



Consolidated Interim Management Report

at 30 September 2019

(3rd Quarter 2019)

This document is available in the Investor Relations section of the Company website,
www.fieramilano.it

This document contains a faithful translation into English of the original report in Italian Resoconto intermedio di gestione consolidato al 30 settembre 2019. However, for information about Fiera Milano Group reference should be made exclusively to the original report in Italian. The Italian version of the Resoconto intermedio di gestione consolidato al 30 settembre 2019 shall prevail upon the English version.

Fiera Milano SpA

Registered office: Piazzale Carlo Magno, 1 - 20149 Milan

Operational and administrative office: Strada Statale del Sempione, 28 - 20017 Rho (Milan)

Share Capital: Euro: 42,445,141.00 paid up

Companies Register, Tax code and VAT no. 13194800150 - Economic Administrative Register 1623812

Rho (Milan), 14 November 2019

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Corporate Bodies and Independent Auditor

BOARD OF DIRECTORS

Lorenzo Caprio	Chairperson
Fabrizio Curci	Chief Executive Officer*
Alberto Baldan	Director**
Stefania Chiaruttini	Director**
Gianpietro Corbari	Director**
Francesca Golfetto	Director**
Angelo Meregalli	Director**
Marina Natale	Director***
Elena Vasco	Director**

* Fabrizio Curci has been the Chief Executive Officer of the Company since 1 September 2017.

** Independent Director under Article 148, paragraph 3 of Legislative Decree of 24 February 1998 and the Self-regulatory Code of Borsa Italiana.

*** Marina Natale was the Chief Executive Officer of the Company until 31 August 2017.

CONTROL AND RISK MANAGEMENT COMMITTEE APPOINTMENTS AND REMUNERATION COMMITTEE

Stefania Chiaruttini	Elena Vasco
Francesca Golfetto	Alberto Baldan
Angelo Meregalli	Marina Natale

BOARD OF STATUTORY AUDITORS

MANAGER RESPONSIBLE FOR PREPARING THE COMPANY ACCOUNTS, ITALIAN LAW 262/2005

Riccardo Raul Bauer	Chairperson	Marco Pacini
Daniele Federico Monarca	Standing Statutory Auditor	
Mariella Tagliabue	Standing Statutory Auditor	
Daniele Beretta	Substitute Statutory Auditor	
Marina Scandurra	Substitute Statutory Auditor	

SUPERVISORY COMMITTEE, ITALIAN LEGISLATIVE DECREE 231/01

Piero Antonio Capitini
Luigi Bricocoli
Jean Paule Castagno

The Board of Directors was appointed by the Shareholders' Meeting of 21 April 2017 and the mandates of the Directors will expire at the Shareholders' Meeting to approve the Financial Statements at 31 December 2019.

The Board of Directors is invested with the widest 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 Chairperson, in addition to being the legal representative of the Company, has all the powers to oversee and carry out external institutional relations.

The Chief Executive Officer has all the powers necessary for the ordinary administration and management of the Company, except for those that under the law and Company Articles of Association are reserved for the Board of Directors.

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 23 April 2018 and its mandate expires at the Shareholders' Meeting to approve the Financial Statements at 31 December 2020.

INDEPENDENT AUDITORS

EY SpA

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

Business Model

The Fiera Milano Group is involved in all the characteristic phases of the exhibition and congress sector and is one of the leading international integrated companies in the sector.

Under the current management approach, the operating segments have been re-defined as follows:

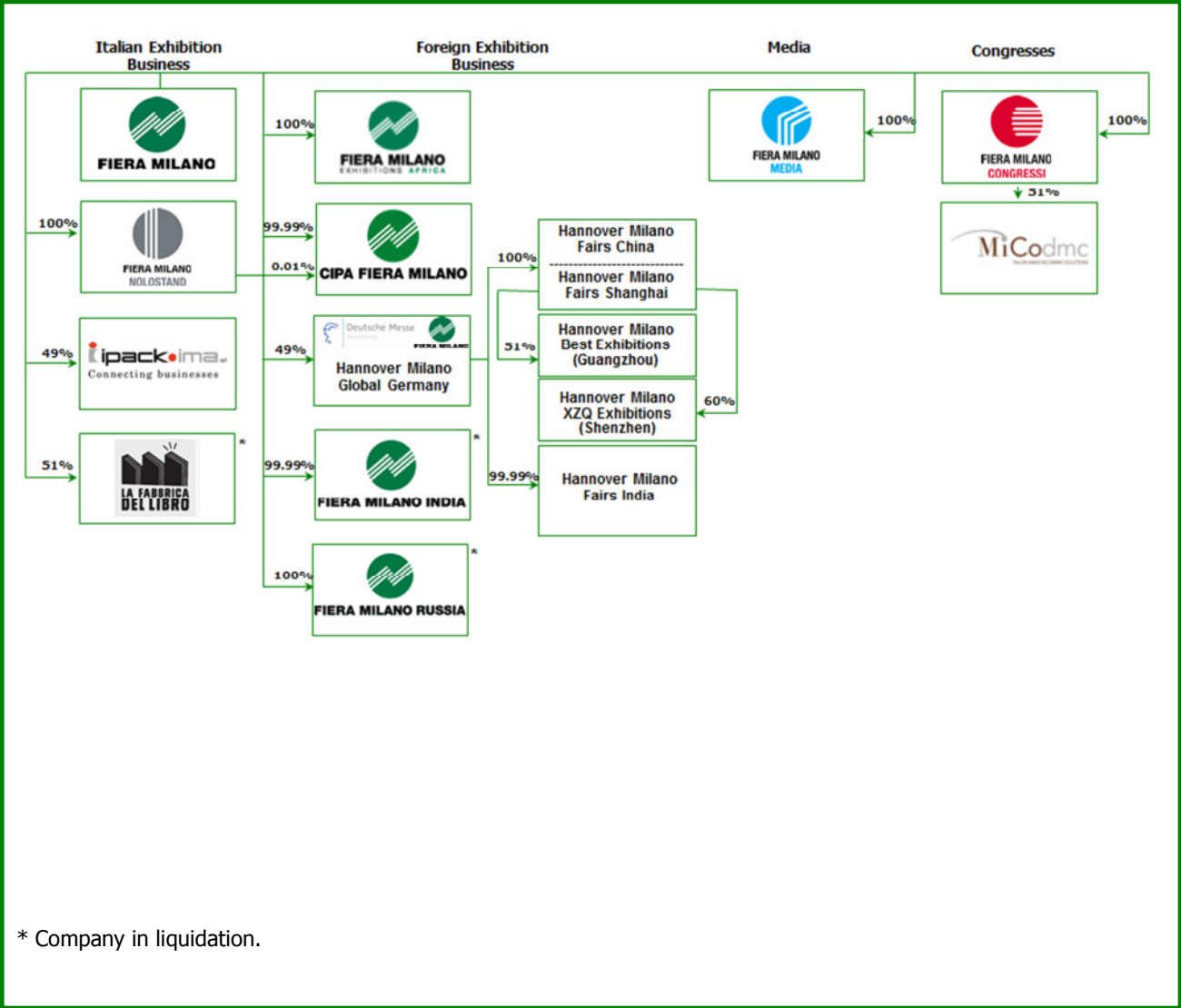
- **Italian Exhibition business:** this segment organises and hosts exhibitions and other events in Italy through the use, promotion and offer of furnished exhibition spaces through the services of stand-fitting, technical and exhibition site services associated with the exhibition and congress business; and offers project support and ancillary services. It includes 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;
 - organised by third parties, through the hiring out of spaces and services.

