to Article 9.1 of the Company's Related Party Procedure, the transaction was then approved by the Board of Directors on 20 December 2021, having obtained the favourable reasoned opinion issued (on the same date) by the Control, Risks and Sustainability Committee. On the same date, the Information Document drafted pursuant to Article 10.2 of the Related Parties Procedure and Consob Regulation No. 17221/2010 was filed and made available to the public at the registered office and at Fiera Milano's operational and administrative offices, on the Company's website and on the authorised storage mechanism. Concerning the above-mentioned procedure, please note that Fiera Milano is a smaller listed company and that, as such, it benefits from the exemption granted under Article 10, paragraph 1, of Consob Regulation 17221/2010. Therefore, without prejudice to public disclosure obligations, the same controls envisaged under the Procedure for Transactions of Lesser Importance are applied to Transactions of Greater Importance.

In addition, in light of the emergency situation, Fiera Milano and the parent company Fondazione have agreed to a temporary reduction in the rents of the Rho and Milan exhibition centres for 2021 due to excessive charges. For the same reasons, the rents charged to Fiera Milano Congressi were also reduced for 2021.

The total amount of the reduction is equal to Euro 5.5 million and is proportionally allocated to the individual lease agreements in place between Fondazione Fiera Milano, Fiera Milano and Fiera Milano Congressi. The transaction will allow the Group to derive economic and financial benefits and therefore falls within the scope of various

measures to reduce operating costs that Fiera Milano has implemented to deal with the effects of the pandemic on its operations, referring in particular to operating costs of exhibition centres and personnel costs.

Sustainability

As regards sustainability, Fiera Milano took important steps in the year, making sustainability an integral part of its business model.

For the first time the Group, within the CONN.E.C.T. 2025 strategic plan, defined the purpose, revised the mission, values and material topics. In the second half of the year, a project was launched with the aim of creating a structured framework on sustainability, defining the annual ESG objectives of CONN.E.C.T. 2025 and a clear strategy for continual improvement, also in the medium-long term, in line with the international challenges that the European Union has set itself at EU level.

Fiera Milano has embarked on a process to assess the environmental footprint of exhibitions held in its exhibition spaces, using the Life Cycle Assessment (LCA) approach. The LCA methodology makes it possible to quantify the overall environmental footprint – from start to finish – of products and services, but also events of any size, from planning and set-up to the staging of the event through to dismantling of stands, mobility and visitor accommodation. With its LCA assessment, Fiera Milano has made an important contribution to the carbon neutrality of the “supersalone” by facilitating the data collection process. The special 2021 edition of the Salone del Mobile saw the first-time adoption of a concrete sustainability strategy, including calculation and offsetting of its greenhouse gas emissions, setting out on a path to become a carbon neutral event.

In July, the Company was awarded UNI ISO 20121:2013 certification for sustainable events management in the following fields: planning, organisation, staging and hosting of exhibitions and support services.

The progress made by Fiera Milano in the area of sustainability was recognised with the award of the IGI 2021 (Integrated Governance Index) prize, in which Fiera Milano was ranked first in the “extra 100” category. Fiera Milano has also been included in the 2021 ranking of 150 companies who are “Leaders in Sustainability”, drawn up by Statista and Il Sole 24 Ore, which analysed over 1,500 companies.

In terms of initiatives for key stakeholders, priority was given to protecting the health and safety of employees, suppliers and customers. In particular, the protocol for containing the spread of Coronavirus has been further strengthened to ensure that visitors, exhibitors and organisers can safely participate in exhibitions and events held within the exhibition and congress centres.

In 2021, the Company launched an extraordinary training plan called “Fiera Milano Education” which is designed to improve employees’ skills and especially their digital capabilities.

Lastly, in November 2021 Fiera Milano decided to support the “NET ZERO CARBON EVENTS” initiative promoted by UFI, The Global Association of the Exhibition Industry, together with other associations from the congress and tourism world (JMJC Joint meeting industry council). The initiative was presented at COP26 in Glasgow with the aim of gathering support and the commitment of all stakeholders in order to achieve neutrality for events.

By joining the initiative, the Group and the other signatories have committed to achieving zero net GHG emissions by 2050, in line with the global targets set by the Paris Agreement to limit global warming to 1.5°C, to slash global GHG emissions by 50% by 2030 and to actively promote and support the industry's efforts throughout the value chain. As a signatory, Fiera Milano has the opportunity to participate in the various working groups that will help develop measurement methods, draw up the industry roadmap and collaborate on projects involving the wider value chain of the exhibition sector.

Other information

- On 25 January 2021, Fiera Milano Media S.p.A. signed a preliminary contract for the sale of the publishing business unit to Quine Srl, a publisher specialising in technical magazines in the engineering, mechanical, food and construction sectors. The sale included the publications in the Tech, Ho.Re.Ca. and ICT sectors, the associated employees and agents. The transaction was finalised on 23 February 2021 with the signing of the definitive contract effective from 1 March 2021.
- In January 2021, Fiera Milano was actively involved in promptly reporting a situation that had come to its attention through whistleblowing channels to the Milan Public Prosecutor's Office; controls carried out by the Company confirmed that all applicable internal procedures had been duly complied with.

The controls were carried out in full cooperation with the competent authorities who, during the course of their investigations, identified a non-managerial employee of the Parent Company responsible for the alleged unlawful activities against whom appropriate action was taken, including, on the part of the Parent Company, immediate suspension from work as a precautionary measure for all Fiera Milano Group companies and subsequent dismissal. The company, as an injured party, is waiting for the notification of the order to close the investigation and may evaluate the possibility of starting proceedings as claimant to protect its interests.

- In February 2021, the Fiera Milano Group presented its 2021-2025 strategic plan: CONN.E.C.T. 2025 (Connections, Exhibitions, Community, Transformation). The aim of the plan is to conform and strengthen Fiera Milano's role as a strategic partner supporting companies in their processes of innovation, growth and internationalisation. The Plan targets the creation of long-term value for shareholders and all stakeholders. To speed up implementation of the CONN.E.C.T. 2025 strategic plan, some changes have been made to the company's organisational structure, including the introduction of managers and other external resources.
- The Parent Company's Ordinary Shareholders' Meeting was held on 28 April 2021. It approved the financial statements for the year ended 31 December 2020 and resolved to carry forward the net loss for the year of Euro 24,755,603.60. It also appointed the Board of Statutory Auditors for the financial years 2021-2023 and set their remuneration. The Ordinary Shareholders' Meeting also approved the content of the First and Second Section of the Remuneration Report, relative to the Company policy on the remuneration of the Board of Directors. Finally, the same Shareholders' Meeting approved the 2021-2022 Performance Shares Plan drafted pursuant to Art. 114-bis of Legislative Decree 58/98.
- 14 December 2021 saw the signature of the deed of merger of the wholly-owned subsidiary Fiera Milano Media SpA into the Parent Company Fiera Milano SpA.; the merger will take effect for tax and accounting purposes from 1 January 2021. The merger did not provide for any share swap, as the newly incorporated company was already fully owned by Fiera Milano SpA.

Macroeconomic reference background

Macroeconomic trend

In 2021, GDP grew by 5.9%¹ worldwide, after a 3.1% drop in 2020 due to the outbreak of the pandemic and the measures taken to contain it. Advanced economies reported a 5% increase, while emerging and developing markets grew by 6.5%.

Although the world economy grew compared to the previous year, the global scenario is affected by elements that make the outlook uncertain: difficulties in supply chains, which affected Europe and the United States in particular; the spread of new Covid variants, which have prompted several countries to impose new restrictions; the continued rise in inflation, driven both by increasing energy costs and the aforementioned crisis in supply chains, and by a demand that has come back strongly after the restrictions imposed in 2020.

Eurozone GDP grew by 5.3%²; After a decline of 4.6% in 2020, Germany reported a growth of 2.8% in 2021. In the second and third quarters, the German economy benefited from the easing of pandemic-related restrictions and an increase in consumer spending. However, exports and investments were held back by bottlenecks in supply chains that affected production and business sentiment. In the fourth quarter, German GDP fell by 0.7 % due to a drop in investments and a slowdown in consumer spending, driven by rising inflation.

Italy's GDP grew by 6.5% in 2021, a sharp jump from the previous year, when GDP fell by 8.9%. Italian industrial production grew in 2021: against a 2020 decline of 11.4%, the rebound in 2021 was 11.8%, recovering the pre-pandemic level³ and doing better than Germany and France, which did not recover the 2020 loss. Observation on a quarterly basis, however, shows that the pace slowed down as the months passed⁴: in the first two quarters of 2021, production grew by +1.5% and +1.2% respectively compared to the previous quarters, in the third quarter production went up by 1.0% and for the fourth quarter, growth is estimated at 0.5%. The slowdown is attributable to difficulties on the supply side: the shortage of certain production inputs caused by bottlenecks along the supply chains has also had an impact on Italy, as has the sharp rise in the European price of gas and, therefore, electricity in Italy (+572% in December compared to the pre-crisis period). Although on a downward trend, 2021 ended with a result beyond expectations, with Italian manufacturing able to bounce back in a convincing manner after the double-digit slump of 2020, which was in any case lower than the first estimates made in the spring, during the hardest moments of the pandemic.

World trade⁵ is expected to grow by 10.8% in 2021, after a decline of 5.3% in 2020. The mean figure conceals two different rates of growth: in particular, in developing areas, where vaccines are in short supply, growth has slowed. Differences in vaccination rates between various geographical areas has created space for the development and spread of new variants, which could lead to new restrictions and damage the economy. Trade in services continues to be affected by the negative performance of travel, which has not yet recovered to pre-pandemic levels and is currently expected to stabilise at a lower level than before 2020.

¹ IMF; World Economic Outlook Update, January 2022

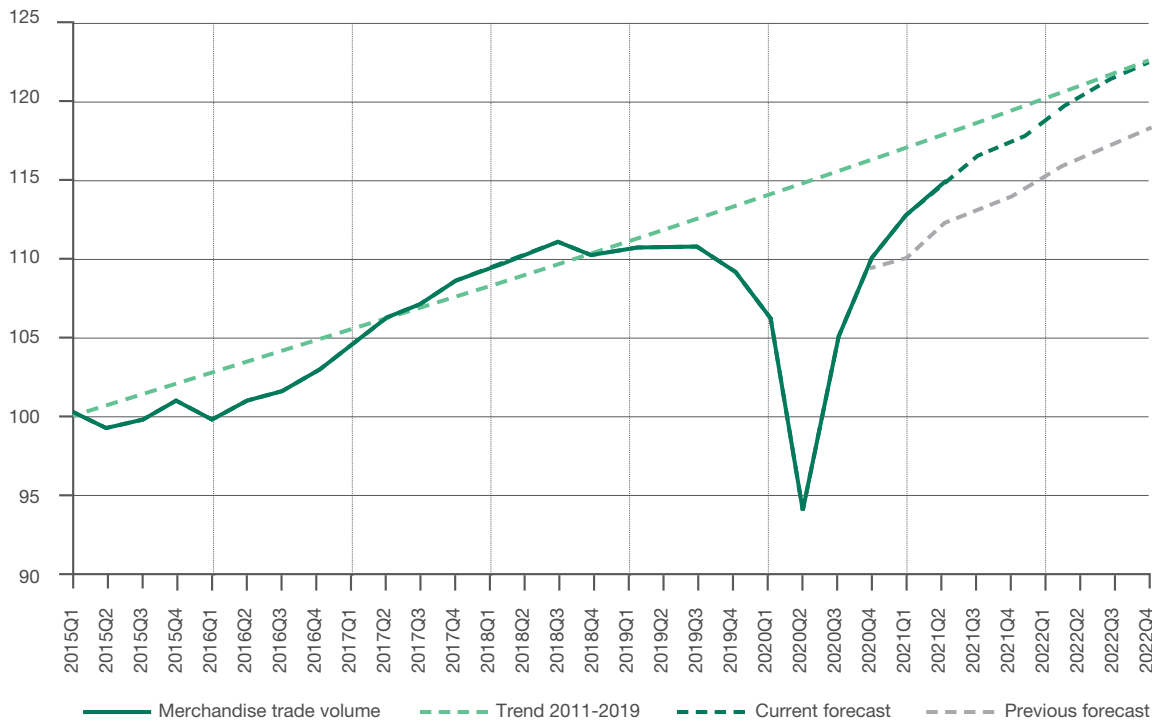
² European Economic Forecast Winter 2022

³ ISTAT

⁴ Centro Studi Confindustria February 2022, January 2022, December 2021, November 2021

⁵ WTO, October 2021

Volume of global trade 2015-2022



Source: WTO, October 2021

Vaccinations have proven to be an important driver in reducing travel restrictions imposed by governments around the world and allowing borders to be reopened, but air transport indicators continue to fail to recover to pre-pandemic levels: in 2021, demand⁶, driven mainly by the domestic market, was 40% of that recorded in 2019, and a return to pre-pandemic levels is not expected in 2022 either, as the forecast is to reach 61% of demand in 2019. IATA estimates that overall losses for the industry in 2020-2022 will amount to USD 201 billion.

The exhibition sector

The impact of Covid-19 on the global exhibition sector has been greater than initially assumed, due to the prolonged restrictions associated with the spread of new variants. Ufi⁷, on the basis of surveys conducted periodically among its members, estimated that in 2021 the turnover of the global exhibition system averaged only 41% of the total turnover achieved in 2019, with some differences between geographical areas: in North America and Europe, the sector accounted for 47% of 2019 turnover, while Central and South America and Africa and the Middle East only accounted for 35% and 32% of 2019 turnover respectively. Asia is in line with the global average figure, i.e. 41% of 2019 turnover.

The situation showed a general improvement during 2021: the percentage of organisations reporting no activity fell from 34% in July to 16% in December and players reporting a normal level of activity rose from 18% in July to 40% in December. In terms of operating profit or loss, globally, 27% of respondents said they had experienced a loss and 26% said their profits had fallen by more than 50% compared to 2019.

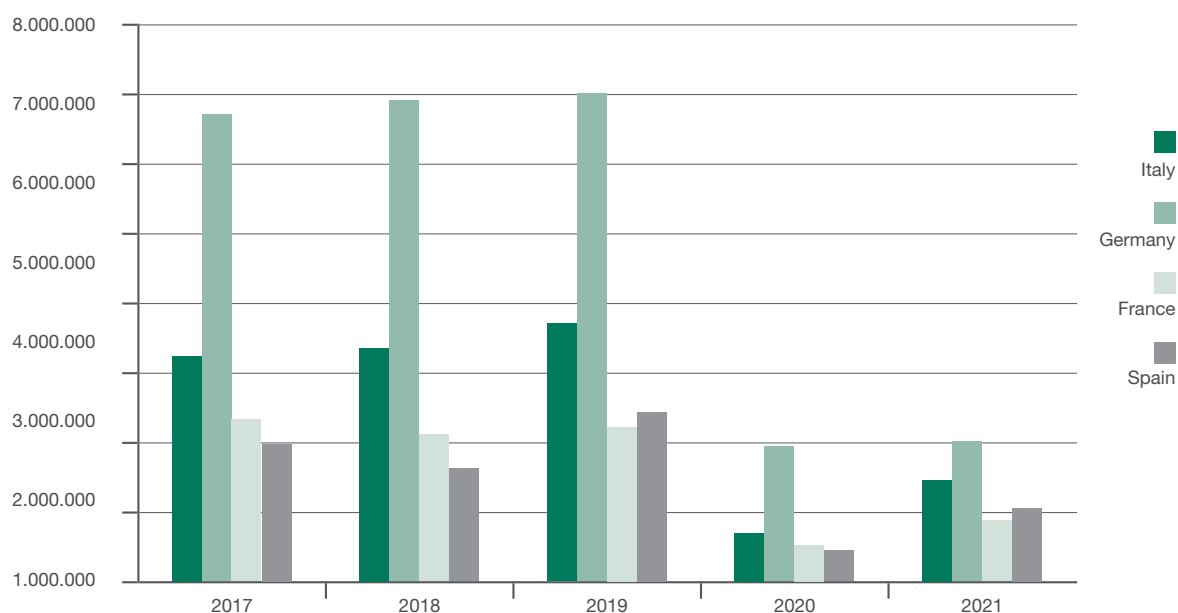
⁶ IATA, October 2021

⁷ Ufi- The Global Association of the Exhibition Industry - Global Barometer, February 2022

The main European exhibition countries still recorded losses compared to 2019, although in most cases less marked than the previous year. Due to the restrictions imposed, the Italian exhibition system could only operate from 15 June 2021 onwards: 172 international exhibitions and 163 national exhibitions were held during these months⁸. These were fairs with a smaller international presence and more compact size, often including a digital component. Access to the exhibition halls was regulated by government protocols and guidelines developed with the aim of managing a 'new normal'. The sector was also able to count on compensation from the Ministry of Tourism and the Ministry of Foreign Affairs and International Cooperation / Simest, as well as incoming support from ICE and contributions from the Regions for both exhibitions and participating companies. Overall, rented square metres in Italy in 2021 are estimated to have fallen by around 60% compared to 2019, while the contraction in 2020 was stronger (-80%).

In Germany, 2021 ended with a higher cancellation rate than 2020: according to AUMA, 71% of the 380 scheduled exhibitions in Germany were cancelled or postponed in 2021, while in 2020 68% of the scheduled exhibitions were cancelled or postponed. The significant international dimension of exhibitors and visitors makes the German exhibition system more exposed to the difficulties and uncertainties associated with international travel and regulations on foreign access criteria, which have been constantly changing during 2021 due to the development of the pandemic. In France, exhibitions were also able to operate from the second half of the year onwards; however, the fairs that were held were smaller in size and with a reduced international dimension, but still showed a recovery compared to 2020. Spain was among the first European countries to restart the organisation of exhibitions in March 2021, ahead of all other major European countries.

Square metres rented out at international exhibitions



Source: Fondazione Fiera Milano Research processing of Euro Fair Statistics data

During 2021, organisers continued to develop digital formats: webinars, matching, panel discussions, virtual fairs, and e-commerce platforms, sometimes creating a mix of in-person events (where possible) and digital solutions to offer hybrid platforms. However, research by⁹ UFI shows that alternative solutions have often proved insufficient to meet the needs of exhibitors and replicate the opportunities offered by in-person exhibitions: 66% of the companies surveyed stated that they had fewer business opportunities; 51% experienced a lower visibility of their brand and according to 44% of the exhibitors fewer leads were generated. On the visitor side, digital tools also presented some problems: while it is true that digital formats are competitive in terms of cost of attendance and quality of training content, visitors believe that in-person events offer more networking and business opportunities and more chances to discover new things.

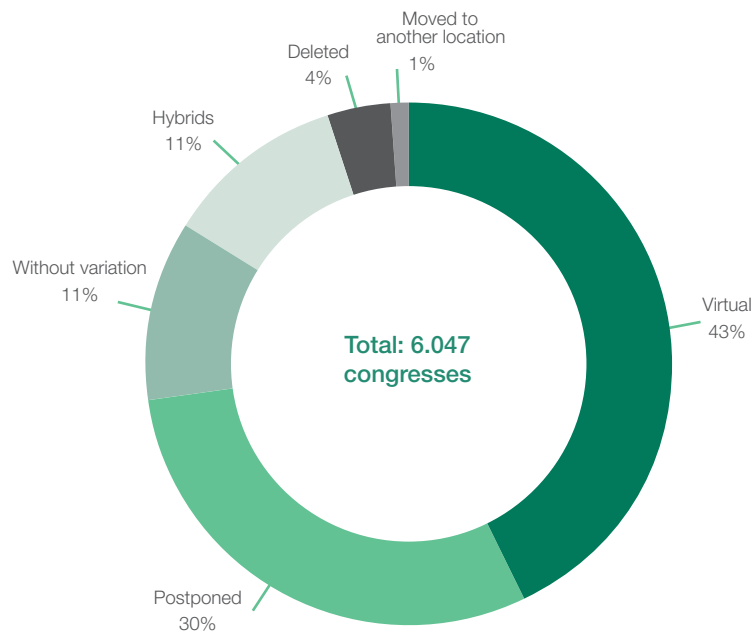
⁸ AEFI

⁹ UFI - The Global Association of the Exhibition Industry - Global Recovery Insights 2021 - The road to recovery

Congress and events sector

The congress and events sector was also among those most affected by the pandemic: in 2021, virtual or hybrid events took centre stage, so much so that a Global DMC Partners¹⁰ survey of international event organisers shows that 79% of respondents organised virtual events and 43% organised hybrid events. ICCA¹¹ (International Congress and Convention Association) also confirms the trend: of the 6,000 international association congresses scheduled to take place in 2021, more than half had a virtual (40%) or hybrid (11%) format. The number of postponed events was one third of those planned, and only 11% were regularly attended.

ICCA Congresses per segment (2021)



Source: ICCA, 2021

Compared to 2020, cancellations (down from 14% in 2020 to 4% in 2021) and postponements (down from 44% to 30%) decreased and virtual events (30% of the total in 2020, up to 43% in 2021) and hybrid events (up from 2% in 2020 to 11% in 2021) increased. Hybrid and virtual formats have therefore offered solutions to give continuity to congress products and have made it possible to organise training and in-depth sessions with a potentially wider audience, without geographical barriers, but they have also highlighted limits linked to the lack of appropriate skills and technologies, as well as fewer opportunities for interaction and relationship building than in-person events, as is also the case for exhibitions. It appears that organisers are unwilling to invest permanently in these formats: the Global DMC Partners survey shows that only 19% of organisers said they would develop virtual events once they could organise in-person events, while the share of those who wanted to offer hybrid solutions was 20%. However, there is a large proportion of uncertainties, representing 27% of organisers in the case of purely virtual proposals, and as many as 37% of respondents in the case of hybrid proposals.

In Italy in 2021, activity declined compared to the pre-pandemic period: according to a survey¹² conducted in October 2021 by ASERI (Alta Scuola di Economia e Relazioni Internazionali) of the Cattolica University, 33% of venues hosting congresses and events expected a reduction in the number of events hosted of more than 60% compared to 2019, while 30% estimated a reduction of between 40% and 60%. Only 12% of the venues expected to end the year with decreases of less than 20%. As a result, venues expected to experience a percentage reduction in turnover compared to 2019 of more than 60% in 37% of cases and between 40% and 60% in 29% of cases. Only 11% estimated a drop in turnover of less than 20%.

¹⁰ Global DMC Partners – 2021 Q2 Meetings & Events Pulse Survey

¹¹ A preliminary view on our industry and its foreseeable future, 2021

¹² The impact of Covid-19 on the Italian meetings industry: the outlook for venues for events and congresses in 2021, ASERI, 2021

Future outlook and emerging trends

In a still uncertain climate, a moderate optimism is emerging, both in the exhibition industry and events and conferences sector, with the possibility of restarting in-person events.

According to the results of research conducted by Ufi¹³, in 2022 there will be a significant rebound in exhibition activity and a recovery in turnover, although not yet to pre-pandemic levels: global revenues are expected to average 71% of recorded sales in 2019, marking a significant rebound. According to estimates in North America and Europe, the sector will reach 79% and 75% of recorded sales in 2019, respectively, and Central and South America will reach 72%. Asia and Africa Middle East are expected to be below the global average figure (68% and 58% of 2019 revenues respectively).

Among exhibition players, confidence in face-to-face events is growing, optimism about a return to face-to-face exhibitions is increasing and the virtual or hybrid component is losing ground: 80% believe that Covid has confirmed the value of face-to-face events (this figure was 64% a year ago); 44% expect fewer international events and fewer participants in general (down sharply from 63% a year ago); lastly, 73% think there is a push towards hybrid events, with more digital components (80% a year ago).

International event and conference professionals expect that by 2022, 81% of events will have at least one in-person component¹⁴: according to respondents, 42% of meetings will be face-to-face only, 39% will be have a hybrid format and just 19% will only be virtual. Budgets are also expected to grow: 64% believe that spending on meeting organisation will increase in 2022. Two out of three respondents expect a return to normality within one to two years. The main factors, with the exception of Covid 19 restrictions, that could influence the planning of face-to-face meetings are in 58% of cases confidence in respecting safety protocols for participants and in 55% flexibility in adapting to changes.

In Italy, too, optimism is confirmed for a return to in-person events, with percentages in line with global figures: more than 60% of venues hosting congresses and events in October 2021¹⁵ estimated the time needed to return to the pre-Covid number of in-person meetings as 1 to 2 years. About 20% expected a return to normality within 3-4 years, but uncertainty weighed on the proportion who were unable to make a prediction at the time of the survey: this accounted for 11% of the venues.

Sustainability is a relevant issue for the MICE sector as a whole, and the sector is gearing up not only at the operational, individual player or supplier level, but also at the systemic level: with this in mind, an important new initiative, Net Zero Carbon Events, was set up. In November 2021, at COP26 in Glasgow, participating countries presented plans to reduce greenhouse gas emissions by 50% by 2030 in order to comply with the 2015 Paris Agreement. Different sectors, including the MICE industry, are preparing to reach this goal, with the ultimate aim of achieving zero net emissions by 2050. Net Zero Carbon Events is promoted by UFI and the other JMIC (Joint Industry Council) member associations, such as ICCA (International Congress and Convention Association) and AIPC (International Association of Convention Centres). The project aims to bring together the players of the exhibition industry (exhibition centres, organisers, exhibitors, service providers) to communicate the sector's commitment to tackling climate change, with a united front, and will: develop common methodologies for measuring greenhouse gas emissions; build a roadmap; foster collaboration along the event production chain; establish common mechanisms for reporting and sharing best practices.

¹³ Ufi- The Global Association of the Exhibition Industry - Global Barometer, February 2022

¹⁴ 2022 Global Meetings and Events Forecast, American Express

¹⁵ The impact of Covid-19 on the Italian meetings industry: the outlook for venues for events and congresses in 2021, ASERI, 2021

Income and financial performance for the year ended 31 December 2021

Income performance

The Consolidated Income Statement is presented below.

The Consolidated Income Statement

(€'000)	2021		2020	
		%		%
Revenues from sales and services	129.756	100	73,635	100
Cost of materials	1,722	1.3	1,586	2.2
Cost of services	74,344	57.3	45,519	61.8
Costs for use of third party assets	517	0.4	453	0.6
Personnel expenses	41,489	32.0	31,852	43.3
Other operating expenses	2,942	2.3	2,467	3.4
Total operating costs	121,014	93.3	81,877	111.2
Other income	73,146	56.4	16,875	22.9
Results of equity-accounted companies	1,207	0.9	532	0.7
Allowance for doubtful accounts and other provisions	5,925	4.6	(1,278)	(1.7)
Operating result before adjustments to non-current asset values (EBITDA)	77,170	59.5	10,443	14.2
Depreciation and amortisation	45,212	34.8	44,761	60.8
Adjustments to asset values	22	0.0	-	-
Operating result (EBIT)	31,936	24.6	(34,318)	(46.6)
Financial income/(expenses)	(13,392)	(10.3)	(12,707)	(17.3)
Valuation of financial assets	-	-	-	-
Profit/(loss) before income tax	18,544	14.3	(47,025)	(63.9)
Income tax	(24,365)	(18.8)	(12,873)	(17.5)
Profit/(loss) from continuing operations	42,909	33.1	(34,152)	(46.4)
Profit/(loss) from discontinued operations	1,172	0.9	-	-
Profit/(loss):	44,081	34.0	(34,152)	(46.4)
- attributable to the shareholders of the controlling entity	44,359	34.2	(33,943)	(46.1)
- attributable to non-controlling interests	(278)	(0.2)	(209)	(0.3)

Revenues from sales and services amounted to Euro 129,756 thousand, up by Euro 56,121 thousand compared to the figure of Euro 73,635 thousand in 2020. The increase in revenues is due to the resumption of in-person exhibitions and congresses starting from mid-June for exhibitions, and from July for congresses. The upturn in revenues is mainly thanks to the fact that the year was a "biennial odd-numbered year" that included exhibitions such as Host, Sicurezza, Tuttofood and Made Expo, the multi-year EMO and CPHI events, and biennial exhibitions including Vitrum and Made in Steel. All this was thanks to the rescheduling of the exhibition and congress calendar, which postponed the events originally planned for the first half of the year to the second half where possible. In addition, unlike the current year, some exhibitions were held in a reduced form in 2020,

including the directly organised HOMI Fashion&Jewels and the hosted exhibitions The Micam autumno and Lineapelle-A new point of view. The long suspension in the first half of the year due to the Covid-19 pandemic led to the cancellation of several important exhibitions (Lineapelle I semester, Milano Unica Spring and The Micam Spring). The postponement of the Transpotec & Logitec biennial exhibition to 2022 should also be noted.

As far as congresses are concerned, two important events on climate change were held at MiCo: Youth4Climate and Pre Cop 26 as well as Driving Ambition in September. Meanwhile in October MiCo hosted World Routes, the aviation industry's foremost event, organised by Informa Markets. In contrast, congress activity was suspended during the same period of 2020.

EBITDA amounted to Euro 77,170 thousand compared to Euro 10,443 thousand in 2020, an increase of Euro 66,727 thousand. Worth mentioning is the strong restart of the business, which saw in particular a concentration of exhibitions and congresses in the last four months, as well as non-recurring public grants received during the year as compensation for the EBITDA losses caused by the Covid-19 pandemic in the 2020 and 2021 financial years.

EBIT was equal to Euro 31,936 thousand compared to Euro -34,318 thousand in 2020, marking an increase of Euro 66,254 thousand. The positive change mainly reflects the trend in EBITDA.

Net financial expenses came to Euro 13,392 thousand compared to expenses of Euro 12,707 thousand in 2020. The negative change of Euro 685 thousand was mainly due to the greater impact of financial charges deriving from bank loans to meet the Group's financial requirements. This effect was partially offset by lower financial expenses on leased assets, related to the *lease liability* arising from the adoption of IFRS 16.

Profit before income tax amounted to Euro 18,544 thousand compared to Euro -47,025 thousand in 2020.

Profit/(loss) from continuing operations amounted to Euro 42,909 thousand (Euro -34,152 thousand in 2020).

Profit/(loss) from discontinued operations amounted to Euro 1,172 thousand and relates to the sale of the publishing business unit (zero in 2020).

At **31 December 2021** a profit of Euro 44,081 thousand was recorded, compared to a net loss of Euro -34,152 thousand the previous year. The change reflects the trend in EBIT and mainly benefits from the positive impact of deferred taxation following the exercise of the option for the tax realignment of certain assets.

For further details, see the Notes to the Consolidated Financial Statements.

Net profit is **attributable** as follows:

- Euro -44,359 thousand **to shareholders of the controlling entity;**
- Euro -278 thousand **to non-controlling interests.**

Equity and financial performance

The table below shows the Restated Consolidated Balance Sheet.

Reclassified Consolidated Statement of Financial Position

(€'000)	31/12/21	31/12/20
Goodwill	95,036	95,036
Intangible assets with a finite useful life	18,518	17,006
Right-of-use assets	392,512	431,668
Tangible fixed assets	5,808	7,040
Other non-current assets	61,787	43,062
A Non-current assets	573,661	593,812
Inventory and contracts in progress	3,354	5,557
Trade and other receivables	31,130	26,705
B Current assets	34,484	32,262
Trade payables	50,602	19,904
Payments received on account	35,992	30,577
Tax liabilities	4,955	3,849
Provisions for risks and charges and other current liabilities	29,181	13,368
C Current liabilities	120,730	67,698
D Net working capital (B - C)	(86,246)	(35,436)
E Gross capital employed (A + D)	487,415	558,376
Employee benefit provisions	9,529	10,062
Provisions for risks and charges and other non-current liabilities	4,370	11,639
F Non-current liabilities	13,899	21,701
G NET CAPITAL EMPLOYED continuing operations (E - F)	473,516	536,675
H NET CAPITAL EMPLOYED assets held for sale	-	-
TOTAL NET CAPITAL EMPLOYED (G + H)	473,516	536,675
covered by:		
Equity attributable to the Group	108,314	62,883
Equity attributable to non-controlling interests	671	348
I Total equity	108,985	63,231
Cash & cash equivalents	(148,298)	(20,442)
Current financial (assets)/liabilities	49,879	93,052
Non-current financial (assets)/liabilities	462,950	400,834
Net financial debt of continuing operations	364,531	473,444
Net financial debt of assets held for sale	-	-
L Net financial debt (TOTAL)	364,531	473,444
EQUITY AND NET FINANCIAL DEBT (I+L)	473,516	536,675

The items in the Restated Balance Sheet correspond to those in the Consolidated Statement of Financial Position.

Total **net capital employed** at 31 December 2021 amounted to Euro 473,516, decreasing by Euro 63,159 thousand compared to the figure at 31 December 2020 (Euro 536,675 thousand).

At 31 **December 2021**, non-current assets totalled Euro 573,661 thousand compared to Euro 593,812 thousand at 31 December 2020. The decrease of Euro 20,151 thousand relates to the balance between investments for Euro 5,945 thousand, rights of use for Euro 440 thousand, depreciation and amortisation for Euro 45,212 thousand, receivables for tax consolidation for Euro 8,743 thousand, increases in deferred tax assets for Euro 10,713 thousand, the recognition of investments in equity for Euro -690 thousand, exchange differences for Euro 222 thousand, and other changes for Euro -312 thousand.

Net working capital, which is the balance of current assets and current liabilities, went from Euro -35,436 thousand at 31 December 2020 to Euro -86,246 thousand at 31 December 2021. The change is mainly attributable to the recovery of exhibition and congress activities in the second half of the year, which led to an increase in particular in payables to suppliers and exhibition organisers. In structural terms, the Fiera Milano Group has a negative net working capital due to the favourable cash management cycle of exhibitions, as clients pay part of the attendance fee in advance.

As regards the **Net financial debt** not including IFRS 16 *lease liabilities*, the Group's net cash at 31 December 2021 amounted to Euro 47,413 thousand, compared to net financial debt of Euro 23,872 thousand at 31 December 2020. The improvement of Euro 71,285 thousand was due to the positive cash flow generated by the resumption of operating activities as well as to public grants received as compensation for the losses in EBITDA caused by the Covid-19 pandemic in the 2020 and 2021 financial years.

The net financial debt including the IFRS 16 *lease liability* amounted to Euro 364,531 thousand (Euro 473,444 thousand at 31 December 2020).

Details of net cash/debt are given in the Notes to the Consolidated Financial Statements.

With reference to **total shareholders' equity**, the following table shows the reconciliation items between the values and result for the year of the Parent and those of the Consolidated Financial Statements:

Statement of reconciliation between Fiera Milano SpA and the Consolidated Financial Statements

(€'000)	Full year 2021		Full year 2020	
	Equity	Profit/(loss)	Equity	Profit/(loss)
PARENT COMPANY EQUITY AND PROFIT/(LOSS)	102,133	36,622	65,168	(24,756)
Equity and profit/(loss) of consolidated companies	30,392	6,805	23,008	(9,467)
Intragroup dividends	-	-	-	-
Elimination of carrying value of consolidated investments	(56,291)	-	(90,612)	-
Goodwill arising from acquisitions	6,070	-	12,020	-
Write-down of investments, net of tax effect	25,846	644	52,811	-
Elimination of write-downs of intergroup loans and financing	33	-	44	62
Elimination of intragroup margins	752	10	742	9
Minor consolidation adjustments, net of tax effect	50	-	50	-
TOTAL EQUITY	108,985	44,081	63,231	(34,152)
of which attributable to non-controlling interests	671	(278)	348	(209)
GROUP EQUITY AND PROFIT/(LOSS)	108,314	44,359	62,883	(33,943)

Investments

In the financial year ended at 31 December 2021, investments totalled Euro 6,684 thousand and break down as follows:

Investments

(€'000)	Full year to 31/12/21	Full year to 31/12/20
Intangible fixed assets	4,699	5,247
Tangible fixed assets	1,246	867
Total investments in non-current assets	5,945	6,114

Investments in intangible assets amounted to Euro 4,699 thousand, mainly related to the Parent Company and included the following:

- Euro 2,230 thousand for activities still in progress related to the development of new corporate information systems;
- Euro 2,449 thousand for purchases of software and licences made as part of digital transformation projects.

Investments in tangible fixed assets totalled Euro 1,246 thousand and mainly concern:

- Euro 166 thousand of purchases of furniture and goods to be hired out at exhibitions;
- electronic machines, plant and machinery worth Euro 254 thousand relating to the Parent Company and Euro 69 thousand relating to the Congress Centre, plus Euro 754 thousand of improvements to the Conference Centre.

For further details, see the Notes to the Consolidated Financial Statements.

Business performance by operating segment and geographical area

The key Group figures by operating segment and by geographical area are given in the following table.

Summary of data by operating segment and by geographical area

(€ '000)	2021		2020	
Revenues from sales and services				
- By operating segment:		%		%
. Italian Exhibitions Business	110,423	82.7	63,617	82.8
. Foreign Exhibitions Business	195	0.1	1,172	1.5
. Media*	-	-	6,391	8.3
. Congresses	22,953	17.2	5,679	7.4
Total revenues gross of adjustments for inter-segment transactions	133,571	100.0	76,859	100.0
. Adjustments for inter-segment transactions	(3,815)		(3,224)	
Total revenues net of adjustments for inter-segment transactions	129,756		73,635	
- By geographic area:				
. Italy	129,561	99.8	72,553	98.5
. Foreign countries	195	0.2	1,082	1.5
Total	129,756	100.0	73,635	100.0
EBITDA		%		%
- By operating segment:		on revenues		on revenues
. Italian Exhibitions Business	61,446	55.6	11,259	17.7
. Foreign Exhibitions Business	342	175.4	(796)	(67.9)
. Media*	-	-	19	0.3
. Congresses	15,382	67.0	(35)	(0.6)
. Adjustments	-		(4)	
Total	77,170	59.5	10,443	14.2
- By geographic area:				
. Italy	76,818	59.3	11,329	15.6
. Foreign countries	352	180.5	(886)	(81.9)
Total	77,170	59.5	10,443	14.2
EBIT		%		%
- By operating segment:		on revenues		on revenues
. Italian Exhibitions Business	21,766	19.7	(28,136)	(44.2)
. Foreign Exhibitions Business	106	54.4	(1,092)	(93.2)
. Media*	-	-	(71)	(1.1)
. Congresses	10,064	43.8	(5,015)	(88.3)
. Adjustments	-		(4)	
Total	31,936	24.6	(34,318)	(46.6)
- By geographic area:				
. Italy	31,820	24.6	(33,136)	(45.7)
. Foreign countries	116	59.5	(1,182)	(109.2)
Total	31,936	24.6	(34,318)	(46.6)
Employees				
(no. of permanent employees at the end of the period)				
- By operating segment:		%		%
. Italian Exhibitions Business	530	79.2	503	71.1
. Foreign Exhibitions Business	88	13.2	102	14.4
. Media*	-	0.0	52	7.4
. Congresses	51	7.6	50	7.1
Totale	669	100.0	707	100.1
- By geographic area:				
. Italy	581	86.8	605	85.6
. Foreign countries	88	13.2	102	14.4
Total	669	100.0	707	100.0

* It should be noted that in the current year, following the sale of the "publications" division to third parties, the activities of the Media segment were transferred to the "Italian Exhibitions Business" sector.

Revenues from sales and services, before eliminations for inter-segment transactions, amounted to Euro 133,571 thousand at 31 December 2021, of which 83% generated by the Italian Exhibitions Business and 17% by the Congresses businesses.

It should be noted that in the current year, following the sale of the "publications" division to third parties, the activities of the Media segment were transferred to the "Italian Exhibitions Business" sector.

- Revenues from the **Italian Exhibitions Business** amounted to Euro 110,423 thousand, increasing by Euro 46,806 thousand over 2020 (Euro 63,617 thousand). The increase in revenue is due to the resumption of in-person exhibition activities from mid-June. The upturn in revenues is mainly thanks to the fact that the year was a "biennial odd-numbered year" that included exhibitions such as Host, Sicurezza, Tuttofood and Made Expo, the multi-year EMO and CPHI events, and biennial exhibitions including Vitrum and Made in Steel. All this was thanks to the rescheduling of the exhibition and congress calendar, which postponed the events originally planned for the first half of the year to the second half where possible. In addition, unlike the current year, some exhibitions were held in a reduced form in 2020, including the directly organised HOMI Fashion&Jewels and the hosted exhibitions The Micam autunno and Lineapelle-A new point of view. The long suspension in the first half of the year due to the Covid-19 pandemic led to the cancellation of several important exhibitions (Lineapelle I semester, Milano Unica Spring and The Micam Spring). The postponement of the Transpotec & Logitec biennial exhibition to 2022 should also be noted.
- Revenues from the **Foreign Exhibitions Business** amounted to Euro 195 thousand, decreasing by Euro 977 thousand over the same half of the previous year (Euro 1,172 thousand). It should be noted that the two years under comparison were characterised by the suspension of exhibition activities due to the Covid-19 pandemic, which led to the postponement of exhibitions in 2022. The decrease is due to ICTAF in February 2020, an event organised by the subsidiary in South Africa.
- Revenues from **Congresses** amounted to Euro 22,953 thousand, going up by Euro 17,274 thousand over the previous year (Euro 5,679 thousand). The increase is mainly attributable to the resumption of congress activities from July after the prolonged suspension in the first half of the year due to the Covid-19 pandemic. Two important events on climate change Youth4Climate and Pre Cop 26 and Driving Ambition were held at MiCo in September. In addition, the following were held: ESOT, Europe's reference event for organ transplantation, the Salone del Risparmio, the magistrates' competition and in October MiCo hosted World Routes, the most important event in the aviation industry, organised by Informa Markets. It should be noted that congress activity was suspended in the same period of 2020.

EBITDA was equal to Euro 77,170 thousand, increasing by Euro 66,727 thousand compared to the previous year, and breaks down by operating segment as follows:

- **Italian Exhibitions Business:** this segment recorded EBITDA of Euro 61,446 thousand compared to Euro 11,259 at 31 December 2020. EBITDA benefited from non-recurring government grants received during the year as compensation for EBITDA losses caused by the Covid-19 pandemic in the 2020 and 2021 financial years. In addition, it should be noted that during the year under review, Fiera Milano and Fondazione Fiera Milano agreed on a temporary reduction rent for the Rho exhibition site, of Euro 5,054 thousand.
- **Foreign Exhibitions Business:** this segment recorded EBITDA of Euro -342 thousand compared to Euro -796 at 31 December 2020. The change is mainly attributable to the result of the *joint venture*, recognised using the equity method, held under joint control with Deutsche Messe AG, which in 2020 had seen the suspension of exhibition activity in China until August, following the Covid-19 emergency with the consequent downsizing of exhibitions.
- **Congresses:** EBITDA amounted to Euro 15,382 thousand compared to Euro -35 thousand for the year ended 31 December 2020, an increase of Euro 15,417 thousand. EBITDA is mainly attributable to the aforementioned trend in revenues and to non-recurring public grants received during the year as compensation for EBITDA losses caused by the Covid-19 pandemic in 2020 and 2021.

Total **EBIT** was equal to Euro -31,936 thousand compared to Euro 34,318 thousand in the previous year, and breaks down by operating segment as follows:

- **Italian Exhibitions Business:** this segment recorded EBIT of Euro -21,766 thousand compared to Euro -28,136 thousand at 31 December 2020. The change was mainly due to the trend in EBITDA.
- **Foreign Exhibitions Business:** this segment recorded EBIT of Euro -106 thousand compared to Euro -1,092 thousand at 31 December 2020. The change was mainly due to the EBITDA trend.
- **Congresses:** EBIT of Euro -10,064 thousand compared to Euro -5,015 thousand at 31 December 2020. The change was mainly due to the trend in EBITDA.

Lastly, as regards **Employees** at the end of the year, the Group's 669 employees were deployed in the following four sectors as follows: 79% in the Italian Exhibitions Business, 13% in the Foreign Exhibitions Business and 8% in Congresses.

Operating figures

The table below gives the figures for exhibitions held at the **fieramilano** and **fieramilanocity** sites and those held abroad in the financial year to 31 December 2021 with comparative figures for the previous financial year. More specifically, the table shows the net square metres of exhibition space occupied and the number of participating exhibitors. The events are classified according to how frequently they are held - annual, biennial or multi-annual and figures for exhibitions directly organised by the Group are also given for each of the periods (*the figures have been rounded off to make them easier to read and compare*).

Fiera Milano Group Summary operating figures

	Full year to 31/12/21		Full year to 31/12/20	
	Total	Organised by the Group	Total	Organised by the Group
Number of exhibitions:	47	30	39	26
Italy	30	13	21	8
. annual	20	8	20	7
. biennial	7	5	1	1
. multi-annual	3	-	-	-
Foreign countries	17	17	18	18
. annual	17	17	18	18
. biennial	-	-	-	-
. multi-annual	-	-	-	-
Number of congresses with related exhibition space:	22	-	5	-
Net sq.metres of exhibition space:	954,270	513,240	638,230	386,725
Italy	643,775	202,745	350,855	99,350
. annual (a)	352,485	43,410	341,040	99,350
. biennial	182,270	159,335	9,815	-
. multi-annual	109,020	-	-	-
(a) of which congresses with related exhibition space:	50,880	-	8,265	-
Foreign countries	310,495	310,495	287,375	287,375
. annual	310,495	310,495	287,375	287,375
. biennial	-	-	-	-
. multi-annual	-	-	-	-
Number of exhibitors:	17,600	9,005	12,130	6,965
Italy	12,335	3,740	7,060	1,895
. annual (b)	7,785	1,150	6,825	1,895
. biennial	2,885	2,590	235	-
. multi-annual	1,665	-	-	-
(b) of which congresses with related exhibition space:	2,640	-	205	-
Foreign countries	5,265	5,265	5,070	5,070
. annual	5,265	5,265	5,070	5,070
. biennial	-	-	-	-
. multi-annual	-	-	-	-

The table shows that in 2021, the percentage of total square metres of exhibition space covered by annual exhibitions was approximately 69%. In terms of net exhibition floor space, annual exhibitions covered 662,980 square metres, an increase of 34,565 square metres compared to the previous year. The increase mostly regarded annual exhibitions held abroad (+23,120 square metres, corresponding to approximately 8%). Exhibitions held every two years totalled 182,270 square metres of net exhibition space, an increase of 172,455 square metres compared to 2020. The positive change is mainly due to the presence of the directly organised "odd-year biennial" exhibitions (Host, Tuttofood, Made Expo and Sicurezza). Added to this effect was the increase in the number of multi-year exhibitions hosted in Italy, which increased by 109,020 square metres. The total contribution of exhibitions held abroad compared to 2020 was reflected in a positive change of 23,120 net square metres, or around 8%, due to the annual events in China. Please note that the exhibitions in South Africa and Brazil were postponed until 2022 due to the Covid-19 pandemic.

The tables on the following pages give the figures for the two periods compared, for events hosted by the Group at the **fieramilano** and **fieramilanocity** sites. The tables show the net square metres of exhibition space occupied and the number of exhibitors, classified by how frequently the events are held, and indicate those exhibitions that were directly organised (*the figures have been rounded off to make them easier to read and compare*).

Italian exhibition portfolio

Annual exhibition:	Net sq. metres of exhibition space		Number of exhibitors	
	Full year to 31/12/21	Full year to 31/12/20	Full year to 31/12/21	Full year to 31/12/20
<u>Directly organised</u>				
- Bit	a)	17,365	175	255
- Chibimart	2,055	b)	65	b)
- HOMI	8,760	60,090	215	585
- HOMI Fashion&Jewels (II semestre)	6,090	3,900	280	155
- Miart	7,660	a)	160	135
- Milan Games Week	11,420	a)	135	80
- Promtion Trade Exhibition	1,415	4,780	50	140
- Sposaltalia	6,010	b)	70	b)
- HOMI Fashion&Jewels (I semestre)	b)	13,215	b)	545
Total annual exhibitions directly organised	43,410	99,350	1,150	1,895
<u>Hosted</u>				
- A new point of view	20,550	10,650	375	265
- Artigiano in Fiera	39,465	b)	1,255	b)
- Eicma Moto	83,395	b)	350	b)
- Filo (II semestre)*	3,000	1,475	100	50
- Milano Auto Classica	16,150	13,790	255	210
- Milano Unica (Autumn)	14,395	12,335	290	225
- Mipel (September)	2,890	2,530	80	70
- Simac Tanning-Tech	9,225	18,250	150	295
- Smau	1,875	1,845	5	5
- SuperSalone*	29,500	b)	360	b)
- The Micam (Autumn)	30,270	19,595	635	435
- Viscom	7,480	b)	140	b)
- LineaPelle (I semestre)	b)	46,150	b)	1,110
- Milano Unica (Spring)	b)	30,575	b)	450
- Mipel (March)	b)	7,330	b)	240
- The Micam (Spring)	b)	58,065	b)	1,190
- The ONE Milano (February)	b)	10,835	b)	180
- The One Milano (September)	c)	c)	c)	c)
Total annual exhibitions hosted	258,195	233,425	3,995	4,725
Total annual exhibitions	301,605	332,775	5,145	6,620

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	Net sq. metres of exhibition space		Number of exhibitors	
	Full year to 31/12/21	Full year to 31/12/20	Full year to 31/12/21	Full year to 31/12/20
Biennial exhibitions:				
<u>Directly organised</u>				
- Host	88,750	-	1,250	-
- Made Expo	19,635	-	330	-
- Sicurezza	17,925	-	205	-
- Smart Building Expo	2,615	-	70	-
- Tuttofood	30,410	-	735	-
Total biennial exhibitions directly organised	159,335	-	2,590	-
<u>Hosted</u>				
- Bimu	-	9,815	-	235
- Made in Steel	11,450	-	185	-
- Vitrum	11,485	-	110	-
Total biennial exhibitions hosted	22,935	9,815	295	235
Total biennial exhibitions	182,270	9,815	2,885	235
Multi-annual exhibitions				
<u>Hosted</u>				
- Meat Tech	4,025	-	75	-
- CPHI	55,940	-	930	-
- EMO	49,055	-	660	-
Total multi-annual exhibitions hosted	109,020	-	1,665	-
Total multi-annual exhibitions	109,020	-	1,665	-
TOTAL EXHIBITIONS	592,895	342,590	9,695	6,855
- Congresses with related exhibition space	50,880	8,265	2,640	205
TOTAL	643,775	350,855	12,335	7,060

* The exhibition was held for the first time.

a) The exhibition took place in digital form.

b) The exhibition did not take place.

c) The exhibition took place as a sector within The Micam (September).

The table below gives details of the exhibitions organised abroad, for which the Group has acted as organiser, business partner or agent. The net exhibition space occupied was 310,495 square metres (the figures for net square metres of exhibition space have been rounded off to make them easier to read and compare).

Foreign exhibition portfolio

Annual exhibition:	Net sq. metres of exhibition space		Number of exhibitors	
	Full year to 31/12/21	Full year to 31/12/20	Full year to 31/12/21	Full year to 31/12/20
Annual exhibitions in China ¹				
- CeMAT Asia Shanghai	37,540	31,435	690	640
- Chengdu International Industry Fair *	12,345	-	305	-
- China International Consumer Electronics Exposition	3,835	-	80	-
- China International Stainless Steel Industry Exhibition °	1,980	1,630	35	30
- Chinafloor Domotex Shanghai °	51,070	30,695	990	885
- Comvac Asia	8,960	8,170	245	225
- E-Pack Tech Shanghai	505	395	15	25
- GITF International Tour Guangzhou	6,280	^{a)}	70	^{a)}
- Heavy Machinery Asia	725	^{a)}	20	^{a)}
- Industrial Automation Shenzhen	11,475	11,595	325	325
- International Cold Chain Exhibition °	1,080	1,130	25	10
- Laser Fair Shenzhen	6,615	3,720	155	80
- Let China Guangzhou	9,935	6,425	330	220
- Metal + Metallurgy	3,430	655	40	15
- Motor Show Chengdu °	83,225	72,910	95	90
- PTC Asia Shanghai	34,360	20,640	1,760	890
- Wuhan Motor Show °	37,135	31,645	85	60
- China International Fastener Show °	^{a)}	11,355	^{a)}	420
- Industrial Automation Robotic Show South China °	^{a)}	1,765	^{a)}	135
- Industrial Automation Shanghai °	^{a)}	25,405	^{a)}	555
- Metalworking and CNC Mach. Tool Shanghai °	^{a)}	23,895	^{a)}	365
Total annual exhibition in China	310,495	283,465	5,265	4,970
Annual exhibitions in South Africa				
- Cape Town Art Fair	^{a)}	3,910	^{a)}	100
Total annual exhibitions in South Africa	-	3,910	-	100
Total annual exhibitions	310,495	287,375	5,265	5,070
TOTAL EXHIBITIONS	310,495	287,375	5,265	5,070

¹ Exhibition related to the JV with the partner Deutsche Messe AG..

* First edition of this exhibition.

° Fiera Milano Group acts as a trading partner.

^{a)} The exhibition did not take place.

Fiera Milano Group personnel

Composition and turnover

At 31 December 2021, the Group had 669 permanent employees compared to 707 at 31 December 2020.

Permanent employees at year end

(units)	31/12/21			31/12/20		
	Total	Italy	Foreign countries	Total	Italy	Foreign countries
Fully consolidated companies::						
Executives	26	25	1	25	24	1
Managers and White collar workers (including Journalists)	567	541	26	597	565	32
Total	593	566	27	622	589	33
Equity-accounted companies (a):						
Executives	5	2	3	5	2	3
White collar workers	71	13	58	80	14	66
Total	76	15	61	85	16	69
TOTAL	669	581	88	707	605	102

(a) the indicated data corresponds to the pro-quota of total employees

In detail, in 2021, 34 new employees were hired, 29 of which in Italy, mainly due to the replacement of personnel who left, the strengthening of commercial areas and digital technologies, as well as the stabilisation of temporary contracts to consolidate all organisational structures; the remaining 5 resources in the foreign area mainly refer to the replacement of staff who resigned.

A total of 72 people left the Group, of whom 53 from Italian companies, mainly due to voluntary resignations and/or termination of employment, the sale of the publishing unit and of Fiera Milano Media, as well as some retirements; 19 people left foreign *businesses* mainly due to business reorganisation and a high employee *turnover* rate.

The overall *turnover* rate of employees, calculated as the difference between those joining and those leaving as a percentage of the average number of employees, was 18.2% compared to 18.8% last year.

Fiera Milano Group usually employs staff on temporary contracts to manage peaks of activity related to the exhibition calendar and to start up extraordinary projects. Due to the Covid-19 pandemic, staff on fixed-term contracts decreased from 14 at 31 December 2020 to 6 in 2021, primarily due to the inability to extend existing contracts.

The Fiera Milano Group, within the framework of agreements stipulated with the State University of Milan, the Polytechnic of Milan, the Bocconi University of Milan, the Bicocca University of Milan, the Catholic University of the Sacred Heart of Milan, the IULM University of Milan, the IED - European Institute of Design of Milan, the Academy of the Fondazione Fiera Milano, the Carlo Cattaneo University - LIUC of Castellanza, the Sole 24 Ore Business School, the University of Insubria in Varese and Randstad, in the last months of 2021 hosted 28 internships (25 set up 2021, 3 previously) in different company sectors (Purchasing, Sales, Communication, Internal Control, Customer Care, IT, Legal, *Marketing*, *Operation* and Technical Area). The average length of the work experience was generally six months.

Employment contracts in force

The Italian companies belonging to the Fiera Milano Group are bound by the national collective bargaining agreement for employees of tertiary, distribution and services companies.

The employees of Fiera Milano Group fall into three main categories:

- Executives with a managerial role.
- Middle management with specialist roles.
- Office staff and technical support staff.

The Italian division of the Fiera Milano Group has no manual workers as it outsources activities related to the supply and organisation of exhibition services.

Outside Italy, each company applies the employment laws of the country in which it is based.

Safety measures adopted

The safety of its personnel is of primary importance and Fiera Milano Group makes significant investments on this front. In 2021, personnel with technical roles in the Company safety training.

In response to the Covid-19 pandemic, the new Safety Protocols to illustrate the measures adopted and the conduct to be followed in the workplace were sent to all employees; to be able to carry out remote work, there were also additional suggestions on the subject of ergonomics and working from home.

Covid-19 pandemic - Income support measures

The exhibition/congress sector was one of the worst affected by the crisis caused by the Covid-19 pandemic.

The Group has immediately taken all the necessary measures to protect the health and safety of its customers, suppliers and employees, using, inter alia, remote working initiatives. To counter the effects of the pandemic, the Company launched major cost reduction actions, particularly relating to the management costs of sites and personnel expenses.

As regards staff, In 2021, joint review minutes were signed for the various Group Companies for the extension of the Covid-19 welfare support scheme, which had already been activated in 2020, in line with the successive government provisions issued on the basis of the epidemic infection curves.

This welfare support scheme operated for a total of 23 weeks during the year, involving all staff on a weekly or daily basis, according to their role.

To ensure economic support for its workers, the Company committed to bringing forward the payment of the ordinary allowance under the welfare support scheme to the usual monthly pay dates, using the mechanism of adjustment of social security contributions, and, on an exceptional basis, to supplementing the allowance received by each worker under the welfare support scheme up to 40% of the difference between the allowance and their normal pay.

It was also agreed that the workers concerned would only benefit from the welfare support scheme if they had used up their accrued holidays and leave not taken in previous years.

Training

In a time where the *business* is transforming and constantly evolving, there is an increasing need for people to be continuously updated in order to carry out their daily work. In 2021, the Fiera Group maintained its special focus on continuous training with the aim of improving the skills of its people in terms of implementing *hard skills*, expanding knowledge, and developing and improving *soft skills*. Capabilities that will enable the Company to offer better services to its customers.

In 2021, the Fiera Milano Group joined the Fondo Nuove Competenze initiative, which involved the participation of all employees in a major training project in July/October. Most of the programme was carried out with “modular” and “repeat” sessions, to allow everyone to attend, taking into account their work and holiday schedules.

This programme involved all Fiera Milano Group employees and was an opportunity to provide intensive training on very current and important issues for the Group in this period of relaunch and transformation. The programme covered three fundamental areas of skills development:

- Compliance training.
- *Reskilling for digital transformation*.
- *Skillsets* needed to build tomorrow's capabilities.

Specifically, the contents that were conveyed in the various courses related to the world of *Salesforce CRM*, the QMS, *SynerTrade* and *Maglie 2.0* systems, catalogue courses (*time management*, *project management*, digital communication, *problem solving*), and courses on sustainability, compliance, *cyber security* and the world of “horizontal” digital skills.

All the training activities were booked, conducted and certified through the HCM portal, *Learning* module. Over 200 *Team* classes were provided in “synchronous” (live) format and will be available to employees, also in the future, registered with the *Fiera Milano Education* link.

The funded ForTe training plan continued in 2021, providing language training to a voluntary group of 21 employees. In continuation of the programme, 18 intensive classroom days are planned for 2022, within the funded ForTe training plan, for the period 10 January to 18 March 2022, during which classroom days will be organised for each of the following topics (already covered or introduced with 32-hour courses in the summer):

- *Project Management* (30 places).
- *Marketing* and Communications (20 places).
- *Time Management* (20 places).
- Design and Rendering (16 places).

During 2021, the project “Agorà - *From lockdown to lookup*” for the Fiera Group's *top management* was also launched. The aim of the project is to improve the effectiveness of the *team* in order to respond to future challenges at a time of profound transformation, and to identify the main dimensions on which to work, in order to make the team even more capable of achieving its objectives by generating concrete development initiatives aimed at achieving the changes of greatest value for the Group.

The training plan concluded with:

- 44,802 hours attended out of 49,600 applications to ANPAL for a 90% completion rate;
- 8,686 courses were attended by the 538 colleagues involved in the plan (about 16 per person);
- these courses were evaluated in the system in 67% of cases (6,440 evaluations received);
- the average overall rating was 3.8 on a scale of 1 to 5.

The Group intends to continue the training activities by submitting a new application for access to a new New Skills Fund.

In 2021, the weekly 'Tips' initiative (IT tips and tricks on the use of tools and software) continued, sending a weekly e-mail to the entire population and publishing the *news* on the company intranet.

Managerial and technical training continued for all Group employees, organised by the Business International division.

With regard to the foreign subsidiaries, CIPA Fiera Milano focused on providing appropriate guidelines to all employees on actions related to the postponement of its exhibitions, the communication approach to be adopted when dealing with clients, and constant information on health and well-being, as well as on preventive measures relating to the Covid-19 pandemic. In order to maximise the skills of its people, the company also offered all employees the opportunity to participate in numerous training courses. Several partnerships were established with top universities and training courses were provided for all employees focusing on process improvement (ERP), mental health, implementation of data protection practices (GDPR), anti-money laundering guidelines, code of ethics and leadership participated in the UFI Latam conference.

A total of 615 people were involved in training over the course of the year, with 85 courses amounting to a total of 45,970 training hours invested.

Risk factors affecting the Group

Risk management in the Fiera Milano Group

Fiera Milano uses a Group-level integrated risk management model based on internationally recognised Enterprise Risk Management (ERM) standards. Based on a risk mapping and quantification method directly involving the Group's management in a capacity as *risk owner*, the ERM process supports the assessment, definition and planning of company objectives and strategies, and the correct implementation of the following activities, through their integration in company planning and management processes:

- systematic and proactive identification of the main risks (strategic, operational, financial and compliance) to which the Group is exposed;
- assessment of potential negative impact on desired performance (impact) and the probability of the risks identified materialising;
- analysis of the *risk management* system on individual risk factors, i.e. the level of control in terms of *risk mitigation* actions in place (e.g. contractual, insurance, organisational/procedural);
- definition and monitoring of the implementation of *risk responses* consistent with the level of residual risk, taking into account the company's risk appetite.

The results of this ERM process are periodically notified to the Control & Risk and Sustainability Committee, Board of Statutory Auditors and Board of Directors, and are used by the Internal Control department to prepare the annual *risk-based* audit plan.

Organisational and procedural oversight over the ERM process is provided by the Risk Management function, which is responsible for the proper functioning of the overall company risk management process and which works on the basis of the provisions of the ERM Policy, which governs the process roles and responsibilities for identifying, assessing, managing, monitoring and reporting the corporate risks to which the Fiera Milano Group is exposed.

The Enterprise Risk Management process integrates ESG risks that may affect the attainment of the Group's sustainability objectives, in the five areas covering environmental, social and personal aspects, human rights and the fight against corruption. The addition of ESG (environmental, social and governance) risks in the ERM process allows for a management of these risks which is more structured and proactive, with positive effects on safeguarding the Group's sustainability objectives.

The main risk factors to which the Fiera Milano Group is exposed, that have emerged from the aforementioned process, are described below, taking into account the business sector in which it operates and the characteristics of the business model it uses. An account of Group policies to manage and mitigate the risks described is given.

1. Risks related to external and strategic factors

Risks related to the economic environment and trends and competition in the exhibition sector

The Group's income and financial results are related to the trend of the economic cycle and/or macro-economic aspects, both general and specific, of the reference sector; moreover, the group is exposed to the risk that its leadership position on the domestic market may be affected by tougher competition or by new operators entering, that could have a negative impact on the Group's market position.

In 2021, GDP grew by 5.9%¹⁶ worldwide, after a 3.1% drop in 2020 due to the outbreak of the pandemic and the measures taken to contain it. Although the world economy grew compared to the previous year, the global scenario is affected by elements that make the outlook uncertain: difficulties in supply chains, which affected Europe and the United States in particular; the spread of new Covid variants, which have prompted several countries to impose new restrictions; the continued rise in inflation, driven both by increasing energy costs and the aforementioned crisis in supply chains, and by a demand that has come back strongly after the restrictions imposed in 2020.

Eurozone GDP grew by 5.3¹⁷, and Italy's GDP went up by 6.5% in 2021, a sharp jump from the previous year, when GDP fell by 8.9%. However, the pace of growth slowed down in the latter part of 2021, due to shortages of some production inputs and soaring gas and electricity prices.

The consulting company AMR¹⁸ estimates that the size of the global exhibition industry in 2021 will be halved (-49%) compared to pre-covid levels (2019). Worldwide, the recovery is expected to be gradual over the next few years, with a full recovery only expected from 2023 onwards (-4% from pre-covid levels). The lockdown in the first half of 2021 heavily affected the Italian exhibition sector, which is expected to increase by 52% compared to 2020 but still decrease by 69% compared to 2019. In 2022, AMR estimates that sqm volumes will remain 40% lower than in 2019 and recover up to 85% of pre-covid (2019) volumes in 2023.

Fiera Milano is facing an increase in the level of competition in the exhibition sector, with particular reference to the European and national context, worsened by repositioning in the exhibition calendar and consequent overlaps between competing events. The Covid emergency has forced the main exhibition operators, both domestic and international, to reposition events in the portfolio in different and subsequent periods compared to those originally planned. These changes have often caused overlaps between competing events on the chessboard of the international exhibition calendar, with a consequent increase in the level of competition among the exhibition players, who will, however, find themselves to manage a customer base (exhibitors and buyers) with a lower spending capacity and reduced propensity to purchase compared to the pre-Covid period.

The possible effects of the conflict in Ukraine also need mentioning. Trade between Italy and Russia is very significant – around Euro 7.3 billion of exports in 2020 – predominantly in the fashion, food, chemical-pharmaceutical, mechanical engineering and plant and construction services sectors, which are among the most represented in the Group's exhibitions and exhibitions. The worsening of political relations with Russia will lead to a year-on-year decline in Italian exports in the short term, with repercussions on companies operating in the above-mentioned sectors and, indirectly, quality of the presence at the scheduled exhibitions.

In addition, in view of the current situation, there is likely to be a reduction in the number of professional visitors (buyers) from Russia attending the exhibitions scheduled for the coming months.

In this scenario, which is therefore characterised by great uncertainty regarding the extent and timing of the economic recovery, and the intensification of competition, the Fiera Milano Group remains committed to pursuing the strategic lines set out in the CONNECT 2025 Plan, which are based on four main lines: (i) enhancement of traditional and digital services (ii) expansion of own exhibitions (iii) consolidation of the congress business (iv) exploitation of the potential of exhibition facilities.

Evolution of the legal and regulatory framework

External context risk linked to the effects of the evolution of Covid-19 prevention legislation issued from time to time by the national government and the Lombardy Region, in terms of new provisions or changes to the current structure, with related effects on the operation of the exhibition and congress business and related competitive variables. The measures issued in the first stage of the pandemic contained changing guidelines depending on the status of the pandemic at the time and generally covered limited time periods, which has brought increased uncertainty for sector operators; with the "reopening" decree of 22 April 2021, the government provided for exhibitions to be held in "yellow areas" from 15 June 2021 and congresses and conferences from 1 July 2021. In order to manage this risk factor, the Fiera Milano Group, through its External Relations & Communications

¹⁶ IMF; World Economic Outlook Update, January 2022.

¹⁷ European Economic Forecast Winter 2022

¹⁸ AMR Globex 2021

Department, carries out advocacy activities with institutions to safeguard the interests of the Group and of the exhibition and congress sector, including through research and the identification of the best channels through which to protect its interests (e.g.: AEFI and EFI trade associations) and working with other exhibition operators on issues of common interest (e.g. anti-Covid protocol for holding exhibitions and congresses). In this regard, it is worth mentioning the Covid Decree of 2 February 2022, which encourages the return of non-EU visitors by recognising the vaccination status of their country of origin, plus a swab test if the certificate does not conform to the Italian requirement.

Recalculating events for Covid-19

The Covid-19 pandemic emergency continued in 2021, resulting in a lockdown of the exhibition and congress facilities from 1 January to 14 June, while exhibition and congress activity was very limited in the period from 15 June to early September. From the beginning of September, activities effectively resumed, but the results were on average half those of the pre-Covid period for the main KPIs (sqm, no. of exhibitors, revenues and margins) due to various factors, including limited international mobility and the effects of the economic crisis, which forced exhibitors to review their spending budgets. Nevertheless, through its considerable organisational effort, the Group was able to concentrate around thirty exhibitions in the Milan exhibition sites in the last four months of the year.

In late November, the emergence and rapid spread of Omicron – the most contagious variant since the start of the Covid-19 pandemic – once again introduced an element of uncertainty to international mobility, prompting exhibition organisers to reschedule events in the first half of the year to later dates, in order to allow international exhibitors and buyers to attend.

Specifically, the Group-owned exhibitions were rescheduled, including Bit (postponed from February to April), Transpotec Logitec (from January to May), Homi (from January to March), and also to hosted exhibitions such as Salone del Mobile (from April to June), Mido (from February to May) and Mostra Convegno Expocomfort (from March to the end of June). In any case, this rescheduling concerns the year 2022 and at present there are no postponements to later years, nor cancellations.

The public health situation is gradually improving, as infections from the Omicron variant flattened out at the end of January and are steadily declining, to the extent that the main European countries are planning the easing of restrictions with the aim of a progressive return to normality. At the moment, the outlook is fairly positive, although it is impossible to rule out the appearance of further variants, which could again complicate the picture and negatively impact the exhibition and congress calendar.

Cyclical nature and seasonality of the exhibition and congress industry

Organising and hosting exhibitions, exhibitions and congresses is, by its nature, subject to seasonality and demand cyclicity, both of which are particularly relevant to the Italian and European markets. Indeed, they are characterised by the almost total absence of exhibitions in the summer months, and by the presence of biennial and multi-annual exhibitions. This seasonality has a significant effect on the annual spread of Group revenues and profits and exposes it to the risk that use of the exhibition and congress facilities is sub-optimal in terms of reaching expected profitability.

The management's current strategy, condensed into the guidelines of the 2025 Strategic Plan, namely (i) enhancement of traditional and digital services (ii) expansion of own exhibitions (iii) consolidation of the congress business (iv) exploitation of the potential of exhibition facilities, will in the future allow for greater stability in revenues and margins both during the year and between odd and even years.

Risks related to a dependency on the exhibition business

The dependence of some Group companies in the exhibition and congress business is significant, in particular, Nolostand SpA and Mico DMC Srl, which have businesses that continue to be for a large part dependent on the exhibition and congress portfolio of the Group.

To address this dependency and the inherent risks it poses to the business of the aforementioned companies, the Group has implemented some measures to mitigate the potential negative effects on its consolidated results.

Mico DMC is engaged in the development of non-captive business lines, such as corporate events and the offer of services directly to exhibitors, both of its own exhibitions and of third-party exhibitions. For this purpose the company has included a dedicated *Business Development* department in its organisational structure.

For Nolostand SpA, this risk factor is ingrained in the organisational operating model the Group has selected and adopted for Nolostand SpA, whose operations are nearly entirely captive in relation to the exhibition and congress business developed by the Group. Specifically, its commercial offering is managed by Fiera Milano SpA facilities during (i) the sales stage, through the Value Added Services area of the Marketing & Services Department and (ii) planning, through the Technical - Planning area of the Operations Department, while the contract stage is managed by the operating area (engineering, logistics and worksites) of Nolostand SpA.

Risks relating to market demands for sustainability certification

The Group is exposed to the risk that in the current or future market context, certain types of client (mainly exhibition and congress organisers and exhibitors), from sectors which are particularly concerned about and sensitive to environmental sustainability matters, may prefer exhibition companies with better or higher profile credentials, in terms of the ESG certifications they hold, than Fiera Milano. In the congress market, there are organisers of large events whose policy is to focus on carbon-neutral events only, and they consequently select congress venues mainly based on conditions enabling these types of events.

In order to tackle this potential risk, the Group has taken action on a variety of fronts.

In terms of policy, Fiera Milano adopted a "Policy for quality, sustainability, environment and safety" in 2020 with the aim of promoting the economic, environmental and social sustainability of events organised and hosted at the exhibition and congress sites, following principles of good management, security, inclusiveness, integrity and transparency.

Fiera Milano obtained LEED ("Silver") certification for its service centre, congress centre and office towers at the Rho exhibition site.

Several years ago, the MiCo congress centre, managed by the subsidiary Fiera Milano Congressi, obtained an upgrade of its Healthy Venue certification from the World Obesity Federation, from "Silver" to "Gold"; "Gold" level is awarded to companies that pay extra attention to catering, to the promotion of initiatives and to their employees. In 2021, the LEED Certification was obtained for the MICO Congress Centre and for 2022 the Company has set itself the goal of obtaining similar certification for the 3 and 4 pavilions.

Moreover, the Parent Company Fiera Milano, which was already ISO 9001:2015-certified, continued the process of extending the scope of its Management System to include all phases relating to the design, organisation, implementation and hosting of exhibitions and support services, and in the first half of 2021, obtaining the UNI ISO 20121:2013 Event Sustainability Management Systems certification.

The subsidiary Nolostand, which provides stand-fitting and construction services, adopts an integrated management system which includes the following certifications: (i) ISO 9001:2015 – Quality Management System; (ii) ISO 14001:2015 – Environmental Management System; (iii) ISO 45001:2018 – Occupational Health and Safety Management System; and (iv) UNI ISO 20121:2013 – Event Sustainability Management Systems. The transition to the ISO 45001:2018 Occupational Health and Safety Management System standard, replacing the previous OHSAS 18001:2007, was carried out in 2021.

Risk of rising raw material prices and shortages of materials and labour

The combined effect of post-lockdown spikes in demand and discontinuity in global supply chains (e.g. congestion at maritime hubs in China) has driven up the cost of raw materials, from semiconductors to aluminium and steel, and increased the cost of gas and electricity, squeezing margins for most companies. The disruption of global supply chains and the resulting delays in deliveries to Europe and the USA also pose a problem of shortages of materials and components needed by *industries* in western countries. The recent conflict between Ukraine and Russia has exacerbated tensions on commodity prices, particularly gas and oil; Moreover, the economic

sanctions against Russia imposed by the US, the UK and Europe could trigger reactions from the Russian government with the risk of cuts in energy supplies to Italy and other European countries.

This risk factor also applies to Group companies, particularly with regard to commodities and raw materials such as electricity and gas, wood (used for stand panels) and polymers (used for graphics, signage and carpeting); in this regard, the Group has put in place policies for the advance procurement of some materials (e.g. panels for stands) or fixed price procurement for other commodities (electricity and gas).

On the suppliers' side, there is also the problem of finding specialised labour to assemble and dismantle exhibition stands; the prolonged downtime imposed by the pandemic has prompted a large proportion of the assembly teams to switch to the construction sector, which has benefited from tax breaks relating to the 110% superbonus and the so-called facade bonus.

2. Operational risks related to processes and organisation

Risks associated with the loss of key events

Despite the considerable number of events organised and hosted in the exhibition sites, a considerable amount of the exhibition space and the related revenues and profitability are linked to a limited number of specific events both directly organised and hosted (e.g. Salone del Mobile, Eicma Moto, Mostra Convegno Expocomfort, MICAM, Host, Homi, Tuttofood). Therefore, it is possible that these events could record a negative performance, which would affect their continuity over time, or that they could move (for hosted events) to other exhibition sites, also due to the changes/overlaps on the international calendar caused by the pandemic, with a consequent negative impact on the Group's results.

To address these uncertainties, the Group has drawn up plans of action with a view to reducing its risk exposure. On the hosted events front, the Group has included in its calendar the upcoming editions of leading international exhibitions such as GASTECH (September 2022), and ITMA (2023) and, in line with the contents of the 2025 Strategic Plan, it plans to increasingly consolidate and strengthen relationships with third-party organisers based on the technological potential of sites ("Smart District" and "Digital Signage" projects - digital transformation of the exhibition infrastructure) and compliance with high standards in terms of health and safety. On the direct exhibitions front, the Strategic Plan envisages strengthening the portfolio of proprietary events, by improving content and increasing the international weight of directly organised events, to create reference events for the sector not only at national level but also by increasing the internationality rate of exhibitors and buyers, and the launch of new proprietary events (e.g. Next Mobility Exhibition in October 2022).

Business Continuity

The Group is exposed to the risk of serious incidents, such as those caused by physical events on information and technology systems, weather conditions or natural disasters, military action, terrorism or epidemics. Such events can cause harm to people, locations and facilities, and severely disrupt business activities. The Group can rarely control the causes of these serious incidents, but it can ensure an effective response that reduces their impact. An inadequate response to a serious incident could cause damage to the Group's reputation, as well as to its financial and operational performance, with possible civil and criminal consequences.

To deal with the consequences of events of the type described, the Group has put in place a Business Continuity Management *framework*, that will be completed in 2022, already putting in place a series of risk mitigation actions such as (i) the implementation of a "Crisis management" system, managed by an interfunctional Crisis Team for operational countermeasures to be adopted in the event of crisis events, (ii) the forthcoming launch of the SOC - Security Control Center service for *cybersecurity incident management* (iii) Disaster Recovery solutions with geographical and virtual redundancy for the IT infrastructure.

The Group also has insurance cover, such as property damage and business interruption (PDBI) as part of the Group's "All Risks Property" policy.

Dependence on suppliers

Fiera Milano makes extensive use of service providers for its operations, so much so that the Group's ability to host and organise exhibitions and congresses depends on the normal operation of the suppliers used in the most relevant processes (cleaning, laying of carpets, fittings, logistics, maintenance, energy, surveillance, etc.). For some of these product categories, for technical and management reasons, the currently contracted supplier is unique (supervision, maintenance, logistics), meaning an accidental stop on the part of one of these operators would result in a risk of loss of profit deriving from the interruption, albeit temporary, of the exhibition activity, as the Group would not be able to immediately replace the supplier, with repercussions also of a reputational nature. It should also be noted that the downturn brought about by the Covid emergency has heavily impacted certain sectors, including the exhibition-congress sector and the related supply chains, causing economic and financial difficulties for relevant operators.

To deal with this type of risk, the Group purchasing function has a policy of dividing each single service among multiple suppliers and different contractual terms, using a number of operators for each product category, to avoid dependence on single suppliers for any given service. Should the need arise to replace a "single" supplier, the purchasing function has a register of available qualified suppliers that covers all the product categories of interest, from which to draw on and source from the market.

It should finally be noted that a "dependence on suppliers and subcontractors" clause is included in the Group's All Risks Property policy, which covers claims that affect a supplier and/or subcontractor and cause an interruption of the supplier's activity.

Cyber risk

The increasingly widespread use of internet-based technologies and business models which enable the transfer and sharing of sensitive information via virtual environments (e.g.: social media, cloud computing) contributes to a rise in IT vulnerability and hence cases of cyber crime, which are becoming increasingly more frequent and sophisticated including in relation to advances occurring in this field. These attacks can cause delays in business dealings, a temporary or prolonged interruption to activities, the loss of data, personal data breaches with relative requests for compensation, and ensuing financial and reputational harm.

To address these risk factors, the Group has developed a number of procedural, organisational and technical controls, as outlined below:

- (i) IT Security policies and procedures, including its cyber security management policy, its procedure on data breaches, its policy to manage data security in relations with third parties and policy to classify and manage information
- (ii) data protection – data protection, back-up and retention solutions
- (iii) e-mail protection - solutions for protecting company e-mails from external threats
- (iv) endpoint detect & response – solutions for external threat detection and autonomous endpoint response capability
- (v) network protection – means of ensuring the infrastructural security of the perimeter network, including firewalls, IDSs (Intrusion Detection Systems) and IPSs – (Intrusion Protection Systems)
- (vi) identity and access management (IAM) – technologies that manage digital identity for centralised access to the Group's platforms
- (vii) mobile protection – solutions for protecting mobile devices.

In terms of infrastructure and network protection, a new data centre, outsourced to a third-party provider, will be operational in the first half of 2022. It will introduce geographical redundancy (disaster recovery), optimised management of back-up data (golden copy), and infrastructure upgrades to ensure best practice in security and business continuity. During the first half of 2022, the SOC – Security Control Center service, managed by a service provider, will also be activated, with the aim of analysing and managing security incidents and the related containment and resolution measures. The activity of the SOC will facilitate comparison and communication with external bodies, such as the CNAIPIC (Postal and Communications Police – National Cybercrime Centre for the

Protection of Critical Infrastructure), with which a collaboration agreement for the prevention of cybercrime was signed in July 2021.

In organisational terms, the Group has adopted a "Crisis management" system, managed by an interfunctional Crisis Team that manages the operational measures to adopt in the case of extreme crisis events, including the management of internal and external communication. A Business Continuity Management (BCM) framework will also be operational in 2022, which will govern, among other things, the set of business continuity procedures for the Group's critical business processes and will produce the disaster recovery plan for the infrastructure and the applications used.

Lastly, specific periodic training is given to Group employees on the issues of "phishing" and "social engineering" to increase awareness among company personnel of recognising this specific type of cyber attack.

On the insurance front, an insurance policy covering "cyber risk" has been taken out.

Risks associated with the dependence on key personnel and with change management

The Group depends, to a significant degree, on the professional contribution of certain key personnel and highly specialised individuals, specifically (i) the members of top management and (ii) the exhibition directors who are responsible for the organisation of the events, by virtue of their specialist professional expertise and skills gained in the markets for which the exhibition events are organised; the Group is therefore exposed to the risk of not being able to retain or attract suitable personnel with the necessary skills and expertise to conduct its activities and support the Group's strategies, or of the current professional relationships ending as a result of these key figures leaving the organisation.

To manage the potential critical issues arising from this risk factor, the Group has put in place a series of actions. In April 2021, a medium- and long-term LTI incentive plan, structured in the form of performance shares – called the "2021-2022 Performance Shares Plan" – was approved at the Shareholders' Meeting; The Plan provides for the allocation, free of charge, of a certain number of the Company's ordinary shares to executive directors, managers with strategic responsibilities and employees of the Group, upon achievement by the latter of the performance targets. The purpose is to increase their motivation and loyalty to the Company.

In addition, the company uses the PLM - Performance & Leadership Management system to assess the competencies of its staff: the purpose of the system is to facilitate the achievement of strategic business objectives and to evaluate the expected performance of personnel against the Fiera Milano Group's representative leadership model. The related incentive mechanisms have been designed to enable the Group to appreciate and retain personnel and their key competences, ensuring improved coordination/interchangeability between employees and better knowledge sharing.

Risks associated with change management

With respect to the process of digital transformation that is currently underway and the growing importance of digital aspects in the Group's growth strategies, as set out in the 2025 Strategic CONNECT Plan, there is the potential risk of an inadequate change management process, i.e. lacking the ability to manage the organisational change, with related negative repercussions when it comes to achieving set objectives, as well as insufficient knowledge, in terms of inability to develop and acquire the necessary skills, knowledge and technical expertise to create value for the Group.

To support the reskilling process of the Group's resources within the framework of the digital transformation process, in the second half of 2021 an impressive training plan financed by the FNC - Fondo Nuove Competenze (New Skills Fund), established by Italian Legislative Decree 34/20 ("Decreto Rilancio"), will be delivered, focusing on the development of digital skills.

Employee commitment, engagement and satisfaction

This is the risk of a decline in employee motivation and a reduced sense of belonging to the Group as a result of the prolonged suspension of exhibition and congress activities, with consequent fears of loss of income and/or employment. These negative impacts on the well-being and productivity of the Group's human resources add to the general

concern of contracting Covid-19. The sudden change in working methods, with the mass and prolonged use of “home-working”, also had repercussions on work-life balance.

To assess the situation, in 2021 the management conducted an engagement survey of the company workforce, which will be followed up in 2022 with the deployment of a series of response actions. In 2021, a training plan was delivered, which was financed by the FNC – Fondo Nuove Competenze (New Skills Fund), established by Italian Legislative Decree 34/20 (“Decreto Rilancio”) and focused on the development of digital skills, and the “agile work” project was launched.

Risks associated with undeclared labour

The types of suppliers that the Fiera Milano Group employs to provide its services include companies operating in sectors which have a high number of workers (e.g. cleaning, stand fitting, security, catering) with a medium/high level of risk of being exposed to undeclared working practices.

The actual likelihood of engaging suppliers with issues surrounding black-market labour is in any event considered low, due to the numerous organisational and procedural oversight mechanisms put into place by the Group, which has refined and implemented controls (i) in the supplier engagement phase, for its reputational and economic/technical qualification, for the purposes of its enrolment in the Group’s supplier register, as well as (ii) in the field, in the physical access control phase (check of validity of entry permits by the Security function) and in the phase of executing the contracted services (first-level check by the requesting function and second-level check by the Supplier Quality function). To this end, access passes stating the pavilions and stands for which they are valid are issued during the access granting stage in order to more effectively control the presence of workers inside the pavilions, to facilitate the detection of any irregularities. The checks on the access passes also enable verification of the people present in the authorised subcontractor area, based on the contract awarded to the suppliers and/or service provider.

It should be noted that (i) the Fiera Milano Group’s Code of Ethics includes core policies to prevent the use of illegal employment practices and underage workers (ii) the current 231 Model includes a special section regarding employment offences involving foreign people without the correct residency permits and a special section regarding offences involving illegal recruitment practices and worker exploitation, the purpose of which is to prevent and control such offences.

