



FIERA MILANO

Consolidated Interim Management Report at 31 March 2020 (1st Quarter 2020)

This document is available in the Investori section of the Company website
at www.fieramilano.it.

This document contains a faithful translation into English of the original report in Italian Resoconto intermedio di gestione consolidato al 31 marzo 2020. 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 31 marzo 2020 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), 12 May 2020

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Corporate Bodies and Independent Auditor

BOARD OF DIRECTORS

Carlo Bonomi	Chairman*
Fabrizio Curci	Chief Executive Officer
Alberto Baldan	Director**
Stefania Chiaruttini	Director**
Anna Gatti	Director**
Francesca Golfetto	Director**
Angelo Meregalli	Director**
Marina Natale	Director***
Elena Vasco	Director**

* Coopted by the Board of Directors on 25 April 2020 (ref. press release of 20,22 and 25 April).

** Independent Director under Article 148, paragraph 3 of Legislative Decree 58 of 24 February 1998 and the Self-regulatory Code of Borsa Italiana.

*** Independent Director under Article 148, paragraph 3 of Legislative Decree no. 58 of 24 February 1998.

CONTROL AND RISK COMMITTEE

Stefania Chiaruttini
Francesca Golfetto
Angelo Meregalli

APPOINTMENTS AND REMUNERATION COMMITTEE

Elena Vasco
Alberto Baldan
Marina Natale

BOARD OF STATUTORY AUDITORS

Riccardo Raul Bauer	Chairman
Daniele Federico Monarca	Standing Statutory Auditor
Mariella Tagliabue	Standing Statutory Auditor
Daniele Beretta	Substitute Statutory Auditor
Marina Scandurra	Substitute Statutory Auditor

FINANCIAL REPORTING OFFICER ITALIAN LAW 262/2005

Marco Pacini

SUPERVISORY COMMITTEE, ITALIAN LEGISLATIVE DECREE 231/01

Piero Antonio Capitini
Luigi Bricocoli
Basilio Postiglione

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

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 Chairman, in addition to being the legal representative of the Company, is vested with all powers concerning Fiera Milano's institutional external relations, overseeing these in coordination with the Chief Executive Officer.

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.