- **Foreign Exhibition 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, project support, and ancillary services. It 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.

- **Media:** this segment covers the production of content and supply of on line and off line publishing services, as well as those associated with the organisation of events and congresses.

- **Congresses:** this segment covers the organisation of congresses and events and destination management services.

Group structure



Report on operations in the third quarter 2019

Summary of results and significant events during the quarter ¹

The following table gives the main figures of the Group for the third quarter and first nine months of 2019 with comparable data for the same quarter of the previous year, as well as figures for the full year 2018.

Full year at 31/12/18	Fiera Milano Group Summary of key figures (Amounts in €'000)	3rd Quarter at 30/09/19	3rd Quarter at 30/09/18	9 months at 30/09/19	9 months at 30/09/18
247,217	Revenues from sales and services	30,059	35,595	183,941	193,319
31,863	EBITDA (a)	2,046	(5,031)	64,445	41,064
25,075	EBIT	(9,156)	(6,498)	30,417	36,603
24,923	Profit/(loss) before income tax from continuing operations	(12,431)	(6,546)	20,296	36,535
-	Profit/(loss) before income tax from discontinued operations	-	-	-	-
24,923	Profit/(loss) before income tax:	(12,431)	(6,546)	20,296	36,535
25,239	- Attributable to the shareholders of the controlling entity	(12,424)	(6,444)	20,327	36,840
-316	- Attributable to non-controlling interests	(7)	(102)	(31)	(305)
58,433	Net capital employed (b)	522,368	78,084	522,368	78,084
	covered by:				
82,034	Equity attributable to the Group	93,060 *	99,666 *	93,060 *	99,666 *
61	Equity attributable to non-controlling interests	30 *	- *	30 *	- *
(23,662)	Net financial debt/(cash) before IFRS 16 effects	(51,701)	(21,582)	(51,701)	(21,582)
(23,662)	Total net financial debt/(cash)	429,278	(21,582)	429,278	(21,582)
2,635	Investments (continuing operations and assets held for sale)	3,320	495	4,110	1,167
696	Employees (no. of permanent employees at the end of period)	689	687	689	687

* includes pre-tax result for the period

(a) EBITDA is the operating result before depreciation and amortisation and adjustments to asset values.
(b) Net capital employed is the sum of non-current assets, non-current liabilities and net working capital.

Traditionally characterised by a low activity rate associated with the July-August summer break, the third quarter shows a trend in revenues - net of the effect of the different exhibition calendar - in line with the previous year. In particular, compared to the same period in 2018 this quarter was mainly affected by the postponement of the LineaPelle exhibition to the next quarter and benefited from the increase in the congress business. The change in EBITDA, excluding the positive impact deriving from the application of the new IFRS 16, is mainly attributable to the trend in revenues.

An improvement is seen when compared with the same quarter of 2017, a period comparable in exhibition calendar terms. In the first nine months, the comparison with 2017 shows growth in all the business areas. The commercial performance has improved for congresses and exhibitions, as well as in ancillary services. These elements contributed to a strong cash flow generation.

It should be noted that:

On 9 July 2019 and with a view to further enhancing the portfolio of directly organised exhibitions, the Cartoomics brand, operating in the comic strip, gaming and entertainment sector, was acquired for a total of Euro 320 thousand.

On 17 July 2019 Fiera Milano entered into a binding preliminary agreement for the acquisition of 60% of the company MADE Eventi Srl ("MADE eventi"). At the Fiera Milano Rho exhibition site, MADE eventi organises MADE expo, an international biennial architecture and construction exhibition dedicated to designers, businesses, buyers and specialists.

This transaction is part of the strategies of the 2018-2022 Plan, intending to strengthen the portfolio of directly organised exhibitions, in a strategic sector for the country.

The acquisition price agreed for 60% of the company MADE eventi is Euro 1.86 million. The price envisages the absence of financial debts of the company acquired.

¹ The economic, equity and financial figures for the third quarter of 2019 reflect the effects of the new IFRS 16 accounting standard on the recognition of leases, mainly related to the rental contracts of the exhibition sites and the congress centre. To allow for a comparison with the third quarter of 2018 not recalculated according to the new standard, the effects of the latter are highlighted in the "Accounting criteria" section.

The closing of the sale is expected by the end of 2019.

On 14 August 2019 and with a view to further enhancing the portfolio of directly organised exhibitions, 62.5% of the Milan Games Week exhibition brand from the gaming and entertainment sector was acquired for a total of Euro 2,500 thousand.

The **business of the Group is seasonal** due to a calendar of exhibitions that have a biennial and multiannual frequency. Moreover, the lack of exhibitions in Italy in July and August has a significant impact on the results for the quarter. Given this seasonality, the revenues and results of a single quarter cannot be ratioed to the entire year and can also vary significantly from quarter to quarter.