In June 2019, Fiera Milano signed a Memorandum of Understanding with the Milan Prefecture and some social partners on prevention and the protection of labour in the exhibition sites: in line with the process already undertaken, the Memorandum aims to combat illegal and irregular work practices through sharing, which strengthens the capacity for intervention and prevention, also thanks to a permanent Observatory, which promotes the broadest dissemination of the culture of legality.

Risks related to business ethics and integrity in the supply chain

There is a potential risk that the lack of transparency and integrity in the supplier base (e.g. corruption, undeclared work, infiltration of organised crime), may have repercussions on operations and compromise the Group’s reputation, also in consideration of its significant media exposure. The Covid-19 pandemic lockdown and the consequent economic and financial crisis that has impacted businesses potentially have a significant impact on the evolution of the risks of money laundering, corruption and organised crime infiltration, to which businesses and financial institutions are subject.

To protect itself against such risk and the potential negative impact on its reputation and integrity, the Group has developed and implemented an extensive system of procedural and organisational measures with respect to active and passive corruption, as detailed below.

In operational terms, controls have been implemented (i) in the supplier engagement phase, for its reputational and economic/technical qualification, resulting in enrolment in the Group’s supplier register, as well as (ii) in the field, in the physical access control phase (check of validity of entry permits by the Security function) and in the phase of executing the contracted services (first-level check by the requesting function and second-level check by the Supplier Quality function). To this end, access passes stating the pavilions and stands for which they are valid are issued during the access granting stage in order to more effectively control the presence of workers inside the pavilions, to facilitate the detection of any irregularities.

On a procedural level, the Code of Ethics forbids corrupt practices, unlawful bribery, collusion, and requests, direct and/or through third parties, for personal or career advantages either personal or on behalf of others. The current Model 231 has two specific sections covering corruption: one for crimes committed against the Public Administration and one covering corruption among private entities, which describe the potential types of crime and the relative control protocols to oversee the sensitive matters in question. The control protocols are part of specific corporate procedures of which the most significant, as regards these risks, are those governing procurement of goods and services. In addition, every customer and supplier, and more generally all third parties, are informed of the 231 models and the Code of Ethics of the Group companies, as specific clauses are included in the contracts which require the counterparty to respect the principles set forth in Italian Legislative Decree 231/2001 and in the Code of Ethics. The Group has also adopted a procedure to manage gifts, donations and sponsorships.

With regard to foreign subsidiaries, the Brazilian company CIPA FM and the South African company Fiera Milano Exhibition Africa have adopted “guidelines for the application of anti-corruption measures and other compliance programmes by foreign subsidiaries”, which followed the adoption at both CIPA FM and Fiera Milano Exhibition Africa of a staff search and selection procedure and a procedure for gifts, donations and sponsorships, both inspired by the guidelines of the corresponding Parent Company procedures. In the first half of 2021, specific training was provided to all the employees of these foreign subsidiaries on the Code of Ethics and the Guidelines for the application of the Anti-Corruption Principles and other Compliance Programmes.

To ensure the autonomy of the buyers in the Procurement department, the Company introduced a rotation system that is linked to new and different categories of supplies and to the importance of the services being purchased. A similar job rotation system was introduced for employees having contact with suppliers of medium/high risk services whereby they rotate their positions at intervals depending on their seniority within the organisation for operating positions, and at increasing intervals for those positions with a more predominantly management component.

Employees also participate in classroom and e-learning training courses specifically dedicated to these matters.

Finally, whistleblowing procedures provide a framework for the receipt, analysis and processing of reports, including those made anonymously or in confidence, by third parties or employees of Group companies. The procedure provides for a dedicated internal committee (Whistleblowing Committee), whose responsibility it is to carry out investigations into any allegations of unlawful practices and/or conduct. This committee performs the tasks for which it is responsible in conjunction with the Supervisory Body in the event of any reports concerning significant offences pursuant to Legislative Decree 231/2001.

3. Legal/compliance risks

Risks related to the reference legal framework on health and safety

The activities of the Group carried out in the exhibition and congress sites, and the number of persons (employees, suppliers, exhibitors, visitors, congress attendees and stand fitters, etc.) that transit or work in the exhibition sites could result in exposure to the risk of claims or breaches of the legislation governing workplace health and safety (Consolidated Law 81/2008). Such breaches, should they occur, may expose the Company to the application of substantial sanctions or, in the event of injuries, to legal proceedings with negative repercussions for the Group's finances and assets as well as for its reputation.

These risks are mitigated both by contractual protection mechanisms and by the introduction of numerous procedural and organisational safeguards adopted for this purpose, including:

- monitoring the supplier selection process, with controls of technical/professional eligibility and a focus on occupational health and safety;
- preparing the Interference Risk Assessment Report (DUVRI) and aligning procedures concerned, in order to comply with Legislative Decree 81/2008;
- systematically updating Model 231, including the Special Section on Occupational Health and Safety;
- preparing and updating the Health, Safety and Environment Action Plan (PASSA), which contains the programme of measures considered appropriate or necessary to guarantee the improvement of health and safety levels over time;
- adopting and giving to suppliers and exhibitors “Technical Regulations for Exhibitions”, which contain the rules which exhibitors and suppliers must observe in their activities.

In relation to the Covid-19 pandemic and the consequent governmental health and safety measures, the Group has (i) adopted an anti-Covid protocol for the conduct of exhibitions and conferences, developed according to the guidelines issued by key associations and taking into account current legislation, which governs entry and management methods for visitor flows, from pre-registration to arrival at the exhibition and congress sites, through structured routes that guide the visitor through the pavilions, common areas and refreshment points (ii) prepared a DVR – Biohazard Risk Assessment Document for Covid-19 and (iii) adopted a regulatory Protocol of the measures to prevent and contain the spread of Covid-19 in workplaces, shared with RSU and RLS.

Administrative liability of entities pursuant to Legislative Decree 231/01

Legislative Decree 231/2001 establishes the administrative liability of entities as a consequence of some crimes committed by directors, senior employee executives and third parties operating by appointment or on behalf of the Company or are in any case linked to it by legal relationships relevant to the prevention of offences. However, the decree exonerates the entity from this liability if it can demonstrate it has adopted and effectively implemented an organisational, management and control model (Model 231), suitable for preventing the commission of the crimes contemplated. The adoption of Organisational Models does not rule out, per se, the imposition of penalties contemplated in Decree 231/2001. If a crime is committed which involves the administrative liability of the Company pursuant to Legislative Decree 231/2001, the Judicial Authorities are required to assess these models, and their actual implementation. If the Judicial Authorities consider the models adopted as not being suitable for preventing the crimes that have occurred, or as not being efficiently implemented, or consider the monitoring of the model's functioning and compliance by the dedicated body as insufficient, bans would be imposed in any case on the Company, i.e. a ban on dealing with the Public administration, or fines would be imposed, with consequent negative effects on operations, prospects and the Company's financial situation, as well as its reputation.

To meet the requirements of this Legislative Decree, the Company – and the Group companies subject to the legislation – have introduced organisational, management and control models that are constantly monitored and updated. Notwithstanding the adoption of the aforementioned Models, the Group is exposed to the risk of penalties arising from the Model 231s of the Group companies being found to be inadequate.

In 2021, activities continued to update the Model 231, overseen by the Parent Compliance department, in order to implement legal developments and changes in the organisational structure of the company. In particular, without prejudice to all further updates made necessary by the provisions that have expanded the catalogue of predicate offences (most recently with Legislative Decree 75/2020), following the issuance of Decree Law No. 124 of 26 October 2019, a new ad hoc Special Part of the Model dedicated to Tax Crimes has been drafted. During 2022, activities to update the Model will continue, aimed at incorporating new legislation on receiving stolen goods, money laundering and self-laundering (Legislative Decree 195/2021), combating fraud and the counterfeiting of non-cash means of payment (Legislative Decree 184/2021), computer crimes and unlawful data processing, crimes against the individual, and market abuse offences (Law no. 238/21).

During 2021, training on the Model was provided to company employees, in specific modules included in the "New Skills Fund" training programme".

As regards foreign subsidiaries, that are not subject to Legislative Decree 231/2001, the Brazilian company CIPA FM and the South African company Fiera Milano Exhibition Africa adopted "guidelines for the adoption by foreign subsidiaries on anti-corruption controls and a compliance programme". In the first half of 2021, specific training was provided to all the employees of these foreign subsidiaries on the Code of Ethics and the Guidelines for the application of the Anti-Corruption Principles and other Compliance Programmes.

Compliance risk regarding data protection (Privacy)

As part of their activities, the Company and the Group Companies process personal data, including special data, relating to natural persons (e.g. employees, customers, suppliers, etc.) and are each, therefore, required to comply with the provisions of Regulation (EU) 2016/679 ("GDPR"), and any other applicable national and/or EU provisions on personal data protection, including the provisions of the Data Protection Authority, such as those issued in June 2021 relating to the guidelines for cookies and other tracking tools. The Company, along with the other Group Companies, is therefore exposed to the risk that the procedures implemented and the measures adopted to protect personal data prove not to be totally adequate and/or that greater supervision of such issues is required in order to avoid possible fines amounting to a maximum of Euro 10 million to Euro 20 million or 4% of the previous year's total annual turnover, whichever is higher. As things currently stand, the company and the other companies within the Group have adapted to the new regulations set out in the GDPR and adopted the documentation required by the aforementioned legislation. In terms of procedural safeguards, Fiera Milano has adopted a data breach procedure that also applies to subsidiaries and a data protection policy. It has appointed a Data Protection Officer (DPO) and identified Privacy Officers within various company departments, who have been given specific responsibilities related to personal data processing in their own departments. Activities to map personal data processing and update registers under Art. 30 GDPR are carried out continuously and systematically.

4. Financial risks

For details, reference is made to the section on the *disclosure* of financial assets and liabilities, as required by IFRS 7, in the Notes to the Annual Consolidated Financial Statements.

Non-Financial Statement

"To meet the requirements of Article 5, paragraph 3, letter b of Legislative Decree 254/2016, the Company has prepared the Consolidated Disclosure of Non-Financial Information, which is a separate report. The 2021 Consolidated Disclosure of Non-Financial Information, prepared in accordance with GRI Standards, is available on the Group website."

Significant events after the end of the reporting period

In late November 2021, the emergence and rapid spread of Omicron - the most contagious variant since the start of the Covid-19 pandemic - once again introduced an element of uncertainty to international mobility, prompting exhibition organisers to reschedule events in the first half of the year to later dates, in order to allow international exhibitors and buyers to attend.

Specifically, the Group-owned exhibitions were rescheduled, including Bit (postponed from February to April), Transpotec Logitec (from January to May), Homi (from January to March), and also to hosted exhibitions such as Salone del Mobile (from April to June), Mido (from February to May) and Mostra Convegno Expocomfort (from March to the end of June). In any case, this rescheduling concerns the year 2022 and at present there are no postponements to later years, nor cancellations.

Among the significant initiatives adopted by the Government, it is worth mentioning the Covid Decree of 2 February 2022, which encourages the return of non-EU visitors by recognising the vaccination status of their country of origin, plus a swab test if the certificate does not conform to the Italian requirement.

Finally, mention should be made of the possible effects that the recent conflict in Ukraine may have on the business and on the prices of raw materials and commodities, as stated in the sections on "Risks related to the general economic context, evolution and competitiveness of the exhibition market" and "Risk of an increase in the price of raw materials and scarcity of materials and labour" in the part of the report on the main risk factors to which the Group is exposed.

Business outlook and going concern assessment

The public health situation is gradually improving, as infections from the Omicron variant flattened out at the end of January and are steadily declining; as a result, the main European countries are planning the easing of restrictions with the aim of a progressive return to normality. At the moment, the outlook is therefore positive, although it is impossible to rule out the appearance of further variants, which could again complicate the picture and negatively impact the exhibition and congress calendar.

Due to the conflict between Russia and Ukraine, the Group is closely monitoring developments in order to define the possible impacts on exhibitions whose commodity sectors have the greatest exposure to the countries involved.

Based on the information available to date, the EBITDA target for the financial year 2022 is confirmed in the range of Euro 40-50 million, as forecast in the CONN.E.C.T. 2025 plan.

Today, the Group has adequate financial resources to cover its short- and medium-term needs, also taking into account the general economic context, which is still characterised by uncertainty and volatility related to the permanence, albeit mitigated, of the Covid-19 pandemic and the Russia-Ukraine conflict. The 2021-2025 strategic plan and projections for 2026 confirm that the Group is able to generate adequate cash flows to repay the loans received, in compliance with the agreed covenants, although it cannot exclude further postponements and consequent changes to the exhibition and congress calendar, with a related impact on the economic and financial situation of the Company and the Group.

On the basis of that described above, with reference to the forecast earnings in the budget and the plan and taking into account the forecasts of the working capital and the financial and equity situation, the separate and consolidated financial statements have been drawn up on a going-concern basis and consolidated financial statements have been prepared on a going concern basis and the related estimates and uncertainties have been described in this section and in the sections on risk "Rescheduling of events due to Covid-19" and "Use of estimates" and "Liquidity risk" in the Notes to the Financial Statements.

The Board of Directors will continue to monitor the impact of the Covid-19 pandemic on earnings, financial performance and the balance-sheet stability of the Company and the Group.

Income and financial performance of Fiera Milano SpA

Income performance

Fiera Milano SpA Income Statement

(€'000)	2021		2020	
		%		%
Revenues from sales and services	106,908	100.0	63,038	100.0
Cost of materials	241	0.2	164	0.3
Cost of services	66,306	62.0	44,461	70.5
Costs for use of third party assets	601	0.6	416	0.7
Personnel expenses	34,451	32.2	24,329	38.6
Other operating expenses	3,196	3.0	1,861	3.0
Total operating costs	104,795	98.0	71,231	113.1
Other income	63,595	59.5	18,598	29.5
Allowance for doubtful accounts and other provisions	5,449	5.1	434	0.7
EBITDA	60,259	56.4	9,971	15.7
Depreciation and amortisation	37,999	35.5	37,520	59.5
Adjustments to asset values	-	-	-	-
EBIT	22,260	20.8	(27,549)	(43.8)
Financial income/(expenses)	(9,883)	(9.2)	(7,816)	(12.4)
Valuation of financial assets	(644)	(0.6)	(11)	-
Profit/(loss) before income tax	11,733	10.9	(35,376)	(56.2)
Income tax	(23,717)	(22.2)	(10,620)	(16.8)
Profit/(loss) from continuing operations	35,450	33.1	(24,756)	(39.4)
Profit/(loss) form discontinued operations	1,172	1.0	-	-
Profit/(loss)	36,622	34.2	(24,756)	(39.4)

Revenues **from sales and services** amounted to Euro 106,908 thousand compared to Euro 63,038 thousand in 2020 and increased by Euro 43,870 thousand. The increase in revenues was due to the resumption of in-person exhibitions from mid-June. The change was mainly due to the presence in the year under review of the "biennial odd-numbered years" events Host, Sicurezza, Tuttofood and Made Expo, the multi-yearly hosted EMO and CPHI as well as the biennial hosted Vitrum and Made in Steel. All this was thanks to the rescheduling of the exhibition calendar, which postponed the events originally planned for the first half of the year to the second half where possible. In addition, unlike the current year, some exhibitions were held in a reduced form in 2020, including the directly organised HOMI Fashion&Jewels and the hosted exhibitions The Micam autunno and Lineapelle-A new point of view. The long suspension in the first half of the year due to the Covid-19 pandemic led to the cancellation of several important exhibitions (Lineapelle I semester, Milano Unica Spring and The Micam Spring). The postponement of the Transpotec & Logitec biennial exhibition to 2022 should also be noted.

A breakdown of sales by geographical area is not given as Fiera Milano SpA operates almost exclusively on the domestic market.

EBITDA amounted to Euro 60,259 thousand compared to Euro 9,971 thousand at 31 December 2020, showing an increase of Euro 50,288 thousand. The increase is mainly attributable to non-recurring government grants received during the year as compensation for the EBITDA losses caused by the Covid-19 pandemic in the 2020 and 2021 financial years.

EBIT was equal to Euro 22,260 thousand compared to Euro -27,549 thousand at 31 December 2020, marking an increase of Euro 49,809 thousand. The positive change mainly reflects the trend in EBITDA.

Net financial expenses were negative amounting to Euro 9,883 thousand compared to expenses of Euro 7,816 thousand at 31 December 2020. The negative change of Euro 2,067 thousand was mainly due to lower dividends distributed as well as to the increase in financial expenses related to higher average debt on medium/long-term maturities. This effect was partially offset by lower financial expenses on leased assets, related to the lease liability arising from the adoption of IFRS 16.

The item **Valuation of financial assets** amounted to Euro -644 thousand compared to Euro -11 thousand at 31 December 2020 and refers to the write-down of the investment in the company Cipa Fiera Milano Publicações e Eventos Ltda and in the company MADE eventi Srl. More details are given in the specific item of the Notes to the Financial Statements.

Profit before tax amounted to Euro 11,733 thousand compared to Euro -35,376 thousand in 2020.

Profit/(loss) for the year from continuing operations amounted to Euro 35,450 thousand (Euro -24,756 thousand in 2020).

Profit/(loss) for the year from discontinued operations amounted to Euro 1,172 thousand and relates to the sale of the publishing business unit (zero in 2020).

Profit at 31 December 2021 amounted to Euro 36,622 thousand, compared to a loss of Euro 24,756 thousand for the previous year. The change reflected the trend in EBIT and mainly benefited from the positive impact of deferred taxation following the exercise of the option for the tax realignment of certain assets.

For further details, see the Notes to the Consolidated Financial Statements.

Equity and financial performance

Fiera Milano SpA Reclassified Statement of Financial Position

(€'000)	31/12/21	31/12/20
Goodwill	76,091	70,144
Intangible assets with a finite useful life	16,138	14,334
Other non-current assets	351,419	398,818
Tangible fixed assets	1,656	2,057
Financial assets	85,167	72,735
A Non-current assets	530,471	558,088
Inventories	1,876	3,583
Trade and other receivables	24,647	15,204
B Current assets	26,523	18,787
Trade payables	29,818	14,368
Pre-payments	27,730	21,870
Tax liabilities	3,510	3,063
Provisions for risks and charges and other current liabilities	38,961	15,594
C Current liabilities	100,019	54,895
D Net working capital (B - C)	(73,496)	(36,108)
E Gross capital employed (A + D)	456,975	521,980
Employee benefit provisions	6,523	5,148
Provisions for risks and charges and other non-current liabilities	728	7,195
F Non-current liabilities	7,251	12,343
G NET CAPITAL EMPLOYED continuing operations (E - F)	449,724	509,637
H NET CAPITAL EMPLOYED asset held for sale	-	-
TOTAL NET CAPITAL EMPLOYED (G + H)	449,724	509,637
covered by:		
I Equity	102,133	65,168
Cash & cash equivalents	(135,996)	(17,472)
Current financial (assets)/liabilities	62,715	90,330
Non-current financial (assets)/liabilities	420,872	371,611
Net financial debt of continuing operations	347,591	444,469
Net financial debt of asset held for sale	-	-
L Net financial position (TOTAL)	347,591	444,469
EQUITY AND NET FINANCIAL POSITION (I + L)	449,724	509,637

The items in the Reclassified Balance Sheet correspond to those in the Statement of Financial Position of Fiera Milano SpA.

Net capital employed totalled Euro 449,724 thousand at 31 December 2021, a decrease of Euro 59,913 thousand compared to the figure at 31 December 2020.

At **31 December 2021**, non-current assets totalled Euro 530,471 thousand compared to Euro 558,088 thousand at 31 December 2020. The decrease refers to the item "Right of use of leased assets" of buildings and rental cars as a result of the amortisation process and the separation of the sublease to the subsidiary Fiera Milano Congressi SpA, of the fieramilanocity exhibition site following the contract signed on 30 July 2021. This effect was partially offset by the increase in receivables relating to the remuneration of tax losses for the year from the tax consolidation with Fondazione Fiera Milano and recognised against the assessment of recoverability, within the time horizon of the approved plans.

Net working capital, which is the balance of current assets and current liabilities, changed from a negative figure of Euro -36,108 thousand at 31 December 2020 to a negative figure of Euro -73,496 thousand at 31 December 2021. The change is mainly attributable to the recovery of exhibition activities in the second half of the year, which led to an increase in particular in payables to suppliers and exhibition organisers.

Fiera Milano SpA has structural negative net working capital due to the favourable cash management cycle of exhibitions as clients make advance payment of part of the attendance fee. Furthermore, Fiera Milano SpA also manages these activities on behalf of third-party organisers and, in this way, generates positive cash flows also from renting exhibition space.

Shareholders' equity amounted to Euro 102,133 thousand, an increase of Euro 36,965 thousand compared to 31 December 2020. The change is mainly attributable to profit/(loss) for the year.

Net financial debt not including IFRS 16 lease liabilities shows net cash of Euro 21,062 thousand, compared to net debt of Euro 30,640 thousand at 31 December 2020. The improvement of Euro 51,702 thousand was due to the positive cash flow generated by the resumption of exhibition activities, as well public grants received as compensation for the losses in EBITDA caused by the Covid-19 pandemic in the 2020 and 2021 financial years.

Net financial debt including IFRS 16 lease liabilities amounted to Euro 347,591 thousand compared to net financial debt of Euro 444,469 thousand at 31 December 2020.

Investments: In the financial year ended at 31 December 2021, investments totalled Euro 5,833 thousand and break down as follows:

Investments

(€'000)	Full year at 31/12/21	Full year at 31/12/20
Intangible fixed assets	4,679	5,161
Tangible fixed assets	254	428
Financial fixed assets	900	-
Total investments in non-current assets	5,833	5,589

Investments in intangible fixed assets totalled Euro 4,679 thousand and mainly concern:

- Euro 2,449 thousand for purchases related to the implementation of digital projects and software purchases;
- Euro 2,230 thousand for activities still in progress related to the development of new corporate information systems.

Investments in tangible fixed assets totalled Euro 254 thousand and mainly concerned systems at the Rho exhibition site and electronic equipment.

Investments in financial assets amounted to Euro 900 thousand and referred to capital transactions of the company MADE eventi Srl.

As regards related-party transactions with Group companies, see Note 53 in the Notes to the Financial Statements of Fiera Milano SpA.

Fiera Milano SpA personnel

Composition and turnover

The Company had 439 permanent employees at 31 December 2021 and the breakdown compared to the previous financial year was as follows:

Permanent employees at year end

(units)	31/12/21	31/12/20
Executives	22	21
Middle management and White collar workers	417	421
Total	439	442

Compared to the previous year, resources with permanent contracts decreased by 3, mainly due to a turnover of the workforce in the various operational areas.

26 employees joined the group, of whom 10 on permanent contracts, consolidating company policy to gradually recruit *juniors* initially taken on with other contracts, 8 to replace staff who had resigned, 3 to build up the corporate *governance* staff team, 3 to expand the digital/sales areas and 2 on contract transfers from other Group companies. 29 employees left the company, of whom 22 resigned voluntarily and/or employment ended, 5 took retirement, plus 1 transferred to another Group company. The personnel that left were from the marketing department and staff positions.

The overall *turnover* of employees, calculated as the difference between those joining and those leaving the Company as a percentage of the average number of employees, was 12.4% in 2021 compared to 15.7% in 2020.

Movement in employees

	2021	2020
New employees	26	47
Leavers	29	23
Employee turnover	12.4%	15.7%
Internal mobility	11	6

Fiera Milano SpA usually employs staff on temporary contracts to manage peaks of activity related to the exhibition calendar and to start up extraordinary projects. Due to the Covid-19 pandemic, personnel on temporary contracts fell from 10 employees in 2020 to 3 employees in 2021.

Fixed-term contracts

	Full year at 31/12/21	Full year at 31/12/20	Change
Executives	-	-	-
White collar workers	3	10	(7)
Total	3	10	(7)

Part-time employees went from 49 in 2020 to 44 in 2021, 36 of whom were horizontal part-time employees and 8 vertical part-time employees:

- Executives with a managerial role.
- Middle management with specialist roles.
- Office staff and technical support staff.

Fiera Milano SpA has no manual workers as it outsources all activities for exhibition and setting-up services.

A breakdown by length of service at Fiera Milano SpA indicates the strong employee retention of the Company and confirms the figures for the previous financial year. The following table gives a breakdown of employees by length of service:

Breakdown by length of service

	31/12/21	31/12/20
< 10 years	29%	29%
From 10 to 20 years	45%	46%
> 20 years	26%	25%
Total	100%	100%

Employment contracts in force

National Collective Bargaining and Supplementary Agreement

Fiera Milano SpA uses the National Collective Employment Agreement for employees of companies in the tertiary, distribution and services sectors and also a supplementary company contract for non-executive employees, valid 4 March 2019 - 31 December 2022.

The new Supplementary Company Contract has brought with it a number of new developments in terms of working hours, social clauses and support for family life and parenthood, as well as welfare. As regards working hours and the work organisation, the aim of the contract is to harmonise and bring in line company organisational requirements, which are specific to the exhibition industry, with peak times and periods of less intensity, with the personal and professional needs of people, in order to promote a greater balance between professional and personal life. New social and family institutions have also been set up.

Fiera Milano SpA therefore continued to focus on its employees by identifying alternative ways of enhancing their wellbeing while, at the same, containing the costs to the Company.

The success of the Corporate Welfare Plan continued in 2021; this plan incorporates benefits, personal services and services to ensure an optimum work-life balance. The Company sets aside an equal sum for each employee to use on these benefits. The "WellFair" plan is accessible on-line and permits employees to choose the services that best suit them from among those identified by the Company under the provisions of applicable law. It allows each individual to construct his/her own benefit package and to manage it as he/ she sees fits until the credit allocated him/her has been used up.

Equal Opportunities and Non-Discrimination

Fiera Milano SpA considers diversity and equal opportunities to be extremely important and this is expressed in its Code of Ethics, which states:

Fiera Milano SpA offers all workers the same employment opportunities, operating in such a way as to ensure that all of them enjoy equitable treatment based on criteria of merit without any discrimination.

The competent functions must:

- *adopt merit, skill, and in all cases, strictly professional criteria for any decision concerning an employee;*
- *select, hire, train, pay and manage employees without discrimination;*
- *create a work environment where personal characteristics cannot give rise to discrimination.*

Fiera Milano Spa interprets its entrepreneurial role in the protection of both work conditions and the worker's psychological and physical integrity, respecting his/her moral personality, and preventing the latter from suffering illicit influences or undue difficulties.

In particular, with regard to the employment of women, Fiera Milano prepares a biennial report on gender equality in hiring employees, training, promotion and other factors in order to have an overview of gender equality among its employees as required by Italian Legislative Decree 198 of 11 April 2006.

In 2021, female employees numbered 265 representing 60% of total employees.

Safety

The safety of all its employees is fundamental for Fiera Milano SpA and it makes significant investments to ensure their safety. In 2021, personnel with technical roles in the Company safety training.

Training

As regards the 2021 training programme of Fiera Milano SpA, see the section "Training" in the chapter "Fiera Milano Group personnel".

Other information

1. Equity investments held by members of the Administrative and Control Bodies and by General Managers and Executives with strategic responsibilities

The table below shows equity investments in Fiera Milano SpA and its subsidiaries held by members of the Administrative and Control Bodies, the General Managers and Executives with Strategic Responsibilities, as well as by their spouses not legally separated and children that are minors, directly or through subsidiary companies, trust companies or intermediaries that appeared in the shareholders' register at 31 December 2021 or from communications received or information obtained directly from the relevant parties.

Name and surname	Position	Company in which shares are held	No, of shares held at 31.12.2020	No, of shares acquired	No, of shares sold	No, of shares held at 31.12.2021
Directors						
Carlo Bonomi	Chairperson	Fiera Milano SpA	-	-	-	-
Luca Palermo	Director	Fiera Milano SpA	-	81,289	-	81,289
Alberto Baldan	Director	Fiera Milano SpA	-	-	-	-
Stefania Chiaruttini	Director	Fiera Milano SpA	-	-	-	-
Anna Gatti	Director	Fiera Milano SpA	-	-	-	-
Francesca Golfetto	Director	Fiera Milano SpA	-	-	-	-
Angelo Meregalli	Director	Fiera Milano SpA	-	-	-	-
Marina Natale	Director	Fiera Milano SpA	-	-	-	-
Elena Vasco	Director	Fiera Milano SpA	-	-	-	-
Sindaci						
Monica Mannino	Chairperson	Fiera Milano SpA	-	-	-	-
Piero Antonio Capitini	Standing Statutory Auditor	Fiera Milano SpA	-	-	-	-
Daniele Federico Monarca	Standing Statutory Auditor	Fiera Milano SpA	-	-	-	-
Riccardo Raul Bauer	Chairperson no longer in office	Fiera Milano SpA	-	-	-	-
Mariella Tagliabue	Standing Statutory Auditor no longer in office	Fiera Milano SpA	-	-	-	-
No. of Executives with strategic responsibilities	Company in which shares are held		No, of shares held at 31.12.2020	No, of shares acquired	No, of shares sold	No, of shares held at 31.12.2021
Strategic Executives no longer in charge*	Fiera Milano SpA	no. 1	66,786	-	-	66,786
Strategic Executives in charge**	Fiera Milano SpA	no. 2	-	50,000	-	50,000

* Assignment of shares on April 20, 2020 following the 2018-2019 performance share plan.

** Assignment of shares on April 28, 2021 following the 2021-2022 performance share plan.

No person in the above table holds shares in the subsidiary companies of Fiera Milano SpA.

Report on corporate governance and ownership structure at 31 December 2021

Fiera Milano S.p.A. (hereinafter, the '**Company**' or '**Fiera Milano**') with this Report on Corporate Governance and Ownership Structure (hereinafter, the '**Report**') intends to provide a general and systematic overview of its corporate governance structure, information on its ownership structure, and information on the application of the recommendations contained in the principles and recommendations of the Corporate Governance Code of listed companies of Borsa Italiana (the Italian Stock Exchange), approved by the Corporate Governance Committee in January 2020 and in force since 1 January 2021 (hereinafter, the '**Corporate Governance Code**'). The term corporate governance is used to identify the body of rules and procedures for managing and controlling joint-stock companies. An effective and efficient business organisation model must be capable of using the correct means to manage business risks and potential conflicts of interest that can arise between Directors and shareholders and between controlling and non-controlling interests. These aspects are of even greater significance in listed companies with a wide shareholder base.

The indications given by Borsa Italiana in the 'Format for the Report on Corporate Governance and Ownership Structure' issued in January 2022 and Recommendations formulated by the Corporate Governance Committee have been taken into account in the preparation of this Report.

1. Issuer Profile

Fiera Milano, an issuer of shares listed on the Euronext Milan market, previously known as the Mercato Telematico Azionario (MTA), STAR Segment of Borsa Italiana S.p.A. (hereinafter, '**Borsa Italiana**'), adopts a system of corporate governance that conforms to laws and regulates and is aligned with the contents of the Corporate Governance Code.

The Company, which exercises direction and coordination over its direct subsidiaries, uses a traditional administration and control model based on the existence of a Board of Directors and a Board of Statutory Auditors.

Fiera Milano qualifies as a Small and Medium Enterprise (hereinafter '**SME**') under Article 1, paragraph 1.w-quater).1 of Legislative Decree 58 of 24 February 1998 (hereinafter the '**Consolidated Finance Act**'); the capitalisation of the Company, in fact, is Euro 243,082,262 at 31 December 2021, with revenue of Euro 106,908,410, at 31 December 2021.

* * * *

Under the provisions of the Corporate Governance Code, the Board of Directors of the Company has initiated a process aiming to strengthen further the sustainability policies adopted by the Fiera Milano Group, pursuing the objective of creating long-term value to the benefit of shareholders and all stakeholders. Medium- to long-term objectives in the various areas of sustainability are already an integral part of the 'CONN.E.C.T. 2025' Strategic Plan, which was approved by the Board of Directors and presented to the market on 22 February 2021.

Fiera Milano publishes the Consolidated Non-Financial Statement, pursuant to Legislative Decree 254/2016, the so-called. 'Sustainability Report', which supplements the information in the Annual Financial Report by detailing *performance* and key sector indicators from a sustainability and social responsibility perspective.

The Sustainability Report is available on the Company's website, www.fieramilano.it, in the Investors/Documents section.

2. Disclosure on the ownership structure (Article 123-bis, paragraph 1, Consolidated Finance Act)

2.1 Structure of share capital (Article 123-bis, paragraph 1.a), Consolidated Finance Act)

The paid-in share capital is equal to Euro 42,445,141.00 (forty-two million four hundred and forty-five thousand one hundred and forty-one) and comprises 71,917,829 (seventy-one million nine hundred and seventeen thousand eight hundred and twenty-nine) registered shares with no nominal value.

The shares are indivisible and carry one voting right each, except in the case of treasury shares held directly and indirectly which do not have this right.

The Company has issued no other financial instruments with rights to subscribe to newly issued shares.

At 31 December 2021, the Company had no share-based incentive schemes involving an increase, against payment or free of charge, in the share capital.

2.2 Restrictions on the transfer of shares (Article 123-bis, paragraph 1.b), Consolidated Finance Act

There are no restrictions on the transfer of shares.

2.3 Significant investments (Article 123-bis, paragraph 1.c), Consolidated Finance Act)

The Company is classified as an SME and, therefore, under Article 120, paragraph 2, of the Consolidated Finance Act, the significant threshold for reporting significant investments is 5%.

According to the shareholders' register and communications received pursuant to Article 120 of the Consolidated Finance Act, the shareholders who at 15 March 2022 held, directly or indirectly, shares equal to 5% or more of the share capital were as follows:

Declarant	Direct Shareholder	No. Shares	% of Ordinary Share Capital	% of Voting Capital
Fondazione E.A.Fiera Internazionale di Milano	Fondazione E. A. Fiera Internazionale di Milano	45,898,995	63.821	64.065
	Total	45,898,995	63.821	64.065
Milan-Monza-Brianza-Lodi Chamber of Commerce (formerly Milan Chamber of Commerce, Industry and Agriculture)	Parcam S.r.l.	4,689,316	6.520	6.545
	Camera di Commercio Metropolitana di Milano-Monza-Brianza-Lodi (ex Camera di Commercio Industria Artigianato e Agricoltura di Milano)	1	0.000	0.000
	Total	4,689,317	6.520	6.545

2.4 Shares with special rights (Article 123-bis, paragraph 1.d), Consolidated Finance Act)

No shares with special rights have been issued.

2.5 Employee stock options: mechanism for exercising voting rights (Article 123-bis, paragraph 1.e), Consolidated Finance Act)

At 31 December 2021, there were no employee stock option plans.

2.6 Restrictions on voting rights (Article 123-bis, paragraph 1.f), Consolidated Finance Act)

There are no restrictions on voting rights.

2.7 Shareholders' agreements (Article 123-bis, paragraph 1.g), Consolidated Finance Act)

There are no shareholders' agreements pursuant to Article 122 of the Consolidated Finance Act.

2.8 Change of control clauses (Article 123-bis, paragraph 1.h), Consolidated Finance Act) and provisions in the Articles of Association regarding tender offers (Article 104, paragraph 1-ter and Article 104-bis, Consolidated Finance Act)

There are no *change of control* clauses pursuant to Article 123-bis, paragraph 1.h) of the Consolidated Finance Act. Regarding tender offers, the Company Articles of Association meet current regulations on the *passivity rule* and do not provide for application of the neutralisation measures under Article 104-bis, paragraphs 2 and 3 of the Consolidated Finance Act.

2.9 Mandates to increase the share capital and authorisations for the purchase of treasury shares (Article 123-bis, paragraph 1.m), Consolidated Finance Act)

In 2021, the Shareholders' Meeting gave no authorisation to the Board of Directors to increase the share capital pursuant to Article 2443 of the Italian Civil Code.

Concerning the purchase of treasury shares, 12 October 2021 saw the expiration of the 18-month authorisation to purchase own shares and to dispose of all or part of the own shares purchased without time limits and even before having completed the purchases - approved for 18 months by the Shareholders' Meeting of 20 April 2020. The authorisation mentioned above had stipulated that (i) the maximum number of shares acquired, including those already owned by the Company and its subsidiaries, could not exceed 5% of shares making up the share capital of the Company, (ii) the purchase price of each share could not be higher than the greater of the highest price of the last independent transaction and the current highest independent offer price on the trading date on which the acquisition is made, whilst respecting the requirement that the unit price of the shares must not be 10% higher or lower than the reference price of Fiera Milano shares on the MTA market organised and operated by Borsa Italiana on the trading day preceding any single transaction, (iii) shares could be disposed of in one or more transactions even before the authority to acquire the shares had been completed, and (iv) the disposal price could not be lower than the lowest price at which the shares were acquired; this restriction on the disposal price does not apply if the shares are disposed of as part of a stock option plan.

The Company did not implement the aforementioned plan.

At the date of this Report, Fiera Milano directly held 273,758 treasury shares, equal to 0.38% of the share capital.

2.10 Direction and coordination (Article 2497 et seq., Italian Civil Code)

As approved by the General Council of its controlling entity Fondazione Ente Autonomo Fiera Internazionale di Milano on 26 July 2004, Fiera Milano has autonomous organisational and decision-making powers and is not subject to direction or coordination – pursuant to Article 2497 et seq. of the Italian Civil Code – by the parent.

Any presumption of direction and coordination is negated by the fact that Fondazione Ente Autonomo Fiera Internazionale di Milano exerts no decisive influence on the long-term strategic plans or annual budgets of Fiera Milano or on its investment decisions, nor does it determine its policies regarding the acquisition of goods and services on the market, or coordinates any business initiative or activity in the sectors in which the Company and its subsidiaries or associates operate.

Fiera Milano exercises direction and control over its direct subsidiaries. At 31 December 2021, the Company

exercised direction and control over: i) wholly owned companies, i.e. Fiera Milano Congressi S.p.A. and Nolostand S.p.A.; and ii) the subsidiary Made Eventi S.r.l. Until 16 December 2021 (the effective date of the merger by incorporation of the wholly-owned subsidiary Fiera Milano Media S.p.A.), the Company also exercised management and coordination activities over Fiera Milano Media S.p.A

Direction and control activities are governed by the Guidelines on Direction and Coordination, approved by the Board of Directors of the Company in the meeting of 31 July 2019 (reference is made to § 14.2).

3. Compliance (Article 123-bis, Paragraph 2.A), Consolidated Finance Act)

At the Board of Directors' meeting on 15 December 2020, Fiera Milano adopted the new *Corporate Governance Code* approved by the Corporate Governance Committee of Borsa Italiana in January 2020.

The Corporate Governance Code is publicly available on the website of the Committee for *Corporate Governance* at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>

The *corporate governance* structure of Fiera Milano is not affected by non-Italian legal provisions.

4. Board of Directors

4.1 Role of the Board of Directors

The Board of Directors has a central role in the business organisation and is responsible for its activities and its strategic and operating guidelines, as well as for verifying the existence of controls necessary to monitor Company and Group performance. Pursuant to Article 17.2 letter b of the Articles of Association, the Board of Directors is exclusively responsible, among other things, for approving the strategic guidelines and policies, the industrial and financial plans and the policies for assuming and managing all risks. The Board defines the Company and Fiera Milano Group's industrial strategy in line with the objective of pursuing sustainable success and creating long-term value for the benefit of shareholders and all stakeholders. These objectives are an integral part of the 'CONN.E.C.T. 2025' Strategic Plan, approved by the Board of Directors on 22 February 2021.

The Board of Directors actively promotes dialogue with the Company's Shareholders and other Stakeholders. The board meeting of 28 July 2021 approved the 'Policy for managing dialogue with institutional investors and shareholders in general', described in greater detail in Chapter 12 of this Report.

The Board of Directors is invested with the broadest powers for the ordinary and extraordinary management of the Company; in particular, it has the power to take any action it deems appropriate or useful to achieving the corporate purpose, except actions which, by Italian Law, are decided by the Shareholders' Meeting.

In addition, pursuant to Article 17.1 of the Articles of Association, responsibility for the following is also attributed to the Board of Directors:

- (i) merger decisions in cases indicated in Articles 2505 and 2505-bis of the Italian Civil Code;
- (ii) the establishment and closure of secondary branches;
- (iii) the reduction in share capital in cases of withdrawal by shareholders;
- (iv) alignment of the Articles of Association to regulatory requirements;
- (v) the transfer of the Company's registered office within the Province.

Under Article 17.2 of the Articles of Association, as most recently amended by the Shareholders' Meeting of 5 October 2021¹⁹, in addition to the responsibilities that by Italian Law may not be delegated, the Board of Directors also has exclusive responsibility for:

- (a) the purchase, subscription, and transfer, on its own account, of shares, investments or interests in other companies, including newly established companies, and the transfer of option rights, except transactions concerning the mere investment of liquidity;

¹⁹ Please note that to make it easier to manage the Company, the Extraordinary Shareholders' Meeting of 5 October 2021 resolved to amend letter (i) of Article 17.2 of the Articles of Association.

- (b) the approval of strategic guidelines and policies, industrial and financial plans of all risk assumption and risk management policies, with no exceptions, as well as evaluation of the functionality, efficiency and effectiveness of the internal control systems of the Company;
- (c) the spin-off of property and movable assets to other companies, both those in the process of being established and those already established;
- (d) any form of loan taken out by the Company exceeding the limit of 30% of equity;
- (e) agreements for mortgages, encumbrances or other guarantee rights of any type whatsoever on all or relevant parts of the Company's bonds, property or assets;
- (f) *budget* approval;
- (g) bank guarantees to third parties granted by the Company;
- (h) the conclusion of property contracts, with the sole exception of (i) real estate rental contracts concluded for the performance of the Company's business for periods not exceeding six years and (ii) real estate rental contracts concluded for the benefit of Company employees included in the approved budget and for periods not exceeding four years;
- (i) the conferment of appointments, consultancy, services not provided within *budget* limits, as supplemented and amended during the year, exceeding Euro 250,000.00 (two hundred and fifty thousand) per individual transaction;
- (j) the appointment of the General Manager – and possibly one or two Deputy General Managers – as well as the appointment of the Chief Operating Officer and Senior Executives – on the proposal of the Chief Executive Officer if appointed or of the Chairman and the determination of the relevant powers;
- (k) the appointment or termination of the position of Financial Reporting Officer;
- (l) the appointment of the Supervisory Board;
- (m) the establishment and disbanding of internal Committees of the Board of Directors, the appointment, removal, and remuneration of their members and approval of their operating procedures;
- (n) the appointment and removal of the Internal Audit Manager as proposed by the Chief Executive Officer, after having obtained the opinion of the Board of Statutory Auditors and of the Independent Directors.

The Board of Directors also decided that it should have exclusive responsibility for the following:

- preparing and approving the business plan, as proposed by the Chief Executive Officer, and the strategic objectives contained therein;
- all extraordinary administrative measures.

4.2 Appointment and replacement (Article 123-bis, paragraph 1.I), Consolidated Finance Act)

As required by law and by the Articles of Association, the appointment of members of the Board of Directors is from lists presented by shareholders who, either alone or in concert with other shareholders, hold at least 2.5% of the Company share capital, as established by the Articles of Association and by Consob Resolution 60 of 28 January 2022. The lists must be filed with the registered office of the Company at least twenty-five days prior to the date set for the Shareholders' Meeting on first call and must be made publicly available at least twenty-one days prior to this date in compliance with current regulations.

Ownership of the minimum shareholding required to present lists is based on the shares confirmed as registered to the shareholder on the day on which the lists are filed with the Company. To prove ownership of the minimum number of shares required to present lists, shareholders must submit the relative certification released by authorised intermediaries in accordance with law by the Company's list publication deadline.

Each list must be filed, by the aforementioned deadlines, with (i) information concerning the identity of the shareholders who have presented the list and their percentage shareholding, (ii) statements in which each candidate accepts the candidacy, confirming that there is no cause that would make them ineligible or incompatible and that they meet the necessary requirements for appointment under current regulations, including any independence requirements for

Statutory Auditors required by law and by the Corporate Governance Code, and that they do not exceed the limit to the total number of administration and control positions held in other companies, listed or unlisted; the statements of each candidate must confirm possession of the capacity for free expression and must also include a specific undertaking from each candidate that they will maintain their ability for independent judgement free from any external influence for the entire term of office, as well as a specific undertaking to dedicate an amount of time to the position consistent with correct and diligent fulfilment of the role and not to assume other administration and control positions that violate the internal regulation of the Company regarding the limit to the total number of positions held pursuant to this Article; (iii) a professional *curriculum vitae* from each candidate, indicating administrative and control and executive positions currently held and those held previously.

It is also a legal requirement that at least one Director be appointed from the list with the greatest number of votes presented by minority shareholders and that is in no way connected, even indirectly, with the shareholders who presented, or acted in concert to present, or voted for the list that received the highest number of votes.

With reference to the appointment and replacement of members of the Board of Directors, the Articles of Association, in compliance with the requirements of Article 147-ter, paragraph 1-ter, of the Consolidated Finance Act and Article 144-undecies 1 of the Regulation adopted with Consob resolution 11791 approved by resolution dated 14 May 1999, and subsequent amendments and modifications (hereinafter the '**Issuers' Regulation**'), require that:

- the number of Directors respects the principle of gender balance, in compliance with applicable regulations²⁰;
- the way in which the lists are drawn up and the substitution mechanisms for replacing persons during their term of office guarantee compliance with the principle of gender balance;
- the mechanisms used should the elected body not respect the principle of gender balance ensure that some or all of the last persons elected from the list that obtained the highest number of votes and that are of the gender most represented must step down to ensure compliance with the principle of gender balance, and must be replaced by the first persons that failed to be elected on the same list and belong to the less represented gender.

The Directors must meet the professionalism and integrity requirements according to applicable laws, failing which they will be ineligible or will have to step down from office. The composition of the Board of Directors must reflect an adequate level of diversity in terms of skills, experience, age, gender and international profile.

To co-opt Directors to the Board, the Board of Directors must ascertain in advance the optimum qualitative and quantitative composition in order to identify and ensure the correct theoretical profile (including proven and continuing professionalism and independence) of the candidates.

The majority of members of the Board of Directors must meet the independence requirements for Statutory Auditors according to current law and also the independence requirements established in the Corporate Governance Code. Independent Directors, according to their documented experience, must possess the professionalism to ensure a high level of internal discussion in the Board of Directors and to make an effective contribution to its decision-making process.

The Board of Directors assesses the existence of the independence requirements based on all the criteria and recommendations set out in the Corporate Governance Code: (i) on the initial appointment of a new Director qualifying as independent; (ii) on the re-appointment of all Directors qualifying as independent.

The Board of Directors will ascertain annually that the requirements for independence of Directors already appointed are still met. In all cases, an assessment that each Director classified as independent meets the independence requirements must be carried out by the Board of Directors in accordance with the principle of substance over form. Should the requirements for independence, as defined above, be found to be lacking in any independent director, they will forfeit the position unless at least the majority of members of the Board of Directors still meets the independence requirements. An independent Director losing their independence requirements during the term of office must immediately inform the Board of Directors. Furthermore, the independence requirement will be considered not met if a Director has already held three consecutive positions as independent director of the Company.

The complete Articles of Association are available on the Company website www.fieramilano.it in the section *Investors/Corporate Governance/Articles of Association*.

²⁰ Article 14.4 of the Articles of Association has been brought into line with regulatory provisions by resolution of the Board of Directors on 10 March 2020, and duly registered with the Register of Companies.

In December 2020, the Board of Directors of Fiera Milano, taking into account the criteria identified by the Corporate Governance Code, defined the quantitative criteria to be used to assess the significance of existing relationships for the assessment of the fulfilment of the independence requirement.

In particular, the Board of Directors decided to use, in determining the materiality threshold of the 'significant commercial relationship' and 'significant additional remuneration' referred to in Recommendation 7 letters c) and d)²¹ the criteria already adopted by the Company in the Procedure for Related Party Transactions, which qualifies commercial relationships with individuals within the threshold of Euro 50,000.00 as Small Amounts.

In the current Board of Directors, the majority of directors are independent according to all applicable laws and regulations and the Corporate Governance Code, whose requirements must be met in full by Fiera Milano directors to qualify as independent.

As indicated in the Corporate Governance Code, a Director of a listed issuer is not normally considered independent if they:

- a) are a significant shareholder of the company;
- b) if they are, or have been in the preceding three financial years, an executive director or an employee: of the company, a strategically important subsidiary of the company or a company under common control;
- c) if, directly or indirectly (e.g. through subsidiaries or companies of which they are an executive director, or as a partner of a professional firm or a consulting company), they have or have had in the previous three financial years a significant commercial, financial or professional relationship (i.e. by resolution of the aforementioned Board of Directors of December 2020, a commercial, financial or professional relationship exceeding Euro 50,000);
- d) if they receive, or have received in the previous three financial years, from the company, one of its subsidiaries or the parent company, a significant remuneration (i.e. by resolution of the aforementioned Board of Directors of December 2020, a remuneration exceeding Euro 50,000) in addition to the fixed remuneration for the office and to that provided for participation in the committees recommended by the Code or provided for by the regulations in force;
- e) if they have been a Director of the company for more than nine financial years, even if not consecutive, in the last twelve financial years;
- f) are an executive Director in another company in which an executive Director of the issuer is also a Director;
- g) if they are a shareholder or director of a company or entity belonging to the group of the company that is appointed as auditor to the company;
- h) is closely related to a person in any of the situations described above.

4.3 Composition (Article 123-bis, paragraphs 2.d) and 2.d-bis), Consolidated Finance Act)

The current Board of Directors was appointed by the Shareholders' Meeting of 20 April 2020 and the term of office will expire with the Shareholders' Meeting called to approve the financial statements at 31 December 2022.

At the Shareholders' Meeting of 2 October 2020, Chairman Carlo Bonomi, co-opted by the Board of Directors on 25 April 2020, was confirmed as director and Chairman of Fiera Milano. At the same meeting, Luca Palermo was appointed as a director.

Both directors appointed at the Shareholders' Meeting of 2 October 2020 will expire together with the entire Board of Directors with the approval of the financial statements at 31 December 2022.

Following his appointment by the Board of Directors on 15 December 2020, Mr Luca Palermo took over as CEO and General Manager from 1 January 2021.

²¹ Recommendation 7 of the Corporate Governance Code:

c) if, directly or indirectly (e.g. through subsidiaries or companies of which they are an executive director, or as a partner in a professional firm or consulting company), they have, or have had in the preceding three financial years, a significant commercial, financial or professional relationship: (i) with the company or its subsidiaries, or its executive directors or top management; (ii) with a party who, together with others through a shareholders' agreement, controls the company; or, if the parent company is a company or entity, with its executive directors or top management;

d) if they receive, or have received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration additional to the fixed remuneration for the office and to that provided for participation in the committees recommended by the Code or provided for by the regulations in force.

The Board of Directors currently consists of nine Directors, all of whom with the professionalism and skills appropriate to the tasks entrusted to them, as shown by the CVs/resumes of the individual Directors and as confirmed at the end of the Self-Assessment activity carried out by the Board of Directors for the year 2021.

A brief CV/resume for each Director in office at 31 December 2021 giving their main personal and professional details, as well as a list of positions held, is given below.

- **Carlo Bonomi**, Chairman, confirmed by the Shareholders' Meeting of 2 October 2020 following his appointment pursuant to Article 2386 of the Italian Civil Code by the Board of Directors on 25 April 2020 (**Non-independent non-executive Director - Chairman**).

Born in Crema (CR) on 2 August 1966, he is a businessman in the biomedical sector.

His career has been marked by an interest in research and working in highly innovative companies.

He is currently Chairman of the Board of Directors of the companies l'Impronta S.r.l., Emotec S.r.l., Sidam S.r.l., Marsupium S.r.l., Ocean S.r.l.. He is an Independent Director of Dulevo International S.p.A. and Muzinich & Co. He is also a Director of Bocconi University and a member of the Board of Directors of Fondazione Assolombarda.

Former President of Assolombarda, he was elected President of Confindustria in 2020.

- **Luca Albino Palermo**, Chief Executive Officer, appointed director by the Shareholders' Meeting of 2 October 2020 and Chief Executive Officer (and General Manager) by the Board of Directors of 15 December 2020 with effect from 1 January 2021 (**non-independent executive director - Chief Executive Officer**).

Born in Ivrea (TO) on 29 October 1970, he graduated in Economics and Business at the University of Pavia and obtained a General Management Programme at Harvard Business School. He also continued his education with an Executive Master's Degree in marketing (IMD) and an Executive Master's Degree in strategy (Sole 24 Ore Business School). He was Regional Trade Marketing Manager at Robert Bosch S.p.A., CRM Senior Project Manager at Matrix S.p.A., General Manager in Acroservizi S.p.A. and Regional Sales Director for Vodafone Italia N.V. More recently, he was CEO of Nexive Italia S.p.A. and Logista Italia S.p.A. Until December 2020 he was CEO and General Manager of Edenred Italia S.r.l., and a member of the Board of Directors of Edenred Italia Fin S.r.l.

- **Alberto Baldan**, Director, appointed by the Shareholders' Meeting of 20 April 2020, meets the requirements for independence under Article 148, paragraph 3 of the Consolidated Finance Act and under the Corporate Governance Code (**Independent Non-executive Director**).

Born in Venice on 21 October 1960, he graduated in Economics. He is currently Chief Executive Officer of Grandi Stazioni Retail S.p.A. and a member of the Board of Directors of Illy Caffè S.p.A. and Hippocrates Holding S.p.A.

- **Stefania Chiaruttini**, Director, reappointed to the position of Director by the Shareholders' Meeting of 20 April 2020, is independent pursuant to Article 148, paragraph 3, of the Consolidated Finance Act and pursuant to the Corporate Governance Code (**independent non-executive Director**).

Born in Este (Padua) on 11 August 1962, she has been a Chartered Accountant since 1997 and is a founding partner of the firm Chiaruttini & Associati.

For over 30 years she has exclusively practised as a Chartered Accountant and Auditor. She began her career with a prestigious Milan studio, in 1997 going on to establish Studio Chiaruttini & Associati.

Specialising in criminal economics law, market fraud and corporate crises, she has also gained experience with banks and financial institutions as commissioner, member of supervisory committees and curator appointed by the Ministry for the Economy. Over the course of her career she has specialised in corporate crises and has been a consultant -on behalf of business executives and courts- as well as judicial curator and commissioner.

Stefania Chiaruttini has gained particular experience in the prevention of the administrative liability of companies and entities, holding numerous consulting positions for the preparation of organisational models pursuant to Legislative Decree 231/2001, and accepting appointments as member of the supervisory bodies of banking and industrial companies.

An expert in business assessment, she also works alongside magistrates and major law offices as technical consultant, has held and still holds positions as Statutory Auditor, Director and Receiver in various listed and unlisted companies and is an Official Receiver under Law 270/99 and the Marzano Law.

Ms Chiaruttini also has over 20 years of experience in Corporate Governance and listed companies holding corporate positions held in important listed companies, such as, most notably: member of the Supervisory Board of Banco BPM and Statutory Auditor in SNAM S.p.A.

She is currently Chairman of the Board of Statutory Auditors of United Ventures One S.p.A. SICAF EuVeca and United Ventures SGR S.p.A., Statutory Auditor of Banco di Desio e della Brianza S.p.A. and also a member of the Board of Directors of Illimity SGR S.p.A.

- **Anna Gatti**, Director, appointed by the Shareholders' Meeting of 20 April 2020, meets the requirements for independence under Article 148, paragraph 3 of the Consolidated Finance Act and under the Corporate Governance Code (**Independent Non-executive Director**).

She graduated in Business Administration from Bocconi University in Milan, where she obtained a PhD in Business Administration and Management. She continued her training at Stanford University in Palo Alto (Post-doctoral Program in Organizational Behavior) and the University of Trento (PhD in Criminology), and in 2002 she became a researcher at the University of California Berkeley. From 2002-2004 she was Senior Economist for the World Health Organisation and, from 2004-2007, a partner at Myqube.

From 2007 to 2012, she successively held the positions of Head of International Consumer Operations at Google, Head of International Online Sales and Operations and Head of Strategic Partnership Operations at YouTube and Senior Director of Advertising and New Monetization at Skype/MSFT. In 2012, she co-founded an Artificial Intelligence start-up in San Francisco and was its CEO until 2015. She holds consultancy positions at Lastminute Group and did likewise for other international companies from 2016 to 2018. Since 2016 she has worked as an Angel Investor in Silicon Valley.

She was a member of the Board of Directors of the listed companies Buongiorno, Piquadro, Gtech/IGT, Banzai, Ray Way and Lastminute Group. She currently sits on the Board of Directors of WiZink Bank, Wizz Air Holdings and Intesa San Paolo S.p.A.

Since October 2020, as Associate Professor at SDA 'Bocconi', she has led a research centre on innovation in Life Sciences and Biotechnology. She is a registered professional journalist.

- **Francesca Golfetto**, Director, reappointed to the position of Director by the Shareholders' Meeting of 20 April 2020, is independent pursuant to Article 148, paragraph 3, of the Consolidated Finance Act and pursuant to the Corporate Governance Code (**independent non-executive Director**).

Born in Mirano (Venice) on 4 October 1950, she graduated in Economics from the University of Venice Ca' Foscari. She was a Visiting Scholar at Oxford University, the Said Business School and the University of Toronto, and has taught at the Universities of Turin, Venice, Toronto and Oxford. She is Emeritus Senior Professor of Management at Bocconi University in Milan. She is a management consultant in corporate and market strategy. She is the author of numerous international publications on management, also on the exhibition sector. She is a Chartered Accountant and Auditor and is on the register of consultants of the Milan Court for corporate valuations. She has been a member of boards of directors, both of listed and unlisted companies, of control and risk management committees, remuneration committees, and supervisory committees of companies in extraordinary administration. She is currently an independent director of the listed company Dea Capital S.p.A. and a statutory auditor of Pininfarina S.p.A.

- **Angelo Meregalli**, Director, appointed by the Shareholders' Meeting of 20 April 2020, meets the requirements for independence under Article 148, paragraph 3 of the Consolidated Finance Act and under the Corporate Governance Code (**Independent Non-executive Director**).

Born in Milan, he holds a degree in aeronautical engineering from Milan Polytechnic University. He began his career in technical and commercial roles for major multinationals in the aeronautical and industrial sectors. After an MBA from SDA Bocconi, he joined Booz Allen & Hamilton, working in management consulting for the pharmaceutical, automotive and tech industries. He then went on to work for the UniCredit Group, where he spent ten years in payments and household and SME loans, with responsibility for risk management, and national and international business development. He oversaw the goodwill of two consumer credit companies in Bulgaria and Romania, for the UniCredit Group, before becoming Head of the European Division of Retail Payment Systems. In 2012 he became Managing Director of PayPal Italy. He continued his career with FinTech, holding regional and later global roles. He spent the last two and a half years at PayPal's headquarters in Silicon Valley as Head of Global M&A and Strategic Partners Go-to-Market and participated in the US FinTech giant's most recent acquisitions. At the end of 2021, he became a Partner at BCG, specialising in digital payments and FinTech.

- **Marina Natale**, Director, reappointed to the position of Director by the Shareholders' Meeting of 20 April 2020, since September 2020 has been independent pursuant to Article 148, paragraph 3, of the Consolidated Finance Act and pursuant to the Corporate Governance Code (**independent non-executive Director**).

Born in Saronno (Varese) on 13 May 1962, she graduated with honours in Economics from Cattolica University, Milan.

She has held numerous positions in Unicredit S.p.A., the last of which as Deputy General Manager, after being appointed CFO in 2009 and having managed the most important external growth operations of the Group.

She is currently CEO of AMCO S.p.A., a member of the Investors Committee of the Italian Recovery Fund (formerly Atlante II), a member of the Board of Directors of Webuild S.p.A. and Nexi S.p.A.

- **Elena Vasco**, Director, reappointed to the position of Director by the Shareholders' Meeting of 20 April 2020, is independent pursuant to Article 148, paragraph 3, of the Consolidated Finance Act and pursuant to the Corporate Governance Code (**independent non-executive Director**).

Born in Hartford (USA) on 31 December 1964, she graduated with honours in Economics in Naples in 1989 and in 1991 received a Master's in Economics from Northeastern University, Boston.

She has been the General Secretary of the Milan-Monza-Brianza-Lodi Chamber of Commerce since May 2015 and has worked there since 2009. Before that, from 1992 to 1997, she worked in Mediobanca Servizio Partecipazioni e Affari Speciali (consultancy, M&A and corporate finance). She then held several executive positions in the Hdp-RCS Group and was a member of numerous boards of directors of group companies including Valentino, RCS Editori, RCS Libri, Parmalat S.p.A., RAI Sat and Terna S.p.A..

She is also currently a director of the listed companies DeA Capital S.p.A. and Cattolica Assicurazioni. She is also Deputy Chairman of the Board of Directors of Fondazione La Triennale di Milano.

For information on positions as Director or Statutory Auditor held by members of the Board of Directors in other companies listed on regulated markets, Italian or foreign, or in financial, banking or insurance companies or companies of significant size, please refer to the section above and Table 1 of this Report.

Note that the number of independent directors shown above exceeds the minimum ratio to the total number of Board Directors, is not only significant as required under applicable laws and regulations, but represents the majority of the directors in office.

With the exception of the Chief Executive Officer, all members of the Board are non-executive Directors since none has any management responsibility.

Given that the majority of the Board of Directors is made up of non-executive and independent directors with adequate and diversified managerial skills, the latter exercise significant influence over Board resolutions and effectively monitor the correctness of management.

The Board of Directors verified the independence requirements of the Directors at its Board meeting on 25 February 2022, by obtaining self-certification from each Director, now held on Company records. On the aforementioned date, the Board of Statutory Auditors, as part of its duties required by law, certified that the Board of Directors had correctly applied the criteria and procedures for ascertaining and evaluating the independence of its members. The Chairman of the Board of Directors and the Chairman of the Board of Statutory Auditors therefore confirmed that the independence requirements were met by the aforementioned Directors. Concerning the assessment of the independence of the Chairman of the Board of Directors, please note that due to the exercise of the operating powers received in 2020 following the resignation of the then-Chief Executive Officer Fabrizio Curci, the Board of Directors decided to qualify the Chairman as non-independent pursuant to Article 2 paragraph 7 letter b) of the Corporate Governance Code.

Profiles of the members of the Board of Directors may be found on the Company website www.fieramilano.it in the section *Investors/Corporate Governance/Corporate Bodies*.

- ***Diversity criteria and policies in Board composition and corporate organisation***

In the financial year under review, the following measures were implemented regarding the Company's strategy of diversity in the composition of the administration, management and control bodies.

Under the current Articles of Association, the composition of the Board of Directors must meet the legal requirements for gender balance. Moreover, the composition of the Board must reflect adequate diversity in terms of skills, experience, age, gender and international profile²².

Furthermore, the 'Regulation of the Board of Directors of Fiera Milano S.p.A.', drawn up in compliance with the provisions of current legislation and updated on 8 November 2021 to comply with the provisions of the Corporate Governance Code, already set out the requirements that directors must meet in addition to those provided for by current laws and regulations, to ensure the proper functioning of the administrative body.

Please also note that two-fifths of the Board of Directors of Fiera Milano consists of the least represented gender, i.e. men, and that generational and professional differences are adequately represented in addition to gender diversity.

In general, as regards the composition of the Board of Directors, a priority objective was to ensure that members have appropriate expertise and professionalism in order to ensure effective action.

Regarding the diversity policies applied by the Company within its organisation, please also note that, in line with the provisions of its Code of Ethics, Fiera Milano offers all workers the same work opportunities. It ensures that everyone can enjoy fair treatment based on merit criteria without discrimination.

As far as the Fiera Milano Group is concerned, offering all employees the same opportunities to develop their own skills and capabilities, avoiding any form of discrimination based on race, sex, age, nationality, religion or personal beliefs, is considered a key pillar of its management policy. With particular reference to the issue of female employment, please note that Fiera Milano prepares a biannual report on gender equality in hiring employees, training, promotion and other factors, in compliance with Legislative Decree no. 198 of 11 April 2006.

In addition, in November 2021, the CEO announced to Group employees the appointment of a Diversity Manager. The inclusion of this new figure confirms the Company's continued commitment to promoting diversity and inclusion, oriented towards a change of perspective that focuses on the centrality of the individual, their needs and their uniqueness as an essential value for the corporate community.

Concerning the diversity policies adopted by the Company, please refer in more detail to the Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016, available on the Company's website, www.fieramilano.it, in the Investors/Documents section.

²² In 2020, Fiera Milano's Articles of Association underwent an amendment by the Board of Directors to make them consistent with the new provisions of Law 160/2019 regarding the gender distribution of members of corporate bodies.

• **Total number of positions held in other companies**

As required by the Company Articles of Association, in its Regulation the Board of Directors stipulated the maximum number of administration and control positions that can simultaneously be held by any Director to ensure that responsibilities as a Director of the Issuer are performed effectively.

The 'Regulation of the Board of Directors of Fiera Milano S.p.A.' set out criteria for the total number of positions that may be held by all members of the Board of Directors. Where more rigorous, the limits on holding several positions envisaged in pro tempore legal and regulatory provisions prevail. The Board of Directors assesses annually that the limit on the total number of positions that may be held is respected. Any Director that becomes aware that they exceed this limit must, within 10 (ten) days of learning this fact, inform the Company of how the limit has been exceeded and, within 90 (ninety) days, resign from one or more of the positions held. Within 5 (five) days of resigning, the member of the Board of Directors must inform the Company of the position or positions from which they have resigned.

The limits to the total number of administration, direction and control positions under the Regulation of the Board of Directors are summarised in the following table.

Fiera Milano SpA

Listed companies and/or banks, financial or , insurance entities and/or those of material size (Italian/Foreign)

Chief Executive Officer	Executive positions	Non-executive positions or positions without control		Total no. of positions
	No	2		5
Chairman	Executive positions	Non-executive positions or positions without control		Total no. of positions
	No	In companies in which Fiera Milano S.p.A. has NO shareholding 3	In companies in which Fiera Milano S.p.A. has a shareholding 5	8
Non-executive Directors	Executive positions	Non-executive positions or positions without control		Total no. of positions
	3	When executive positions are also held 5		10
	When executive positions are NOT held 7			

In accordance with the Regulation:

- executive positions refer to: CEO, Member of the Management Committee, Chairman of the Board of Directors or of the Supervisory Committee, General Manager;
- non-executive positions and positions with control refer to: members of the Board of Directors with no executive responsibilities, members of the Supervisory Committee and members of the Board of Statutory Auditors;
- companies of material size refer to those with consolidated revenues in excess of Euro 500 million or with a total number of employees exceeding 500.

Lastly, in addition to any other incompatibilities according to law, any political or trade union positions are also considered incompatible.

4.4 Operation of the Board of Directors (Article 123-bis, paragraph 2.d), Consolidated Finance Act)

The Board of Directors of Fiera Milano has adopted a set of rules (the 'Regulation of the Board of Directors of Fiera Milano S.p.A.', hereinafter the 'Regulation') – last updated on 8 November 2021 – to bring the organisation and operation of the Board of Directors into line with the provisions of current laws, the Articles of Association of the Company, the Corporate Governance Code and internal *governance* procedures.

Together with their attachments, the Regulation governs the appointment and composition, the operating methods, responsibilities, powers and funds of the Board of Directors, the assessment procedure and amendments to the Regulation. For anything not expressly provided for in the Regulation, the statutory and regulatory provisions in force at the time shall apply.

The rules of operation of internal committees are contained in the rules of procedure of those committees.

Pursuant to the Regulation, Board meetings are usually scheduled according to a timetable approved at the start of the year (as a rule, approval is given as early as the end of the previous year) to ensure maximum attendance at the meetings, as well as whenever necessary, or at least one third of the members of the Board or an Auditor so request, and in the cases provided for by law.

The corporate calendar is available on the Company website www.fieramilano.it in the section *Investors/Documents/Financial Calendar*.

The Chairman ensures the proper conduct of Board meetings and is supported by the Secretary in ensuring the timely delivery and adequacy of the documentation supplied ahead of the Board meetings and in ensuring that confidentiality of the data and information given is maintained. In the absence or impediment of the Chairman, Board meetings are chaired by the most senior independent Director.

Under the Articles of Association, the majority of the current members of the Board of Directors must be present for any Board decision to be valid. Decisions are made on absolute majority vote of Directors present. In the case of a split outcome, the meeting Chairman will have the casting vote.

The Regulation governs, among other things, the timing and procedures relating to the flow of information to Directors to ensure effective management of Board information and allow Directors to express themselves in an informed manner on the matters submitted for their analysis and approval.

With particular reference to the transmission of pre-meeting documentation to Directors and Auditors, please note that the Board of Directors considered the deadline of three days prior to the date of the meeting as appropriate, except in cases of urgency, in which the documentation will be made available as soon as possible.

Pursuant to the Guidelines for the activities of the Financial Reporting Officer in preparing the company's financial reports, the documents relating to the approval of the draft financial statements and interim financial reports are submitted at least seven days before the date set for the Board of Directors' meeting.

Where, in specific cases, it is not possible to provide the necessary information within the time limit of three days before the meeting, the Chairman, with the help of the Secretary, shall ensure that appropriate and detailed information is provided during the meeting.

With the Company Secretariat's support, the Chairman ascertains that the information mentioned above has been provided to the Directors and the Statutory Auditors, confirming this at the start of the meeting. During the year ended 31 December 2021, compliance with deadlines was a constant focus of the Chairman, to ensure the adoption of suitable Board decisions, and deadlines were, generally, met.

The documentation relating to board meetings can be consulted and retrieved on the application for the computerised management of board meetings used by the Company, which allows maximum segregation of information, and easier and more immediate consultation of the documentation. This application was used for all Board of Directors' meetings and for internal committees.

Reports presented and decisions made at the Board meeting are minuted. Under the Articles of Association, the Secretary to the Board takes the minutes of the meetings.

Following the meeting, a draft of the minutes is made available to Directors and Statutory Auditors on the IT application for comment which, except in urgent cases, must be sent to the Secretary before the next Board meeting, at which the final text of the minutes is submitted to the Board for approval. After approval, the minutes are transcribed in the company book and signed by the Chairman and the Secretary.

During the financial year ending 31 December 2021, the Board of Directors held 11 meetings. All the meetings were regularly and assiduously attended by the Directors (the number of meetings attended by each member of the Board of Directors is shown in Table 1). The average duration of the Board meetings was approximately two hours 30 minutes. At the date of approval of this Report, one Board meeting had been held during the current year.

The members of the Board of Directors have declared and have guaranteed that they will effectively carry out their roles and dedicate the necessary time to them. This was also confirmed by the significant number of Board meetings held in 2021 and by the high attendance rate of Directors at those meetings.

4.5 Role of the Chairman of the Board of Directors

The Chairman, pursuant to specific provisions in the articles of association: convenes and sets the Board of Directors' meeting agenda, encourages internal discussion, promotes the effective functioning of the corporate governance system, and ensures the balance of powers concerning the Chief Executive Officer.

The Chairman also manages Shareholders' meetings, ensures that the meeting is quorate, ascertains the identity and eligibility of those present, regulates meeting proceedings – including the order and duration of spoken contributions, determines the voting system, vote counting – and scrutinises the voting results. The Chairman is entitled to represent the Company before any judicial or administrative authority and sign on its behalf.

They coordinate the work of the Board and ensure that adequate information regarding items on the agenda of meetings is provided to all members. In particular, they shall ensure that (i) the Directors are provided, in good time, with the documentation supporting the Board's resolutions or, at least, with an initial report on the matters to be discussed and (ii) the documentation supporting the resolutions, in particular that provided to the non-executive members, is adequate in terms of quantity and quality with respect to the matters on the agenda.

In agreement with the Chief Executive Officer, Company or Group executives in charge of the corporate departments responsible for the specific matters on the agenda are invited to attend Board meetings to provide the appropriate details on the issues to be examined by the Board of Directors.

Please also note that during the approval of the CONN.E.C.T. 2025 business plan, the Chairman and the CEO agreed to hold two meetings to discuss the Fiera Milano Group's strategic guidelines and main economic, financial and sustainability targets for the 2021-2025 period. During these meetings, the Directors received adequate information on the context in which Fiera Milano operates, the company organisation and its evolution.

Moreover, at meetings held during the year under review, the Board of Directors was given constant and timely notification of measures to update the corporate processes and procedures and the development of the organisational structure of the Fiera Milano Group.

The Chairman is also the direct contact between the Board of Directors, the internal control bodies and the committees within the Board of Directors and ensures that the latter's activities are properly coordinated with those of the Board of Directors.

The Chairman, assisted by the Chief Executive Officer, ensures that the Board of Directors is promptly informed about the development and significant contents of the dialogue with Institutional Investors and, in particular, with Shareholders, in compliance with the principles contained in the Corporate Governance Code and based on the provisions of the 'Policy for managing dialogue with Institutional Investors and with Fiera Milano Shareholders in general'. For relations with Shareholders, please refer in detail to Chapter 12 of this Report.

Finally, in compliance with the provisions of the Corporate Governance Code and pursuant to the Regulation of the Board of Directors, the self-assessment process of the Board of Directors is promoted and managed by the Chairman of the Board of Directors (with the support of the Appointments and Remuneration Committee).

• **Secretary of the Board**

In compliance with the provisions of the Regulation of the Board of Directors and the Corporate Governance Code, the Board – on the proposal of the Chairman – has appointed the Secretary and the Deputy Secretary of the Board of Directors from among members of the Company's Legal and Corporate Affairs Department, possess adequate requirements of professionalism and experience in the legal and corporate field.

In particular, the position of Secretary was assigned to the Director of the Legal, Compliance and Corporate Affairs Department, while that of Deputy Secretary was assigned to the Head of the Corporate Secretariat, Governance and Compliance Department.

The Secretary provides support to the Chairman to ensure the timely delivery and adequacy of the documentation supplied ahead of the Board meetings and that confidentiality of the data and information given is maintained; in accordance with Article 15.4 of the Articles of Association, they write up the minutes of board meetings.

The Secretary also supports the Chairman in preparing the Board's self-assessment document, which explains the methodology and the individual steps of which the self-assessment process is composed, the actors involved, the results obtained, the corrective actions proposed by the Board members, the progress or degree of implementation of the corrective measures defined in the previous self-assessment.

During the course of the financial year, the Secretary supported the activities of the Chairman and provided, with impartial judgement, assistance and advice to the Board of Directors on any aspect relevant to the proper functioning of the corporate governance system.

4.6 Executive Directors

• *Chief Executive Officer*

Following his appointment by the Board of Directors on 15 December 2020, Mr Luca Palermo took over as CEO and General Manager from 1 January 2021.

Since that date, the Chief Executive Officer has been invested with all the powers necessary for the management and ordinary administration of the Company except for those that are reserved by law to the Board of Directors and those indicated in Article 17.1 and 17.2 of the Articles of Association and any other matters that remain the responsibility of the Board of Directors.

In particular, the Board of Directors' resolution mentioned above granted Mr Palermo the following powers:

1. To conclude, amend and terminate real estate lease agreements concluded for the performance of the Company's business for annual rents not exceeding Euro 2,000,000.00 (two million point zero zero) per individual transaction and for periods not exceeding six years, and real estate lease contracts concluded for the benefit of the Company's employees, included in the budget approved by the Board of Directors and for periods not exceeding four years.
2. To negotiate and carry out cash transactions in foreign currencies for a maximum amount of Euro 2,000,000.00 (two million point zero zero).
3. To acquire, dispose of and negotiate derivative contracts (swaps, futures and options) on condition that such transactions may only be carried out to hedge interest rate, price, and exchange rate risks and to hedge against fluctuations in share prices or other financial instruments held by the Company, and always for a notional amount not exceeding Euro 2,000,000.00 (two million point zero zero) per transaction.
4. To comply with legal requirements governing the circulation of shares and dividend distributions with the authority to sign declarations.
5. To negotiate, sign, amend, withdraw, rescind or terminate contracts, agreements, letters of intent, memoranda of understanding, non-binding offers, and in general documents and/or non-binding acts of any kind having as their object the exploration and the opening of negotiations for the evaluation of M&A transactions of any kind, with no limit on the amount.
6. To negotiate and finalise, under any form, loan agreements and financing, including discounting and factoring transactions, for single transaction amounts representing no more than 30% (thirty per cent) of the equity of the Company, as well as to request and accept credit facilities for a maximum amount not exceeding 30% (thirty per cent) of the equity of the Company.
7. In the interests of the Company and/or in the interests of and/or for the benefit of directly or indirectly controlled companies or entities and for sums not exceeding Euro 5,000,000.00 (five million point zero zero): To request bank and/or insurance guarantees, letters of guarantee and, in general, reliance letters, to sign the relative agreements, furnish guarantees of all types, sign indemnities and/or warranties, endorsements, comfort letters, and finalise and sign financing transactions and/or bank guarantees.
8. To request without limits bank and/or insurance guarantees, letters of guarantee and general reliance letters in compliance associated with a request for reimbursement of taxes and/or duties to the Company.
9. To grant in the interests of and/or for the benefit of directly or indirectly controlled companies or entities, and for an amount not exceeding Euro 1,000,000.00 (one million point zero zero), non-refundable payments, for future capital increases and/or for any reason whatsoever should the company or entity need them.
10. To negotiate, authorise and underwrite transactions for the temporary use of liquidity through the use of Fiera Milano's available financial resources within the limit of Euro 20,000,000.00 (twenty million point zero zero) in value of the individual investment.
11. To represent the Company both in Italy and abroad in all matters and requirements relating to taxes, duties, and national insurance contributions and, for example, sign as the legal representative the annual tax returns,

the VAT returns, the annual withholding tax forms; to sign, present and negotiate statements, appeals, claims and disputes with the Tax and Customs Authorities, the Tax Commissions of all levels, including the Central Tax Commission, and the Judicial Authority.

12. To represent the Company, both actively and passively, in Italy and abroad, before judicial, civil and criminal authorities, administrative authorities in any area and level of jurisdiction also before courts of appeal and the high court, appointing and dismissing as necessary defence lawyers, solicitors, counsellors, consultants and expert witnesses and all with the power to table formal complaints on behalf of the Company; to submit disputes to formal or informal arbitration.
13. To negotiate and settle legal and out-of-court disputes, make out-of-court settlements for a maximum of Euro 1,000,000.00 (one million point zero zero) per dispute; including but not limited to disputes concerning the Company's receivables, tax disputes and labour disputes governed by Title IV of Book II of the Code of Civil Procedure, appointing and dismissing lawyers, defence counsel, consultants and experts for this purpose.
14. For non-management category personnel and for management category personnel, the power to hire, promote, transfer, exercise disciplinary power and dismiss, determining their duties, placement, remuneration, both fixed and variable, and any ancillary and/or extra agreements to the employment contract, while respecting the employment policies under Article 17.2 letter (j) of the Articles of Association.
15. To release certificates and returns for employee income, wage slips and any other matters concerning employees and social security and social and national insurance agencies and other public and/or private entities.
16. To represent the Company, in Italy and abroad, carrying out all duties and transactions with any private or public Body and Administration, including Municipal, Provincial, Regional and State ones, and with social and welfare agencies, trade unions and organisations for employers and employees, law enforcement agencies, social security agencies, the Azienda Socio Sanitaria Territoriale (Local Health Authorities), Agenzia di Tutela della Salute (the Health Protection Agency, Istituti di Ricovero e Cura a Carattere Scientifico (Research/Teaching Hospitals), employment offices and mediation and arbitration organisations; to sign national, local and company trade union agreements.
17. To represent the Company, in Italy and abroad, in matters under Legislative Decree 58 of 24 February 1998 and before Borsa Italiana S.p.A., the Commissione Nazionale per le Società e la Borsa (Consob) or other bodies that manage and/or govern regulated financial markets, the Ufficio Italiano dei Cambi, Monte Titoli S.p.A., the Italian Monopolies and Mergers Authority, the Italian Communications Regulator, the Bank of Italy, courts, Business Registers, Chambers of Commerce and Industry, government ministries and any other control and public bodies, associations, legal entities or individuals, shareholders and with the power to sign any declarations, documents and/or communications, statements, and certificates considered necessary and/or appropriate.
18. To represent the Company at meetings of shareholders, associations, foundations, consortia and entities in which the Company has a shareholding.
19. On behalf of the Company, to instigate any preventive or enforcement, seizure, and injunction measures, attachment orders and revoke these; to protest against bills of exchange; to issue a garnishee statement to the judicial authorities while adhering to the provisions of applicable law, with special reference to the provisions of Article 547 et seq. of the Civil Procedure Code.
20. To intervene in bankruptcy proceedings, file creditor claims in those bankruptcy proceedings, sign agreements, demand partial or final distribution, intercede in arrangements with creditors and approve or reject them.
21. To sign statements regarding regulatory status and compliance, consular invoices, import and export certificates and forms, and to carry out any required transactions with customs with the authorisation to make and collect any necessary deposits, sign application statements and forms.
22. To sign reports regarding inspections of any kind by public officials with the power to instigate disputes, make declarations, express reservations and provide corrections and clarifications.
23. To issue instructions, organise, manage and control, with fully independent decision-making and spending powers, compliance as part of the Company's activities of all obligations envisaged in Regulation (EU) 2016/679 – the General Data Protection Regulation – and Italian regulations on personal data protection

and related amendments, as well as adopt all measures necessary for this purpose, and to represent the Company as data processing controller with the right to sub-delegate all or part of the aforementioned powers and/or assign the duty of complying with such obligations to other internal parties (executives, employees) or external parties (consultants).

24. To assign and revoke responsibilities and general and/or special powers for specific acts or categories of acts within the limits of the powers assigned.
25. In accordance with Article 19 of the Articles of Association, to have signing authority and legal representation on behalf of the Company, either with third parties or in legal matters concerning Fiera Milano, for all matters delegated by the Board of Directors, preceding his name with the words 'Chief Executive Officer'.
26. And any other management or representation powers for the ordinary management of the Company but specifically excluding any related to the extraordinary management of the Company.
27. To implement the decisions taken by the Board of Directors, also through coordination of subordinate bodies, and ensuring their timely execution.
28. Regarding the payment of direct and indirect taxes and social security contributions resulting from the payment of such taxes and contributions in accordance with the law and the payment of dividends to shareholders by resolution of the Shareholders' Meeting, notwithstanding the above limits, the CEO may make the relevant payments without any limitation on the amount.

By the same resolution, Mr Palermo was also appointed:

- a. Director in charge of setting up and maintaining the internal control and risk management system pursuant to Article 6 of the Corporate Governance Code;
- b. with the express exclusion of any other party, Employer for preventive purposes pursuant to Art. 2, paragraph 1, lett. b) of Legislative Decree 81/08, for the Rho and Fieramilanocity sites and for any future locations that the Company will acquire, as well as in relation to any other place, including foreign ones, within which Fiera Milano carries out, even temporarily, its work, with the automatic exclusion of any sites that may be closed in the future, granting it all the managerial, decision-making and spending powers – none excluded and without the need for a detailed list – necessary for the implementation of the entire regulatory system in force on health, safety at work, occupational hygiene and accident prevention, contained, among other things, in Legislative Decree 81/2008, with the right to delegate powers and functions, except only those that cannot be delegated by the Employer, in compliance with the requirements, limits and conditions laid down by law;
- c. with the express exclusion of any other person, Head of Safety and Environmental Protection, for the Rho and Fieramilanocity sites, and for any future sites that the Company may acquire, as well as in relation to any other site, including foreign sites, in which Fiera Milano may carry out its work, even temporarily, with the automatic exclusion of any sites that may be closed in the future, granting it all the decision-making, managerial, executive and spending powers – none excluded and without the need for a detailed list – necessary to ensure compliance with all current, issued and to be issued environmental protection laws and regulations, as well as with all regulatory and implementing provisions and all provisions of the competent Authorities, also issued at local level, with the right to delegate powers and functions in compliance with the requirements, limits and conditions set by law'.

The Board of Directors also gave Mr Palermo specific responsibilities regarding his role as General Manager of Fiera Milano and required him to report to the Board of Directors on these responsibilities at least quarterly.

Specifically, as General Manager, Mr Palermo's responsibility is:

1. To conclude, amend and terminate consultancy and cooperative agreements, contracts for the use of intellectual property and professional services in general for an amount or commitment not exceeding Euro 1,000,000.00 (one million point zero zero) per transaction, without prejudice to the fact that the Board of Directors remains responsible for appointments, consultancies and services for over Euro 100,000.00 (one hundred thousand point zero) that are not within budget limits.
2. To assign mandates to banks, credit institutions, financial and trust companies to carry out equity services on behalf of the Company, negotiating the relative conditions and making the necessary payments.
3. To carry out banking transactions, including opening bank accounts, making deposit agreements, transferring

cash and cash equivalents among banking institutions and using the current account and overdraft facilities within the credit limits previously requested and obtained by the Company.