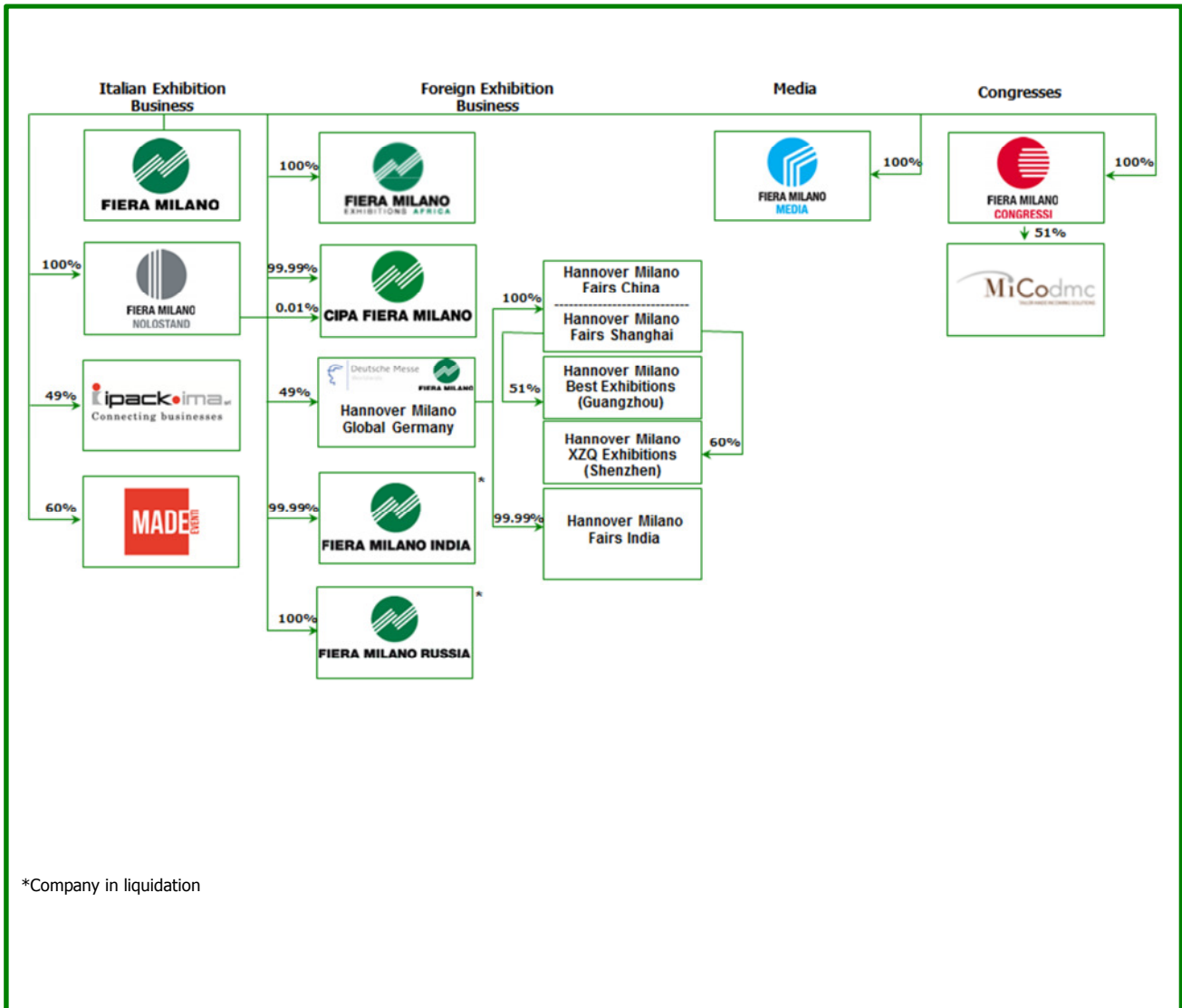
Business model

The Fiera Milano Group is active in all the key areas of the exhibition and congress industry and is one of the largest integrated exhibition companies worldwide.

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

- **Italian Exhibitions Business:** organisation and hosting of exhibitions and other events in Italy: through the use, promotion and offer of furnished exhibition spaces; through the provision of stand-fitting, technical and site services associated with exhibition and congress business; and through the provision of project support and ancillary services. Specifically, this segment 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 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, 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 online and offline 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 first quarter

Summary of results and significant events during the quarter

The following table gives the main figures of the Group for the first quarter under review and for the same quarter of the previous year, as well as figures for the full year 2019.

Full year 31/12/19	Fiera Milano Group Summary of key figures (Amounts in € '000)	1° Quarter 31/03/20	1° Quarter 31/03/19
279,711	Revenues from sales and services	47,594	70,997
106,054	EBITDA (a)	15,041	28,984
59,598	EBIT	3,776	17,524
46,233	Profit/(loss) before income tax of continuing operations	(97)	14,056
-	Profit/(loss) before income tax of discontinued operations	-	-
46,233	Profit/(loss) before income tax	(97)	14,056
46,329	- Attributable to the shareholders of the controlling entity	(21)	14,068
(96)	- Attributable to non-controlling interests	(76)	(12)
512,907	Net capital employed (b)	517,974	550,486
	covered by:		
107,276	Equity attributable to the Group	106,608 *	96,592 *
580	Equity attributable to non-controlling interests	504 *	49 *
(68,343)	Net financial debt/(cash) before IFRS 16 effects	(55,751)	(60,146)
405,051	Total net financial debt/(cash)	410,862	453,845
9,789	Investments (continuing operations and assets held for sale)	367	549
707	Employees (no. of permanent employees at the end of period)	720	698

* 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.

The results for the first quarter of 2020 were particularly affected by the suspension of exhibition and congress activities from 23 February due to the Covid-19 ("Coronavirus") pandemic.

The Company has immediately taken all necessary measures to protect the health and safety of its customers, suppliers and employees, including using remote working.

The exhibitions and congresses held in Italy in the first two months of the year achieved results in line with expectations. The health emergency, which initially affected China, subsequently spread to the rest of the world, including Italy, leading to the adoption of a series of measures that required, inter alia, the suspension of exhibition and congress activities.

The calendars of activities were therefore rescheduled. Regarding the fairs in the first quarter, this led to the cancellation of the 2020 edition of the Mido exhibition and the postponement until subsequent quarters of the year of other exhibitions, including the biennial Mostra Convegno Expocomfort. In the comparison with the first quarter of the previous year, it is important to note the different exhibition calendar due to the absence of the biennial events Made Expo and Transpotec Logitec.

To counter the effects of this situation, Fiera Milano has launched major cost reduction actions, particularly in the period under review, relating to site management costs and personnel expenses.

The business of the Group is seasonal due to the biennial exhibitions. Given this seasonality, revenues and results may vary significantly from quarter to quarter.