In detail, the figures for the third quarter of 2019 and the year-to-date figures at 30 September 2019 showed the following main trends:

- **revenues from sales and services** totalled Euro 30,059 thousand, down 16% compared to the figure for the corresponding quarter of the previous year (Euro 35,595 thousand). The decrease is mainly due to postponement of the LineaPelle exhibition to the next quarter. Revenues (Euro 43,527 thousand) improved compared to the same quarter of 2017, a comparable period for the exhibition calendar. It should be pointed out that in the third quarter of 2017, revenues included approximately Euro 16 million euro in destination management services relating to an important international congress. In the first nine months of 2019, revenues from sales and services reached Euro 183,941 thousand, recording a 5% decrease compared to the same period of 2018 (Euro 193,319 thousand). The trend in revenues can be attributed primarily to the different exhibition calendar in the current period, which in the previous year included the European event "The Innovation Alliance", LineaPelle and the important hosted biennial exhibition Mostra Convegno Expocomfort. This effect was offset to a significant extent by the presence during the period in question of the directly organised biennial exhibition Tuttofood and the hosted Made Expo, good trends in congress activities, as well as the excellent performance of ancillary services.

The main changes for the quarter, in terms of exhibition space, were as follows:

- **annual exhibitions organised by the Group in Italy** (-6,890 square metres): the change was due to the exhibition HOMI II Semester, which was reconfigured into two new formats: HOMI Fashion&Jewels and HOMI Outdoor;
- **annual exhibitions organised by third parties in Italy** (-39,590 square metres): the main change is due to the combined effect of the absence of LineaPelle II Semester, postponed to the next quarter (-50,050 square metres) and the presence of Games Week in the quarter under review (+12,890 square metres);
- **congresses with related exhibition areas**: a decrease of -3,430 square metres;
- **annual exhibitions of the Group abroad** (+3,660 square metres): the change refers mainly to the combined effect of the Chinese exhibitions Motor Show Chengdu (+7,900 square metres) and Metalworking and CNC Mach. Tool Shanghai (-3,520 square metres);
- **biennial exhibitions of the Group abroad** (-13,265 square metres): the decrease is mainly due to the absence of the Fesqua biennial exhibition organised in Brazil (-10,735 square metres).

The table on the following page summarises the net square metres of space for exhibitions and for congresses with related exhibition space of the Fiera Milano Group.

Fiera Milano Group Summary operating figures	3rd Quarter at 30/09/19		3rd Quarter at 30/09/18		Change	
	Total	of which organized by the Group	Total	of which organized by the Group	Total	of which organized by the Group
	Number of exhibitions:	10	5	12	7	(2)
Italy	7	2	6	1	1	1
. annual	7	2	6	1	1	1
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-
Foreign countries	3	3	6	6	(3)	(3)
. annual	3	3	3	3	-	-
. biennial	-	-	3	3	(3)	(3)
. multi-annual	-	-	-	-	-	-
Number of congresses with related exhibition space - Italy	7	-	7	-	-	-
Net sq.metres of exhibition space:	305,565	180,700	365,080	197,195	(59,515)	(16,495)
Italy	158,120	33,255	208,030	40,145	(49,910)	(6,890)
. annual (a)	158,120	33,255	208,030	40,145	(49,910)	(6,890)
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-
(a) of which congresses with related exhibition space	8,245	-	11,675	-	(3,430)	-
Foreign countries	147,445	147,445	157,050	157,050	(9,605)	(9,605)
. annual	147,445	147,445	143,785	143,785	3,660	3,660
. biennial	-	-	13,265	13,265	(13,265)	(13,265)
. multi-annual	-	-	-	-	-	-
Number of exhibitors:	4,960	2,155	6,650	2,485	(1,690)	(330)
Italy	3,605	800	5,205	1,040	(1,600)	(240)
. annual (b)	3,605	800	5,205	1,040	(1,600)	(240)
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-
(b) of which congresses with related exhibition space	610	-	760	-	(150)	-
Foreign countries	1,355	1,355	1,445	1,445	(90)	(90)
. annual	1,355	1,355	1,085	1,085	270	270
. biennial	-	-	360	360	(360)	(360)
. multi-annual	-	-	-	-	-	-

- **EBITDA** in the quarter was Euro 2,046 thousand, an increase of Euro 7,077 thousand compared to the figure for the same quarter of the previous year. Excluding the impacts relating to the application of the new IFRS 16 (Euro 11,786 thousand), EBITDA decreased by Euro 4,709 thousand, mainly due to revenue performance.

In the first nine months, **EBITDA** was Euro 64,445 thousand, an increase of Euro 23,381 thousand compared to the figure for the corresponding period of the previous year. Excluding the impacts relating to the application of the new IFRS 16 (Euro 35,964 thousand), EBITDA for 2019 decreased by Euro 12,583 thousand, mirroring the effects of the different exhibition calendar and partly offset by the positive commercial performance.

- **EBIT** in the quarter was Euro -9,156 thousand compared to Euro -6,498 thousand in the third quarter of 2018. This change, excluding the impacts relating to the application of the new IFRS 16, is Euro -4,592 thousand and is mainly linked to the EBITDA trend.

In the first nine months of 2019, EBIT was Euro 30,417 thousand (Euro 36,603 thousand at 30 September 2018). This change, excluding the impacts relating to the application of the new IFRS 16, is Euro -12,078 thousand and is mainly linked to the EBITDA trend.

- The **profit before taxes** was Euro -12,431 thousand compared to Euro -6,546 thousand in the third quarter of 2018. Reflecting an overall negative impact of Euro 1,396 thousand due to application of the new IFRS 16, of the **profit before taxes** Euro -12,424 thousand is **attributable to the shareholders of the controlling entity** (Euro -6,444 thousand in the third quarter of 2018) and Euro -7 thousand is **attributable to non-controlling interests** (Euro -102 thousand in the third quarter of 2018).

Net financial position

The Group **net financial position** and its breakdown are shown in the following table.