4. To negotiate, enter into, amend, withdraw from or terminate contracts, business proposals, documents and/or deeds of any nature whatsoever concerning the sale and/or provision of consumer goods or services, with no limitation on amount.
5. Negotiate, conclude, amend, execute and terminate for any reason, title or cause whatsoever all contracts, documents and/or acts of any nature whatsoever concerning the purchase of individual goods or services necessary for the Company's business, which entail the Company's assumption of commitments within the economic limit of Euro 2,000,000.00 (two million point zero zero) for each individual transaction.
6. To conclude, amend and terminate insurance contracts covering all types of risks, lease and factoring contracts for sums not exceeding Euro 5,000,000.00 (five million point zero zero) for any single transaction.
7. To conclude, amend and terminate tender contracts of any kind, including services, works, and transport contracts, commission agreements, deposit contracts, agency and sale contracts, loan for use, hire, agency and carrier services agreements for sums not exceeding Euro 20,000,000.00 (twenty million point zero zero) for any transaction.
8. To represent the Company, in Italy and abroad, in tenders and, in general, any procedures for the award of contracts of any kind, from public or private entities and their agents and sub-agents, stipulating and signing contracts in the name of and on behalf of the Company, giving expressions of interest, applications, financial quotations or any other relevant statement or declaration defining prices, agreements and conditions, constituting and releasing security deposits, receipt of payments, issuing valid receipts and disclaimers to the cashiers, offices and officials in charge of payment and signing the relevant contracts.
9. To dispose of, destroy or scrap machinery, equipment, plant, vehicles and any other type of asset having completed any formalities required by the public registers for ownership and including the cancellation of mortgages.
10. To buy, sell, register, grant or conclude licences for the use of patents, trademarks, models, domains and/or websites, publications, copyrights and all intellectual property rights in general, provided they are inherent to the corporate purpose.
11. To oversee the organisation of work, define the Company's organisation chart and ensure that all company functions act in coordination with each other, defining each function's tasks and responsibilities, setting objectives, and measuring their achievement.
12. To adopt all necessary measures to ensure the regular operation of the Company.
13. To make available and/or authorise the payment of the salaries and contributions of Fiera Milano employees, referred to each month, and taking any action to ensure the above and carrying out and/or subscribing to any means useful or necessary to compile the forms for the payment of costs related to the monthly wages (i.e. national insurance contributions and statutory deductions) and the payment of these costs.
14. To coordinate and optimise all Company operations and projects to enhance their efficiency and ensure they work towards the aims of the Company.
15. To ensure strict compliance with laws, internal regulations and instructions.
16. With the power to assign special powers of attorney for certain acts or categories of acts, within the limits of the powers received.

The Chief Executive Officer reports – as reported during the 2021 financial year – to the Board of Directors, at least quarterly and whenever the Board meets, on his activities, the operating performance and business outlook, as well as the main economic, financial and equity transactions or those of most significant size and nature carried out by the Company and its subsidiaries.

For completeness, please note that with effect from the same date of 1 January 2021, all operating powers conferred provisionally – to ensure continuity and stability of management – on the Chairman, Carlo Bonomi, were also revoked following the resignation, in June 2020, of the then-Chief Executive Officer, Fabrizio Curci.

4.7 Independent Directors and Lead Independent Director

• *Independent Directors*

The Board of Directors is composed of seven independent directors pursuant to the Consolidated Finance Act and the Corporate Governance Code, out of a total number of nine (concerning the independence requirements of each member of the Board of Directors, please refer to the matters indicated above and see Table 1 attached to this Report).

During 2021, the Independent Directors actively contributed to corporate decisions adopted. In this respect, – as detailed below – at 31 December 2021 both the Appointments and Remuneration Committee and the Control and Risk and Sustainability Committee are composed entirely of Independent Directors.

The Directors' independence is verified annually on the basis of criteria established in the Corporate Governance Code and other regulatory measures in force.

At the time of the self-appraisal, each Director provided self-certification to confirm they met the requirements of independence in accordance with provisions of the Corporate Governance Code.

In December 2020, the Board of Directors of Fiera Milano, taking into account the criteria identified by the Corporate Governance Code, defined the quantitative criteria to be used to assess the significance of existing relationships for the assessment of the fulfilment of the independence requirement.

In particular, the Board of Directors decided to use, in determining the materiality threshold of the 'significant commercial relationship' and 'significant additional remuneration' referred to in Recommendation 7 letters c) and d)²³ the criteria already adopted by the Company in the Procedure for Related Party Transactions, which qualifies commercial relationships with individuals within the threshold of Euro 50,000.00 as Small Amounts.

At the Board meeting of 25 February 2022, the assessment of the independence of the directors for the financial year 2021 was submitted to the Board of Statutory Auditors, which verified the correct application of the criteria adopted.

• *Lead Independent Director*

Pursuant to the provisions of the Corporate Governance Code, companies are required to appoint a *Lead Independent Director* only in the following cases: (i) if the chairman of the board is the *Chief Executive Officer* or holds significant management powers; (ii) if the office of Chairman is held by the person who controls, even jointly, the company; (iii) in large companies, even in the absence of the conditions set out in points (i) and (ii), if a majority of the independent directors so request.

For this reason, since there is no obligation for Fiera Milano to do so, the Board of Directors decided not to make the appointment.

²³ Recommendation 7 of the Corporate Governance Code:

c) if, directly or indirectly (e.g. through subsidiaries or companies of which they are an executive director, or as a partner in a professional firm or consulting company), they have, or have had in the preceding three financial years, a significant commercial, financial or professional relationship: (i) with the company or its subsidiaries, or its executive directors or top management; (ii) with a party who, together with others through a shareholders' agreement, controls the company; or, if the parent company is a company or entity, with its executive directors or top management;

d) if they receive, or have received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration additional to the fixed remuneration for the office and to that provided for participation in the committees recommended by the Code or provided for by the regulations in force.

5. Management of corporate information

The Company has adopted a 'Procedure for the internal management and external disclosure of inside information and register maintenance (hereinafter, the '**Procedure**'), as well as the related 'Implementing measures of the procedure for the internal management and external disclosure of inside information and register maintenance' (hereinafter, the '**Implementing Measures**').

The Procedure contains specific sections covering the definition of relevant and inside information, the related management procedures, ways of managing so-called market rumours, governs instances of delays in disclosure to the market, the approval process for press releases, persons authorised to maintain external relations and persons obliged to maintain confidentiality.

The Procedure also regulates the keeping and updating of the so-called '*Relevant Information List - RIL*' and the '*Insider List*', which identifies the responsibilities and procedures for maintaining and updating the *Insider List*. The procedure identifies the individual responsible for managing the List, an *info room* committee and the individuals that can be registered in it; it also governs the procedures for initial inclusion and subsequent updating as well as aspects regarding confidentiality obligations, as well as how these are managed in the event that the procedure for delayed communication of inside information is activated.

The Procedure is available on the Company website, www.fieramilano.it, in the section *Investors/Governance/Inside Information Procedure*.

6. Committees of the Board of Directors (Article 123-bis, paragraph 2.d), Consolidated Finance Act)

The Board of Directors, in compliance with the provisions of the Corporate Governance Code has set up internal committees to assist the Board in carrying out its role.

Specifically, the Board of Directors has set up the Control, Risk and Sustainability Committee and the Appointments and Remuneration Committee; their roles in offering advice and/or making recommendations are in line with the *standard* required by the Corporate Governance Code and *corporate governance best practices*.

As of 31 December 2021, both Committees of the Board of Directors are entirely made up of non-executive and independent directors.

In particular, as regards the Appointments and Remuneration Committee, the Company decided to continue grouping together the activities relating to remuneration and appointments under a single committee, in view of the fact that, also due to the limited size of the Company and the high degree of ownership concentration at 31 December 2021, the approach was confirmed capable of achieving the objectives established by the Corporate Governance Code.

Similarly, the company decided to include among the Control, Risk and Sustainability Committee's typical tasks the verification of issues relevant to the generation of long-term value and the sustainable success of the company, changing the name of this committee to the Control, Risk and Sustainability Committee.

The Control, Risk and Sustainability Committee, as a body composed exclusively of non-executive and independent directors, is also responsible for expressing a reasoned opinion on the Company's interest and the substantial correctness of the related conditions regarding the performance of Related Party Transactions.

Regarding the procedural safeguards adopted by the Company for Related Party Transactions, please refer to Section 10 of this Report.

The operation of the Committees is governed by specific regulations adopted by resolution of the Board of Directors. The Committees report periodically to the Board on the performance of their activities.

7. Self-assessment and succession of directors - Appointments and Remuneration Committee

7.1 Self-assessment and succession of directors

- ***Self-appraisal by the Board of Directors.***

In compliance with the provisions of the Corporate Governance Code, the Regulation of the Board of Directors establish that at least every three years, ahead of its renewal, it assess the adequacy of the size, composition and actual functioning of the Board and the Committees established, possibly providing information of any professional qualities it deems should be present on the Board.

The Board of Directors is assisted by the Appointments and Remuneration Committee in this activity.

The appraisal of the fulfilment of the independence and professionalism requirements of the members of the management body is carried out in accordance with the Regulation of the Board of Directors.

The self-appraisal Process is carried out by the Board of Directors, supported in its activities by the Appointments and Remuneration Committee, which is supported, in turn, by the Company Secretariat.

In its meeting of 14 December 2021, the Board of Directors resolved to start the self-assessment process of the Board of Directors and Internal Committees for the financial year 2021, with the sole support of the Company Secretariat.

The self-appraisal involves the following steps:

- gathering of qualitative information on the directors, including updates on their independence, professionalism requirements, positions held and any related party relationships;
- gathering information on attendance, meeting duration and matters discussed;
- the use of anonymous questionnaires to ascertain the opinion of the directors regarding the assessment parameters for the composition and modus operandi of the Board itself and the internal committees of the Board;
- assessment of the qualitative information obtained regarding compliance with the law, best governance practices and the Regulation of the Board of Directors regarding board member profiles;
- final assessment of information deriving from the self-appraisal questionnaires;
- formalisation of the results in the relevant document indicating the methodology used and the results obtained.

as part of the self-appraisal carried out concerning the financial year ended 31 December 2021, the documentation and questionnaires examined revealed the following:

- all members confirmed:
 - the absence of causes of ineligibility and incompatibility, pursuant to current laws and regulations and the Articles of Association of Fiera Milano;
 - they meet the requirements of good repute for holding the office;
- all members meet the requirements under Article 2382 of the Italian Civil Code;
- the Board of Directors is composed of seven independent directors out of a total of nine, pursuant to both Article 2, section 7, of the Corporate Governance Code²⁴ (which requires the presence of a 'significant' component of independent directors within the Board of Directors) and Article 148, paragraph 3 of the Consolidated Finance Act;

²⁴ Please note that in its resolution of 15 December 2020, the Board of Directors of Fiera Milano, in resolving to adopt the Corporate Governance Code, also quantified the 'significant business relationship' and 'significant additional remuneration' as Euro 50,000.00 per year for the assessment of the independence requirements of directors and statutory auditors referred to in points c) and d) of Article 2, recommendation 7 of the Corporate Governance Code.

- the Board of Directors guarantees the diversity of its members. In particular:
 - gender diversity is well represented on the Board, with two-fifths of the directors being male, i.e. the least represented gender;
 - generational diversity is well represented on the Board, as members are from different age groups and professional backgrounds;
 - the diversity of professional backgrounds is well represented on the Board, which consists of specialised professionals working in different sectors;
- each Director has good knowledge of and experience in at least two of the competency areas indicated; overall, in relation to the number Board Directors, the Board has a high level of competency in each area appraised
- the size of the Board is adequate for it to carry out its functions;
- the composition of the Board is balanced in terms of the diversity, expertise and professionalism of its members;
- the functioning of the Board is generally adequate for the operating requirements of Fiera Milano; specifically:
 - the Board has effectively exercised its powers to define the general planning and strategic policies of the Company and the Group;
 - the Board operates effectively to monitor, promote and encourage compliance with relevant rules and regulations;
 - the Board's controls on Fiera Milano's obligations are adequate;
 - Board discussions are thorough and participated in by the Members through a process that contributes to reaching properly agreed decisions;
 - Members are prepared for the Board's discussions and spend the necessary time examining the documentation relating to the items on the agenda;
 - the frequency and duration of Board meetings are adequate for the items on the agenda;
 - the way in which meetings were held using telecommunications – although compelled by the circumstances at the time – enabled participants to follow and intervene in the discussion in real time;
 - Board activities are generally given a positive assessment;
- the pre-meeting information is adequate;
- information flows between the Board and other company boards are adequate.

- **Succession of directors.**

However, regarding the procedure for the appointment and succession of directors, the following should be noted.

The Regulation of the Board of Directors stipulates that before each renewal, the Board of Directors expresses an opinion on its optimal quantitative and qualitative composition, taking into account the results of the self-appraisal.

At the recent renewal of the management body, which took place at the Shareholders' Meeting of 20 April 2020, the outgoing Board of Directors expressed its views on the optimal quantitative and qualitative composition, making available to shareholders the 'Guidelines on the composition of the new Board of Directors of Fiera Milano for the three years 2020-2022'.

In March 2019, the Company also adopted a procedure for the succession plan for executive directors with the aim to ensure their prompt replacement in the event of termination from their office different from the natural termination of the mandate, in order to guarantee an orderly succession in the top management positions through a rapid replacement of the discontinued executive directors, thus ensuring the continuity and stability of the management.

In accordance with the provisions of the Corporate Governance Code and related regulations, the Appointments and Remuneration Committee supports the Board of Directors in preparing, approving, managing and implementing the Succession Plan for the CEO and other executive directors.

7.2 Appointments and Remuneration Committee

An Appointments and Remuneration Committee was set up within the Board of Directors.

The Appointments and Remuneration Committee, in accordance with its Regulation and the Company's Articles of Association, comprises at least three Non-executive Directors, the majority of whom are Independent Directors. At least one member of the Committee has adequate knowledge and experience of financial matters or remuneration policies. This is assessed at the time of their appointment.

The Appointments and Remuneration Committee is composed of non-executive and independent directors: Elena Vasco, acting as Chairman, Alberto Baldan and Marina Natale. Members of the Committee have the necessary experience to carry out their assigned duties with respect both to appointments and remuneration and receive remuneration for their work.

All the information on the composition, role and functioning of the Appointments and Remuneration Committee appears in more detail in the Remuneration Report prepared in accordance with Article 123-ter of the Consolidated Finance Act.

The Committee assists the Board of Directors in preparatory work, advises and makes recommendations on appointments and remuneration matters.

In particular, pursuant to the Regulation of the Appointments and Remuneration Committee, the Committee has the following functions in relation to appointments:

- a) the Committee puts the names of possible candidates for Director to the Board, should one or more Directors be unable to carry out their duties in the course of the financial year (Article 2386, paragraph 1, Italian Civil Code) ensuring that the requirements for both a minimum number of Independent Directors and gender balance are met;
- b) it supports the Board of Directors in the preparation, approval, management and implementation of the Succession Plan for the CEO and other executive directors;
- c) supports the Board of Directors in the self-appraisal process of the Board of Directors and its committees;
- d) it supports the Board of Directors in the process designed to express, ahead of the renewal of the Board of Directors, an opinion on the optimal quantitative and qualitative composition of the Board of Directors and its committees, also taking into account the results of the self-assessment process.

During the year ended 31 December 2021, the Committee held seven duly minuted meetings and carried out its responsibility to table proposals to the Board of Directors. The average duration of the meetings of this Committee was approximately 1 and a half hours. At the date of approval of this Report, two meetings had been held in the current financial year.

At least one statutory auditor and the Human Resources Director of Fiera Milano attend the Committee meetings.

During the 2021 financial year, at least one auditor always attended the Committee meetings.

In compliance with the provisions of the Corporate Governance Code, the Chairman of the Committee shall inform the Board of Directors, at the earliest opportunity, on the issues discussed at previous meetings, without prejudice to the half-yearly written report that must be submitted to the management body.

During the financial year under review, the work of the Appointments and Remuneration Committee concerned:

- for appointments:
 - consideration of the candidacy of Mario Franci for the position of Chief Revenue Officer and Executive with Strategic Responsibilities of Fiera Milano;
 - consideration of the candidacy of Andrea Maldì for the position of Chief Financial Officer and Manager with Strategic Responsibilities of Fiera Milano;
 - new start of the process under the succession plan.

The Committee, also (i) conducted – in relation to the 2020 financial year – the self-appraisal to verify the adequacy of its composition and operating rules; (ii) presented, through the Chairman, detailed reports on the activities carried out at each meeting of the Board of Directors and approved the annual report referring to the year 2020 and the half-yearly report referring to the year 2021; (iii) provided support to the Board of Directors in defining the procedures for the self-assessment process of the Board and the Board Committees for 2021.

8. Remuneration of Directors - Appointments and Remuneration Committee

8.1 Remuneration of Directors

The variable part of the remuneration of the Chief Executive Officer and the Executive with Strategic Responsibilities is linked to achievement of the specific performance targets, indicated in advance and determined in accordance with the Remuneration Policy approved by the Board of Directors. For details, reference should be made to the Report on the Remuneration Policy and Remuneration Paid published in accordance with Article 123-ter of the Consolidated Finance Act for:

- remuneration policy (see Section I, Letter b, of the Report on the Remuneration Policy and Remuneration Paid prepared in accordance with Article 123-ter of the Consolidated Finance Act);
- the remuneration of Executive and Non-executive Directors (see Section II, Paragraph I, of the Report on the Remuneration Policy and Remuneration Paid prepared in accordance with Article 123-ter of the Consolidated Finance Act);
- the remuneration of top management (see Section II, Paragraph II, of the Report on the Remuneration Policy and Remuneration Paid prepared in accordance with Article 123-ter of the Consolidated Finance Act);
- share-based remuneration plans (see Section I, Letter e, of the Report on the Remuneration Policy and Remuneration Paid prepared in accordance with Article 123-ter of the Consolidated Finance Act);
- accrual and payment of remuneration (see Section I, Letter e, of the Report on the Remuneration Policy and Remuneration Paid prepared in accordance with Article 123-ter of the Consolidated Finance Act);
- the indemnity payable to the Chief Executive Officer in the event of resignation, dismissal or termination of contract (see Section II, Paragraph I, of the Report on the Remuneration Policy and Remuneration Paid prepared in accordance with Article 123-ter of the Consolidated Finance Act).

8.2 Appointments and Remuneration Committee

Regarding the composition and functioning of the Appointments and Remuneration Committee, please refer to paragraph 7.2 of this report.

Regarding the investigative, recommendation and advisory functions carried out in support of the Board of Directors, pursuant to the Regulation of the Appointments and Remuneration Committee, the Committee has the following functions concerning remuneration:

- e) assists the Board of Directors in drawing up the remuneration policy, for its presentation to the Shareholders' Meeting called to approve the financial statements as required by law;
- f) submits proposals and expresses opinions on the remuneration of executive directors, directors holding special offices and top management²⁵, regarding the various forms of remuneration and economic treatment;
- g) it assists the Board of Directors in drawing up share-based remuneration plans for executive directors, directors holding special offices and top management;
- h) it presents proposals and expresses opinions on the setting of performance targets (MBO, LTI Plans and/or stock option plans, if any) connected to the determination of the variable remuneration of executive directors, directors holding special offices and top management;

²⁵ Top management means senior managers who are not members of the Board of Directors and who have the power and responsibility for planning, directing and controlling the activities of the company and its group; it being understood that the Committee shall refer, for identification from time to time of the same, to the top management identified in the Remuneration Report drawn up pursuant to Article 123-ter of the Consolidated Finance Act.

- i) it proposes the definition, in relation to executive directors and directors holding special offices, of end-of-office indemnities for Directors, as well as non-competition agreements;
- j) it monitors the practical implementation of the Remuneration Policy, in particular, verifying the actual achievement of performance targets;
- k) it periodically assesses the adequacy and overall consistency of the Remuneration Policy for executive directors, directors holding special offices and top management;
- l) informs the shareholders' meeting about procedures for exercising its functions in reports to be presented in compliance with applicable law.

During the financial year under review, the work of the Appointments and Remuneration Committee concerned:

- for remuneration:
 - review of the Remuneration Report pursuant to Article 123-ter of the Consolidated Finance Act and in particular the remuneration policy to be presented for approval to the Board of Directors and the Shareholders' Meeting convened to approve the financial statements for the year;
 - review of the short-term incentive plan (MBO) for the Chief Executive Officer and for Top Management with strategic responsibilities for 2021;
 - assessment of the new LTI 2021-2022 plan to be submitted to the Board of Directors for approval, for presentation to the Shareholders' Meeting called to approve the annual financial statements, within the terms provided for by law;
 - assessment of the regulations underlying the 2021-2022 LTI plan approved by the Shareholders' Meeting in April 2021;
 - assessment of the remuneration package of the new *Chief Revenue Officer* and the new *Chief Financial Officer*;
 - assessment of the proposed revision of the 2021-2022 LTI plan to be submitted to the approval of the Board of Directors for presentation to the Shareholders' Meeting called in October 2021;
 - examination of the proposal to update the objectives of the Short Term Incentive Plan (MBO) for the Chief Executive Officer and Top Management with strategic responsibilities for the year 2021.

9. Internal Control and Risk Management System - Audit, Risk and Sustainability Committee

The internal control and risk management system of the Company and the Group is made up of a set of rules, procedures and organisational structures designed to identify, measure, manage and monitor the main risks. It contributes to the conduct of the company and the Group, consistent with the strategy established by the Board of Directors of the Parent, and encourages the adoption of informed decisions. It assists in ensuring: (i) the protection of equity, (ii) efficient and effective corporate procedures, (iii) reliability of financial reporting to corporate bodies and the market, and (iv) compliance with applicable laws and regulations, the Articles of Association, and internal procedures.

The Fiera Milano Group has for some time carried out a periodic analysis of the risks at Group level using internationally recognised standards of Enterprise Risk Management (ERM).

The main aim is to have a systematic and proactive approach to the main risks to which the Group – and each of its Companies – is exposed in carrying out its business and pursuing its established objectives, to assess in advance the potential negative effects, implement appropriate actions to mitigate such effects, and to monitor over time any relative exposure.

In order to achieve this, Fiera Milano has compiled a catalogue of Group risks and uses a risk mapping and risk scoring methodology. Specifically, the Group consolidated process entails periodic:

- i. updating of the risk catalogue according to the strategies implemented and the management and business model used;
- ii. assessment of the risks by the management of Fiera Milano and its subsidiaries;
- iii. consolidation of information and prioritisation of the risks and the consequent areas of action;
- iv. tolerance analysis of any exposure identified and formulation of the appropriate management strategies/actions and the identification of the persons responsible for implementing such actions.

The organisational and procedural supervision of the ERM process is guaranteed by the Risk Management Department, responsible for the correct functioning of the entire company risk management process, and that operates based on the ERM Policy, governing the roles and responsibilities for identifying, measuring, managing, monitoring and reporting corporate risks in the Fiera Milano Group.

The Control, Risk and Sustainability Committee and the Board of Statutory Auditors are periodically informed of the process results.

With reference to the 2021 financial year, the Board of Directors – with the support of the Control, Risk and Sustainability Committee – in accordance with its role and functions and prerogatives, has not identified any critical issues and has positively assessed the adequacy of the internal control and risk management system adopted by Fiera Milano.

• ***Risk management and internal control system for financial reporting***

The aforementioned integrated risk management model cannot be considered separately from the internal control system used for the financial reporting process, as both are elements of the overall internal control and risk management system of the Fiera Milano Group. The process for preparing the annual and interim financial statements and, in particular, the procedures to describe the principal risks and uncertainties to which Fiera Milano and the Group are exposed, are strictly linked and coordinated to the information flows deriving from the Enterprise Risk Management (ERM) processes of the Company and of the Group, which aim to identify, assess and mitigate any corporate risks.

In recent financial years, Fiera Milano has modified its internal control system for financial reporting in keeping with the provisions of Law 262/05 so as to document, where necessary, the administrative and accounting control model adopted and to schedule and implement periodic checks on the operational efficacy of the controls that are behind the certification process of the Financial Reporting Officer.

The aforementioned administrative and accounting control model combines the internal procedures and methods used by the Company to attain company objectives of integrity, accuracy, reliability and timeliness of financial reporting. The approach of Fiera Milano in formulating, implementing and continually updating the aforementioned administrative and accounting control model follows a development process in line with generally accepted best practices, with the guidelines for the duties of the Financial Reporting Officer under Article 154-bis of the Consolidated Finance Act issued by Confindustria, and with the control elements identified in the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

This reference model, based on the components of the internal control system (Control environment, Risk assessment, Control activities, Information & Communications, and Monitoring) necessary to attain the aforementioned financial reporting objectives favours, inter alia, the identification of coordination opportunities and the development of synergies among, for example, Enterprise Risk Management activities, activities undertaken to comply with Legislative Decree 231/2001 and the activities of the Internal Control Department.

The internal control system phases relating to the financial reporting system of Fiera Milano can be divided into the following macro-categories:

- identification of processes, risks and controls;
- definition and updating of administrative and accounting procedures;
- monitoring the administrative and accounting procedures.

As part of the responsibilities and powers given him/her by the Board of Directors, the Financial Reporting Officer must effectively implement any actions falling into the above categories.

The main activities referred to in the adopted model, and included in the macro-categories listed above, are summarised below.

- ***Identification of processes, risks and controls***

This category includes all activities concerned with identifying or updating the extent of analysis and monitoring carried out, the identification and assessment of risks, the mapping of administrative and accounting processes and therefore the formulation and assessment of controls to mitigate such risks.

At least once a year, the Financial Reporting Officer decides the areas of the Company and Group processes that will be subject to risk analysis and to monitoring of the controls existing in the administrative and accounting control model. This is done using both quantitative and qualitative parameters to ensure that the most significant areas and/or those that pose the greatest risk of failing to meet the objectives of the financial reporting controls are included in the aforementioned areas.

Therefore, defining the areas to be analysed and monitored necessitates identification of the relevant accounts, disclosures and associated procedures so that the subsequent identification and assessment of controls, both at entity level and at procedure and transaction level, can effectively mitigate the risks inherent in the financial reporting preparation process.

With regard to identifying and assessing risk in financial reporting, the approach adopted considers both the risk of unintentional errors and those that may be caused by fraudulent activity, providing for the formulation and monitoring of checks and controls that address these types of risk, as well as coordinating the controls implemented with others in the overall internal control system.

To support the assessment of inherent risk levels, the reference criteria used are based on the following main potential risk indicators, generally recognised by reference best practices: changes in information systems, processes and procedures and other complex elements, for example, the complexity of information processing required by a certain procedure, a high level of transactions, or, for example, in processes that employ a considerable amount of estimates and valuations, the adequacy of the documentation and the reliability of the assumptions made.

When significant risks in financial reporting are identified, the administrative and accounting control model provides for the appropriate identification of controls to mitigate these risks. Specifically, the approach adopted takes adequate account of both manual controls and the data system controls in the administrative and accounting procedures, the so-called automatic system controls application, the general IT controls that govern access to systems, control of developments and amendments to the application systems, and the adequacy of the IT structures.

The administrative and accounting model, in line with reference best practices, ensures that the surveillance procedures for the processes, risks and controls is updated for significant changes in the Group administrative and accounting procedures whenever necessary.

- ***Definition and updating of administrative and accounting procedures***

Based on the results of activities to identify the processes, risks and controls, the Financial Reporting Officer defines or updates the administrative and accounting procedures and guarantees their adequacy as regards the internal control system and monitors the various phases of the process for defining or updating the procedures.

In particular, the administrative and accounting procedures are updated in conjunction with an assessment of the form and design of the controls and the continuous monitoring of their implementation.

- **Monitoring the administrative and accounting procedures**

The Financial Reporting Officer constantly monitors the administrative and accounting procedures, with particular reference to those concerning the preparation of the financial statements, the consolidated financial statements and the condensed six-month interim financial statements, as well as any action or communication of a financial nature that requires statements, attestations and declarations under paragraphs 2 and 5 of Article 154-*bis* of the Consolidated Finance Act, so as to ensure the adequacy and effective implementation of these procedures.

To achieve this, specific audit activities are planned to ascertain correct implementation of the controls incorporated in the administrative and accounting procedures. The control, analysis and audit activities for the administrative and accounting procedures are based on defining a test strategy that determines the modus operandi, the controls and ways of monitoring the procedural systems implemented.

Control testing activity is planned in such a way as to give priority to checks of identified 'key' controls, and to balance objectives of efficiency with the requirement of achieving adequate coverage of control activities, introducing rotational tests for significant processes and sub-processes in relation to subsequent financial reporting dates.

Since 2017, as part of the continuous development of the administrative and accounting control model, given the organisational development of the Company, without affecting the role and responsibilities of the Financial Reporting Officer regarding declarations under Article 154-*bis* of the Consolidated Finance Act, the responsibility of carrying out the key control tests of the administrative and accounting processes has been given to the Internal Control Department of the Company.

On the basis of the information received from the Financial Reporting Officer, the Head of Internal Audit, with the support of their department, identifies the timing and operating means for carrying out the tests on the key controls identified by the Financial Reporting Officer.

Following the tests, the Internal Control Department advises the Financial Reporting Officer of the outcome of tests carried out on each key control and indicates any shortcomings and/or areas of improvement arising therefrom.

With regard to the organisational aspects and to the roles involved in the various phases of formulating, implementing, monitoring and updating the administrative and accounting control model over time, it should be noted that specific information flows have been defined between the Manager responsible for preparing the Company accounts and the corporate, administrative and control committees and the corporate executives and/or areas that, outside the Department of Administration, Finance and Tax, are involved in compiling, preparing and circulating the annual financial statements, the consolidated financial statements, the condensed six-month interim financial statements, the interim report on operations and, more in general, any information subject to attestation/declaration by the Manager responsible for preparing the Company accounts. The accounting and administrative control model also covers specific information flows among Group companies and internal statements/declarations.

In preparing the annual and interim financial statements and describing the principal risks and uncertainties to which Fiera Milano and the Group are exposed, the Financial Reporting Officer works with employees involved in the *Enterprise Risk Management* processes of the Company and of the Group in order to identify and assess all corporate risks.

- **Governance of subsidiaries with registered offices in countries outside the EU**

In accordance with the provisions of Article 15, as referred to in Article 18, paragraph 1 of the Regulation on Markets adopted by Resolution 20249 of 28 December 2017, the Company and its subsidiaries have administrative and accounting systems which allow public disclosure of the accounting positions used to prepare the consolidated financial statements of companies to which this law is applicable, and which permit the regular communication of data to the management of the Parent and its independent auditors as required to prepare the Consolidated Financial Statements.

Therefore, the conditions exist under the aforementioned Article 15, letters a), b) and c) of the Consob Regulation on Markets.

9.1 Chief Executive Officer

The Board of Directors is responsible for internal control and risk management and, with the assistance of the Control, Risk and Sustainability Committee, for establishing its guidelines and periodically verifying that it is fit for purpose and is functioning effectively, ensuring that the principal corporate risks are identified and managed in an appropriate manner.

On 15 December 2020, the Board of Directors appointed the Chief Executive Officer, Luca Palermo, as the Director in charge of establishing and maintaining the internal control and risk management system pursuant to Article 6 of the Corporate Governance Code, with effect from 1 January 2021.

With the support of the relevant company departments, the Chief Executive Officer implements the guidelines defined by the Board of Directors. He takes care of the design, implementation and management of the internal control and risk management system, constantly checking its adequacy and effectiveness. He also takes care of its adaptation to the dynamics of the operating conditions and the legislative and regulatory framework.

In addition, with the support of the Risk Manager, on a half-yearly basis, he presents to the Board of Directors the results of the risk assessment work performed and illustrates the updated mapping of the Group's risks.

During the 2021 financial year, the disclosure of key risk factors as at 31 December 2020 and the disclosure of key risk factors as at 30 June 2021 were presented to the Board of Directors.

9.2 Control, Risk and Sustainability Committee

A Control, Risk and Sustainability Committee has been established within the Board of Directors,

The Appointments and Remuneration Committee, in accordance with its Regulation and the Company's Articles of Association, comprises at least three Non-executive and independent directors. At least one member of the Committee must also have appropriate experience in accounting and finance and the Board of Directors must ascertain this at the time of appointment.

The Board of Directors appoints one of the independent members of the Committee as Chairman to coordinate the work of the Committee.

The Control, Risk and Sustainability Committee is currently composed of non-executive and independent directors: Stefania Chiaruttini, acting as Chairman, Francesca Golfetto and Angelo Meregalli. Committee members have the necessary skills and experience to perform the tasks assigned to them and are remunerated for their work.

The Committee has an advisory role, makes proposals and carries out preliminary research to aid the Board of Directors in its decisions and assessments of the internal control and risk management system, as well as relating to approval of interim financial reports and the disclosure of a non-financial statement (hereinafter '**NFI**' – Disclosure of Non-Financial Information).

The Committee meets periodically with a frequency suited to correctly carrying out its duties. In any event it meets to approve the annual financial statements, the six-month interim financial statements and the Disclosure of Non-Financial Information.

In particular, in compliance with the principles in the Corporate Governance Code, the Board of Directors has given the Committee the duty of assisting it, carrying out adequate preliminary activities and providing advice, in assessments and decisions relative to the Internal control and risk management system, and in decisions on the approval of financial reporting and the NFI.

According to the Committee's Regulation, it has the following functions:

- after consulting the Financial Reporting Officer, the Independent Auditors and the Board of Statutory Auditors, to assess the correct adoption of accounting standards, as well as their consistent application across the Group for the purpose of preparing the consolidated financial statements;
- to assess the suitability of periodic financial and non-financial information to correctly represent not only the company's management, but also its business model and strategies;
- to examine the content of periodic information of a non-financial nature relevant to the internal control and risk management system, including supervision of the dynamics of interaction with stakeholders relevant to the areas of sustainability pursuant to Legislative Decree 254/2016;

- to express specific opinions on aspects regarding the identification of main corporate risks;
- to assess the measures adopted or to be adopted by the Company to ensure the effectiveness and impartiality of judgement of the company's risk management and compliance functions, verifying that those functions have adequate professionalism and resources;
- to monitor the autonomy, adequacy, effectiveness and efficiency of the Internal Control Department of Fiera Milano and supervising activities, to ensure that conditions of independence and objectivity, competence and professional diligence are met, in compliance with the Code of Ethics of Fiera Milano and international standards. Specifically, the Committee
 - reviews the periodic assessment reports of the Internal Control Department containing information on activities carried out, the assessment of the internal control and risk management system, and any other important evaluations;
 - requests the Internal Control Department to carry out audits/controls, where deemed appropriate, for specific areas of operations, and, at the same time, notifies the Chairman of the Board of Statutory Auditors;
 - reviews information received from the Internal Control Director and promptly informs the Board of Directors of its own evaluations, in the case of: i) serious deficiencies in the system to prevent irregularities and fraudulent acts or irregularities or fraudulent acts committed by employees that hold key positions in the internal control and risk management system; ii) circumstances that may harm the independence of the Internal Control Department;
- after preliminary research, supports the assessments and decisions of the Board of Directors on matters concerning the risk management of prejudicial events that have come to the attention of the Board of Directors;
- supports the Board of Directors in defining the guidelines of the internal control and risk management system in line with the company's strategies;
- advises on the activities of departments in the case of judicial investigations in Italy and/or abroad, for which the Chief Executive Officer and/or Chairman of the Company and/or a Board Director and/or an officer reporting directly to the Chief Executive Officer, also if no longer in office, have received information of their being investigated regarding the predicate crimes in Legislative Decree 231/2001, referable to the relative mandate and area of responsibility;
- carries out all further duties assigned by the Board of Directors.

The Committee gives a preliminary opinion to the Board of Directors on the following matters:

- the description, contained in the corporate governance report, of the main features of the internal control and risk management system and the methods of coordination between the parties involved in it, expressing its overall assessment of the adequacy of the system itself and giving an account of the choices made regarding the composition of the supervisory body appointed pursuant to Legislative Decree 231/2001;
- the interests of the Company regarding minor or significant related-party transactions, and the substantial fairness of conditions, pursuant to company procedures in force adopted in accordance with Consob Regulation 17221/10 and related organisational implementing rules;
- the proposed appointment or removal of the Internal Control Director, ensuring that they have the necessary resources to carry out their role, and whether their remuneration is consistent with Company policy, assisted in this matter by the Appointments and Remuneration Committee;
- the adoption and subsequent updating of Guidelines for the Financial Reporting Officer;
- annual approval of the audit plan prepared by the Internal Control Director.

During the year ended 31 December 2021, the Control, Risk and Sustainability Committee held 13 duly minuted meetings. The average duration of the meetings of this Committee was approximately two and a half hours. At the date of the approval of this Report, two meetings had been held in the current financial year.

At least one statutory auditor and the Internal Control Director of Fiera Milano attend the Committee meetings.

During the 2021 financial year, at least one auditor always attended the Committee meetings.

If considered appropriate, the Committee may invite Directors and executives of Fiera Milano or of Group companies to attend its meetings so that they may give their opinion on specific matters; it may also invite other persons who may be able to assist in the business of the Committee.

The Control, Risk and Sustainability Committee has access to all the information and Company departments required to carry out its duties and may also be assisted by external consultants.

In compliance with the provisions of the Corporate Governance Code, the Chairman of the Committee shall inform the Board of Directors, at the earliest opportunity, on the issues discussed at previous meetings, without prejudice to the half-yearly written report that must be submitted to the management body.

During the financial year, the Risk and Sustainability Control Committee – within the scope of its competence – commented on the following matters:

- positive assessment of the transaction relating to the sale of the so-called business unit. Publishing by Fiera Milano Media for Quine;
- constant review and assessment of the financial position of Fiera Milano and the Group and of the Company's shareholders' equity (in particular at the meetings of 20 January, 9 March, 5 May, 10 May and 11 June);
- examination of the *Impairment Test* procedure for the financial statements as at 31 December 2020;
- review of the update of the Financial Reporting Officer's Guidelines;
- analysis of the risks and opportunities underlying the Connect 2025 Business Plan;
- *Impairment Test* results as at 31 December 2020;
- procedures and activities under Law No. 262/2005;
- draft Financial Statements as at 31 December 2020 and the Management Report, the Consolidated Financial Statements as at 31 December 2020 and the Management Report;
- the Disclosure of Non-Financial Information at 31 December 2020;
- 2021 Internal Audit and Compliance Plan;
- *Risk Assessment* ERM as at 31 December 2020;
- Results of activities carried out as at 31 December 2020 by Internal Audit and Compliance;
- Assessment of the update of the Code of Ethics;
- examination and monitoring of a Whistleblowing report with the support of the competent corporate functions;
- analysis and monitoring of existing relations with the Foundation and *shared services* 2021;
- in-depth analysis of sustainability issues with reference to Fiera Milano's engagement and path;
- assessment of the update of the Procedure on Related Party Transactions, in the light of the update of Consob Regulation 17221 of 12 March 2010 (most recently updated by resolution of 10 December 2020);
- assessment of the Related Party Transaction between the Company and Fiera Milano Congressi S.p.A., concerning the change of use of Pavilions 3 and 4, which from 1 September 2021 will be dedicated mainly to congress activities and no longer to exhibitions.
- review of the half-yearly reports of the Internal Control and Compliance Functions as at 30 June 2021;
- analysis of the Engagement Policy, a policy for managing dialogue with institutional investors and shareholders in general;
- analysis and assessment of the merger project of Fiera Milano Media S.p.A. into Fiera Milano S.p.A.;
- analysis and preliminary assessment of the 'Gourmet Project';
- assessment of changes to the Internal Control Function's 2021 Plan;
- assessment and in-depth analysis of cyber security initiatives and projects;
- assessment and analysis of the Business Continuity Management project;
- assessment of Fiera Milano's 2022 Budget;

- in-depth analysis of sustainability issues with reference to Fiera Milano's engagement and path in terms of ESG;
- in-depth examination of the audit activities on the 2021 Financial Statements to be carried out by the Auditing Firm.

The Committee also:

- conducted – in relation to the 2020 financial year – the self-appraisal to verify the adequacy of its composition and operating rules;
- expressed a positive opinion on the Company's interest in carrying out the transaction of greater importance with a related party ((i.e. Fondazione Ente Autonomo Fiera Internazionale di Milano) concerning the reduction of the rent for the year 2021 for the Fiera Milano Rho and Fiera Milano City exhibition sites.

The Control, Risk and Sustainability Committee also exercised its prerogative to provide the Board of Directors with a preliminary analysis identifying, measuring, managing and monitoring the main risks to the Company and, as part of its annual assessment, the adequacy of the internal control and risk management system given the characteristics of the business and its risk profile, as well as its effectiveness.

On the subject of related-party transactions, the Committee examined the substantive and procedural fairness of the main economic, equity and financial Related Party Transactions.

During its meetings, the Committee also met with the members of the Company's Supervisory Board pursuant to Italian Legislative Decree 231/2001.

9.3 Head of Internal Audit (the 'Internal Control Department')

The Internal Control Department carries out independent third level control and assurance activities, to verify that the Internal Control and Risk Management System (hereinafter, **ICRMS**) is operational, adequate and consistent with the guidelines defined by the Board of Directors. This Department is mainly responsible for the following tasks:

- auditing the operations and adequacy of the ICRMS as a whole in relation to the size and business operations of the Fiera Milano Group, providing assessments and recommendations;
- providing support to Top Management and *management* on ICRMS issues.

In line with reference *best practices*, the Board of Directors approved the *Internal Audit* Manual which sets out the aims, powers and responsibilities of the Department.

The Head of Internal Audit, Basilio Postiglione, was appointed on the proposal of the Director responsible for the internal control system (hereinafter, '**Director in charge**'), by the Board of Directors of Fiera Milano at its meeting of 10 July 2017 and confirmed in the meeting of 20 April 2020, following a favourable opinion from the then Control and Risk Committee and after consulting the Board of Statutory Auditors.

The Internal Control Department is not responsible for any area of operations and reports to the Chairman of the Board of Directors, so as to ensure its independence and autonomy and its direct access to information and means useful in carrying out its duties.

The remuneration of the Head of Internal Audit is defined by the Chief Executive Officer, in agreement with the Chairman, and is updated in compliance with company remuneration policies and with due regard to the role covered.

In particular, the Head of Internal Audit:

- on an ongoing basis and in relation to specific needs, in compliance with international standards, audits the operations and suitability of the ICRMS, taking into consideration the characteristics of the Fiera Milano Group and the risks identified. After obtaining an opinion from the Director responsible for the internal control system, the Control, Risk and Sustainability Committee and the Board of Statutory Auditors, they prepare an annual Audit Plan for submission to the Board of Directors for approval;
- prepares periodic reports containing adequate information on their activities, the risk management methods and compliance with defined risk containment plans. The periodic reports contain an assessment of the

adequacy and effectiveness of the ICRMS;

- promptly prepares reports on particularly significant events;
- submits the aforementioned reports to the Control, Risk and Sustainability Committee, the Board of Statutory Auditors and the Chairman of the Board of Directors, as well as to the Director responsible for the internal control system;
- as part of the *audit* plan, audits the reliability of the IT systems, including accounting records systems.

In order to perform assigned duties, in addition to the Head of Internal Control, the Internal Control Department has three members of staff with specific expertise on internal control and economic and financial matters.

If considered appropriate and subject to authorisation of the delegated bodies, the Internal Control Director can also be assisted by external audit professionals or use tools to support activities.

For the 2021 financial year, the Internal Control Director carried out their activities by defining a specific Audit Plan following a methodology based on criteria of relevance and coverage of the main corporate risks. The Board of Directors approved this Plan at its meeting of 15 March 2021 and subsequently updated it during the year.

The Head of the Internal Control Department reports the results of their control activities, including any shortcomings found and the relative corrective actions formulated, in specific audit reports. These reports are sent to the Chairman, the Appointed Director, the Control, Risk and Sustainability Committee, the Board of Statutory Auditors and the Head of the function under audit.

Management also assists the Supervisory Board of Fiera Milano and its subsidiaries through specific checks to verify the functioning, effectiveness and compliance of the Organisation, Management and Control Model adopted pursuant to Legislative Decree no. 231 of 2001.

9.4 Organisation model pursuant to Legislative Decree 231/01

The Company and the subsidiaries have adopted an Organisation, Management and Control Model in accordance with Legislative Decree 231/01.

The Company, mindful of the need to ensure transparency and fairness in the conduct of its business activities, has deemed it appropriate to adopt an Organisation, Management and Control Model pursuant to Legislative Decree 231/01 (hereinafter, the '**Model 231**'), which is periodically reviewed and updated in the light of changes in the relevant regulatory framework and the Company's organisation.

The adoption and maintenance of the Model 231 aims to create a business strategy based on the principles of fairness and legality.

The Company's Model 231 is currently composed of:

- a General Section, which describes the contents of Legislative Decree 231/2001; the *governance* system and the organisational structure of the Company; the methodology used to identify and map the sensitive processes/activities, *gap analysis* and preparation of the **Model 231**; the characteristics and *modus operandi* of the Supervisory Committee; training and information; the penalty system;
- fourteen Special Sections, on categories of predicate crimes contemplated by Legislative Decree 231/01, indicating the sensitive processes/company activities which are significant as they could potentially cause the crimes to be committed, and the relative (general and specific) protocols for preventing their commission. Each section is dedicated to a category of crimes under Legislative Decree 231/2001: (i) Crimes against the public administration and private-to-private corruption, (ii) Corporate crimes, (iii) Market abuse crimes, (iv) Transnational crimes, (v) Occupational health and safety crimes, (vi) Crimes concerning receiving, laundering and the re-use and self-laundering of money and goods of unlawful origin, (vii) Cyber crime and unlawful data processing, (viii) Crimes of organised crime, (ix) Crimes against industry and trade and crimes involving counterfeiting (x) Crimes of copyright infringement (xi) Environmental crimes (xii) Employment of an illegally staying third-country national; (xiii) Unlawful intermediation and exploitation of labour.

Model 231 is supplemented by its annex, which is an integral part of it, that is, the Code of Ethics of Fiera Milano Group (hereinafter, Code of **Ethics** or '**Code**'), which will be updated in 2021 as part of the process of strengthening Fiera Milano Group's sustainability policies, with medium- to long-term objectives and targets in the various areas in which it is implemented; objectives that are already part of the 'CONN.E.C.T. 2025' Strategic Plan.

The Code of Ethics clearly defines the set of values recognised, accepted and shared by the Company and the responsibilities it assumes both internally and externally. Compliance with the Code of Ethics by employees of Fiera Milano is of fundamental importance to the operations, reliability and reputation of the Company – factors that are a decisive asset in the success of the Group. The employees of Fiera Milano, in addition to meeting the normal requirements of loyalty, correct behaviour, and acting in good faith under the terms of the employment contract, must avoid carrying out any activity that is in competition with Fiera Milano, must respect the company rules and comply with the requirements of the Code of Ethics. All those who have business relations with the Company are made aware of the Code.

The general section of Model 231 of the Company is available on the website www.fieramilano.it, in the section *Investors/Corporate Governance/Model 231 - General Section*, as is the Code of Ethics, published in the section *Investors/Corporate Governance/Code of Ethics*.

Following the update to the Code of Ethics and, to continue the training of recent years, information and training initiatives for all corporate employees were implemented.

To guarantee the functioning, effectiveness and compliance with the Model 231, the Company has set up a collective body known as the Supervisory Committee. Following the resignation of Piero Antonio Capitini on 25 May 2021, the current Body is composed of the Chairman, Enrico Maria Giarda, the external member Luigi Bricocoli and the internal member Basilio Postiglione, also Head of the Internal Control Department of Fiera Milano. This Committee is tasked with the control and updating of the Model 231 to ensure that it is both efficient and effective, as well as coordinating its own activities with those of other bodies and internal audit departments.

The members of the Supervisory Board are remunerated for their activities and have an annual budget when specific controls require the use of dedicated resources.

The Model 231, in application of the provisions of Article 6 paragraph 2 of Legislative Decree 231/01, provides for specific information flows to the Supervisory Committee so that the functional and compliance supervision of the Model 231 is more effective.

With reference to the unlisted Italian companies of the Group that have adopted their own organisational model, the Supervisory Committee has conducted research on each of these in order to identify adequate technical/operational solutions that, while respecting the mandate and powers reserved for the same by the prevailing regulations, are appropriate to the dimensions and organisational context of each corporate entity, also taking account of the relevant guidelines issued by the Parent.

As regards subsidiaries operating under foreign jurisdictions, which are not required to adhere to the provisions of Legislative Decree 231/01 and which do not have their own Organisation, Management and Control Models pursuant to the above-mentioned Decree 231, the Group Code of Ethics, the guidelines for anti-corruption and other *compliance programmes* are adopted, to provide a systematic reference framework of crime prevention regulations and standards.

9.5 Independent Auditors

The statutory auditing of the accounts has been assigned to EY S.p.A. (formerly Reconta Ernst & Young S.p.A.), a company registered in the special Consob Register, in compliance with applicable laws. The mandate, conferred by the Shareholders' Meeting of 29 April 2014, is for the financial years 2014-2022.

9.6 Financial Reporting Officer, also holding other corporate roles and functions

Following the resignation of Marco Pacini from his role as *Chief Financial Officer* and Financial Reporting Officer, the Board of Directors of the Company, after obtaining the favourable opinion of the Board of Statutory Auditors, appointed Andrea Maldi as *Chief Financial Officer* and Financial Reporting Officer, with effect from 1 June 2021. At the same time, the Board granted him, by a specific delegation of functions, adequate means and powers to carry out the tasks assigned to him by current legislation. The Board of Directors also supervises actual compliance with administrative and accounting procedures. The Articles of Association require this Officer to be an expert in matters of administration, finance and control and to meet the same integrity requirements as Statutory Auditors under current legislation. The Officer's appointment is for three financial years and must not exceed the term of office of the Board of Directors that made the appointment.

The organisation of the internal control and risk management system also involves, each within its own sphere of competence, the company's second-level control functions: *Risk Management and Compliance*.

In particular, the *Risk Management* function is responsible for ensuring the planning, design and implementation of a comprehensive corporate risk management process. The process of systematic identification, assessment, management and reporting of Fiera Milano Group's corporate risks is regulated within a specific procedure. The *Compliance* function performs its role as a second-level control function in coordination with the Bodies and Functions that help set up the control *frameworks*, aiming to continuously ensure the compliance of corporate activities, processes and procedures with external regulations (laws, regulations, etc.) potentially applicable to the Fiera Milano Group.

9.7 Coordination among persons involved in the internal control and risk management system

The coordination of persons involved in the internal control and risk management system is through a series of mechanisms and means of interaction such as: i) scheduling and holding joint meetings of the various corporate bodies and departments responsible for internal control and risk management; ii) attendance at meetings of the Control, Risk, and Sustainability Committee by the Chairman of the Board of Statutory Auditors and other members of the Board of Statutory Auditors and by the Head of Internal Audit and Head of Compliance; iii) attendance by the Head of Compliance and the Head of the Internal Control Department at the meetings of the Supervisory Board, also as an internal member, *under* Legislative Decree 231/01; iv) the Risk Management function attends the meetings of the Control, Risk and Sustainability Committee at least twice a year, and also takes part in periodic meetings of the Board of Statutory Auditors.

The Guidelines for the Management of Information Flows (hereinafter the '**Guidelines**') are also in force. The purpose of the Guidelines is to define the management of minimum information flows between the various Fiera Milano Group companies and between the parent company's control bodies (*i.e.* the Board of Directors, the Board of Statutory Auditors, the Supervisory Board, the internal committees of Fiera Milano, the Internal Control Department, the *Risk Management* Department, the *Compliance* Function, the Financial Reporting Officer under Law 262/2005), in order to promote the exchange of information among company boards and Group companies, to guarantee more efficient and effective process management.

10. Directors' interests and Related Party Transactions

The Company has a Procedure for Related-Party Transactions (hereinafter the '**Procedure**'). The Procedure was adopted on 5 November 2010 and implemented from 1 January 2011. It was prepared in compliance with the Provisions for Related Party Transactions approved by Consob Resolution 17221 of 12 March 2010, as subsequently amended, most recently by Consob Resolution 21624 of 10 December 2020 (hereinafter the '**Regulation**'), and with the guidelines for application of the Regulation concerning Related Party Transactions issued by Consob with Communication no. DEM/10078683 of 24 September 2010, and the recommendations contained in the Corporate Governance Code.

The current Procedure was last updated by Board resolution of 16 June 2021, to align the document and the provisions contained therein with the changes in the regulatory framework, and came into force on 1 July 2021. The Board of Directors, also, will periodically, and in any event at least every three years, assess whether to update the Procedure taking into account, inter alia, any changes to its ownership structures, as well as the effective application of the rules and guidance in use.

In general, the Procedure provides rules and measures to be adopted to ensure transparency and the substantial and procedural fairness of related-party transactions carried out directly by Fiera Milano or through its subsidiaries. In particular, the Control, Risk and Sustainability Committee has been identified as the body designated to express a considered opinion on the interests of the Company and on the substantial fairness of relevant conditions for the completion of related-party transactions.

The Procedure takes advantage of the exception granted in the Regulation that, without prejudice to provisions on public disclosure, smaller listed companies – or those with balance sheet assets or revenues that do not exceed Euro 500 million as shown in the most recently approved Consolidated Financial Statements – may apply the guidance and approval procedures for Minor Transactions to Material Transactions.

The Company has also adopted Organisational Implementing Instructions for Procedure for Related-Party Transactions – that were updated during the Board meeting of 16 June 2021 – in order to:

- (i) establish the methods and timing for the preparation and updating of the related parties database compiled specifically for the Procedure;
- (ii) monitor the rules for identifying related-party transactions before they are finalised and oversee the preliminary procedures by identifying those persons that should give and/or receive information, the subjects appointed to ascertain if a specific transaction comes under the scope of the Procedure, as well as the means of guaranteeing the traceability of the transaction in question;
- (iii) establish the methods, timing and responsibility for managing the public disclosure process as required by the Procedure.

Please also note that pursuant to Article 2391 of the Italian Civil Code and the Regulation of the Board of Directors, each Director is required to inform the Board and the Board of Statutory Auditors of any interest that they may have, on their own behalf or on behalf of third parties, in a given transaction, providing adequate information pursuant to current legislation.

The Procedure is available on the Company [website, www.fieramilano.it](http://www.fieramilano.it), in the section *Investors/Corporate Governance/Related Parties Procedure*.

11. Board Of Statutory Auditors

11.1 Appointment and replacement

The Articles of Association currently require that the appointment of Statutory Auditors is on the basis of lists presented by the shareholders; the Articles state that the position of Chairman of the Board of Statutory Auditors is granted to the first candidate on the second list by number of votes and who is in no way related, even indirectly, to those shareholders who presented, or acted in concert to present, or voted for the first – placed list by number of votes. Only those shareholders who, individually or together, represent at least 2.5% of the share capital and are entitled to vote in the ordinary shareholders' meeting have the right to present a list, as required by the Articles of Association and by Consob Resolution 60 of 28 January 2022. A shareholder who intends to present a list of candidates and who does not own a controlling interest or the relative majority of the share capital of the Company must deposit a declaration stating the absence of any relationship with the controlling shareholders, as required by the regulatory provisions. The lists must be filed with the registered office of the Company at least twenty-five days prior to the date set for the Shareholders' Meeting on first call and must be made publicly available at least twenty-one days prior to this date.

Ownership of the minimum shareholding required to present lists is based on the shares confirmed as registered to the shareholder on the day on which the lists are filed with the Company. To prove ownership of the minimum number of shares required to present lists, by the deadline for publication of the lists by the Company, the shareholders must provide the relative certification issued by the authorised intermediaries in accordance with law.

Each list, deposited at least twenty-five days before the date fixed for the Shareholders' Meeting on first call, must be accompanied by a declaration in which each candidate accepts the candidacy and declares that no reasons of ineligibility or incompatibility exist also with reference to the accumulation of positions referred to below, that the requirements of applicable law relating to the assumption of the position are fulfilled, and must include a *curriculum vitae* of the candidate that indicates the administration and control positions held.

The lists presented by shareholders must have two sections: one for the appointment of Standing Statutory Auditors and the other for Substitute Statutory Auditors. The lists should not contain more candidates than there are positions to be filled, and should be numbered consecutively. The lists must include candidates of both genders. Each candidate may only appear on one list, failing which they will be ineligible.

The Articles of Association also provide that, without prejudice to situations of incompatibility under applicable law, any person who is already an acting Statutory Auditor in four companies listed on regulated markets may not take up a position as Statutory Auditor and, if elected, their mandate is nullified, except where different limits are established by laws periodically in force.

To meet the requirements of Article 148, paragraph 1-*bis* of the Consolidated Finance Act and Article 144-*undecies*.1 of the Issuers' Regulation regarding the appointment and replacement of members of the Board of Statutory Auditors, the Articles of Association contain the same criteria and requirements as those for the appointment and replacement of members of the Board of Directors described above.

The complete Articles of Association are available on the Company website www.fieramilano.it in the section *Investors/Corporate Governance/Articles of Association*.

11.2 Composition and operation

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 28 April 2021, based on a single list presented by the controlling shareholder, Fondazione Ente Autonomo Fiera Internazionale di Milano, and will remain in office until approval of the Financial Statements at 31 December 2023.

The following is a short CV/resume, indicating the personal and professional experience of each of the Statutory Auditors currently on the Board of Statutory Auditors.

Monica Mannino, Chairman of the Board of Statutory Auditors of Fiera Milano from 28 April 2021. Born in Palermo on 18 October 1969, she graduated in Business Administration from Bocconi University in 1994. She has practised as a Chartered Accountant since 1995 and is on the National Register of Auditors.

Ms Mannino specialises in corporate governance consulting, national and international tax issues, Italian and international accounting standards, financial statements and consolidated financial statements for Italian and foreign corporations, including public companies and multinational groups.

She has acquired significant experience in appraisals, evaluations and technical consultancy, tax and accounting *due diligence* and has held and still holds positions as a non-executive Director, Statutory Auditor and member of Supervisory Boards pursuant to Italian Legislative Decree 231/01. In addition, she has served and continues to serve as statutory auditor.

She currently holds the following positions: Chairman of the Board of Statutory Auditors of DiaSorin S.p.A., ERAMET ALLOYS Italia S.r.l., Tinexta Cyber S.p.A., Corvallis S.r.l. and member of the Board of Statutory Auditors of TINEXTA S.p.A., Istituto Stomatologico Italiano Soc Coop Sociale ONLUS, FBS Next S.p.A. and LUXMASTER S.p.A.

Since 2004, she has been a Technical Consultant for the Public Prosecutor's Office of Milan on corporate and bankruptcy offences.

Daniele Federico Monarca, Standing Statutory Auditor of Fiera Milano since 23 April 2018 and Standing Statutory Auditor of Fiera Milano Media S.p.A. from 3 April 2019 to 16 December 2021 (the effective date of the merger by incorporation of the subsidiary into Fiera Milano).

Born in Milan on 22 April 1959, he graduated in Economics from Bocconi University in 1981. He has practised as a Chartered Accountant since 1982 and is on the National Register of Auditors.

He has held several administration and control positions and is currently Standing Statutory Auditor of Costruzioni Giuseppe Maltauro S.p.A., Independent Director of BFC Blue Financial Communication S.p.A., *Partner/Co-founder* and CEO di Pigreco Corporate Finance S.r.l., Standing Statutory Auditor of Foodness S.p.A., First Advisory S.r.l., Investitori First S.p.A., D.P.I. S.p.A. in liquidation, Magifin S.p.A., and Standing Statutory Auditor with Statutory Audit Responsibilities of FHS&C S.p.A.

Entered in the Register of Court Appointed Experts with the Court of Milan, to date he is also Professor under contract in accounting at Bocconi University, Milan for the Post-Graduate Course for Company Lawyers and Professor of the *Family Officer* Master's Course organised by AIFO Academy.

Piero Antonio Capitini, Standing Statutory Auditor of Fiera Milano since 28 April 2021 (former Chairman of the Supervisory Board of Fiera Milano until 24 May 2021).

Born in Mede on 11 October 1972, he graduated in Economics and Business from the University of Pavia in 1998. He has practised as a Chartered Accountant since 2009 and is on the National Register of Auditors.

Mr Capitini has many years of experience in auditing company statutory and consolidated financial statements, including those listed on regulated markets, and in assessing the internal control and risk management system, and the area of Italian Legislative Decree 231/2001. He has carried out and still carries out activities concerning judicial administrations and technical consultations at several Public Prosecutor's Offices.

He has held various administration and control positions; he is currently Standing Statutory Auditor of Polti S.p.A., Sirtion Pharmaceuticals S.p.A., Panta Distribuzione S.p.A., Knorr-Bremse Sistemi Per Autoveicoli Commerciali S.p.A., Friem S.p.A. and Sevecom S.p.A., Costamp Group, ABG Systems S.p.A. and Nelsa S.r.l. He is also an independent director of Cubi S.r.l.

Livia Amidani Aliberti, Substitute Statutory Auditor of Fiera Milano from 28 April 2021.

Born in Rome on 15 July 1961, she graduated in Economics and Business from the LUISS University of Rome in 1983. She has been a qualified chartered accountant since 1998.

Ms Aliberti has extensive experience as an Independent Director and member of internal committees in Italy and abroad. She currently holds the position of Standing Statutory Auditor at Recordati S.p.A., is a member of the Supervisory Board of UniCredit Bank Austria AG and an independent director of Cassa Depositi e Prestiti S.p.A., as well as Messagerie Italiane S.p.A.. She is also a Director and founder of Centre for European Social Research Ltd, a European-wide research centre focusing on gender and social issues. And of AgriCult Ltd, a platform for food sustainability.

She is an international expert in the field of Gender Diversity, speaker at national and international events on topics related to gender diversity, author of research and speaker at conferences on corporate governance and gender diversity, both in Italy and abroad.

Simone Bruno, Substitute Statutory Auditor of Fiera Milano from 28 April 2021.

Born in Pisa on 9 May 1965, he graduated in Economics and Business at La Sapienza University of Rome in 1993. He has practised as a Chartered Accountant since 1995 and is on the National Register of Statutory Auditors.

Currently he holds the following corporate offices: director of RBG S.r.l. and member of the Board of Directors of Associazione Italia Professioni.

He is also Chairman of the Board of Statutory Auditors of Capac, Centro Intermodale S.p.A., CIM S.p.A., Fondazione Educatori III Millennio, Hupac S.p.A., Sixtma S.p.A., Termini S.p.A., and Standing Statutory Auditor and auditor in other companies.

Under Article 20 of the Articles of Association and in compliance with provisions of the Corporate Governance Code, the Board of Statutory Auditors is well represented in terms of gender diversity – as it has three Standing Statutory Auditors of which at least one is of the least represented gender and two Substitute Statutory Auditors, one of each gender – and also in terms of generational diversity as its members come from various age groups and professional backgrounds²⁶.

The replacement procedure complies with the requirement for gender balance.

The members of the Board of Statutory Auditors must also meet the integrity, professionalism and independence requirements of laws and regulations; they must also be independent under the criteria required of directors in the Corporate Governance Code.

With particular reference to the quantitative and qualitative criteria for assessing the significance of the circumstances relevant under the Code for the assessment of independence – as already set out in Chapter 4.2 of this Report – please note that in determining the significance threshold of the 'significant commercial relationship' and 'significant additional remuneration' referred to in recommendation 7 letters c) and d)²⁷ the Board of Directors has decided to use the criteria already adopted by the Company in the Related Party Transactions Procedure. Under this Procedure, Small Amounts are commercial relationships with individuals below the threshold of Euro 50,000.00.

At the time of their appointment, the auditors declared that they met the independence requirements outlined in Article 148, paragraph 3 of Italian Legislative Decree 58/1998 and the recommendations of the Corporate Governance Code for Listed Companies. On the occasion of the annual assessment, the Board of Statutory Auditors verified the independence requirements by obtaining self-certification from each of its members, now held on Company records, and reported the results to the Board of Directors.

An indication of further requirements to be appointed as a Statutory Auditor was considered unnecessary as applicable rules and regulations ensure the identification of persons that have the necessary skills and experience to carry out the role.

During the 2021 financial year, the Board of Statutory Auditors held 22 meetings, 15 of which were held by the Board of Statutory Auditors currently in office (appointed by the Shareholders' Meeting of 28 April 2021). The average duration of the meetings of the current Board of Statutory Auditors was approximately 3 hours. At the date of approval of this Report, four meetings had been held in the current financial year.

The Board of Statutory Auditors, in compliance with Article 149 of the Consolidated Finance Act and the powers invested in it by Article 2403-bis of the Italian Civil Code, monitors the Company's activities to: ensure compliance with the principles of correct administration, the adequacy of the company's organisational structure regarding positions and responsibilities, the internal control system and the administrative/ accounting system, as well as the reliability of the latter in accurately representing management information, the procedures for the actual implementation of corporate governance rules of codes of conduct prepared by companies responsible for the organisation and management of regulated markets, as well as the adequacy of regulations prepared by the Company and applicable to its subsidiaries, in accordance with Article 114 paragraph 2 of Legislative Decree 58/98. In compliance with Article 19 of Legislative Decree 39/2010, the Board of Statutory Auditors also oversees the legal audit of the annual and consolidated financial statements, the effectiveness of the internal control, internal audit and risk management systems, as well as the process for financial reporting. The Board of Statutory Auditors also oversees compliance with the provisions regarding the Disclosure of Non-Financial Information, required by Legislative Decree 254/2016 and reviews this in its annual report to the Shareholders' Meeting.

Under Article 20.1 of the Articles of Association, in addition to its responsibilities under Article 2403, paragraph 1 of the Italian Civil Code and the powers it has under Article 2403-bis of the Italian Civil Code, the Board of Statutory Auditors must also monitor:

²⁶ Please note that Fiera Milano's Articles of Association was amended in 2020, by the Board of Directors, to make them consistent with the new provisions of Law 160/2019 on the subject of gender distribution of members of corporate bodies.

²⁷ Recommendation 7 of the Corporate Governance Code:

c) if, directly or indirectly (e.g. through subsidiaries or companies of which they are an executive director, or as a partner in a professional firm or consulting company), they have, or have had in the preceding three financial years, a significant commercial, financial or professional relationship: (i) with the company or its subsidiaries, or its executive directors or top management; (ii) with a party who, together with others through a shareholders' agreement, controls the company; or, if the parent company is a company or entity, with its executive directors or top management;
d) if they receive, or have received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration additional to the fixed remuneration for the office and to that provided for participation in the committees recommended by the Code or provided for by the regulations in force.

- (a) the capacity of the entire internal control system to establish the effectiveness of all structures and departments involved in the control system and their adequate coordination, while taking corrective measures for any shortfall or irregularity that comes to light;
- (b) the corporate disclosure process;
- (c) the statutory auditing of the annual accounts;
- (d) the independence of the independent auditor or independent audit firm, in particular as regards non-audit services.

In addition, as Internal Control and Audit Committee pursuant to Article 19, Legislative Decree 39/2010, the Board of Statutory Auditors is responsible for procedure for selecting the independent auditors. The Board of Statutory Auditors must also inform the Board of Directors of the results of the audit and submit the additional report to the Board pursuant to Article 11, Regulation (EU) 537/2014 received from the independent auditors, accompanied by any findings.

The Board of Statutory Auditors also monitors the independence of the independent auditors, ensuring compliance with existing regulations, and the nature and scale of non-audit services provided to the Company and its subsidiaries by the independent auditors and its network of entities. To carry out its responsibilities, the Board of Statutory Auditors also works in conjunction with the Internal Control Department and with the Control, Risk and Sustainability Committee on matters of common interest through meetings and exchanges of information.

The Board of Statutory Auditors participates in the meetings of the Risk and Sustainability Committee and the meetings of the Appointments and Remuneration Committee.

The members of the Control Body receive remuneration commensurate with the competence, professionalism and commitment required by the scope of the role covered and the size and sector characteristics of the company. On this point, please note that the majority shareholder – from whose list, in the absence of the submission of minority lists, the entire Board of Statutory Auditors was drawn – proposed to the Shareholders' Meeting that the remuneration of the new Board of Statutory Auditors be determined considering the contents of the paragraph on the 'Remuneration considerations' of the 'Guidelines to Shareholders on the renewal of the Board of Statutory Auditors' drawn up by the outgoing Board of Statutory Auditors.

• **Self-appraisal by the Board of Statutory Auditors**

In compliance with the Code of Conduct for the Boards of Statutory Auditors of Listed Companies, published by Italy's National Association of Accounting Professionals (CNDCEC), on 26 April 2018 the Board of Statutory Auditors completed an appraisal in relation to:

- the suitability of members and adequate composition of the board, with reference to the professionalism, expertise, integrity and independence requirements of the regulations;
- the availability of time and resources suited to the complexity of the position.
- The Board of Statutory Auditors also performs periodic self-appraisals of its operations in relation to the actual planning of its activities.

The self-appraisal of the Company's Board of Statutory Auditors, therefore, in continuity with last year, was therefore based on guidelines issued by Italy's National Association of Accounting Professionals (CNDCEC) based on indications in the document 'Self-appraisal for Boards of Statutory Auditors', published by CNDCEC in May 2019.

The Chairman of the Board of Statutory Auditors, with operating support from the relevant company departments, prepares the self-appraisal report of the Board, which describes the methodology used and the different stages that constitute the self-appraisal process: those involved in the self-appraisal; the results obtained, highlighting any strengths or weaknesses; the remedial actions suggested by the Statutory Auditors; and describes the progress or status of corrective actions defined in the previous self-appraisal. The self-

appraisal document is presented to the Board of Statutory Auditors for its approval and then agreed with the Board of Directors.

The questions in the self-appraisal questionnaire were designed to analyse (i) the size and composition of the Board of Statutory Auditors with reference to the nature and professional experience of the Statutory Auditors; (ii) its *modus operandi*; (iii) of the composition (iv) the knowledge of the legal framework of the sector and the participation of Statutory Auditors in meetings and in the decision-making process.

Each Statutory Auditor completed this questionnaire and the analysed results were aggregated and presented to the Board of Statutory Auditors in an anonymous format.

The results of the self-appraisal were obtained with the active cooperation of all Statutory Auditors and were processed with operating support from the Secretariat of Fiera Milano. The latter were then approved by the Board of Statutory Auditors on 17 February 2022 and formalised in a specific document presented to the Board of Directors on 25 February 2022.

As regards the personal and collective requisites and competencies of Board members:

- all members meet the requirements under Article 2382 of the Italian Civil Code;
- the members of the Board of Statutory Auditors must also meet the integrity, professionalism and independence requirements of laws and regulations (*i.e.* Consolidated Finance Act and Corporate Governance Code);
- the Board of Statutory Auditors guarantees the diversity of its members; specifically:
 - gender diversity is well represented on the Board, with two-fifths of its members belonging to the least represented gender, *i.e.*, in this case, women;
 - generational diversity is well represented on the Board, as members are from different age groups and professional backgrounds;
 - each Board Director has good knowledge of and experience in at least three of the competency areas indicated;
 - the supervisory body has an appropriate composition to ensure the independence and professionalism of its function.

With reference to the results of the self-appraisal on the Board's *modus operandi*:

- the size of the Board is adequate for it to carry out its functions;
- the composition of the Board is balanced, and diverse professional expertise guaranteeing appropriate oversight of different areas is well represented; in particular, the following competences are well represented:
- accounting expertise in consulting and interpreting financial reporting;
- financial expertise and expertise in extraordinary operations;
- expertise in risk management;
- expertise in accounting;
- expertise in statutory auditing;
- expertise in taxation;
- knowledge of internal audit processes;

and the following areas of expertise are also well represented:

- knowledge of management and business organisation processes;
- experience/skills in the sector and in the specific markets in which the company operates;
- experience in listed companies;
- knowledge of the Company's internal regulatory system;

- ability to supervise the adequacy and effective functioning of the organisational structure, regarding risk management, internal audit and financial reporting processes.
- each Board member declares that they have adequate time available to perform their duties, given the complexity of the task;
- the operation of the Board is generally adequate for the requirements of Fiera Milano;

specifically:

- the timeliness of planning, including extraordinary planning, of meetings;
 - the effective conduct of meetings, focusing on significant issues;
 - members always attend the Board's meetings;
 - members are actively involved in discussions;
 - the quality of the contribution of the auditors in relation to their respective knowledge and skills;
 - the Board's meetings are specifically and clearly recorded in the minutes;
 - the minutes are adequate and the register of meetings is duly updated and kept;
 - there is a team spirit and mutual trust;
 - the maximum number of positions that may be held is observed;
 - the auditors are willing to take part in company activities;
 - the work carried out by the Board overall is effective.
- information flows between the Board of Statutory Auditors and other company boards are adequate;
 - the information flow between the Board of Statutory Auditors and the Independent Auditors is adequate.

The position of the Chairman is key; specifically:

- meetings of the Board are managed effectively;
- focus on achieving an adequate depth of understanding of the topics covered;
- they have a steering function in the Board's organisation;
- they coordinate with the Chairmen of other company bodies and top managers of the Company;
- information flows with company functions are correctly managed;
- they ensure necessary leadership.

In conclusion, in light of the analysis of the profiles concerning the composition and functioning of the Control Body, the Board of Statutory Auditors deems the exercise of the control function to be adequate, given the role it plays in supervising legal compliance with laws, regulations and the Articles of Association on sound administration, the adequacy of the Company's organisational and accounting structures, and the functionality of the overall internal control system.

The individual members of the Board of Statutory Auditors will periodically monitor the situation so as to take appropriate safeguards, if necessary.

12. Shareholder Relations

• **Access to information**

The Company has adopted a communication policy with the aim of establishing continuous dialogue with all shareholders and, in particular, with institutional investors, ensuring the systematic and prompt dissemination of exhaustive information regarding its activities, while complying with the regulations on inside information.

The Company has an Investor Relations & CSR office, in charge of relations with the financial community, whose responsibility – following the resignation of the *Investor Relations Manager*, Pietro Gasparri – was entrusted *ad interim* to the *Chief Financial Officer*, Andrea Maldì.

The methods adopted for financial disclosure are those of systematic contact with financial analysts, institutional investors and the specialist media in order to ensure a full and proper understanding of trends in the Company's strategic direction, the implementation of strategy and the impact on the *business* results.

In addition, it has been decided to further encourage dialogue with investors to allow them to exercise their rights in an informed manner by adequately preparing the contents of the Company's website (www.fieramilano.it in the *Investors* section). The section also contains information on corporate governance issues (the composition of corporate bodies, the Company's articles of association, Corporate Governance reports, remuneration reports, documents relating to shareholders' meetings, shareholders' meeting regulations, the related-party transactions procedure), earnings and financials (such as financial statements, half-yearly and interim reports, presentations to the financial community, Fiera Milano share price performance), and sustainability (Sustainability Report/Non-Financial Statement). Information is also provided on how to contact the Investor Relations Function.

Furthermore, the 'Investors' section of the Company website contains a section for press releases and other up-to-date documents of interest to all Shareholders (e.g. information on capital structure, share performance, financial calendar, presentations to the financial community). Press releases with price-sensitive content are disseminated in accordance with the procedures laid down by Consob regulations on the release of regulated information to the public.

- **Dialogue with Shareholders**

Fiera Milano attaches great importance to establishing and maintaining a constant, transparent and constructive dialogue with Investors, with the majority of its Shareholders and, more broadly, with the entire financial community. This contributes to improving the level of understanding of the strategy and objectives of the Company and the Group it heads, of the results achieved and on every aspect – financial and non-financial – relevant to investment choices and the informed exercise of shareholder rights. Interacting with Investors in accordance with current regulations and the principle of equal treatment also presents a valuable opportunity for discussion and exchange of information and opinions, and is a strategic lever for medium/long-term value creation.

The Board of Directors, in the interest of the Company and its Shareholders, promotes dialogue with Investors and, in compliance with the provisions of the Corporate Governance Code, at the Board meeting held on 28 July 2021 approved the 'Policy for managing dialogue with institutional investors and the general public' (hereinafter the '**Engagement Policy**').

The Engagement Policy has been prepared to ensure that dialogue with Investors and, in general, with the entire shareholder community takes place in compliance with good corporate practices and current legislation, including legislation on the treatment of inside information, and that it is based on the principles of accuracy, transparency, timeliness and information symmetry.

The Chairman of the Board of Directors, assisted by the Chief Executive Officer, ensures that the Board of Directors is promptly informed of the development and main content of dialogue with Institutional Investors and Shareholders, according to the provisions of the Engagement Policy.

The Engagement Policy is published on the Company's website www.fieramilano.it in the *Investors/Governance/Engagement Policy* section.

13. Shareholders' Meetings (Article 123-bis, paragraph 2.c), Consolidated Finance Act)

The Shareholders' Meeting represents all shareholders, and its decisions, taken in accordance with the law and the Articles of Association, are mandatory and binding on all shareholders, including those who did not attend, abstained or dissented, although dissenting shareholders have rights of rescission under certain circumstances.

On 23 April 2013, the Shareholders' Meeting adopted Regulation, available on the Company's website www.fieramilano.it in the *Investors/Governance/Shareholders' Meeting* section, aiming to procedurise the conduct of ordinary and extraordinary shareholders' meetings.

The aforementioned Regulation defines the procedures to be followed to ensure the orderly and correct conduct of Shareholders' Meetings whilst guaranteeing the right of each shareholder to speak on the matters under discussion.

The Shareholders' Meeting is convened and deliberates, under the law and regulations for companies with listed shares, on matters that are its responsibility by law.

The Shareholders' Meeting is authorised to approve, inter alia, in an ordinary or extraordinary meeting (i) the appointment or removal of members of the Board of Directors and of the Board of Statutory Auditors and their relevant remuneration and responsibilities, (ii) the Financial Statements and the allocation of profits, (iii) the purchase and disposal of treasury stock, (iv) changes to the Articles of Association, (v) the issue of convertible bonds.

In accordance with applicable law, legitimate attendance and exercise of the right to vote in Shareholders' Meetings is restricted to those who appear as shareholders at close of business on the seventh trading day prior to the date of the Shareholders' Meeting, and who present to the issuer the relevant communication from an intermediary that conforms to its accounting records, on behalf of the person having the right to vote at the Shareholders' Meeting using the aforementioned mechanism.

14. Additional corporate governance practices (Article 123-bis, paragraph 2.a), Consolidated Finance Act)

14.1 Management procedure for disclosures, including anonymous disclosures received by Fiera Milano and its subsidiaries

On 8 November 2016, the Procedure for handling reports, including anonymous reports (*Whistleblowing*) received by Group companies, was adopted. The Procedure was last updated at the Company's Board of Directors meeting of 11 May 2018. Another update is due in 2022 to align the document with the regulatory changes introduced by EU Directive 2019/1937.

The Procedure governs the receipt, analysis and treatment of disclosures alleging irregularities, including those made anonymously or in confidence, from third parties or from Fiera Milano Group personnel.

The disclosures may include, inter alia: crimes, illicit or anomalous activities and/or behaviour of any kind, also omissive, attributable to the employees of the Fiera Milano Group or third parties that violate the Code of Ethics, the Models 231 adopted by companies of Fiera Milano Group, internal regulations issued by the Fiera Milano Group, laws or regulations or obligations issued by the Authorities or any acts that could cause damage or detriment of any kind to the Fiera Milano Group.

The latest review of the Procedure amended the composition of the Whistleblowing Committee, in which the Internal Audit Director and Head of Human Resources, participate with the Head of *Security*. This Committee reports to the Supervisory Committee on any controls that have been carried out when significant provisions of Legislative Decree 231/01 have been breached.

Although disclosures may be made in any way, the Company has set up different channels of communication that include: the website, an e-mail address, a toll-free number and a postal address. The channels set up for direct disclosure to the Supervisory Committees of Group companies under Legislative Decree 231 remain valid (*dedicated account*).

14.2 Guidelines on Direction and Coordination

The Company has adopted Guidelines on the exercise of management and coordination powers by the Parent (the '**Guidelines**'), which replaced the 'Regulation on the exercise of the power of direction and coordination by the parent company previously in force (the latest version of this document was approved by the Shareholders' Meeting in April 2013).

Considering legal developments in the *meantime*, and despite the changes made to the organisational structure of the Fiera Milano Group, it was considered appropriate to revise this document.

This document was prepared to set guidelines for the direction and coordination of subordinate entities, with the aim of providing a solid base for stronger and more effective inter-relations.

The Guidelines identify precise responsibilities regarding, respectively, the Company and its subsidiaries, in a framework of a unequivocal and reciprocal undertaking of duties and specific governance procedures, appropriately gauged to provide an equitable balance between requirements for centralisation and respect for the autonomous management of subsidiaries. The Guidelines and any changes or additions are presented to the Boards of Directors of Group Companies for approval and are then notified to the shareholders' meetings of all Group Companies.

The Guidelines were approved by the Board of Directors of the Parent on 31 July 2019 and, subsequently, in order for them to be adopted, the Regulation was presented to the Shareholders' Meetings of the individual companies of the Group so that each could independently adopt them as the basis for their own operations. They were then presented at the Fiera Milano Shareholders' Meeting of 20 April 2020.

15. Changes after the end of the reporting period

There are no significant changes to report.

16. Recommendations of the Corporate Governance Committee for 2022 (letter dated 3 December 2021)

In a letter dated 3 December 2021, the Chairman of the Corporate Governance Committee sent the Committee's 2021 report to the chairmen of the boards of directors of listed companies and for information to the CEOs and chairmen of the supervisory bodies.

In the same communication, the Chairman formulated a series of recommendations aiming to encourage and support the process of compliance with the provisions of the Corporate Governance Code. In detail, the recommendations focused on the following issues:

- a. sustainability;
- b. application of the independence criteria;
- c. quality of information to the Board of Directors;
- d. gender equality;
- e. Remuneration policies;
- f. appointment and succession of directors.

These recommendations – immediately brought to the attention of the Chairman of the Board of Directors and the Chairman of the Board of Statutory Auditors – were shared with the entire Board of Directors of Fiera Milano at the meeting held on 25 February 2022. On that occasion, the Board of Directors verified that the Company is aligned with the recommendations issued by the *Corporate Governance Committee*.

In particular, having examined the recommendations and the specific points of concern raised for each of them, it is noted that:

1. Sustainability: sustainability is included as an integral and key point in the business plan approved by Fiera Milano on 22 February 2021. The Company will thus note in the Corporate Governance Report that the issue of sustainability is already incorporated into Fiera Milano's business activities, long-term strategies and internal control and risk management system, and in its remuneration policy. Please also note that as of 1 January 2021, the typical tasks of the Control, Risk and Sustainability Committee have been further expanded regarding the review of issues relevant to the generation of long-term value and the company's sustainable success.
2. Application of the independence criteria: on this point, please note that the Company's resolution of 15 December 2020, in assessing the existence of the requirement of independence of directors, defined the

quantitative parameters to adopt for assessing the significance of existing relationships. Therefore, the Company will disclose in the *Corporate Governance* Report the resolutions passed and the fact that no criteria set out in the *Corporate Governance* Code have been disregarded in assessing the independence criteria.

3. Quality of the information provided to the Board of Directors: the Regulation of the Board of Directors – as last updated – expressly provides for a deadline of three days to send directors and auditors the documents under discussion. In addition, according to the Guidelines of the Financial Reporting Officer, the financial statements must be made available to the Board one week in advance). In 2021, the Company usually met the deadlines set. The exceptions were limited cases where the delay was justified by the exceptional urgency of the issues under examination and/or resolved upon.
4. Gender equality: as the market is already aware, two-fifths of Fiera Milano's administrative body consists of the least represented gender, that is, men (four men compared to five women). Gender diversity is also well represented on the Board of Statutory Auditors, where the role of Chairman is currently held by the auditor belonging to the least represented gender, female. Regarding the diversity policies applied by the Company within its own organisation, please also note that, in line with the provisions of its Code of Ethics, Fiera Milano offers all workers the same work opportunities, ensuring that everyone can enjoy fair treatment based on merit criteria, without any discrimination.
5. Remuneration policies: Fiera Milano, supported by the work of the Appointments and Remuneration Committee, continues to set fixed and variable remuneration, the latter with short- and long-term objectives, including those related to non-financial and sustainability objectives. In compliance with the existing Remuneration Policy, ad hoc bonuses are only granted in exceptional cases and guaranteed by an authorisation process involving the highest levels of the company.
6. Appointment and succession of directors: On the occasion of the update of the Regulation of the Board of Directors, Fiera Milano supplemented Article 13.5 of the aforementioned document, providing that: '*Ahead of each renewal, the Board of Directors expresses an opinion on its optimal quantitative and qualitative composition, taking into account the results of the self-appraisal*'. Please also note that at the recent renewal of the management body, which took place at the Shareholders' Meeting of 20 April 2020, the outgoing Board of Directors had expressed its views on the optimal quantitative and qualitative composition, making available to shareholders the '*Guidelines on the composition of the new Board of Directors of Fiera Milano S.p.A. for the three years 2020-2022*'.

Tables

The two tables on the following pages summarise the Company's adherence to the main *corporate governance* requirements of the Corporate Governance Code.

The first table shows the structure of the Board of Directors and its internal committees. It lists the Directors and their category (Executive, Non-executive and Independent). It also shows the composition of the various committees.

The second table summarises the characteristics of the Board of Statutory Auditors. It lists the members of the Board, both standing and substitute, and indicates if they have been nominated from lists put forward by non-controlling interests.

Both tables give information on the number of meetings held by the Board of Directors, the various committees and the Board of Statutory Auditors and the attendance rate of individual members. The tables also show the number of administrative positions held in other companies; these are also detailed in this Report and are used for necessary checks to establish compliance with rules on holding several positions.

Table 1: Structure of the Board of Directors and of its Committees

BOARD OF DIRECTORS

Position	Members	Year of birth	Date first appointed	In office from/ until		Non Exec. Exec.	Independent under the Code	Indep. TUF	No. of other positions held**	Control and Risk Committee		Appointments and Remuneration Committee	
				List						***	*	***	*
Chairman	Carlo Bonomi	1966	25.04.2020	c	d	X		X	9/11	1			
Chief Executive Officer	Luca Albino Palermo ^o	1970	2.10.2020	c	d	X			11/11	0			
Director	Alberto Baldan	1960	21.04.2017	a	d	X	X	X	11/11	3		M	7/7
Director	Stefania Chiaruttini	1962	21.04.2017	a	d	X	X	X	11/11	5	P	13/13	
Director	Anna Gatti	1972	20.04.2020	b	d	X	X	X	7/11	3			
Director	Francesca Golfetto	1950	21.04.2017	a	d	X	X	X	11/11	2	M	13/13	
Director	Angelo Meregalli	1967	21.04.2017	a	d	X	X	X	11/11	0	M	12/13	
Director	Marina Natale	1962	21.04.2017	a	d	X	X	X	11/11	3		M	7/7
Director	Elena Vasco	1964	21.04.2017	a	d	X	X	X	10/11	2		P	7/7

	BoD	Control and Risk Committee	Appointments and Remuneration Committee
Number of meetings held in the financial year ended 31 December 2021	11	13	7

Shareholding required by non-controlling shareholders to present lists (under Article 147-ter of the TUF):

2.50%

NOTES

- * This column shows the attendance rate of Directors at Board Meetings and Committee Meetings. Specifically, the number of meetings they attended is indicated against the total number of meetings they should have attended (no. of attendances/no. of meetings held during the person's actual period in office).
- ** This column shows the number of other directorships or statutory auditorships held in other companies listed on regulated markets, including foreign ones, in financial, banking, insurance or large companies.
- *** This column shows the role of the director on the committee: 'C': chairman; 'M': member.
- ^o The symbol indicates the director in charge of the internal control and risk management system.
- a Appointed by the Shareholders' Meeting of 21 April 2017 for the three-year period expiring with the approval of the financial statements at 31 December 2019 and confirmed by the Shareholders' Meeting of 20 April 2020 for the three-year period expiring with the approval of the financial statements for the year 2022.
- b Appointed by the Shareholders' Meeting of 20 April 2020 for a three-year period ending with the approval of the Financial Statements at 31 December 2022.
- c Appointed by the Shareholders' Meeting of 2 October 2020 for a three-year term ending with the approval of the Financial Statements at 31 December 2022. Please note that Mr Bonomi was co-opted pursuant to Article 1386 of the Italian Civil Code by the Board of Directors on 25 April 2020 and confirmed by the Shareholders' Meeting of 2 October 2020.
- d Appointed from the only list presented by the majority shareholder Fondazione E. A. Fiera Internazionale di Milano.

Table 2: Structure of the Board of Statutory Auditors

BOARD OF STATUTORY AUDITORS

Position	Members	Year of birth	Date first appointed	In office from/to	List	Independent under the Code	Attendance at meetings of the Board of Statutory Auditors*	No. of other positions held **
Chairperson	Monica Mannino	1969	28/04/21	b	c	X	15/15	2
Statutory Auditor	Daniele Federico Monarca	1959	23/04/18	a	c	X	22/22	0
Statutory Auditor	Piero Antonio Capitini	1972	28/04/21	b	c	X	15/15	1
Substitute Auditor	Livia Amidani Aliberti	1980	28/04/21	b	c			
Substitute Auditor	Simone Bruno	1969	28/04/21	b	c			

Number of meetings held in the financial year ended 31 December 2021

22

Shareholding required by non-controlling interests to present lists of candidates (under Article 148 of the Consolidated Finance Act)

2.50%

NOTES

* This column shows the attendance rate at meetings of the Board of Statutory Auditors (no. of times present/ no. of meetings held during the period of appointment).

** This column shows the number of positions held as Director or Statutory Auditor under Article 148-bis of the TUF.

For a complete list of the positions held by each member of the Board of Statutory Auditors, please refer to the information published on the Consob website in accordance with Article 144-quinquedecies of the Consob Issuers' Regulations.

a Appointed by the Shareholders' Meeting of 23 April 2018 and confirmed by the Shareholders' Meeting of 28 April 2021 for the three-year period expiring with the approval of the financial statements at 31 December 2023.

b Appointed by the Shareholders' Meeting of 28 April 2021 for a three-year period ending with the approval of the Financial Statements at 31 December 2023.

c Appointed from the only list presented by the majority shareholder Fondazione E. A. Fiera Internazionale di Milano.

Proposals for the Ordinary Shareholders' Meeting

Ordinary Shareholders' Meeting of Fiera Milano S.p.A. convened for 22 April 2022 at 3.30 pm in a single call.

(Report pursuant to Article 125-ter, paragraph 1, Italian Legislative Decree no. 58 of 24 February 1998, as amended)

1. Financial Statements at 31 December 2021.

- 0.1 **Approval of the Financial Statements at 31 December 2021, Report of the Board of Directors on Operations and Report of the Board of Statutory Auditors and of the Independent Auditors. Presentation of the Consolidated Financial Statements at 31 December 2021 and the 2021 Consolidated Disclosure of Non-financial Information pursuant to Legislative Decree no. 254/2016;**
- 0.2 **Allocation of the result for the financial year.**

Dear Shareholders,

The preliminary Financial Statements at 31 December 2021, that we submit for your attention, closed with a net profit of Euro 36,621,672.14, which allows us to propose to carry forward the net profit.

We would also like to draw your attention to the Group Consolidated Financial Statements at 31 December 2021, which, although not subject to approval by the Shareholders' Meeting, are supplementary to the information provided in the Financial Statements of Fiera Milano S.p.A.

Given the above, we submit the following for your approval

resolution proposals

- 1.1 **Approval of the Financial Statements at 31 December 2021, Report of the Board of Directors on Operations and Report of the Board of Statutory Auditors and of the Independent Auditors. Presentation of the Consolidated Financial Statements at 31 December 2021 and the 2021 Consolidated Disclosure of Non-financial Information pursuant to Legislative Decree no. 254/2016;**

'The Shareholders' Meeting of Fiera Milano S.p.A., having considered the Management Report of the Board of Directors, the Report of the Board of Statutory Auditors and the report of the Independent Auditors, and having examined the Financial Statements at 31 December 2021,

resolves

to approve the Financial Statements for the year ended 31 December 2021, consisting of the statement of financial position, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the related notes to the financial statements, which shows a net profit of Euro 36,621,672.14 as presented by the Board of Directors as a whole, in the individual entries and with the proposed provisions, as well as the related Report of the Board of Directors on Operations'

1.2 Allocation of the result for the financial year

'The Shareholders' Meeting of Fiera Milano S.p.A., having considered the Management Report of the Board of Directors, the Report of the Board of Statutory Auditors and the report of the Independent Auditors, and having examined the Financial Statements at 31 December 2021

resolves

to approve the proposal made by the Board of Directors to carry forward the net profit for the year of Euro 36,621,672.14".

We also present the Shareholders' Meeting with the Consolidated Disclosure of Non-financial Information prepared by the Company in accordance with Italian Legislative Decree no. 254/2016.

2. Report on the Remuneration Policy and remuneration paid pursuant to Article 123-ter of Italian Legislative Decree 58/98:

2.1 binding resolution on the first section;

2.2 non-binding resolution on the second section.

Dear Shareholders,

On 15 March 2022, the Board of Directors approved, under current legal provisions, the Report on remuneration policy and payments prepared pursuant to Article 123-ter of the Consolidated Finance Act (the '**Report**'), which will be made available to the public on 31 March 2022.

Pursuant to paragraph 3-ter of Article 123-ter of the Consolidated Finance Act, the Shareholders' Meeting is asked to vote, by binding resolution, in favour or against, Section One of the Report and, pursuant to paragraph 6 of the same provision, by non-binding resolution, in favour or against, Section Two of the Report.

Given the preceding, the Directors submit for your consideration Section One of the Report mentioned above. This section describes the Company's remuneration policy (the '**Policy**'), by which the Board of Directors determines the remuneration of its members and, specifically, of Directors with special responsibilities, members of the Committees and the other Executives with strategic responsibilities in the Group.

On the other hand, Section Two provides an adequate representation of each of the items comprising the remuneration of the members of the Board of Directors, of the other Executives with Strategic Responsibilities and members of the Company's Board of Statutory Auditors. It describes in detail the remuneration paid, in the year concerned, in any capacity and in any form, by the Company, its subsidiaries or associated companies.

The Policy results from a clear and transparent process in which the Board of Directors of the Company and the Appointments and Remuneration Committee play central roles.

The Company's Board of Directors, on the proposal of the Appointments and Remuneration Committee, adopted the Policy, drafted also in light of the provisions of Article 5 of the Code of *Corporate Governance* and related recommendations and the amendments to the Issuers' Regulations in the implementing provisions of Article 123-ter of the Consolidated Law on Finance, as amended by Legislative Decree no. 49/2019.

Specifically, the Policy of the Company aims to:

- attract, motivate and retain resources with the professional qualities required to pursue the Group's objectives profitably;
- align *management* and shareholder interests, pursuing the priority objective of sustainable value creation in the medium/long-term by forging a strong link between remuneration on the one hand and individual and Group *performance* on the other;

- reward merit to properly recognise the individual contributions made by employees.

For the Remuneration Report's specific contents, please refer to the document which will be made available on the Company's website at the address www.fieramilano.it in the 'Investors/Governance' section.

Given the above, we submit the following for your approval

resolution proposals

2.1 Binding resolution on the first section

'The Shareholders' Meeting of Fiera Milano S.p.A. for the Report on remuneration policy and payments made pursuant to Article 123-ter of Italian Legislative Decree 58/98 and, in particular, Section One,

resolves

to approve the contents of Section One of the Report on the remuneration policy and payments made prepared pursuant to Article 123-ter of Legislative Decree 58/98, concerning the Company's policy on the remuneration of the members of the Board of Directors, and in particular the Directors with special duties, the members of the Committees and the Executives with Strategic Responsibilities in the Group, as well as the procedures used for the adoption and implementation of this policy.

2.2 Non-binding resolution on the second section

'The Shareholders' Meeting of Fiera Milano S.p.A. for the Report on remuneration policy and payments made pursuant to Article 123-ter of Italian Legislative Decree 58/98 and, in particular, Section Two,

resolves

to approve the content of Section Two of the Report on remuneration policy and payments made prepared pursuant to Article 123-ter of Italian Legislative Decree No. 58/98, concerning the remuneration awarded to members of the Board of Directors, Executives with Strategic Responsibilities and members of the Company's Board of Statutory Auditors.

3. Authorisation to purchase and dispose of own shares under Articles 2357 and 2357-ter of the Italian Civil Code. (Report pursuant to Article 73 and Annex 3A of the Issuers' Regulations)

Dear Shareholders,

First of all, we would like to remind you that 12 October 2021 saw the expiration of the 18-month authorisation to purchase own shares and to dispose of all or part of the own shares purchased without time limits and even before having completed the purchases. The authorisation was granted to the Company by the Shareholders' Meeting of 20 April 2020.

During the validity period of the above-mentioned authorisation to purchase own shares, the Company did not purchase any own shares and, therefore, as of today, it holds 273,758 own shares, equal to 0.38 % of the share capital.

For the reasons set out below, we therefore propose that you grant an authorisation to purchase and dispose of own shares in accordance with Articles 2357 et seq. of the Italian Civil Code.

The purchase of the Company's ordinary shares will be carried out in accordance with the existing rules for listed companies of any other applicable EU and national laws.

See below for the reasons and procedures for the purchase and disposal of treasury shares whose authorisation we request.

A) Reasons for requesting authorisation to purchase and dispose of treasury shares

The Board of Directors is requesting this authorisation because it believes that the purchase of treasury shares could represent an attractive investment opportunity and/or may be instrumental in improving the financial structure of the Company, as well as facilitating any agreements that presuppose the exchange of share packages.

The authorisation is also requested to dispose of treasury shares to be used as part of share incentive plans adopted as required by law, or as part of any bond issues convertible into Company shares.

Authorisation is requested to carry out transactions, under the laws and regulations in force, to stabilise share price movements linked to contingent market anomalies, improving the liquidity of the shares.

We propose that the Shareholders' Meeting, under the conditions and within limits specified below, authorise the Board of Directors to dispose of shares purchased, in addition to those already held. We consider this option an important tool of management and strategic flexibility.

B) Maximum number and par value of the shares covered by the authorisation; compliance with the provisions of paragraph 3 of Article 2357 of the Italian Civil Code.

The purchase mandate requested applies to the Company's ordinary shares without par value and, under Article 2357, paragraph 3, of the Italian Civil Code, may not exceed 5% of the share capital, including shares held by the Company and its subsidiaries at today's date. The subsidiaries will receive instructions for the timely notification of any purchases of shares in Fiera Milano SpA to ensure compliance with the aforementioned overall limit of 5% of the Company's share capital.

At the date of this Report, the Company's subscribed and paid-up share capital is Euro 42,445,141.00 (forty-two million four hundred and forty-five thousand one hundred and forty-one), and comprises 71,917,829 (seventy-one million nine hundred and seventeen thousand eight hundred and twenty-nine) registered shares without par value.

The consideration paid or received for transactions in treasury shares will be recorded directly under shareholders' equity as required by 'IAS 32' and the accounting treatment thereof will comply with regulations in force.

C) Duration of the authorisation

The share purchase authorisation is requested for a period of 18 months from the date of approval by the Shareholders' Meeting, while the authorisation to dispose of shares is requested without a time limit.

D) Consideration for the purchase and disposal of shares

Without prejudice to the provisions of letter E) below, treasury shares may be purchased, in compliance with trading conditions established in Article 3 of Delegated Regulation (EU) 2016/1052 (hereinafter "**Regulation 1052**") implementing Regulation (EU) 596/2014 and applicable provisions of the Italian Civil Code, at a price not greater than the higher price of the most recent independent transaction and the current highest independent price bid on the trading venues where the purchase is made. This is on the proviso that the unit price shall be neither lower nor higher than 10% of the reference price recorded for Fiera Milano shares on the MTA Market (Mercato Telematico Azionario) organised and managed by Borsa Italiana SpA in the trading session preceding each purchase transaction.

The shares may be sold, even before the purchase mandate has been exhausted, in one or more tranches, at a price not below the lowest purchase price.

This price limit will not apply if the shares are disposed of as part of share incentive plans. Should the shares be used as part of extraordinary transactions, by way of example and without limitation, share

swaps, part-exchanges, conferrals or as part of equity transactions or other corporate and/or financial transactions and/or other extraordinary transactions and any other non-cash disposal transaction, the Board of Directors will decide the financial terms of the transaction according to its type and characteristics, also taking account of the market performance of the Fiera Milano SpA shares.

E) Procedures for the purchase of treasury shares

The purchase of treasury shares may take place in one or more tranches, in compliance with applicable laws and regulations including, as appropriate, permitted market practices.

Purchases of treasury shares must be made pursuant to the provisions of Article 3 of Regulation 1052, or applicable provisions of the Italian Civil Code, and in such a way as to ensure equal treatment for all shareholders in accordance with Article 132 of the Consolidated Finance Act, exclusively in the following ways:

- i. public offer to buy or exchange;
- ii. on regulated markets in accordance with the operating procedures laid down in the organisation and management rules for said markets, which do not allow the direct matching of offers to buy with offers to sell at a predetermined trading price.

Disposals may be made, on one or more occasions, even before the purchases have been completed, through sale on regulated and/or unregulated markets or off-market, by public offer, or as a consideration for the purchase of shareholdings and possibly for assignment to shareholders.

Given the above, we submit the following for your approval

proposed resolution

"The Shareholders' Meeting of Fiera Milano S.p.A., having considered the proposal of the Board of Directors prepared according to Article 125-ter of Italian Legislative Decree 58/98, Article 73 of Consob Regulation no. 11971 by resolution dated 14 May 1999, and in accordance with Annex 3A – Table 4 of the same Regulation, and the proposal contained therein, taking into account the provisions of Article s 2357 and 2357-ter of the Italian Civil Code,

resolves

- 1) *to authorise the Board of Directors, pursuant to Article 2357 et seq. of the Italian Civil Code, to purchase treasury shares of the Company for the quantity, at the price, within the terms and in the manner set out below:*
 - *that the purchase may be made in one or more tranches, within 18 months from the date of this resolution;*
 - *that the consideration for the purchase of each share shall not be greater than the price of the last independent transaction or the price of the highest current independent offer (whichever is highest) in the trading venues where the purchase is made. It is understood that the unit price must be neither 10% lower nor higher than the reference price recorded for Fiera Milano shares on the MTA market organised and managed by Borsa Italiana SpA on the trading day before each individual purchase transaction;*
 - *that the maximum number of shares purchased, including shares held by the Company and its subsidiaries, may not exceed 5% of the Company's share capital;*
 - *The purchase of treasury shares may take place in one or more tranches, in compliance with applicable laws and regulations including, as appropriate, accepted market practices. The purchase of treasury shares must be carried out in compliance with the conditions set out in Article 3 of Delegated (EU) Regulation 2016/1052 and in accordance with the provisions of Article 132 of Italian Legislative Decree 58/98, Article 144-bis of the Regulation issued by Consob with resolution no. 11971 of 14 May 1999, and any other applicable regulations, including EU regulations;*

- 2) *authorising the Board of Directors, pursuant to current legal provisions, to dispose of all or part of the treasury shares purchased, without time limits, even before the share purchase authorisation is exhausted; Disposals may be made, on one or more occasions, even before the purchases have been completed, through sale on regulated and/or unregulated markets or off-market, public offer, or as a consideration for the purchase of shareholdings and possibly for assignment to shareholders. The sale price must not be below the lowest purchase price. This price limit will not apply if the shares are disposed of as part of share incentive plans. If the shares are used in the context of extraordinary transactions, including, by way of example and without limitation, share swaps, part-exchanges, conferrals or as part of equity transactions or other corporate and/or financial transactions and/or other extraordinary transactions and any other non-cash disposal transaction, the Board of Directors will determine the financial terms of the transaction according to its type and characteristics, also taking account of the market performance of the Fiera Milano shares;*
- 3) *granting the Board of Directors and, acting on its behalf, the appointed Chairman and Chief Executive Officer, jointly and severally, all necessary power to make purchases or disposals and, in any event, to implement the above resolutions, also through proxies, in compliance with any requests made by the competent authorities."*

Rho (Milan), 16 March 2022

p. The Board of Directors

The Chairman

Carlo Bonomi

Fiera Milano Group Consolidated Financial Statements at 31 December 2021

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Consolidated statement of financial position

notes	(€ '000)	31/12/21	31/12/20
ASSETS			
Non-current assets			
4	Property, plant and equipment	5,808	7,040
5	Right-of-use assets	392,512	431,668
53	<i>of which from related parties</i>	388,247	426,153
	Investments in non-core property	-	-
6	Goodwill	95,036	95,036
7	Intangible assets with a finite useful life	18,518	17,006
8	Equity accounted investments	15,733	16,226
9	Other investments	82	82
10-53	Other financial assets	5,847	5,127
11	Trade and other receivables	31,961	23,471
53	<i>of which from related parties</i>	31,852	23,373
12	Deferred tax assets	14,011	3,283
	Total	579,508	598,939
Current assets			
13	Trade and other receivables	31,130	26,705
53	<i>of which from related parties</i>	2,528	8,678
14-53	Inventories	3,354	5,557
	Contracts in progress	-	-
15	Financial assets	2,429	1,320
53	<i>of which from related parties</i>	2,429	1,320
16	Cash and cash equivalents	148,298	20,442
	Total	185,211	54,024
	Assets held for sale	-	-
	Assets held for sale	-	-
	Total assets	764,719	652,963
EQUITY AND LIABILITIES			
17	Equity		
	Share capital	42,284	42,284
	Share premium reserve	10,256	10,256
	Revaluation reserve	-	-
	Other reserves	2,623	1,708
	Retained earnings	8,792	42,578
	Profit/(loss) for the year	44,359	(33,943)
	Total Group equity	108,314	62,883
	Equity attributable to non-controlling interests	671	348
	Total equity	108,985	63,231
Non-current liabilities			
	Bonds in issue	-	-
18	Bank borrowings	98,159	-
19	Financial liabilities related to the right-of-use of assets	370,568	405,961
53	<i>of which from related parties</i>	367,703	401,848
20	Other financial liabilities	70	-
21	Provision for risks and charges	72	379
22	Employee benefit provisions	9,529	10,062
23	Deferred tax liabilities	3,643	11,260
24	Other liabilities	655	-
	Total	482,696	427,662
Current liabilities			
	Bonds in issue	-	-
25	Bank borrowings	938	49,018
26	Trade payables	50,602	19,904
27-53	Advances	35,992	30,577
28	Financial liabilities related to the right-of-use of assets	41,376	43,611
53	<i>of which from related parties</i>	39,821	42,068
29	Other financial liabilities	9,994	1,743
53	<i>of which from related parties</i>	9,560	1,313
30	Provision for risks and charges	6,437	1,777
31	Tax liabilities	4,955	3,849
32-53	Other liabilities	22,744	11,591
	Total	173,038	162,070
	Liabilities held for sale	-	-
	Liabilities held for sale	-	-
	Total liabilities	764,719	652,963

Consolidated statement of profit or loss

notes	(€ '000)	2021	2020
36	Revenues from sales and services	129,756	73,635
53	<i>of which with related parties</i>	1,650	4,682
	Total revenues	129,756	73,635
37	Cost of materials	1,722	1,586
38	Cost of services	74,344	45,519
53	<i>of which with related parties</i>	1,651	276
39	Cost of use of third-party assets	517	453
40-53	Personnel costs	41,489	31,852
41-53	Other operating expenses	2,942	2,467
	Total operating expenses	121,014	81,877
42	Other income	73,146	16,875
53	<i>of which with related parties</i>	6,264	14,913
54	<i>of which non recurring transactions</i>	66,990	14,000
43	Results of equity accounted associates and joint ventures	1,207	532
44	Provisions for doubtful receivables and other provisions	5,925	(1,278)
	Earnings before interest, taxes, depreciation, and amortization (EBITDA)	77,170	10,443
45	Depreciation of property, plant and equipment and right-of-use assets	42,017	42,513
	Depreciation of property investments	-	-
45	Amortisation of intangible assets	3,195	2,248
46	Adjustments to asset values	22	-
	Earnings before interest and taxes (EBIT)	31,936	(34,318)
47-53	Financial income and similar	1,028	274
48	Financial expenses and similar	14,420	12,981
53	<i>of which with related parties</i>	11,715	12,568
	Profit/(loss) before tax	18,544	(47,025)
49	Income tax	(24,365)	(12,873)
53	<i>of which with related parties</i>	(8,745)	(12,535)
	Profit/(loss) from continuing operations	42,909	(34,152)
50	Profit/(loss) from discontinued operations	1,172	-
	Profit/(loss) of the year	44,081	(34,152)
51	Profit/(loss) attributable to:		
	The shareholders of the controlling entity	44,359	(33,943)
	Non-controlling interests	(278)	(209)

Consolidated statement of comprehensive Income

notes	(€ '000)	2021	2020
17	Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss		
	Revaluation of defined benefit schemes	145	(64)
	Tax effects	4	15
17	Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss		
	Currency translation differences of foreign subsidiaries	52	(869)
2	Other comprehensive income/(loss) of equity accounted associates and joint ventures that will not be reclassified subsequently to profit or loss		
	Revaluation of defined benefit schemes	12	15
	Tax effects	(3)	(4)
	Currency translation differences of foreign subsidiaries	197	(252)
	Other comprehensive income/(loss) net of related tax effects	407	(1.159)
	Total comprehensive income/(loss) for the year	44,488	(35,311)
	Total comprehensive income/(loss) for the year attributable to:		
	The shareholders of the controlling entity	44,765	(35,079)
	Non-controlling interests	(277)	(232)
52	Earnings/(losses) per share (€)		
	Basic	0,6192	(0,4752)
	Diluted	0,6192	(0,4752)

Consolidated statement of cash flows

notes	(€ '000)	2021	2020
	Net cash at beginning of the year	20,442	68,031
	Cash flow from operating activities		
16	Net cash arising from operations	124,794	(41,777)
53	<i>of which from related parties</i>	1,887	(5,314)
33	Interest paid	(941)	(117)
33	Interest paid on financial liabilities related to the right-of-use of assets	(11,971)	(12,689)
33	Interest received	847	225
49	Income taxes paid	(730)	-
	Total from continuing operations	111,999	(54,358)
	Cash flow from investing activities		
4	Investments in tangible assets	(1,246)	(867)
4	Write-downs of tangible assets	30	1
7	Investments in intangible assets	(4,699)	(5,247)
2	Investments in Joint Ventures	1,403	3,970
9	Other investments	-	(50)
	Total from continuing operations	(4,512)	(2,193)
	Cash flow from financing activities		
17	Equity	600	-
10	Non-Current financial assets	(720)	(5,077)
20	Non-Current financial liabilities	98,159	-
19	Non-Current financial liabilities related to the right-of-use of assets	-	-
15-53	Current financial assets	(1,956)	-
28	Current financial liabilities related to the right-of-use of assets	(38,041)	(26,145)
53	<i>of which from related parties</i>	(36,693)	(24,483)
25-29	Current financial liabilities	(38,892)	49,773
53	<i>of which from related parties</i>	8,247	864
17	Dividends paid	-	(9,314)
	Total from continuing operations	19,150	9,237
17	Total translation differences	47	(275)
	Net cash for the year from continuing operations	126,637	(47,314)
	Net cash for the year from assets held for sale	1,172	-
	Net cash at the end of the year	148,298	20,442

Consolidated Statement of Changes in Equity

(€'000)										
note 17	Share capital	Share premium reserve	Other reserves	Retained earnings	Profit/(loss) for the year	Total Group equity	Capital and reserves attributable to non-controlling interests	Profit/(loss) for the financial year attributable to non-controlling interests	Total non-controlling interests	Total equity
Balance at 31 December 2019	41,645	9,324	4,400	17,482	34,425	107,276	677	(97)	580	107,856
Allocation of earnings at 31.12.2019	-	-	-	34,425	(34,425)	-	(97)	97	-	-
use of reserves	-	-	-	-	-	-	-	-	-	-
dividend distribution	-	-	-	(9,314)	-	(9,314)	-	-	-	(9,314)
Fair value stock grant	639	932	(1,571)	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	(1,121)	(15)	(33,943)	(35,079)	(23)	(209)	(232)	(35,311)
Balance at 31 December 2020	42,284	10,256	1,708	42,578	(33,943)	62,883	557	(209)	348	63,231
Allocation of earnings at 31.12.2020	-	-	-	(33,943)	33,943	-	(209)	209	-	-
use of reserves	-	-	-	-	-	-	-	-	-	-
dividend distribution	-	-	-	-	-	-	-	-	-	-
Fair value stock grant	-	-	736	-	-	736	-	-	-	736
Other changes	-	-	(70)	-	-	(70)	600	-	600	530
Total comprehensive income for the financial year	-	-	249	157	44,359	44,765	1	(278)	(277)	44,488
Balance at 31 December 2021	42,284	10,256	2,623	8,792	44,359	108,314	949	(278)	671	108,985

Notes to the consolidated financial statements

On 15 March 2022, the Board of Directors approved the Fiera Milano Group Consolidated Financial Statements at 31 December 2021 and authorised their publication.

The Fiera Milano Group is active in all the key areas of the exhibition and congress industry and is one of the largest integrated exhibition companies worldwide.

The Group business consists of hosting exhibitions, fairs and other events, promoting and making available equipped exhibition spaces, as well as offering support for projects and related services. This includes the business of staging exhibitions (and providing final services to exhibitors and visitors).

The business of the Group has dual seasonality: (i) a higher concentration of exhibitions in the six months from January to June; (ii) exhibitions with a multiannual frequency.

Further details on Group structure are provided in the relevant section of the Management Report.

Covid-19 and its effects on the consolidated financial statements

The exhibition/congress sector was one of the worst affected by the crisis caused by the emergence of the Covid-19 pandemic, which led to the suspension of exhibition and congress activities in Italy under legislation for the containment and prevention of the pandemic. The resumption of exhibitions was only possible from 15 June 2021, while congresses restarted from 1 July 2021, therefore the results achieved by the Group during the year reflect, to a large extent, the activity carried out in the second half of the year.

In the year under review, public grants of Euro 43.4 million were received for the year 2020 and Euro 18.1 million for 2021 as aid for the reduction in EBITDA in the years 2020 and 2021, as a result of the epidemiological emergency due to Covid-19.

All necessary actions to protect the health and safety of its customers, suppliers and employees are continuing, including working from home.

The impact of the Covid-19 pandemic on the balance sheet position, the results of operations for the year, the net financial position and the risks and uncertainties associated with it are set out in the specific sections: "Summary of results and significant events during the year", "External and strategic risks", "Subsequent events", "Business outlook and going concern evaluation" of the Management Report and "Liquidity risk" of the Notes to the Consolidated Financial Statements.

1) Accounting standards and consolidation criteria

1.1 Standards used to prepare the Financial Statements

The Consolidated Financial Statements were prepared in accordance with IAS/IFRS accounting standards in force at 31 December 2021, issued by the *International Accounting Standards Board* (IASB) and endorsed by the European Union, relative interpretative documents and the provisions of Article 9 of Italian Legislative Decree 38/2005.

The accounting standards used to prepare the present Consolidated Financial Statements are the same as those used to prepare the Financial Statements at 31 December 2020, except for those applicable from 1 January 2021 described below.

Given the capital and financial position for 2021, the 2022-2026 financial forecasts, approved by the Board of Directors on 25 February 2022, confirming the medium-/long-term forecast already included in the CONN.E.C.T. 2025 Strategic Plan approved on 22 February 2021, and taking into account the forecasts for working capital performance and the financial and capital position of the Group, the Financial Statements were prepared on a going concern basis. This is fully described in the Report on Operations in the section 'Business outlook and going concern evaluation'.

The Financial Statements are prepared in Euros and all figures are rounded to the nearest thousand Euros unless otherwise indicated. The Financial Statements give comparative data for the previous financial year.

In 2021, no atypical and/or unusual transactions took place.

The risks and uncertainties to which the business is exposed are described in the Interim Report on Operations in the section on Risk factors affecting the Group, in note 34 of the Illustrative Notes and in section 1.6 on the use of estimates.

These Financial Statements have been audited by the independent auditors EY SpA.

Climate and environmental impacts

Also following recent observations of the European Securities and Markets Authority (ESMA) on the importance of climate change aspects, and regulatory developments at EU level, the Fiera Milano Group has launched its first qualitative assessments on the potential physical and transitional risks deriving from climate change. In this context, these first assessments have led the Group to the conclusion that it is not particularly exposed, in the short term, to the physical risks associated with climate change, in view of the nature of its business and geographical location of the Group's activities.

1.2 New accounting standards, interpretations and amendments adopted

The Group has adopted for the first time some accounting standards and amendments that are applicable to financial periods beginning on or after 1 January 2021.

The Group has not opted for early adoption of any standards, interpretations or amendments that have been issued but for which adoption is not yet mandatory.

With respect to "Warning notice No. 5/21" dated 29 April 2021, CONSOB declared its intention to bring its supervisory practices in line with the new *European Securities and Markets Authority* (ESMA) Guidelines on disclosure requirements under EU Regulation 2017/1129. The Guidelines update the previous CESR Recommendations (ESMA/2013/319, as revised on 20 March 2013) on debt.

As of the application date of 5 May 2021, therefore, the references contained in previous communications of CONSOB to the above-mentioned CESR Recommendations on Prospectuses shall be deemed to be replaced by the ESMA Guidelines in question, including the references contained in Communication No. DEM/6064293 of 28-7-2006 on Net Financial Indebtedness, now renamed "Financial debt". It should also be noted that "Trade and other non-current payables" includes non-interest-bearing payables, which have a significant implicit or explicit financing component and any other non-interest-bearing loans.

The nature and impact of each new accounting standard or amendment is given below:

- **IFRS16 amendment - Leases**

On 28 May 2020, the IASB published an amendment to IFRS 16. The amendment allows a lessee not to adopt the requirements in IFRS 16 on the accounting effects of contractual changes for reductions in lease payments granted by lessors that are a direct consequence of the Covid-19 outbreak. The amendment introduces a practical expedient whereby a lessee may choose not to assess whether the reductions in lease payments represent contractual changes. A lessee who chooses to use this expedient accounts for these reductions as if they were not contractual changes in the scope of IFRS 16.

The changes were supposed to be applicable until 30 June 2021, but as the impact of the Covid-19 pandemic has continued, on 31 March 2021, the IASB extended the period of application of the practical expedient until 30 June 2022.

The application of the amendment to the reductions in royalty payments, due to the Covid-19 pandemic, concerned the contracts in force with the controlling shareholder Fondazione Fiera Milano and had the following effects on the figures in the consolidated financial statements:

- improvement in total net financial debt of Euro 6,622 thousand;
- improvement in EBITDA of Euro 5,500 thousand;
- improvement in profit/(loss) of Euro 4,180 thousand.

- **Amendment IFRS 4 - Insurance contracts**

The Regulation, published in the Official Journal of the European Union on 16 December 2020, makes amendments to IFRS 4 that seek to address the temporary accounting consequences of the mismatch between the effective date of IFRS 9 Financial Instruments and the effective date of the future IFRS 17 Insurance Contracts. In particular, the amendments extend the expiry of the temporary exemption from applying IFRS 9 until 2023 so as to align the effective date of IFRS 9 with the new IFRS 17.

The changes had no effect on the values of the consolidated financial statements.

- **IAS 39 and IFRS 4, 7, 9 and 16 - Adaptation to the reform of interest rate reference indices**

The Regulation, published in the Official Journal of the European Union on 14 January 2021, involves changes to the standards and provides for a specific accounting treatment for allocating over time changes in the value of financial instruments or leasing contracts due to the replacement of the reference index for determining interest rates.

The changes had no effect on the values of the consolidated financial statements.

Below are the main changes resulting from the amendments to the standards introduced by Commission Regulation (EU) 2021/1080 of 28 June 2021 published in the Official Journal of the European Union L239 of 2 July 2021, which will enter into force on 1 January 2022;

- IFRS 3 Business Combinations: updates the reference in IFRS 3 to the Conceptual Framework in the revised version, without making any changes to the provisions of the standard;
- IAS 16 Property, Plant and Equipment: does not allow the amount received from the sale of goods produced before the asset was ready for use to be deducted from the cost of the asset. These sales revenues and related costs will be recognised in the income statement;
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets: clarifies which cost items should be considered when assessing whether a contract will be loss-making;
- Annual cycle of improvements to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments and IAS 41 Agriculture.

Commission Regulation (EU) 2021/2036 of 19 November 2021, amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards the International Financial Reporting Standard 17, was also published in

the Official Journal of the European Union of 23 November 2021, Law 416, thus introducing, among international standards adopted, a standard dedicated to insurance contracts.

The provisions apply for the first financial year beginning on or after 1 January 2023.

1.3 Form and content of the Consolidated Financial Statements

With regard to the form and content of the Consolidated Financial Statements, the Group has made the following decisions:

- the Consolidated Statement of Financial Position is presented with separate sections for Assets, Liabilities, and Equity. Assets and liabilities are also recognised according to their classification as current, non-current and held for sale;
- The income statement is classified according to the nature of the costs; it is presented in two statements, the first (income statement) showing the components of the result for the year; on the other hand, the second (comprehensive income statement), starting with the result for the year, contains the revenue and cost items that are recognised in equity and not in profit or loss for the period;
- the Consolidated Statement of Cash Flows is presented using the indirect method;
- the Consolidated Statement of Changes in Equity is presented with separate entries for comprehensive income and transactions with shareholders.

1.4 Scope and principles of consolidation

These Consolidated Financial Statements include the Parent Company Fiera Milano SpA, its subsidiaries and companies under joint control.

The Consolidated Financial Statements are based on the financial statements at 31 December 2021 approved by the boards of directors of the companies included in the scope of consolidation and prepared according to Group accounting policies and IAS/IFRS.

As regards the scope of consolidation, 14 December 2021 saw the signature of the deed of merger of the wholly-owned subsidiary Fiera Milano Media SpA into the Parent Company Fiera Milano SpA.; the merger took effect for tax and accounting purposes from 1 January 2021. The merger did not provide for any share swap, as the newly incorporated company was already fully owned by Fiera Milano SpA. The transaction follows the sale of the business unit relating to the publishing business on 25 January 2021, which led, in the last part of the year, to remaining activities of the Media operating sector being integrated with the Italian Exhibitions Business.

On 25 January 2021, Fiera Milano Media S.p.A., a company incorporated in Fiera Milano SpA on 16 December 2021, signed a preliminary contract for the sale of the publishing business unit to Quine Srl, a publisher specialising in technical magazines in the engineering, mechanical, food and construction sectors. The sale included the publications in the Tech, Ho.Re.Ca. and ICT sectors, the associated employees and agents. The transaction was finalised on 23 February 2021 with the signing of the definitive contract effective from 1 March 2021. The agreed price for the sale of the unit is equal to the difference between assets and liabilities as resulting from the BU's balance sheet, whose goodwill was determined at Euro 1,300 thousand.

The income statement relating to discontinued operations is shown in detail below:

Statement of profit or loss

	(€'000)
	2021
Revenues from sales and services	197
Total revenues	197
Cost of materials	9
Cost of services	172
Cost of use of third-party assets	-
Personnel costs	135
Other operating expenses	2
Total operating expenses	318
Other income	1,300
Provisions for doubtful receivables and other provisions	7
Profit/(loss) from discontinued operations	1,172

The list of companies included in the scope of consolidation at 31 December 2021 is provided in Annex 1.

Subsidiaries

Subsidiaries are consolidated from the date when control is effectively transferred to the Group and are deconsolidated on the date when control is transferred to third parties.

The carrying amount of consolidated investments is set off against the corresponding portion of equity at the acquisition date, in view of the assumption of the liabilities and assets shown in the respective financial statements of the subsidiaries consolidated on a line-by-line basis. Acquisitions of subsidiaries are recognised using the purchase method, as required by IFRS 3 – Business Combinations revised in 2008.

The total capital and reserves of subsidiaries that qualify as non-controlling interests are recognised in equity under 'Capital and reserves: non-controlling interests'. The portion of consolidated profit or loss attributable to non-controlling interests is shown under 'Net profit (loss) - non-controlling interests'.

Joint venture

A *joint venture* is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group recognises its interest in a *joint venture* as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates and *joint ventures*.

In the transition from proportionate consolidation to the equity method, the interest in the *joint venture* is recognised at the beginning of the earliest period presented. At initial recognition, that initial investment shall be measured as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. If the goodwill previously belonged to a larger cash-generating unit, or to a group of cash-generating units, the entity shall allocate goodwill to the *joint venture* on the basis of the relative carrying amounts of the *joint venture* and the cash-generating unit or group of cash-generating units to which it belonged.

Intercompany transactions

Profits and losses not yet realised that stem from transactions between consolidated companies are eliminated, as are all payables and receivables, costs and revenues, unrealised gains and losses and all other transactions between consolidated companies.

Translation of accounts prepared in currencies other than the Euro

At the end of the reporting period, the assets and liabilities of consolidated companies with an accounting currency that is not the Euro are translated into the presentation currency of the Group's consolidated accounts at the exchange rate in force on that date. Income Statement items are translated at the average exchange rate for the year and translation differences arising on the adjustment of opening equity at the closing spot rates and the differences arising from the different methods used to translate profit for the year are recognised in equity through the statement of comprehensive income and shown separately in a special reserve.

The exchange rates used for the translation into Euros of the 2021 and 2020 financial statements of foreign companies are shown in the table below:

	average 2021	average 2020	31/12/21	31/12/20
South African rand	17,4766	18,7655	18,0625	18,0219
Brazilian reals	6,3779	5,8943	6,3101	6,3735

Source: Bank of Italy

1.5 Summary of accounting standards and measurement criteria

Business combination

Business combinations are accounted for by applying the *purchase method* in accordance with IFRS 3 Business Combinations, revised in 2008. Under this method, the amount transferred in a *business combination* is measured at *fair value*, determined as the sum of *fair value* of the assets transferred and the liabilities assumed by the Group at the acquisition date and the equity instruments issued in exchange for control of the acquired entity. All other costs associated with the transaction are recognised in the Statement of Comprehensive Income when they are incurred and classified under administrative expenses.

Contingent considerations, considered part of the transfer price, are measured at *fair value* at the acquisition date. Subsequent changes to the *fair value* are recognised through other comprehensive income.

The identifiable assets acquired and the liabilities assumed are measured at *fair value* at the acquisition date.

Goodwill is measured as the difference between the aggregate of the considerations transferred for the business combination, the equity value pertaining to non-controlling interests and the *fair value* of any previously held equity interest in the acquired entity and the *fair value* of net assets acquired and liabilities assumed at the acquisition date. If the difference between the net acquisition-date amounts of the assets and liabilities exceeds the considerations transferred, the equity value pertaining to non-controlling interests and the *fair value* of any previously held equity interest in the acquired entity, the excess is immediately recognised in the Statement of Comprehensive Income as income deriving from the transaction.

Minority interests in equity at the acquisition date may be measured at *fair value* or in proportion to the minority interest in the identifiable assets of the acquired entity. The choice of measurement method is made transaction by transaction.

In the *fair value* measurement process for *business combinations*, the Fiera Milano Group uses available information and, for more material *business combinations*, also uses the support of external appraisals.

Business combinations transacted prior to 1 January 2010 are recognised using the previous version of IFRS 3.

Business combinations achieved in stages

When a *business combination* is achieved in stages (step acquisition), the Group's previously held share of the entity's assets and liabilities are measured at *fair value* at the date that control is obtained and any resulting adjustments are recognised in the statement of comprehensive income. Therefore, previously held investments are recognised as though they had been sold and reacquired at the date that control is obtained.

Put options

In relation to non-hedging derivatives, both the IASB and the Italian Civil Code envisage that after initial measurement, subsequent measurement must be at *fair value* and any changes recognised through profit and loss.

Granting *put* options to minority shareholders gives them the right to request the Group buys back their shares at a future date. Paragraph 23 of IAS 32 establishes that a contractual right to receive cash or another financial asset from an entity constitutes a financial liability for the present value of the exercise price of the option. Therefore, where the entity does not have the unconditional right to avoid delivering cash or other financial instruments when a put option on shares of subsidiaries is exercised, it must recognise the financial liability. The financial liability is initially recognised at *fair value* corresponding to the present value of the amount to be reimbursed, estimated on the best information available, and changes in the *fair value* between one financial period and another are recognised in the income statement under financial income/expenses.

If the contract expires without delivery, the carrying amount of the financial liability is reclassified to equity.

Transactions involving non-controlling interests

Changes to a percentage interest in a subsidiary where control is retained are accounted for as *equity transactions*. Consequently, for acquisitions after gaining control, any gain or loss between the acquisition cost and the corresponding share of equity is recognised directly in equity attributable to the owners of the Parent. Any capital gain on the partial disposal of an investment in a subsidiary where control is retained is likewise recognised directly in equity attributable to the owners of the Parent.

In cases where the partial disposal of subsidiaries results in loss of control, the residual investment is adjusted to the related *fair value* and the remeasurement qualifies as a capital gain (loss) on the transaction.

Tangible fixed assets

Property, plant and equipment

Property, plant and equipment are recognised at purchase or production cost, including directly attributable expenses, adjusted for depreciation and accumulated impairment losses.

Tangible assets are systematically depreciated each year on a straight-line basis, using economic/technical rates determined by the residual useful life of the assets.

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

The replacement costs of identifiable components of complex assets are allocated to the assets and depreciated over their useful lives. The residual carrying amount of the components being replaced is recognised in the income statement.

Improvements to third party assets are recognised in property, plant and equipment based on the nature of the cost incurred; the depreciation period corresponds to the lesser of the residual useful life of the tangible asset and the residual period of the lease.

The depreciation rates applied are listed below:

• Office furniture and machinery	12%
• Exhibition furniture and equipment	27%
• Components for stands to be hired out	40%
• Metal components to be hired out	13.5%
• Sundry machinery and equipment	15%
• Motor vehicles	25%
• Electronic equipment	20%
• Plant and machinery	10%
• Telecommunication systems	20%
• Alarm systems	30%
• Furnishings	10%-12%

Compared to the previous year, there were no changes in rates.

If there is any indication of impairment, the tangible assets are *impairment tested* using the procedure illustrated in the paragraph 'Impairment of assets'.

Intangible fixed assets

An intangible asset is recognised only if it is identifiable and controllable, is expected to generate future economic benefits, and its cost can be reliably measured.

Goodwill and intangible assets with an indefinite useful life

Goodwill arising from *business combinations* is initially recognised at cost on the acquisition date, as indicated in the paragraph above on *Business Combinations* and, for *impairment test* purposes, allocated to a *cash generating unit* or group of *cash generating units* which benefit from the synergies permitted by the acquisition that generated the goodwill. After initial recognition, goodwill is measured at cost less any impairment loss stemming from the *impairment tests* (see the paragraph 'Impairment of assets'). An intangible asset is considered to have an indefinite useful life when no limit can be foreseen to the period during which the asset can generate cash inflows for the Group. Intangible assets with an indefinite useful life and goodwill are not subject to amortisation.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are measured at purchase or production cost, including any contingent costs, and systematically amortised on a straight-line basis over their estimated useful life. If there is any indication of impairment, they are *impairment tested* using the procedure illustrated in the paragraph 'Impairment of assets'.

Since the last quarter of 2008, trademarks of exhibitions (i.e. exhibitor lists, visitor lists and the actual trademark of the exhibition) and of publications have been reclassified from goodwill and intangible assets with an indefinite life to intangible assets with a finite useful life. The initial choice was based on the consideration that the businesses underlying these assets, i.e. exhibitions and specialist publications, do not lend themselves to a precise assessment of their lifetime. In essence, at the time of the initial choice, no factors of a general economic, regulatory or legal nature or factors specific to the entity or to the sector in which it is active emerged such as to set a foreseeable limit on the period during which the asset was expected to generate net cash inflows.

However, general trends in national and international markets, together with the internal competitive dynamics of the reference sectors for exhibitions and specialist publications, led to a reconsideration of these initial assumptions. After comparing the practices of the main Italian and foreign competitors, it was concluded that an estimated finite useful life of 20 years was appropriate in most cases, both for exhibitions and publications.

Where an estimate of the reference time horizon for certain intangible assets was shown to be more uncertain, the useful life was set at 10 years.

Therefore, the amortisation rates applied are listed below:

- Exhibition trademarks 5% or 10%
- Other trademarks and publications 5% or 10%

Compared to the previous year, there were no changes in rates.

Research costs are recognised in the income statement at the time they are incurred. In compliance with IAS 38, development costs relating to specific projects, including the launch of new exhibitions, are capitalised when it is probable that the generation of future economic benefits is reasonably certain and when their costs can be reliably measured and amortised in the period when the expected future benefits are realised for the same project. The carrying amount of costs is reviewed annually at the end of the reporting period or more often if there are any particular reasons for doing so, to analyse the fair value and ascertain any indication of impairment.

Impairment of assets

Goodwill and other intangible assets with an indefinite life are systematically tested for impairment at the end of the reporting period, or more often if impairment indicators emerge.

Tangible and intangible assets with a finite useful life that are depreciated or amortised are tested for impairment only when there are indications of impairment.

The recoverability of carrying amounts is measured as the lower of the carrying amount and the higher of the fair value less costs to sell and the value in use of the asset. The net selling price is the price that would be received to sell an asset in an orderly transaction between market participants less costs to sell; In the absence of binding agreements, prices listed on an active market, or the best information available considering recent transactions involving identical or similar assets in the same business sector, are used as reference. The value in use is the present value of the future cash flows expected to be derived from the asset (or *cash-generating unit*), discounted using a weighted average cost of capital of an entity having a similar risk profile and level of indebtedness, and from its ultimate disposal at the end of its useful life.

If subsequently there is an indication that an impairment loss, other than for goodwill, may have decreased or no longer exists, the carrying amount of the asset is adjusted to the new estimate of the recoverable value. However, this value may not exceed the value which would have been recognised if there had been no impairment. Reversal of impairment, other than goodwill, is recognised in the income statement.

Leased assets

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, determining its terms and conditions of use and, though not explained, its upkeep over time.

The adoption of IFRS 16 has significantly affected the figure of the Lessee; it is no longer required to distinguish between an operating and finance lease, as the distinction between the two types is superseded by the distinction between lease and service concession arrangements. So in the case of leasing, a single accounting model independent of the characteristics of the contract will be applied, regardless.

The most significant *Rights Of Use* which are determined in the Fiera Milano Group as a result of the application of IFRS 16 do not generate independent cash flows and therefore the check of their recoverable amount is carried out exclusively within the CGUs to which they belong.

Control and identifiability of an asset

Two material elements are considered to determine whether an asset in question is leased or part of a service concession arrangement: control and identifiability of the asset.

With regard to control this concerns the management by the lessee on the use and obtaining of economic benefits deriving from the use of the property, identified, subject to the contract.

On the other hand, identifiability exists whenever an asset can be uniquely identified, provided that there is no right of substitution for the duration of the contract in favour of the lessor, who would be allowed to continue to have control of the asset.

The Group as lessee

The Group adopts a single recognition and measurement model for all leases, except for short-term leases and leases of low value. The Group recognises the liabilities relating to the lease payments and the right-of-use asset, which is the asset underlying the contract.

i) Right-of-Use Assets

The Group recognises the right-of-use assets at the inception date of the lease (i.e., the date on which the underlying asset is available for use). The right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasuring of lease liabilities. The cost of right-of-use assets includes the amount of the lease liabilities recognised, the initial direct costs incurred and the lease payments made at the commencement date or before commencement less any awards granted. Right-of-use

assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

- Capital properties 1-12 years old
- Car fleet 1-4 years old

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

Right-of-use assets are subject to *impairment*. Please refer to paragraph 1.6 'Use of estimates'.

ii) Lease liabilities

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not yet paid at that date. Payments due include fixed payments (including in-substance fixed payments) less any lease awards to be received, variable lease payments that depend on an index or rate, and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that this option will be exercised by the Group and payments of penalties for terminating the lease if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognised as an expense in the period (unless they were incurred to produce inventories) in which the event or condition giving rise to the payment occurs.

In calculating the present value of the payments due, the Group uses the incremental borrowing rate at the commencement date if the implicit interest rate cannot be easily determined. After the commencement date, the lease liability amount increases to account for interest on the lease liability and decreases to account for payments made. In addition, the carrying amount of lease liabilities is restated in the event of any changes to the lease or for the revision of the contractual terms for the change in payments; it is also restated if there are changes in the valuation of the option to purchase the underlying asset or changes in future payments resulting from a change in the index or rate used to determine such payments.

iii) short-term leases or leases of low value

The Group applies the exemption for the recognition of short-term leases relating to machinery and equipment (i.e., leases that have a duration of 12 months or less from the inception date and do not contain a purchase option). The Group has also applied the exemption for leases relating to low-value assets with reference to lease contracts for office equipment whose value is considered low. Short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

The Group as lessor

Lease contracts that essentially leave the Group with all the risks and benefits associated with ownership of the asset are classified as operating leases. Income from operating leases must be recognised on a straight-line basis over the lease term, and are included as revenue in the income statement due to their operating nature. Initial negotiation costs are added to the carrying amount of the leased asset and recognised over the term of the contract on the same basis as lease income. Unplanned leases are recognised as revenue in the period in which they are accrued.

Financial assets

IFRS 9 requires that if specific options are not exercised, financial instruments are classified according to the following criteria:

- Business Model defined by the entity for financial instruments management, and
- characteristics of the contractual cash flows of the financial instruments.

IFRS 9 envisages three asset categories:

- Assets held to collect the contractual cash flows (or Hold to Collect; HTC), measured at amortised cost;
- Assets held to collect the contractual cash flows and to be sold (or Hold to Collect and Sell; HTCS), designated at *fair value* through profit or loss (FVTPL) or through other comprehensive income (FVOCI);
- *Other financial assets* designated at *fair value* through profit or loss. This residual category can include all business models other than those mentioned above.

The financial assets are initially recognised at *fair value*, normally represented by the transaction price, plus any accessory charges on the purchase.

The amortised cost criterion offers the best representation in the financial statements for financial assets comprising debt securities and receivables, in that it allows the interest to be spread over the holding period, in compliance with accrual accounting.

Subsequent measurement after initial recognition is at amortised cost or *fair value*, and these methods are applied according to the category of the financial instrument concerned.

With regard to the classification of financial liabilities, IFRS 9 envisages a general rule by which the entity measures the financial liabilities at amortised cost using the effective interest method (as previously under IAS 39). As for assets and liabilities measured at *fair value*, any changes in value are recognised in the income statement, thus contributing to the determination of the operating result; however, if such changes are caused by a change in *credit risk*, the changes in recognised in shareholders' equity.

Assets classed as held to maturity are recognised among current financial assets if the maturity is less than twelve months, or as non-current if greater. They are subsequently measured at amortised cost. The latter is calculated using the effective interest method, taking into account any purchase discounts or premiums and spreading them over the entire period up to maturity, less any impairment.

Loans and receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the Companies belonging to the Group measure the realisable value of these receivables taking account of estimated future cash flows.

Available-for-sale assets are recognised as non-current assets, unless they are to be divested within twelve months from the end of the reporting period, and are measured at fair value. Profits or losses from *fair value* measurement are recognised in other comprehensive income and aggregated in a specific equity reserve until they are sold, recovered or otherwise derecognised.

Equity investments

Equity investments fall under the scope of application of the IFRS 9 classification and measurement criteria for equity investments, excluding equity interests in subsidiaries, associates and joint ventures and companies under their control which are instead classed as equity instruments under IAS 32. In this residual category, the investments are designated at *fair value* through other comprehensive income.

Investments in associates identified as *joint ventures* are measured using the equity method, which envisages recognition in a specific item of comprehensive income of the Group share of the profit or loss of companies over which it exercises significant influence.

Inventories

Inventories are measured at the lower of purchase cost and net estimated and consumables. The Group's inventories consist mainly of outstanding costs relating to activities in future years.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank demand deposits and cash investments with an original maturity of not more than three months. The definition of cash and cash equivalents in the Consolidated Statement of Cash Flows is the same as that for the Statement of Financial Position.

Assets and liabilities held for sale

This category includes assets and liabilities or disposal groups/*discontinued operations* where the carrying amount will be recovered primarily through a sale rather than through continued use.

For this to happen, the following conditions must be met:

- the assets (or disposal groups) must be available for immediate sale in their present condition;
- the sale must be highly probable, i. e. the company must be committed to a programme for their disposal; activities to identify a buyer must have been initiated; and completion of the sale must be scheduled to take place within one year of the date of classification in this category.

Assets held for sale are measured at the lower of their net carrying amount and their *fair value* less costs to sell.

If an asset that is depreciated or amortised is reclassified to this item, the depreciation or amortisation process is discontinued at the time of reclassification.

In compliance with IFRS 5, figures for *discontinued operations* are presented as follows

- in two specific items of the Consolidated Statement of Financial Position: Assets held for sale and Liabilities held for sale;
- in a specific item of the Consolidated Statement of Comprehensive Income: Profit/(loss) from discontinued operations.

Equity

Treasury shares

The nominal value of treasury shares is deducted from share capital and any amount in excess of nominal value is deducted from the share premium reserve.

Under IAS/IFRS regarding the acquisition of treasury shares, the nominal value of the shares is deducted from share capital while the difference between the nominal value and the acquisition value is deducted from the share premium reserve. Regarding the sale of treasury shares, the share capital and the share premium reserve are reconstituted by the same amounts as the reductions applied when the shares were acquired while any gains/losses from the sale is recognised in equity, under other reserves, with no impact on the income statement. The shares taken as reference for the calculation of gains/losses on disposal are selected using the FIFO method.

Stock Grant

According to the contents of IFRS 2 - Share-based Payments, the total amount of the current value of the *stock grants (fair value)* at the assignment date is recorded in full in the statement of income among the personnel costs for the period between the allocation date and their maturity date and is recognised against the equity reserve.

The *fair value* of the *stock grants* is calculated at their allocation date, reflecting the market conditions existing at the date in question.

In the case of a set 'maturity period' in which some conditions must be met (attaining targets) so that the assignees become holders of the right, the cost for remuneration, determined on the basis of the current value of the shares at the allocation date, is recorded under personnel costs based on a straight-line method over the period between the allocation date and the maturity date.

In case of assigning shares free of charge (so-called *stock grant*) at the end of the maturity period, the corresponding increase in equity is recorded.

Costs of capital transactions

Costs directly attributable to capital transactions are recognised as a direct reduction of equity.

Trade payables, tax payables, advances and other liabilities

Payables, advances and other liabilities are initially recognised at *fair value*. After that, they are measured at amortised cost. Payables are derecognised when the underlying financial obligations have been discharged.

If they have a due date exceeding twelve months, the liabilities are discounted to present value using an interest rate reflecting market assessments of the time value of money and specific risks connected with the liability concerned. Discounted interest is classified in financial expenses.

Derivative instruments

A derivative is a financial instrument or other form of contract with the following characteristics: (i) its value changes in response to the change in an interest rate, the price of a financial instrument, a commodity price, a foreign exchange rate, a price or rates index, a credit rating, or another pre-established underlying variable; (ii) it requires no net initial investment or, if initial investment is required, is smaller than would be required for a contract from which a similar response to changes in market factors would be expected; (iii) it is settled at a future date. Derivatives are classified as financial instruments and therefore adjusted to fair value at the end of each year. The effects of fair value adjustments are recognised in the income statement as financial income/expenses.

Provisions for risks and charges

Provisions for risks and charges are allocated when the Group must meet a present obligation (legal or implicit) stemming from a past event, the amount of which can be reliably estimated and for settlement of which an outflow of resources is probable. If expectations of resource outflow go beyond the next financial year,

the obligation is recognised at its present value through discounting of future cash flows at a rate that also considers the time value of money and the liability's risk.

Risks for which manifestation of a liability is only possible, not probable, are shown in the paragraph 'Disclosure on guarantees given, undertakings and other contingent liabilities', and no provisions are allocated for these.

Bank borrowings and other financial liabilities

Financial payables are initially recognised at cost, represented by the fair value of the funds received net of accessory charges incurred in acquiring the loan. After initial recognition, borrowings are measured at amortised cost, calculated using the effective interest rate method. Amortised cost is calculated by taking into account issuance costs and any discount or premium envisaged at the time of settlement.

Employee benefits

Employee benefits paid out upon or after termination of the employment relationship consist mainly of employee severance indemnities (trattamento di fine rapporto or TFR), which are governed by Article 2120 of the Italian Civil Code.

In compliance with IAS 19, employee severance indemnities are considered a defined benefit plan, i. e. a plan consisting of benefits provided post-employment, which constitutes a future obligation for which the Group assumes actuarial risks and related investments. As required by IAS 19, the Group uses the projected unit credit method to determine the present value of its defined benefit obligations and the related current service costs. This calculation requires the application of objective and mutually compatible actuarial assumptions concerning demographic variables (mortality rate, employee turnover) and financial variables (discount rate, future increases in salary levels). The Fiera Milano Group recognises the change in actuarial gains and losses (remeasurement) in other comprehensive income. From 1 January 2007, following the social security reform, cumulative employee severance indemnities are allocated to pension funds or to the INPS treasury fund, or, in the case of companies with fewer than 50 employees, may remain within the company as in previous years. Employees were given the option until 30 June 2007 to choose the destination of their severance indemnities.

In that regard, the allocation of accrued employee severance indemnities to pension funds or to INPS means that a portion of these indemnities will be classified as a defined contribution plan in that the company's obligation is solely the payment of contributions either to the pension fund or to INPS. The liability related to the past severance indemnities continues to represent a defined benefit plan to be measured according to actuarial assumptions.

Employee termination benefits not included in the employee severance indemnities (TFR) are recognised as liabilities and employee expenses when the enterprise is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date or provides termination benefits as a result of an incentive to voluntary redundancy. The benefits owed to employees for termination of their employment do not give any future economic benefits to the enterprise and are therefore recognised immediately as a cost.

Revenue recognition

Revenues are recognised when contractual obligations are fully satisfied and the customer acquires control of the assets transferred. They are recognised at the *fair value* of the consideration received or receivable, taking into account any trade discounts and quantity-based reductions granted.

Revenue from the provision of services is recognised when the service is provided. In compliance with paragraph 31 et seq. of IFRS 15, services relating to exhibitions and congresses are considered to be transferred to the customer during the exhibitions and events, as this is the period in which most of the related costs are incurred. Likewise, such revenues are recognised during the exhibition or event as the funds used and costs incurred are also spread over the exhibition/event duration.

When it is probable that an exhibition's total costs will exceed its total revenues, the expected loss is recognised as a cost in a specific provision.

Operating costs

Costs are recognised when they relate to goods and services sold or used in the financial year or on an accrual accounting basis when their future usefulness cannot be precisely identified.

Personnel expenses include both the fixed and variable remuneration of Directors taking account of the effective period of service.

Costs that are not eligible to be recognised in assets are recognised in the income statement in the period in which they are incurred.

Other income

This item has a residual nature and includes revenues from grants and subsidies.

Financial income and expenses

Financial income and expenses are recognised in the accounts based on timing that considers the effective return/expense of the asset/liability concerned.

Taxes

Income taxes are recognised, for each company, according to estimated taxable income in compliance with current tax rates and regulations in the countries where the Group operates. Income taxes are recognised in the income statement, except those relating to items charged or credited directly in equity, the tax effect of which is recognised in equity.

Deferred taxes are measured according to the taxable temporary differences existing between the carrying amounts of assets and liabilities and their tax base and are classified among non-current assets and liabilities.

Deferred tax assets are recognised to the extent that there is likely to be sufficient future taxable income against which the positive balance can be utilised. The carrying amount of deferred tax assets is subject to review at the end of each reporting period.

Deferred tax assets and liabilities are measured according to the tax rates expected to be applied in the period when the deferrals materialise, considering the tax rates in force or those that are scheduled to come into force subsequently.

Current and deferred tax assets and liabilities are offset only when they are levied by the same tax authority and when there is a legal right to offsetting.

Note 47 provides further information on the tax consolidation.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the current exchange rate in force on the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in force at the end of the reporting period. Foreign exchange differences generated by the extinction of monetary items or their translation at different exchange rates from those at which they were translated at the time of initial recognition in the period or in previous periods are recognised in the income statement. Exchange rate differences are recognised in financial income and expenses.

Dividends

Dividend income is recognised when the shareholders' right to receive payment has been established. This is normally the date of the Annual Shareholders' Meeting that approves the dividend distribution.

Earnings per share

Basic earnings (losses) per share are calculated by dividing the Group profit or loss attributable to ordinary

shareholders of the Parent Company by the weighted average number of ordinary shares outstanding in the period, excluding treasury shares.

Diluted earnings (losses) per share are calculated by adjusting the weighted average number of shares outstanding to allow for all dilutive potential ordinary shares.

1.6 Use of estimates

Preparation of the financial statements and related notes using IFRS requires estimates and assumptions to be made that affect the amounts of assets and liabilities in the Statement of Financial Position and disclosures concerning contingent assets and liabilities at the end of the reporting period. Actual results may differ from these estimates. Estimates are used for provisions for doubtful accounts, depreciation and amortisation, employee benefits, taxes, and other provisions and reserves, as well as any impairment of assets. Estimates and assumptions are reviewed regularly and the effects of any change are immediately recognised in profit or loss.

ESMA, the European Securities and Markets Authority, has published the Public Statement ESMA32-63-1186 "European common enforcement priorities for 2021 annual financial reports", which highlights the thematic areas of particular importance in preparing 2021 annual financial statements of listed companies in the European Economic Area (EEA), in continuity with measures already in place for 2020 financial statements. The objective of the priorities identified in the document is to promote a uniform application of IFRS accounting standards and other financial and non-financial reporting requirements, which are particularly important for the assessment of data from a climate perspective.

The Fiera Milano Group intercepts climate risk in relation to the following accounting standards:

- IAS 16 and IAS 38 (useful life and residual value)
- IAS 36 (impairment and sensitivity testing)
- IAS 37 (liabilities related to environmental factors)

The most significant estimates used in preparing the Financial Statements are given below as these require a high degree of subjective opinions, assumptions and forecasts:

- Goodwill is systematically tested for impairment at least annually, or more often if impairment indicators emerge. The impairment test calls for a discretionary estimate of the values in use of the cash-generating unit to which the goodwill is attributed, in turn based on the estimate of future cash flows of the CGU and their discounting at a specified discount rate.

The recoverability of carrying amounts is measured as the lower of the carrying amount and the higher of the fair value less costs to sell and the value in use of the asset. The net selling price is the price that would be received to sell an asset in an orderly transaction between market participants less costs to sell; in the absence of a binding agreement, reference is made to similar transactions on an active market or it is determined according to IFRS 13 Fair Value Measurement. The value in use is the present value of the future cash flows expected to be derived from the asset (or cash-generating unit), discounted using a weighted average cost of capital of an entity having a similar risk profile and level of indebtedness, and from its ultimate disposal at the end of its useful life.

The plans used to carry out the impairment tests are based on certain expectations and assumptions of future performance that by their very nature are subject to uncertainties. Therefore, results could differ from estimates.

These assumptions are also subject to the medium- and long-term consequences of the health emergency linked to the Covid-19 pandemic, with particular reference to the timing of a return to pre-pandemic performance levels. Therefore, results could differ from estimates. The plan will be continually assessed by the Directors regarding the effective realisation of the initiatives and forecasts and the effects on the financial and economic performance of the Group.

- *Intangible assets with a finite useful life* are tested for *impairment* when there are internal or external indications that an asset is impaired; this test requires an estimate of the value in use of the cash-generating unit to which the asset belongs, which itself is based on an estimate of the cash flows the cash-generating unit is expected to generate and discounting them to their net present value using an appropriate discount rate.

- *Deferred tax assets* are recognised against tax losses carried forward and other timing differences to the extent of the likely existence of future taxable profit against which these tax losses carried forward and those due to timing differences may be used. The Directors must make a significant discretionary assessment of the amount of deferred tax assets to be recognised. The business plan of the Company is used to calculate the likelihood that these deferred tax assets will be used.
- *Provisions for risks and charges* are subject to discretionary estimates using the best available information at the date of these Financial Statements and based on historic and future data regarding the likely outcome of legal disputes or events, for which assessment of the risk profiles and likely financial impact is uncertain and complex and could result in an adjustment to the estimates.

Reference should be made to the specific paragraph in the notes to the Financial Statements for the use of estimates on financial risks. Measurement of the provision for risks refers to the best information available at the end of the reporting period.

2) Information on Joint Venture

The Group has a 49% shareholding in Hannover Milano Global Germany GmbH, a company jointly controlled with Deutsche Messe AG that is equity accounted.

Following the application of IFRS 11 - *Joint Arrangements*, the Group has classified its investment as a *joint venture* as significant business decisions relating to Hannover Milano Global Germany GmbH require the unanimous agreement of the parties and neither has specific rights over the individual assets or obligations for any individual liability of the company of the legal entity.

Under the *joint venture* agreement with Deutsche Messe AG, the Group share of equity is calculated on the results generated by the various exhibitions; this share went from 44.80% in 2020 to 40.24% in 2021.

The Group shares of the income and equity of the *joint venture* are summarised in the following tables:

	(€'000)	
Hannover Milano Global Germany GmbH	31/12/21	31/12/20
Current assets	2,972	3,446
Non-current assets	8,526	8,864
Current liabilities	18,471	10,606
Net financial debt/(cash)	(21,627)	(12,636)
Equity	14,654	14,340
Book value of the joint venture	6,977	7,100

Hannover Milano Global Germany GmbH	2021	2020
Total revenues and other income	31,151	29,010
Total operating costs	(24,577)	(25,297)
Depreciation and amortisation	(370)	(390)
Interest income	216	319
Interest payable	-	-
Profit/(loss) before tax	6,420	3,642
Income tax	2,273	2,179
Profit/(loss) for the year	4,147	1,463
Profit/(loss) attributable to the shareholders of the controlling entity	3,941	1,547
Group profit/(loss)	1,586	693

The Group has a 49% shareholding in Ipack-Ima Srl, a company jointly controlled with UCIMA (Union of Italian Automatic Machine manufacturers for packing and packaging) that is equity accounted.

The Group shares of the income and equity of the *joint venture* are summarised in the following tables:

	31/12/21	31/12/20
		(€'000)
Ipack Ima Srl		
Current assets	4,285	2,610
Non-current assets	4,808	5,015
Current liabilities	6,256	3,480
Non-current liabilities	223	713
Net financial debt/(cash)	259	561
Equity	2,355	2,871
Book value of the joint venture	1,154	1,407

Ipack Ima Srl	2021	2020
Total revenues and other income	1,067	5
Total operating costs	(1,755)	(474)
Depreciation and amortisation	(294)	(228)
Interest payable	(25)	(18)
Profit/(loss) before tax	(1,007)	(715)
Income tax	(488)	(181)
Profit/(loss) for the year	(519)	(534)
Group profit/(loss)	(255)	(262)

The Group holds a 51% stake in MiCo DMC Srl (indirectly through Fiera Milano Congressi SpA), which was initially consolidated on a line-by-line basis.

On 4 December 2018, the *governance* agreement regarding MiCo DMC Srl with the partner AIM Group International SpA was amended, establishing a greater degree of collaboration for business management decisions. Under IFRS 11, these agreements mean the company is categorised as a joint venture, meaning that from 31 December 2018 the value of the investment is consolidated at equity.

The main balance sheet items of the *joint venture* and the Group share are summarised in the following table:

	(€'000)	
MiCo DMC Srl	31/12/21	31/12/20
Current assets	914	893
Non-current assets	332	238
Current liabilities	1,637	1,405
Non-current liabilities	211	186
Net financial debt/(cash)	(951)	(1,041)
Equity	349	581
Book value of the joint venture	178	296

MiCo DMC Srl	2021	2020
Total revenues and other income	3,155	2,443
Total operating costs	(3,470)	(2,317)
Depreciation and amortisation	(12)	(65)
Interest payable	(22)	(4)
Profit/(loss) before tax	(349)	57
Income tax	(105)	(141)
Profit/(loss) for the year	(244)	198
Group profit/(loss)	(124)	101

At 31 December 2021 and at 31 December 2020, there were no contingent liabilities or material obligations relating to the investment of the Parent Company in the joint ventures.

3) Segment information

In accordance with IFRS 8, the identification of operating segments and related information is based on the data used by management to take its operating decisions and is consistent with the *management* and control model used. The internal accounting system, which is regularly reviewed and used by the top decision makers in the Group, gives information by segment and also by individual company.

The internal organisation structure and the *performance* measurement system is shaped by the strategic direction of the Group, with a view to greater integration of sales and operating processes. In particular, all activities carried out by Fiera Milano SpA, Nolostand SpA, Ipack Ima Srl and in MADE eventi Srl are grouped into a single operating segment 'Italian Exhibitions Business', as described in greater detail in Note 6 on *Cash Generating Units*. In addition, following the sale to third parties of the "publications" business unit, the remaining activities of the Media sector were transferred to the Italian Exhibitions Business of the Parent Company.

Consequently, based on the *management approach*, the operating segments are now defined as follows:

- **Italian Exhibitions Business:** this segment covers all activities for the organisation and hosting of exhibitions and other events in Italy through the use, promotion and offer of furnished exhibition spaces; the provision of stand-fitting, technical and site services associated with exhibition and congress business; the provision of project support and ancillary services; the production of content and provision of advertising and digital services, as well as the organisation of conferences and training courses. This includes the business of staging exhibitions (and providing final services to exhibitors and visitors):
 - directly organised by the Group or in partnership with third parties;
 - organised by third parties, through contracting out of spaces and services.

These activities are carried out by the Parent Company Fiera Milano SpA, Ipack Ima Srl, Nolostand SpA and MADE eventi Srl.

- **Foreign Exhibitions Business:** this segment covers all activities for the organisation of exhibitions and other events abroad through the use, promotion and offer of furnished exhibition spaces, of project support

and of ancillary services. This covers all activities associated with exhibitions (including end services for exhibitors and visitors) that are directly organised by the Group or in partnership with third parties or acting as agents.

These activities are carried out by:

- Hannover Milano Global Germany GmbH, a joint venture with Deutsche Messe AG of Hannover, which operates in China through two subsidiaries, Hannover Milano Fairs China Ltd, and Hannover Milano Fairs Shanghai Co. Ltd and its subsidiaries Hannover Milano Best Exhibitions Co. Ltd of which 51% is held and Hannover Milano XZQ Exhibitions of which 60% is held. In addition, it is active through the subsidiary Hannover Milano Fairs India Pvt Ltd;
 - Cipa Fiera Milano Publicações e Eventos Ltda ('Cipa FM'), with registered office in São Paulo;
 - Fiera Milano Exhibitions Africa PTY Ltd based in Cape Town.
- **Congresses:** this segment refers to the management of conferences and events and *destination management* services by Fiera Milano Congressi SpA and MiCo DMC Srl.

The tables below give Income Statement and Statement of Financial Position figures by segment for the financial years at 31 December 2020 and 31 December 2021.

Income Statement to 31/12/20

(€'000)	Italian Exhibitions Business	Foreign Exhibitions Business	Media	Congresses	Adjustments	Consolidated
Revenues from sales and services to third-parties	62,631	1,082	4,556	5,366		73,635
Revenues from intersegment sales and services	986	90	1,835	313	(3,224)	
Total revenues	63,617	1,172	6,391	5,679	(3,224)	73,635
<i>of which from Italy</i>						72,553
<i>of which from foreign activities</i>						1,082
Cost of materials	1,444	5	132	22	(17)	1,586
Cost of services	39,772	1,330	3,992	5,183	(4,758)	45,519
Cost for use of third-party assets	528	123	101	25	(324)	453
Personnel expenses	26,072	1,038	2,768	2,429	(455)	31,852
Other operating expenses	1,917	249	34	267		2,467
Total operating expenses	69,733	2,745	7,027	7,926	(5,554)	81,877
Other income	16,704	84	240	2,181	(2,334)	16,875
Profit/(loss) of equity accounted companies	(262)	693		101		532
Allowance for doubtful accounts and other provisions	(933)		(415)	70		(1,278)
EBITDA	11,259	(796)	19	(35)	(4)	10,443
<i>of which from Italy</i>						11,329
<i>of which from foreign activities</i>						(886)
Depreciation of property, plant and equipment and right-of-use assets	37,363	107	89	4,954		42,513
Depreciation of property investments						
Amortisation of intangible assets	2,032	189	1	26		2,248
Adjustments to asset values						
EBIT	(28,136)	(1,092)	(71)	(5,015)	(4)	(34,318)
<i>of which from Italy</i>						(33,136)
<i>of which from foreign activities</i>						(1,182)
Financial income and similar						274
Financial expenses and similar						12,981
Valuation of financial assets						
Profit/(loss) before income tax						(47,025)
Income tax						(12,873)
Profit/(loss) from continuing operations						(34,152)
Profit/(loss) from discontinued operations						-
Profit/(loss) for the year						(34,152)
Profit/(loss) attributable to non-controlling interests						(209)
Group profit/(loss)						(33,943)

Statement of Financial Position Data at 31/12/20

(€'000)	Investments increase	of which related to Right-of-use assets	Depreciation and amortisation of non-current assets	of which related to Right-of-use assets
Italian Exhibitions Business	7,469	1,766	39,395	36,013
Foreign Exhibitions Business	25	-	296	59
Media	-	-	90	83
Congresses	386	-	4,980	3,410
Adjustments	-	-	-	-
Total	7,880	1,766	44,761	39,565

Income Statement to 31/12/21

(€'000)	Italian Exhibitions Business	Foreign Exhibitions Business	Media *	Congresses	Adjustments	Consolidated
Revenues from sales and services to third-parties	107,460	195	-	22,101	-	129,756
Revenues from intersegment sales and services	2,963	-	-	852	(3,815)	
Total revenues	110,423	195	-	22,953	(3,815)	129,756
<i>of which from Italy</i>						129,561
<i>of which from foreign activities</i>						195
Cost of materials	1,604	1	-	121	(4)	1,722
Cost of services	62,668	425	-	16,357	(5,106)	74,344
Cost for use of third-party assets	1,120	28	-	15	(646)	517
Personnel expenses	37,595	1,056	-	2,877	(39)	41,489
Other operating expenses	3,256	27	-	334	(675)	2,942
Total operating expenses	106,243	1,537	-	19,704	(6,470)	121,014
Other income	63,365	107	-	12,329	(2,655)	73,146
Profit/(loss) of equity accounted companies	(255)	1,586	-	(124)	-	1,207
Allowance for doubtful accounts and other provisions	5,844	9	-	72	-	5,925
EBITDA	61,446	342	-	15,382	-	77,170
<i>of which from Italy</i>						76,818
<i>of which from foreign activities</i>						352
Depreciation of property, plant and equipment and right-of-use assets	36,658	84	-	5,275	-	42,017
Depreciation of property investments	-	-	-	-	-	-
Amortisation of intangible assets	3,000	152	-	43	-	3,195
Adjustments to asset values	22	-	-	-	-	22
EBIT	21,766	106	-	10,064	-	31,936
<i>of which from Italy</i>						31,820
<i>of which from foreign activities</i>						116
Financial income and similar						1,028
Financial expenses and similar						14,420
Valuation of financial assets						
Profit/(loss) before income tax						18,544
Income tax						(24,365)
Profit/(loss) from continuing operations						42,909
Profit/(loss) from discontinued operations						1,172
Profit/(loss) for the year						44,081
Profit/(loss) attributable to non-controlling interests						(278)
Group profit/(loss)						44,359

* Media operating segment activities have been integrated into the Parent Company's business and included in the Italian Exhibition sector.

Statement of Financial Position Data at 31/12/21

(€'000)	Investments increase	of which related to Right-of-use assets	Depreciation and amortisation of non-current assets	of which related to Right-of-use assets
Italian Exhibitions Business	5,507	408	39,658	35,702
Foreign Exhibitions Business	3	-	236	47
Media*	-	-	-	-
Congresses	1,174	331	5,318	3,848
Adjustments	-	-	-	-
Total	6,684	739	45,212	39,597

* Media operating segment activities have been integrated into the Parent Company's business and included in the Italian Exhibition sector.

Notes to the consolidated financial statements

STATEMENT OF FINANCIAL POSITION

ASSETS

Non-current assets

4) Property, plant and equipment

The breakdown and changes in the last two financial years are given below:

Property, plant and equipment

(€'000)

	Balance at 31/12/19	Changes during the financial year							Balance at 31/12/20	
		Incr.	Decr.	Depr.	Impairment	Currency translation differences	Acquired business	Reclas-s		Other
Plant and machinery										
. historic cost	18,916	129	-	-	-	-	-	-	-	19,045
. depreciation	17,317	-	-	380	-	-	-	-	-	17,697
Net	1,599	129	-	380	-	-	-	-	-	1,348
Industrial and commercial equipment										
. historic cost	33,818	75	67	-	-	-	-	-	-	33,826
. depreciation	32,274	-	67	765	-	-	-	-	-	32,972
Net	1,544	75	-	765	-	-	-	-	-	854
Other assets										
. historic cost	59,406	663	19	-	-	(159)	-	-	-	59,891
. depreciation	53,394	-	18	1,803	-	(126)	-	-	-	55,053
Net	6,012	663	1	1,803	-	(33)	-	-	-	4,838
Total property, plant and equipment										
. historic cost	112,140	867	86	-	-	(159)	-	-	-	112,762
. depreciation	102,985	-	85	2,948	-	(126)	-	-	-	105,722
Net	9,155	867	1	2,948	-	(33)	-	-	-	7,040

Property, plant and equipment

(€'000)

	Balance at 31/12/20	Changes during the financial year								Balance at 31/12/21
		Incr.	Decr.	Depr.	Impairment	Currency translation differences	Acquired business	Reclas-s	Other	
Plant and machinery										
. historic cost	19,045	90	-	-	-	-	-	-	(43)	19,092
. depreciation	17,697	-	-	343	-	(1)	-	-	-	18,039
Netto	1,348	90	-	343	-	1	-	-	(43)	1,053
Industrial and commercial equipment										
. historic cost	33,826	213	777	-	187	-	-	-	-	33,075
. depreciation	32,972	-	769	391	165	-	-	-	-	32,429
Netto	854	213	8	391	22	-	-	-	-	646
Other assets										
. historic cost	59,891	943	42	-	-	2	-	-	358	61,152
. depreciation	55,053	-	42	1,686	-	1	-	-	345	57,043
Netto	4,838	943	-	1,686	-	1	-	-	13	4,109
Total property, plant and equipment										
. historic cost	112,762	1,246	819	-	187	2	-	-	315	113,319
. depreciation	105,722	-	811	2,420	165	-	-	-	345	107,511
Net	7,040	1,246	8	2,420	22	2	-	-	(30)	5,808

The breakdown and changes in the various items were as follows:

Plant and machinery

This item totalled Euro 1,053 thousand, net of depreciation for the year of Euro 343 thousand, and was mainly for electrical, heating, alarm and audiovisual systems.

The increase of Euro 90 thousand refers to Parent Company investments in plant and machinery for the Rho exhibition site.

Industrial and commercial equipment

This item totalled Euro 646 thousand, net of depreciation for the year of Euro 391 thousand, and was mainly for equipment and furnishings related to the exhibition business.

The increases amounted to Euro 213 thousand, mainly comprising investments by Nolostand SpA for the purchase of exhibition equipment and assets to be hired out during exhibitions.

Other assets

This item totalled Euro 4,109 thousand net of depreciation for the year of Euro 1,686 thousand; Euro 2,750 thousand was for improvements to the assets of Fondazione Fiera Milano and Euro 1,359 thousand was for furniture, furnishings, minor equipment, vehicles and electronic equipment.

The Euro 943 thousand increase breaks down as follows:

- Euro 823 thousand pertaining to Fiera Milano Congressi SpA, of which Euro 754 thousand related to the renovation and upgrading of the Momec, Mico Nord and Mico Sud congress facilities leased by Fondazione Fiera Milano to the company, also for energy saving purposes, and to the purchase of audio-video equipment for Euro 69 thousand;
- to the Parent Company for Euro 117 thousand related to investments in the digital area;
- the remaining Euro 3 thousand pertaining to other companies.

Depreciation of improvements to third-party assets is calculated on the residual duration of the real estate lease to which they refer.