31/12/18	Group Net Financial Position (Amounts in € '000)	30/09/19	30/06/19	Change
28,409	A. Cash (including bank balances)	51,621	57,754	(6,133)
-	B. Other cash equivalents	-	-	-
-	C. Securities held for trading	-	-	-
28,409	D. Cash and cash equivalents (A+B+C)	51,621	57,754	(6,133)
14	E. Current financial assets	1,392	2,299	(907)
-	- E.1 of which Current financial assets to other related parties	71	1,283	(1,212)
14	- E.2 of which Current financial assets to other related parties	1,321	1,016	305
11	F. Current bank borrowings	1	1	-
3,503	G. Current portion of non-current debt	755	1,505	(750)
1,297	H. Other current financial liabilities	606	631	(25)
678	- H.1 of which Other current financial liabilities to the controlling shareholder	-	-	-
4,811	I. Current financial debt (F+G+H)	1,362	2,137	(775)
(23,612)	J. Current net financial debt (cash) (I-E-D)	(51,651)	(57,916)	6,265
50	K. Non-current financial assets	50	50	-
50	- K.1 of which non-current financial assets to other related parties	50	50	-
-	L. Non-current bank borrowings	-	-	-
-	M. Debt securities in issue	-	-	-
-	N. Other non-current liabilities	-	-	-
(50)	O. Non-current financial debt (-K+L+M+N)	(50)	(50)	-
(23,662)	Net financial debt/(cash) from continuing operations (J+O)	(51,701)	(57,966)	6,265
-	Net financial debt/(cash) from assets held for sale	-	-	-
(23,662)	P. Net financial debt/(cash) before IFRS 16 effects	(51,701)	(57,966)	6,265
-	Q. Current financial liabilities related to the right of use of assets	33,694	33,507	187
-	- Q.1 of which current financial liabilities related to the right-of-use assets to the controlling shareholder	32,202	32,006	196
-	R. Non-current financial liabilities related to the right of use of assets	447,285	455,763	(8,478)
-	- R.1 of which non-current financial liabilities related to the right-of-use assets to the controlling shareholder	441,840	449,951	(8,111)
-	IFRS 16 financial effects	480,979	489,270	(8,291)
(23,662)	S. Total net financial debt/(cash) (P+Q+R)	429,278	431,304	(2,026)

Excluding the IFRS 16 lease liability, the net financial position at 30 September 2019 was positive for Euro 51,701 thousand, compared to Euro 57,966 thousand at 30 June 2019.

The decrease of Euro 6,265 thousand in the net financial position is attributable to the negative change in operating cash flows due to the absence of activities in July and August. This effect was partially offset by advance payments collected for exhibitions to be held in the coming months.

The net financial debt inclusive of the IFRS 16 lease liability amounted to Euro 429,278 thousand.

Business performance by operating segment and by geographic area

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

Summary of data by operating segment and by geographic area (Amounts in € '000)	3rd Quarter at 30/09/19		3rd Quarter at 30/09/18		9 months at 30/09/19		9 months at 30/09/18	
Revenues from sales and services								
- By operating segment:		%		%		%		%
. Italian Exhibition Business	22,917	73.6	29,147	78.7	152,111	79.9	167,732	83.8
. Foreign Exhibition Business	212	0.7	2,311	6.2	3,330	1.7	5,010	2.5
. Media	1,914	6.1	2,304	6.2	7,709	4.0	8,539	4.3
. Congresses	6,153	19.7	3,309	8.9	27,344	14.4	18,813	9.4
Total revenues gross of adjustments for inter-segment transactions	31,196	100.0	37,071	100.0	190,494	100.0	200,094	100.0
. Adjustments for inter-segment transactions	(1,137)		(1,476)		(6,553)		(6,775)	
Total revenues net of adjustments for inter-segment transactions	30,059		35,595		183,941		193,319	
- By geographic area:								
. Italy	29,849	99.3	33,284	93.5	180,723	98.3	188,309	97.4
. Foreign countries	210	0.7	2,311	6.5	3,218	1.7	5,010	2.6
Total	30,059	100.0	35,595	100.0	183,941	100.0	193,319	100.0
Gross operating result		%		%		%		%
- By operating segment:		on revenues		on revenues		on revenues		on revenues
. Italian Exhibition Business	(602)	(2.6)	(5,682)	(19.5)	51,687	34.0	37,285	22.2
. Foreign Exhibition Business	978	461.3	2,078	89.9	3,494	104.9	3,927	78.4
. Media	(136)	(7.1)	69	3.0	680	8.8	741	8.7
. Congresses	1,812	29.4	(1,496)	(45.2)	8,586	31.4	(889)	(4.7)
. Adjustments for inter-segment transactions	(6.0)		-		(2)		-	
Total	2,046	6.8	(5,031)	(14.1)	64,445	35.0	41,064	21.2
- By geographic area:								
. Italy	1,066	3.6	(7,109)	(21.4)	61,063	33.8	37,137	19.7
. Foreign countries	980	466.7	2,078	89.9	3,382	105.1	3,927	78.4
Total	2,046	6.8	(5,031)	(14.1)	64,445	35.0	41,064	21.2
Net operating result (EBIT)		%		%		%		%
- By operating segment:		on revenues		on revenues		on revenues		on revenues
. Italian Exhibition Business	(10,436)	(45.5)	(6,655)	(22.8)	21,743	14.3	34,394	20.5
. Foreign Exhibition Business	862	406.6	1,988	86.0	3,145	94.4	3,636	72.6
. Media	(192)	(10.0)	5	0.2	509	6.6	549	6.4
. Congresses	616	10.0	(1,838)	(55.5)	5,022	18.4	(1,912)	(10.2)
. Adjustments for inter-segment transactions	(6)		2		(2)		(64)	
Total	(9,156)	(30.5)	(6,498)	(18.3)	30,417	16.5	36,603	18.9
- By geographic area:								
. Italy	(10,019)	(33.6)	(8,489)	(25.5)	27,384	15.2	33,030	17.5
. Foreign countries	863	411.0	1,991	86.2	3,033	94.3	3,573	71.3
Total	(9,156)	(30.5)	(6,498)	(18.3)	30,417	16.5	36,603	18.9
Employees (no. of permanent employees at the end of the period)								
- By operating segment:		%		%		%		%
. Italian Exhibition Business	483	70.2	488	71.1	483	70.2	488	71.1
. Foreign Exhibition Business	103	14.9	91	13.2	103	14.9	91	13.2
. Media	54	7.8	53	7.7	54	7.8	53	7.7
. Congresses	49	7.1	55	8.0	49	7.1	55	8.0
Total	689	100.0	687	100.0	689	100.0	687	100.0
- By geographic area:								
. Italy	586	85.1	596	86.8	586	85.1	596	86.8
. Foreign countries	103	14.9	91	13.2	103	14.9	91	13.2
Total	689	100.0	687	100.0	689	100.0	687	100.0

Revenues from sales and services, before transaction netting among the four operating segments of the Group, were Euro 31,196 thousand, a decrease of Euro 5,875 thousand compared to the third quarter of 2018.