5) Rights-of-use assets

The breakdown and changes in the last two financial years are given below:

Right-of-use assets

(€'000)

	Balance at 31/12/19	Movimenti dell'esercizio					Balance at 31/12/20
		Incr.	Decr.	Depr.	Acquired business	Currency translation differences	
Leased property							
. historic cost	508,996	1,726	-	-	-	(111)	510,611
. depreciation	39,757	-	-	39,429	-	(7)	79,179
Net	469,239	1,726	-	39,429	-	(104)	431,432
Leased corporate fleet							
. historic cost	456	40	-	-	-	-	496
. depreciation	124	-	-	136	-	-	260
Net	332	40	-	136	-	-	236
Total Right-of-use assets							
. historic cost	509,452	1,766	-	-	-	(111)	511,107
. depreciation	39,881	-	-	39,565	-	(7)	79,439
Net	469,571	1,766	-	39,565	-	(104)	431,668

Right-of-use assets

(€'000)

	Balance at 31/12/20	Changes during the financial year					Balance at 31/12/21
		Incr.	Decr.	Depr.	Acquired business	Currency translation differences	
Leased property							
. historic cost	510,611	577	3,628	-	-	2	507,562
. depreciation	79,179	-	3,352	39,428	-	1	115,256
Net	431,432	577	276	39,428	-	1	392,306
Leased corporate fleet							
. historic cost	496	162	65	-	-	-	593
. depreciation	260	-	42	169	-	-	387
Net	236	162	23	169	-	-	206
Total Right-of-use assets							
. historic cost	511,107	739	3,693	-	-	2	508,155
. depreciation	79,439	-	3,394	39,597	-	1	115,643
Net	431,668	739	299	39,597	-	1	392,512

The breakdown and changes in the various items during the year were as follows:

Right-of-use properties

The item totalled Euro 392,306 thousand, less depreciation for the year of Euro 39,428 thousand, and refers to the recognition of leases of right-of-use property following the application of IFRS 16 in force as from 1 January 2019. The increase of Euro 577 thousand mainly refers to the company Fiera Milano Congressi for Euro 301 thousand for the monetary revaluation of lease agreements and to the Parent Company for Euro 197 thousand.

Right-of-use vehicles

The item totalled Euro 206 thousand, less depreciation for the year of Euro 169 thousand, and refers to the recognition of the right-of-use relating to the company car fleet following the application of the new IFRS 16 in force as from 1 January 2019.

The item Right-of-use assets includes increases of Euro 301 thousand regarding related-party transactions (Euro 1,726 thousand at 31 December 2020). For more details, see note 53 on these transactions.

6) Goodwill

The breakdown and changes of the item in the last two financial years are given below:

	Balance at 31/12/19	Changes during the financial year				Balance at 31/12/20
		Incr.	Decr.	Acquired business	Currency translation differences	
Avviamenti (€'000)						
Goodwill						
. historic cost	111,633	-	-	-	-	111,633
. amortisation	16,597	-	-	-	-	16,597
Net	95,036	-	-	-	-	95,036

	Balance at 31/12/20	Changes during the financial year				Balance at 31/12/21
		Incr.	Decr.	Acquired business	Currency translation differences	
Avviamenti (€'000)						
Goodwill						
. historic cost	111,633	-	-	-	-	111,633
. amortisation	16,597	-	-	-	-	16,597
Net	95,036	-	-	-	-	95,036

As described in the section on measurement criteria, goodwill is subject to annual impairment tests at the end of each reporting period or more frequently if there are any indications of impairment. Paragraph 1.6 'Use of estimates' gives details of the methods used for the impairment tests.

Goodwill is allocated to the different cash generating units (CGUs) or group of CGUs that gave rise to the goodwill.

To identify 'the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets' (IAS 36 – Impairment of Assets), each different Group reportable segment was designated a CGU.

In the new reportable segment 'Italian Exhibitions Business', the CGUs correspond to individual exhibitions and include the activities carried out by the Parent Company Fiera Milano SpA, by Nolostand SpA and MADE eventi Srl.

In the *reportable segment* 'Foreign Exhibitions Business', the situation is different in countries where the Group holds its own exhibitions (such as Brazil and South Africa) from countries where the Group operates through joint venture arrangements and trademark user licence agreements (such as China). In the first case, the CGUs correspond to individual exhibitions; in the second, the CGUs are represented by the individual reference market.

Lastly, in the *Reportable Segment* 'Congresses', two CGUs can be identified: for the activities of Fiera Milano Congressi SpA and its subsidiary MiCo DMC Srl.

In order to avoid using arbitrary allocation criteria for the impairment tests, goodwill was allocated based on appropriate groupings that reflect both the strategic vision of the company and how the goodwill was generated.

The goodwill allocations are as follows:

- The CGU Italian Exhibitions Business for a total of Euro 89,581 thousand: includes the CGUs corresponding to all the exhibitions organised or hosted by Fiera Milano SpA and Made Eventi Srl, including the set-up services provided by Nolostand SpA. The goodwill of Fiera Milano SpA (Euro 76,091 thousand), the goodwill of Nolostand SpA (Euro 12,581 thousand) and the goodwill of Made Eventi Srl (Euro 909 thousand) are allocated to this cash-generating unit. The goodwill of Fiera Milano SpA breaks down as follows: Euro 29,841 thousand deriving from Fondazione Fiera Milano's transfer of the exhibition company to Fiera Milano SpA on 17 December 2001; 40,223 thousand derive from the acquisitions of companies organising exhibitions that were subsequently incorporated into Fiera Milano SpA as part of various merger operations; Euro 5,947 thousand

deriving from acquisitions related to digital publishing; Euro 80 thousand deriving from the acquisition by the Parent Company of the "Information Communication Technology" business unit. Nolostand's goodwill arises from Nolostand SpA's acquisition of the 'standard fittings' business unit.

- The Congress cash-generating unit: includes the goodwill of Euro 5,455 thousand deriving from the acquisition of Fiera Milano Congressi SpA.

The recoverable amount of the cash-generating units or groups of cash-generating units, to which individual goodwill has been allocated, is tested by determining value in use.

The discounted cash flow method is used for impairment, based on financial forecasts approved by the respective Boards of Directors of the Group companies. The time horizon for the test at 31.12.2021 is five financial years (2022-2026).

Cash flow projections beyond the business plan period are generally made using the average gross operating profit for the last two years of the financial forecasts and reconstructing a normalised cash flow without considering changes in working capital but including maintenance and replacement investments. The last two years (2025-2026) of the financial forecasts are considered a correct basis for calculating the normal cash flow after the plan period. To this end, the 2022-2026 plan envisages a return to pre-Covid-19 economic performance overall in the last two years, in line with external evidence on the performance of the exhibition sector in Italy and Europe.

The terminal value is measured as a perpetual annuity obtained by capitalising the normalised cash flow, using a discount rate calculated by reference country for the various CGUs. Zero growth in real terms was assumed, considering only the level of medium/long-term inflation forecast in the specific monetary area of reference.

The WACC (Weighted Average Cost of Capital) used for activities in Italy includes: (i) a risk free rate of 0.78%; (ii) a Market Risk Premium of 6.0%; (iii) a levered beta at the sector average of 1.231; (iv) a specific risk premium that varied in the different CGUs; (v) a cost of debt equal to 2.33%; (vi) a debt to equity ratio of 25% (industry target).

The individual parameters were determined by making the widest reference to publicly available sources. A net tax rate was applied to net tax cash flows.

The WACC used in the different CGUs varies on the basis of: (i) the different risk free rate (assumed to be equal to the yield on 10-year government bond of the CGU's country of reference); (ii) the different specific risk coefficient covering execution risk relating to the forecast cash flows. This risk factor reflects the figures deriving from historic deviations between forecast and final figures, as well as forward-looking assessments of business initiatives; (iii) the different cost of debt based on the expected inflation rate in the individual reference monetary areas of each CGU.

For groupings of CGUs or for CGUs to which the goodwill has been allocated (Italian Exhibitions Business and Congresses) the WACC obtained with the application of the above parameters is equal to 7.32%.

There was no indication of impairment in any goodwill amount.

Sensitivity analyses were carried on existing goodwill out by varying the WACC (+0.5%) and the forecast operating cash flows (-10%) with a positive result in both cases.

Further sensitivity analysis was performed on the recoverable amount to take account of the uncertainty still weighing on the economic context and on post Covid-19 recovery, simulating scenarios that were worse than the plan assumptions. In particular, the impact of the calculation of the terminal value was quantified, starting from the average of the gross operating margin of the last four years of the plan, thus also including years still significantly affected by the economic consequences of the Covid-19 pandemic.

Lastly, the "breaking point" was also calculated. This is the permanent reduction of financial flows, compared to 2022-2026 projections, which should occur in each CGU or grouping, making a write-down of intangibles necessary.

The results of both these additional analyses led to the conclusion that goodwill does not present significant risks of impairment.

For the CGUs most impacted by the application of IFRS 16, a test was also performed on the values that emerged following the application of this standard (with the definition of consistent cash flows), confirming the results achieved.

Moreover, the item 'Right-of-use assets' does not generate independent cash flows; therefore, the recoverable amount, determined as the higher of value in use and *fair value* less the costs to sell, can only be assessed within the CGUs to which it belongs.

7) Intangible assets with a finite useful life

The breakdown and changes in the last two financial years are given below:

	Changes during the financial year								Balance at 31/12/20
	Balance at 31/12/19	Incr.	Decr.	Depr.	Impairm.	Currency translation differences	Acquired business	Reclass.	
Trademarks and publishing titles									
. historic cost	24,704	700	-	-	-	(1,514)	-	(75)	23,815
. amortisation	13,878	-	-	1,029	-	(901)	-	(75)	13,931
Net	10,826	700	-	1,029	-	(613)	-	-	9,884
Concessions, licenses and similar rights									
. historic cost	5,141	32	-	-	-	-	-	-	5,173
. amortisation	4,157	-	-	400	-	-	-	-	4,557
Net	984	32	-	400	-	-	-	-	616
Industrial patents and intellectual property rights									
. historic cost	39,655	1,625	1,535	-	-	(84)	-	-	39,661
. amortisation	37,963	-	1,535	819	-	(64)	-	-	37,183
Net	1,692	1,625	-	819	-	(20)	-	-	2,478
Intangible fixed assets under construction ks and									
. historic cost	1,138	2,890	-	-	-	-	-	-	4,028
Net	1,138	2,890	-	-	-	-	-	-	4,028
Total intangible assets with a finite useful life									
. historic cost	70,638	5,247	1,535	-	-	(1,598)	-	(75)	72,677
. amortisation	55,998	-	1,535	2,248	-	(965)	-	(75)	55,671
Net	14,640	5,247	-	2,248	-	(633)	-	-	17,006

Intangible assets with a finite useful life

(€'000)

	Balance at 31/12/20	Changes during the financial year							Balance at 31/12/21
		Incr.	Decr.	Depr.	Impairm.	Currency translation differences	Acquired business	Reclass.	
Trademarks and publishing titles									
. historic cost	23,815	-	13	-	-	33	-	-	23,835
. amortisation	13,931	-	13	1,049	-	21	-	-	14,988
Net	9,884	-	-	1,049	-	12	-	-	8,847
Concessions, licenses and similar rights									
. historic cost	5,173	280	-	-	-	-	-	-	5,453
. amortisation	4,557	-	-	420	-	4	-	-	4,981
Net	616	280	-	420	-	(4)	-	-	472
Industrial patents and intellectual property rights									
. historic cost	39,661	2,189	344	-	-	2	-	3,762	45,270
. amortisation	37,183	-	344	1,726	-	2	-	-	38,567
Net	2,478	2,189	-	1,726	-	-	-	-	6,703
Intangible fixed assets under construction									
. historic cost	4,028	2,230	-	-	-	-	-	(3,762)	2,496
Net	4,028	2,230	-	-	-	-	-	(3,762)	2,496
Total intangible assets with a finite useful life									
. historic cost	72,677	4,699	357	-	-	35	-	-	77,054
. amortisation	55,671	-	357	3,195	-	27	-	-	58,536
Net	17,006	4,699	-	3,195	-	8	-	-	18,518

Trademarks and publications

This item amounted to Euro 8,847 thousand and consisted of the following exhibition trademarks:

- Milan Games Weekend Euro 1,895 thousand;
- Host Euro 1,131 thousand;
- MADE expo Euro 1,118 thousand;
- Mipap Milano Prêt-à-Porter Euro 1,063 thousand;
- Promotion Trade Exhibition Euro 996 thousand;
- Exposec Euro 584 thousand;
- Fisp Euro 572 thousand;
- G! Come Giocare Euro 520 thousand;
- Transpotec & Logitec Euro 297 thousand;
- Cartoomics Euro 241 thousand;
- Milan Franchising Show Euro 141 thousand;
- Tubotech Euro 87 thousand;
- Miart Euro 78 thousand;
- BtoBio Expo Euro 60 thousand;

- Festivity Euro 50 thousand;
- Tuttofood Euro 7 thousand;
- Fruit&Veg Innovation Euro 7 thousand.

Most trademarks are for the directly organised exhibitions of the Group.

The trademarks came under Group control through various business combinations that took place over time. Since the last quarter of 2008, the associated exhibitions and publications have been amortised based on the assessment of their finite useful life (previously accounted as assets with an indefinite useful life).

Exhibition trademarks are amortised over a useful life of 10-20 years. The useful life of each trademark is calculated, assuming for each specific intangible asset that its presence in its reference market is ongoing, the competitive position and its operating profitability.

As at 31 December 2021, there were no indications of impairment losses on the brands recognised in the financial statements.

Other changes in this item were as follows:

- Euro 1,049 thousand as amortisation;
- Euro 12 thousand as positive exchange effects.

Concessions, licences and similar rights

The item was Euro 472 thousand, net of amortisation for the year of Euro 420 thousand. The increase of Euro 280 thousand refers to the purchase by the Parent Company of software licences with rights of use limited in time.

Time-limited software licences are amortised over a period of three years.

Industrial patents and intellectual property rights

This item was Euro 6,703 thousand, net of amortisation for the year of Euro 1,726 thousand. The total increase of Euro 5,931 thousand refers to costs associated with the implementation of digital projects and software purchases.

Amortisation is calculated on the estimated useful life of the asset, which is three years.

Assets under development and advances

This item totalled Euro 2,496 thousand and refers to costs incurred for the development of new IT systems of the Parent Company.

On completion, the assets will be reclassified under the corresponding item of fixed assets, and will start to be depreciated.

8) Equity-accounted investments

This item amounted to Euro 15,733 thousand (Euro 16,226 thousand at 31 December 2020).

- Euro 13,651 thousand for the 49% shareholding in Hannover Milano Global Germany GmbH;
- Euro 1,859 thousand for the 49% shareholding in Ipack-Ima Srl;
- Euro 223 thousand for the 51% shareholding in MiCo DMC Srl.

The changes in this item were as follows:

	Balance at 31/12/20	Changes during the financial year				Balance at 31/12/21
		Results	Dividend distribution	Other	Currency translation differences	
Equity-accounted investments	16,226	1,207	1,906	9	197	15,733
Total	16,226	1,207	1,906	9	197	15,733

(€'000)

Further details are provided in Note 2 - Disclosure on *Joint Ventures and Business Combinations*.

9) Other investments

This item amounted to Euro 82 thousand (Euro 82 thousand at 31 December 2020). Euro 32 thousand represents the membership fee for the Golden Card Committee and Euro 50 thousand for the Associazione Milano&Partners.

10) Other financial assets

This item totalled Euro 5,847 thousand (Euro 5,127 thousand at 31 December 2020), broken down as follows:

Other financial assets

	31/12/21	31/12/20	Change
Mutual investment funds ESG	5,797	5,077	720
Long term financing to <i>joint venture</i>	50	50	-
Totale	5,847	5,127	720

(€'000)

Units in mutual funds are measured at fair value calculated based on the market value as at 31 December 2021.

Other financial liabilities included Euro 50 thousand (Euro 50 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

11) Trade and other receivables

This item totalled Euro 31,961 thousand (Euro 23,471 thousand at 31 December 2020), broken down as follows:

Trade and other receivables

	31/12/21	31/12/20	Change
Receivables from the controlling shareholder for tax consolidation	21,308	12,565	8,743
Other receivables from the controlling shareholder	10,544	10,808	(264)
Other guarantee deposits	109	98	11
Total	31,961	23,471	8,490

(€'000)

These included:

- other receivables from the Parent Company of Euro 10,544 thousand (Euro 10,808 thousand at 31 December 2020). Euro 10,412 thousand was for the guarantee deposit under the lease agreements for the two exhibition and congress sites of Rho and Milan. This amount is equivalent to the combined quarterly rent on the two leases. The remainder of Euro 132 thousand refers to the medium/long-term portion of the receivable from the right to reimbursement by Fondazione Fiera Milano of the guarantee deposit paid on the two previous

leases, partly offset against the amount payable by Fiera Milano SpA as guarantee deposit on the new leases. This receivable will be repaid by Fondazione Fiera Milano in six-monthly instalments over the term of the lease, offset against the lease payments due from Fiera Milano SpA;

- receivables from the Parent Company for tax consolidation in the amount of Euro 21,308 thousand (12,565 as at 31 December 2020). This item refers to the remuneration of the tax losses of the financial years 2020 and 2021 made to the tax consolidation with Fondazione Fiera Milano and recognised against the assessment of recoverability, within the limits of the time horizon of the approved plans;
- other guarantee deposits totalling Euro 109 thousand (Euro 98 thousand at 31 December 2020).

Trade and other receivables included Euro 31,852 thousand (Euro 23,373 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

12) Deferred tax assets

This item totalled Euro 14,011 thousand (Euro 3,283 thousand at 31 December 2020) and represents the net balance of deferred tax assets and liabilities in each consolidated company.

An analysis of the changes in deferred tax assets is given in Note 49 to the Income Statement.

Current assets

13) Trade and other receivables

Trade and other receivables

	31/12/21	31/12/20	Change
Trade receivables	22,843	12,545	10,298
Receivables from the controlling shareholder	2,307	8,271	(5,964)
Trade receivables from joint venture	102	178	(76)
Trade receivables from associates	8	119	(111)
Receivables from related parties	1	-	1
Other receivables	4,251	4,085	166
Prepaid expenses from the controlling shareholder	110	110	-
Accrued income and prepaid expenses	1,508	1,397	111
Total	31,130	26,705	4,425

This item totalled Euro 31,130 thousand (Euro 26,705 thousand at 31 December 2020).

The main types of receivables are described below.

Trade receivables come to Euro 22,843 thousand (Euro 12,545 thousand at 31 December 2020) net of the provision for doubtful receivables of Euro 3,037 thousand. These represent receivables from organisers, exhibitors, and others for services relating to the availability of the exhibition spaces and the provision of services related to the exhibitions and congresses. The change is mainly due to the higher volume of activities related to the resumption of in-person exhibition activities starting from mid-June after the prolonged suspension in 2020 due to the Covid-19 pandemic.

The figure for receivables from customers was adjusted for the provision for doubtful receivables in order to bring the nominal value of the receivables that were deemed difficult to recover in line with the estimated recoverable amount. Use of the provision refers to receivables that were found to be unrecoverable in the financial year under review.

The change in this provision during the year was as follows:

	31/12/20	Provisions	Utilisation and other changes	(€'000) 31/12/21
Provision for doubtful receivables	5,685	2	2,650	3,037

Other receivables from the Parent Company of Euro 2,307 thousand (Euro 8,271 thousand at 31 December 2020) are broken down as follows:

- Euro 986 thousand (Euro 3,833 thousand at 31 December 2020) for Group VAT receivables;
- other receivables of Euro 1,321 thousand (Euro 4,438 thousand at 31 December 2020).

Other receivables totalled Euro 4,251 thousand (Euro 4,085 thousand at 31 December 2020), comprising:

- Euro 1,693 thousand (Euro 1,375 thousand at 31 December 2020) for advances to suppliers;
- Euro 755 thousand (Euro 237 thousand at 31 December 2020) for other tax receivables, mainly referring to Cipa FM for Euro 203 thousand and other companies for Euro 508 thousand;
- VAT receivables amounting to Euro 83 thousand (Euro 480 thousand at 31 December 2020) mainly referring to the VAT receivable of the company MADE eventi Srl that does not fall within the scope of the Group's VAT settlement;
- Euro 335 thousand (Euro 322 thousand at 31 December 2020) of receivables for tax credits on employee severance indemnities;
- receivables from employees for Euro 96 thousand (Euro 639 thousand at 31 December 2020);
- Inail advances and receivables for Euro 149 thousand (Euro 407 thousand at 31 December 2020);
- other receivables for Euro 1,140 thousand (Euro 625 thousand at 31 December 2020).

Accruals amounting to Euro 1,508 thousand (Euro 1,397 thousand at 31 December 2020) referred to insurance premiums and other costs accruing to future years.

Trade and other receivables included Euro 2,528 thousand (Euro 8,678 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

14) Inventories

This item totalled Euro 3,354 thousand (Euro 5,557 thousand at 31 December 2020), broken down as follows:

Inventories	31/12/21	31/12/20	(€'000) variazione
Raw materials, subsidiary materials and consumables	-	19	(19)
Deferred costs	3,354	5,538	(2,184)
Total	3,354	5,557	(2,203)

Deferred costs referred to exhibitions and congresses to be held after 31 December 2021.

The table below gives a breakdown by exhibition:

	(€'000)		
Exhibition	31/12/21	31/12/20	Change
Transpotec & Logitec	655	351	304
Fesqua	550	430	120
Expodetergo International	405	-	405
Fisp	383	312	71
PrintAall	354	230	124
Exposec	268	210	58
Host	148	1,104	(956)
Tuttofood	74	1,255	(1,181)
Bit	56	129	(73)
Made Expo	50	765	(715)
HOMI	24	110	(86)
Sicurezza	12	184	(172)
Congresses and other exhibitions	375	458	(83)
Total	3,354	5,538	(2,184)

The change over the previous year is mainly due to the biennial or multiannual frequency of some exhibitions and the effect of the Covid-19 pandemic, which led to changes in the calendar for the exhibition business. Personnel expenses directly attributable to the exhibitions are recognised in profit or loss at the time the event takes place and consequently included in the inventories among suspended costs. The impact of this particular case amounts to Euro 998 thousand.

Inventories included Euro 25 thousand (Euro 140 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

15) Financial assets

This item totalled Euro 2,429 thousand (Euro 1,320 thousand at 31 December 2020), broken down as follows:

Financial assets

	(€'000)		
	31/12/21	31/12/20	Change
Short term financing to <i>joint venture</i>	2,429	1,320	1,109
Total	2,429	1,320	1,109

This item refers to the loan of Euro 2,408 thousand granted by the Parent Company to the *joint venture* Ipack Ima Srl, at a rate of 1.30%, and the loan of Euro 21 thousand granted by Fiera Milano Congressi SpA to the *joint venture* MiCo DMC Srl at a rate of 3%.

The entire item refers to related-party transactions (Euro 1,320 thousand at 31 December 2020). For more details, see note 53 on these transactions.

16) Cash and cash equivalents

This item totalled Euro 148,298 thousand (Euro 20,442 thousand at 31 December 2020) and were almost entirely bank deposits to meet short-term cash requirements.

The change compared to the previous year is mainly attributable to funding and public grants obtained to face the suspension of exhibition activities following the Covid-19 emergency.

The cash flows, with comparative data at 31 December 2020, are shown in the Consolidated Statement of Cash Flows.

EQUITY AND LIABILITIES

17) Equity

The breakdown of consolidated equity was as follows:

Equity	31/12/21	31/12/20	Change
			(€'000)
Share capital	42,284	42,284	-
<i>of which treasury shares</i>	<i>(161)</i>	<i>(161)</i>	-
Share premium reserve	10,256	10,256	-
<i>of which treasury shares</i>	<i>(2,272)</i>	<i>(2,272)</i>	-
Other reserves	2,623	1,708	915
Retained earnings	8,792	42,578	(33,786)
Profit/(loss) for the year	44,359	(33,943)	78,302
Group equity	108,314	62,883	45,431
Capital and reserves attributable to non-controlling interests	949	557	392
Profit/(loss) attributable to non-controlling interests	(278)	(209)	(69)
Equity attributable to non-controlling interests	671	348	323
Total	108,985	63,231	45,754

Following the realignment of the discrepancies between the carrying amount and the tax values of goodwill and trademarks as reported in the financial statements, in accordance with article 110 of Legislative Decree 104/20 (as amended by art. 1 c. 83 of Law 178 of 30 December 2020, the 2021 Budget Law), Euro 64,087 thousand of share capital and existing reserves was restricted and held over for tax upon distribution, corresponding to the higher amount subject to realignment net of the 3% substitute tax.

The amounts and changes in the items were as follows:

Share capital

At 31 December 2021, this item came to Euro 42,284 thousand (Euro 42,284 thousand at 31 December 2020), net of treasury shares for Euro 161 thousand. The fully paid-up share capital was made up of 71,917,829 ordinary shares, with no restrictions on the distribution of dividends or repayment of share capital, except as legally provided for treasury share.

A breakdown of the shares outstanding is shown in the following table:

	Number of shares at 31 December 2020	Change			Number of shares at 31 December 2021
		Capital Increase	Sale	Free grant of ordinary shares allocated to the Directors	
Ordinary shares in issue	71,917,829	-	-	-	71,917,829
Treasury shares	273,758	-	-	-	273,758
Total shares outstanding	71,644,071	-	-	-	71,644,071

Under IAS/IFRS accounting principles, when treasury shares are acquired, the nominal value of the shares acquired is deducted from equity while the difference between acquisition value and the nominal value is recognised directly in the share premium reserve.

The Parent Company's Extraordinary Shareholders' Meeting of 31 July 2015, at the same time as approving the share capital increase, also approved the cancellation of the nominal value of the shares representing the share capital. Therefore, since that date the nominal value is calculated by dividing the share capital by the number of shares outstanding. At 31 December 2021, this gave an implicit nominal value of Euro 0.59 per share.

At 31 December 2021, the Parent Company held 273,758 treasury shares.

Share premium reserve

The share premium reserve was Euro 10,256 thousand (Euro 10,256 thousand at 31 December 2020) net of the Euro 2,272 thousand for treasury shares.

Other reserves

This item totalled Euro 2,623 thousand (Euro 1,708 thousand at 31 December 2020), with breakdown as follows:

- Euro 8,489 thousand from the Parent Company legal reserve;
- Euro -6,532 thousand from the currency translation reserve;
- Euro -70 thousand as to the reserve for hedging transactions.
- Euro 736 thousand from the *stock grant* reserve in relation to the estimated cost of the *Performance Shares Plan* included in the 2021-2022 management incentives plan.

Retained earnings

This entry was Euro 8,792 thousand (Euro 42,578 thousand at 31 December 2020).

Changes in the period under review were as follows:

- a decrease of Euro 33,943 thousand for the allocation of the loss of the previous financial year;
- an increase of Euro 157 thousand for the remeasurement of defined benefit plans, net of the tax effect.

Profit/(loss)

The year ending 31 December 2021 recorded a Group profit of Euro 44,359 thousand (compared to a loss of Euro 33,943 thousand at 31 December 2020)..

Capital and reserves attributable to non-controlling interests

This item totalled Euro 949 thousand (Euro 557 thousand at 31 December 2020).

Changes in the period under review were as follows:

- a decrease of Euro 209 thousand for the allocation of the "Profit/loss of the previous financial year";
- an increase of Euro 600 thousand for the share capital increase of MADE eventi Srl.
- an increase of Euro 1 thousand for the remeasurement of defined benefit plans, net of the tax effect.

Profit/(loss) attributable to non-controlling interests

The net loss attributable to non-controlling interests was Euro 278 thousand (Euro -209 thousand at 31 December 2020).

LIABILITIES

Non-current liabilities

18) Bank borrowings

Bank borrowings	31/12/21	31/12/20	Change
Bank loans	98,159	-	98,159
Total	98,159	-	98,159

(€ '000)

Long-term bank borrowings amounted to Euro 98,159 thousand (zero at 31 December 2020).

refer to the following loans attributable to the Parent Company:

- Euro 55,084 thousand, for the portion of the loan underwritten on 17 February 2021 by a *pool* of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit) maturing on 31 December 2025 and with a 24-month pre-amortisation period. This loan is remunerated at a variable interest rate with financial coverage (*Interest Rate Swap*) and is subject to the measurement of financial *covenants* on a half-yearly basis. The *covenants* agreed under the loan were met at 31 December 2021.
- Euro 20,081 thousand, for the portion of the loan underwritten on 22 February 2021 by Casa Depositi Presiti, maturing on 31 December 2025 and with a 24-month pre-amortisation period. This loan is remunerated at a fixed interest rate and is subject to the measurement on a half-yearly basis of financial *covenants*. The *covenants* agreed under the loan were met at 31 December 2021.

The above loans are backed by a 90% guarantee issued by SACE, the Italian export credit agency, as part of the “Guarantee Italy” programme in accordance with article 1 of Italian Law Decree 23/2020, ratified with amendments by Law 40/2020 ‘Liquidity Decree’.

- Euro 7,000 thousand, for the portion of the loan underwritten on 28 April 2021 by Simest, maturing on 31 December 2027 and with a 36-month pre-amortisation period. This loan bears interest at a fixed rate. The loan was granted within the scope of the availability of the section of the Fund 394/8, pursuant to Article 91, paragraphs 1 and 2, of Decree-Law 14 August 2020, n.104, converted, with amendments, by Law 126 of 13 October 2020, and Article 6, paragraph 3, no. 1, of Decree Law 137 of 28 October 2020;
- Euro 4,062 thousand, for the medium-/long- term portion of the Euro 5,000 thousand loan underwritten on 19 May 2021 by Banca Carige maturing on 31 March 2026 and with a 12-month pre-amortisation period. This loan bears interest at a variable rate.
- Euro 9,932 thousand, for the portion of the loan underwritten on 22 October 2021 by Banca Bper maturing on 30 September 2025 and with a 21- month, 68-day pre-amortisation period. This loan is remunerated at a variable interest rate and is subject to the measurement on a half-yearly basis of financial *covenants*. The *covenants* agreed under the loan were met at 31 December 2021.

Euro 2,000 thousand refer to the medium-/long- term loan granted to MADE Eventi Srl, on 27 September 2021, by Banca Monte dei Paschi di Siena, maturing on 30 September 2024 and with a 12-month pre-amortisation period. This loan bears interest at a fixed rate of 0.95%. The loan is backed by a 80% guarantee issued by SACE, the Italian export credit agency, as part of the “Guarantee Italy” programme in accordance with article 1 of Italian Law Decree 23/2020, ratified with amendments by Law 40/2020 ‘Liquidity Decree’.

19) Financial liabilities related to the right-of-use of assets

This item totalled Euro 370,568 thousand (Euro 405,961 thousand at 31 December 2020), broken down as follows:

Financial liabilities related to the right-of-use of assets

(€ '000)

	31/12/21	31/12/20	Change
Financial liabilities related to the right-of-use of assets	370,568	405,961	(35,393)
Total	370,568	405,961	(35,393)

It refers to the medium/long-term portion of the lease liability. The *liability* refers to the obligation to make the payments provided for by the leases for properties and the car fleet deriving from the application of IFRS 16 in force as from 1 January 2019.

The item Financial payables related to right-of-use assets includes related-party transactions of Euro 367,703 thousand (Euro 401,848 at 31 December 2020). For more details, see note 53 on these transactions.

20) Other financial liabilities

This item totalled Euro 70 thousand (zero at 31 December 2020), with breakdown as follows:

Other financial liabilities

(€ '000)

	31/12/21	31/12/20	Change
Derivatives	70	-	70
Total	70	-	70

Derivative instruments refer to financial hedging contracts for the interest rate risk on certain medium/long-term bank loans of the Parent Company.

21) Provisions for risks and charges

This item totalled Euro 72 thousand (Euro 379 thousand at 31 December 2020), broken down as follows:

Provision for risks and charges

(€ '000)

	31/12/20	Provisions	Utilization	Reclassifications	31/12/21
Other provisions for risks and charges	379	-	379	72	72
Total	379	-	379	72	72

The item provision for risks and charges refers to the Parent Company for presumed liabilities, related to situations that will determine probable future outlays, calculated on the basis of the presumable outcome of the same.

The decrease refers to the supplementary allowance fund of agent customers.

22) Employee benefit provisions

This item totalled Euro 9,529 thousand (Euro 10,062 thousand at 31 December 2020).

Provisions for defined benefit plans, calculated using actuarial methods, were for employee severance indemnities that had accrued at 31 December 2021 and with breakdown as follows:

Employee benefit provisions

	31/12/20	Actuarial evaluation	Indemnities and advances paid	(€'000) 31/12/21
Defined benefit plans	10,062	186	719	9,529
Total	10,062	186	719	9,529

Actuarial evaluation

	(€'000)
Personnel costs:	
- indemnities related to defined benefit plans	296
Financial expenses:	
- actualisation charges	35
Other comprehensive income	
- Remeasurement of defined benefit plans	(145)
Total	186

The Group uses a duly certified professional to determine the actuarial amounts.

The main hypotheses/assumptions used in the actuarial calculations for the defined benefit plans were as follows:

Demographic assumptions

Mortality rate	Based on the ISTAT 2011 mortality tables by gender to which has applied a 20% falling mortality connected
Probability of disability	Based on the disability tables used in the INPS 2010 forecast model
Probability of termination of employment	Based on the probable employee turnover rate equal to 7,5% per annum of the companies being valued
Retirement probability	Assumption that the basic requirements needed to receive the compulsory general insurance (Assicurazione Generale Obbligatoria) were met
Probability of early retirement	Assumption of 3% per annum and an average amount of 70% of the staff-leaving indemnities of all the companies valued.

Economic and financial assumption for calculation of severance indemnity provisions

	31/12/21	31/12/20
Annual technical discount rate	1.00%	0.35%
Annual inflation rate	1.75%	1.00%
Annual rate of increase in total employees' salary	2.50%	2.00%
Annual rate of increase in severance indemnity provisions	2.81%	2.25%

Effect of defined benefit plans on debt

(€ '000)

Economic and financial assumptions	Range	Base figure	Increase in assumptions	Decrease in assumptions
Annual technical discount rate	+/- 0.5%	9,529	9,224	9,851
Annual rate of increase in total employees' salary	+/- 0.5%	9,529	9,608	9,458
Economic and financial assumptions				
Life expectancy	+/- 1 anno	9,529	9,576	9,481

The discount rate was calculated with reference to the Eurozone Iboxx Corporate AA index for a period equal to or greater than 10 years.

The following table gives a sensitivity analysis for the liability as changes arise in the main assumptions used.

23) Deferred tax liabilities**Deferred tax liabilities**

(€ '000)

	31/12/21	31/12/20	Change
Deferred tax liabilities	3,643	11,260	(7,617)
Total	3,643	11,260	(7,617)

This item totalled Euro 3,643 thousand (Euro 11,260 thousand at 31 December 2020) and is the net balance of deferred tax assets and deferred tax liabilities for each company included in the area of consolidation.

The item includes:

- Euro 3,152 thousand for the IRES deferred tax provision;
- Euro 491 thousand for the IRAP deferred tax provision.

Per analisi relative alla movimentazione delle imposte differite passive si rimanda alla nota 49 del conto economico.

24) Other liabilities

This item totalled Euro 655 thousand (zero at 31 December 2020), with breakdown as follows:

Other liabilities

(€ '000)

	31/12/21	31/12/20	Change
Tax liabilities	655	-	655
Total	655	-	655

The item refers to the medium-/long-term share of the debt relating to the substitute tax that arose as a result of the tax realignment of goodwill and exhibition trademarks. The current portion of the provision, equal to Euro 655 thousand, has been classified under current tax payables. Therefore, at 31 December 2021, total debt amounted to Euro 1,310 thousand. For more details, please, refer to note 49 of the income statement.

Current liabilities

25) Bank borrowings

This item totalled Euro 938 thousand (Euro 49,018 thousand at 31 December 2020), broken down as follows:

Bank borrowings		(€ '000)	
	31/12/21	31/12/20	Change
Credit lines	-	24,005	(24,005)
Bank loans	938	25,013	(24,075)
Total	938	49,018	(48,080)

Bank borrowings concern the Parent Company, and refer to the short-term portion of the loan granted by Carige bank already described in note 18.

The change compared to the previous year is due to the absence of the use of short-term credit lines (Euro 24,005 thousand at 31 December 2020) and the settlement of the debt relating to the short-term portions of the loan granted on 30 April 2020 by Unione di Banche Italiane SpA (Euro 25,013 thousand at 31 December 2020).

26) Trade payables

This item totalled Euro 50,602 thousand (Euro 19,904 thousand at 31 December 2020). Trade payables were mainly to Italian suppliers for the acquisition of services required to mount the exhibitions that are the typical business of the Group. The change is mainly due to the higher volume of activities related to the resumption of in-person exhibition activities starting from mid-June after the prolonged suspension in 2020 due to the Covid-19 pandemic.

27) Advances

This item totalled Euro 35,992 thousand (Euro 30,577 thousand at 31 December 2020).

These refer to advances invoiced to customers for exhibitions and congresses to be held after the end of the year. Revenue recognition is delayed until the exhibition is held.

The change over the previous year is mainly due to the biennial or multiannual frequency of some exhibitions and the effect of the Covid-19 pandemic, which led to changes in the calendar for the exhibition business.

Advances

	31/12/21	31/12/20	Change
	(€ '000)		
Change	6,510	4,384	2,126
Homi	3,235	252	2,983
Salone del mobile/Complemento d'arredo	2,160	2,248	(88)
Transpotec & Logitec	1,897	414	1,483
Mido	1,690	1,414	276
The Micam	1,679	17	1,662
Host	1,615	4,381	(2,766)
Fisp	1,413	1,308	105
Ipack-Ima	1,339	650	689
Lineapelle - A new point of view	1,070	-	1,070
Plast	1,014	1,224	(210)
Fesqua	996	796	200
Exposec	932	906	26
Milano Unica	869	-	869
Myplant & garden	580	580	-
Print4all	444	193	251
Expodetergo International	417	-	417
Eurocucina	415	442	(27)
Promotion Trade Exhibition	411	-	411
Venditalia	407	-	407
Simei	306	-	306
Fire Show	296	282	14
Salone Internazionale del Bagno	261	225	36
Lamiera	251	165	86
Sposaltalia	190	304	(114)
Homi Fashion&Jewels	167	4	163
The One	137	30	107
Bit	130	-	130
Tuttofood	106	1,780	(1,674)
Greenplast	101	-	101
Miart	61	347	(286)
Sicurezza	-	550	(550)
Emo	-	500	(500)
CPhI	-	462	(462)
Eicma Moto	-	330	(330)
Made Expo	-	313	(313)
Euroluce	-	286	(286)
Meat Tech	-	121	(121)
Congresses and other exhibitions	4,893	5,669	(776)
Totale	35,992	30,577	5,415

Advances included Euro 1,339 thousand (Euro 771 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

28) Financial liabilities related to the right-of-use of assets

This item totalled Euro 41,376 thousand (Euro 43,611 thousand at 31 December 2020), broken down as follows:

Financial liabilities related to the right-of-use of assets			(€ '000)
	31/12/21	31/12/20	Change
Financial liabilities related to the right-of-use of assets	41,376	43,611	(2,235)
Total	41,376	43,611	(2,235)

It refers to the short-term portion of the *lease liability*. The liability refers to the obligation to make the payments provided for by the leases for properties and the car fleet and is recognised in accordance with IFRS 16 in force as from 1 January 2019.

The item Financial payables related to right-of-use assets includes related-party transactions of Euro 39,821 thousand (Euro 42,068 at 31 December 2020). For more details, see note 53 on these transactions.

29) Other financial liabilities

This item totalled Euro 9,994 thousand (Euro 1,743 thousand at 31 December 2020), broken down as follows:

Other financial liabilities			(€ '000)
	31/12/21	31/12/20	Change
Financial payables to the controlling shareholder	9,560	1,313	8,247
Other financial payables	434	430	4
Total	9,994	1,743	8,251

The item 'Financial payables to the Parent' refers to the balance in the correspondent current account held by the Parent Company with Fondazione Fiera Milano. The fixed rate was equal to the 1-month Euribor plus a spread of 0.75%. The change compared to the previous year is mainly attributable to the regulation of the rent.

'Other financial payables' mainly related to the valuation of the amount payable to acquire the remaining minority interests of Cipa FM.

Other financial liabilities included Euro 9,560 thousand (Euro 1,313 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

30) Provisions for risks and charges

This item totalled Euro 6,437 thousand (Euro 1,777 thousand at 31 December 2020), broken down as follows:

Provisions for risks and charges

	31/12/20	Provisions	Write-back of provisions	Utilisation	Reclassifications	Currency translation differences	31/12/21
Other provisions for risks and charges	1,777	5,953	-	1,233	(72)	12	6,437
Total	1,777	5,953	-	1,233	(72)	12	6,437

This item mainly refers to:

- Euro 581 thousand, to Cipa FM for various risks incurred in legal disputes;
- Euro 5,584 thousand to provisions for risks regarding the estimation of probable liabilities related to the corporate reorganisation, calculated on the basis of the expected outcome of the same both through internal assessments and with the support of external lawyers.

31) Tax liabilities

This item totalled Euro 4,955 thousand (Euro 3,849 thousand at 31 December 2020), broken down as follows:

Tax liabilities

	31/12/21	31/12/20	Change
Income tax payable for employees (IRPEF)	2,010	3,426	(1,416)
Income tax payable on profits for the year	940	182	758
Income tax payable for temporary employees and project workers (IRPEF)	145	144	1
Other tax liabilities	1,860	97	1,763
Total	4,955	3,849	1,106

The change in payables to the Treasury for taxes for the year is mainly attributable to the balance of IRAP for the 2019 financial year, with settlement extended to 30 June 2022.

The change in payables to the Treasury for the personal income tax of employees is due to lower withholding taxes on employee salaries and similar in the light of the suspension of payments in 2020 resulting from the government measures adopted for the Covid-19 health emergency.

Other tax payables increased for the company Cipa by Euro 1,032 thousand, due to the closure of a tax dispute and for the Parent Company in relation to the short-term portion of the payable relating to the substitute tax, which arose following the tax realignment of goodwill and exhibition trademarks.

32) Other liabilities

This item totalled Euro 22,744 thousand (Euro 11,591 thousand at 31 December 2020), broken down as follows:

Other liabilities

(€ '000)

	31/12/21	31/12/20	Change
Payables to exhibition organisers and others	13,938	3,696	10,242
Payables to employees	4,134	2,056	2,078
Payables to pension and social security entities	2,744	4,110	(1,366)
Trade payables to joint venture	502	32	470
Payables to exhibition organisers in joint venture	187	36	151
Payables to directors and statutory auditors	121	251	(130)
Payables to related parties	114	114	-
Payables to the controlling shareholder	104	134	(30)
Payables to the associates	59	-	59
Group VAT payables	-	10	(10)
Other payables	673	750	(77)
Deferred income to related parties	-	64	(64)
Deferred income to the controlling shareholder	-	61	(61)
Deferred income to joint venture	2	2	-
Other accrued liabilities	166	275	(109)
Total	22,744	11,591	11,153

The change is mainly due to the higher volume of activities related to the resumption of in-person exhibition activities starting from mid-June after the prolonged suspension in 2020 due to the Covid-19 pandemic.

Other liabilities included Euro 968 thousand (Euro 453 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

33) Financial assets and financial liabilities

The Group's financial debt and its composition is shown in the table below:

Group Financial Debt

(€ '000)	31/12/21	31/12/20	Change
A. Cash (including bank balances)	148,298	20,442	127,856
B. Other cash equivalents	-	-	-
C. Securities held for trading	-	-	-
D. Cash and cash equivalents (A+B+C)	148,298	20,442	127,856
E. Current financial assets	2,429	1,320	1,109
- E.1 of which Current financial assets to other related parties	2,429	1,320	1,109
F. Current bank borrowings	-	49,018	(49,018)
G. Current portion of non-current debt	938	-	938
H. Other current financial liabilities	9,994	1,743	8,251
- H.1 of which Other current financial liabilities to the controlling shareholder	9,560	1,313	8,247
I. Current financial debt (F+G+H)	10,932	50,761	(39,829)
J. Current net financial debt (cash) (I-E-D)	(139,795)	28,999	(168,794)
K. Non-current financial assets	5,847	5,127	720
- K.1 of which non-current financial assets to other related parties	50	50	-
L. Non-current bank borrowings	98,159	-	98,159
M. Debt securities in issue	-	-	-
N. Other non-current liabilities	70	-	70
O. Non-current financial debt (-K+L+M+N)	92,382	(5,127)	97,509
Net financial debt/(cash) from continuing operations (J+O)	(47,413)	23,872	(71,285)
Net financial debt/(cash) from assets held for sale	-	-	-
P. Net financial debt/(cash) before IFRS 16 effects	(47,413)	23,872	(71,285)
Q. Current financial liabilities related to the right of use of assets	41,376	43,611	(2,235)
- Q.1 of which current financial liabilities related to the right-of-use assets to the controlling shareholder	39,821	42,068	(2,247)
R. Non-current financial liabilities related to the right of use of assets	370,568	405,961	(35,393)
- R.1 of which non-current financial liabilities related to the right-of-use assets to the controlling shareholder	367,703	401,848	(34,145)
IFRS 16 financial effects	411,944	449,572	(37,628)
S. Total net financial debt (P+Q+R)	364,531	473,444	(108,913)

The Group's net financial position, not including the IFRS 16 *lease liability*, shows that net cash at 31 December 2021 was Euro 47,413 thousand, compared to net debt of Euro 23,872 thousand at 31 December 2020.

The improvement of Euro 71,285 thousand was due to the positive cash flow generated by the resumption of operating activities as well as to public grants received as compensation for the reductions in EBITDA caused by the Covid-19 pandemic in the 2020 and 2021 financial years.

The net financial debt including the IFRS 16 *lease liability* amounted to Euro 364,531 thousand (Euro 473,444 thousand at 31 December 2020).

Additional information on the financial instruments of the Group is given below to enable a better assessment of:

- a) the importance of the financial instruments to the Statement of Financial Position and Income Statement;
- b) the extent and type of risks deriving from the financial instruments to which the Group was exposed during the current and previous financial years and the relevant risk management procedures.

Classes of financial instruments

The items in the Statement of Financial Position and the types of risk related to financial instruments at 31 December 2021 and 31 December 2020 are shown in the following table.

Risk class

(€'000)	notes	FY 31/12/21	FY 31/12/20	Liquidity risk	Interest rate risk	Credit risk
NON-CURRENT ASSETS						
Other financial assets	10	5,847	5,127	X		X
Trade and other receivables	11	31,961	23,471			X
CURRENT ASSETS						
Trade and other receivables	13	31,130	26,705			X
Financial assets	15	2,429	1,320	X		X
Cash and cash equivalents	16	148,298	20,442			
NON-CURRENT LIABILITIES						
Bank borrowings	18	98,159	-	X	X	
Financial liabilities related to the right-of-use of assets	19	370,568	405,961	X	X	
Other financial liabilities	20	70	-		X	
Other liabilities	24	655	-			
CURRENT LIABILITIES						
Bank borrowings	25	938	49,018	X	X	
Trade payables	26	50,602	19,904	X		
Financial liabilities related to the right-of-use of assets	28	41,376	43,611	X	X	
Other financial liabilities	29	9,994	1,743	X	X	
Other current liabilities	32	22,744	11,591	X		

Significance of financial instruments

Financial instruments and their relative significance, as regards the Statement of Financial Position and Income Statement at 31 December 2020 and 31 December 2021, are shown in the following tables.

Financial assets and liabilities shown in the accounts

(€'000)	notes	FY 31/12/20	Assets measured at fair value through profit & loss (FVTPL)	Liabilities measured at amortised cost (HTC)	Assets measured at fair value through OCI reserve (FVOCI)	Assets measured at amortised cost (HTC)	Fair value	Impact on Income Statement
NON-CURRENT ASSETS								
Other financial assets	10	5,127	5,077	-	-	50	5,127	79
Trade and other receivables	11	23,471	-	-	-	10,906	23,471	6
CURRENT ASSETS								
Trade and other receivables	13	26,705	-	-	-	26,705	26,705	(2,595)
Financial assets	15	1,320	-	-	-	1,320	1,320	16
Cash and cash equivalents	16	20,442	-	-	-	-	20,442	51
NON-CURRENT LIABILITIES								
Financial liabilities related to the right-of-use of assets	19	405,961	-	405,961	-	-	405,961	(12,689)
CURRENT LIABILITIES								
Bank borrowings	25	49,018	-	49,018	-	-	49,018	(152)
Trade payables	26	19,904	-	19,904	-	-	19,904	-
Financial liabilities related to the right-of-use of assets	28	43,611	-	43,611	-	-	43,611	-
Other financial liabilities	29	1,743	-	1,743	-	-	1,743	(56)
Other current liabilities	32	11,591	-	11,591	-	-	11,591	-

Financial assets and liabilities shown in the accounts

(€'000)	notes	FY 31/12/21	Assets measured at fair value through profit & loss (FVTPL)	Liabilities measured at amortised cost (HTC)	Assets measured at fair value through OCI reserve (FVOCI)	Assets measured at amortised cost (HTC)	Fair value	Impact on Income Statement
NON-CURRENT ASSETS								
Other financial assets	10	5,847	5,797	-	-	50	5,847	722
Trade and other receivables	11	31,961	-	-	-	10,653	31,961	1
CURRENT ASSETS								
Trade and other receivables	13	31,130	-	-	-	31,130	31,130	(2)
Financial assets	15	2,429	-	-	-	2,429	2,429	24
Cash and cash equivalents	16	148,298	-	-	-	-	148,298	15
NON-CURRENT LIABILITIES								
Bank borrowings	18	98,159	-	-	-	-	98,159	(1,314)
Financial liabilities related to the right-of-use of assets	19	370,568	-	370,568	-	-	370,568	(11,972)
Other financial liabilities	20	70	-	-	-	-	70	-
Other liabilities	24	655	-	-	-	-	655	(1,982)
CURRENT LIABILITIES								
Bank borrowings	25	938	-	938	-	-	938	(85)
Trade payables	26	50,602	-	50,602	-	-	50,602	-
Financial liabilities related to the right-of-use of assets	28	41,376	-	41,376	-	-	41,376	-
Other financial liabilities	29	9,994	-	9,994	-	-	9,994	(83)
Other current liabilities	32	22,744	-	22,744	-	-	22,744	-

As shown in the above tables, the carrying amount of financial assets and liabilities is a reasonable approximation of their *fair value*; financial instruments include guarantee deposits under lease agreements and borrowings and non-current instruments.

The financial instruments are classifiable under Level 3 of the fair value hierarchy of IFRS 13.

Changes in liabilities due to financing activities are shown in the following table:

Changes in liabilities from financing activities

					(€'000)
	31/12/20	Changes in financial flows		Non-monetary changes	31/12/21
		Increase	Decrease		
Bank borrowings	-	98,159	-	-	98,159
Financial liabilities related to the right-of-use of assets	405,961	-	-	(35,393)	370,568
Other financial liabilities	-	-	-	70	70
Total change in non-current financial payables	405,961	98,159	-	- 35,323	468,797
Credit lines	24,005	-	24,005	-	-
Bank loans	25,013	938	25,013	-	938
Financial liabilities related to the right-of-use of assets	43,611	-	38,041	35,806	41,376
Current financial debt with the controlling shareholder	1,313	64,433	56,186	-	9,560
Current payables for acquisition of shareholdings	430	-	-	4	434
Total change in current financial payables	94,372	65,371	143,245	35,810	52,308
Total liabilities from financing activities	500,333	163,530	143,245	487	521,105

34) Financial and market risk management

The main financial instruments used by the Group are bank loans, current accounts and current financial payables to the controlling shareholder Fondazione Fiera Milano.

Fiera Milano Group has a favourable cash management cycle due to the financial nature of the companies that organise exhibitions and congresses. The organisers of exhibitions and congresses request an advance from their clients as confirmation of their participation at an event and the balance is usually received before the event is held or at its conclusion. Suppliers of goods and services are paid under the normal payment terms used. This generates negative working capital for the organisers, which gives a cash *surplus*.

Fiera Milano SpA, the Parent Company, which rents the exhibition space to the organisers, carries out administrative and cash management services for the organisers, receiving on behalf of the latter everything that the exhibitors pay the organiser. After receiving the cash, Fiera Milano SpA, depending on the contractual agreements, retrocedes to the organiser what is its due and keeps the payment for the space rented out in the exhibition site and for the services provided. This also allows Fiera Milano SpA to receive its payments in advance, as it does the organisers. Therefore, within Fiera Milano Group, the companies that benefit from this favourable cash management cycle are the companies that organise exhibitions and the Parent Company.

The exposure of the Group to different types of risk is described below.

34.1 Credit risk

Credit risk is represented by the Group's exposure to potential losses from the non-fulfilment of obligations agreed by counterparties. Credit risk is adequately monitored, as is that pertaining to the cash management that characterises the business of the Group. Fiera Milano hosts and organises exhibitions that are leaders in their sector and, therefore, the loyalty of exhibitors is high. For the controlling shareholder Fiera Milano SpA, the current system means that all receipts from exhibitors flow into the Fiera Milano SpA accounts and that the latter retrocedes to its clients/organisers the amounts due to them.

With regard to MADE eventi Srl e Ipack Ima Srl, part of the services provided to exhibitors is invoiced and collected on behalf of the individual Group companies by Fiera Milano SpA. Nevertheless, these companies carry

out standard solvency assessments of potential customers and the relevant departments constantly monitor outstanding amounts so that any appropriate measures for debt recovery are implemented.

Three different categories of credit risk have been identified: organisers, exhibitors and other receivables.

The first risk category is represented by the exhibition **organisers**; the receivables included in this category are considered to represent the lowest risk as the Parent Company Fiera Milano SpA manages the cash flows of almost all of the exhibitions at its two sites. Provisions for doubtful receivables are minimal in comparison to the amounts received and have been made for a few receivables that prove difficult to recover.

The second risk category is the **exhibitors**; the receivables from this category are considered medium risk as exhibitors have to make payment before the end of the exhibition.

The third risk category is **other receivables**, which mainly comprises exhibition-related activities (stand-fitting, congresses, promotions, internet services) and activities that are not exhibition related (sponsorship, advertising, etc.). These receivables are payable under normal payment conditions.

The Company sometimes uses specific guarantees as a further means of counteracting credit risk.

The Covid-19 emergency did not reveal further specific risks have arisen regarding the recoverability of receivables.

The categories of credit risk at 31 December 2020 and at 31 December 2021 and the breakdown of past due amounts are shown in the following tables:

(€'000)	FY 31/12/20 Receivables	Breakdown of late payments (days)						Provision
		Due	Overdue	0-90	91-180	181-270	>270	
Organisers	2,801	4,260	2,047	594	-	-	1,453	3,506
Exhibitors	1,329	741	1,355	194	29	6	1,126	767
Other	8,415	6,276	3,551	2,176	95	46	1,234	1,412
Total	12,545	11,277	6,953	2,964	124	52	3,813	5,685

(€'000)	FY 31/12/21 Receivables	Breakdown of late payments (days)						Provision
		Due	Overdue	0-90	91-180	181-270	>270	
Organisers	6,530	5,144	2,892	1,476	-	-	1,416	1,506
Exhibitors	6,183	4,223	2,555	1,234	80	311	930	595
Other	10,130	7,431	3,635	2,487	-	-	1,148	936
Total	22,843	16,798	9,082	5,197	80	311	3,494	3,037

The provision for doubtful receivables is calculated on their presumed recoverability, using internal assessments supported by those of external legal consultants.

Changes in the provision for doubtful receivables at 31 December 2020 and 31 December 2021 by risk category are shown in the following tables:

(€'000)	Balance at 31/12/19 Provision	Provisions	Utilisation	Other changes	Balance at 31/12/20 Provision
Class					
Organisers	1,523	2,000	17	-	3,506
Exhibitors	758	81	72	-	767
Other	1,219	481	345	57	1,412
Total	3,500	2,562	434	57	5,685

(€'000)	Balance at 31/12/20 Provision	Provisions	Utilisation	Other changes	Balance at 31/12/21 Provision
Class					
Organisers	3,506	-	2,000	-	1,506
Exhibitors	767	-	172	-	595
Other	1,412	2	477	(1)	936
Total	5,685	2	2,649	(1)	3,037

34.2 Liquidity risk

The Group has put in place measures to ensure that adequate levels of working capital and liquidity are maintained. The impact of restrictions on exhibition activities dictated by the Covid-19 Pandemic, on economic results and on financial flows, was offset by exhibition activities restarting on 15 June 2021 and congresses on 1 July 2021, and by the public grants received as aid for the reductions in the gross operating margin caused by the Covid-19 pandemic in the years 2020 and 2021.

In this respect, note the performance of net financial debt, not including the IFRS 16 *lease liability*, which at 31 December 2021 recorded cash of Euro 47,413 thousand, a clear improvement of 31 December 2020.

The aim of the Group's *risk management*, also in the presence of financial debt, is to guarantee an adequate level of liquidity, minimising the related costs and maintaining a balance between the duration and composition of debt.

In February 2021, two five-year loans were entered into, with 24 months of pre-amortisation for a total of Euro 75 million. Ninety per cent of the amount disbursed is covered by SACE's guarantee under the 'Garanzia Italia' programme pursuant to Art. 1 of Italian Legislative Decree No. 23/2020, converted, with amendments, into Italian Law No. 40/2020 (the so-called 'Liquidity Decree'). In particular, a loan was entered into with a pool of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit) for Euro 55 million and a loan with Cassa Depositi e Prestiti for Euro 20 million, subject to the biannual calculation of financial *covenants* starting from 30 June 2021.

The Parent Company obtained a Euro 7 million loan from SIMEST on 28 April 2021, granted within the framework of the section of the Fund 394/8, pursuant to Article 91, paragraphs 1 and 2, of Decree Law 104 of 14 August 2020, converted, with amendments, by Law 126 of 13 October 2020, and article 6, paragraph 3, no. 1 of Decree Law 137 of 28 October 2020. The loan matures on 31 December 2027, with the pre-amortisation period ending on 31 December 2023.

In May, a 5-year loan of Euro 5 million was taken out with Banca Carige with 12 months grace period, 12% guaranteed by SACE under the above-mentioned "Guarantee Italy" programme.

On 22 October, a loan of Euro 10 million was taken out with Banca Bper, maturing on 30 September 2025 and with a 21-month pre-amortisation period.

On 27 September 2021, Made Eventi Srl took out a loan with Banca Monte dei Paschi di Siena for Euro 2 million, maturing on 30 September 2024 and with a 12-month pre-amortisation period, 80% guaranteed by SACE as part of the "Garanzia Italia" programme mentioned above.

The Group now has credit lines for a total of Euro 75 million, and thus has adequate financial resources to cover its short- and medium-term financial requirements, even taking into account the general economic context, which is still marked by uncertainty around activities restarting after the Covid-19 pandemic. Financial projections for 2022-2026 show that the Group will once again be able to generate cash flows adequate to repay the loans received, in compliance with the agreed *covenants* and the balance sheet and financial position.

The tables below give the breakdown of financial liabilities by maturity and an estimate of related interest expense due to maturity at 31 December 2020 and 31 December 2021.

Financial liabilities

(€'000)	Balance at 31/12/20	3 mths	6 mths	12 mths	18 mths	24 mths	3 years	5 years	>5 years
Current bank borrowings	49,018	24,005	25,013						
Current interest payable		59	43						
Other current financial liabilities	1,743	1,313		430					
Current interest payable		2							
Financial liabilities related to the right-of-use of assets	449,572	17,267	8,723	17,627	17,851	18,035	36,837	74,615	258,617
Non-current interest payable		3,019	2,959	5,733	5,485	5,238	9,703	16,277	22,721
Trade payables	19,904	19,904							
Total	520,237	65,569	36,738	23,790	23,336	23,273	46,540	90,892	281,338

Financial liabilities

(€'000)	Balance at31/12/21	3 mths	6 mths	12 mths	18 mths	24 mths	3 years	5 years	>5 years
Current bank borrowings	99,097		312	875	13,649	14,899	33,774	33,838	1,750
Current interest payable		180	209	399	376	326	453	197	7
Other non current financial liabilities	70	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other current financial liabilities	9,994	9,560		434					
Current interest payable		18							
Financial liabilities related to the right-of-use of assets	411,944	14,299	8,978	18,101	18,334	18,582	37,176	76,340	220,134
Non-current interest payable		2,683	2,620	5,061	4,813	4,563	8,368	13,683	15,602
Trade payables	50,602	50,602							
Total	571,707	77,342	12,119	24,870	37,172	38,370	79,771	124,058	237,493

34.3 Market risk

The Group reserves the right to use appropriate hedging instruments if market risks become significant.

a) Interest rate risk

The Group has access to credit lines at competitive rates and is able to manage interest rate fluctuations. Moreover, the Group constantly monitors market conditions in order to intervene promptly should conditions change.

Notes 18 and 25 give the composition of bank borrowings.

The tables below give interest rate sensitivity analyses that show the financial expenses and income that a +/-0.5% change in interest rates would have had on equity and on the income statement for 2020 and 2021.

(€'000)	Total at 31/12/20	Balance * (debt)	Income (expense)	Rate	+0.5%	(0.5)%
Current accounts	20,421	41,049	51	0.12%	254	(156)
Mutual Investments Funds	5,077	5,000	77	1.55%	102	52
Current loans to joint venture	1,370	1,350	18	1.33%	25	11
Current account with the controlling shareholder	(1,313)	(7,429)	(56)	0.75%	(93)	(19)
Current and non-current bank borrowings	(49,018)	(20,631)	(137)	0.66%	(239)	(33)
Other current and non-current financial liabilities	(430)	(430)	-	-	-	-
Financial liabilities related to the right-of-use of assets	(449,572)	(465,028)	(12,689)	2.73%	(15,032)	(10,382)

* average for the financial year

(€'000)	Total at 31/12/21	Balance * (debt)	Income (expense)	Rate	+0.5%	(0.5)%
Current accounts	148,281	75,653	15	0.02%	393	(363)
Mutual Investments Funds	5,797	5,077	720	14.19%	746	695
Current loans to joint venture	2,479	1,988	25	1.26%	35	15
Current account with the controlling shareholder	(9,560)	(11,132)	(83)	0.75%	(139)	(28)
Current and non-current bank borrowings	(99,097)	(82,080)	(1,389)	1.69%	(1,798)	(977)
Other current and non-current financial liabilities	(504)	(430)	-	-	-	-
Financial liabilities related to the right-of-use of assets	(411,944)	(434,258)	(11,836)	2.73%	(14,027)	(9,684)

* average for the financial year

b) Exchange rate risk

The Group operates in different markets worldwide and, therefore, is exposed to market risks from fluctuations in exchange rates.

As in the previous financial year, this risk remained relatively insignificant despite the Group presence in international markets. This is because the Group has no financing in foreign currencies. Exchange rate risk relating to foreign operations is limited as the business in each country has costs and revenues that are in the same currency. The risk is mainly related to intragroup transactions for chargebacks that are part of *cost-sharing agreements*, which give rise to exchange rate risk for the company whose functional currency differs from that in which the intragroup transaction is denominated.

c) Risk of changes in raw material prices

Exposure to this risk factor is described in the section on the Risk of an increase in the price of raw materials/ commodities and scarcity of materials and labour in the Board of Directors' Management Report.

35) Disclosure on guarantees given, undertakings and other contingent liabilities**Guarantees given**

These totalled Euro 4,948 thousand and the breakdown was as follows

- Euro 3,186 thousand for the guarantee issued in favour of SIMEST SpA to guarantee the obligations undertaken with the loan contract requested by the Company from the resources of the Fund referred to in Law 394/81;
- Euro 924 thousand for the guarantee given by the Parent Company to Conserva Holding Srl on behalf of the subsidiary Nolostand SpA for the obligations under the lease agreement for a warehouse;
- Euro 501 thousand for the surety issued to the Tax Authority on behalf of the Parent Company La Fabbrica del Libro SpA liquidated on 10 November 2019 to guarantee the request for VAT refund for tax year 2019;
- Euro 213 thousand for the guarantee given by the Parent Company to the Tax Authority - Milan Internal Revenue Office on behalf of the company La Fabbrica del Libro SpA on 10 November 2019 to cover offsets made as part of Group VAT consolidation.
- Euro 74 thousand for guarantees given against lease agreements of the subsidiary MADE eventi Srl.
- Euro 50 thousand for the guarantee given in favour of Fabbrica Immobiliare SGR SpA to guarantee the rented property relating to the Rome operational headquarters of the Business International division.

Contingent liabilities

There are several pending legal disputes, for which the legal consultant has estimated a potential liability of Euro 960 thousand.

INCOME STATEMENT

36) Revenues from sales and services

This item totalled Euro 129,756 thousand (Euro 73,635 thousand at 31 December 2020).

The breakdown of revenues was as follows:

Revenues from sales and services	(€'000)		
	2021	2020	Change
Fees exhibitors area	39,803	16,746	23,057
Rental of stands, fittings and equipment	35,408	18,235	17,173
Facility fee for use of exhibition area	23,818	19,459	4,359
Revenues from exhibition and congress organisation services	6,036	1,726	4,310
Exhibition site services	5,900	1,682	4,218
Catering and canteen services	4,161	1,745	2,416
Miscellaneous fees and royalties	3,519	4,410	(891)
Advertising space and services	3,091	6,504	(3,413)
Supplementary exhibition services	2,467	676	1,791
Ticket office sales	1,873	183	1,690
Telephone and internet services	1,161	920	241
Access surveillance and customer care services	981	414	567
Editorial product sales	765	33	732
Multimedia and on-line catalogue services	447	53	394
Administrative services	326	154	172
Congress organisation	-	357	(357)
Exhibition insurance services	-	338	(338)
Total	129,756	73,635	56,121

The increase in revenues is due to the resumption of in-person exhibitions and congresses starting from mid-June for exhibitions, and from July for congresses. The upturn in revenues is mainly thanks to the fact that the year was a "biennial odd-numbered year" that included exhibitions such as Host, Sicurezza, Tuttofood and Made Expo, the multi-year EMO and CPHI events, and biennial exhibitions including Vitrum and Made in Steel. All this was thanks to the rescheduling of the exhibition and congress calendar, which postponed the events originally planned for the first half of the year to the second half where possible. In addition, unlike the current year, some exhibitions were held in a reduced form in 2020, including the directly organised HOMI Fashion&Jewels and the hosted exhibitions The Micam autunno and Lineapelle-A new point of view. The long suspension in the first half of the year due to the Covid-19 pandemic led to the cancellation of several important exhibitions (Lineapelle I semester, Milano Unica Spring and The Micam Spring). The postponement of the Transpotec & Logitec biennial exhibition to 2022 should also be noted.

As far as congresses are concerned, two important events on climate change were held at MiCo: Youth4Climate and Pre Cop 26 as well as Driving Ambition in September. Meanwhile in October MiCo hosted World Routes, the aviation industry's foremost event, organised by Informa Markets. In contrast, congress activity was suspended during the same period of 2020.

The item Revenues from sales and services included Euro 1,650 thousand (Euro 4,682 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

37) Cost of materials

This item totalled Euro 1,722 thousand (Euro 1,586 thousand at 31 December 2020).

The breakdown of this entry was as follows:

Cost of materials

	2021	2020	Change
Subsidiary materials and consumables	1,644	1,362	282
Printed materials, forms and stationery	59	77	(18)
Finished goods and packaging	17	16	1
Raw materials	2	138	(136)
Change in inventories of raw materials	-	(7)	7
Total	1,722	1,586	136

38) Costs of services

This item totalled Euro 74,344 thousand (Euro 45,519 thousand at 31 December 2020).

The breakdown of this entry was as follows:

Cost of services

	2021	2020	Change
Equipment hire	13,047	5,491	7,556
Stands and equipment for exhibitions	8,009	5,345	2,664
Maintenance	6,884	6,366	518
Energy costs	6,270	5,434	836
Advertising	4,055	2,761	1,294
Security and gate services	3,991	2,331	1,660
IT services	3,764	2,195	1,569
Technical, legal, commercial and administrative advice	3,730	2,064	1,666
Cleaning and waste disposal	3,483	1,745	1,738
Initiatives promotional to the events	3,455	2,134	1,321
Telephone and internet expenses	1,949	1,608	341
Insurance	1,876	1,884	(8)
Conference and congress services	1,804	352	1,452
Catering services	1,744	702	1,042
Transport	1,686	224	1,462
Technical, legal, commercial and administrative services	1,446	1,104	342
Professional services and various collaborations	1,302	1,188	114
Technical assistance and ancillary services	865	539	326
Commissions and fees	611	858	(247)
Ticketing	279	212	67
Remuneration of Statutory Auditors	265	249	16
Other	3,009	2,353	656
Uses of provisions	(10)	(276)	266
Change in suspended costs for future exhibitions	830	(1,344)	2,174
Total	74,344	45,519	28,825

The item "Cost of services" mainly included costs for managing the exhibition sites during the setting up, running, and dismantling of exhibitions and congresses.

The change is mainly due to the higher volume of activities related to the resumption of in-person exhibition activities starting from mid-June after the prolonged suspension in 2020 due to the Covid-19 pandemic.

Costs of services included Euro 1,651 thousand (Euro 276 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

39) Cost for use of third-party assets

This item totalled Euro 517 thousand (Euro 453 thousand at 31 December 2020) and the breakdown was as follows:

Cost of use of third-party assets		(€'000)	
	2021	2020	Change
Other rent payable	348	148	200
Vehicle hire - service	135	153	(18)
Office equipment and photocopier hire	31	46	(15)
Expenses for exhibition sites	3	106	(103)
Total	517	453	64

The item "Other rents payable" mainly refers to the license to use an exhibition trademark.

40) Personnel Costs

This item totalled Euro 41,489 thousand (Euro 31,852 thousand at 31 December 2020) and the breakdown was as follows:

Personnel costs		(€'000)	
	2021	2020	Change
Salaries	27,059	22,859	4,200
Social Security payments	8,571	7,133	1,438
Defined contribution plan charges	1,574	1,864	(290)
Change in suspended costs for future exhibitions	1,306	(2,301)	3,607
Directors' remuneration	805	906	(101)
Defined benefit plan charges	296	361	(65)
Redundancy incentives	177	162	15
External and temporary employees	86	97	(11)
Seconded employees from subsidiaries	6	10	(4)
Other expenses	1,771	1,128	643
Uses of provisions	(162)	(367)	205
Total	41,489	31,852	9,637

Wages and salaries and related social security contributions increased mainly due to the activation of the Salary Integration Fund (FIS) in the previous year.

The item "Other expenses" includes Euro 736 thousand as costs relating to the "Medium-term Incentive Plan" approved by the Fiera Milano SpA Shareholders' Meeting of 28 April 2021. This plan is an incentive to management to achieve the Company's strategic objectives and align the interests of beneficiaries to those of shareholders. The Plan envisages the assignment to beneficiaries of a certain number of ordinary shares on achieving specific predefined *performance* objectives for 2021-2022 period.

Personnel costs included Euro 4 thousand (Euro 10 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

The breakdown by category of the average number of employees (including those on fixed-term contracts) was as follows:

Breakdown of personnel by category

	2021	2020	Change
Managers	31	31	-
Middle managers and white collar workers	668	704	(36)
<i>of which equity accounted companies:</i>			
Managers	4	4	1
Middle managers and white collar workers	77	83	6
Total personnel	699	735	(36)

41) Other operating expenses

This item totalled Euro 2,942 thousand (Euro 2,467 thousand at 31 December 2020) and the breakdown was as follows:

Other operating expenses

	2021	2020	Change
Other taxes and duties	1,786	1,324	462
Contributions and donations	562	676	(114)
Doubtful receivables	233	407	(174)
Copyright royalties (SIAE)	144	71	73
Gifts and promotional merchandise	72	-	72
Capital losses from tangible asset	8	-	8
Other expenses	370	493	(123)
Uses of provisions	(233)	(504)	271
Total	2,942	2,467	475

The increase in the item "Non-income taxes and taxes" mainly refers to the increase in the variable portion of the waste tax parameterised to higher collection volumes related to the resumption of exhibition activities starting from mid-June.

Other operating expenses included Euro 298 thousand (Euro 230 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

42) Other income

This item totalled Euro 73,146 thousand (Euro 16,875 thousand at 31 December 2020) and the breakdown was as follows:

Other income	(€'000)		
	2021	2020	Change
Contributions to income	63,326	377	62,949
Other recovered costs	918	1,038	(120)
Office rent and expenses	498	571	(73)
Recovery of expenses for seconded employees	427	144	283
Capital gains on non-current assets	67	-	67
Insurance indemnities	36	16	20
Changes in estim. for accruals made in prior years	-	23	(23)
Other income	7,874	14,706	(6,832)
Total	73,146	16,875	56,271

The increase mainly refers to non-recurring public grants of Euro 61,490 thousand, received as a result of the epidemiological emergency due to Covid-19.

In particular, on 21 July, Fiera Milano SpA received a contribution from Simest of Euro 10,000 thousand from the Integrated Promotion Fund to cover fixed costs not covered by profit for the period from 1 March 2020 to 31 December 2020.

Last December, the Parent Company and subsidiaries Fiera Milano Congressi SpA and Made eventi Srl, received Euro 33,417 thousand in contributions from the fund established by Decree Law 34 of 19 May 2020 (converted with amendments by Law 77 of 17 July 2020) for the year 2020, and Euro 18,073 thousand from the fund established by Decree Law 41 of 22 March 2021 (converted with amendments by Law 69 of 21 May 2021) for the year 2021. These contributions were calculated on the reductions in EBITDA incurred during the lockdown periods due to the Covid-19 epidemiological emergency. The following table describes the main details:

(€'000)				
Recipient company	Disbursing institution	Disbursement date	Reference year of covered losses	Amount of grants disbursed
Fiera Milano SpA	Simest	21/07/21	2020	10,000
Fiera Milano SpA	MEF	22/12/21	2020	27,204
Fiera Milano SpA	MEF	23/12/21	2021	13,564
Made eventi Srl	MEF	24/12/21	2021	508
Fiera Milano Congressi SpA	MEF	28/12/21	2020	6,213
Fiera Milano Congressi SpA	MEF	28/12/21	2021	4,001
Total				61,490

The item "Other income", includes the non-recurring income of Euro 5,500 thousand related to the temporary reduction for the year 2021 of the rents for the Rho and Milan exhibition centres and the congress centre. The Parent Company Fondazione Fiera Milano granted this due to the Covid-19 emergency that led to the prolonged suspension of the exhibition sector activities during the current financial year.

The item Other income included Euro 6,264 thousand (Euro 14,913 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

43) Results of equity accounted associates and joint ventures

This entry totalled Euro 1,207 thousand (Euro 532 thousand at 31 December 2020) and referred to the following joint ventures:

- Hannover Milano Global Germany GmHH for Euro 1,586 thousand (Euro 693 thousand at 31 December 2020);
- Ipack Ima Srl for Euro -255 thousand (Euro -262 thousand at 31 December 2020);
- MiCo DMC Srl for Euro -124 thousand (Euro 101 thousand at 31 December 2020).

44) Provisions for doubtful receivables and other provisions

This item totalled Euro 5,925 thousand (Euro -1,278 thousand at 31 December 2020).

Changes in these provisions are shown in the following table:

Provisions for doubtful receivables and other provisions				(€'000)
	2021	2020	Change	
Provisions for doubtful receivables	2	2,595	(2,593)	
Reorganisation of personnel	5,584	-	5,584	
Disputes with personnel	339	84	255	
Other disputes	-	131	(131)	
Write-back of provisions	-	(4,088)	4,088	
Total	5,925	(1,278)	7,203	

Notes 13 and 30 provide further details on changes in the provision for doubtful receivables and provisions for risks for the year.

45) Depreciation and Amortisation

Depreciation of property, plant and equipment and right-of-use assets

This item totalled Euro 42,017 thousand (Euro 42,513 thousand at 31 December 2020).

Details of depreciation are provided in the Explanatory Notes under the item Property, plant and equipment and under Right-of-use assets.

Amortisation of intangible assets

This item totalled Euro 3,195 thousand (Euro 2,248 thousand at 31 December 2020).

Details of amortisation are given in the Explanatory Notes on the item Intangible assets with a finite useful life.

46) Adjustments to asset values

This item amounted to Euro 22 thousand (zero at 31 December 2020).

The breakdown for this item is given in the following table:

Adjustments to asset values				(€'000)
	2021	2020	Change	
Write-downs of Property, Plant and Equipment	22	-	22	
Total	22	-	22	

47) Financial income and similar

This item totalled Euro 1,028 thousand (Euro 274 thousand at 31 December 2020), broken down as follows:

Financial income and similar		(€'000)	
	2021	2020	Change
Fair value measurement of financial assets	720	77	643
Exchange rate gains	203	32	171
Other financial income from <i>joint venture</i>	26	18	8
Interest income on bank deposits	15	51	(36)
Interest income from cautionary deposits related to the rent of the exhibition site	1	5	(4)
Interest income on receivables from the controlling shareholder	-	1	(1)
Other financial income	63	90	(27)
Total	1,028	274	754

Financial income and similar included Euro 27 thousand (Euro 24 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

48) Financial expenses and similar

This item totalled Euro 14,420 thousand (Euro 12,981 thousand at 31 December 2020), broken down as follows:

Financial expenses and similar		(€'000)	
	2021	2020	Change
Interests on financial leasing with the controlling shareholder	11,632	12,512	(880)
Interest on financial leasing	340	177	163
Interest payable on bank accounts	1,399	152	1,247
Charges on discounting defined benefit plans	35	69	(34)
Interest payable on the current account with the controlling shareholder Fondazione Fiera Milano	83	56	27
Exchange rate losses	289	14	275
Fair value measurement of financial assets	152	-	152
Other financial expenses	490	1	489
Total	14,420	12,981	1,439

The change is mainly due to the higher average debt of medium-long term maturities and the financial portion of an administrative penalty, partially offset by the decrease in financial charges on leased assets, referring to the *lease liability* deriving from the application of IFRS 16.

Financial expenses and similar included Euro 11,715 thousand (Euro 12,568 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

49) Income Taxes

Income taxes were Euro -24,365 thousand (Euro -12,873 thousand at 31 December 2020).

Income tax	(€'000)		
	2021	2020	Change
Current income tax	(6,001)	(13,279)	7,278
Deferred income tax	(18,364)	406	(18,770)
Total	(24,365)	(12,873)	(11,492)

Taxes for the year mainly include the effects of the tax realignment of goodwill and exhibition trademarks provided for by Article 110 of Decree Law 104/20 as amended by Article 1, paragraph 83 of Law 178 of 30 December 2020 (2021 Budget Law). The exercise of this right resulted in a benefit of Euro 15,888 thousand, consisting of the recognition of new deferred tax assets for Euro 8,577 thousand, releases of deferred tax liabilities for Euro 9,293 thousand against a cost for substitute tax of Euro 1,982 thousand classified in current taxes.

The breakdown of current taxes at 31 December 2021 was as follows:

Current income tax	(€'000)		
	2021	2020	Change
Current income tax (IRAP)	770	(800)	1,570
Alternative tax realignment	1,982	0	1,982
Other current income tax	(8)	56	(64)
Expenses from tax consolidation	5	-	5
Income from tax consolidation	(8,750)	(12,535)	3,785
Total	(6,001)	(13,279)	7,278

IRAP current taxes refer to the tax relating to the 2019 financial year, the deadline for which has been extended to 30 June 2022.

Income from tax consolidation reflects the income recognised by Fondazione Fiera Milano for the contribution of the IRES tax loss accrued in the current year. This will be paid after it has been offset against the IRES taxable income in the tax consolidation and based on the assessment of its recoverability within the time horizon of the approved plans.

A breakdown of deferred tax assets and deferred tax liabilities is given in the following table:

Deferred income taxes						(€'000)
	31/12/20	Recognised in the Income Statement	Recognised in equity	Other	Exchange rate effect	31/12/21
Deferred tax assets						
Excess amortisation, depreciation and write-downs	1,164	(48)	-	-	-	1,116
Provisions for risks and charges	271	1,285	-	(99)	2	1,459
Doubtful receivables	1,320	(643)	-	-	-	677
Assets tax realignment	-	8,147	-	-	-	8,147
Tax losses carried forward	921	(213)	-	-	-	708
Other temporary differences	3,248	490	85	-	-	3,823
Total	6,924	9,018	85	(99)	2	15,930
Deferred tax liabilities						
Goodwill amortisation and deferred taxes on acquisition of intangible assets	14,458	(39)	-	-	7	14,426
Assets tax realignment	-	(9,293)	-	-	-	(9,293)
Other temporary differences	443	(14)	-	-	-	429
Total	14,901	(9,346)	-	-	7	5,562
Net deferred income taxes	(7,977)	18,364	85	(99)	(5)	10,368
<i>of which: Deferred tax assets</i>	3,283					14,011
<i>Deferred tax liabilities</i>	11,260					3,643

Deferred taxes for the year totalled Euro -18,364 thousand and represent the balance of deferred tax assets (Euro -9,018 thousand) and deferred tax liabilities (Euro -9,346 thousand).

The change in deferred taxes is mainly due to the effects of the tax realignment of goodwill and exhibition trademarks as already commented on under "Income taxes". It should be noted that deferred tax assets relating to the tax realignment amounting to Euro 8,577 thousand were used at the end of the year for Euro 430 thousand.

Reconciliation of theoretical and effective corporation tax charge (IRES)

	(€'000)
Consolidated profit/(loss) before income tax	18,544
Percentage applicable for corporation income tax (IRES)	24%
Theoretical IRES tax charge (corporation income tax)	4,451
Difference between theoretical and effective tax charges:	
Tax realignment goodwill and exhibition trademarks	(13,057)
Covid-19 emergency tax-free public grants	(14,760)
Non-deductible write-downs of equity investments	155
ACE benefit	(13)
Other	809
Effective IRES tax charge	(22,415)

Reconciliation of theoretical and effective corporation tax charge (IRAP)

	(€'000)
EBIT	31,936
IRAP tax irrelevant costs	46,185
Consolidated taxable base for purposes of IRAP	78,121
Statutory rate applicable for corporation income tax (IRAP)	3.9%
Theoretical IRAP tax charge (corporation income tax)	3,047
Difference between theoretical and effective tax charges:	
Negative tax base base	848
Covid-19 emergency tax-free public grants	(2,398)
Tax wedge effects	(1,274)
Tax realignment goodwill and exhibition trademarks	(2,831)
2019 IRAP with due date extended to 30 June 2022	770
Non-deductible provisions	(111)
Effective IRAP tax charge	(1,949)

The item Income taxes included Euro -8,745 thousand (Euro -12,535 thousand at 31 December 2020) for related-party transactions. For more details, see note 53 on these transactions.

50) Profit/(loss) from discontinued operations

Profit from discontinued operations amounted to Euro 1,172 thousand, and refers to the sale of the "Testate editoriali" business unit.

51) Net profit (loss) for the year attributable to shareholders of the controlling entity

Group profit at 31 December 2021 was Euro 44,359 thousand compared to a loss of Euro 33,943 thousand at 31 December 2020.

52) Earnings per share

In 2021 earnings per share was Euro 0.6192 compared to Euro -0.4752 for the year ended 31 December 2020, calculated by dividing the net profit (loss) by the weighted average number of Fiera Milano SpA shares outstanding during the year.

	2021	2020
Profit/(loss) (€'000)	44,359	(33,943)
Average no. of shares in circulation ('000)	71,644	71,428
Basic earnings/(losses) per issued share (€)	0.6192	(0.4752)
Earnings/(losses) per fully diluted no. of shares (€)	0.6192	(0.4752)

The value used as the numerator to calculate basic and profit (loss) and diluted profit (loss) per share was Euro 44,359 thousand at 31 December 2021 (Euro -33,943 thousand at 31 December 2020).

The weighted average number of ordinary shares used to calculate basic earnings (losses) per share and diluted earnings (losses) per share, with a reconciliation of the two figures, is shown in the following table:

('000)	2021	2020
Weighted average no. of shares used for calculation of EPS	71,644	71,428
+ Potential no. of shares issued without payment	-	-
Weighted average no. of shares used to calculate diluted EPS	71,644	71,428

During the year, no financial instruments were issued, including shares that could potentially be issued and that could dilute future basic earnings per share, and there have been no transactions involving the ordinary shares or ordinary shares to be issued in the future since the end of the reporting period.

53) Related-party transactions

Transactions carried out by companies that are part of the Group and with other related parties are normally carried out at market conditions.

As part of its corporate governance, on 16 June 2021, Fiera Milano SpA approved the revision of the procedure on related-party transactions, which became effective as from 1 July, as described in the section on "Corporate governance and ownership structure" of the annual financial statements, to which reference is made.

The commercial relations between the companies of Fiera Milano Group concern the organisation and management of exhibitions and other events managed by the Group. Fiera Milano SpA provides administrative services to some subsidiaries in order to optimise the use of personnel and professional competences and also provides communication services to subsidiaries to ensure a uniform Group image.

All the Italian subsidiaries, except for MADE eventi Srl, as consolidated companies, also opted for the Italian tax consolidation for IRES tax purposes with a compulsory duration of three years.