- Revenues from **Italian Exhibition business** totalled Euro 22,917 thousand in the third quarter, a decrease of approximately 21% compared to the figure for the same period of the previous year (Euro 29,147 thousand). The decrease for the quarter is mainly due to the absence of the LineaPelle II Semester exhibition following postponement to the next quarter. In the first nine months of 2019, revenues from sales and services reached Euro 152,111 thousand, recording a 9% decrease compared to the same period of 2018 (Euro 167,732 thousand). This decrease is mainly attributable to the different exhibition calendar due to the absence of The Innovation Alliance with the simultaneous presence of five multi-annual exhibitions (Plast, Ipack-Ima, Meat-Tech, Print4All and Intralogistica Italia) covering solutions and services in the manufacturing industry, the important exhibition Mostra Convegno Expocomfort held in even-numbered years and LineaPelle II Semester which was postponed to the next quarter. This effect was, in part, offset by the presence of the biennial exhibitions Tuttofood, Made Expo and Transpotec & Logitec, held in odd-numbered years, as well as the excellent performance of ancillary services.
- Revenues from **Foreign Exhibition business** totalled Euro 212 thousand in the third quarter, a decrease of Euro 2,099 compared to the figure for the same period of the previous year (Euro 2,311 thousand). The decrease in revenues is mainly due to the different exhibition calendar in Brazil due to absence of the Fesqua biennial exhibition held in even-numbered years. The figure for the first nine months reflects the trend for the quarter, with the change partially offset by the presence of the Reatech biennial exhibition.
- Revenues in the **Media** segment totalled Euro 1,914 thousand in the third quarter, a decrease of approximately 17% compared to the figure for the same period in 2018 (Euro 2,304 thousand). The change for the quarter is associated with the decrease in revenues from billboard advertising for LineaPelle II Semester, as well as the lower revenues from publications and from Business International division events. The decrease for the first nine months is mainly due to the reasons already reported for the quarter, in addition to lower revenues from billboard advertising in relation to the absence of Mostra Convegno Expocomfort, a biennial exhibition held in even-numbered years.
- Revenues from **Congresses** totalled Euro 6,153 thousand for the quarter compared to Euro 3,309 thousand in the same period of 2018. The increase for the quarter and for the first nine months is attributable to the more favourable trend in international events, including LIONS INTERNATIONAL, the WCD dermatology congress, the ESTRO radiotherapy congress and ESA, the largest conference on earth observation.

Group **EBITDA** was Euro 2,046 thousand, an increase compared to the figure for the third quarter of 2018 (Euro -5,031 thousand). The breakdown by operating segment was as follows:

- **Italian Exhibition business:** recorded EBITDA of Euro -602 thousand compared to Euro -5,682 thousand in the same period of the previous year. Excluding the impacts relating to the application of the new IFRS 16 (Euro +10,773 thousand), EBITDA decreased by Euro 5,693 thousand, attributable to the aforementioned revenue performance. Excluding the impacts relating to the application of the new IFRS 16 (Euro +32,938 thousand), EBITDA for the year to date decreased by Euro 18,536 thousand. As well as reflecting the previously described trends in revenues, the figure benefits from the positive commercial performance which partly offset the effects of the different exhibition calendar.
- **Foreign Exhibition business:** recorded EBITDA of Euro 978 thousand compared to Euro 2,078 thousand in the same period of the previous year. The change for the quarter and for the first nine months is attributable to the trend in revenues mentioned previously, partly offset by the result of the equity-accounted joint venture with Deutsche Messe AG in relation to activities in China.
- **Media:** recorded EBITDA of Euro -136 thousand compared to Euro 69 thousand in the same period of the previous year. The change for the quarter and in the year-to-date figure reflects the previously mentioned trend in revenues, most of which offset by the optimisation of publication production costs.
- **Congresses:** EBITDA was Euro 1,812 thousand compared to Euro -1,496 thousand in the

same quarter of 2018. Excluding the impacts relating to the application of the new IFRS 16 (Euro +977 thousand), EBITDA increased by Euro 2,331 thousand, mainly due to the revenue performance. Excluding the impacts (Euro +2,919 thousand) relating to the application of the new IFRS 16, EBITDA for the first nine months increased by Euro 6,556 thousand, mainly due to the revenue performance mentioned previously.

The **EBIT** of the four operating segments in the third quarter of 2019 totalled Euro -9,156 thousand compared to Euro -6,498 thousand in the same period of the previous year.

The **breakdown by geographic area** in the third quarter showed revenues from foreign activities of Euro 210 thousand, a decrease of Euro 2,101 thousand compared to the figure for the same period of the previous year. The decrease mainly reflects the different exhibition calendar in Brazil due to absence of the Fesqua biennial exhibition held in even-numbered years. EBITDA was Euro 980 thousand, recording a decrease of Euro 1,098 thousand compared to the same period in the previous year. The change for the quarter is attributable to the aforementioned trend in revenues.

EBIT was Euro 863 thousand, compared to Euro 1,991 thousand for the same period of the previous year.

During the quarter under review, 7 exhibitions and 7 events for congresses with related exhibition space were held at the two sites of **fieramilano** and **fieramilanocity**. Net exhibition space occupied totalled 158,120 square metres, compared to 208,030 in the same period of the previous year, and the number of exhibitors went from 5,205 in the third quarter of 2018 to 3,605 in the third quarter of 2019.

Exhibitions directly organised by the Group in Italy and abroad occupied total net exhibition space of 180,700 square metres, equal to approximately 59% of the total exhibition space occupied.

Details of exhibitions held in Italy are given in the following table.