The adoption of the tax consolidation system gives the Fiera Milano Group an undoubted economic and financial advantage, in particular due to the possibility of immediately using the Group's tax losses realised in years applicable under the scheme to offset the income of the consolidated companies, thereby immediately realising tax savings deriving from the use of these losses.

Internal legal relations between the companies participating in the tax consolidation are governed by a regulation which also envisages a standard procedure for correct compliance with tax obligations and the associated responsibilities of the participating companies.

In the Statement of Financial Position, the Statement of Comprehensive Income and the Statement of Cash Flows, the amounts for related-party positions or transactions, if material, are shown separately. Given the total amount of statement of financial position and income statement items, Fiera Milano Group has decided that Euro 2 million is the material threshold above which separate disclosure must be made in the Statement of Financial Position and Euro 1 million is that for separate disclosure in the Income Statement.

Detailed information on related-party transactions is provided below and is divided between Related-party Transactions with the Controlling Shareholder Fondazione Fiera Milano and Transactions with Related Parties that are not Consolidated.

Related-party transactions with the controlling shareholder Fondazione Fiera Milano

Recurring related-party transactions are summarised below.

I. Real estate lease agreements with Fiera Milano SpA

As described below, on 31 March 2014, new lease agreements were signed for the exhibition sites of Rho and Milan. These contracts were effective from the second half of 2014.

On 18 January 2003, Fiera Milano SpA signed a lease agreement with Fondazione Fiera Milano for the Rho exhibition site. The same agreement established the terms of the lease for the Milan City site, giving an effective date of 1 January 2006 in the contracts for both exhibition sites.

Initially, cancellation of the contracts had to be notified eighteen months prior to the expiry of the contracts on 31 December 2014. On 31 March 2014, new rental agreements for the Rho and Milan exhibition sites were signed. The new rental agreements are for nine years effective from 1 July 2014 (following the agreed early termination of the existing lease agreements due to expire on 31 December 2014) and are automatically renewable for a further nine years.

Under the rental agreement for the Rho exhibition site, compared to the previous agreement that was valid until 30 June 2014, the rent was reduced by Euro 2,000 thousand in the second half of 2014 and by Euro 14,000 thousand for the full year 2015 and for each subsequent year of the agreement. Therefore, the rent for the second half of 2014 was Euro 24,400 thousand and Euro 38,800 thousand from 2015 and for each subsequent year of the agreement annually adjusted for 100% of the change in the ISTAT consumer price index.

For the Milan City exhibition site, the parties, with the 2014 renewal, initially agreed to maintain the rent of Euro 2,850 thousand per annum, annually adjusted for 100% of the change in the ISTAT consumer price index. Subsequently, on 8 May 2019, Fiera Milano reached an agreement amending rent, which, with effect from 1 June 2019, provided for a reduction of Euro 1,500 thousand a year and the exclusion of some of the Milan exhibition site, mainly used as parking areas. For this reduction, starting from 1 June 2019, Fiera Milano will make an annual lease payment of Euro 1,413 thousand, index-linked 100% to changes in the ISTAT index, in four quarterly instalments, to Fondazione Fiera Milano.

According to the terms described above, the amendment to the lease agreement constitutes a substantial change of a Transaction of Greater Importance between related parties. Therefore, the transaction was approved on 8 May 2019 - pursuant to Art. 9.1 of the Related Parties Procedure - by the Company's Board of Directors, subject to obtaining the Control, Risks and Sustainability Committee's favourable reasoned opinion on 7 May 2019. Under the provisions of prevailing law, an Information Document drawn up in accordance with Art. 10.2 of the Related Parties Procedure and Consob Regulation No. 17221/2010 has been filed and made available to the public at the registered office and at Fiera Milano's operational and administrative offices, on the website and on the authorised storage mechanism. With particular regard to the procedure above, please note that Fiera Milano is a smaller listed company and, as such, benefits from the exemption granted pursuant to Art. 10, paragraph 1, of Consob Regulation 17221/2010.

To ensure that market conditions were applied, the parties prepared the rental agreements using valuations made for Fiera Milano SpA by an independent expert.

Temporary reduction of rents with Fiera Milano SpA due to the Covid-19 emergency

On 20 December 2021, the Group and Fondazione Fiera Milano signed agreements concerning certain amendments to the existing lease agreements between the same parties, respectively as lessee and lessor, for the Rho and Milan exhibition centres. In light of the Covid-19 pandemic emergency, which, due to force majeure, led to the prolonged suspension of the exhibition sector's activities during the current financial year, the parties agreed to a temporary reduction in the rents for the Rho and Milan exhibition centres for the year 2021, deeming them too onerous. They also agreed to the extension to the whole of 2021 and 2022 of the deferred payment of the quarterly instalments of the rents provided for in the Lease Contracts already agreed for the previous year starting from 31 March 2020.

The total reduction amounts to Euro 5,054 thousand.

The amendments to the aforementioned leases qualify as Significant Transactions pursuant to the Related Parties Procedure and Consob Regulation 17221/2010, thus amending a Significant Transaction between related parties. Pursuant to Article 9.1 of the Company's Related Party Procedure, the transaction was then approved by the Board of Directors on 20 December 2021, having obtained the favourable reasoned opinion issued (on the same date) by the Control, Risks and Sustainability Committee. On the same date, the Information Document drafted pursuant to Article 10.2 of the Related Parties Procedure and Consob Regulation No. 17221/2010 was filed and made available to the public at the registered office and at Fiera Milano's operational and administrative offices, on the Company's website and on the authorised storage mechanism. Concerning the above-mentioned procedure, please note that Fiera Milano is a smaller listed company and that, as such, it benefits from the exemption granted under Article 10, paragraph 1, of Consob Regulation 17221/2010. Therefore, without prejudice to public disclosure obligations, the same controls envisaged under the Procedure for Transactions of Lesser Importance are applied to Transactions of Greater Importance.

The reductions made were accounted for in accordance with IFRS 16 *Leases*, as amended, with a direct impact on the income statement under 'Other income', as described in more detail in Chapter 1.2 'Accounting standards and criteria used to prepare the Financial Statements'. This income refers to non-recurring transactions and is shown separately in the relevant item.

II. Real estate lease agreement with Fiera Milano Congressi SpA

On 24 January 2000, Fondazione Fiera Milano signed a contract with Fiera Milano Congressi SpA, valid until 31 December 2012, relating to the availability of part of former Pavilion 17 in the Milan City site. On 15 March 2005, this contract was updated to reflect the expansion of the congress centre activities. The new agreement between the controlling shareholder Fondazione Fiera Milano and Fiera Milano Congressi SpA was valid until 30 June 2011 and renewable until 30 June 2017. Fondazione Fiera Milano, in a letter dated 9 February 2016, chose not to cancel the contract by 30 June 2016 and, therefore, the contract was automatically renewed until 30 June 2023.

Under the existing contract, Fiera Milano Congressi SpA pays an annual fixed rent equal to Euro 350 thousand (revalued annually by ISTAT) plus a variable fee of 5% on the excess of revenues with respect to a minimum threshold of turnover generated on the leased area.

Concerning the lease of pavilions 5 and 6 within the Milan City site, on 18 May 2009, Fondazione Fiera Milano signed a preliminary contract with Fiera Milano Congressi SpA to build the new congress centre that was inaugurated in May 2011 and that together with the congress areas of Pavilion 17 was called MiCo – Milano Congressi. The final lease agreement of the area called 'South Wing' (former pavilions 5 and 6) started on 1 May 2011, with a term of nine years, and is automatically renewable for a further nine years unless terminated by one of the parties. The annual fixed rent is Euro 3,000 thousand with a variable component of 5% of revenues realised by Fiera Milano Congressi SpA in the centre that exceeded the revenue targets for the periods of the 2011–2014 industrial plan only. The rent is adjusted annually by an amount equal to 100% of the change in the ISTAT index for the previous year. Under the contract there was a reduction in the full rent for the first four years of the contract. In particular, the rent for the first year of the lease was agreed to be Euro 750 thousand and to increase this amount by Euro 750 thousand in the following three years until the full quota of the rent was reached, equal to Euro 3,000 thousand. Once the full quota of the fixed rent was reached, no variable component of rent has been payable since 2015.

On 30 July 2021, an agreement was signed by which the Parent Company subletted the Internal Hub (pavilions 3 and 4) to Fiera Milano Congressi for congress purposes. This Agreement will have a duration of six years from 1 September 2021 and will be automatically renewed for another six years unless cancelled with notification sent to the other party by registered letter at least 18 months before the expiry of each contractual deadline.

Temporary reduction of rents with Fiera Milano Congressi SpA due to the Covid-19 emergency

On 20 December 2021, the Group and Fondazione Fiera Milano signed agreements concerning certain amendments to the existing lease agreements between the same parties, respectively as lessee and lessor, for the Rho and Milan exhibition centres. In light of the Covid-19 pandemic emergency, which, due to force majeure, led to the prolonged suspension of the congress sector's activities during the current financial year, the parties agreed to a temporary reduction in the rents for the Milan congress centres for the year 2020, deeming them too onerous. They also agreed to the extension to the whole of 2021 and 2022 of the deferred payment of the quarterly instalments of the rents provided for in the Lease Contracts already agreed for 2022.

The amount of the reduction, for 2021, is equal to Euro 446 thousand.

The reductions made were accounted for in accordance with IFRS 16 Leases, with a direct impact on the income statement under 'Other income', as described in more detail in Chapter 1.2 'Accounting standards and criteria used to prepare the Financial Statements'. This income refers to non-recurring transactions and is shown separately in the relevant item.

The amendments to the above leases qualify as Transactions of Greater Importance under the Related Parties Procedure and Consob Regulation 17221/2010. For further details, please refer to the paragraph 'Temporary reduction of rents with Fiera Milano SpA due to the Covid-19 emergency'.

III. Settlement of Group VAT

Taking advantage of the option provided by Italian Presidential Decree 633/72, the Group chose to follow the procedure, managed by the controlling entity, Fondazione Fiera Milano, for the Group settlement of VAT. This mechanism makes it easier to settle any tax obligations, without incurring additional costs.

IV. Group tax consolidation with the controlling shareholder Fondazione Fiera Milano

In 2016, Fiera Milano SpA and some of the Italian subsidiaries did not renew the option to participate in the tax consolidation of Fiera Milano SpA and opted instead to participate in the tax consolidation of Fondazione Fiera Milano acting as the consolidating entity. This option was renewed for the three years 2019, 2020 and 2021.

The Regulation adopted for the tax consolidation of Fondazione Fiera Milano provides that the tax losses of consolidated companies, generated in each of the years that the option is valid, may be utilised to offset the tax payables in the same financial year of companies participating in the tax consolidation, after the tax losses of Fiera Milano SpA and the consolidating entity have been calculated; the tax losses of consolidated companies are remunerated to the extent of the effective benefit achieved by the tax consolidation.

V. Contract for supply of services

Fiera Milano SpA has an annual contract with Fondazione Fiera Milano for the reciprocal supply of services, which arise from or are necessary for the exercise of their respective activities. The contract is renewed annually unless cancelled by a written agreement between the parties.

The contract provides for the reciprocal supply of two kinds of services: (i) services of a general nature, which fall within the range of activities of the entity providing them, supplied to the buyer on a continuous and systematic basis; (ii) specific services, or services provided on request and relating to specific activities to be agreed from time to time between the buyer and the supplier, also based on appropriate offers/estimates. The service supply contract is governed by market conditions.

VI. Licence contracts for use of the Fiera Milano trademark

On 17 December 2001, Fondazione Fiera Milano, as owner of the "Fiera Milano" trademark granted Fiera Milano SpA an exclusive licence for the use of the said brand name in order to typify its own activities, also through its use on headed paper, on its commercial material, and to differentiate its headquarters and offices. The licence has been granted for Italy and all countries and locations where the trademark has been or will be registered or lodged.

The symbolic consideration paid by Fiera Milano SpA to Fondazione Fiera Milano is Euro 1.00. As its corporate purpose includes development of the exhibition sector, Fondazione Fiera Milano decided to retain ownership of

the Fiera Milano trademark and did not include it in the 'Exhibition Management Business' unit transferred to the Parent Company in 2001, but envisaging that Fiera Milano would use the trademark for an extended period of time and without incurring costs for its use.

This licence is renewed year after year until 31 December 2032.

VII. Current account between Fiera Milano SpA and Fondazione Fiera Milano

On 24 June 2016, effective from 1 July 2016, a new contract for the current account was agreed. The contract expires on 31 December of each year and is automatically renewed unless one of the parties cancels by the 30 September preceding the date of expiry.

Under the existing contract, by mutual consent the parties agreed to cancel the previous current account before replacing it with a new current account.

The parties use the account to settle receipts and payments under the contracts existing between them and, in particular, the rental payments for the exhibition sites and the services provided by each party to the other.

The fixed rate was equal to the 1-month Euribor plus a spread of 0.75%.

Credits for invoices issued by the parties accrue interest sixty days from the end of the month in which the invoice is issued although the interest is not be collected and remains unavailable until the current account is closed, except for invoices that are overdue by more than 180 days, which are always payable immediately.

Invoices for the rent of the exhibition sites are part of the agreement but carry interest and are payable under the leases' specific terms. The balance of any invoices overdue by at least 180 days, together with the balance of the invoices for the leases on the exhibition sites that are due under the terms of the relevant contracts, represent the collectable balance.

Credits that are not due for repayment are not included in the current account.

The party for which the credit or debit balance exceeds Euro 5,000 thousand has the right to request payment or to arrange payment. Where a request for payment of the balance has been made, the amount must be settled within 15 working days of the request.

The current account is closed and all interest paid every quarter.

VIII. "Corporate Think Tank" investment plan

On 14 May 2018, Fondazione Fiera Milano, as part of the plan for the competitiveness and sustainability of exhibition and congress sites, signed an agreement with Fiera Milano SpA and Fiera Milano Congressi SpA through which it undertakes to support important investment projects. The parties developed their cooperation by establishing a 'Corporate Think Tank' for the joint analysis, comparison, and assessment of how investments are made. The parties agree that for the coordination and high supervision of the investment activities of Fondazione Fiera Milano, it will pay Fiera Milano SpA and Fiera Milano Congressi SpA a fee at market value equal to 4% of the total value of the related investments.

IX. Real estate sublease agreements

On 21 March 2019, pursuant to Article 5 of Consob Regulation 17221 of 12 March 2010 as amended on Related-Party Transactions, Fiera Milano published the Information Document on agreements relative to the sub-leasing of the roofing of exhibition spaces at Rho-Però for the construction of a photovoltaic system and the related contract to purchase renewable energy, entered into with Fair renew S.r.l., whose share capital is held by A2A Rinnovabili S.p.A. (60%), a company of the A2A Group, and by Fondazione Fiera Milano (40%).

Related-party transactions with joint ventures

On 29 November 2021, the *joint venture* Hannover Milano Global Germany GmbH, owned by Fiera Milano SpA and Deutsche Messe AG, approved the 2020 Financial Statements and approved a dividend distribution of Euro 4,330 thousand. The portion pertaining to the Fiera Milano Group amounting to Euro 1,906 thousand was collected in December 2021.

On 21 February 2016, Fiera Milano SpA and Ipack-Ima Srl, a company in *joint venture* with UCIMA, signed an annual financing agreement for a maximum of Euro 3,000 thousand that is automatically renewed; the interest rate on the financing is 1.30%. At 31 December 2021, the financing had not been used for an amount equal to Euro 2,400 thousand.

Ipack-Ima Srl also has commercial relations with the Group for the two multi-year exhibitions (Ipack-Ima and Meat-Tech) organised by the Company and uses the centralised management of some administrative and technical services.

On 4 December 2018, the *governance* agreements was amended concerning MiCo DMC Srl with the partner AIM Group International Spa defining more sharing in the activity's management choices. When applying IFRS 11 these agreements qualify the company as a *joint venture* and, starting from 31 December 2018, determine the measurement of the shareholding with the equity method in place of line-by-line consolidation.

Relations with the Group are associated with the remainder of the ten-year loan granted by the controlling entity Fiera Milano Congressi SpA on 18 May 2015 for the nominal sum of Euro 50 thousand at a rate of 3% and with the provision of *destination management* logistics services.

Transactions with other related parties

The main transactions are:

- liabilities in respect of Federlegno Arredo Eventi SpA and Federlegno Arredo following the transfer of employees from MADE eventi Srl during 2019. In view of this transfer, the Company recorded a payable corresponding to the payments accrued by employees;
- revenues and operating expenses for Fiera Parking SpA, a company wholly owned by Fondazione Fiera Milano. On 5 July 2018 Fiera Milano SpA signed a contract with Fiera Parking SpA to entrust the management of the carparks to the **fieramilanocity** central exhibition service. The contract is for seven years, starting from 1 September 2018.

Transactions with related parties that are not consolidated are shown in the following table.

Related party entries in the Statement of Financial Position and Income Statement in the financial year to 31 December 2021

(€'000)

	Increments of Right-of-use assets	Non-current financial assets	Trade and other non-current receivables	Trade and other current receivables	Inventories	Current financial assets	Non-current Financial liabilities related to the right-of-use of assets	Advances	Current financial liabilities related to the right-of-use of assets	Other Current financial liabilities	Other current liabilities	Revenues from sales and services	Cost of services	Personnel Costs	Other operating expenses	Other income	Financial income and similar	Financial expenses and similar	Income tax	
Controlling shareholder																				
Consociate and other Group companies																				
Fondazione Fiera Milano	301		31,852	2,417			367,703		39,821	9,560	104	940	164		224	5,872	1	11,715	(8,745)	
Companies under joint control																				
Ipack Ima Srl				55	25	2,409		1,339			240	597	83	4		255	24			
MiCo DMC Srl		50		47		20					448	41	1,404		15	134	2			
Other related parties																				
Federlegno Arredo				1							74									
Federlegno Arredo Eventi SpA											40									
Fiera Parking SpA				8							59	72			59	3				
Hannover Milano Fairs China LTD											3									
Total related parties transactions	301	50	31,852	2,528	25	2,429	367,703	1,339	39,821	9,560	968	1,650	1,651	4	298	6,264	27	11,715	(8,745)	
Total reported	-	5,847	31,961	31,130	3,354	2,429	370,568	35,992	41,376	9,994	22,744	129,756	74,344	41,489	2,942	73,146	1,028	14,420	(24,365)	
% Rel. party transactions/Total reported	-	1%	100%	8%	1%	100%	99%	4%	96%	96%	4%	1%	2%	-	10%	9%	3%	81%	36%	

Information on the remuneration paid to the Administrative and Control Bodies, General Managers and Executives with strategic responsibilities at 31 December 2021 is given in the table included in the section 'Other information'.

Statement of related party cash flow

(€'000)

	2021	2020
Cash flow from operating activities		
Revenues and income	7,914	19,595
<i>of which non recurring transactions</i>	5,500	14,000
Costs and expenses	(1,953)	(516)
Financial income	27	24
Financial expenses on leased assets (IFRS 16)	(11,632)	(12,512)
Financial expenses	(83)	(56)
Losses/income from tax consolidation	8,745	12,535
Changes in trade and other receivables	(2,329)	(17,019)
Changes in inventories	115	67
Change in advances	568	553
Change in other current liabilities	515	(7,985)
Total	1,887	(5,314)
Cash flow from investment activities		
Investments in non-current activities		
. Tangible and intangible	-	-
. Other non-current assets	-	-
Total	-	-
Cash flow from financing activities		
Change in current financial assets	(1,109)	-
Change in current financial liabilities	8,247	864
Change in current financial liabilities related to the right-of-use of assets	(36,693)	(24,483)
Total	(29,555)	(23,619)
Cash Flow in the period	(27,668)	(28,933)

The table below shows cash flow from related party transactions:

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities
FY to 31.12.21:			
Total	111,999	(4,512)	19,150
Related party transactions	1,887	-	(29,555)
FY to 31.12.20:			
Total	(54,358)	(2,193)	9,237
Related party transactions	(5,314)	-	(23,619)

54) Other information

Material non-recurring events and transactions

The significant non-recurring transactions that took place during the year, indicated pursuant to Consob Resolution no. 15519 of 27 July 2006, refer to the contribution of Euro 10,000 thousand from SIMEST, from the Fund for Integrated Promotion to compensate for fixed costs not covered by profits as well as the contributions of Euro 33,417 thousand from the fund established by Decree Law 34 of 19 May 2020 (converted with amendments by the Law 77 of 17 July 2020) for the year 2020, and Euro 18,073 thousand from the fund established by Decree Law 41 of 22 March 2021 (converted with amendments by Law 69 of 21 May 2021) for the year 2021. These contributions were received as aid for the reductions in EBITDA caused by the Covid-19 pandemic in the financial years 2020 and 2021.

In addition, the Parent Company Fondazione Fiera Milano granted a temporary reduction in the rents of the Rho and Milan exhibition centres for the year 2021 equal to Euro 5,500 thousand. For the effects that these transactions have on capital, economic and financial situation, please refer to note 53 Relations with related parties.

These benefits are recognised under Other income.

Transactions relating to atypical and/or unusual operations

In compliance with the Consob Communication of 28 July 2006, it is stated that no unusual and/or atypical operations were carried out by the Group in 2020 as defined in the aforementioned Communication.

Information required pursuant to Italian Law 124/2017

Pursuant to Law 124/2017 there are no contributions to report.

Significant events after the end of the reporting period

In late November 2021, the emergence and rapid spread of Omicron - the most contagious variant since the start of the Covid-19 pandemic - once again introduced an element of uncertainty to international mobility, prompting exhibition organisers to reschedule events in the first half of the year to later dates, in order to allow international exhibitors and buyers to attend.

Specifically, the Group-owned exhibitions were rescheduled, including Bit (postponed from February to April), Transpotec Logitec (from January to May), Homi (from January to March), and also to hosted exhibitions such as Salone del Mobile (from April to June), Mido (from February to May) and Mostra Convegno Expocomfort (from March to the end of June). In any case, this rescheduling concerns the year 2022 and at present there are no postponements to later years, nor cancellations.

Among the significant initiatives adopted by the Government, it is worth mentioning the Covid Decree of 2 February 2022, which encourages the return of non-EU visitors by recognising the vaccination status of their country of origin, plus a swab test if the certificate does not conform to the Italian requirement.

Finally, mention should be made of the possible effects that the recent conflict in Ukraine may have on the business and on the prices of raw materials and commodities, as stated in the sections on "Risks related to the general economic context, evolution and competitiveness of the exhibition market" and "Risk of an increase in the price of raw materials and scarcity of materials and labour" in the part of the report on the main risk factors to which the Group is exposed.

Remuneration of the Administrative and Control Bodies, General Managers and Executives with strategic responsibilities

Executives with strategic responsibilities are those that have the power and responsibility, both direct and indirect, for the planning, management and control of the Group activities.

The Group Executives with strategic responsibilities are the Directors, the Statutory Auditors and the *Chief Financial Officer* and *Chief Revenue Officer* of the Parent Company.

The total remuneration of this category of executives was Euro 2,932 thousand in the period to 31 December 2021 (Euro 1,555 thousand at 31 December 2020) and the breakdown was as follows:

(€'000)

Remuneration	2021		
	Directors	Statutory Auditors	Others
Short-term benefits	612	164	1,341
Post-employment benefits	-	-	79
Other non current benefits	-	-	-
Staff-leaving indemnities	-	-	-
Cost related "Medium-term Incentive Plan"	-	-	736
Total	612	164	2,156

(€'000)

Remuneration	2020		
	Directors	Statutory Auditors	Others
Short-term benefits	642	172	505
Post-employment benefits	-	-	46
Other non current benefits	-	-	-
Staff-leaving indemnities	-	-	190
Cost related "Medium-term Incentive Plan"	-	-	-
Total	642	172	741

At 31 December 2021, the outstanding amount payable to this category was Euro 641 thousand (Euro 198 thousand at 31 December 2020).

Information under Article 149-duodecies of the Consob Issuers' Regulation

The fees paid for services provided by the independent auditors in 2021 are shown in the table on the following page.

(€'000)

Service provided	Company providing the service	Client	Fees for financial year 2021
Auditing	EY SpA	Parent Company - Fiera Milano SpA	237
Auditing	EY SpA	Subsidiaries	111
Auditing	Network EY	Subsidiaries	33
Other services ⁽¹⁾	EY SpA	Parent Company - Fiera Milano SpA	20
Other services ⁽²⁾	EY SpA	Parent Company - Fiera Milano SpA	42
Other services ⁽³⁾	EY SpA	Parent Company - Fiera Milano SpA	20
Other services ⁽⁴⁾	EY SpA	Subsidiaries	38
		Total	501

⁽¹⁾ Agreed procedures

⁽²⁾ Review of ISA 805 - Government subsidies

⁽³⁾ Limited review of non-financial statement

Rho (Milan), 15 March 2022

on behalf of the Board of Directors

The Chairman

Carlo Bonomi

Attachment 1

List of companies included in the consolidation area and other investments at 31 December 2021

Company name and registered office	Main activity	Share capital (000) ⁽¹⁾	Shareholding %			Shareholding of Group companies %
			Group total	Directly held by Fiera Milano	Indirectly held through other Group companies	
A) Parent Company						
Fiera Milano SpA Milano, p.le Carlo Magno 1	Organisation and hosting of exhibitions in Italy	42,445				
B) Fully consolidated companies						
Fiera Milano Congressi SpA Milano, p.le Carlo Magno 1	Management of congresses	2,000	100	100	100	Fiera Milano SpA
Nolostand SpA Milano, p.le Carlo Magno 1	Stand fitting services	7,500	100	100	100	Fiera Milano SpA
MADE eventi Srl Rho (Milano), strada Statale del Sempione n. 28	Organisation of exhibitions in Italy	1,100	60	60	60	Fiera Milano SpA
CIPA Fiera Milano Publicações e Eventos Ltda São Paulo, Avenida Angélica, n° 2491, Conjunto 204, Bairro Consolação	Organisation of exhibitions outside of Italy	R \$ 97,981	100	99.99	99.99	Fiera Milano SpA
Fiera Milano India Pvt Ltd ** New Delhi, Barakhamba Road, Connaught Place	Organisation of exhibitions outside of Italy	INR 20,000	99.99	99.99	99.99	Fiera Milano SpA
Fiera Milano Exhibitions Africa Pty Ltd Cape Town, 4th Floor, Brewster Building - 77 Hout Street	Organisation of exhibitions outside of Italy	ZAR 0.6	100	100	100	Fiera Milano SpA
C) List of jointly controlled companies equity-accounted						
Hannover Milano Global Germany GmbH Hannover Germany, Messegelaende	Organisation of exhibitions outside of Italy	25	49	49	49	Fiera Milano SpA
Hannover Milano Fairs Shanghai Ltd Shanghai China, Pudong Office Tower	Organisation of exhibitions outside of Italy	USD 500	49		100	Hannover Milano Global Germany GmbH
Hannover Milano Fairs China Ltd Hong Kong China, Golden Gate Building	Organisation of exhibitions outside of Italy	HKD 10	49		100	Hannover Milano Global Germany GmbH
Hannover Milano Fairs India Pvt. Ltd East Mumbai, Andheri	Organisation of exhibitions outside of Italy	INR 274,640	48.99		99.99	Hannover Milano Global Germany GmbH
Hannover Milano Best Exhibitions Co., Ltd Guangzhou China, West Tower, Poly World Trade Center	Organisation of exhibitions outside of Italy	RMB 1,000	24.99		51	Hannover Milano Fairs Shanghai Co. Ltd
Hannover Milano XZQ Exhibitions Co., Ltd Shenzhen China	Organisation of exhibitions outside of Italy	RMB 100	29.40		60	Hannover Milano Fairs Shanghai Co. Ltd
Ipack Ima Srl Rho, S.S. del Sempione km.28	Organisation of exhibitions in Italy	20	49	49	49	Fiera Milano SpA
MiCo DMC Srl Milano, p.le Carlo Magno 1	Management of congresses	10	51		51	Fiera Milano Congressi SpA
D) List of companies accounted at cost						
Comitato Golden Card Cinisello Balsamo, viale Fulvio Testi 128	Other activities	3	33.33	33.33	33.33	Fiera Milano SpA
Convention Bureau Italia Srl Firenze, piazza Adua 1	Other activities	8	2		2	Fiera Milano Congressi SpA
Associazione Milano&Partners Milano	Other activities	50				Fiera Milano Congressi SpA

⁽¹⁾ in euro o altra valuta come specificamente indicato.

⁽²⁾ Società in liquidazione.

Declaration relating to the Consolidated Financial Statements in accordance with Article 154-bis, paragraph 5, Legislative Decree 58 of 24 February 1998

1. The undersigned, Luca Palermo, as CEO, and Andrea Maldi, as Financial Reporting Officer of Fiera Milano SpA, having noted the provisions of Art. 154-bis, paragraphs 3 and 4, Legislative Decree 58 of 24 February 1998, attest to:
 - the appropriateness in relation to the characteristics of the business and
 - the effective application of administrative and accounting procedures for preparation of the consolidated financial statements at 31 December 2021.

2. It is also declared that:
 - 2.1 the Consolidated Financial Statements at 31 December 2021:
 - have been prepared in accordance with applicable international accounting standards recognised by the European Union in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - correspond to the results contained in the accounting records and documents;
 - provide a true and correct representation of the capital, economic and financial situation of the Issuer and all the companies included in the consolidation.
 - 2.2 the report on operations includes a reliable analysis of the performance and results of operations and the situation of the Issuer and of the entities included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Rho (Milan), 15 March 2022

Signed
Chief Executive Officer
Luca Palermo

Signed
**Financial Reporting Officer responsible for drafting
of corporate accounting documents**
Andrea Maldi

Independent Auditor's Report



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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Fiera Milano S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Fiera Milano Group (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Fiera Milano S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



We identified the following key audit matters:

Key Audit Matter	Audit Response
<p>Impacts of Covid-19 and evaluation of the assumption of going concern</p>	<p>The audit procedures in response to the key audit matter, among other things, include:</p> <p>(i) the analysis of the reasonableness of the key assumptions of the 2022-2026 economics and financials projections approved by the Board of Directors on 25 February 2022 and the understanding of the elements underlying the assessment of the directors regarding the assumption of going concern;</p> <p>(ii) the analysis of the differences between the forecasted data 2021 contained in the 2021-2025 Strategic plan and the actual data for the year 2021 and the analysis of the differences between the forecasted data of the 2022-2026 economic and financial projections and the data of the corresponding periods estimated in the 2021-2025 Strategic plan;</p> <p>(iii) the assessment of the ability of the Company and the Group to meet their financial commitments over the 12 months following the balance sheet date;</p> <p>(iv) the examination of the events that occurred after the close of the financial year.</p> <p>Finally, we verified the adequacy of the information provided in the explanatory notes to the financial statements, including that relating to events after the end of the financial year, and the consistency of the information provided in the management report regarding this aspect.</p>
<p>At 31 December 2021 the equity of the Group, including the profit for the year equal to euro 44.3 million, amounts to euro 108.3 million. The net financial cash, before IFRS 16 application, amounts to euro 47.4 million and net financial debt, including the effects of IFRS 16 application, amounts to euro 364.5 million.</p> <p>The result for the year was influenced by the Covid-19 epidemic, which prevented the organization of in-person events in the first half of the year, causing in addition the moving of some events in the portfolio to different periods than those originally planned. The restart of the business from the second half of the year has seen a concentration of exhibitions in the last quarter, with a tangible impact on the income statement for the year, which reported revenues of approximately euro 129.8 million. In addition, the result of the year was positively impacted by public grants, in total equal to euro 61.5 million, received for the margin reductions realized in the years 2021 and 2020 as a consequence of the pandemic. Finally, during the year, the Company worked to find the appropriate financial resources to secure the going concern and to support the execution of the Strategic plan.</p> <p>On 25 February 2022 the Board of Directors of Fiera Milano S.p.A. approved the 2022-2026 economics and financials Group projections, which confirmed the previous forecasts of the 2021-2025 Strategic plan approved on 22 February 2021.</p>	



The directors have prepared the financial statements using the going concern assumption.

The assumptions underlying the 2022-2026 economics and financials Group projections, the financial needs estimates and then the subsequent evaluations regarding the assumption of going concern are by nature complex and imply the use of the judgment of the directors. In particular, the assumptions relating to the timing of return to normal operation and the scheduling of trade fairs and congress events are characterized from the still persistent uncertainty in relation to duration of the Covid-19 epidemic and to the restrictive measures introduced in order to contain the epidemic.

These assumptions are subject to continuous developments resulting from the health emergency linked to the Covid-19 virus and the uncertainties typical of the sector and of any forecasting activities and could affect the results that will actually be achieved as well as the related procedures and timing of manifestation.

In view of the judgment requested from the directors in the development of the assumptions and the forecasting activities in support of the assessment of the assumption of going concern, we have determined that this area constitutes a key audit matter.

The Company included the disclosures in the Board of Directors Management Report in the paragraph "Business outlook and going concern assessment".



Key Audit Matter	Audit Response
<p data-bbox="199 689 678 745">Valuation of goodwill and intangible assets with finite useful life</p> <p data-bbox="199 808 721 949">At December 31, 2021 the carrying amount of goodwill and intangible assets with finite useful life was euro 95.0 million and euro 18.5 million, respectively, which were allocated to the Group's Cash Generating Units (CGUs).</p> <p data-bbox="199 981 715 1496">Goodwill is tested for impairment at least annually at the end of the reporting period, or more often, if there is any indication of impairment. Intangible assets with finite useful life, which are being depreciated, are tested for impairment only when there is an indication of impairment. The processes and methodologies to estimate and determine the recoverable amount of the CGUs, in terms of value in use, are based on complex assumptions that, due to their nature, imply the use of judgement by directors, in particular with reference to impact of Covid-19 on the cash flow forecasts for the period covered by the 2022-2026 economics and financials projections, the normalized cash flows used to estimate terminal value, and the discount rate and long term growth rates applied.</p> <p data-bbox="199 1527 727 1780">Considering the materiality of the carrying amount of such assets and the level of judgement and complexity of the assumptions used in estimating the recoverable amount of goodwill and intangible assets with finite useful life, due to the significant impact of the Covid-19 pandemic on the Group's results, we have determined that this area constitutes a key audit matter.</p> <p data-bbox="199 1812 727 1953">The Company included disclosures related to the nature and the key assumptions used for impairment test in note 1.6 "Use of estimates", note 6 "Goodwill" and note 7 "Intangible assets with a finite useful life".</p>	<p data-bbox="754 808 1233 864">Our audit procedures in response to this key audit matter included, among others:</p> <ul style="list-style-type: none"> <li data-bbox="754 869 1254 1037">(i) understanding of the procedure adopted by the group regarding the valuation of goodwill and intangible assets with finite useful life, taking into account the impairment test procedure approved by the Board of Directors on 25 February 2022; <li data-bbox="754 1041 1279 1093">(ii) verification of the perimeter of the CGUs and of the allocation of the respective book values; <li data-bbox="754 1097 1275 1238">(iii) reviewing of the report prepared by the external experts who supported management in performing the impairment test, including the valuation of their competence, capabilities and objectivity; <li data-bbox="754 1243 1254 1435">(iv) assessing the significant assumptions underlying future cash flow projections, including the determination of the weighted average cost of capital, the discount rate and the long-term growth rates used in estimating the terminal value, and performing sensitivity analyses; <li data-bbox="754 1440 1254 1525">(v) assessing the variances between actual results and the previous forecasts as assumed by the group; <li data-bbox="754 1529 1241 1581">(vi) testing the mathematical accuracy of the impairment test calculation; <li data-bbox="754 1585 1267 1697">(vii) verifying the consistency of the forecast of future cash flows of the CGUs, used for the impairment test, with the 2022-2026 economics and financials projections. <p data-bbox="754 1729 1259 2009">In performing our audit procedures we also involved our valuation specialists who assisted us in the assessment of assumptions and methodologies utilized by the group, and performed independent calculations and sensitivity analyses of key assumptions. Lastly, we assessed the adequacy of the disclosures made in the notes to the financial statements relating to evaluation of goodwill and intangible assets with finite useful life.</p>



Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Fiera Milano S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;



- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Fiera Milano S.p.A., in the general meeting held on 29 April 2014, engaged us to perform the audits of the consolidated financial statements for each of the years ending 31 December 2014 to 31 December 2022.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.



Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of EIP S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF –European Single Electronic Format) (the “Delegated Regulation”) to the consolidated financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Fiera Milano S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Group Fiera Milano as at 31 December 2021, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements of Fiera Milano Group as at 31 December 2021, and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of Fiera Milano Group as at 31 December 2021, and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated 30 December 2016

The Directors of Fiera Milano S.p.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated 30 December 2016. We have verified that non-financial information have been approved by Directors.



Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated 30 December 2016, such non-financial information are subject to a separate compliance report signed by us.

Milan, 29 March 2022

EY S.p.A.

Signed by: Giuseppe Savoca, Auditor

As disclosed by the Directors, the accompanying consolidated financial statements of Fiera Milano S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Fiera Milano SpA Financial Statements at 31 December 2021

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Fiera Milano SpA Statement of Financial Position

notes	(euro)	31/12/21	31/12/20
ASSETS			
Non-current assets			
4	Property, plant and equipment	1,656,463	2,057,423
5	Right-of-use assets	351,419,062	398,817,854
51	<i>of which from related parties</i>	351,048,055	398,638,660
	Investments in non-core property	-	-
6	Goodwill	76,090,614	70,144,099
7	Intangible assets with a finite useful life	16,137,522	14,334,188
8	Investments	43,751,084	51,155,364
9	Financial leasing receivables	11,766,712	-
51	<i>of which from related parties</i>	11,766,712	-
10	Other financial assets	9,133,748	5,077,332
51	<i>of which from related parties</i>	3,335,966	-
11	Trade and other receivables	29,939,674	21,579,256
51	<i>of which from related parties</i>	29,839,825	21,487,032
12	Deferred tax assets	11,475,927	-
	Total	551,370,806	563,165,516
Current assets			
13	Trade and other receivables	24,647,178	15,203,912
51	<i>of which from related parties</i>	5,197,009	5,871,983
14-51	Inventories	1,875,589	3,583,177
	Contracts in progress	-	-
15-51	Financial leasing receivables	812,608	-
16	Financial assets	3,315,367	3,217,612
51	<i>of which from related parties</i>	3,315,367	3,217,612
17	Cash and cash equivalents	135,996,085	17,472,171
	Total	166,646,827	39,476,872
Assets held for sale			
	Assets held for sale	-	-
	Total assets	718,017,633	602,642,388
EQUITY AND LIABILITIES			
18	Equity		
	Share capital	42,283,624	42,283,624
	Share premium reserve	8,557,350	8,557,350
	Revaluation reserve	-	-
	Other reserves	9,155,019	8,489,028
	Retained earnings	5,514,662	30,594,454
	Profit/(loss) for the year	36,621,672	(24,755,604)
	Total	102,132,327	65,168,852
Non-current liabilities			
	Bonds in issue	-	-
19	Bank borrowings	96,159,125	-
20	Financial liabilities related to the right-of-use of assets	345,544,284	376,688,461
51	<i>of which from related parties</i>	345,340,114	376,627,148
21	Other financial liabilities	70,419	-
22	Provision for risks and charges	72,399	-
23	Employee benefit provisions	6,523,072	5,147,542
24	Deferred tax liabilities	-	7,195,429
25	Other liabilities	655,180	-
	Total	449,024,479	389,031,432
Current liabilities			
	Bonds in issue	-	-
26	Bank borrowings	937,549	49,017,669
27	Trade-payables	29,817,937	14,367,932
28-51	Advances	27,730,286	21,869,814
29	Financial liabilities related to the right-of-use of assets	35,689,215	37,141,354
51	<i>of which from related parties</i>	35,519,206	37,021,036
30	Other financial liabilities	30,216,112	7,388,597
51	<i>of which from related parties</i>	30,216,112	7,388,597
31	Provision for risks and charges	5,390,227	544,747
32	Tax liabilities	3,509,717	3,063,464
33	Other liabilities	33,569,784	15,048,527
51	<i>of which from related parties</i>	13,605,537	6,379,842
	Total	166,860,827	148,442,104
Liabilities held for sale			
	Liabilities held for sale	-	-
	Total liabilities	718,017,633	602,642,388

Fiera Milano SpA Statement of Comprehensive Income

notes	(euro)	2021	2020
37	Revenues from sales and services	106,908,410	63,038,339
51	<i>of which with related parties</i>	4,389,386	5,052,806
	Total revenues	106,908,410	63,038,339
38-51	Cost of materials	241,601	163,680
39	Cost of services	66,306,202	44,460,954
51	<i>of which with related parties</i>	20,022,695	18,397,340
40-51	Cost of use of third-party assets	600,994	416,348
41-51	Personnel costs	34,450,522	24,329,039
42-51	Other operating expenses	3,196,095	1,861,069
	Total operating expenses	104,795,414	71,231,090
43	Other income	63,595,351	18,597,692
51	<i>of which with related parties</i>	9,017,494	17,434,052
52	<i>of which non-recurring transactions</i>	55,822,314	12,871,235
44	Provisions for doubtful receivables and other provisions	5,448,788	434,049
	Earnings before interest, taxes, depreciation, and amortization (EBITDA)	60,259,559	9,970,892
45	Depreciation of property, plant and equipment and right-of-use assets	35,124,378	35,615,353
	Depreciation of property investments	-	-
45	Amortisation of intangible assets	2,874,931	1,904,867
	Adjustments to asset values	-	-
	Earnings before interest and taxes (EBIT)	22,260,250	(27,549,328)
46	Earnings before interest and taxes (EBIT)	2,717,719	4,192,932
51	<i>of which with related parties</i>	1,970,545	4,010,505
47	Financial expenses and similar	12,601,144	12,008,794
51	<i>of which with related parties</i>	11,012,529	11,818,605
48	Valuation of financial assets	(644,000)	(11,027)
	Profit/(loss) before tax	11,732,825	(35,376,217)
49	Income tax	(23,716,631)	(10,620,613)
51	<i>of which with related parties</i>	(8,474,612)	(10,649,615)
	Profit/(loss) from continuing operations	35,449,456	(24,755,604)
2	Profit/(loss) from discontinued operations	1,172,216	-
50	Profit/(loss) for the year	36,621,672	(24,755,604)
18	Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss		
	Revaluation of defined benefit schemes	(62,297)	(177,680)
	Tax effects	(13,512)	(42,644)
	Other comprehensive income/(loss) net of related tax effects	(48,785)	(135,036)
	Total comprehensive income/(loss) for the year	36,572,887	(24,890,640)

Fiera Milano SpA Statement of Cash Flows

notes	(euro)	2021	2020
	Net cash at beginning of the year	17,472,171	63,946,063
	Cash flow from operating activities		
17	Net cash arising from operations	96,878,340	(34,463,927)
51	<i>of which with related parties</i>	(7,518,643)	(17,789,513)
34	Interest paid	(1,078,103)	(205,109)
34	Interest paid on financial liabilities related to the right-of-use of assets	(10,898,157)	(11,701,137)
34	Interest received	866,193	275,734
49	Income taxes paid	(671,724)	-
	Total	85,096,549	(46,094,439)
	Cash flow from investing activities		
4	Investments in tangible assets	(253,562)	(427,957)
4	Write-downs of tangible assets	34,049	-
7	Investments in intangible assets	(4,678,265)	(5,161,068)
8	Subsidiary company share capital transactions	(858,489)	-
46	Dividends received	1,905,578	3,970,407
	Total	(3,850,689)	(1,618,618)
	Cash flow from financing activities		
18	Equity	-	-
9	Non-current financial leasing receivables	(11,766,712)	-
51	<i>of which with related parties</i>	(11,766,712)	-
10	Non-current financial assets	(4,056,416)	(5,077,332)
51	<i>of which with related parties</i>	(3,335,966)	-
15-51	Current financial leasing receivables	(812,608)	-
16-51	Current financial assets	(963,948)	(1,888,298)
29	Current financial liabilities related to the right-of-use of assets	(20,252,073)	(23,691,498)
51	<i>of which with related parties</i>	(20,007,596)	(23,528,477)
19	Non-current financial liabilities	96,159,125	-
26-30	Current financial liabilities	(24,174,546)	41,210,021
51	<i>of which with related parties</i>	22,827,515	(8,012,320)
18	Dividends paid	-	(9,313,728)
	Total	34,132,822	1,239,165
	Net cash flow for the year from continuing operations	115,378,682	(46,473,892)
	Net cash flow for the year from assets held for sale	1,172,216	-
	Net cash flow from merging operations	1,973,016	-
	Net cash at the end of the year	135,996,085	17,472,171

Fiera Milano SpA Statement of Changes in Equity

(euro)						
note 18	Share capital	Share premium reserve	Other reserves	Retained earnings	Profit/(loss) for the financial year	Total
Balance at 31 December 2019	41,644,917	7,625,105	10,059,980	7,249,637	32,793,582	99,373,221
Loss for the year covered by:						-
- dividend distribution	-	-	-	-	(9,313,729)	(9,313,729)
- retained earnings	-	-	-	23,479,853	(23,479,853)	-
<i>Fair value stock grant</i>	638,707	932,245	(1,570,952)	-	-	-
Total comprehensive income/(loss) for the financial year at 31.12.20	-	-	-	(135,036)	(24,755,604)	(24,890,640)
Balance at 31 December 2020	42,283,624	8,557,350	8,489,028	30,594,454	(24,755,604)	65,168,852
Loss for the year covered by:						-
- retained earnings	-	-	-	(24,755,604)	24,755,604	-
<i>Fair value stock grant</i>	-	-	736,410	-	-	736,410
Hedging reserve	-	-	(70,419)	-	-	(70,419)
Merger loss adjustment - principle of continuity of values of the consolidated statement	-	-	-	(64,686)	-	(64,686)
Total comprehensive income/(loss) for the financial year at 31.12.21	-	-	-	(259,502)	36,621,672	36,362,170
Balance at 31 December 2021	42,283,624	8,557,350	9,155,019	5,514,662	36,621,672	102,132,327

Notes to the financial statements

On 15 March 2022, the Board of Directors approved the Fiera Milano SpA Financial Statements at 31 December 2021 and authorised their publication.

Fiera Milano SpA, as Parent Company, has also prepared the Group Consolidated Financial Statements at 31 December 2021.

Fiera Milano SpA, also through its subsidiaries, is active in all the characteristic areas of the exhibition industry, and the Company is one of the largest integrated companies in this sector worldwide.

The Company business consists of hosting exhibitions, fairs and other events, promoting and making available equipped exhibition spaces, as well as offering project support and ancillary services. This includes the business of staging exhibitions (and providing final services to exhibitors and visitors).

The business of the Company has dual seasonality: (i) a higher concentration of exhibitions in the six months from January to June; (ii) exhibitions with a multiannual frequency.

Covid-19 and effects on the financial statements

The exhibition/congress sector was one of the worst affected by the crisis caused by the emergence of the Covid-19 pandemic, which led to the suspension of exhibition and congress activities in Italy under legislation for the containment and prevention of the pandemic. The resumption of exhibitions was only possible from 15 June 2021, therefore the results achieved by the Company during the year reflect, to a large extent, the activity carried out in the second half of the year.

In the year under review, public grants of Euro 37.2 million were received for the year 2020 and Euro 13.6 million for 2021 as aid for the reduction in EBITDA during the lockdown periods, as a result of the epidemiological emergency due to Covid-19.

All necessary actions to protect the health and safety of its customers, suppliers and employees are continuing, including working from home.

The impact of the Covid-19 pandemic on the balance sheet position, the results of operations for the year, the net financial position and the risks and uncertainties associated with it are set out in the specific sections: "Summary of results and significant events during the year", "External and strategic risks", "Subsequent events", "Business outlook and going concern evaluation" of the Management Report and "Liquidity risk" of the Notes to the Financial Statements.

1) Accounting standards and criteria used to prepare the financial statements

1.1 Standards used to prepare the Financial Statements

The Financial Statements were prepared under IAS and IFRS accounting standards in force at 31 December 2021, issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, with the related interpretative documents, and Article 9 of Italian Legislative Decree 38/2005.

The accounting standards used to prepare the present Financial Statements are the same as those used to prepare the Financial Statements at 31 December 2020, except for those applicable from 1 January 2021 described below.

Given the capital and financial position for 2021, the 2022-2026 financial forecasts, approved by the Board of Directors on 25 February 2022, which confirm the medium-/long-term forecast already included in the 2025 CONN.E.C.T strategic plan approved on 22 February 2021, and taking into account the forecasts for working capital performance and the financial and capital position, the Financial Statements were prepared on a going

concern basis. This is fully described in the Report on Operations in the section 'Business outlook and going concern evaluation'.

The Financial Statements are prepared in Euros, and all figures are rounded to the nearest thousand Euros unless otherwise indicated. The Financial Statements give comparative data for the previous financial year.

In 2021, no atypical and/or unusual transactions took place.

The risks and uncertainties to which the business is exposed are described in the Interim Report on Operations in the section on Risk factors affecting the Group, in note 35 of the Illustrative Notes and in section 1.5 on the use of estimates.

These Financial Statements have been audited by the independent auditors EY SpA.

Climate and environmental impacts

Also following recent observations of the European Securities and Markets Authority (ESMA) on the importance of climate change aspects, and regulatory developments at EU level, the Company has launched its first qualitative assessments on the potential physical and transitional risks deriving from climate change. In this context, these first assessments have led the Company to the conclusion that it is not particularly exposed, in the short term, to the physical risks associated with climate change, in view of the nature of its business and geographical location of its activities.

1.2 New accounting standards, interpretations and amendments adopted

For the first time, the Company has adopted some accounting standards and amendments that are applicable to financial periods beginning on or after 1 January 2021.

The Company has not opted for early adoption of any standards, interpretations or amendments that have been issued but for which adoption is not yet mandatory.

With respect to "Warning notice No. 5/21" dated 29 April 2021, CONSOB declared its intention to bring its supervisory practices in line with the new European Securities and Markets Authority (ESMA) Guidelines on disclosure requirements under EU Regulation 2017/1129. The Guidelines update the previous CESR Recommendations (ESMA/2013/319, as revised on 20 March 2013) on debt.

As of the application date of 5 May 2021, therefore, the references contained in previous communications of CONSOB to the above-mentioned CESR Recommendations on Prospectuses shall be deemed to be replaced by the ESMA Guidelines in question, including the references contained in Communication No. DEM/6064293 of 28-7-2006 on Net Financial Indebtedness, now renamed "Financial debt". It should also be noted that "Trade and other non-current payables" includes non-interest-bearing payables, which have a significant implicit or explicit financing component and any other non-interest-bearing loans.

The nature and impact of each new accounting standard or amendment is given below:

- **IFRS16 amendment - Leases**

On 28 May 2020, the IASB published an amendment to IFRS 16. The amendment allows a lessee not to adopt the requirements in IFRS 16 on the accounting effects of contractual changes for reductions in lease payments granted by lessors that are a direct consequence of the Covid-19 outbreak. The amendment introduces a practical expedient whereby a lessee may choose not to assess whether the reductions in lease payments represent contractual changes. A lessee who chooses to use this expedient accounts for these reductions as if they were not contractual changes in the scope of IFRS 16.

The changes were supposed to be applicable until 30 June 2021, but as the impact of the Covid-19 pandemic has continued, on 31 March 2021, the IASB extended the period of application of the practical expedient until 30 June 2022.

The application of the amendment to the reductions in royalty payments, due to the Covid-19 pandemic, concerned the contracts in force with the controlling shareholder Fondazione Fiera Milano and had the following effects on the figures in the financial statements:

- improvement in total net financial debt of Euro 6,084 thousand;
- improvement in EBITDA of Euro 5,054 thousand;
- improvement in profit/(loss) of Euro 3,841 thousand.

- **Amendment IFRS 4 - Insurance contracts**

The Regulation, published in the Official Journal of the European Union on 16 December 2020, makes amendments to IFRS 4 that seek to address the temporary accounting consequences of the mismatch between the effective date of IFRS 9 Financial Instruments and the effective date of the future IFRS 17 Insurance Contracts. In particular, the amendments extend the expiry of the temporary exemption from applying IFRS 9 until 2023, so as to align the effective date of IFRS 9 with the new IFRS 17. The amendments made have had no impact on the Company's financial statements.

- **IAS 39 and IFRS 4, 7, 9 and 16 - Adaptation to the reform of interest rate reference indices**

The Regulation, published in the Official Journal of the European Union on 14 January 2021, involves changes to the standards and provides for a specific accounting treatment for allocating over time changes in the value of financial instruments or leasing contracts due to the replacement of the reference index for determining interest rates. These amendments have had no impact on the Company's financial statements.

Below are the main changes resulting from the amendments to the standards introduced by Commission Regulation (EU) 2021/1080 of 28 June 2021 published in the Official Journal of the European Union L239 of 2 July 2021, which will enter into force on 1 January 2022;

- IFRS 3 Business Combinations: updates the reference in IFRS 3 to the Conceptual Framework in the revised version, without making any changes to the provisions of the standard.
- IAS 16 Property, Plant and Equipment: does not allow the amount received from the sale of goods produced before the asset was ready for use to be deducted from the cost of the asset. These sales revenues and related costs will be recognised in the income statement.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets: clarifies which cost items should be considered when assessing whether a contract will be loss-making.
- Annual cycle of improvements to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments and IAS 41 Agriculture.

Commission Regulation (EU) 2021/2036 of 19 November 2021, amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards the *International Financial Reporting Standard 17*, was also published in the Official Journal of the European Union of 23 November 2021, Law 416 thus introducing, among international standards adopted, a standard dedicated to insurance contracts.

The provisions apply for the first financial year beginning on or after 1 January 2023.

1.3 Form and content of the Financial Statements

With regard to the form and content of the Financial Statements, Fiera Milano SpA has made the following decisions:

- the Statement of Financial Position is presented with separate sections for Assets, Liabilities, and Equity. Assets and liabilities are also recognised according to their classification as current, non-current and held for sale;
- the Statement of Comprehensive Income is shown as a single statement in a continuous format and items are analysed by nature since this approach provides reliable information that is more relevant than classification by function;
- the Statement of Cash Flows is presented using the indirect method;
- the Statement of Changes in Equity is presented with separate entries for comprehensive income and transactions with shareholders.

1.4 Summary of accounting standards and measurement criteria

Business combination

Business combinations are accounted for by applying the *purchase method* in accordance with IFRS 3 Business Combinations, revised in 2008. Under this method, the amount transferred in a *business combination* is measured at *fair value*, determined as the sum of *fair values* of the assets transferred and the liabilities assumed by the Company at the acquisition date and the equity instruments issued in exchange for control of the acquired entity. All other costs associated with the transaction are recognised in the Statement of Comprehensive Income when they are incurred and classified under administrative expenses.

Contingent considerations, considered part of the transfer price, are measured at *fair value* at the acquisition date. Subsequent changes to the fair value are recognised through other comprehensive income.

The identifiable assets acquired and the liabilities assumed are measured at *fair value* at the acquisition date.

Goodwill is measured as the difference between the aggregate of the considerations transferred for the business combination, the equity value of non-controlling interests and the *fair value* of any previously held equity interest in the acquired entity and the *fair value* of net assets acquired, and liabilities assumed at the acquisition date. If the difference between the net acquisition-date amounts of the assets and liabilities exceeds the considerations transferred, the equity value of non-controlling interests and the *fair value* of any previously held equity interest in the acquired entity, the excess is immediately recognised in the Statement of Comprehensive Income as income deriving from the transaction.

In the *fair value* measurement process for *business combinations*, the Company uses available information and, for more material *business combinations*, also uses the support of external appraisals.

Business combinations achieved in stages

When a business combination is achieved in stages (step acquisition), the Company's previously held share of the entity's assets and liabilities are measured at fair value at the date that control is obtained and any resulting adjustments are recognised in the statement of comprehensive income. Therefore, previously held investments are recognised as though they had been sold and reacquired at the date that control is obtained.

Business combination under common control

Business combinations under common control (i. e. between entities controlled by the same party or parties) are excluded from the scope of IFRS 3 - Business Combinations. In the absence of a standard that deals specifically with this type of transaction, adoption of the most suitable treatment must be guided by the general scope of IAS 8, i. e. providing a reliable and truthful representation of the transaction and applying the principle of substance over form.

Under OPI 1 (Assirevi Preliminary Opinions on IFRS) on the 'Accounting treatment of business combinations under common control in the separate and in the consolidated financial statements', economic substance refers to the generation of value added which results in a significant change in cash inflows from the net assets transferred before and after the transaction. Should it be impossible to estimate a significant increase in future cash inflows from the assets transferred, the choice of how the transaction is accounted should be governed by prudence, which results in the application of the accounting principle of value continuity. This principle entails recognition in the financial statements of values equal to those that would have existed if the net assets involved in the combination had always been combined. Therefore, the net assets must be recognised at their carrying amounts in the relevant accounts before the transaction or, if available, at the values in the Consolidated Financial Statements of the controlling shareholder Fiera Milano SpA. Where the transfer values are higher than the historic values, the excess must be eliminated by a downward adjustment to the equity of the acquirer, charged to a specific reserve.

Tangible fixed assets

Property, plant and equipment

Property, plant and equipment are recognised at purchase or production cost, including directly attributable expenses, adjusted for depreciation and accumulated impairment losses.

Tangible assets are systematically depreciated each year on a straight-line basis, using economic/technical rates determined by the residual useful life of the assets.

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

The replacement costs of identifiable components of complex assets are allocated to the assets and depreciated over their useful lives. The residual carrying amount of the components being replaced is recognised in the income statement.

Improvements to third party assets are recognised in property, plant and equipment based on the nature of the cost incurred; the depreciation period corresponds to the lesser of the residual useful life of the tangible asset and the residual period of the lease.

The following depreciation rates were applied, with no changes compared to the previous year:

• Office furniture and machinery	12%
• Exhibition furniture and equipment	27%
• Sundry machinery and equipment	15%
• Electronic equipment	20%
• Plant and machinery	10%
• Telecommunication systems	20%
• Alarm systems	30%
• Furnishings	12%

If there is any indication of impairment, the tangible assets are impairment tested using the procedure illustrated in the paragraph 'Impairment of assets'.

Intangible fixed assets

An intangible asset is recognised only if it is identifiable and controllable, is expected to generate future economic benefits, and its cost can be reliably measured.

Goodwill and intangible assets with an indefinite useful life

Goodwill arising from *business combinations* is initially recognised at cost on the acquisition date, as indicated in the paragraph above on *Non Business Combinations* and, for *impairment test* purposes, allocated to a *cash generating unit* or group of *cash generating units* which benefit from the synergies permitted by the acquisition that generated the goodwill. After initial recognition, goodwill is measured at cost less any impairment loss stemming from the *impairment tests* (see the paragraph 'Impairment of assets'). An intangible asset is considered to have an indefinite useful life when no limit can be foreseen to the period during which the asset can generate cash inflows. Intangible assets with an indefinite useful life and goodwill are not subject to amortisation.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are measured at purchase or production cost, including any contingent costs, and systematically amortised on a straight-line basis over their estimated useful life. If there is any indication of impairment, they are *impairment tested* using the procedure illustrated in the paragraph 'Impairment of assets'.

Industrial patents, intellectual property rights, licences and concession agreements are amortised over three years from the year they were acquired.

Exhibition trademarks are amortised on the basis of a useful life of between ten and twenty years, estimated on the competitive dynamics of the industry and a comparison of the practices adopted by leading Italian and foreign competitors.

Research costs are recognised in the income statement at the time they are incurred. In compliance with IAS 38, development costs relating to specific projects, including the launch of new exhibitions, are capitalised when it is probable that the generation of future economic benefits is reasonably certain and when their costs can be reliably measured and amortised in the period when the expected future benefits are realised for the same project. The carrying amount of costs is reviewed annually at the end of the reporting period or more often if there are any particular reasons for doing so, to analyse the fair value and ascertain any indication of impairment.

Impairment of assets

Goodwill and other intangible assets with an indefinite life are systematically tested for impairment at the end of the reporting period, or more often if impairment indicators emerge.

Tangible and intangible assets with a finite useful life that are depreciated or amortised are tested for impairment only when there are indications of impairment.

The recoverability of carrying amounts is measured as the lower of the carrying amount and the higher of the fair value less costs to sell and the value in use of the asset. The net sale price is the amount obtainable from an asset's sale in a transaction between willing and able third parties, less costs to sell. In the absence of binding agreements, prices listed on an active market, or the best information available considering recent transactions involving identical or similar assets in the same business sector, are used as reference. The value in use is calculated by discounting, at an appropriate rate expressing the weighted average cost of capital of a company with a similar risk profile and debt profile, the expected cash flows from use of the asset (or group of assets, i. e. *cash generating units*) and its disposal at the end of its useful life.

If subsequently there is an indication that an impairment loss, other than for goodwill, may have decreased or no longer exists, the carrying amount of the asset is adjusted to the new estimate of the recoverable value. However, this value may not exceed the value which would have been recognised if there had been no impairment. Reversal of impairment, other than goodwill, is recognised in the income statement.

Leased assets

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, determining its terms and conditions of use and, though not explained, its upkeep over time.

The adoption of IFRS 16 has significantly affected the figure of the Lessee; it is no longer required to distinguish between an operating and finance lease, as the distinction between the two types is superseded by the distinction between lease and service concession arrangements. So in the case of leasing, a single accounting model independent of the characteristics of the contract will be applied, regardless.

The most significant *Rights Of Use* which are determined in the Company as a result of the application of IFRS 16 do not generate independent cash flows and therefore, the check of their recoverable amount is carried out exclusively within the CGU to which 'Italian Exhibitions Business' belongs.

Control and identifiability of an asset

Two material elements are considered to determine whether an asset in question is leased or part of a service concession arrangement: control and identifiability of the asset.

With regard to control this concerns the management by the lessee on the use and obtaining of economic benefits deriving from the use of the property, identified, subject to the contract.

On the other hand, identifiability exists whenever an asset can be uniquely identified, provided that there is no right of substitution for the duration of the contract in favour of the lessor, who would be allowed to continue to have control of the asset.

The Company as lessee

The Company adopts a single recognition and measurement model for all leases, except for short-term leases and low-value leases. The Company recognises the liabilities relating to the lease payments and the right-of-use asset, which is the asset underlying the contract.

i) Right-of-Use Assets

The Company recognises the right-of-use assets at the inception date of the lease (i.e., the date on which the underlying asset is available for use). The right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasuring of lease liabilities. The cost of right-of-use assets includes the amount of the lease liabilities recognised, the initial direct costs incurred and the lease payments made at the commencement date or before commencement less any awards granted. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

- Capital properties 1-12 years old
- Car fleet 1-4 years old

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

Right-of-use assets are subject to *impairment*. Please refer to paragraph 1.5 'Use of estimates'.

ii) Lease liabilities

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not yet paid at that date. Payments due include fixed payments (including in-substance fixed payments) less any lease awards to be received, variable lease payments that depend on an index or rate, and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that this option will be exercised by the Company and payments of penalties for terminating the lease if the lease term reflects the Company exercising an option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognised as an expense in the period (unless they were incurred to produce inventories) in which the event or condition giving rise to the payment occurs.

In calculating the present value of the payments due, the Company uses the incremental borrowing rate at the commencement date if the implicit interest rate cannot be easily determined. After the commencement date, the lease liability amount increases to account for interest on the lease liability and decreases to account for payments made. In addition, the carrying amount of lease liabilities is restated in the event of any changes to the lease or for the revision of the contractual terms for the change in payments; it is also restated if there are changes in the valuation of the option to purchase the underlying asset or changes in future payments resulting from a change in the index or rate used to determine such payments.

iii) Short-term leases or leases of low value

The Company applies the exemption for the recognition of short-term leases relating to machinery and equipment (i.e., leases that have a duration of 12 months or less from the inception date and do not contain a purchase option). The Company has also applied the exemption for leases relating to low-value assets with reference to lease contracts for office equipment whose value is considered low. Short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

The Company as lessor

Lease contracts that essentially leave the Company with all the risks and benefits associated with ownership of the asset are classified as operating leases. Income from operating leases must be recognised on a straight-line basis over the lease term, and are included as revenue in the income statement due to their operating nature. Initial negotiation costs are added to the carrying amount of the leased asset and recognised over the term of the contract on the same basis as lease income. Unplanned leases are recognised as revenue in the period in which they are accrued.

Financial assets

IFRS 9 requires that if specific options are not exercised, financial instruments are classified according to the following criteria:

- Business Model defined by the entity for financial instruments management, and
- characteristics of the contractual cash flows of the financial instruments.

IFRS 9 envisages three asset categories:

- assets held to collect the contractual cash flows (or *Hold to Collect*; HTC), measured at amortised cost;
- assets held to collect the contractual cash flows and to be sold (or *Hold to Collect and Sell*; HTCS), designated at *fair value* through profit or loss (FVTPL) or through other comprehensive income (FVOCI);
- Other financial assets designated at *fair value* through profit or loss. This residual category can include all business models other than those mentioned above.

The financial assets are initially recognised at *fair value*, normally represented by the transaction price, plus any accessory charges on the purchase.

The amortised cost criterion offers the best representation in the financial statements for financial assets comprising debt securities and receivables, in that it allows the interest to be spread over the holding period, in compliance with accrual accounting.

Subsequent measurement after initial recognition is at amortised cost or *fair value*, and these methods are applied according to the category of the financial instrument concerned.

With regard to the classification of financial liabilities, IFRS 9 envisages a general rule by which the entity measures the financial liabilities at amortised cost using the effective interest method (as previously under IAS 39). As for assets and liabilities measured at *fair value*, any changes in value are recognised in the income statement, thus contributing to the determination of the operating result. However, if such changes are caused by a change in *credit risk*, the changes in recognised in shareholders' equity.

Assets classed as held to maturity are recognised among current financial assets if the maturity is less than twelve months, or as non-current if greater. They are subsequently measured at amortised cost. The latter is calculated using the effective interest method, taking into account any purchase discounts or premiums and spreading them over the entire period up to maturity, less any impairment.

Loans and receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the Company measures the realisable value of these receivables taking account of estimated future cash flows.

Available-for-sale assets are recognised as non-current assets, unless they are to be divested within twelve months from the end of the reporting period, and are measured at *fair value*. Profits or losses from fair value measurement are recognised in other comprehensive income and aggregated in a specific equity reserve until they are sold, recovered or otherwise derecognised.

Equity investments

After initial recognition, investments in subsidiaries and associates are measured at cost less any impairment loss stemming from the annual *impairment tests*.

Investments fall under the scope of application of the IFRS 9 classification and measurement criteria for equity investments, excluding interests in subsidiaries, associates and joint ventures and companies under their control which are instead classed as equity instruments under IAS 32. In this residual category, the investments are designated at *fair value* through other comprehensive income.

Inventories

Inventories are measured at the lower of purchase cost and net estimated realisable value. The Company's inventories consist mainly of outstanding costs relating to activities in future years.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank demand deposits and cash investments with an original maturity of not more than three months. The definition of cash and cash equivalents in the Statement of Cash Flows is the same as that for the Statement of Financial Position.

Assets and liabilities held for sale

This category includes assets and liabilities or disposal groups/*discontinued operations* where the carrying amount will be recovered primarily through a sale rather than through continued use. For this to happen, the following conditions must be met:

- the assets (or disposal groups) must be available for immediate sale in their present condition;
- the sale must be highly probable, i. e. the company must be committed to a programme for their disposal; activities to identify a buyer must have been initiated; and completion of the sale must be scheduled to take place within one year of the date of classification in this category.

Assets held for sale are measured at the lower of their net carrying amount and their *fair value* less costs to sell.

If an asset that is depreciated or amortised is reclassified to this item, the depreciation or amortisation process is discontinued at the time of reclassification.

In compliance with IFRS 5, figures for *discontinued operations* are presented as follows:

- in two specific items of the Statement of Financial Position: Assets held for sale and Liabilities held for sale;
- in a specific item of the Income Statement: Profit/(loss) from discontinued operations.

Equity

Treasury shares

The nominal value of treasury shares is deducted from share capital and any amount in excess of nominal value is deducted from the share premium reserve.

Under IAS/IFRS regarding the acquisition of treasury shares, the nominal value of the shares is deducted from share capital while the difference between the nominal value and the acquisition value is deducted from the share premium reserve. Regarding the sale of treasury shares, the share capital and the share premium reserve are reconstituted by the same amounts as the reductions applied when the shares were acquired while any gains/losses from the sale is recognised in equity, under other reserves, with no impact on the income statement. The shares taken as reference for the calculation of gains/losses on disposal are selected using the FIFO method.

Stock Grant

According to the contents of IFRS 2 - Share-based payments, the total amount of the current value of the *stock grants (fair value)* at the assignment date is recorded in full in the statement of income among the personnel costs for the period between the allocation date and their maturity date and is recognised against the equity reserve.

The *fair value* of the *stock grants* is calculated at their allocation date, reflecting the market conditions existing at the date in question.

In the case of a set 'maturity period' in which some conditions must be met (attaining targets) so that the assignees become holders of the right, the cost for remuneration, determined on the basis of the current value of the shares at the allocation date, is recorded under personnel costs based on a straight-line method over the period between the allocation date and the maturity date.

In case of assigning shares free of charge (so-called *stock grant*) at the end of the maturity period, the corresponding increase in equity is recorded.

Costs of capital transactions

Costs directly attributable to capital transactions are recognised as a direct reduction of equity.

Trade payables, tax payables, advances and other liabilities

Payables, advances and other liabilities are initially recognised at fair value. After that, they are measured at amortised cost. Payables are derecognised when the underlying financial obligations have been discharged.

If they have a due date exceeding twelve months, the liabilities are discounted to present value using an interest rate reflecting market assessments of the time value of money and specific risks connected with the liability concerned. Discounted interest is classified in financial expenses.

Derivative instruments

A derivative is a financial instrument or other form of contract with the following characteristics: (i) its value changes in response to the change in an interest rate, the price of a financial instrument, a commodity price, a foreign exchange rate, a price or rates index, a credit rating, or another pre-established underlying variable; (ii) it requires no net initial investment or, if initial investment is required, is smaller than would be required for a contract from which a similar response to changes in market factors would be expected; (iii) it is settled at a future date. Derivatives are classified as financial instruments and therefore adjusted to *fair value* at the end of each year. The effects of fair value adjustments are recognised in the income statement as financial income/expenses.

Provisions for risks and charges

Provisions for risks and charges are allocated when the Company must meet a present obligation (legal or implicit) stemming from a past event, the amount of which can be reliably estimated and for settlement of which an outflow of resources is probable. If expectations of resource outflow go beyond the next financial year, the obligation is recognised at its present value through discounting of future cash flows at a rate that also considers the time value of money and the liability's risk.

Risks for which manifestation of a liability is only possible, not probable, are shown in the paragraph 'Disclosure on guarantees given, undertakings and other contingent liabilities', and no provisions are allocated for these.

Bank borrowings and other financial liabilities

Financial payables are initially recognised at cost, represented by the *fair value* of the funds received net of accessory charges incurred in acquiring the loan. After initial recognition, borrowings are measured at amortised cost, calculated using the effective interest rate method. Amortised cost is calculated by taking into account issuance costs and any discount or premium envisaged at the time of settlement.

Employee benefits

Employee benefits paid out upon or after termination of the employment relationship consist mainly of employee severance indemnities (trattamento di fine rapporto or TFR), which are governed by Article 2120 of the Italian Civil Code.

In compliance with IAS 19, employee severance indemnities are considered a defined benefit plan, i.e. a plan consisting of benefits provided post-employment, which constitutes a future obligation for which the Company assumes actuarial risks and related investments. As required by IAS 19, the Company uses the projected unit credit method to determine the present value of its defined benefit obligations and the related current service costs. This calculation requires the application of objective and mutually compatible actuarial assumptions concerning demographic variables (mortality rate, employee turnover) and financial variables (discount rate, future increases in salary levels). Fiera Milano SpA recognises changes in actuarial gains/losses in other comprehensive income.

Following the pension reform, as of 1 January 2007, accrued employee severance indemnities are allocated to pension funds or to the treasury fund set up at INPS (national social security institute). Employees were free to choose the destination of their severance indemnities until 30 June 2007.

In that regard, the allocation of accrued employee severance indemnities to pension funds or to INPS means that a portion of these indemnities will be classified as a defined contribution plan in that the company's obligation is solely the payment of contributions either to the pension fund or to INPS. The liability related to the past severance indemnities continues to represent a defined benefit plan to be measured according to actuarial assumptions.

Employee termination benefits not included in the employee severance indemnities (TFR) are recognised as liabilities and employee expenses when the enterprise is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date or provides termination benefits as a result of an incentive to voluntary redundancy. The benefits owed to employees for termination of their employment do not give any future economic benefits to the enterprise and are therefore recognised immediately as a cost.

Revenue recognition

Revenues are recognised when contractual obligations are fully satisfied and the customer acquires control of the assets transferred. They are recognised at the *fair value* of the consideration received or receivable, taking into account any trade discounts and quantity-based reductions granted.

Revenue from the provision of services is recognised when the service is provided. In compliance with paragraph 31 et seq. of IFRS 15, services relating to exhibitions and congresses are considered to be transferred to the customer during the exhibitions and events, as this is the period in which most of the related costs are incurred. Likewise, such revenues are recognised during the exhibition or event as the funds used and costs incurred are also spread over the exhibition/event duration.

When it is probable that an exhibition's total costs will exceed its total revenues, the expected loss is recognised as a cost in a specific provision.

Operating costs

Costs are recognised when they relate to goods and services sold or used in the financial year or on an accrual accounting basis when their future usefulness cannot be precisely identified.

Personnel expenses include both the fixed and variable remuneration of Directors taking account of the effective period of service.

Costs that are not eligible to be recognised in assets are recognised in the income statement in the period in which they are incurred.

Other income

This item has a residual nature and includes revenues from grants and subsidies.

Financial income and expenses

Financial income and expenses are recognised in the accounts based on timing that considers the effective return/expense of the asset/liability concerned.

Taxes

Income taxes are recognised according to estimated taxable income in compliance with current tax rates and regulations. Income taxes are recognised in the income statement, except those relating to items charged or credited directly in equity, the tax effect of which is recognised in equity.

Deferred taxes are measured according to the taxable temporary differences existing between the carrying amounts of assets and liabilities and their tax base and are classified among non-current assets and liabilities.

Deferred tax assets are recognised to the extent that there is likely to be sufficient future taxable income against which the positive balance can be utilised. The carrying amount of deferred tax assets is subject to review at the end of each reporting period.

Deferred tax assets and liabilities are measured according to the tax rates expected to be applied in the period when the deferrals materialise, considering the tax rates in force or those that are scheduled to come into force subsequently.

Current and deferred tax assets and liabilities are offset when there is a legal right to offsetting.

Note 49 provides further information on the tax consolidation.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the current exchange rate in force on the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in force at the end of the reporting period. Foreign exchange differences generated by the extinction of monetary items or their translation at different exchange rates from those at which they were translated at the time of initial recognition in the period or in previous periods are recognised in the income statement. Exchange rate differences are recognised in financial income and expenses.

Dividends

Dividend income is recognised when the shareholders' right to receive payment has been established. This is normally the date of the Annual Shareholders' Meeting that approves the dividend distribution.

1.5 Use of estimates

Preparation of the financial statements and related notes using IFRS requires estimates and assumptions to be made that affect the amounts of assets and liabilities in the Statement of Financial Position and disclosures concerning contingent assets and liabilities at the end of the reporting period. Actual results may differ from these estimates. Estimates are used for provisions for doubtful accounts, depreciation and amortisation, employee benefits, taxes, and other provisions and reserves, as well as any impairment of assets. Estimates and assumptions are reviewed regularly and the effects of any change are immediately recognised in profit or loss.

ESMA, the European Securities and Markets Authority, has published the *Public Statement ESMA32-63-1186 "European common enforcement priorities for 2021 annual financial reports"*, which highlights the thematic areas of particular importance in preparing 2021 annual financial statements of listed companies in the European Economic Area (EEA), in continuity with measures already in place for 2020 financial statements. The objective of the priorities identified in the document is to promote a uniform application of IFRS accounting standards and other financial and non-financial reporting requirements, which are particularly important for the assessment of data from a climate perspective.

The Company intercepts climate risk in relation to the following accounting standards:

- IAS 16 and IAS 38 (useful life and residual value);
- IAS 36 (impairment and sensitivity testing);
- IAS 37 (liabilities related to environmental factors).

The most significant estimates used in preparing the Financial Statements are given below as these require a high degree of subjective opinions, assumptions and forecasts:

- *Goodwill* is systematically tested for *impairment* at least annually, or more often if impairment indicators emerge. The impairment test calls for a discretionary estimate of the values in use of the cash-generating unit to which the goodwill is attributed, in turn based on the estimate of future cash flows of the CGU and their discounting at a specified discount rate.

The recoverability of carrying amounts is measured as the lower of the carrying amount and the higher of the fair value less costs to sell and the value in use of the asset. The net selling price is the price that would be received to sell an asset in an orderly transaction between market participants less costs to sell; in the absence of a binding agreement, reference is made to similar transactions on an active market or it is determined according to IFRS 13 *Fair Value Measurement*. The value in use is the present value of the future cash flows expected to be derived from the asset (or *cash-generating unit*), discounted using a weighted average cost of capital of an entity having a similar risk profile and level of indebtedness, and from its ultimate disposal at the end of its useful life.

The plans used to carry out the impairment tests are based on certain expectations and assumptions of future performance that by their very nature are subject to uncertainties. Therefore, results could differ from estimates.

These assumptions are also subject to developments in the Covid-19 pandemic health emergency, with particular reference to estimates of the timing of exhibitions, which are characterised by the continuing uncertainty about the effects of the pandemic and related restrictive measures.

The Directors will continually assess the plan regarding the effective realisation of the initiatives and forecasts and the effects on the Company's financial and economic performance.

- *Intangible assets with a finite useful life* are tested for *impairment* when there are internal or external indications that an asset is impaired; this test requires an estimate of the value in use of the cash-generating unit to which the asset belongs, which itself is based on an estimate of the cash flows the cash-generating unit is expected to generate and discounting them to their net present value using an appropriate discount rate.
- *Deferred tax assets* are recognised against tax losses carried forward and other timing differences to the extent of the likely existence of future taxable profit against which these tax losses carried forward and those due to timing differences may be used. The Directors must make a significant discretionary assessment of the amount of deferred tax assets to be recognised. The Company's Business Plan was taken into consideration

when verifying the recoverability of deferred tax assets, as well as the plans of companies participating in the tax consolidation.

- *Provisions for risks and charges* are subject to discretionary estimates using the best available information at the date of these Financial Statements and based on historic and future data regarding the likely outcome of legal disputes or events, for which assessment of the risk profiles and likely financial impact is uncertain and complex and could result in an adjustment to the estimates.

Reference should be made to the specific paragraph in the notes to the Financial Statements for the use of estimates on financial risks. Measurement of the provision for risks refers to the best information available at the end of the reporting period.

2) Information on discontinued operations

On 25 January 2021, Fiera Milano Media S.p.A., a company incorporated in Fiera Milano SpA on 16 December 2021, signed a preliminary contract for the sale of the publishing business unit to Quine Srl, a publisher specialising in technical magazines in the engineering, mechanical, food and construction sectors. The sale included the publications in the Tech, Ho.Re.Ca. and ICT sectors, the associated employees and agents. The transaction was finalised on 23 February 2021 with the signing of the definitive contract effective from 1 March 2021. The agreed price for the sale of the unit is equal to the difference between assets and liabilities as resulting from the BU's balance sheet, whose goodwill was determined at Euro 1,300 thousand.

Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", the discontinued operations were represented by setting out in a single line of the income statement, under the item "Net result from discontinued operations", the result achieved before the sale and the capital gain recognised following the disposal of the assets.

The income statement relating to discontinued operations is shown in detail below:

Statement of profit or loss

(€'000)

	2021
Revenues from sales and services	197
Total revenues	197
Cost of materials	9
Cost of services	172
Personnel costs	135
Other operating expenses	2
Total operating expenses	318
Other income	1,300
Provisions for doubtful receivables and other provisions	7
Profit/(loss) from discontinued operations	1,172

3) Extraordinary transactions in the year

On 14 December 2021, the deed of merger of the wholly-owned subsidiary Fiera Milano Media SpA into the Parent Company Fiera Milano SpA was signed. The signing of this deed follows the resolution of the Board of Directors adopted pursuant to the provisions in Article 2505 of the Civil Code on 1 September 2021. The merger, which took legal effect on 16 December 2021, did not provide for any exchange, since the merged company was already wholly owned by Fiera Milano SpA.

In the absence of reference IFRS, a parent-subsiidiary merger follows the provisions set out in the Assirevis Preliminary Guidance on IFRS (OPI 2 *Revised*).

In particular, according to these provisions, in parent-subsiidiary mergers, with a 100% stake in the merged company, the principle of the continuity of values is applied.

The application of the principle of the continuity of values led to the recognition of combined assets and liabilities, on the basis of the carrying amounts resulting from the consolidated financial statements of the incorporating company, without identifying higher current values than those recognised in the consolidated financial statements or a greater goodwill, as the merger in question does not involve any economic exchange.

The main aim of the merger is to improve and streamline the management of staff and assets involved in the promotion of digital services and digital product communications, training and e-learning, generating significant organisational synergies.

The accounting and tax effects of the merger took effect retroactively from 1 January 2021. Therefore, the merger deficit arising from the transaction described, is given by the difference between the cost of equity investments in the merged company, recognising in the financial statements of the acquiring company and the shareholders' equity of the merged company resulting from the consolidated financial statements of the acquiring company recognised on 1 January 2021:

Fiera Milano Media SpA	(€'000)
Equity of Fiera Milano Media SpA as at 1 January 2021	1,607
Value of investment in Fiera Milano SpA	7,618
Deficit 1 January 2021	(6,011)

Fiera Milano Media SpA	(€'000)
Merger loss operations as at 1 January 2021	(6,011)
Adjustment for the application of the principle of continuity of values (OPI 2 <i>Revised</i>)	5,947
Deficit 1 January 2021	(64)

OPI 2 (*Revised*) provides that direct control over the individual activities of the merged company and, the related economic effects, are obtained from the time when the merger becomes effective. Therefore, the costs and revenues of the merged company are included in the income statement of the acquiring company only from the date when the merger becomes effective.

Notes to the separate financial statements

STATEMENT OF FINANCIAL POSITION

ASSETS

Non-current assets

4) Property, plant and equipment

The breakdown and changes in the last two financial years are given below:

Property, plant and equipment

(€'000)

	Balance at 31/12/19	Property, plant and equipment						Other changes	Balance at 31/12/20
		Extraordinary transactions effects	Incr.	Decr.	Depr.	Impairment	Reclass.		
Plant and machinery									
. historic cost	16,161	-	113	-	-	-	-	-	16,274
. depreciation	15,514	-	-	-	155	-	-	-	15,669
Net	647	-	113	-	155	-	-	-	605
Industrial and commercial equipment									
. historic cost	12,897	-	-	-	-	-	-	-	12,897
. depreciation	12,542	-	-	-	221	-	-	-	12,763
Net	355	-	-	-	221	-	-	-	134
Other assets									
. historic cost	27,774	-	315	-	-	-	-	-	28,089
. depreciation	26,359	-	-	-	412	-	-	-	26,771
Net	1,415	-	315	-	412	-	-	-	1,318
Total property, plant and equipment									
. historic cost	56,832	-	428	-	-	-	-	-	57,260
. depreciation	54,415	-	-	-	788	-	-	-	55,203
Net	2,417	-	428	-	788	-	-	-	2,057

Property, plant and equipment

(€'000)

	Balance at 31/12/20	Extraordinary transactions effects	Changes during the financial year						Balance at 31/12/21
			Incr.	Decr.	Depr.	Impairment	Reclass.	Other changes	
Plant and machinery									
. historic cost	16,274	65	90	-	-	-	-	(43)	16,386
. depreciation	15,669	64	-	-	139	-	-	-	15,872
Net	605	1	90	-	139	-	-	(43)	514
Industrial and commercial equipment									
. historic cost	12,897	-	47	7	-	-	-	-	12,937
. depreciation	12,763	-	-	7	81	-	-	-	12,837
Net	134	-	47	-	81	-	-	-	100
Other assets									
. historic cost	28,089	850	117	20	-	-	-	358	29,394
. depreciation	26,771	844	-	19	408	-	-	348	28,352
Net	1,318	6	117	1	408	-	-	10	1,042
Total property, plant and equipment									
. historic cost	57,260	915	254	27	-	-	-	315	58,717
. depreciation	55,203	908	-	26	628	-	-	348	57,061
Net	2,057	7	254	1	628	-	-	(33)	1,656

The breakdown and changes in the various items during the year were as follows:

Plant and machinery

This item totalled Euro 514 thousand, net of depreciation for the year of Euro 139 thousand, and was for costs relating to electrical, heating, alarm and audiovisual systems.

The total increases amounting to Euro 90 thousand referred to plant and machinery for the Rho exhibition site.

Industrial and commercial equipment

This item totalled Euro 100 thousand, net of depreciation for the year of Euro 81 thousand, and was mainly for equipment and furnishings related to the exhibition business.

The total increases amounting to Euro 47 thousand referred to the purchase of furniture and equipment related to exhibition activities at the Rho exhibition site.

Other assets

This item totalled Euro 1,042 thousand net of depreciation for the year of Euro 408 thousand, and refers to purchases of electronic equipment, furniture and furnishing accessories and vehicles, in addition to the costs incurred for improvements made to assets of Fondazione Fiera Milano, which were the responsibility of the Company under existing lease agreements.

The total increase of Euro 117 thousand refers to investments in the digital area during the year.

Depreciation of improvements to third-party assets is calculated on the residual duration of the real estate lease.

5) Right-of-use assets

The breakdown and changes in the last two financial years are given below:

Right-of-use assets

(€'000)

	Balance at 31/12/19	Extraordinary transactions effects	Changes during the financial year						Balance at 31/12/20
			Incr.	Decr.	Depr.	Impairment	Reclass.	Other changes	
Leased property									
. historic cost	466,787	-	1,726	-	-	-	-	-	468,513
. depreciation	35,114	-	-	-	34,720	-	-	-	69,834
Net	431,673	-	1,726	-	34,720	-	-	-	398,679
Leased corporate fleet									
. historic cost	353	-	-	-	-	-	-	-	353
. depreciation	107	-	-	-	107	-	-	-	214
Net	246	-	-	-	107	-	-	-	139
Total Right-of-use assets									
. historic cost	467,140	-	1,726	-	-	-	-	-	468,866
. depreciation	35,221	-	-	-	34,827	-	-	-	70,048
Net	431,919	-	1,726	-	34,827	-	-	-	398,818

Right-of-use assets

(€'000)

	Balance at 31/12/20	Extraordinary transactions effects	Changes during the financial year						Balance at 31/12/21
			Incr.	Decr.	Depr.	Impairment	Reclass.	Other changes	
Leased property									
. historic cost	468,513	274	197	16,737	-	-	-	-	452,247
. depreciation	69,834	160	-	3,377	34,362	-	-	-	100,979
Net	398,679	114	197	13,360	34,362	-	-	-	351,268
Leased corporate fleet									
. historic cost	353	13	162	65	-	-	-	-	463
. depreciation	214	6	-	42	134	-	-	-	312
Net	139	7	162	23	134	-	-	-	151
Total Right-of-use assets									
. historic cost	468,866	287	359	16,802	-	-	-	-	452,710
. depreciation	70,048	166	-	3,419	34,496	-	-	-	101,291
Net	398,818	121	359	13,383	34,496	-	-	-	351,419

The breakdown and changes in the various items during the year were as follows:

Right-of-use properties

The item totalled Euro 351,268 thousand, less depreciation for the year of Euro 34,362 thousand, and refers to the recognition of leases of right-of-use property deriving from the application of IFRS 16. The decrease, amounting to Euro 13,360 thousand, is mainly due to the subletting of the **fieramilanocity** exhibition site to the subsidiary Fiera Milano Congressi SpA, following the contract signed on 30 July 2021 with effect from 1 September 2021.

Right-of-use vehicles

The item totalled Euro 151 thousand, less depreciation for the year of Euro 134 thousand, and refers to the recognition of leases of right-of-use vehicles deriving from the application of IFRS 16.

The item Right-of-use assets does not include increases relating to related-party transactions (Euro 1,726 thousand at 31 December 2020).

6) Goodwill

The breakdown and changes in the last two financial years are given below:

	Balance at 31/12/19	Changes during the financial year					Other changes	Balance at 31/12/20
		Extraordinary transactions effects	Incr.	Decr.	Impairment	Reclass.		
Goodwill								
. historic cost	82,933	-	-	-	-	-	-	82,933
. depreciation	12,789	-	-	-	-	-	-	12,789
Net	70,144	-	-	-	-	-	-	70,144
Total								
. historic cost	82,933	-	-	-	-	-	-	82,933
. depreciation	12,789	-	-	-	-	-	-	12,789
Net	70,144	-	-	-	-	-	-	70,144

	Balance at 31/12/20	Changes during the financial year					Other changes	Balance at 31/12/21
		Extraordinary transactions effects	Incr.	Decr.	Impairment	Reclass.		
Goodwill								
. historic cost	82,933	5,947	-	-	-	-	-	88,880
. depreciation	12,789	-	-	-	-	-	-	12,789
Net	70,144	5,947	-	-	-	-	-	76,091
Total								
. historic cost	82,933	5,947	-	-	-	-	-	88,880
. depreciation	12,789	-	-	-	-	-	-	12,789
Net	70,144	5,947	-	-	-	-	-	76,091

The breakdown and changes in the various items during the year were as follows:

Goodwill

This item totalled Euro 76,091 thousand.

Goodwill of Euro 29,841 thousand was initially recognised in the Statement of Financial Position following the contribution by Fondazione Fiera Milano of the exhibition entity on 17 December 2001.

In 2011, it increased by Euro 40,350 thousand as a result of the merger by incorporation of the 100% owned subsidiary, Rassegne SpA, into the controlling shareholder Fiera Milano SpA and by Euro 80 thousand for goodwill relating to acquisition of the *Information Communication Technology* business unit.

In 2012, it increased by a further Euro 21 thousand as a result of the merger by incorporation of the 100% owned subsidiary, TL. TI Expo SpA, into the controlling shareholder Fiera Milano SpA and decreased by Euro 148 thousand for goodwill relating to acquisition of the business unit F&M Fiere & Mostre Srl in 2009, following the adjustment to the final transaction consideration made due to failure to reach the targets for the 2012 editions of exhibitions.

On 14 December 2021, the deed of merger of the wholly-owned subsidiary Fiera Milano Media SpA into the Parent Company Fiera Milano SpA was signed. For details, see the comment in the item Investment.

In accordance with IAS 8, and as interpreted by the Assirevi OPI 2 Revised document, the financial statements of Fiera Milano SpA recognised the merger deficit in continuity with values in relation to the goodwill resulting from the consolidated financial statements at 1 January 2021, the date from when the accounting effects of the merger are referred; as a result of this operation, goodwill increased by Euro 5,947 thousand.

As described in section 1 'Accounting standards and criteria used to prepare the Financial Statements', goodwill is not amortised but is subject to *impairment tests* at the end of each reporting period or more frequently if there are any indications of impairment, with the assistance of a qualified independent expert. Paragraph 1.5 'Use of estimates' gives details of the methods used for the *impairment tests* in 2021.

The recoverable amount of the *cash generating units* (CGUs) was verified by calculating the higher between the *fair value* net of costs to sell and the value in use.

For Fiera Milano SpA, the CGUs were defined at individual exhibition level, consistent with Group *segment reporting*.

In order to avoid using arbitrary allocation criteria for the *impairment tests*, goodwill was allocated based on appropriate groupings that are in line with *Segment Reporting* and reflect the Group's strategic vision, *organisation and governance*. More specifically, at Fiera Milano SpA, the 'Italian Exhibitions Business' group of CGUs was identified and encompasses all of the activities relating to exhibitions held in the Exhibition Sites of **fieramilano** and **fieramilanocity**, which were allocated goodwill totalling Euro 76,091 thousand. The cash flows of Fiera Milano SpA for this grouping of CGUs achieved a positive result in both the *impairment test* and *sensitivity analyses*.

Cash flow projections beyond the time horizons of the 2022-2026 plan for economic/financial projections approved by the Board of Directors are generally made using the average gross operating profit for the last two years of financial forecasts and reconstructing a normalised cash flow without considering changes in working capital but including maintenance and replacement investments. The last two years (2025-2026) of the financial forecasts are considered to be a correct and prudent basis for calculating the normal cash flow after the plan period, in line with external evidence on the trend of the exhibition sector in Italy and Europe.

Note that the terminal value is measured as a perpetual annuity obtained by capitalising the average net cash flows, as specified above, using a weighted average cost of capital (WACC-*Weighted Average Cost of Capital*) discount rate of 7.32% and taking into account a growth factor of 1.7% in line with the forecast medium/long-term inflation rate.

The WACC incorporates a cost of risk capital of 9.16% and a cost of debt of 2.33%, with a debt equal to 25% of invested capital (the sector target). The individual parameters were determined by making the widest reference to publicly available sources. A net tax rate was applied to net tax cash flows.

The cost of capital incorporates a *risk-free* rate of 0.78%, a *market risk premium* of 6.0% and a *levered* beta of 1.23, in line with the average for the sector. It also incorporates a specific risk coefficient to cover *execution* risk relating to the forecast cash flows.

Sensitivity analyses were carried out by varying the WACC (+0.5%) and the forecast operating cash flows (-10%) with a positive result in both cases.

Further sensitivity analysis was performed on the recoverable amount to take account of the uncertainty still weighing on the economic context and on post Covid-19 recovery, simulating scenarios that were worse than the plan assumptions. In particular, the impact of the calculation of the terminal value was quantified, starting from the average of the gross operating margin of the last four years of the plan, thus also including years still significantly affected by the economic consequences of the Covid-19 pandemic. Lastly, the "breaking point" was also calculated, which is the permanent reduction of financial flows, compared to the 2022-2026 economic/financial projections, which should occur in the grouping of the "Italian Exhibitions Business" CGU, so that a write-down of intangibles is necessary. The results of both these additional analyses led to the conclusion that intangible assets do not present significant risks of impairment.

A test was also carried out on the amounts resulting from the application of IFRS 16 (with determination of consistent cash flows) confirming the results achieved.

Moreover, the item 'Right-of-use assets' does not generate independent cash flows; therefore, the recoverable amount, determined as the higher of value in use and fair value less the costs to sell, can only be assessed within the CGUs to which it belongs.

7) Intangible assets with a finite useful life

The breakdown and changes in the last two financial years are given below:

Intangible assets with a finite useful life

(€'000)

	Balance at 31/12/19	Extraordinary transactions effects	Changes during the financial year					Other changes	Balance at 31/12/20
			Incr.	Decr.	Depr.	Impairment	Reclass.		
Industrial patents and intellectual property rights									
. historic cost	39,460	-	1,539	-	-	-	-	-	40,999
. amortisation	37,960	-	-	-	717	-	-	-	38,677
Net	1,500	-	1,539	-	717	-	-	-	2,322
Concessions, licenses and similar rights									
. historic cost	4,793	-	32	-	-	-	-	-	4,825
. amortisation	3,881	-	-	-	366	-	-	-	4,247
Net	912	-	32	-	366	-	-	-	578
Trademarks									
. historic cost	27,263	-	700	-	-	-	-	-	27,963
. amortisation	19,735	-	-	-	822	-	-	-	20,557
Net	7,528	-	700	-	822	-	-	-	7,406
Intangible fixed assets under construction									
. historic cost	1,138	-	2,890	-	-	-	-	-	4,028
Net	1,138	-	2,890	-	-	-	-	-	4,028
Total intangible assets with a finite useful life									
. historic cost	72,654	-	5,161	-	-	-	-	-	77,815
. amortisation	61,576	-	-	-	1,905	-	-	-	63,481
Net	11,078	-	5,161	-	1,905	-	-	-	14,334

Intangible assets with a finite useful life

(€'000)

	Balance at 31/12/20	Extraordinary transactions effects	Changes during the financial year						Balance at 31/12/21
			Incr.	Decr.	Depr.	Impairment	Reclass.	Other changes	
Industrial patents and intellectual property rights									
. historic cost	40,999	-	2,169	-	-	-	3,762	-	46,930
. amortisation	38,677	-	-	-	1,634	-	-	-	40,311
Net	2,322	-	2,169	-	1,634	-	3,762	-	6,619
Concessions, licences and similar rights									
. historic cost	4,825	-	280	-	-	-	-	-	5,105
. amortisation	4,247	-	-	-	388	-	-	-	4,635
Net	578	-	280	-	388	-	-	-	470
Trademarks									
. historic cost	27,963	-	-	-	-	-	-	-	27,963
. amortisation	20,557	-	-	-	853	-	-	-	21,410
Net	7,406	-	-	-	853	-	-	-	6,553
Intangible fixed assets under construction									
. historic cost	4,028	-	2,230	-	-	-	(3,762)	-	2,496
Net	4,028	-	2,230	-	-	-	(3,762)	-	2,496
Total intangible assets with a finite useful life									
. historic cost	77,815	-	4,679	-	-	-	-	-	82,494
. amortisation	63,481	-	-	-	2,875	-	-	-	66,356
Net	14,334	-	4,679	-	2,875	-	-	-	16,138

The breakdown and changes in the various items during the year were as follows:

Industrial patents and intellectual property rights

This item was Euro 6,619 thousand, net of amortisation for the year of Euro 1,634 thousand. The total increase of Euro 5,931 thousand refers to costs associated with the implementation of digital projects and software purchases.

Amortisation is calculated on the estimated useful life of the asset, which is three years.

Concessions, licences and similar rights

The item was Euro 470 thousand, net of amortisation for the year of Euro 388 thousand. The overall increase of Euro 280 thousand refers to the purchase of software licences with rights of use limited in time.

Time-limited software licences are amortised over a period of three years.

Trademarks

This item totalled Euro 6,553 thousand net of amortisation for the year of Euro 853 thousand, with breakdown as follows:

• Milan Games Week	Euro 1,895 thousand;
• Host	Euro 1,131 thousand;
• Mipap Milano Prêt-à-Porter	Euro 1,063 thousand;
• Promotion Trade Exhibition	Euro 996 thousand;
• G! Come Giocare	Euro 520 thousand;
• Transpotec & Logitec	Euro 297 thousand;
• Cartoomics	Euro 241 thousand;
• Salone Franchising Milano	Euro 141 thousand;
• Miart	Euro 78 thousand;
• La Campionaria	Euro 67 thousand;
• BtoBio Expo	Euro 60 thousand;
• Festivity	Euro 50 thousand;
• Tuttofood	Euro 7 thousand;
• Fruit&Veg Innovation	Euro 7 thousand.

For the purpose of the impairment testing of trademarks to which Fiera Milano SpA assigns a finite useful life, the external and internal sources of information specified in paragraphs 12-14 of IAS 36 were examined and no signs of impairment were found.

Exhibition trademarks are amortised over a useful life of 10-20 years. Each trademark's useful life is calculated, considering for each specific intangible asset, its continuous presence on a given reference market, its competitive positioning, and its operational marginality.

Intangible fixed assets under construction

This item totalled Euro 2,496 thousand and refers to costs incurred for the development of new company IT systems. On completion, the asset will be reclassified under the corresponding item of fixed assets and it will start to be depreciated.

8) Equity investments

The breakdown and changes during the year were as follows:

Investments

(€'000)

	% held 31/12/21	Book value 31/12/20	Changes during the financial year						Book value 31/12/21
			Extraordinary transactions effects	Incr.	Decr.	Reclass.	Revaluat.	Write- downs	
Equity investments in subsidiaries companies									
Fiera Milano Congressi SpA	100%	12,200	-	-	-	-	-	-	12,200
Fiera Milano Media SpA	100%	7,618	(7,618)	-	-	-	-	-	-
MADE eventi Srl	60%	1,860	-	900	-	-	-	186	2,574
Nolostand SpA	100%	13,390	-	-	-	-	-	-	13,390
Cipa Fiera Milano Publicações e Eventos Ltda	99.99%	2,202	-	-	-	-	-	458	1,744
Fiera Milano Exhibitions Africa Pty Ltd	100%	415	-	-	-	-	-	-	415
Fiera Milano India Pvt Ltd	99.99%	42	-	-	42	-	-	-	-
Total		37,727	(7,618)	900	42	-	-	644	30,323
Equity investments in joint-ventures									
Hannover Milano Global Germany GmbH	49%	10,990	-	-	-	-	-	-	10,990
Ipack Ima Srl	49%	2,407	-	-	-	-	-	-	2,407
Total		13,397	-	-	-	-	-	-	13,397
Other Investments									
Comitato Golden Card	33.33%	32	-	-	-	-	-	-	32
Total		32	-	-	-	-	-	-	32
Total equity investments		51,156	(7,618)	900	42	-	-	644	43,752

The values of investments are shown net of any impairment losses.

The value and changes in Equity investments are described below:

- On 28 September 2018, Fiera Milano SpA, as sole shareholder of Fiera Milano India Pvt Ltd resolved to liquidate this company. On 22 May 2021, the final financial statements for liquidation purposes and the consequent allocation plan were approved, resulting in a capital loss of Euro 13 thousand. The procedure will end with the final proceedings envisaged by local legislations concerning company liquidation;
- on 14 December 2021, the deed of merger of the wholly-owned subsidiary Fiera Milano Media SpA into the Parent Company Fiera Milano SpA was signed. The signing of the deed follows the resolution of the Board of Directors of 1 September 2021. The decision of the merger was taken by the Board of Directors pursuant to the provisions of Article 2505 of the Civil Code. The merger, which took legal effect on 16 December 2021, did not provide for any exchange, since the merged company was already wholly owned by Fiera Milano SpA.
Fiera Milano SpA added the assets, liabilities and shareholders' equity of the company being acquired, cancelling the value of the investment of Euro 7,618 thousand against the shareholders' equity of the incorporated company;
- on 20 December 2021, Fiera Milano SpA made a capital payment of Euro 900 thousand to the company MADE eventi Srl in order to make up the capital deficit. This was part of the resolution of the Board of Directors of 10 December 2021, which had approved to make up the expected capital deficit, through non-repayable payments to be made in proportion to the respective shares of the shareholders.

At the end of the year, the investments were tested for *impairment*, by a qualified independent expert, the result of which showed value adjustments to be made to the following investments: Cipa Fiera Milano Publicações e Eventos Ltda for Euro 458 thousand and MADE eventi Srl for Euro 186 thousand.

The *discounted cash flow* method is used for *impairment*, based on the 2022-2026 financial forecasts approved by the respective Boards of Directors. Cash flow projections beyond the business plan period are generally made using the average gross operating profit for the last two years of the financial forecasts and reconstructing a normalised cash flow without considering changes in working capital but including maintenance and replacement investments. The last two years (2025-2026) of the financial forecasts are considered to be a correct and prudent basis for calculating the normal cash flow after the plan period, in line with external evidence on the trend of the exhibition sector in Italy and Europe.

The terminal value is measured as a perpetual annuity obtained by capitalising the normalised cash flow, using a discount rate calculated by reference country for the various investments. Zero growth in real terms was assumed, considering only the level of medium/long-term inflation forecast in the specific monetary area of reference.

The *WACC (Weighted Average Cost of Capital)* used in the measurements is different for each investment on the basis of: (i) the different risk free rate (assumed to be equal to the yield on 10-year government bond of the investment's country of reference); (ii) the different specific risk coefficient covering execution risk relating to the forecast cash flows. This risk factor reflects the figures deriving from historic deviations between forecast and final figures, as well as forward-looking assessments of business initiatives; (iii) the different cost of debt based on the expected inflation rate in the individual reference monetary areas of each investment.

A summary of the results is given below:

• Fiera Milano SpA	7,32%
• Fiera Milano Congressi SpA	7,32%
• Ipack-Ima Srl	7,32%
• Nolostand SpA	7,32%
• MADE eventi Srl	7,32%
• Cipa Fiera Milano Publicações e Eventos Ltda	13,99%
• Fiera Milano Exhibitions Africa Pty Ltd	13,94%
• Hannover Milano Global Germany GmbH	8,26%

Sensitivity analyses were carried out by varying the WACC (+0.5%) and the forecast operating cash flows (-10%) with a positive result in both cases.

Further sensitivity analysis was performed on the recoverable amount to take account of the uncertainty still weighing on the economic context and on post Covid-19 recovery, simulating scenarios that were worse than the plan assumptions. In particular, the impact of the calculation of the terminal value was quantified, starting from the average of the gross operating margin of the last four years of the plan, thus also including years still significantly affected by the economic consequences of the Covid-19 pandemic. All investments tested for *impairment* confirm their value, with positive results also in relation to supplementary *sensitivity* testing.

Lastly, the "breaking point" was also calculated. This is the permanent reduction of financial flows, compared to 2022-2026 projections, which should occur in each company, making a write-down of intangibles necessary. The results of this last analysis differ among investees. In some cases, the values of equity investments do risk impairment, even in the face of drastic and irreversible deterioration in the economic environment; in other cases there is a lower margin of safety.

9) Financial receivables from leased assets

This item totalled Euro 11,767 thousand (zero at 31 December 2020), with breakdown as follows:

Financial leasing receivables				(€'000)
	31/12/21	31/12/20	Change	
Financial leasing receivables	11,767	-	11,767	
Total	11,767	-	11,767	

The item refers to the medium-long term portion of the financial receivable deriving from the application of IFRS 16 for the sublease to the subsidiary Fiera Milano Congressi SpA, of the **fieramilanocity** exhibition site following the contract signed on 30 July 2021 with effect from 1 September 2021.

The entire item refers to related-party transactions (zero at 31 December 2020). For more details, see note 51 on these transactions.

10) Other financial assets

This item totalled Euro 9,134 thousand (Euro 5,077 thousand at 31 December 2020), broken down as follows:

Other financial assets				(€'000)
	31/12/21	31/12/20	Change	
Loans to Subsidiaries	3,336	-	3,336	
Mutual investment funds ESG	5,798	5,077	721	
Total	9,134	5,077	4,057	

The item includes:

- euro 3,336 thousand for the loan to the subsidiary Cipa Fiera Milano Publicações e Eventos Ltda. The rate applied at 1.50% was amended from 1 October 2021 to a rate of 2.30%;
- for Euro 5,798 thousand, units of mutual investment funds, measured at *fair value*. The *fair value* is measured on the basis of the market value of the security at 31 December 2021 inclusive of commissions.

Other financial liabilities included Euro 3,336 thousand (zero at 31 December 2020) for related-party transactions. For more details, see note 51 on these transactions.

11) Trade and other receivables

This item totalled Euro 29,940 thousand (Euro 21,579 thousand at 31 December 2020), of which Euro 100 thousand due beyond five years, with breakdown as follows:

Trade and other receivables				(€'000)
	31/12/21	31/12/20	Change	
Other receivables from the controlling shareholder	10,544	10,808	(264)	
Receivables from the controlling shareholder for tax consolidation	19,296	10,679	8,617	
Other guarantee deposits	100	92	8	
Total	29,940	21,579	8,361	

The item includes:

- other receivables from the Parent Company of Euro 10,544 thousand (Euro 10,808 thousand at 31 December 2020). Euro 10,412 thousand was for the guarantee deposit under the lease agreements for the two exhibitions

sites of Rho and Milan. This amount is equivalent to the combined quarterly rent on the two leases. The remainder of Euro 132 thousand refers to the medium/long-term portion of the receivable from the right to reimbursement by Fondazione Fiera Milano of the guarantee deposit paid on the two previous leases, partly offset against the amount payable by Fiera Milano SpA as guarantee deposit on the new leases. This receivable will be repaid by Fondazione Fiera Milano in six-monthly instalments over the term of the lease, offset against the lease payments due from Fiera Milano SpA;

- receivables from the controlling shareholder for tax consolidation for Euro 19,296 thousand (Euro 10,679 at 31 December 2020) refer to the remuneration of tax losses for 2020 and 2021 carried over to the tax consolidation with Fondazione Fiera Milano and recognised against the assessment of recoverability, within the time horizon of the approved plans;
- other guarantee deposits totalling Euro 100 thousand (Euro 92 thousand at 31 December 2020).

The entry for trade and other receivables also included Euro 29,840 thousand of related-party transactions (Euro 21,487 thousand at 31 December 2020). For more details, see note 51 on these transactions.

12) Deferred tax assets

This item totalled Euro 11,476 thousand (zero at 31 December 2020) and is the net balance of deferred tax assets and deferred tax liabilities.

An analysis of the changes in deferred taxes is given in Note 49 to the Income Statement.

Current assets

13) Trade and other receivables

Trade and other receivables

	31/12/21	31/12/20	Change
Trade receivables	16,173	6,741	9,432
Trade receivables from subsidiaries	3,608	1,669	1,939
Trade receivables from <i>Joint Venture</i>	55	85	(30)
Trade receivables from Associates	-	119	(119)
Group VAT receivables to controlling shareholder	170	2,894	(2,724)
Other receivables	2,026	1,454	572
Other receivables from the controlling shareholder	1,262	1,003	259
Prepaid expenses	1,251	1,137	114
Prepaid expenses from the controlling shareholder	102	102	-
Total	24,647	15,204	9,443

This item totalled Euro 24,647 thousand (Euro 15,204 thousand at 31 December 2020), with breakdown as follows:

- trade receivables of Euro 16,173 thousand (Euro 6,741 thousand at 31 December 2020) net of the provision for doubtful receivables of Euro 2,504 thousand. These represent receivables from organisers, exhibitors, and others for services relating to the Exhibition site's availability and the provision of services related to the exhibitions. The change is mainly due to the higher volume of activities related to the resumption of in-person exhibition activities starting from mid-June after the prolonged suspension in 2020 due to the Covid-19 pandemic.

The figure for receivables from customers was adjusted for the provision for doubtful receivables in order to bring the nominal value of the receivables that were deemed difficult to recover in line with the estimated recoverable amount. Use of the provision refers to receivables that, in the financial period under review, were found to be unrecoverable.

The change in this provision during the year was as follows:

	31/12/20	Extraordinary transactions effects	Provisions	Utilisation and other changes	(€'000) 31/12/21
Provision for doubtful receivables	4,825	286	-	2,607	2,504

- Other receivables from the controlling shareholder of Euro 3,608 thousand (Euro 1,669 thousand at 31 December 2020). These were trade receivables and are settled at arm's length.

The services provided are part of the organisation and management of exhibitions and other events at the Exhibition site.

- Other receivables of Euro 2,026 thousand (Euro 1,454 thousand at 31 December 2020). This item consisted of receivables from employees for Euro 79 thousand, receivables for tax advances on employee severance indemnities for Euro 329 thousand, advances to suppliers for Euro 515 thousand, receivables from social security institutions for Euro 117 thousand, IRES receivables for Euro 28 thousand, other tax receivables for Euro 508 thousand, a receivable for participation in the training plan related to the "Fondo Nuove Competenze" (New Skills Fund) for Euro 203 thousand and other short-term receivables for Euro 247 thousand.
- Prepayments for Euro 1,251 thousand (Euro 1,137 thousand at 31 December 2020). These refer to insurance premiums and other accruals and costs incurred by year end but pertaining to the following year.

The entry for trade and other receivables also included Euro 5,197 thousand of related-party transactions (Euro 5,872 thousand at 31 December 2020). For more details, see note 51 on these transactions.

14) Inventories

This item includes deferred costs for Euro 1,876 thousand (Euro 3,583 thousand at 31 December 2020) for exhibitions to be held after 31 December 2021.

Inventories

	31/12/21	31/12/20	(€'000) Change
Transpotec & Logitec	655	351	304
Expodetergo International	405	-	405
Print4all	354	230	124
Host	148	1,104	(956)
Tuttofood	74	1,255	(1,181)
Bit	56	129	(73)
HOMI	24	110	(86)
Sicurezza	12	184	(172)
Other	148	220	(72)
Total	1,876	3,583	(1,707)

The change over the previous year is mainly due to the biennial or multiannual frequency of some exhibitions and the effect of the Covid-19 pandemic, which led to changes in the calendar for the exhibition business. Personnel expenses directly attributable to the exhibitions are recognised in profit or loss at the time the event takes place and consequently included in the inventories among suspended costs. The impact of this particular case amounts to Euro 948 thousand.

Inventories included Euro 26 thousand (Euro 187 thousand at 31 December 2020) for related-party transactions. For more details, see note 51 on these transactions.

15) Financial receivables from leased assets

This item totalled Euro 813 thousand (zero at 31 December 2020), with breakdown as follows:

Financial leasing receivables		(€'000)	
	31/12/21	31/12/20	Change
Financial leasing receivables	813	-	813
Total	813	-	813

The item refers to the short-term portion of the financial receivable deriving from the application of IFRS 16 for the sublease to the subsidiary Fiera Milano Congressi SpA, of the **fieramilanocity** exhibition site following the contract signed on 30 July 2021 with effect from 1 September 2021.

The entire item refers to related-party transactions (zero at 31 December 2020). For more details, see note 51 on these transactions.

16) Financial assets

This item totalled Euro 3,315 thousand (Euro 3,218 thousand at 31 December 2020), broken down as follows:

Financial assets		(€'000)	
	31/12/21	31/12/20	Change
Current financing from subsidiaries and <i>joint venture</i>	3,315	3,218	97
Total	3,315	3,218	97

This item includes financing activities with several subsidiaries and joint ventures. These transactions are settled at arm's length and include:

- for Euro 907 thousand, the loan granted to the subsidiary MADE eventi Srl, at an interest rate of 1.30%;
- Euro 2,408 thousand for the financing given to the joint venture Ipack-Ima Srl. The interest rate applied was 1.30%.

The entire item refers to related-party transactions (Euro 3,218 thousand at 31 December 2020). For more details, see note 51 on these transactions.

17) Cash and cash equivalents

This item totalled Euro 135,996 thousand (Euro 17,472 thousand at 31 December 2020) and referred almost entirely to short-term bank deposits.

Cash and cash equivalents		(€'000)	
	31/12/21	31/12/20	Change
Bank and postal accounts	135,985	17,464	118,521
Cheques	-	-	-
Cash and cash equivalents	11	8	3
Total	135,996	17,472	118,524

The change compared to the previous year is mainly attributable to funding and public grants obtained to face the suspension of exhibition activities following the Covid-19 emergency.

The cash flows, with comparative data at 31 December 2020, are shown in the Statement of Cash Flows.

EQUITY AND LIABILITIES

18) Equity

The breakdown of equity was as follows:

Equity	31/12/21	31/12/20	Change
			(€'000)
Share capital	42,284	42,284	-
<i>of which treasury shares</i>	<i>(161)</i>	<i>(161)</i>	-
Share premium reserve	8,557	8,557	-
<i>of which treasury shares</i>	<i>(2,272)</i>	<i>(2,272)</i>	-
Other reserves	9,155	8,489	666
Retained profits/(losses)	5,515	30,594	(25,079)
Profit/(loss) for the year	36,622	(24,756)	61,378
Total	102,133	65,168	36,965

Following the realignment of the discrepancies between the carrying amount and the tax values of goodwill and trademarks as reported in the financial statements, in accordance with article 110 of Legislative Decree 104/20 (as amended by art. 1 c. 83 of Law 178 of 30 December 2020, the 2021 Budget Law), Euro 64,087 thousand of share capital and existing reserves was restricted and held over for tax upon distribution, corresponding to the higher amount subject to realignment net of the 3% substitute tax.

The amounts and changes in the items compared to 31 December 2020 were as follows:

Share capital

At 31 December 2021, this item came to Euro 42,284 thousand (Euro 42,284 thousand at 31 December 2020), net of treasury shares for Euro 161 thousand. The fully paid-up share capital was made up of 71,917,829 ordinary shares, with no restrictions on the distribution of dividends or repayment of share capital, except as legally provided for treasury share.

A breakdown of the shares outstanding is shown in the following table:

	Number of shares at 31 December 2020	Free grant of ordinary shares allocated to the Directors	Number of shares at 31 December 2021
Ordinary shares in issue	71,917,829		71,917,829
Treasury shares	273,758		273,758
Total shares outstanding	71,644,071		71,644,071

Under IAS/IFRS accounting principles, when treasury shares are acquired, the nominal value of the shares acquired is deducted from equity while the difference between acquisition value and the nominal value is recognised directly in the share premium reserve.

On 31 July 2015, the Extraordinary Shareholders' Meeting of the Company, at the same time as it approved the share capital increase, approved the elimination of the nominal value of the shares comprising the share capital. Therefore, since that date the nominal value is calculated by dividing the share capital by the number of shares outstanding. At 31 December 2021, this gave an implicit nominal value of Euro 0.59 per share.

At 31 December 2021, the Company held 273,758 treasury shares.

Share premium reserve

The share premium reserve was Euro 8,557 thousand (Euro 8,557 thousand at 31 December 2020) net of the Euro 2,272 thousand reserves for treasury shares.

Other reserves

Other reserves totalled Euro 9,155 thousand (Euro 8,489 thousand at 31 December 2020), broken down as follows:

- Euro 8,489 thousand (Euro 8,489 thousand at 31 December 2020) for the legal reserve;
- Euro 736 thousand (zero at 31 December 2020) from the stock *grant* reserve in relation to the estimated cost of the *Performance Shares Plan* included in the 2021-2022 management incentives plan;
- Euro -70 thousand (equal to zero at 31 December 2020) from the reserve for financial hedging operations.

Retained earnings

This entry was Euro 5,515 thousand (Euro 30,594 thousand at 31 December 2020). The change of Euro 25,079 thousand is due to the decrease of Euro 24,756 thousand that follows the shareholders' resolution of 28 April 2021 in which it was decided to carry forward the loss for 2020, to the decrease of Euro 258 thousand relating to the remeasurement of defined benefit plans net of tax effects and to the decrease of Euro 65 thousand following the merger by absorption of the company Fiera Milano Media SpA.

Profit/(loss)

For the year ending 31 December 2021, a profit of Euro 36,622 thousand was recognised, compared to a loss of Euro 24,756 at 31 December 2020.

The table below gives a breakdown of equity and shows the possible uses and amounts available for distribution for each component, as well as any use made in previous financial years.

Equity available and equity available for distribution

(€'000)

	Balance	Possible uses	Amount available	Summary of uses in the three previous financial years	
				to cover losses	for other reasons
Share capital	42,284				
<i>of which treasury shares</i>	(161)				
Capital reserves:					
Share-premium reserve	8,557	A,B,C	8,557	-	
Other reserves (legal reserve)	8,489	B	-	-	
Other reserves (<i>stock grant</i> reserve)	736	-	-	-	
Other reserves (hedging reserve)	(70)	-	-	-	
Reserves for earnings:					
Other reserves	-	-	-	-	
Retained earnings	5,515	A,B,C	5,515	24,756	
Profit (loss) for the year	36,622	-	-		
Total	102,133		14,072	24,756	
Amount unavailable for distribution			-		
Remainder available for distribution			14,072		

Key

A: for capital increase

B: to cover losses

C: for distribution to shareholders

LIABILITIES

Non-current liabilities

19) Bank borrowings

This item amounts to Euro 96,159 thousand (zero at 31 December 2020).

Bank borrowings

	31/12/21	31/12/20	Change
Bank loans	96,159	-	96,159
Total	96,159	-	96,159

(€ '000)

Medium-long term bank borrowings concern the following loans:

- Euro 55,084 thousand, for the portion of the loan underwritten on 17 February 2021 by a pool of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit) maturing on 31 December 2025 and with a 24-month pre-amortisation period. This loan is remunerated at a variable interest rate with financial coverage (*Interest Rate Swap*) and is subject to the measurement of financial *covenants* on a half-yearly basis. The *covenants* agreed under the loan were met at 31 December 2021.
- Euro 20,081 thousand, for the portion of the loan underwritten on 22 February 2021 by Casa Depositi Presiti, maturing on 31 December 2025 and with a 24-month pre-amortisation period. This loan is remunerated at a fixed interest rate and is subject to the measurement on a half-yearly basis of financial *covenants*. The *covenants* agreed under the loan were met at 31 December 2021.

The above loans are backed by a 90% guarantee issued by SACE, the Italian export credit agency, as part of the "Guarantee Italy" programme in accordance with article 1 of Italian Law Decree 23/2020, ratified with amendments by Law 40/2020 'Liquidity Decree'.

- Euro 7,000 thousand, for the portion of the loan underwritten on 28 April 2021 by Simest, maturing on 31 December 2027 and with a 36-month pre-amortisation period. This loan bears interest at a fixed rate. The loan was granted within the scope of the availability of the section of the Fund 394/8, pursuant to Article 91, paragraphs 1 and 2, of Decree-Law 14 August 2020, n.104, converted, with amendments, by Law 126 of 13 October 2020, and Article 6, paragraph 3, no. 1, of Decree Law 137 of 28 October 2020;
- Euro 4,062 thousand, for the medium-/long- term portion of the Euro 5,000 thousand loan underwritten on 19 May 2021 by Banca Carige maturing on 31 March 2026 and with a 12-month pre-amortisation period. This loan bears interest at a variable rate.
- Euro 9,932 thousand, for the portion of the loan underwritten on 22 October 2021 by Banca Bper maturing on 30 September 2025 and with a 21- month, 68-day pre-amortisation period. This loan is remunerated at a variable interest rate and is subject to the measurement on a half-yearly basis of financial *covenants*. The *covenants* agreed under the loan were met at 31 December 2021.

20) Financial liabilities related to the right-of-use of assets

This item totalled Euro 345,544 thousand (Euro 376,688 thousand at 31 December 2020), broken down as follows:

Financial liabilities related to the right-of-use of assets				(€ '000)
	31/12/21	31/12/20	Change	
Financial liabilities related to the right-of-use of assets	345,544	376,688	(31,144)	
Total	345,544	376,688	(31,144)	

It refers to the medium/long-term portion of the lease *liability*. The liability refers to the obligation to make the payments provided for by the lease contracts for properties and cars deriving from the application of IFRS 16.

The item Financial liabilities related to the right-of-use assets includes related-party transactions of Euro 345,340 thousand (zero at Euro 376,627 thousand at 31 December 2020). For more details, see note 51 on these transactions.

21) Other financial liabilities

This item totalled Euro 70 thousand (zero at 31 December 2020), with breakdown as follows:

Other financial liabilities				(€ '000)
	31/12/21	31/12/20	Change	
Derivatives	70	-	70	
Total	70	-	70	

The item refers to financial hedging contracts for the interest rate risk on certain medium/long-term bank loans.

22) Provisions for risks and charges

Provisions for risks and charges							(€'000)
	31/12/20	Provisions	Utilisation	Write-back of provisions	Reclassifications	31/12/21	
Other provisions for risks and charges	-	-	-	-	72	72	
Total	-	-	-	-	72	72	

This item amounts to Euro 72 thousand (zero at 31 December 2020). The item refers to various provisions for risks set up for outlays calculated on the basis of the presumed outcome of the risks.

23) Employee benefit provisions

This item totalled Euro 6,523 thousand (Euro 5,148 thousand at 31 December 2020).

Provisions for defined benefit plans, calculated using actuarial methods, were for employee severance indemnities that had accrued at 31 December 2006 and with breakdown as follows:

Employee benefit provisions

	31/12/20	Effetti delle operazioni straordinarie	Valutazione attuariale	Indennità e anticipazioni erogate	Altri movimenti	(€'000) 31/12/21
Defined benefit plans	5,148	1,788	171	621	37	6,523
Total	5,148	1,788	171	621	37	6,523

Actuarial evaluation

	(€'000)
Personnel costs:	
- Indemnities related to defined benefit plans	85
Financial expenses:	
- Actualisation charges	24
Other comprehensive income:	
- Remeasurement of defined benefit plans	62
Total	171

The Company uses a duly certified professional to determine the actuarial amounts.

The main hypotheses/assumptions used in the actuarial calculations for the defined benefit plans were as follows:

Demographic assumptions

Mortality rate	Based on the ISTAT 2011 mortality tables by gender to which has applied a 20% falling mortality connected.
Probability of disability	Based on the disability tables used in the INPS 2010 forecast model.
Probability of termination of employment	Based on the probable employee turnover rate equal to 7.5 % per annum of the companies being valued.
Retirement probability	Assumption that the basic requirements needed to receive the compulsory general insurance (Assicurazione Generale Obbligatoria) were met.
Probability of early retirement	Assumption of 3% per annum and an average amount of 70% of the staff-leaving indemnities of all the companies valued.

Economic and financial assumption for calculation of severance indemnity provisions

	31/12/21	31/12/20
Annual technical discount rate	1.00%	0.35%
Annual inflation rate	1.75%	1.00%
Annual rate of increase in severance indemnity provisions	2.81%	2.25%

The discount rate was calculated with reference to the Eurozone Iboxx Corporate AA index for a period equal to or greater than 10 years.

The following table gives sensitivity analyses for the main assumptions used to calculate the liability of the defined benefit plans.

Economic and financial assumptions

(€ '000)

	Range	Base figure (excluding the CEO's termination benefit)	Increase in assumptions	Decrease in assumptions
Annual technical discount rate	+/- 0.5%	6,523	6,300	6,760
Annual rate of increase in total employees salary	+/- 0.5%	6,523	6,588	6,458
Economic and financial assumptions				
Life expectancy	+/- 1 anno	6,523	6,556	6,490

24) Deferred tax liabilities

This item was zero (Euro 7,195 thousand at 31 December 2020). The net balance of deferred tax liabilities is recognised under the item "Deferred Tax Assets".

25) Other current liabilities

This item totalled Euro 655 thousand (zero at 31 December 2020), with breakdown as follows:

Other liabilities

(€ '000)

	31/12/21	31/12/20	Change
Tax liabilities	655	-	655
Total	655	-	655

The item refers to the medium-/long-term share of the debt relating to the substitute tax that arose as a result of the tax realignment of goodwill and exhibition trademarks. The current portion of the provision, equal to Euro 655 thousand, has been classified under current tax payables. Therefore, at 31 December 2021, total debt amounted to Euro 1,310 thousand. For more details, please, refer to note 49 of the income statement.

Current liabilities

26) Bank borrowings

This item totalled Euro 938 thousand (Euro 49,018 thousand at 31 December 2020), broken down as follows:

Bank borrowings

(€ '000)

	31/12/21	31/12/20	Change
Credit lines	-	24,005	(24,005)
Bank loans	938	25,013	(24,075)
Total	938	49,018	(48,080)

The item refers to the short-term portion of the loan granted by the banca Carige already described in note 19.

The change compared to the previous year is due to the absence of the use of credit lines (Euro 24,005 thousand at 31 December 2020) and the settlement of the debt relating to the short-term portions of the loan granted on 30 April 2020 by Unione di Banche Italiane SpA (Euro 25,013 thousand at 31 December 2020).

27) Trade payables

This item totalled Euro 29,818 thousand (Euro 14,368 thousand at 31 December 2020). Trade payables were mainly to Italian suppliers, most of which were for the purchase of services required to mount the exhibitions that are the Company's core business. The change is mainly due to the higher volume of activities related to the resumption of in-person exhibition activities starting from mid-June after the prolonged suspension in 2020 due to the Covid-19 pandemic.

28) Advances

This item totalled Euro 27,730 thousand (Euro 21,870 thousand at 31 December 2020) and represent advances invoiced to customers for exhibitions to be held in the next year. Recognition as revenue is deferred until the exhibition is held.

The table below gives a breakdown by exhibition.

Advances	31/12/21	31/12/20	Change
	(€'000)		
Mostra Convegno Expoconfort	6,510	4,384	2,126
Homi	3,235	252	2,983
Salone del mobile/complemento d'arredo	2,160	2,248	(88)
Transpotec & Logitec	1,897	414	1,483
Mido	1,690	1,414	276
Micam	1,679	17	1,662
Host	1,615	4,381	(2,766)
Ipac-Ima	1,339	650	689
Lineapelle - A new point of view	1,070	-	1,070
Plast	1,014	1,224	(210)
Milano Unica	869	-	869
Myplant & Garden	580	580	-
Print4all	444	193	251
Expodetergo International	417	-	417
Eurocucina	415	442	(27)
Promotion Trade Exhibition	411	66	345
Venditalia	407	-	407
Sime	306	30	276
Salone Internazionale del Bagno	261	225	36
Lamiera	251	165	86
Sposaltalia	190	304	(114)
Homi Fashion&Jewels	167	4	163
The One Milano	137	30	107
Bit	130	-	130
Tuttofood	106	1,780	(1,674)
Greenplast	101	-	101
Miart	61	347	(286)
Sicurezza	-	550	(550)
Emo	-	500	(500)
CPhI	-	462	(462)
Eicma Moto	-	330	(330)
Euroluce	-	286	(286)
Meat-tech	-	121	(121)
Other	268	471	(203)
Total	27,730	21,870	5,860

The change over the previous year is mainly due to the biennial or multiannual frequency of some exhibitions and the effect of the Covid-19 pandemic, which led to changes in the calendar for the exhibition business.

Advances included Euro 1,339 thousand (Euro 847 thousand at 31 December 2020) for related-party transactions. For more details, see note 51 on these transactions.

29) Financial liabilities related to the right-of-use of assets

This item totalled Euro 35,689 thousand (Euro 37,141 thousand at 31 December 2020), broken down as follows:

Financial liabilities related to the right-of-use of assets			(€ '000)
	31/12/21	31/12/20	Change
Financial liabilities related to the right-of-use of assets	35,689	37,141	(1,452)
Total	35,689	37,141	(1,452)

It refers to the short-term portion of the lease *liability*. The liability refers to the obligation to make the payments provided for by the lease contracts for properties and cars deriving from the application of IFRS 16.

The item Financial payables related to right-of-use assets includes related-party transactions of Euro 35,519 thousand (Euro 37,021 at 31 December 2020). For more details, see note 51 on these transactions.

30) Other financial liabilities

This item totalled Euro 30,216 thousand (Euro 7,389 thousand at 31 December 2020), broken down as follows:

Other financial liabilities			(€ '000)
	31/12/21	31/12/20	Change
Financial payables to the controlling shareholder	9,560	1,313	8,247
Financial payables to the subsidiaries	20,656	6,076	14,580
Total	30,216	7,389	22,827

The item 'Financial payables to the controlling shareholder' refers to the balance in the correspondent current account held with Fondazione Fiera Milano. The fixed rate was equal to the 1-month Euribor plus a spread of 0.75%. The change compared to the previous year is mainly attributable to the regulation of the rent.

The item 'Financial payables to the subsidiaries' refers to the balance in the correspondent current account held with the following subsidiaries:

- Fiera Milano Congressi SpA for Euro 16,619 thousand;
- Nolostand SpA for Euro 4,037 thousand.

These current accounts originate from the *cash pooling* contracts signed on 22 November 2018, effective from 10 December 2018, and show daily balances subject to offsetting among the companies. The 3-month Euribor rate is applied (with zero *floor*) plus a market value spread. A 0.75% spread was applied for 2021.

The entire item refers to related-party transactions (Euro 7,389 thousand at 31 December 2020). For more details, see note 51 on these transactions.

31) Provisions for risks and charges

Provisions for risks and charges

(€'000)

	31/12/20	Provisions	Utilisation	Write-back of provisions	Reclassifications	31/12/21
Other provisions for risks and charges	545	5,449	532	-	(72)	5,390
Total	545	5,449	532	-	(72)	5,390

This item amounts to Euro 5,390 thousand (Euro 545 thousand at 31 December 2020) and mainly concerns risks related to the estimation of probable liabilities regarding the corporate reorganisation, calculated on the basis of the expected outcome of the same both through internal assessments and with the support of external legal advisors.

32) Debiti tributari

This item totalled Euro 3,510 thousand (Euro 3,063 thousand at 31 December 2020).

Tax payables

(€'000)

	31/12/21	31/12/20	Change
Income tax payable in the financial year	829	51	778
Income tax payable for employees (IRPEF)	1,751	2,865	(1,114)
Income tax payable for temporary employees and project workers (IRPEF)	116	114	2
Other tax liabilities	814	33	781
Total	3,510	3,063	447

The change is mainly attributable to the balance of IRAP for the 2019 financial year, with the deadline extended to 30 June 2022, as well as to the short-term portion of the debt relating to the substitute tax, which arose following the tax realignment of goodwill and exhibition trademarks.

This effect was partially offset by the decrease in debts for withholding taxes made on employee salaries and similar in the face of the suspension in 2020 of payments resulting from the government measures adopted for the Covid-19 health emergency.

33) Other current liabilities

This item totalled Euro 33,570 thousand (Euro 15,049 thousand at 31 December 2020).

Other liabilities

	31/12/21	31/12/20	Change
Trade payables to subsidiaries	11,517	5,388	6,129
Trade payables to <i>Joint Venture</i>	242	14	228
Trade payables to associates	59	-	59
Payables to exhibition organisers and others	13,923	3,696	10,227
Payables to exhibition organisers of subsidiaries	1,482	-	1,482
Payables to exhibition organisers in <i>joint venture</i>	187	37	150
Payables to pension and social security entities	2,320	3,328	(1,008)
Payables to directors and statutory auditors	56	44	12
Payables to employees	3,480	1,493	1,987
Other payables	45	23	22
Other payables to the controlling shareholder	102	92	10
Other payables to subsidiaries	-	687	(687)
Deferred income	140	85	55
Deferred income to the controlling shareholder	-	61	(61)
Deferred income to subsidiaries	15	35	(20)
Deferred income in <i>joint venture</i>	2	2	-
Deferred income to associates	-	64	(64)
Total	33,570	15,049	18,521

The change is mainly due to the higher volume of activities related to the resumption of in-person exhibition activities starting from mid-June after the prolonged suspension in 2020 due to the Covid-19 pandemic.

Other liabilities included Euro 13,606 thousand (Euro 6,380 thousand at 31 December 2020) for related-party transactions. For more details, see note 51 on these transactions.

34) Financial assets and financial liabilities

At 31 December 2021, the Company had net financial debt including the IFRS 16 lease liability of Euro 347,591 thousand (net debt of Euro 444,469 thousand at 31 December 2020), as detailed in the table below. Where applicable, each item indicates the portion referring to related parties.

Financial debt

(€'000)	31/12/21	31/12/20	Change
A. Cash (including bank balances)	135,996	17,472	118,524
B. Other cash equivalents	-	-	-
C. Securities held for trading	-	-	-
D. Cash and cash equivalents (A+B+C)	135,996	17,472	118,524
E. Current financial assets	3,315	3,218	97
- E.1 of which current financial receivables from the subsidiaries and joint ventures	3,315	3,218	97
F. Current bank borrowings	-	49,018	(49,018)
G. Current portion of non-current debt	938	-	938
H. Other current financial liabilities	30,216	7,389	22,827
- H.1 of which current financial payables to the controlling shareholder	9,560	1,313	8,247
- H.2 of which current financial payables to the subsidiaries	20,656	6,076	14,580
I. Current financial debt (F+G+H)	31,154	56,407	(25,253)
J. Net current financial debt (cash) (I-E-D)	(108,157)	35,717	(143,874)
K. Non-current financial assets	9,134	5,077	4,057
- K.1 of which non-current financial receivables from the subsidiaries	3,336	-	3,336
L. Non-current bank borrowings	96,159	-	96,159
M. Debt securities in issue	-	-	-
N. Other non-current liabilities	70	-	70
O. Non-current net financial debt (-K+L+M+N)	87,095	(5,077)	92,172
Net financial debt (cash) from continuing operations (J+O)	(21,062)	30,640	(51,702)
Net financial debt (cash) from discontinued operations	-	-	-
P. Net financial debt/(cash) before IFRS 16 effects	(21,062)	30,640	(51,702)
Q. Current financial liabilities related to the right of use of assets	35,689	37,141	(1,452)
- Q.1 of which current financial liabilities related to the right-of-use assets to the controlling shareholder	35,519	37,021	(1,502)
R. Non-current financial liabilities related to the right of use of assets	345,544	376,688	(31,144)
- R.1 of which non-current financial liabilities related to the right-of-use assets to the controlling shareholder	345,340	376,627	(31,287)
S. Current Financial leasing receivables	813	-	813
- S.1 of which current financial leasing receivables from the subsidiaries	813	-	813
T. Non-Current Financial leasing receivables	11,767	-	11,767
- T.1 of which non-current financial leasing receivables from the subsidiaries	11,767	-	11,767
IFRS 16 financial effects	368,653	413,829	(45,176)
U. Total net financial debt (P+Q+R-S-T)	347,591	444,469	(96,878)

Net financial position not including IFRS 16 lease liabilities shows net cash of Euro 21,062 thousand, compared to net debt of Euro 30,640 thousand at 31 December 2020.

The improvement of Euro 51,702 thousand is the result of the positive cash flow from operations, determined by the upturn in exhibition activities and inflows from public grants received following the epidemiological emergency caused by Covid-19.

Additional information on the financial instruments of the Company is given below to enable a better assessment of:

- a) the importance of the financial instruments to the Statement of Financial Position and Income Statement;
- b) the extent and type of risks deriving from the financial instruments to which the Company was exposed during the current and previous financial years and the relevant risk management procedures.

Classes of financial instruments

The items in the Statement of Financial Position and the types of risk related to financial instruments at 31 December 2021 and 31 December 2020 are shown in the following table:

Risk class

(€'000)	Notes	Balance at 31/12/21	Balance at 31/12/20	Liquidity risk	Interest rate tasso	Credit risk
NON-CURRENT ASSETS						
1)	Financial leasing receivables	9	11,767	-	X	X
2)	Other financial assets	10	9,134	5,077	X	X
3)	Trade and other receivables	11	29,940	21,579		X
CURRENT ASSETS						
4)	Trade and other receivables	13	24,647	15,204		X
5)	Financial leasing receivables	15	813	-	X	X
6)	Financial assets	16	3,315	3,218	X	X
7)	Cash and cash equivalents	17	135,996	17,472		
NON-CURRENT LIABILITIES						
8)	Bank borrowings	19	96,159	-	X	X
9)	Financial liabilities related to the right-of-use of assets	20	345,544	376,688	X	X
10)	Other financial liabilities	21	70	-		X
11)	Other liabilities	25	655	-		
CURRENT LIABILITIES						
12)	Bank borrowings	26	938	49,018	X	X
13)	Trade payables	27	29,818	14,368	X	
14)	Financial liabilities related to the right-of-use of assets	29	35,689	37,141	X	X
15)	Other financial liabilities	30	30,216	7,389	X	X
16)	Other liabilities	33	33,570	15,049	X	

Significance of financial instruments

Financial instruments and their relative significance, as regards the Statement of Financial Position and Income Statement at 31 December 2020 and 31 December 2021, are shown in the following tables:

Financial assets and liabilities shown in the accounts

(€'000)	Notes	FY 31/12/20	Assets measured at fair value through profit & loss (FVTPL)	Liabilities measured at amortised cost (HTC)	Assets measured at fair value through OCI reserve (FVOCI)	Assets measured at amortised cost (HTC)	Fair value	Impact on Income Statement
NON-CURRENT ASSETS								
1)								
	9	-	-	-	-	-	-	-
2)	10	5,077	5,077	-	-	-	5,077	77
3)	11	21,579	-	-	-	10,900	21,579	6
CURRENT ASSETS								
4)	13	15,204	-	-	-	15,204	15,204	(2,044)
5)	15	-	-	-	-	-	-	-
6)	16	3,218	-	-	-	3,218	3,218	34
7)	17	17,472	-	-	-	-	17,472	27
NON-CURRENT LIABILITIES								
8)	19	-	-	-	-	-	-	-
9)	20	376,688	-	376,688	-	-	376,688	(11,701)
10)	21	-	-	-	-	-	-	-
11)	25	-	-	-	-	-	-	-
CURRENT LIABILITIES								
12)	26	49,018	-	49,018	-	-	49,018	(137)
13)	27	14,368	-	14,368	-	-	14,368	-
14)	29	37,141	-	37,141	-	-	37,141	-
15)	30	7,389	-	7,389	-	-	7,389	(125)
16)	33	15,049	-	15,049	-	-	15,049	-

Financial assets and liabilities shown in the accounts

(€'000)	Notes	FY 31/12/20	Assets measured at fair value through profit & loss (FVTPL)	Liabilities measured at amortised cost (HTC)	Assets measured at fair value through OCI reserve (FVOCI)	Assets measured at amortised cost (HTC)	Fair value	Impact on Income Statement	
NON-CURRENT ASSETS									
1)	Financial leasing receivables	9	11,767	-	-	-	11,767	11,767	-
2)	Other financial assets	10	9,134	9,134	-	-	-	9,134	720
3)	Trade and other receivables	11	29,940	-	-	-	10,644	29,940	1
CURRENT ASSETS									
4)	Trade and other receivables	13	24,647	-	-	-	24,647	24,647	14
5)	Financial leasing receivables	15	813	-	-	-	813	813	-
6)	Financial assets	16	3,315	-	-	-	3,315	3,315	64
7)	Cash and cash equivalents	17	135,996	-	-	-	-	135,996	(151)
NON-CURRENT LIABILITIES									
8)	Bank borrowings	19	96,159	-	-	-	-	96,159	(1,295)
9)	Financial liabilities related to the right-of-use of assets	20	345,544	-	345,544	-	-	345,544	(10,898)
10)	Other financial liabilities	21	70	-	-	-	-	70	-
11)	Other liabilities	25	655	-	-	-	-	655	(1,982)
CURRENT LIABILITIES									
12)	Bank borrowings	26	938	-	938	-	-	938	(85)
13)	Trade payables	27	29,818	-	29,818	-	-	29,818	-
14)	Financial liabilities related to the right-of-use of assets	29	35,689	-	35,689	-	-	35,689	-
15)	Other financial liabilities	30	30,216	-	30,216	-	-	30,216	(124)
16)	Other liabilities	33	33,570	-	33,570	-	-	33,570	-

As shown in the above tables, the carrying amount of financial assets and liabilities is a reasonable approximation of their fair value; financial instruments include guarantee deposits under lease agreements and borrowings and non-current instruments. The financial instruments are classifiable under Level 3 of the fair value hierarchy of IFRS 13.

Changes in liabilities due to financing activities are shown in the following table:

					(€'000)
	31/12/20	Changes in financial flows		exchange rate effect	31/12/21
		Increase	Decrease		
Bank loans	-	96,159	-	-	96,159
Financial liabilities related to the right-of-use of assets	376,688	-	-	(31,144)	345,544
Other financial liabilities	-	-	-	70	70
Total change in non-current financial payables	376,688	96,159	-	(31,074)	441,773
Credit lines	24,005	-	24,005	-	-
Bank loans	25,013	938	25,013	-	938
Financial liabilities related to the right-of-use of assets	37,141	-	20,248	18,796	35,689
Current financial debt with the controlling shareholder	1,313	64,433	56,186	-	9,560
Current financial debt with the subsidiaries	6,076	22,507	7,927	-	20,656
Total change in current financial payables	93,548	87,878	133,379	18,796	66,843
Total liabilities from financing activities	470,236	184,037	133,379	(12,278)	508,616

35) Financial and market risk management

The main financial instruments of the Fiera Milano SpA are bank borrowings, short-term demand deposits and current financial payables from the controlling shareholder Fondazione Fiera Milano.

The Company has a favourable cash management cycle from the business of renting exhibition space to organisers and offering administrative and cash management services, receiving on behalf of the organisers everything that the exhibitors pay the organiser. After collection and based on the contractual agreements, Fiera Milano SpA transfers back to the organiser what is its due and keeps the payment for the spaces rented at the Exhibition sites and for the services provided. Suppliers of goods and services are paid under the normal payment terms used. This system allows the Company to collect its payments in advance, generating negative working capital which, in turn, leads to a cash surplus.

The Company is exposed to the following main types of risk.

35.1 Credit risk

Credit risk is represented by Fiera Milano SpA's exposure to potential losses from the non-fulfilment of obligations undertaken by counterparties. Credit risk is adequately monitored, also in relation to the cash management cycle that characterises the Company business. Fiera Milano SpA hosts and organises exhibitions that are leaders in their sector and, therefore, the loyalty of exhibitors is very high. The current system means that all amounts collected from exhibitors flow into Fiera Milano SpA accounts, which then pays the amounts due to its customers/organisers.

Three different categories of credit risk have been identified: organisers, exhibitors and other receivables.

The first risk category is represented by the exhibition **organisers**; the receivables included in this category are considered to represent the lowest risk as the Company manages the cash flows of all the exhibitions at its two Sites. Provisions for doubtful receivables are minimal in comparison to the amounts received and have been made for a few receivables that prove difficult to recover.

The second risk category is the **exhibitors**; the receivables from this category are considered medium risk as exhibitors normally have to make payment before the end of the exhibition.

The third risk category is **other receivables**, which mainly comprises exhibition-related activities (stand-fitting, congresses, promotions, internet services) and activities that are not exhibition related (sponsorship, advertising, etc.). These receivables are payable under normal payment conditions.

Specific guarantees can be used as a further means of mitigating credit risk.

As a result of the Covid-19 emergency, no further specific risks have arisen regarding the recoverability of receivables.

The categories of credit risk at 31 December 2020 and at 31 December 2021 and the breakdown of past due amounts are shown in the following tables:

(€'000)

Class	FY 31/12/20 Receivables	Due	Breakdown of late payments (days)				Provision	
			Overdue	0-90	91-180	181-270		>270
Organisers	2,801	4,260	2,047	594	-	-	1,453	3,506
Exhibitors	1,329	741	1,355	194	29	6	1,126	767
Other	5,224	3,644	2,132	1,510	303	40	279	552
Total	9,354	8,645	5,534	2,298	332	46	2,858	4,825

(€'000)

Class	FY 31/12/21 Receivables	Due	Breakdown of late payments (days)				Provision	
			Overdue	0-90	91-180	181-270		>270
Organisers	6,524	5,144	2,892	1,476	-	-	1,416	1,512
Exhibitors	5,358	3,611	2,342	1,189	79	144	930	595
Other	9,216	7,068	2,545	1,700	111	-	734	397
Total	21,098	15,823	7,779	4,365	190	144	3,080	2,504

The provision for doubtful receivables is calculated on their presumed recoverability, using internal assessments supported by those of external legal consultants.

Changes in the provision for doubtful receivables at 31 December 2020 and 31 December 2021 by risk category are shown in the following tables:

(€'000)

Class	FY 31/12/19 Provision	Extraordinary transactions effects	Provisions	Utilisation	FY 31/12/20 Provision
Organisers	1,523	-	2,000	17	3,506
Exhibitors	758	-	81	72	767
Other	218	-	375	41	552
Total	2,499	-	2,456	130	4,825

(€'000)

Class	FY 31/12/20 Provision	Extraordinary transactions effects	Provisions	Utilisation	FY 31/12/21 Provision
Organisers	3,506	6	-	2,000	1,512
Exhibitors	767	-	-	172	595
Other	552	280	-	435	397
Total	4,825	286	-	2,607	2,504

35.2 Liquidity risk

The Company has put in place measures to ensure that adequate levels of working capital and liquidity are maintained. The impact of restrictions on exhibition activities dictated by the Covid-19 Pandemic, on economic results and on financial flows, was offset by exhibition activities restarting on 15 June 2021 and by the public grants received as aid for the reductions in the gross operating margin caused by the Covid-19 pandemic in the years 2020 and 2021.

In this respect, note the performance of net financial debt, not including the IFRS 16 *lease liability*, which at 31 December 2021 recorded cash of Euro 21,062 thousand, a clear improvement of 31 December 2020.

The aim of the Company's *risk management*, also in the presence of financial debt, is to guarantee an adequate level of liquidity, minimising the related costs and maintaining a balance between the duration and composition of debt.

In February 2021, two five-year loans were entered into, with 24 months of pre-amortisation for a total of Euro 75 million. Ninety per cent of the amount disbursed is covered by SACE's guarantee under the 'Garanzia Italia' programme pursuant to Art. 1 of Italian Legislative Decree No. 23/2020, converted, with amendments, into Italian Law No. 40/2020 (the so-called 'Liquidity Decree'). In particular, a loan was entered into with a pool of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit) for Euro 55 million and a loan with Cassa Depositi e Prestiti for Euro 20 million, subject to the biannual calculation of financial covenants starting from 30 June 2021.

In April 2021, a loan for Euro 7 million was taken out with SIMEST, granted within the framework of the section of FUnd 394/8, pursuant to Article 91, paragraphs 1 and 2, of Decree Law 104 of 14 August 2020, converted, with amendments, by Law 126 of 13 October 2020, and Article 126, paragraph 3, no. 1 of Decree Law 137 of 28 October 2020. The loan matures on 31 December 2027, with a 36-month pre-amortisation period.

In May 2021, a 5-year loan of Euro 5 million was taken out with Banca Carige, with a 12-month pre-amortisation period, guaranteed 90% by SACE under the above-mentioned "Italy guarantee" programme.

In October 2021, a loan of Euro 10 million was taken out with Banca Bper, maturing on 30 September 2025 and with a 21-month, 68-day pre-amortisation period.

The Company now has credit lines for a total of Euro 75 million, and thus has adequate financial resources to cover its short- and medium-term financial requirements, even taking into account the general economic context, which is still marked by uncertainty around activities restarting after the Covid-19 pandemic. Economic/financial projections for 2022-2026 show that the Company will once again be able to generate cash flows adequate to repay the loans received, in compliance with the agreed covenants and the balance sheet and financial position.

The following tables give the breakdown of financial liabilities by maturity and an estimate of related interest expense due to maturity at 31 December 2020 and 31 December 2021.

Financial liabilities (€' 000)	FY at 31/12/20	3 mths	6 mths	12 mths	18 mths	24 mths	3 years	5 years	>5 years
Current and non-current Financial liabilities related to the right-of-use of assets	413,830	14,156	7,610	15,377	15,577	15,769	32,178	67,121	246,042
Current and non-current interest payable		2,791	2,737	5,316	5,099	4,880	9,087	15,404	22,167
Current bank borrowings	49,018	24,005	25,013						
Current interest payable		59	43						
Other current financial liabilities	7,389	7,389							
Current interest payable		14							
Trade payables	14,368	14,368							
Total	484,605	62,782	35,403	20,693	20,676	20,649	41,265	82,525	268,209

Financial liabilities (€' 000)	FY at31/12/21	3 mths	6 mths	12 mths	18 mths	24 mths	3 years	5 years	>5 years
Current and non-current Financial liabilities related to the right-of-use of assets	381,233	12,034	7,843	15,811	16,015	16,234	33,134	69,069	211,093
Current and non-current interest payable		2,484	2,429	4,702	4,486	4,270	7,873	13,002	15,331
Current and non-current bank borrowings	97,097		312	625	13,149	14,399	33,024	33,838	1,750
Current and non-current interest payable		175	204	389	368	321	449	197	7
Other non-current financial liabilities	70	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other current financial liabilities	30,216	30,216							
Current interest payable		56							
Trade payables	29,818	29,818							
Total	538,434	74,783	10,788	21,527	34,018	35,224	74,480	116,106	228,181

35.3 Market risk

The Company reserves the right to use appropriate hedging instruments if market risks become significant.

a) Interest rate risk

The Company has access to credit lines at competitive rates and is therefore also able to manage interest rate fluctuations. Moreover, the Company constantly monitors market conditions so as to intervene promptly should conditions change.

Notes 19 and 26 give the composition of bank borrowings.

The tables below give interest rate sensitivity analyses that show the effects that a +/-0.5% change in interest rates would have had on equity and on the income statement for 2020 and 2021.

(€'000)	Balance at 31/12/20	Balance * (debt)	Income (expense)	Rate	0,5%	-0,5%
Current accounts	17,464	37,578	27	0.07%	214	(162)
Mutual Investments Funds	5,077	5,000	77	1.55%	102	52
Current financial receivables from subsidiaries and joint venture	3,218	2,572	34	1.32%	47	21
Current and non-current bank borrowings	(49,018)	(20,631)	(137)	0.66%	(239)	(33)
Current and non-current financial liabilities related to the right-of-use of assets	(413,830)	(427,995)	(11,701)	2.73%	(13,824)	(9,544)
Current account with the controlling shareholder	(1,313)	(7,429)	(56)	0.75%	(93)	(19)
Current account with the subsidiaries	(6,076)	(9,269)	(70)	0.75%	(116)	(23)

* average for the financial year

(€'000)	Balance at 31/12/21	Balance * (debt)	Income (expense)	Rate	0,5%	-0,5%
Current accounts	135,985	70,342	1	0.00%	352	(352)
Current and non-current financial leasing receivables	12,580	5,119	-	0.00%	26	(26)
Mutual Investments Funds	5,798	5,077	720	14.19%	746	695
Current and non-current financial receivables from subsidiaries and joint venture	6,651	4,425	64	1.44%	86	42
Current and non-current bank borrowings	(97,097)	(81,559)	(1,380)	1.69%	(1,786)	(971)
Current and non-current financial liabilities related to the right-of-use of assets	(381,233)	(401,327)	(10,898)	2.72%	(12,923)	(8,909)
Non-current other financial liabilities	(70)	n.a.	-	0.00%	n.a.	n.a.
Current account with the controlling shareholder	(9,560)	(11,132)	(83)	0.75%	(139)	(28)
Current account with the subsidiaries	(20,656)	(5,482)	(41)	0.75%	(69)	(14)

* average for the financial year

b) Exchange rate risk

This risk is insignificant as in the year ending 31 December 2021 the Company's business was primarily in the domestic market and no loans were obtained in foreign currencies.

c) Risk of changes in raw material prices

Fiera Milano SpA's exposure to this risk factor is described in the section "Risk of an increase in the price of raw materials/commodities and a shortage of materials and labour" in the part of the report on the main risk factors to which the Group is exposed.

36) Disclosure on guarantees given, undertakings and other contingent liabilities

Guarantees given

This item totalled Euro 4,874 thousand (Euro 1,638 thousand at 31 December 2020) and the breakdown was as follows:

- Euro 3,186 thousand for the guarantee issued in favour of SIMEST SpA to guarantee the obligations undertaken with the loan contract requested by the Company from the resources of the Fund referred to in Law 394/81;
- Euro 924 thousand for the guarantee given to Conserva Holding Srl on behalf of the subsidiary Nolostand SpA for the obligations under the lease agreement for a warehouse;
- Euro 501 thousand for the surety issued to the Tax Authority on behalf of the company La Fabbrica del Libro SpA liquidated on 10 November 2019 to guarantee the request for VAT refund for tax year 2019;
- Euro 213 thousand for the guarantee given to the Tax Authority - Milan Internal Revenue Office on behalf of the company La Fabbrica del Libro SpA settled on 10 November 2019 to cover offsets made as part of Group VAT consolidation;;
- Euro 50 thousand for the guarantee given in favour of Fabrica Immobiliare SGR SpA to guarantee the rented property relating to the Rome operational headquarters of the Business International division.

Contingent liabilities

There are several pending legal disputes, for which the legal consultant has estimated a potential liability of Euro 350 thousand.

INCOME STATEMENT

37) Revenues from sales and services

This item totalled Euro 106,908 thousand (Euro 63,038 thousand at 31 December 2020).

The breakdown of revenues was as follows:

Revenues from sales and service

	2021	2020	variazione
Fees exhibitors area	36,168	15,463	20,705
Facility fee for use of exhibition area	25,160	19,459	5,701
Rentals of stands, fittings, and equipment	21,745	16,236	5,509
Exhibition site services	5,227	1,504	3,723
Catering and canteen services	3,571	1,336	2,235
Miscellaneous fees and royalties	3,435	3,685	(250)
Advertising space and services	3,205	2,834	371
Supplementary exhibition services	2,361	476	1,885
Ticket office sales	1,873	137	1,736
Facility fees for use of conference centre	1,056	191	865
Telephone and internet services	782	805	(23)
Revenues from publishing products	760	5	755
Access surveillance and customer care services	752	383	369
Multimedia and on-line catalogue services	483	53	430
Administrative services	330	154	176
Exhibition insurance services	-	317	(317)
Total	106,908	63,038	43,870

The increase in revenue is due to the resumption of in-person exhibition activities from mid-June. The upturn in revenues is mainly thanks to the fact that the year was a "biennial odd-numbered year" that included exhibitions such as Host, Sicurezza, Tuttofood and Made Expo, the multi-year EMO and CPHI events, and biennial exhibitions including Vitrum and Made in Steel. All this was thanks to the rescheduling of the exhibition calendar, which postponed the events originally planned for the first half of the year to the second half where possible. In addition, unlike the current year, some exhibitions were held in a reduced form in 2020, including the directly organised HOMI Fashion&Jewels and the hosted exhibitions The Micam autunno and Lineapelle-A new point of view. The long suspension in the first half of the year due to the Covid-19 pandemic led to the cancellation of several important exhibitions (Lineapelle I semestre, Milano Unica Spring and The Micam Spring). The postponement of the Transpotec & Logitec biennial exhibition to 2022 should also be noted.

The item Revenues from sales and services included Euro 4,389 thousand (Euro 5,053 thousand at 31 December 2020) for related-party transactions. For more details, see note 51 on these transactions.

The business of the Company is almost exclusively concentrated in the domestic market.

38) Cost of materials

This item totalled Euro 242 thousand (Euro 164 thousand at 31 December 2020).

The breakdown of this entry was as follows:

Cost of materials		(€'000)	
	2021	2020	Change
Subsidiary materials and consumables	195	80	115
Printed materials, forms and stationery	47	84	(37)
Total	242	164	78

The item Costs of materials did not include related-party transactions (Euro 16 thousand at 31 December 2020).

39) Costs of services

This item totalled Euro 66,306 thousand (Euro 44,461 thousand at 31 December 2020).

The breakdown of this entry was as follows:

Cost of services		(€'000)	
	2021	2020	Change
Stands and equipment for exhibitions	20,284	14,328	5,956
Energy costs	5,674	4,993	681
Maintenance	5,459	5,831	(372)
IT services	3,735	2,084	1,651
Advertising	3,405	1,647	1,758
Cost of marketing projects for exhibitions	3,189	3,653	(464)
Security and gate services	3,158	2,182	976
Technical, legal, commercial and administrative advice	3,127	1,316	1,811
Cleaning and waste disposal	2,696	1,412	1,284
Insurance	1,637	1,729	(92)
Transport	1,443	145	1,298
Conference and congress services	1,439	174	1,265
Telephone and internet expenses	1,424	1,275	149
Catering services	1,413	532	881
Equipment hire	1,401	547	854
Technical, legal, commercial and administrative services	1,212	875	337
Change in suspended costs for future exhibitions	878	(766)	1,644
Other professional and collaborative services	806	509	297
Technical assistance and ancillary services	706	294	412
Commissions and fees	602	56	546
Ticketing	300	176	124
Remuneration of statutory auditors	150	120	30
Other	2,178	1,617	561
Use of provisions	(10)	(268)	258
Total	66,306	44,461	21,845

The item "Cost of services" mainly included costs for managing the exhibition sites during the setting up, running, and dismantling of exhibitions and congresses.

The change mainly follows the higher volume of activities related to the resumption of exhibition activities after the prolonged suspension due to the Covid-19 pandemic.

Costs of services included Euro 20,023 thousand (Euro 18,397 thousand at 31 December 2020) for related-party transactions. For more details, see note 51 on these transactions.

40) Cost for use of third-party assets

This item totalled Euro 601 thousand (Euro 416 thousand at 31 December 2020) and the breakdown was as follows:

Cost of use of third-party assets		(€'000)	
	2021	2020	Change
Other rental expenses	291	10	281
Vehicle hire - service	164	173	(9)
Rent and expenses for exhibition sites	138	229	(91)
Office equipment and photocopier hire	8	4	4
Total	601	416	185

The increase in the item "Other rents payable" mainly refers to the license to use an exhibition trademark.

Costs for use of third-party assets included Euro 155 thousand (Euro 229 thousand at 31 December 2020) for related-party transactions. For more details, see note 51 on these transactions.

41) Personnel Expenses

This item totalled Euro 34,451 thousand (Euro 24,329 thousand at 31 December 2020) and the breakdown was as follows:

Personnel costs		(€'000)	
	2021	2020	variazione
Salaries	22,695	17,328	5,367
Social Security payments	7,129	5,414	1,715
Defined contribution plans charges	1,492	1,724	(232)
Change in suspended costs for future exhibitions	781	(1,729)	2,510
Directors' remuneration	669	684	(15)
Redundancy incentives	177	142	35
Defined benefit plan charges	85	-	85
External and temporary employees	80	67	13
Seconded employees from joint ventures	4	10	(6)
Seconded employees from subsidiaries	-	219	(219)
Other expenses	1,441	612	829
Use of provisions	(102)	(142)	40
Total	34,451	24,329	10,122

Wages and salaries and the social security contributions related to them, increased - mainly due to the presence in the 2020 financial year of the benefit deriving from the activation of the Wage Integration Fund (FIS).

The item "Other expenses" includes Euro 736 thousand as costs relating to the "Medium-term Incentive Plan" approved by the Fiera Milano SpA Shareholders' Meeting of 28 April 2021. This plan is an incentive to management to achieve the Company's strategic objectives and align the interests of beneficiaries to those of shareholders. The Plan envisages the assignment to beneficiaries of a certain number of ordinary shares on achieving specific predefined performance objectives for 2021-2022 period.

Personnel costs included Euro 4 thousand (Euro 229 thousand at 31 December 2020) for related-party transactions. For more details, see note 51 on these transactions.

The breakdown of the average number of employees (including those on fixed-term contracts) was as follows:

Breakdown of personnel by category

	2021	2020	variazione
Managers	22	22	-
Middle managers and white collar workers	426	427	(1)
Total	448	449	(1)

42) Other operating expenses

This item totalled Euro 3,196 thousand (Euro 1,861 thousand at 31 December 2020) and the breakdown was as follows:

Other operating expenses

	2021	2020	variazione
Other Taxes and duties	1,606	1,119	487
Contributions and donations	486	633	(147)
Provisions for bads debts reserve	232	130	102
Copyright royalties (SIAE)	130	69	61
Gifts and promotional merchandise	72	-	72
Other expenses	902	47	855
Use of provisions	(232)	(137)	(95)
Total	3,196	1,861	1,335

The increase mainly refers to the increase in the variable portion of the waste tax parameterised to the higher collection volumes related to the resumption of exhibition activities as well as to the consideration paid to the subsidiary Fiera Milano Congressi SpA for charges deriving from some contractual renegotiations.

Other operating expenses included Euro 933 thousand (Euro 311 thousand at 31 December 2020) for related-party transactions. For more details, see note 51 on these transactions.

43) Other income

This item totalled Euro 63,595 thousand (Euro 18,598 thousand at 31 December 2020) and the breakdown was as follows:

Other income

	2021	2020	Change
Contributions to income	51,828	-	51,828
Other recovered costs	1,633	1,356	277
Office rent and expenses	585	688	(103)
Recovery of expenses for seconded employees	59	272	(213)
Insurance indemnities	36	6	30
Other income	9,454	16,276	(6,822)
Total	63,595	18,598	44,997

The increase mainly refers to non-recurring public grants of Euro 50,768 thousand, received as a result of the epidemiological emergency due to Covid-19.

In particular, on 21 July 2021, Fiera Milano SpA received a contribution from Simest of Euro 10,000 thousand from the Integrated Promotion Fund to cover fixed costs not covered by profit for the period from 1 March 2020 to 31 December 2020.

Last December, the Company received Euro 27,204 thousand in contributions from the fund established by Decree Law 34 of 19 May 2020 (converted with amendments by Law 77 of 17 July 2020) for the year 2020, and Euro 13,564 thousand from the fund established by Decree Law 41 of 22 March 2021 (converted with amendments by Law 69 of 21 May 2021) for the year 2021. These contributions were calculated on the EBITDA losses incurred during the *lockdown* periods as a result of the Covid-19 epidemic.

The following table describes the main details:

(€'000)				
Recipient company	Disbursing institution	Disbursement date	Reference year of covered losses	Amount of grants disbursed
Fiera Milano SpA	Simest	21/07/21	2020	10,000
Fiera Milano SpA	MEF	22/12/21	2020	27,204
Fiera Milano SpA	MEF	23/12/21	2021	13,564
Total				50,768

The item "Other income", includes the non-recurring income of Euro 5,054 thousand (Euro 12,871 thousand at 31 December 2020), related to the temporary reduction for 2021, the rents for the Rho and Milan exhibition centres. The controlling shareholder Fondazione Fiera Milano granted this due to the Covid-19 emergency that led to the prolonged suspension of the exhibition sector activities during the current financial year.

Other income included Euro 9,017 thousand (Euro 17,434 thousand at 31 December 2020) for related-party transactions. For more details, see note 51 on these transactions.

44) Allowance for doubtful accounts and other provisions

This item totalled Euro 5,449 thousand (Euro 434 thousand at 31 December 2020) and the breakdown was as follows:

(€'000)			
	2021	2020	Change
Reorganisation of personnel	5,118	-	5,118
Disputes with personnel	331	74	257
Provisions for doubtful receivables	-	2,456	(2,456)
Other disputes	-	11	(11)
Write-back of provisions	-	(2,107)	2,107
Total	5,449	434	5,015

For a more detailed analysis of provisions for risks for the year, please refer to note 31 of the Statement of Financial Position.

45) Depreciation and Amortisation

Depreciation of property, plant and equipment and right-of-use assets

This item totalled Euro 35,124 thousand (Euro 35,615 thousand at 31 December 2020).

Details of depreciation are provided in the explanatory notes under the item Property, plant and equipment and under Right-of-use assets.

Amortisation of intangible assets

This item totalled Euro 2,875 thousand (Euro 1,905 thousand at 31 December 2020).

Details of amortisation are given in the Explanatory Notes on the item Intangible assets with a finite useful life.

46) Financial income and similar

This item totalled Euro 2,718 thousand (Euro 4,193 thousand at 31 December 2020), broken down as follows:

Financial income and similar	2021	2020	Change
			(€'000)
Dividends from joint venture	1,906	3,970	(2,064)
Fair value measurement of financial assets	720	77	643
Interest income on financing to subsidiaries	40	18	22
Interest income on financing from joint venture	24	16	8
Interest income on bank accounts	1	27	(26)
Exchange rate gains	1	19	(18)
Interest income from cautionary deposits for rent of the exhibition sites from the controlling shareholder	1	5	(4)
Interest income on receivables from the controlling shareholder	-	1	(1)
Other financial income	25	60	(35)
Total	2,718	4,193	(1,475)

The dividends refer to the *joint venture* company *Hannover Milano Global Germany GmbH*.

Financial income and similar included Euro 1,971 thousand (Euro 4,010 thousand at 31 December 2020) for related-party transactions. For more details, see note 51 on these transactions.

47) Financial expenses and similar

This item totalled Euro 12,601 thousand (Euro 12,009 thousand at 31 December 2020), broken down as follows:

Financial expenses and similar	2021	2020	Change
			(€'000)
Interests on financial leasing with the controlling shareholder	10,889	11,693	(804)
Interest payable on bank accounts	1,388	149	1,239
Interest payable on current account held with the controlling shareholder	83	56	27
Interest payable on current account held with the subsidiaries	41	70	(29)
Charges on discounting defined benefit plans	24	31	(7)
Interests on financial leasing	10	8	2
Exchange rate losses	2	2	-
Other financial expenses	164	-	164
	0	12,009	592
	12,601		

The change is mainly due to the increase in financial expenses relating to the higher average debt of medium-long term maturities, partially offset by the decrease in financial charges on leased assets, referring to the lease liability deriving from the application of IFRS 16.

Financial expenses and similar included Euro 11,013 thousand (Euro 11,819 thousand at 31 December 2020) for related-party transactions. For more details, see note 51 on these transactions.

48) Valuation of financial assets

Valuation of financial assets

	2021	2020	Change
Cipa Fiera Milano Publicações e Eventos Ltda	(458)	-	(458)
MADE eventi Srl	(186)	-	(186)
Fiera Milano India Pvt Ltd	-	(11)	11
Total	(644)	(11)	(633)

(€'000)

This item totalled Euro -644 thousand (Euro -11 thousand at 31 December 2020). The item refers to the write-down of the investment in the company Cipa Fiera Milano Publicações e Eventos Ltda and in the company MADE eventi Srl as already commented on in note 8 of the statement of financial position.

49) Income Taxes

Income taxes came to Euro -23,717 thousand (Euro 10,621 thousand at 31 December 2020).

The breakdown was as follows:

Income tax

	2021	2020	Change
Current income tax	(5,751)	(11,394)	5,643
Deferred income tax	(17,966)	773	(18,739)
Total	(23,717)	(10,621)	(13,096)

(€'000)

Taxes for the year mainly include the effects of the tax realignment of goodwill and exhibition trademarks provided for by Article 110 of Decree Law 104/20 as amended by Article 1, paragraph 83 of Law 178 of 30 December 2020 (2021 Budget Law). The exercise of this right resulted in a benefit of Euro 15,888 thousand, consisting of the recognition of new deferred tax assets for Euro 8,577 thousand, releases of deferred tax liabilities for Euro 9,293 thousand against a cost for substitute tax of Euro 1,982 thousand classified in current taxes.