Italian exhibition portfolio				
	Net sq. metres of exhibition space		Number of exhibitors	
	Quarter to 30/09/19	Quarter to 30/09/18	Quarter to 30/09/19	Quarter to 30/09/18
Annual Exhibitions:				
Directly organised				
- HOMI II Semester	a)	40,145	a)	1,040
- HOMI Fashion&Jewels*	11,920	-	550	-
- HOMI Outdoor*	21,335	-	250	-
Total annual exhibitions directly organised	33,255	40,145	800	1,040
Hosted				
- Milano Unica (Autumn)	34,110	32,510	470	480
- Mipel (September)	7,875	8,850	270	335
- The Micam (Autumn)	60,365	62,965	1,245	1,330
- The One Milano (September)*	1,380	1,835	70	110
- LineaPelle II Semester	b)	50,050	b)	1,150
- Games Week	12,890	b)	140	b)
Total annual exhibitions hosted	116,620	156,210	2,195	3,405
Total annual Exhibitions	149,875	196,355	2,995	4,445
TOTAL EXHIBITIONS	149,875	196,355	2,995	4,445
- Congresses with related exhibition space	8,245	11,675	610	760
TOTAL	158,120	208,030	3,605	5,205

* The exhibition was held for the first time.
a) The exhibition was reconfigured in two new formats: Fashion&Jewels ed Outdoor.
b) The exhibition will take place/was held in subsequent quarters.

During the third quarter of 2019, 3 exhibitions were held at exhibition sites abroad and the net exhibition space occupied totalled 147,445 square metres (in the third quarter of 2018, this figure was 157,050 square metres). The number of exhibitors was 1,355 (1,445 in the third quarter of 2018).

Details of the exhibitions organised abroad are given in the following table.

Foreign Exhibition portfolio				
	Net sq. metres of exhibition space		Number of exhibitors	
	Quarter to 30/09/19	Quarter to 30/09/18	Quarter to 30/09/19	Quarter to 30/09/18
Annual Exhibitions:				
Organised in China				
- Industrial Automation Shanghai °	31,265	31,985	715	670
- Metalworking and CNC Mach. Tool Shanghai °	32,580	36,100	540	325
- Motor Show Chengdu °	83,600	75,700	100	90
Total annual exhibitions organised in China	147,445	143,785	1,355	1,085
Total annual exhibitions	147,445	143,785	1,355	1,085
Biennial Exhibitions:				
Organised in Brazil				
- Ebrats	-	1,980	-	80
- Feitintas	-	550	-	45
- Fesqua	-	10,735	-	235
Total biennial exhibitions organised in Brazil	-	13,265	-	360
Total biennial exhibitions	-	13,265	-	360
TOTAL EXHIBITIONS	147,445	157,050	1,355	1,445

° The exhibition was organized in partnership.

Group personnel

At 30 September 2019, Group employees totalled 689. The breakdown compared to 30 June 2019 was as follows:

31/12/18			Permanent employees at end of period (units)	30/09/19			30/06/19		
Total	Italy	Foreign countries		Total	Italy	Foreign countries	Total	Italy	Foreign countries
			Fully consolidated companies:						
27	25	2	Executives	27	25	2	23	21	2
587	554	33	Managers and White collar workers (including Journalists)	575	546	29	593	563	30
614	579	35	Total	602	571	31	616	584	32
			Equity-accounted companies (a):						
2	-	2	Executives	4	1	3	5	2	3
80	20	60	White collar workers	83	14	69	78	14	64
82	20	62	Total	87	15	72	83	16	67
696	599	97	TOTAL	689	586	103	699	600	99
			<small>(a) the indicated data corresponds to the pro-quota of total employees</small>						

Compared to 30 June 2019, the number of employees fell by a net figure of 10, primarily as a result of the early retirement plans for Parent Company personnel.

Significant events after the end of the reporting period

There were no significant events after the end of the reporting period.

Business outlook

The positive operating performance was also confirmed by exhibitions held in Italy after the end of the quarter, particularly the biennial HOST exhibition, the latest edition setting a new record with over 200,000 visitors (+8% compared to 2017). The favourable trend in exhibitions allows the 2019 EBITDA to be estimated in the upper part of the range, announced previously, of Euro 96-100 million.

With reference to business forecasts for 2020 in the 2018-2022 Strategic Plan, the positive implementation of the plan allowed the target EBITDA to be raised in the range of Euro 71-75² million, compared to the previous range of Euro 13-17 million which did not include the effect of IFRS 16 amounting to approximately Euro 48 million.

² The new target includes the effect of suspension of the cost of personnel dedicated to directly organised biennial and multi-annual exhibitions, estimated at approximately Euro 2 million.

Preparation criteria

The Consolidated Interim Management Report of the Fiera Milano Group has been prepared in accordance with Article 154-*ter* of Legislative Decree 58/1998 and with Consob Issuers' Regulation no. 11971 of 14 May 1999 and subsequent amendments and integrations.

The financial, economic and capital data have been prepared in compliance with the recognition and measurement requirements of the International Accounting Standards IAS/IFRS, issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The recognition and measurement criteria used to prepare the accounting position for the third quarter of 2019 are the same as those used for the 2018 Consolidated Financial Statements, with the addition of accounting standards endorsed by the European Union and applicable from 1 January 2019, to which reference should be made.

The Consolidated Financial Statements were prepared on the basis of accounting positions at 30 September 2019, as approved by the Boards of Directors of the companies included in the area of consolidation, and prepared by the consolidated Group companies. As regards comparable data, it should be noted that in preparing this Consolidated Interim Management Report at 30 September 2019 the tax charge was not calculated, as permitted under CONSOB Regulations.

Note that the estimation procedures adopted in preparation of this Report at 30 September 2019 were essentially the same as those normally adopted to prepare the annual Consolidated Financial Statements.

The list of companies included in the area of consolidation at 30 September 2019 is provided in Attachment 1.

The Consolidated Interim Management Report has not been subject to legal audit.