The analysis of current taxes is given below:

Current income tax

	2021	2020	Change
Income from tax consolidation	(8,695)	(10,631)	1,936
Current income tax (IRAP)	742	(800)	1,542
Tax realignment substitute tax	1,982	-	1,982
Other	220	37	183
Total	(5,751)	(11,394)	5,643

(€'000)

Income from tax consolidation reflects the income recognised by Fondazione Fiera Milano for the contribution of the IRES tax loss accrued in the current year (amounting to Euro 36,228 thousand). This will be paid after it has been offset against the IRES taxable income in the tax consolidation and based on the assessment of its recoverability within the time horizon of the approved plans.

IRAP current taxes refer to the 2019 financial year, the deadline for which has been extended to 30 June 2022.

A breakdown of deferred tax assets and deferred tax liabilities is given in the following table:

Deferred income taxes

	(€'000)				
	31/12/20	Extraordinary transactions effects	Recognised in the Income Statement	Recognised in equity	31/12/21
Tax realignment goodwill and trademarks	-	-	8,147	-	8,147
Provisions for risks and charges	130	30	1,164	-	1,324
Doubtful receivables	1,110	64	(569)	-	605
Tax losses carried forward	-	514	6	-	520
Excess amortisation, depreciation and write-downs	366	4	(12)	-	358
Other temporary differences	434	8	(61)	85	466
Total	2,040	620	8,675	85	11,420
Deferred tax liabilities					
Goodwill and other amortisation	9,302	-	2	-	9,304
Tax realignment goodwill and exhibition trademarks	-	-	(9,293)	-	(9,293)
Other temporary differences	(67)	-	-	-	(67)
Total	9,235	-	(9,291)	-	(56)
<i>Net deferred taxes</i>	<i>(7,195)</i>	<i>620</i>	<i>17,966</i>	<i>85</i>	<i>11,476</i>
<i>of which: Tax assets for deferred taxes</i>	<i>-</i>				<i>11,476</i>
<i>Deferred tax liabilities</i>	<i>7,195</i>				<i>-</i>

Deferred taxes for the year totalled Euro -17,966 thousand and represent the balance of deferred tax assets (Euro -8,675 thousand) and deferred tax liabilities (Euro -9,291 thousand).

The change in deferred taxes is mainly due to the effects of the tax realignment of goodwill and exhibition trademarks as already commented on under "Income taxes". It should be noted that deferred tax assets relating to the tax realignment amounting to Euro 8,577 thousand were used at the end of the year for Euro 430 thousand.

Reconciliation of theoretical and effective corporation tax charge (IRES)

	(€'000)
Profit/(loss) before income tax	11,733
Percentage applicable for corporation income tax (IRES)	24.0%
Theoretical IRES tax charge (corporation income tax)	2,816
Difference between theoretical and effective tax charges:	
Tax realignment goodwill and exhibition trademarks	(13,057)
Covid-19 emergency tax-free public grants	(12,184)
Non-deductible write-downs of equity investments	155
Tax-free dividends	(440)
Other	1,007
Effective IRES tax charge	(21,704)

Reconciliation of theoretical and effective corporation tax charge (IRAP)

	(€'000)
EBIT	22,260
Not-relevant expenses for IRAP purposes	39,147
Taxable base for purposes of IRAP	61,407
Statutory rate applicable for corporation income tax (IRAP)	3.9%
Theoretical IRAP tax charge (corporation income tax)	2,395
Difference between theoretical and effective tax charges:	
Covid-19 emergency tax-free public grants	(1,980)
Tax wedge	(1,174)
Other	(89)
Taxable base for purposes of IRAP	(848)
Current IRAP on negative taxable base	-
Difference between theoretical and effective tax charges:	
Tax realignment goodwill and exhibition trademarks	(2,831)
2019 IRAP with due date extended to 30 June 2022	742
Other	76
Effective IRAP tax charge	(2,013)

The item 'Income taxes' included Euro -8,475 thousand (Euro -10,650 thousand at 31 December 2020) for related-party transactions. For more details, see note 51 on these transactions.

50) Profit/(loss)

A profit for the year ended 31 December 2021 of Euro 36,622 thousand was recorded, compared to the loss of Euro 24,756 thousand at 31 December 2020.

51) Related-party transactions

As part of its corporate governance, on 16 June 2021, Fiera Milano SpA approved the revision of the procedure on related-party transactions, which became effective as from 1 July, as described in the section on "Corporate governance and ownership structure" of the annual financial statements, to which reference is made.

Transactions carried out by Fiera Milano SpA with related parties are settled as a rule at arm's length.

In the Statement of Financial Position, Statement of Comprehensive Income and the Statement of Cash Flows, the amounts for related-party positions or transactions, if material, are shown separately from the reference items. Given the total amount of statement of financial position and income statement items, Fiera Milano SpA has decided that Euro 2 million is the material threshold above which separate disclosure must be made in the Statement of Financial Position and Euro 1 million is that for separate disclosure in the Income Statement.

Detailed information on related-party transactions is provided below and is divided into Related-party transactions with the controlling shareholder 'Fondazione Fiera Milano', 'Related-party transactions with subsidiaries', 'Related-party transactions with *joint ventures*' and 'Related-party transactions with associates'.

Related-party transactions with the controlling shareholder Fondazione Fiera Milano

Recurring related-party transactions are summarised below.

I. Real estate lease agreements

As described below, on 31 March 2014, new lease agreements were signed for the exhibition sites of Rho and Milan. These contracts were effective from the second half of 2014.

On 18 January 2003, the Company signed a lease agreement with Fondazione Fiera Milano for the Rho exhibition site. The same agreement established the terms of the lease for the Milan City site, giving an effective date of 1 January 2006 in the contracts for both exhibition sites.

Initially, cancellation of the contracts had to be notified eighteen months prior to the expiry of the contracts on 31 December 2014. On 31 March 2014, new rental agreements for the Rho and Milan exhibition sites were signed. The new rental agreements are for nine years effective from 1 July 2014 (following the agreed early termination of the existing lease agreements due to expire on 31 December 2014) and are automatically renewable for a further nine years.

Under the rental agreement for the Rho exhibition site, compared to the previous agreement that was valid until 30 June 2014, the rent was reduced by Euro 2,000 thousand in the second half of 2014 and by Euro 14,000 thousand for the full year 2015 and for each subsequent year of the agreement. Therefore, the rent was Euro 24,400 thousand for the second half of 2014 and Euro 38,800 thousand from 2015 and for each subsequent year, annually adjusted for 100% of the change in the ISTAT consumer price index.

The parties agreed to maintain the existing rent of Euro 2,850 thousand per annum for the Milan City exhibition site, annually adjusted for 100% of the change in the ISTAT consumer price index. Subsequently, on 8 May 2019, Fiera Milano reached an agreement amending rent, which, with effect from 1 June 2019, provided for a reduction of Euro 1,500 thousand a year and the exclusion of some of the Milan exhibition site, mainly used as parking areas. For this reduction, starting from 1 June 2019, Fiera Milano will make an annual lease payment of Euro 1,413 thousand, index-linked 100% to changes in the ISTAT index, in four quarterly instalments, to Fondazione Fiera Milano.

According to the terms described above, the amendment to the lease agreement constitutes a substantial change of a Transaction of Greater Importance between related parties. Therefore, the transaction was approved on 8 May 2019 - pursuant to Art. 9.1 of the Related Parties Procedure - by the Company's Board of Directors, subject to obtaining the Control, Risks and Sustainability Committee's favourable reasoned opinion on 7 May 2019. Under the provisions of prevailing law, an Information Document drawn up in accordance with Art. 10.2 of the Related Parties Procedure and Consob Regulation No. 17221/2010 has been filed and made available to the public at the registered office and at Fiera Milano's operational and administrative offices, on the website and on the authorised storage mechanism. With particular regard to the procedure above, please note that Fiera Milano is a smaller listed company and, as such, benefits from the exemption granted pursuant to Art. 10, paragraph 1, of Consob Regulation 17221/2010.

To ensure that market conditions were applied, the parties prepared the rental agreements using valuations made for Fiera Milano SpA by an independent expert.

Temporary reduction of rent with Fiera Milano SpA due to the Covid-19 emergency

Starting from 31 March 2020, for the 2020 financial year, and later extended for the 2021 and 2022 financial years, in light of the serious impact of Covid-19, Fondazione Fiera Milano granted a temporary amendment to the terms of payment of the rentals under both Lease Agreements, so that payment is made quarterly in arrears rather than quarterly in advance.

On 20 December 2021, the Company and Fondazione Fiera Milano signed agreements concerning certain amendments to the existing lease agreements between the same parties, respectively as lessee and lessor, for the Rho and Milan exhibition centres.

The amendments to the aforementioned leases qualify as Significant Transactions pursuant to the Related Parties Procedure and Consob Regulation 17221/2010, thus amending a Significant Transaction between related parties. Pursuant to Article 9.1 of the Company's Related Party Procedure, the transaction was then approved by the Board of Directors on 20 December 2021, having obtained the favourable reasoned opinion issued (on the

same date) by the Control, Risks and Sustainability Committee. On the same date, the Information Document drafted pursuant to Article 10.2 of the Related Parties Procedure and Consob Regulation No. 17221/2010 was filed and made available to the public at the registered office and at Fiera Milano's operational and administrative offices, on the Company's website and on the authorised storage mechanism. Concerning the above-mentioned procedure, please note that Fiera Milano is a smaller listed company and that, as such, it benefits from the exemption granted under Article 10, paragraph 1, of Consob Regulation 17221/2010. Therefore, without prejudice to public disclosure obligations, the same controls envisaged under the Procedure for Transactions of Lesser Importance are applied to Transactions of Greater Importance.

In light of the emergency situation linked to the Covid-19 pandemic which has strongly penalised the exhibition sector, the parties have agreed, due to excessive costs, to temporarily lower the rents of the Rho and Milan exhibition centres for the year 2021.

The total reduction amounts to Euro 5,054 thousand.

The reductions made were accounted for in accordance with IFRS 16 Leases as amended, with a direct impact on the income statement under 'Other income', as described in more detail in Chapter 1 'Accounting standards and criteria used to prepare the Financial Statements'. This income refers to non-recurring transactions and is shown separately in the relevant item.

Settlement of Group VAT

Taking advantage of the option provided by Italian Presidential Decree 633/72, from 1 January 2002 Fiera Milano SpA chose to follow the procedure, managed by the controlling shareholder, Fondazione Fiera Milano, for the settlement of Group VAT. This mechanism makes it easier to settle any tax obligations, without the Company incurring additional costs.

II. Group tax consolidation

Starting in 2016, Fiera Milano SpA and some of its Italian subsidiaries opted to adhere to the tax consolidation of Fondazione Fiera Milano acting as the consolidating entity. This option was renewed for the three years 2019, 2020 and 2021.

The Regulation adopted for the tax consolidation of Fondazione Fiera Milano provides that the tax losses of consolidated companies, generated in each of the years that the option is valid, may be utilised to offset the tax payables in the same financial year of companies participating in the tax consolidation, after the tax losses of Fiera Milano SpA and the consolidating entity have been calculated; the tax losses of consolidated companies are remunerated to the extent of the effective benefit achieved by the tax consolidation.

III. Contract for supply of services

Fiera Milano SpA has an annual contract with Fondazione Fiera Milano for the reciprocal supply of services, which arise from or are necessary for the exercise of their respective activities. The contract is renewed annually unless cancelled by a written agreement between the parties.

The contract provides for the reciprocal supply of two kinds of services: (i) services of a general nature, which fall within the range of activities of the entity providing them, supplied to the buyer on a continuous and systematic basis; (ii) specific services, or services provided on request and relating to specific activities to be agreed from time to time between the buyer and the supplier, also based on appropriate offers/estimates. The service supply contract is governed by market conditions.

IV. Licence contracts for use of the Fiera Milano trademark

On 17 December 2001, Fondazione Fiera Milano, as owner of the 'Fiera Milano' trademark granted Fiera Milano SpA exclusive licence for use of the brand name for its own activities, also through its use on headed paper, on its commercial material, and to differentiate its headquarters and offices. The licence has been granted for Italy and all countries and locations where the trademark has been or will be registered or lodged.

The symbolic consideration paid by Fiera Milano SpA to Fondazione Fiera Milano is Euro 1.00. As its corporate purpose includes development of the exhibition sector, Fondazione Fiera Milano decided to retain ownership of

the Fiera Milano trademark and did not include it in the 'Exhibition Management Business' unit transferred to the Company in 2021, but envisaging that Fiera Milano SpA would use the trademark for an extended period of time and without incurring additional costs for its use. This licence is renewed year after year until 31 December 2032.

V. Correspondent current account contract

A new contract for the correspondent current account was agreed on 24 June 2016. The contract expires on 31 December of each year and is automatically renewed unless one of the parties cancels by the 30 September preceding the date of expiry.

Under the existing contract, by mutual consent the parties agreed to cancel the previous current account before replacing it with a new current account.

The parties use the account to settle receipts and payments under the contracts existing between them and, in particular, the rental payments for the exhibition sites and the services provided by each party to the other.

The fixed rate was equal to the 1-month Euribor plus a spread of 0.75%.

Credits for invoices issued by the parties accrue interest sixty days from the end of the month in which the invoice is issued although the interest is not be collected and remains unavailable until the current account is closed, except for invoices that are overdue by more than 180 days, which are always payable immediately.

Invoices for the rent of the exhibition sites are part of the agreement but carry interest and are payable under the leases' specific terms. The balance of any invoices overdue by at least 180 days, together with the balance of the invoices for the leases on the exhibition sites that are due under the terms of the relevant contracts, represent the collectable balance.

Credits that are not due for repayment are not included in the current account.

The party for which the credit or debit balance exceeds Euro 5,000 thousand has the right to request payment or to arrange payment; Where a request for payment of the balance has been made, the amount must be settled within 15 working days of the request.

The current account is closed and all interest paid every quarter.

VI. "Corporate Think Tank" investment plan

On 14 May 2018, as part of the competitiveness and sustainability plan for exhibition structures, Fondazione Fiera Milano signed an agreement with Fiera Milano SpA undertaking a commitment to support major investment plans. The parties developed their cooperation by establishing a 'Corporate Think Tank' for the joint analysis, comparison, and assessment of how investments are made. The parties agree that for the coordination and strict monitoring of investment activities, Fondazione Fiera Milano will pay Fiera Milano SpA an arm's length fee of 4% of the total value of the related investments.

VII. Real estate sublease agreements

On 21 March 2019, pursuant to Article 5 of Consob Regulation 17221 of 12 March 2010 as amended on Related-Party Transactions, Fiera Milano SpA published the Information Document on agreements relative to the sub-leasing of the roofing of exhibition spaces at Rho-Pero for the construction of a photovoltaic system and the related contract to purchase renewable energy, entered into with Fair renew Srl, whose share capital is held by A2A Rinnovabili SpA. (60%), a company of the A2A Group, and by Fondazione Fiera Milano (40%).

Transactions with subsidiaries

Fiera Milano SpA trade relations with the subsidiaries target the organisation and management of exhibitions and other events.

As part of the corporate reorganisation and to achieve more efficient management of the organisational processes and strengthen the centralisation and single management of strategic services, Fiera Milano SpA provides the following services to some of its subsidiaries:

- purchase;
- legal and corporate affairs;
- administration, financial and control services;
- *information Communication Technology*;
- certification;
- human resources.

The subsidiaries Fiera Milano Media SpA, Fiera Milano Congressi SpA and Nolostand SpA have agreements in place with Fiera Milano granting the right to use the name 'Fiera Milano' in their own trademarks. The contracts will expire in December 2022 and there is no automatic renewal when they expire. The agreed amount payable by each licensee company is Euro 100.

On 22 November 2018, effective from 10 December 2018, Fiera Milano SpA signed a *cash pooling* agreement with Fiera Milano Congressi SpA and Nolostand SpA that shows the daily balances subject to offsetting among the companies. The 3-month Euribor rate is applied (with zero *floor*) plus a market value spread. A 0.75% spread was applied for 2021. Please note that this contract is automatically renewed from year to year unless terminated by either party.

Fiera Milano SpA also provides communication services to subsidiaries in order to ensure a uniform Group image.

I. Fiera Milano Congressi SpA

On 30 July 2021, Fiera Milano SpA signed a contract with the Subsidiary Fiera Milano Congressi SpA for the sublease of the **fieramilanocity** exhibition site (pavilions 3 and 4) for congress and exhibition use. The contract is for 6 years starting from 1 September 2021 and is automatically renewable for a further 6 years unless there is a cancellation to be communicated to the other party, at least 18 months before the end of each contractual expiry.

II. Nolostand SpA

On 2 July 2018, Fiera Milano SpA signed an agreement with the subsidiary Nolostand SpA for the exclusive provision of stand-fitting services to the Parent Company's customers at exhibitions, events, and other initiatives at the **fieramilano** and **fieramilanocity** Exhibition sites. On 16 December 2019 the contract was renewed to take account of certain changes in operations. The agreed consideration is based on the costs incurred plus a margin as remuneration. Please note that the contract is renewed by tacit agreement from year to year.

III. MADE eventi Srl

On 17 December 2019, Fiera Milano SpA entered into a loan agreement with the subsidiary MADE eventi Srl for a maximum of Euro 600 thousand. On 6 May 2020 it was increased by a further Euro 300 thousand. The loan is renewed automatically from year to year. An interest rate of 1.30% is applied. At 31 December 2021, the loan had been utilised in full.

IV. Cipa Fiera Milano Publicações e Eventos Ltda

On 11 March 2020, Fiera Milano SpA and the subsidiary Cipa Fiera Milano Publicações e Eventos Ltda signed a loan agreement for a maximum of Euro 1,000 thousand, maturing on 11 March 2022. On 2 November 2021, a further tranche of Euro 2,300 thousand was granted, bringing the total amount of the loan to Euro 3,300 thousand. The rate applied of 1.50% was amended, to 2.30%, starting from 1 October 2021. On 7 March 2022, the loan maturity was extended to 31 December 2026.

Relations with *joint ventures*

Fiera Milano SpA had commercial relationships with *joint venture* companies for the organisation and management of exhibitions and other events.

On 21 February 2016, Fiera Milano SpA signed a loan agreement with the *joint venture* company Ipack Ima Srl for a maximum amount of Euro 3,000 thousand. The loan is tacitly renewed from year to year, the rate applied is equal to 1.30%. At 31 December 2021, up to Euro 2,400 thousand of the loan had been utilised.

On 29 November 2021, the *joint venture* Hannover Milano Global Germany GmbH approved the 2020 Financial Statements and approved a dividend distribution of Euro 4,330 thousand. The portion pertaining to Fiera Milano SpA amounting to Euro 1,906 thousand was collected in December 2021.

Relations with associates

Fiera Milano SpA had transactions with Associate Companies that are part of normal business activities.

On 5 July 2018, Fiera Milano SpA signed an agreement with the associate Fiera Parking SpA, a wholly-owned subsidiary of Fondazione Fiera Milano, for the management of car parks serving the **fieramilanocity** exhibition centre. The contract is for seven years, starting from 1 September 2018.

Financial, capital and economic transactions with related parties are summarised below.

Fiera Milano SpA
Related party entries in the Statement of Financial Position and Income Statement at
31 December 2021

(€'000)	Non current Financial leasing receivables	Non current Other financial assets	Non current Trade receivables and other	Trade and other current receivables	Inventories	Current Financial leasing receivables	Current financial assets	Non-current financial liabilities related to the right-of-use of assets	Advances	Current financial liabilities related to the right-of-use of assets	Other current financial liabilities	Other current liabilities	Revenues from sales and services	Costs of services	Cost of use of third-party assets	Personnel expenses	Other operating expenses	Other income	Financial income and similar	Financial expenses and similar	Income tax	
Controlling shareholder:																						
Fondazione Fiera Milano			29,840	1,534				345,340		35,519	9,560	102	458	185			206	5,424	1	10,972	(8,475)	
Subsidiaries:																						
Fiera Milano Congressi SpA	11,767			1,250		813					16,619	347	884	1,004	155		654	1,215			22	
MADE eventi Srl				1,884			907					1,530	2,349	91					290	14		
Nolostand SpA				463	1						4,037	11,137	9	17,526					1,746		19	
Cipa Fiera Milano Publicações e Eventos Ltda		3,336																			26	
Fiera Milano Exhibitions Africa Pty Ltd					11									10								
Joint venture:																						
Ipack Ima Srl				33			2,408		1,339			240	584	82					255	24		
Mico DMC Srl				22	25							188	1	1,132		4	14	84				
Hannover Milano Fairs China Ltd												3		3								
Hannover Milano Fairs Shanghai Ltd													30									
Hannover Milano Global Germany GmbH																					1,906	
Associates:																						
Fiera Parking SpA												59	64					59	3			
Total related parties	11,767	3,336	29,840	5,197	26	813	3,315	345,340	1,339	35,519	30,216	13,606	4,389	20,023	155	4	933	9,017	1,971	11,013	(8,475)	
Total reported	11,767	9,134	29,940	24,647	1,876	813	3,315	345,544	27,730	35,689	30,216	33,570	106,908	66,306	601	34,451	3,196	63,595	2,718	12,601	(23,717)	
Related party entries/Total reported (%)	100%	37%	99.67%	21%	1%	100%	100%	99.94%	5%	99.52%	100%	41%	4%	30%	26%	0.01%	29%	14%	73%	87%	36%	

Information on the remuneration paid to the Administrative and Control Bodies, General Managers and Executives with strategic responsibilities at 31 December 2021 is given in the table included in the section 'Other information'.

Statement of related party cash flow

	2021	2020
		(€'000)
Cash flow from operating activities		
Revenues and income	13,407	22,487
<i>of which non recurring transactions</i>	5,054	12,871
Costs and expenses	(21,115)	(19,184)
Financial income	1,971	4,011
Financial expenses	(124)	(126)
Financial expenses on leased assets (IFRS 16)	(10,888)	(11,693)
Losses/income from tax consolidation	8,475	10,650
Change in inventories	161	22
Change in trade and other receivables	(7,124)	(11,920)
Change in advances	492	625
Change in other current liabilities	7,226	(12,662)
Total	(7,519)	(17,790)
Cash flow from investing activities		
Investments in non-current assets		
Tangible and intangible	-	-
Total	-	-
Cash flow from financing activities		
Change in non current financial leasing receivables	(11,767)	-
Change in non current financial assets	(3,336)	-
Change in current financial leasing receivables	(813)	-
Change in current financial assets	(98)	(1,613)
Change in current financial liabilities related to the right-of-use of assets	(20,007)	(23,528)
Change in current financial liabilities	22,828	(8,012)
Total	(13,193)	(33,153)
Cash flow in the year	(20,712)	(50,943)

The table below shows cash flow from related party transactions:

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities
FY to 31.12.21:			
Total	85,097	(3,851)	34,133
Related party transactions	(7,519)	-	(13,193)
FY to 31.12.20:			
Total	(46,094)	(1,619)	1,239
Related party transactions	(17,790)	-	(33,153)

52) Other information

Material non-recurring events and transactions

The significant non-recurring transactions that took place during the year, indicated pursuant to Consob Resolution no. 15519 of 27 July 2006, refer to the contribution of Euro 10,000 thousand from SIMEST, from the Fund for Integrated Promotion to compensate for fixed costs not covered by profits as well as the contributions of Euro 27,204 thousand from the fund established by Decree Law 34 of 19 May 2020 (converted with amendments

by the Law 77 of 17 July 2020) for the year 2020, and Euro 13,564 thousand from the fund established by Decree Law 41 of 22 March 2021 (converted with amendments by Law 69 of 21 May 2021) for the year 2021. These contributions were calculated on the EBITDA losses incurred during the *lockdown* periods as a result of the Covid-19 epidemic.

In addition, the Parent Company Fondazione Fiera Milano granted a temporary reduction in the rents of the Rho and Milan exhibition centres for the year 2021. The amount of this reduction is equal to Euro 5,054 thousand. For the effects that these transactions have on the capital, economic and financial position, please refer to note 51 Related-party transactions.

These benefits are recognised under Other income.

Transactions relating to atypical and/or unusual operations

In compliance with the Consob Communication of 28 July 2006, it is stated that no unusual and/or atypical operations were carried out by the Company in 2021 as defined in the aforementioned Communication.

Information required pursuant to Italian Law 124/2017

Pursuant to Law 124/2017 there are no contributions to report.

Significant events after the end of the reporting period

In late November 2021, the emergence and rapid spread of Omicron - the most contagious variant since the start of the Covid-19 pandemic - once again introduced an element of uncertainty to international mobility, prompting exhibition organisers to reschedule events in the first half of the year to later dates, in order to allow international exhibitors and buyers to attend.

There were changes to the calendar for owned exhibitions including Bit (postponed from February to April), Transpotec Logitec (from January to May), Homi (from January to March), and also to hosted exhibitions such as Salone del Mobile (from April to June), Mido (from February to May) and Mostra Convegno Expocomfort (from March to the end of June). In any case, this rescheduling concerns the year 2022 and at present there are no postponements to later years, nor cancellations.

Among the significant initiatives adopted by the Government, it is worth mentioning the Covid Decree of 2 February 2022, which encourages the return of non-EU visitors by recognising the vaccination status of their country of origin, plus a swab test if the certificate does not conform to the Italian requirement.

Finally, mention should be made of the possible effects that the recent conflict in Ukraine may have on the business and on the prices of raw materials and commodities, as stated in the sections on "Risks related to the general economic context, evolution and competitiveness of the exhibition market" and "Risk of an increase in the price of raw materials and scarcity of materials and labour" in the part of the report on the main risk factors to which the Group is exposed.

Information under Article 149-duodecies of the Consob Issuers' Regulation

The fees paid for services provided by the independent auditors in 2021 are shown in the following table.

	Service provider	(€'000)
		Fees for FY 2021
Auditing	EY SpA	237
Other services ⁽¹⁾	EY SpA	42
Other services ⁽²⁾	EY SpA	20
Other services ⁽³⁾	EY SpA	20
Total		319

⁽¹⁾ Revision of ISA 805 - State Grants

⁽²⁾ Limited review of non-financial Information

⁽³⁾ Agreed audit procedures

Remuneration paid to the Administrative and Control Bodies, General Managers and Executives with strategic responsibilities

Executives with strategic responsibilities are those that have the power and responsibility, both direct and indirect, for the planning, management and control of Company activities.

The Group Executives with strategic responsibilities are the Directors, the Statutory Auditors, the *Chief Financial Officer* and the *Chief Revenue Officer*.

The total remuneration of this category of executives was Euro 2,888 thousand in the period to 31 December 2021 (Euro 1,504 thousand at 31 December 2020) and the breakdown was as follows:

Remuneration	2021			(€'000)
	Directors	Statutory Auditors	Other	
Short-term benefits	612	120	1,341	
Post-employment benefits	-	-	79	
Other non-current benefits	-	-	-	
Staff-leaving indemnities	-	-	-	
Cost related "Medium-term Incentive Plan"	-	-	736	
Total	612	120	2,156	

Remuneration	2020			(€'000)
	Directors	Statutory Auditors	Other	
Short-term benefits	638	121	505	
Post-employment benefits	-	-	46	
Other non-current benefits	-	-	-	
Staff-leaving indemnities	-	-	190	
Cost related "Medium-term Incentive Plan"	-	-	-	
Total	638	121	741	

At 31 December 2021, the outstanding amount payable to this category was Euro 610 thousand (Euro 166 thousand at 31 December 2020).

Rho (Milan), 15 March 2022

on behalf of the Board of Directors

The Chairman

Carlo Bonomi

Attachment 1**List of investments in subsidiaries and joint ventures for the financial year ended 31 December 2021 (art. 2427, paragraph 1, no.5 of the Italian Civil Code)**

(€'000)

Company name	Registered Office	Share capital	Equity		Net profit/(loss)		% held	Carrying value
			Total	Pro-quota	Total	Pro-quota		
Subsidiaries:								
Fiera Milano Congressi SpA	Milano	2,000	12,054	12,054	9,513	9,513	100.00%	12,200
MADE eventi Srl	Milano	1,100	1,151	691	(1,657)	(994)	60.00%	2,574
Nolostand SpA	Milano	7,500	15,399	15,399	261	261	100.00%	13,390
Cipa Fiera Milano Publicações e Eventos Ltda	São Paulo Brasil	15,528	(479)	(479)	(1,145)	(1,145)	99.99%	1,744
Fiera Milano Exhibitions Africa Pty Ltd	Cape Town	-	581	581	(68)	(68)	100.00%	415
Total								30,323
Joint venture:								
Hannover Milano Global Germany GmbH	Hannover Germania	25	14,643	7,175	3,941	1,931	49.00%	10,990
Ipac Ima Srl	Milano	20	1,653	810	(689)	(338)	49.00%	2,407
Total								13,397

For subsidiary companies the indirect percentage held in the share capital has also been shown.

Summary of key figures of the last financial statements of subsidiaries and associates included in the area of consolidation (Art. 2429, paragraph 4 of Italian Civil Code). Italian GAAPs:

(€'000)

	31/12/21	31/12/20
MADE eventi Srl		
Revenues from sales and services	3,717	89
Profit/(loss)	(1,657)	(467)
Equity	1,151	1,308
Net financial debt/(cash)	(941)	515
Fiera Milano Media SpA *		
Revenues from sales and services	-	6,394
Profit/(loss)	-	(64)
Equity	-	2,357
Net financial debt/(cash)	-	(2,279)

* Fmerger by incorporation into Fiera Milano on 16 December 2021

Attachment 2

Summary of key figures of the last financial statements of subsidiaries and associates included in the area of consolidation (Art. 2429, paragraph 4 of Italian Civil Code).

IAS/IFRS:

Fiera Milano Congressi SpA *	31/12/21	31/12/20
(€'000)		
Revenues from sales and services	22,953	5,678
Profit/(loss)	9,513	(4,386)
Equity	12,054	2,354
Net financial debt/(cash)	18,027	28,910
Nolostand SpA *	31/12/21	31/12/20
(€'000)		
Revenues from sales and services	19,774	13,695
Profit/(loss)	261	173
Equity	15,399	15,129
Net financial debt/(cash)	(1,357)	1,839
Cipa Fiera Milano Publicações e Eventos Ltda	31/12/21	31/12/20
(amounts in Brazilian reals '000)		
Revenues from sales and services	764	2,141
Profit/(loss)	(7,303)	(7,365)
Equity	(3,020)	4,284
Net financial debt/(cash)	9,457	1,875
Fiera Milano Exhibitions Africa Pty Ltd	31/12/21	31/12/20
(amounts in South African rand '000)		
Revenues from sales and services	1,318	15,168
Profit/(loss)	(1,196)	838
Equity	10,497	11,692
Net financial debt/(cash)	(10,340)	(12,482)
Fiera Milano India Pvt Ltd **	31/12/21	31/12/20
(amounts in rupees '000)		
Revenues from sales and services	-	-
Profit/(loss)	-	(568)
Equity	-	3,645
Net financial debt/(cash)	-	(3,722)

* From 1 January 2021, transition to IAS/IFRS accounting standards

** Company in liquidation

Attachment 2

Summary of key figures of the last financial statements of *joint ventures* included in the area of consolidation (Art. 2429, paragraph 4 of Italian Civil Code).

Italian GAAPs:

(€'000)

Ipack Ima Srl	31/12/21	31/12/20
Revenues from sales and services	1,034	-
Profit/(loss)	(689)	(371)
Equity	1,653	2,342
Net financial debt/(cash)	256	553

Summary of key figures of the last financial statements of *joint ventures* included in the area of consolidation (Art. 2429, paragraph 4 of Italian Civil Code). IAS/IFRS

(€'000)

Hannover Milano Global Germany GmbH	31/12/21	31/12/20
Revenues from sales and services	31,051	28,642
Profit/(loss)	3,941	1,547
Equity	14,643	14,340
Net financial debt/(cash)	(21,617)	(12,636)

Declaration relating to the Financial Statements in accordance with Article 154-bis, paragraph 5, Italian Legislative Decree 58 of 24 February 1998

1. The undersigned, Luca Palermo, as CEO, and Andrea Maldi, as Financial Reporting Officer of Fiera Milano SpA, having noted the provisions of Art. 154-bis, paragraphs 3 and 4, Legislative Decree 58 of 24 February 1998, attest to:
 - the appropriateness in relation to the characteristics of the business and
 - the effective application of administrative and accounting procedures for preparation of the financial statements at 31 December 2021.
2. It is also declared that:
 - 2.1 the Financial Statements at 31 December 2021:
 - have been prepared in accordance with applicable international accounting standards recognised by the European Union in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - correspond to the results contained in the accounting records and documents;
 - provide a true and correct representation of the capital, economic and financial situation of the Issuer.
 - 2.2 the report on operations includes a reliable analysis of the trend and results of operations and the situation of the Issuer, together with a description of the main risks and uncertainties to which they are exposed.

Rho (Milan), 15 March 2022

Signed
Officer drafting
Luca Palermo

Signed
Chief Executive Financial Reporting Officer
responsible for of corporate accounting documents
Andrea Maldi

**Report of the Board of Statutory Auditors at the Shareholders' Meeting,
pursuant to article 153 of legislative decree 58/98 and article 2429
of the Italian Civil Code**

**REPORT OF THE BOARD OF STATUTORY
AUDITORS ON THE 2021 FINANCIAL YEAR**

**AT THE SHAREHOLDERS' MEETING PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE
58/1998 AND ARTICLE 2429, PARAGRAPH 2, OF THE ITALIAN CIVIL CODE**

Dear Shareholders,

During the financial year ended on 31 December 2021, the Board of Statutory Auditors of Fiera Milano S.p.A., in compliance with the provisions of article 149 of Legislative Decree 58/98 (TUF), and article 2403 of the Italian Civil Code, carried out the supervisory activities, also taking into account the principles of conduct recommended by the National Council of Chartered Accountants and Accounting Experts, the Consob communications on corporate controls and the activities of the Board of Statutory Auditors (in particular, communication no. DAC / RM 97001574 of 20 February 1997 and communication no. DEM 1025564 of 6 April 2001, subsequently integrated with communication no. DEM / 3021582 of 4 April 2003 and communication no. DEM / 6031329 of 7 April 2006) and the indications contained in the new Corporate Governance Code, approved in January 2020, promoted by the Corporate Governance Committee.

Furthermore, since Fiera Milano SpA has adopted the traditional governance model, the Board of Statutory Auditors identifies itself with the "Internal Control and Audit Committee" which is responsible for further specific control and monitoring functions in terms of financial reporting and statutory audit, provided for by article 19 of Legislative Decree no. 39 of 27 January 2010, as amended by Legislative Decree no. 135 of 17 July 2016.

The current Board of Statutory Auditors was appointed on 28 April 2021 by the Shareholders' Meeting of Fiera Milano S.p.A. (hereinafter, the Company), remains in office for the three-year period 2021 - 2023, i.e. until the date of the Shareholders' Meeting called for the approval of the Financial Statements which will close on 31 December 2023 and is composed as follows:

- Standing Statutory Auditors: Ms Monica Mannino (Chairperson), Mr Daniele Federico Monarca, Mr Piero Antonio Capitini,

Substitute Statutory Auditors:

- Ms Livia Amidani Alberti;
- Mr Simone Bruno

Pursuant to Article 144-quinquiesdecies of the Issuers' Regulation, approved by Consob with resolution 11971/99 and subsequent amendments and additions, the list of offices held by the members of the Board of Statutory Auditors at the companies referred to in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code are published, if the conditions are met, by Consob on its website (www.consob.it).

It is noted that article 144-quaterdecies of the Issuers' Regulation (disclosure obligations to Consob) provides that whoever holds the office of member of the control body of a single issuer is not subject to the disclosure obligations envisaged by the aforementioned article and is therefore not present in the lists published by Consob.

The Company reports the main offices held by the members of the Board of Statutory Auditors in the Report on Corporate Governance and Ownership Structure.

The Board hereby acknowledges compliance, by all its members, with the aforementioned Consob regulatory provisions on the subject of "limit to the accumulation of offices".

With reference to the activity under its remit, during the financial year in question, the Board, in its current composition:

- participated in the Shareholders' Meeting of 5 October 2021 and in all the meetings of the Board of Directors, obtaining from the directors, at least quarterly, adequate information on the general management trend and its foreseeable evolution, as well as on the most significant transactions, by size and characteristics, carried out by the Company and its subsidiaries;
- acquired the elements of knowledge necessary to carry out the activity of verifying compliance with the law, the Articles of Association, the principles of correct administration and the adequacy and functioning of the organizational structure of the Company, through the acquisition of documents and information from the heads of the functions involved, and periodic exchanges of information with EY S.p.A. (hereinafter, the "Independent Auditor");

- participated, through at least one of its members, in the meetings of the Control, Risk and Sustainability Committee and the Appointments and Remuneration Committee;
- supervised the functioning and effectiveness of the internal control system and the adequacy of the administrative and accounting system, in particular in terms of its reliability in representing management events;
- promptly exchanged with the senior members of the Independent Auditor in charge of the statutory audit pursuant to Legislative Decree 58/1998 and Legislative Decree 39/2010, the data and information relevant for the performance of their respective duties pursuant to article 150 of the TUF, also by examining the results of the work carried out and receiving the reports required by article 14 of Legislative Decree 39/2010 and by article 11 of EU Regulation 537/2014;
- examined the contents of the additional Report pursuant to article 11 of EU Regulation 537/2014, failing to identify any aspects that need to be highlighted in this report;
- monitored the functionality of the control system on Group companies and the adequacy of the instructions given to them, also pursuant to article 114, paragraph 2, of the TUF;
- acknowledged the preparation of the Remuneration Report pursuant to article 123-ter of the TUF and article 84-ter of the Issuers' Regulations, with no observations to report;
- monitored the concrete methods of implementation of the corporate governance rules adopted by the Company in compliance with the new Corporate Governance Code;
- verified, in relation to the periodic assessment to be carried out pursuant to article 4 of the new Corporate Governance Code, as part of the supervision of the methods of concrete implementation of the corporate governance rules, the correct application of the assessment criteria and procedures adopted by the Board of Directors, regarding the positive evaluation of the independence of the Directors;
- supervised the compliance of the internal procedure concerning Transactions with Related Parties with the principles indicated in the Regulations approved by Consob with resolution no. 17221 of 12 March 2010 and subsequent amendments, as well as on its observance, pursuant to article 4, paragraph 6 of the same Regulations;

- supervised the fulfilment of the obligations related to the European legislation on Market Abuse (so-called MAR) and the processing of inside information and the procedures adopted in this regard by the Company;
- supervised the corporate disclosure process, verifying compliance by the directors with the procedural rules relating to the preparation, approval and publication of the financial statements and consolidated financial statements;
- ascertained the adequacy, in terms of the method, of the impairment process implemented in order to ascertain the possible existence of impairment of goodwill and / or assets recognised in the financial statements;
- verified that the Directors' Management Report was compliant with current legislation, as well as consistent with the resolutions adopted by the Board of Directors and with the facts presented in the financial statements and consolidated financial statements;
- acknowledged the contents of the Consolidated Half-Year Report as at 30 June 2021, without it being necessary to express observations, and ascertained that the latter had been made public in accordance with the procedures established by law;
- performed, in its role as Internal Control and Audit Committee, pursuant to article 19, paragraph 1, of Legislative Decree 39/10, as amended by Legislative Decree 135/16, the specific information, monitoring, control and verification functions provided for therein, fulfilling the duties and tasks indicated in the aforementioned legislation;
- supervised compliance with the provisions established by Legislative Decree 254/2016, examining, among other things, the Consolidated Non-Financial Statement, also ascertaining compliance with the provisions governing its drafting pursuant to the aforementioned Decree.

Furthermore, as specified by the Administrative Body in the Financial Report (paragraph on "Risk management in the Fiera Milano Group"), from the analysis of the main risk factors to which the Group is exposed, those connected to the persistence of the Covid-19 health crisis are highlighted, the effects of which have also continued in 2021 both due to the lockdown of the exhibition facilities until 14 June, and due to the need to reschedule some events originally scheduled for the first half of the year, postponing them to the second half of the year. Thanks therefore to the fact that exhibitions restarted from summer 2021, to the

organizational efforts made by the Group to deal with the impacts of the pandemic crisis by concentrating about 30 exhibitions in the last quarter of the year and to the receipt of the financial aid provided for by the various regulations in this regard, the Covid 19 risk was managed with actions designed to guarantee business continuity, despite the fact that the sector in which Fiera Milano operates was badly affected by the restrictive measures that the government authorities implemented to deal with this serious crisis.

This risk factor was joined by another one worthy of mention, also appropriately indicated by the Administrative Body in the Management Report: reference is made to the potential effects on the Group deriving from the recent conflict in Ukraine, which could give rise to three possible consequences which are currently still difficult to quantify, or even estimate; on the one hand, the worsening of political and trade relations with Russia will lead to a tendential decline in Italian exports with repercussions on companies operating in particular in some sectors (fashion, food, chemical-pharmaceutical, mechanical) and, therefore, indirectly on the quality of the presence of these companies at the scheduled trade fairs; secondly, the number of professional visitors coming from Russian territories to the trade fairs scheduled in the coming months is expected to drop; finally, the current situation may contribute to exacerbating the tension on the prices of raw materials, such as electricity, gas, wood and polymers.

Lastly, there is also a potential cyber risk linked to the growing diffusion of technologies and business models based online which leads to the emergence of situations of IT vulnerability and therefore of cyber attacks, which are becoming increasingly numerous and sophisticated also in relation to the changes of the reference context.

These attacks can cause delays in business dealings, the temporary or prolonged interruption of activities, loss of data, personal data breaches with relative requests for compensation, and ensuing financial and reputational harm.

In this regard, to the extent of our competence, also for the current year, we will monitor the situation to ascertain the adequacy of the governance actions deemed appropriate by the Board of Directors to face the risks in question, in support of and protection of our corporate assets and business continuity.

In the course of the monitoring activity carried out by the Board of Statutory Auditors according to the methods described above, no facts emerged from which to infer non-compliance with the law and the Articles of Association or such as to justify reports to the Supervisory Authorities or mentions in this report.

The additional information required by Consob Communication no. DEM / 1025564 of 6 April 2001 and subsequent amendments is provided below.

- I. Adequate information was acquired on the most significant economic, financial and equity transactions carried out by the Company and by its subsidiaries. The main initiatives undertaken during the year are fully dealt with in the Management Report and appropriately transmitted to the market in accordance with the law.

In this difficult context, among the significant events of the year that the Board of Statutory Auditors deems appropriate to recall, in consideration of their importance, the following should be noted:

- ✓ on 18 February 2021, two 5-year loan agreements were signed with a pool of banks, for Euro 55 million, and a loan with Cassa Depositi e Prestiti spa for Euro 20 million, with 24 months of pre-amortisation, for a total value of Euro 75 million, all backed by the "Italy" guarantee from Sace on 90% of the amount disbursed.
- ✓ on 22 February 2021 the Board of Directors approved the 2021-2025 strategic plan, called CONN.ECT 2025 (*Connections, Exhibitions, Community, Transformation*) which identified the technological innovation and digital transformation of the exhibition business, together with the increasing focus on sustainability issues, as the drivers for the repositioning of society in a post-pandemic scenario.
- ✓ The Parent Company's Ordinary Shareholders' Meeting was held on 28 April 2021. It approved the financial statements for the year ended 31 December 2020 and resolved to carry forward the net loss for the year of Euro 24,755,603.60. It also appointed the Board of Statutory Auditors for the financial years 2021-2023 and set their remuneration. Finally, the same Shareholders' Meeting approved the 2021-2022

Performance Shares Plan drafted pursuant to article 114-bis of Legislative Decree 58/98.

- ✓ During 2021, the Company worked to have adequate financial resources to ensure business continuity and to support its strategic plan. In 2021, medium-term loans totalling Euro 99 million were raised.
- ✓ On 21 July, Fiera Milano received a contribution from Simest of Euro 10 million from the Integrated Promotion Fund to cover fixed costs not covered by profit for the period from 1 March 2020 to 31 December 2020.
- ✓ In December, the Fiera Milano Group received Euro 33.4 million in contributions from the fund established by Decree Law 34 of 19 May 2020 (converted with amendments by Law 77 of 17 July 2020) for the year 2020, and Euro 18.1 million from the fund established by Decree Law 41 of 22 March 2021 (converted with amendments by Law 69 of 21 May 2021) for the year 2021.
- ✓ On December 20, 2021, as last year, the company, its subsidiary Fiera Milano Congressi and Fondazione Fiera Milano signed agreements for some changes to the lease agreements for inactivity due to the Covid 19 pandemic, on the basis of which they agreed on a temporary reduction of the leasing fees of the Rho and Milan exhibition centres for the period 2021 of Euro 5.5 million, appropriately divided among the companies of the Group concerned.
- ✓ 14 December 2021 saw the signature of the deed of merger by incorporation of the wholly-owned subsidiary Fiera Milano Media S.p.A. into the Parent Company Fiera Milano S.p.A., with effect, for tax and accounting purposes, from 1 January 2021. The merger did not provide for any share swap, as the newly-incorporated company was already fully owned by Fiera Milano S.p.A.

Of the significant events that occurred subsequent to the end of the 2021 financial year, we recall:

- ✓ The appearance of the Omicron variant, which prompted the organisers of the trade fairs scheduled in the first part of the year to reschedule them on subsequent dates, with the aim of facilitating the presence of international exhibitors and buyers.
In any case, this rescheduling concerns the year 2022 and at present there are no postponements to later years, nor cancellations. Among the significant initiatives

adopted by the Government, it is worth mentioning the Covid Decree of 2 February 2022, which encourages the return of non-EU visitors by recognising the vaccination status of their country of origin, plus a swab test if the certificate does not conform to the Italian requirement.

- ✓ Finally, mention should be made of the possible effects that the recent conflict in Ukraine may have on the business and on the prices of raw materials and commodities, as stated in the sections on "Risks related to the general economic context, evolution and competitiveness of the exhibition market" and "Risk of an increase in the price of raw materials and scarcity of materials and labour" in the part of the report on the main risk factors to which the Group is exposed.

On the basis of the information provided by the Company and the data acquired in relation to the aforementioned transactions, the Board of Statutory Auditors ascertained the compliance with the law, the Articles of Association and the principles of correct administration, ensuring that the same were not manifestly imprudent or risky, in potential conflict of interest, in contrast with the resolutions passed by the Shareholders' Meeting or such as to compromise the integrity of the company assets.

During its audits, the Board did not identify any atypical and / or unusual transactions, either with third parties, Group companies or with related parties. It is acknowledged that the information provided in the Financial Report regarding significant events and transactions and any atypical and / or unusual transactions, including those within the group and with related parties, is adequate and compliant with regulatory provisions.

- II. The characteristics of the intragroup and related party transactions carried out by the Company and its subsidiaries in 2021, the parties involved and the related economic effects are indicated in note 53 of the consolidated financial statements and in note 51 of the financial statements, to which reference is hereby made. It should be noted that the Company regularly maintains trade and financial relations with the subsidiaries, in respect of which it exercises management and coordination activities, which consist of transactions falling within the scope of ordinary management activities and concluded in line with market practices. The Board of Statutory Auditors assesses the information provided on the

aforementioned transactions as overall adequate and assesses that the latter, on the basis of the data acquired, appear to be congruous and in line with the corporate interest.

Transactions with Related Parties, identified on the basis of international accounting standards and the provisions issued by Consob, are governed by an internal procedure (hereinafter, the "Procedure"). The current Procedure was most recently updated with a board resolution of 16 June 2021, in order to align the document and the provisions contained therein with the changes in the reference regulatory context, and entered into force on 1 July 2021.

In general, the Procedure provides rules and measures to be adopted to ensure transparency and the substantial and procedural fairness of related-party transactions carried out directly by Fiera Milano or through its subsidiaries. In particular, it identifies the Control, Risk and Sustainability Committee as the body responsible for expressing a reasoned opinion on the interest of the Company and on the substantial correctness of the related conditions regarding the performance of transactions with related parties.

In the Procedure, the Company enforces the exception granted in the Regulation that envisages, without prejudice to provisions on public disclosure, smaller listed companies – or those with balance sheet assets or revenues not exceeding Euro 500 million as shown in the most recently approved Consolidated Financial Statements - may apply the guidance and approval procedures envisaged for Minor Transactions to Transactions of Greater Importance.

The Board of Statutory Auditors examined the Procedure and ascertained its compliance with Consob Regulation no. 17221 of 12 March 2010 and subsequent amendments, additions and interpretations.

For the aforementioned operations, the Board verified the correct application of the Procedure.

- III. Pursuant to article 19 of Legislative Decree 39/2010, the Board of Statutory Auditors, as already mentioned on page 2, is also the Internal Control and Audit Committee and has carried out the prescribed supervisory activity on the statutory audit of the annual accounts and consolidated accounts.

On 29 March 2022, the Independent Auditor issued the reports pursuant to articles 14 and 16 of Legislative Decree 39/2010 and article 10 of EU Regulation No. 537/2014, with which it certified that:

- the financial statements of the Company and the consolidated financial statements of the Group as at 31 December 2021 provide a true and fair representation of the balance sheet, the economic result and the cash flows for the year ended on that date in accordance with the international accounting standards IAS / IFRS, as well as the provisions issued in implementation of article 9 of Legislative Decree 38/2005 and article 43 of Legislative Decree 136/2015;
- the Management Report and the information pursuant to article 123-bis of the TUF contained in the Report on Corporate Governance and Ownership Structure are consistent with the Company's financial statements and with the consolidated financial statements of the Group and drawn up in compliance with the law;
- the opinion on the financial statements and consolidated financial statements expressed in the aforementioned Reports is in line with that indicated in the Additional Report prepared pursuant to article 11 of EU Regulation No. 537/2014;
- the opinion on the financial statements and consolidated financial statements expressed in the aforementioned Reports complies with the provisions of EU Delegated Regulation 2019/815 regarding the single electronic communication format (ESEF).

In the Audit Report on the Consolidated Financial Statements, the Independent Auditor also stated that it has verified, to the extent of its competence, the Non-Financial Statement for the financial year 2021. The Independent Auditor also issued a Report certifying compliance, in all significant aspects, with the requirements of Legislative Decree 254/2016 and article 5 of Consob Regulation 20267/2018 and the principles and methodologies set out in the GRI Standards selected by the Company. In this Report, the Independent Auditor stated that no elements have come to its attention that would suggest that the Consolidated Non-Financial Statement has not been drawn up in compliance with the requirements of the law.

The aforementioned Reports of the Independent Auditor contain no observations or requests for information pursuant to article 14, paragraph 2, letter d), nor statements issued pursuant to article 14, paragraph 2, letters e) and f) of Legislative Decree 39/10.

On the same date, the Independent Auditor sent the additional report to the Board of Statutory Auditors in its capacity as Internal Control and Audit Committee to illustrate the results of the statutory audit, the elements inherent in the planning and execution process of the review of the related methodological choices and compliance with ethical principles, pursuant to article 11 of EU Regulation no. 537/2014, as reported in the opinion on the Financial Statements, this does not contradict the same opinions, but reports on specific matters. It is worth mentioning here that, in addition to the so-called significant issues reported as "key aspects of the audit", in the annual and consolidated financial statements reports, no significant deficiencies emerge in the internal control system in relation to the financial reporting process which deserve to be brought to the attention of the managers of the "governance" activities.

The Board of Statutory Auditors met periodically with the Independent Auditor, also pursuant to article 150, paragraph 3 of the TUF for the purpose of exchanging reciprocal information. In these meetings, the Independent Auditor did not reveal any acts or facts deemed reprehensible or irregularities that required the formulation of specific reports pursuant to article 155, paragraph 2 of the TUF.

During the supervision of the 2021 financial statements, the Board of Statutory Auditors met periodically with the Independent Auditor to examine the results deriving from the verification of the regular keeping of the accounts, for the examination of the 2021 Audit Plan of Fiera Milano and the Group and its progress.

During the year, the Company and some of its subsidiaries appointed the Independent Auditor, and parties belonging to its network (EY network), to perform services other than the statutory audit for the Company and some of the companies within the group.

Details of the remuneration paid during the year and the cost pertaining to the services carried out by the Independent Auditor and by parties belonging to its network for the Company and its subsidiaries, are indicated in the consolidated financial statements and in the financial statements of the Company, as required by article 149-duodecies of the Issuers' Regulation, and the cost charged to the income statement.

			(thousands of euro)
Service rendered	Company providing the service	Recipient	Fees for the year 2021
Statutory audit	EY S.p.A.	Parent company - Fiera Milano S.p.A.	237
Statutory audit	EY S.p.A.	Subsidiaries	111
Statutory audit	network EY	Subsidiaries	33
Other services (*)	EY S.p.A.	Parent company - Fiera Milano S.p.A.	20
Other services (**)	EY S.p.A.	Parent company - Fiera Milano S.p.A.	42
Other services (***)	EY S.p.A.	Parent company - Fiera Milano S.p.A.	20
Other services (**)	EY S.p.A.	Subsidiaries	38
Total			501

(*) Agreed Audit Procedures
(**) ISA 805 revision - state grants
(***) Limited Review of the Non-Financial Disclosure

Audit related fees include activities related to auditing the ESEF financial statements.

With reference to the data for the Parent Company, services other than auditing refer to activities required as part of the audit (ISA 805) for certifications relating to contributions in derogation from the Temporary Framework, for the non-financial statement and for other audit activities related to attestations for compliance with the covenants.

With reference to the other Group companies, services other than auditing refer to the ISA 805 activity carried out as part of the request for contributions in derogation from the Temporary Framework.

The ratio between the cost of non-audit services and the three-year average of the auditing services is below the limit established by the applicable legislation (70%).

The Board of Statutory Auditors, in the role of Internal Control and Audit Committee, has fulfilled the duties required by article 19, paragraph 1, letter e) of Legislative Decree 39/2010 (as amended by Legislative Decree 135/2016) and by article 5, paragraph 4 of EU Regulation 537/2014 regarding the prior approval of the aforementioned appointments, verifying their compatibility with current legislation and, specifically, with the provisions of article 17 of

Legislative Decree 39/2010 and subsequent amendments - as well as with the prohibitions pursuant to article 5 of the Regulation referred to therein.

The Board of Statutory Auditors reports that the evaluation process, on the occasion of the appointment of the Independent Auditor and its Network by the Company and its subsidiaries to carry out certain types of services, is governed by an "Internal procedure for the approval of the services to be assigned to the company tasked with performing the statutory audit and its network" which has the objective of guaranteeing the satisfaction of the Independent Auditor's requirement and regulating the aforementioned evaluation process.

Furthermore, the Board:

- a) verified and monitored the independence of the Independent Auditor, pursuant to articles 10, 10-bis, 10-ter, 10-quater and 17 of Legislative Decree 39/2010 and article 6 of EU Regulation No. 537/2014, ascertaining compliance with the regulatory provisions in force on the subject and that the appointments for the performance of services other than auditing conferred to this company did not appear to generate potential risks for the auditor's independence and for the safeguards pursuant to article 22-ter of Directive 2006/43 / EC;
- b) examined the transparency report and the additional report drawn up by the Independent Auditor in compliance with the criteria set out in EU Regulation 537/2014, noting that, on the basis of the information acquired, no critical aspects emerged in relation to the independence of the Independent Auditor;
- c) received confirmation in writing, pursuant to article 6, paragraph 2, letter a), of EU Regulation 537/2014, that the Independent Auditor, in the period from 1 January 2021 until the time of issuing the declaration, did not find any situations that might compromise its independence pursuant to articles 10 and 17 of Legislative Decree 39/2010, as well as 4 and 5 of EU Regulation 537/2014;
- d) discussed with the Independent Auditor the risks for its independence and any measures adopted to mitigate these, pursuant to article 6, paragraph 2, letter b) of EU Regulation 537/2014.

IV. During the year, the Board did not receive any complaints pursuant to article 2408 of the Italian Civil Code, nor complaints from shareholders or third parties.

- V. During the 2021 financial year, the Board of Statutory Auditors expressed its opinion in all those cases in which it was requested by the Board of Directors, also in compliance with the regulatory provisions that require prior consultation of the Board of Statutory Auditors.

During the year, the Board of Statutory Auditors, to the extent of its competence, examined the proposals made - after evaluation by the Appointments and Remuneration Committee - regarding the remuneration policy and its implementation.

The remuneration system, implemented on the proposal of the Appointments and Remuneration Committee, provides for the assignment of remuneration divided into a fixed component and a variable component linked to the economic results achieved at Group level and correlated to set specific objectives, together with participation in the Company's Long Term Incentive plans, in favour of certain executives in key positions, including Strategic Executives, as illustrated in the Remuneration Report, which will be published pursuant to article 123-ter TUF on the Company's website.

The Appointments and Remuneration Committee verified that the remuneration awarded is in line with market values.

In general, in order to acquire the information instrumental to the performance of its supervisory duties, the Board of Statutory Auditors met twenty-two times (22) during the year 2021, of which fifteen (15) with the current Board, which has been in office since 28 April 2021.

While the effects deriving from the pandemic event persisted, the Board of Statutory Auditors carried out a considerable part of its activities remotely, without detecting any impact on the effectiveness of the control activity.

From the closing date of the 2021 financial year to the date of drafting this report, the Board met 8 times.

The activities carried out in the aforementioned meetings are documented in the relative minutes. In addition, the Board of Statutory Auditors, in its current composition, attended all 9 meetings of the Company's Board of Directors, 10 meetings of the Control, Risk and Sustainability Committee and 5 meetings of the Appointments and Remuneration Committee, as well as the only Shareholders' Meeting.

VIII. As already noted, the Board of Statutory Auditors supervised compliance with the law and the Articles of Association and compliance with the principles of correct administration, ensuring that the transactions approved and implemented by the directors were in compliance with the aforementioned rules and principles, as well as inspired by principles of economic rationality and not manifestly imprudent or risky, in conflict of interest with the Company, in contrast with the resolutions passed by the Shareholders' Meeting, or such as to compromise the integrity of the company assets. The Board believes that the governance tools and institutions adopted by the Company represent a valid safeguard for compliance with the principles of correct administration.

IX. The adequacy of the organizational structure of the Company and of the Group was supervised through gaining knowledge of the administrative structure of the Company and exchanging data and information with the heads of the various company functions, the Internal Audit function and the Independent Auditor.

The organisational structure of the Company and the Group is managed by the Chief Executive Officer and implemented through a system of internal delegations which have identified the managers responsible for the various departments and Business Units and granted powers consistent with the responsibilities assigned.

In the light of the checks carried out, in the absence of any critical issues found, the organisational structure of the Company appears adequate in consideration of the object, characteristics and size of the company.

X. With reference to the supervision of the adequacy and effectiveness of the internal control and risk management system, also pursuant to the current article 19 of Legislative Decree 39/2010, the Board held periodic meetings with the head of the Internal Audit and Risk Management function, participated in meetings with the Control, Risk and Sustainability Committee and with the Supervisory Board, provided for in accordance with the organisational model envisaged by Legislative Decree 231/2001 adopted by the Company (the "231 Model").

In particular, the Board of Statutory Auditors supervised the adequacy of the internal control and risk management systems through:

- meetings with the top management of Fiera Milano to examine the internal control and risk management system;

- periodic meetings with the Internal Audit function and the Compliance function in order to evaluate the work planning methods, based on the identification and assessment of the main risks present in the processes and organisational units;
- meetings with the Risk Manager for the analysis of the strategic risks of Fiera Milano and the Group with particular emphasis on the effects of the Covid 19 pandemic in terms of risks and uncertainties and resumption of activities;
- meetings with senior management on the organisational and management impacts of Fiera Milano's corporate activities;
- examination of the periodic reports of the Control Function in coordination with the Company's Control, Risk and Sustainability Committee;
- meetings with the Financial Reporting Officer, the Head of Planning and Control of Fiera Milano;
- meeting with the Investor Relator of Fiera Milano;
- joint meetings with the Control, Risk and Sustainability Committee and the Supervisory Board of the Company;
- discussion of the results of the work carried out by the Independent Auditor;
- regular participation in the work of the Control, Risk and Sustainability Committee, of the Appointments and Remuneration Committee of the Company and, when the topics discussed required it, joint discussion of the same with the respective committees.

The activities carried out by the internal control function during the year substantially covered the planned scope of activity. No significant critical issues emerged from this activity, but some aspects of improvement to be implemented in the near future did emerge.

The guidelines of the Company's internal control and risk management system are defined by the Board of Directors, with the assistance of the Control, Risk and Sustainability Committee. The Board of Directors also assesses its adequacy and correct functioning, at least annually, with the support of the Internal Audit function and the Control, Risks and

Sustainability Committee. The Internal Audit function of the Company operates on the basis of an annual plan that defines which activities and processes to subject to risk-based checks. The plan is approved annually by the Board of Directors subject to the favourable opinion of the Control, Risk and Sustainability Committee and was reviewed and approved at the meeting of the Board of Directors on 15 March 2021.

On the basis of the activity performed, the information acquired, the content of the Control Function Report, the Board of Statutory Auditors believes that there are no critical elements such as to affect the structure of the control and risk management system.

With regard to subsidiaries incorporated and governed by the laws of states not belonging to the European Union, the Board was provided with periodic information by the Head of the internal control function and by the Risk Manager.

The Company, also at group level, makes use of additional tools to monitor the operational objectives and compliance objectives, including a structured and periodic system of planning, management control and reporting, a company risk management system according to principles of Enterprise Risk Management (ERM) (approved by the Board of Directors on 15 March 2021), as well as the accounting control model according to Law 262/2005 on financial information.

The Company has its own Model 231 which, together with the Group's Code of Ethics, is aimed at preventing the perpetration of significant offenses pursuant to the decree and, consequently, the extension to the Company of the related administrative liability.

The Supervisory Boards supervised the functioning and observance of the Organisational Model - of which it assessed the suitability pursuant to Legislative Decree 231/2001 - monitoring the evolution of the relevant legislation, the implementation of staff training initiatives, as well as the observance of the Protocols by their recipients, also through checks carried out with the support of the Internal Audit function.

With regard to internal dealing, without prejudice to the obligations relating to the discipline of market abuse, the Procedure was most recently updated by the Board on 15 December 2017 in order to implement the amendments made by Consob to the Issuers' Regulation with Resolution no. 19925 of 22 March 2017 and to take into account the amendments made to the TUF by Legislative Decree 107/2018: the Company has regulated the obligation to abstain

from carrying out transactions on financial instruments issued by the Company and listed on regulated markets in accordance with the provisions of the legislation in force at the time (Verify).

The Procedure for the internal management of Relevant Information and Inside Information and the public disclosure of Inside Information was most recently amended by the Board on 20 June 2019 in order to establish, in accordance with the recommendations contained in the CONSOB Guidelines, a register for the relevant information, the so-called "Relevant Information List", with the aim of tracing the stages leading up to the publication of inside information, identifying and monitoring those types of information that the issuer deems relevant, as it relates to data, events, projects or circumstances that may, later on, become inside information.

In relation to the 2021 financial year, in compliance with the provisions of article 6, Recommendation 33 of the Corporate Governance Code, the Board of Directors carried out an overall assessment of the adequacy of the internal control and risk management based on the information and evidence collected, and supported by the results of the Control, Risk and Sustainability Committee's preliminary studies. This included the methods of coordination between the various parties involved in the system. The Board deemed it overall suitable for allowing, with reasonable certainty, adequate management of the main risks identified.

- XI. The Board also supervised the adequacy and reliability of the administrative-accounting system to correctly represent management events, obtaining information from the heads of the respective functions, examining company documents and analysing the results of the work carried out by the Independent Auditor. The functions established by law were jointly assigned to the Financial Reporting Officer, who was invested with adequate powers and means for exercising of the related duties. Furthermore, the Chief Executive Officer, through the Financial Reporting Officer, is responsible for implementing the "Accounting control model pursuant to Law 262/2005" with the aim of defining the guidelines to be applied within the Fiera Milano Group, with reference to the obligations deriving from article 154-bis of the TUF regarding the preparation of corporate accounting documents and the related certification obligations. The preparation of the accounting and financial statements, both statutory and consolidated, is governed by the manual of the Group's accounting principles

and by the other administrative-accounting procedures that are part of the Model pursuant to Law 262/2005.

As part of the Model pursuant to Law 262/2005, the procedures relating to the impairment process are also formalised in accordance with IAS 36.

The Fiera Milano Group made use of an independent external consultant to carry out the impairment test on the goodwill and intangible assets recognised in the consolidated financial statements as at 31 December 2021. Taking into account the recommendations made by the European Securities and Markets Authority ("ESMA") aimed at ensuring greater transparency of the methodologies adopted by listed companies in the context of the impairment test procedures on goodwill and intangible assets, as well as in line with the recommendations of the joint Bank of Italy-Consob-Isvap document no. 4 of March 3, 2010 and in light of the indications provided by Consob, the compliance of the impairment test procedure with the requirements of international accounting standard IAS 36 was subject to express approval by the Board of Directors of the Company on February 25, 2022, subject to the favourable opinion issued in this regard by the Control, Risk and Sustainability Committee. The Board monitored compliance with the disclosure requirements issued by CONSOB with the attention notice 1/21 of 16 February 2021 and by ESMA with the document issued on 28 October 2020 and on the impairment process.

For a more complete description of the methodologies and assumptions applied, please refer to the relevant note in the Consolidated Financial Statements.

The impairment procedure, and in particular its results presented to the Board of Directors for approval, were examined by the Board of Statutory Auditors through meetings with the Independent Auditor and participation in the meeting of the Control, Risks and Sustainability Committee, which previously examined the methodology.

The Board of Statutory Auditors supervised the financial reporting process, also by obtaining information from the Company's management and assesses the Company's administrative-accounting system as overall adequate and reliable in correctly representing management events.

- ii. The Board monitored the adequacy of the instructions given by the Company to the subsidiaries pursuant to article 114, paragraph 2 of the TUF, ascertaining, on the basis of the

information provided by the Company, its suitability to provide the information necessary to fulfil the disclosure obligations established by law, without exception. In this regard, the Board also held periodic meetings with the Boards of Statutory Auditors of the subsidiaries for a reciprocal exchange of information.

- XIII. As regards the verification of the methods of concrete implementation of the corporate governance rules, provided for by the Corporate Governance Code in the edition in force, the Board carried out this verification activity with the assistance of the Legal and Corporate Affairs Department of the Company.

The Report on Corporate Governance and Ownership Structure sets out, among other things, the recommendations of the Code that the Board of Directors decided not to implement, providing the related reasons and describing any alternative behaviour adopted.

The Board of Directors, in the interest of the Company and its Shareholders, promoted dialogue with Investors and, in accordance with the provisions of the Corporate Governance Code, at the Board meeting of 28 July 2021 approved the "Policy concerning the management of dialogue with institutional investors and with the shareholders in general" (hereinafter, "Engagement Policy").

The Engagement Policy has been prepared with the aim of ensuring that dialogue with Investors and, in general, with the entire shareholder community takes place in compliance with good corporate practices and current legislation, including legislation on the processing of inside information, and that it is based on the principles of accuracy, transparency, timeliness and information symmetry.

The Chairperson of the Board of Directors, assisted by the Chief Executive Officer, ensures that the Board of Directors is promptly informed of the development and main content of dialogue with Institutional Investors and Shareholders under this Policy.

XIV. The Company's Board of Directors is currently made up of 9 directors, of which 7 are independent. Its composition also respects the rules on gender balance.

Pursuant to article 4, Principle XIV, Recommendations 21 and 22 of the Corporate Governance Code, and on the basis of a specific questionnaire divided into different areas of investigation and with the possibility of expressing comments and proposals, despite Fiera Milano being a company with concentrated ownership, the Board also carried out a self-assessment process for the year 2021, on the size, composition (including number and role of independent directors) and on the functioning of the Board itself and its committees, the results of which were presented during the meeting held on 15 March 2022.

With regard to the procedure followed by the Board of Directors for the purpose of verifying the independence of its directors, the Board of Statutory Auditors carried out the assessments within its competence, ascertaining the correct application of the criteria and procedures for ascertaining the independence requirements pursuant to the law and the Corporate Governance Code and compliance with the composition requirements of the administrative body as a whole.

Finally, the Board assessed the suitability of the members of the Board of Statutory Auditors itself and the adequate composition of the body, with reference to the requisites of professionalism, competence, integrity and independence required by law, drafting the Report on the self-assessment of the Board of Statutory Auditors relating to 2021. The outcome of the evaluation process was positive. The self-assessment report of the Board of Statutory Auditors was presented to the Board of Directors at the Board meeting held on 15 March 2022 and was disclosed in the Report on Corporate Governance and Ownership Structure.

A total of eleven (11) meetings of the Board of Directors were held during 2021, nine (9) of which were with the current Board, which has been in office since April 28, 2021.

The following committees were set up within the Board of Directors:

- Control, Risk and Sustainability Committee, with advisory and propositional functions, which reports to the Board of Directors at least every six months on the activity carried out and on the adequacy of the internal control and risk management system and is also responsible for supervising sustainability issues connected to the business activity and its interaction dynamics with all stakeholders; this committee is made up of three independent directors. There were thirteen (13) meetings of the Control, Risk and Sustainability Committee in 2021, of which ten (10) were with the current Board, which has been in office since 28 April 2021. *This committee also acts as a Committee for transactions with related parties.* On the subject of related-party transactions, the Committee examined the substantive and procedural fairness of the main economic, equity and financial transactions with related parties.
- Appointments and Remuneration Committee, composed of three independent directors, met a total of seven (7) times in 2021, of which five (5) with the current Board, in office since 28 April 2021: in the course of these meetings, the Committee formulated its recommendations on the methodology of finalising the variable remuneration, examined the short-term incentive plan (MBO) for the Chief Executive Officer and for the Top Management with strategic responsibilities, the assessment of the new 2021-2022 LTI plan and the regulation underlying the plan, approved the draft of the Remuneration Report for the Financial Year, formulated proposals for salary changes and assignments of monetary bonuses, as well as examined the proposal to update the objectives set out in the short-term incentive Plan (MBO) for the Chief Executive Officer and for Top Management with strategic responsibilities for the year 2021.

Please refer to the Report on Corporate Governance and Ownership Structure for further information on the Company's corporate governance, in relation to which the Board has no observations to make.

- XV. The Board of Statutory Auditors examined the Remuneration Report approved by the Board of Directors on 15 March 2022 on the proposal of the Remuneration Committee, and verified its compliance with legal and regulatory requirements.
- XVI. The Board of Statutory Auditors also examined the proposals that the Board of Directors, in the meeting of 15 March 2022, resolved to submit to the Shareholders' Meeting, and declares that it has no observations in this regard, including the proposal to carry forward the profit for the financial year.
- XVII. Finally, the Board of Statutory Auditors carried out its checks on compliance with the law relating to the preparation of the draft financial statements and consolidated financial statements of the Group as at 31 December 2021, the respective explanatory notes and the Management Report accompanying these, directly and with the assistance of the heads of the functions and through the information obtained from the Independent Auditor. In particular, the Board of Statutory Auditors, on the basis of the controls performed and the information provided by the Company, within the limits of its competence according to article 149 of the TUF, acknowledges that the prospectuses of the financial statements and consolidated financial statements of Fiera Milano as at 31 December 2021 have been drawn up in compliance with the provisions of the law that regulate their formation and layout and with the International Financial Reporting Standards, issued by the International Accounting Standards Board, based on the text published in the Official Journal of the European Communities.

The financial statements and consolidated financial statements are accompanied by the required certifications, signed by the Chief Executive Officer and by the Financial Reporting Officer.

Furthermore, the Board of Statutory Auditors verified the Company's fulfilment of the obligations established by Legislative Decree 254/2016 and that, in particular, it has drawn up the Non-Financial Consolidated Statement, in accordance with the provisions of Articles 3 and 4 of the same Decree.

The Board of Statutory Auditors, in exercising its functions, supervised compliance with the provisions contained in Legislative Decree no. 254 of 30 December 2016, and the Consob Regulation implementing the Decree adopted with resolution no. 20267 of 18 January 2018,

in particular with reference to the drafting process and the contents of the Non-financial Statement ("NFS") drawn up by Fiera Milano.

The NFS was approved by the Board of Directors on 15 March 2022 as a separate document from the Management Report to the consolidated financial statements at 31 December 2021. In the report issued on 29 March 2022, the independent auditor appointed to carry out the limited examination of the NFS pursuant to article 3, paragraph 10, of Legislative Decree 254/2016 points out that no elements have come to its attention that would suggest that the NFS of the Fiera Group for the year ended 31 December 2021 has not been drawn up, in all significant aspects, in compliance with the requirements of articles 3 and 4 of Legislative Decree 254/2016 and the "Global Reporting Initiative Sustainability Reporting Standards". Furthermore, the independent auditors state that the conclusions expressed in this report do not extend to the information contained in the "Taxonomy" paragraph of the NFS, required by article 8 of European Regulation 852/2020.

On the basis of the above, as a summary of the supervisory activity carried out in financial year 2021, and also taking into account the results of the activity carried out by the person in charge of the statutory audit, contained in the specific report accompanying the financial statements, the Board of Statutory Auditors did not detect any specific critical issues, omissions, reprehensible facts or irregularities and has no observations or recommendations to make to the shareholders' meeting pursuant to article 153 of Legislative Decree 58/1998, to the extent of its competence, with regard to the resolution proposals formulated by the Board of Directors at the Shareholders' Meeting.

Milan, 30 March 2022

Board of Statutory Auditors

Ms Monica Mannino

Chairperson



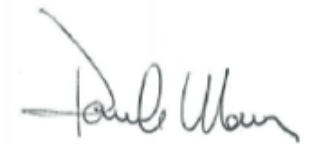
Mr Piero Antonio Capitini

Standing Statutory Auditor



Mr Daniele Federico Monarca

Standing Statutory Auditor



Independent Auditor's Report



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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Fiera Milano S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fiera Milano S.p.A. (the Company), which comprise the statement of financial position as at 31 December 2021, and the statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



We identified the following key audit matters:

Key Audit Matter	Audit Response
<p>Impacts of Covid-19 and evaluation of the assumption of going concern</p>	
<p>At 31 December 2021 the equity of the company, including the profit for the year equal to euro 36.6 million, amounts to euro 102.1 million .The net financial cash before IFRS 16 application, amounts to euro 21.1 million and net financial debt, including the effects of IFRS 16 application, amounts to euro 347.6 million.</p> <p>The result for the year was influenced by the Covid-19 epidemic, which prevented the organization of in-person events in the first half of the year, causing in addition the moving of some events in the portfolio to different periods than those originally planned.</p> <p>The restart of the business from the second half of the year has seen a concentration of exhibitions in the last quarter, with a tangible impact on the income statement for the year, which reported revenues of approximately euro 106.9 million. In addition, the result of the year was positively impacted by public grants, in total equal to euro 50.7 million, received for the margin reductions realized in the years 2021 and 2020 as a consequence of the pandemic.</p> <p>Finally, during the year, the Company worked to find the appropriate financial resources to secure the going concern and to support the execution of the Strategic plan.</p> <p>On 25 February 2022 the Board of Directors of Fiera Milano S.p.A. approved the 2022-2026 economics and financials Group projections, which confirmed the previous forecasts of the 2021-2025 Strategic plan approved on 22 February 2021.</p>	<p>The audit procedures in response to the key audit matter, among other things, include:</p> <p>(i) the analysis of the reasonableness of the key assumptions of the 2022-2026 economics and financials projections approved by the Board of Directors on 25 February 2022 and the understanding of the elements underlying the assessment of the directors regarding the assumption of going concern;</p> <p>(ii) the analysis of the differences between the forecasted data 2021 contained in the 2021-2025 Strategic plan and the actual data for the year 2021 and the analysis of the differences between the forecasted data of the 2022-2026 economic and financial projections and the data of the corresponding periods estimated in the 2021-2025 Strategic plan;</p> <p>(iii) the assessment of the ability of the Company and the Group to meet their financial commitments over the 12 months following the balance sheet date;</p> <p>(iv) the examination of the events that occurred after the close of the financial year, with particular reference to the obtaining of new bank loans from the Company.</p> <p>Finally, we verified the adequacy of the information provided in the explanatory notes to the financial statements, including that relating to events after the end of the financial year, and the consistency of the information provided in the management report regarding this aspect.</p>



The directors have prepared the financial statements using the going concern assumption.

The assumptions underlying the 2022-2026 economics and financials Group projections, the financial needs estimates and then the subsequent evaluations regarding the assumption of going concern are by nature complex and imply the use of the judgment of the directors. In particular, the assumptions relating to the timing of return to normal operation and the scheduling of trade fairs and congress events are characterized from the still persistent uncertainty in relation to duration of the Covid-19 epidemic and to the restrictive measures introduced in order to contain the epidemic.

These assumptions are subject to continuous developments resulting from the health emergency linked to the Covid-19 virus and the uncertainties typical of the sector and of any forecasting activities and could affect the results that will actually be achieved as well as the related procedures and timing of manifestation.

In view of the judgment requested from the directors in the development of the assumptions and the forecasting activities in support of the assessment of the assumption of going concern, we have determined that this area constitutes a key audit matter.

The Company included the disclosures in the Board of Directors Management Report in the paragraph "Business outlook and going concern assessment".



Key Audit Matter	Audit Response
<p>Valuation of goodwill, intangible assets with finite useful life and investments</p>	<p>At December 31, 2021 the carrying amount of goodwill, intangible assets with finite useful life and investments was euro 76.1 million, euro 16.1 million and euro 43.8 million, respectively.</p> <p>Goodwill and intangible assets with finite useful life were allocated to the Cash Generating Units (CGUs).</p> <p>Goodwill is tested for impairment at least annually at the end of the reporting period, or more often, if there is any indication of impairment. Intangible assets with finite useful life, which are being depreciated, and investments, are tested for impairment only when there is an indication of impairment. The processes and methodologies to estimate and determine the recoverable amount of the CGUs, in terms of value in use, are based on complex assumptions that, due to their nature, imply the use of judgement by directors, in particular with reference to impact of Covid-19 on the cash flow forecasts for the period covered by the 2022-2026 economics and financials projections, the normalized cash flows used to estimate terminal value, and the discount rate and long term growth rates applied.</p> <p>Considering the materiality of the carrying amount of such assets and the level of judgement and complexity of the assumptions used in estimating the recoverable amount of goodwill, intangible assets with finite useful life and investments, due to the significant impact of the Covid-19 pandemic on the Group's results, we have determined that this area constitutes a key audit matter.</p> <p>The Company included disclosures related to the nature and the key assumptions used for impairment test in note 1.5 "Use of estimates", note 6 "Goodwill", note 7 "Intangible assets with a finite useful life" and note 8 "Investments".</p>

Our audit procedures in response to this key audit matter included, among others:

- (i) understanding of the procedure adopted by the company regarding the valuation of goodwill and intangible assets with finite useful life and investments, taking into account the impairment test procedure approved by the Board of Directors on 25 February 2022;
- (ii) reviewing of the report prepared by the external experts who supported management in performing the impairment test, including the valuation of their competence, capabilities and objectivity;
- (iii) assessing the significant assumptions underlying future cash flow projections, including the determination of the weighted average cost of capital, the discount rate and the long-term growth rates used in estimating the terminal value, and performing sensitivity analyses;
- (iv) assessing the variances between actual results and the previous forecasts as assumed by the Company;
- (v) testing the mathematical accuracy of the impairment test calculation;
- (vi) verifying the consistency of the forecast of future cash flows of the CGUs, used for the impairment test, with the 2022-2026 economics and financials projections.

In performing our audit procedures we also involved our valuation specialists who assisted us in the assessment of assumptions and methodologies utilized by the Company, and performed independent calculations and sensitivity analyses of key assumptions. Lastly, we assessed the adequacy of the disclosures made in the notes to the financial statements relating to evaluation of goodwill, intangible assets with finite useful life and investments.



Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;



- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Fiera Milano S.p.A., in the general meeting held on 29 April 2014, engaged us to perform the audits of the financial statements for each of the years ending 31 December 2014 to 31 December 2022.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Fiera Milano S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the financial statements, to be included in the annual financial report.



We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements have been prepared in the XHTML format in compliance with the provisions of the Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Fiera Milano S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Fiera Milani S.p.A. as at 31 December 2021, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements of Fiera Milano S.p.A. as at 31 December 2021 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of Fiera Milano S.p.A. as at 31 December 2021 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated 30 December 2016

The Directors of Fiera Milano S.p.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated 30 December 2016. We have verified that non-financial information have been approved by Directors.



Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated 30 December 2016, such non-financial information are subject to a separate compliance report signed by us.

Milan, 29 March 2022

EY S.p.A.

Signed by: Giuseppe Savoca, Auditor

As disclosed by the Directors, the accompanying financial statements of Fiera Milano S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Resolutions of the ordinary Shareholders' meeting

The ordinary Shareholders' Meeting, held on April 22, 2022, resolved

1 Financial Statements at 31 December 2021.

1.1 Approval of the Financial Statements at 31 December 2021, Report of the Board of Directors on Operations and Report of the Board of Statutory Auditors and of the Independent Auditors. Presentation of the Consolidated Financial Statements at 31 December 2021 and the 2021 Consolidated Disclosure of Non-financial Information pursuant to Legislative Decree no. 254/2016.

to approve the Financial Statements for the year ended 31 December 2021, consisting of the statement of financial position, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the related notes to the financial statements, which shows a net profit of Euro 36,621,672.14 as presented by the Board of Directors as a whole, in the individual entries and with the proposed provisions, as well as the related Report of the Board of Directors on Operations.

1.2 Allocation of the result for the financial year.

to approve the proposal made by the Board of Directors to carry forward the net profit for the year of Euro 36,621,672.14.

2 Report on remuneration policy and remuneration paid pursuant to Article 123-ter of Legislative Decree no. 58/98.

2.1 Binding resolution on the first section.

to approve the contents of Section One of the Report on the remuneration policy and payments made prepared pursuant to Article 123-ter of Legislative Decree 58/98, concerning the Company's policy on the remuneration of the members of the Board of Directors, and in particular the Directors with special duties, the members of the Committees and the Executives with Strategic Responsibilities in the Group, as well as the procedures used for the adoption and implementation of this policy.

2.2 Non-binding resolution on the second section.

in favour of the contents of Section Two of the Report on Remuneration Policy and Remuneration Paid, prepared pursuant to Article 123-ter of Legislative Decree 58/98, concerning the remuneration awarded to members of the Board of Directors, Executives with Strategic Responsibilities and members of the Company's Board of Statutory Auditors.

3. Authorisation to purchase and dispose of own shares under Articles 2357 and 2357-ter of the Italian Civil Code.

- 1) to authorise the Board of Directors, pursuant to Article 2357 et seq. of the Italian Civil Code, to purchase treasury shares of the Company for the quantity, at the price, within the terms and in the manner set out below:
 - the purchase may be made in one or more tranches, within 18 months from the date of this resolution;
 - the consideration for the purchase of each share shall not be greater than the price of the last independent transaction or the price of the highest current independent offer (whichever is highest) in the trading venues where the purchase is made. It is understood that the unit price must be neither 10% lower nor higher than the reference price recorded for Fiera Milano shares on the MTA market organised and managed by Borsa Italiana SpA on the trading day before each individual purchase transaction;
 - the maximum number of shares purchased, including shares held by the Company and its subsidiaries, may not exceed 5% of the Company's share capital;
 - the purchase of treasury shares may take place in one or more tranches, in compliance with applicable laws and regulations including, as appropriate, accepted market practices. The purchase of treasury shares must be carried out in compliance with the conditions set out in Article 3 of Delegated (EU) Regulation 2016/1052 and in accordance with the provisions of Article 132 of Italian Legislative Decree 58/98, Article 144-bis of the Regulation issued by Consob with resolution no. 11971 of 14 May 1999, and any other applicable regulations, including EU regulations;
- 2) authorising the Board of Directors, pursuant to current legal provisions, to dispose of all or part of the treasury shares purchased, without time limits, even before the share purchase authorisation is exhausted; Disposals may be made, on one or more occasions, even before the purchases have been completed, through sale on regulated and/or unregulated markets or off-market, public offer, or as a consideration for the purchase of shareholdings and possibly for assignment to shareholders. The sale price must not be below the lowest purchase price. This price limit will not apply if the shares are disposed of as part of share incentive plans. If the shares are used in the context of extraordinary transactions, including, by way of example and without limitation, share swaps, part-exchanges, conferrals or as part of equity transactions or other corporate and/or financial transactions and/or other extraordinary transactions and any other non-cash disposal transaction, the Board of Directors will determine the financial terms of the transaction according to its type and characteristics, also taking account of the market performance of the Fiera Milano shares;
- 3) granting the Board of Directors and, acting on its behalf, the appointed Chairman and Chief Executive Officer, jointly and severally, all necessary power to make purchases or disposals and, in any event, to implement the above resolutions, also through proxies, in compliance with any requests made by the competent authorities.



FIERA MILANO