Adoption of the IFRS 16 accounting standard

On first-time adoption of IFRS 16, in force from 1 January 2019, the Group adopted the modified retrospective approach, i.e. the option not to restate the comparative figures from previous years. Based on this criterion, the lease liability is measured on the basis of the payments for the remaining leases, discounted using the marginal loan rate at the first adoption date. The carrying amount of the lease liability is equal to the carrying amount of the RoU asset on first-time adoption. The value of prepaid expenses relating to leases recognised in the statement of financial position at the closing date of these financial statements, was reclassified to right-of-use assets on first-time adoption of the standard in question. The effects resulting from the application of the new standard are as follows:

	(Amounts in € '000)				
	3rd Quarter 2018	3rd Quarter 2019			
		before IFRS 16	after IFRS 16	Impact	Net change
EBITDA	(5,031)	(9,740)	2,046	11,786	(4,709)
Depreciation and amortisation	1,467	1,350	11,202	9,852	(117)
EBIT	(6,498)	(11,090)	(9,156)	1,934	(4,592)
Financial income/(expenses)	(48)	55	(3,275)	(3,330)	103
Profit/(loss) before income tax	(6,546)	(11,035)	(12,431)	(1,396)	(4,489)
Right-of-use assets	-	-	478,664	478,664	-
Net financial debt/(cash)	(21,582)	(51,701)	429,278	480,979	(30,119)

(migliaia di euro)

9 months	at 30/09/2018		at 30/09/2019		Impact	Net change
			before IFRS 16	after IFRS 16		
EBITDA	41,064	28,481	64,445	35,964		(12,583)
Depreciation and amortisation	4,461	3,956	34,028	30,072		(505)
EBIT	36,603	24,525	30,417	5,892		(12,078)
Financial income/(expenses)	(68)	170	(10,121)	(10,291)		238
Profit/(loss) before income tax	36,535	24,695	20,296	(4,399)		(11,840)
Right-of-use assets	-	-	478,664	478,664		-
Net financial debt/(cash)	(21,582)	(51,701)	429,278	480,979		(30,119)

Financial Statements

Full year to 31/12/18	Consolidated Income Statement (Amounts in €'000)		3rd Quarter to 30/09/19		3rd Quarter to 30/09/18		9 months to 30/09/19		9 months to 30/09/18	
		%		%		%		%		%
247,217	100	Revenues from sales and services	30,059	100	35,595	100	183,941	100	193,319	100
2,410	1.0	Cost of materials	347	1.2	413	1.2	1,730	0.9	1,894	1.0
114,052	46.1	Cost of services	18,906	62.9	19,187	53.9	85,534	46.5	83,895	43.4
50,343	20.4	Costs for use of third party assets	67	0.2	12,351	34.7	351	0.2	37,805	19.6
47,037	19.0	Personnel expenses	10,324	34.3	10,365	29.1	34,496	18.8	33,566	17.4
4,525	1.8	Other operating expenses	458	1.5	605	1.7	2,988	1.6	2,995	1.5
218,367	88.3	Total operating costs	30,102	100.1	42,921	120.6	125,099	68.0	160,155	82.8
2,806	1.1	Other income	586	1.9	215	0.6	1,917	1.0	2,091	1.1
5,170	2.1	Results of equity-accounted companies	1,500	5.0	2,522	7.1	3,871	2.1	6,782	3.5
4,963	2.0	Allowance for doubtful accounts and other provisions	(3)	(0.0)	442	1.2	185	0.1	973	0.5
31,863	12.9	EBITDA	2,046	6.8	(5,031)	(14.1)	64,445	35.0	41,064	21.2
5,871	2.4	Depreciation and amortisation	11,202	37.3	1,467	4.1	34,028	18.5	4,460	2.3
917	0.4	Adjustments to asset values	-	-	-	-	-	-	1	0.0
25,075	10.1	EBIT	(9,156)	(30.5)	(6,498)	(18.3)	30,417	16.5	36,603	18.9
(123)	(0.0)	Financial income/(expenses)	(3,275)	(10.9)	(48)	(0.1)	(10,121)	(5.5)	(68)	(0.0)
(29)	(1.2)	Valuation of financial assets	-	-	-	-	-	-	-	-
24,923	10.1	Profit/(loss) before income tax from continuing operations	(12,431)	(41.4)	(6,546)	(18.4)	20,296	11.0	36,535	18.9
-	-	Profit/(loss) before income tax from discontinued operations	-	-	-	-	-	-	-	-
24,923	10.1	Profit/(loss) before income tax:	(12,431)	(41.4)	(6,546)	(18.4)	20,296	11.0	36,535	18.9
25,239	10.2	- attributable to the shareholders of the controlling entity	(12,424)	(41.3)	(6,444)	(18.1)	20,327	11.1	36,840	19.1
(316)	(0.1)	- attributable to non-controlling interests	(7)	(0.0)	(102)	(0.3)	(31)	(0.0)	(305)	(0.2)

31/12/18	Reclassified Consolidated Statement of Financial Position (Amounts in €'000)	30/09/19	30/06/19	Change
94,127	Goodwill	94,127	94,127	-
10,791	Intangible assets with a finite useful life	12,547	10,140	2,407
-	Right-of-use assets	478,664	488,490	(9,826)
10,812	Tangible fixed assets	9,117	9,663	(546)
32,647	Other non-current assets	35,771	34,461	1,310
148,377	A Non-current assets	630,226	636,881	(6,655)
3,481	Inventories and contracts in progress	3,920	2,921	999
45,136	Trade and other receivables	42,233	47,767	(5,534)
48,617	B Current assets	46,153	50,688	(4,535)
38,548	Trade payables	30,627	41,025	(10,398)
49,659	Advances	77,181	59,554	17,627
2,229	Tax liabilities	472	11,253	(10,781)
31,258	Provisions for risks and charges and other current liabilities	28,603	30,391	(1,788)
121,694	C Current liabilities	136,883	142,223	(5,340)
(73,077)	D Net working capital (B - C)	(90,730)	(91,535)	805
75,300	E Gross capital employed (A + D)	539,496	545,346	(5,850)
8,958	Employee benefit provisions	9,426	9,585	(159)
7,909	Provisions for risks and charges and other non-current liabilities	7,702	7,579	123
16,867	F Non-current liabilities	17,128	17,164	(36)
58,433	G NET CAPITAL EMPLOYED continuing operations (E - F)	522,368	528,182	(5,814)
-	H NET CAPITAL EMPLOYED assets held for sale	-	-	-
58,433	TOTAL NET CAPITAL EMPLOYED (G + H)	522,368	528,182	(5,814)
	covered by:			
82,034	Equity attributable to the Group	93,060 *	96,841	(3,781)
61	Non-controlling interests	30 *	37	(7)
82,095	I Total equity	93,090	96,878	(3,788)
(28,409)	Cash & cash equivalents	(51,621)	(57,754)	6,133
4,797	Current financial (assets)/liabilities	33,664	33,345	319
(50)	Non-current financial (assets)/liabilities	447,235	455,713	(8,478)
(23,662)	Net financial position from continuing operations	429,278	431,304	(2,026)
-	Net financial position from assets held for sale	-	-	-
(23,662)	L Net financial position (TOTAL)	429,278	431,304	(2,026)
58,433	EQUITY AND NET FINANCIAL POSITION (I + L)	522,368	528,182	(5,814)

* includes pre-tax result for the period

Comments on the capital and financial position

At 30 September 2019, **non-current assets** totalled Euro 630,226 thousand compared to Euro 636,881 thousand at 30 June 2019. The Euro 6,655 thousand decrease relates to the net balance of investments for Euro 3,320 thousand, depreciation and amortisation of Euro 11,202 thousand, exchange differences for Euro -37 thousand, change in equity investments for Euro 1,494 thousand, decrease in tax assets for deferred tax assets of Euro 112 thousand and other changes for Euro -118 thousand.

Net working capital went from Euro -91,535 thousand at 30 June 2019 to Euro -90,730 thousand at 30 September 2019.

The Euro 805 thousand change in this figure was due to the following:

- (a) Decrease in **Current assets** of Euro 4,535 thousand, mainly due to the decrease in "Trade and other receivables" for Euro 5,534 thousand. The change mainly concerns lower receivables from customers and exhibition organisers.
- (b) Decrease in **Current liabilities** of Euro 5,340 thousand due to the net effect of:
 - decrease in "Trade payables" for Euro 10,398 thousand due to reduced operations in the summer period;
 - increase in "Advances" of Euro 17,627 thousand, which was the net of increases for advances billed to clients for exhibitions to be held in future quarters (in particular, Host, Eicma Moto, Sicurezza and LineaPelle II Semester) and decreases for exhibitions held in the third quarter of 2019 (in particular, HOMI Fashion&Jewels, Homi Outdoor and the autumn edition of The Micam);
 - decrease in "Tax payables" for Euro 10,781 thousand, mainly due to the fact that the payable recognised at 30 June 2019 included allocations not present in this report as it was prepared gross of tax effects;
 - decrease in "Provisions for risks and charges" for Euro 1,788 thousand, due primarily to the lower payables to exhibition organisers.

At 30 September 2019, **non-current liabilities** totalled Euro 17,128 thousand compared to Euro 17,164 thousand at 30 June 2019.

Group equity at 30 September 2019 was Euro 93,060 thousand compared to Euro 96,841 thousand at 30 June 2019, a decrease of Euro 3,781 thousand due to the following:

- Euro -12,424 thousand to profit before taxes for the period;
- Euro 8,646 thousand to income taxes included in the Half-year Financial Report at 30 June 2019 which are instead excluded from this Report in that it was prepared gross of tax effects;
- Euro 214 thousand to the reserve for stock grants;
- Euro -169 thousand to taxes on the remeasurement of defined benefit plans;
- Euro -48 thousand to exchange differences.

Equity attributable to non-controlling interests was Euro 30 thousand at 30 September 2019 compared to Euro 37 thousand at 30 June 2019. The Euro 7 thousand decrease is attributable to the period result.

Information on the changes in financial assets and liabilities is given in the section on the net financial position.

Declaration of the Manager responsible for preparing the Company's financial statements

The Manager responsible for preparing the Company's financial statements, Marco Pacini, in accordance with Article 154-*bis*, paragraph 2 of the Consolidated Finance Act, hereby declares that the accounting information contained in this Report is consistent with the Company's official documents, books and accounting records.

List of companies included in the consolidation area and other investments at 30 September 2019

Company name and registered office	Main activity	Share capital (000) (*)	Shareholding %			Shareholding of Group companies
			Group total	Directly held by Fiera Milano	Indirectly held through other Group companies	%
A) Parent Company						
Fiera Milano SpA						
Milan, p.le Carlo Magno 1	Organisation and hosting of exhibitions in Italy	42,445				
B) Fully consolidated companies						
Fiera Milano Media SpA						
Milan, p.le Carlo Magno 1	Media services	2,803	100	100		100 Fiera Milano SpA
Fiera Milano Congressi SpA						
Milan, p.le Carlo Magno 1	Management of congresses	2,000	100	100		100 Fiera Milano SpA
La Fabbrica del Libro SpA in liquidazione **						
Milan, p.le Carlo Magno 1	Organisation of exhibitions in Italy	120	51	51		51 Fiera Milano SpA
Nolostand SpA						
Milan, p.le Carlo Magno 1	Stand fitting services	7,500	100	100		100 Fiera Milano SpA
CIPA Fiera Milano Publicações e Eventos Ltda						
São Paulo Brasil, Av. Angelica	Organisation of exhibitions outside of Italy	R \$ 92,005	100	99.99	0.01	99.99 Fiera Milano SpA 0.01 Nolostand 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
Limited Liability Company "Fiera Milano" ***						
Moscow, 24 A/1 ul. B. Cherkizovskaya	Organisation of exhibitions outside of Italy	RUB 10,000	100	100		100 Fiera Milano SpA
Fiera Milano Exhibitions Africa Pty Ltd						
Cape Town, The Terraces, Steenberg Office Park, Tokai	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, Messeplaende	Organisation of exhibitions outside of Italy	25	49	49		49 Fiera Milano SpA
Hannover Milano Fairs Shanghai Co. Ltd						
Shanghai China, Pudong Office Tower	Organisation of exhibitions outside of Italy	USD 500	49		100	Hannover Milano Global Germany GmbH 100
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 100
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 99.99
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 51
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 60
Ipack Ima Srl						
Rho, S.S. del Sempione km 28	Organisation of exhibitions in Italy	20	49.00	49		49 Fiera Milano SpA
Mico DMC S.r.l.						
Milan, p.le Carlo Magno 1	Destination management services	10	51		51	51 Fiera Milano Congressi SpA
D) List of companies accounted at cost						
Company name and registered office	Main activity	Share capital (000) (*)	Shareholding %			Shareholding of Group companies
			Group total	Directly held by Fiera Milano	Indirectly held through other Group companies	%
Comitato Golden Card						
Cinisello Balsamo, viale Fulvio Testi 128	Other activities	3	33.33	33.33		33.33 Fiera Milano SpA
Covention Bureau Italia Srl						
Firenze, piazza Adua 1	Other activities	8	2		2	2 Fiera Milano Congressi SpA

(*) Euro or other currencies as specifically indicated

(**) Company in liquidation.