In detail, **the figures for the first quarter of 2020** showed the following main trends:

- **revenues from sales and services** amounted to Euro 47,594 thousand, falling by Euro 23,403 thousand compared to the figure for the corresponding quarter of the preceding financial year (Euro 70,997 thousand).

The main changes in the quarter were as follows:

- **annual exhibitions organised by the Group in Italy** (+2,400 m²): the increase was mainly due to the Bit exhibition (+1,575 m²);
- **annual exhibitions organised by Third Parties in Italy** (-107,105 m²): the decrease was mainly due to the cancellation of the 2020 edition of the Mido exhibition (-50,610 m²) in addition to the postponement of the My Plant & Garden (-24,935 m²), Cartoomics (-12,800 m²) and Fa la cosa giusta (-11,345 m²) exhibitions.
- **biennial exhibitions organised by the Group in Italy** (-51,150 m²): the decrease reflected the absence of the Transpotec & Logitec exhibition held in odd-numbered years;
- **biennial exhibitions organised by Third Parties in Italy** (-45,935 m²): the change reflected the absence of Made Expo exhibition held in odd-numbered years, which came under the ownership of Fiera Milano Group on 5 December. It should also be noted that the quarter under review did not include the Mostra Convegno Expocomfort exhibition, held in even-numbered years, which was postponed to subsequent quarters;
- **congresses with adjoining exhibition space** showed a change of -2,875 m²;
- **annual exhibitions organised abroad** (-98,580 m²): the change is mainly due to the Chinese exhibition Chinafloor Domotex Shanghai (-89,030 m²) which was postponed to subsequent quarters;
- **biennial exhibitions organised abroad** (-3,480 m²): the change is due to the absence of the Chinese Metal + Metallurgy exhibition.

The table below summarises the net square metres of exhibition space occupied by the various Fiera Milano Group exhibitions and congresses with related exhibition space.

Fiera Milano Group Summary operating figures	1st Quarter 2020		1st Quarter 2019		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:	11	5	19	8	(8)	(3)
Italy	10	4	15	4	(5)	-
. annual	10	4	13	3	(3)	1
. biennial	-	-	2	1	(2)	(1)
. multi-annual	-	-	-	-	-	-
Foreign countries	1	1	4	4	(3)	(3)
. annual	1	1	3	3	(2)	(2)
. biennial	-	-	1	1	(1)	(1)
. multi-annual	-	-	-	-	-	-
Number of congresses with related exhibition space - Italy	3	-	8	-	(5)	-
Net sq.metres of exhibition space:	277,695	99,360	584,420	250,170	(306,725)	(150,810)
Italy	273,785	95,450	478,450	144,200	(204,665)	(48,750)
. annual (a)	273,785	95,450	381,365	93,050	(107,580)	2,400
. biennial	-	-	97,085	51,150	(97,085)	(51,150)
. multi-annual	-	-	-	-	-	-
(a) of which congresses with related exhibition space	7,130	-	10,005	-	(2,875)	-
Foreign countries	3,910	3,910	105,970	105,970	(102,060)	(102,060)
. annual	3,910	3,910	102,490	102,490	(98,580)	(98,580)
. biennial	-	-	3,480	3,480	(3,480)	(3,480)
. multi-annual	-	-	-	-	-	-
Number of exhibitors:	5,185	1,625	11,835	3,935	(6,650)	(2,310)
Italy	5,085	1,525	9,780	1,880	(4,695)	(355)
. annual (b)	5,085	1,525	8,835	1,625	(3,750)	(100)
. biennial	-	-	945	255	(945)	(255)
. multi-annual	-	-	-	-	-	-
(b) of which congresses with related exhibition space	95	-	635	-	(540)	-
Foreign countries	100	100	2,055	2,055	(1,955)	(1,955)
. annual	100	100	1,925	1,925	(1,825)	(1,825)
. biennial	-	-	130	130	(130)	(130)
. multi-annual	-	-	-	-	-	-

- **EBITDA** in the quarter was Euro 15,041 thousand, a decrease of Euro 13,943 thousand compared to the figure for the same quarter of the previous financial year (Euro 28,984 thousand). The change was mainly due to the aforementioned trend in revenue, the result of the joint venture with the partner Deutsche MESSE AG, due to the postponement of exhibitions in China as a result of the epidemic. This effect was partially offset by cost containment, in particular personnel costs due to the lower impact of the variable portion and greater use of holiday allowances. The impact of IFRS 16 in the quarter under review amounted to Euro 11,839 thousand compared with the figure recorded in the same quarter of the previous year (Euro 12,145 thousand).
- **EBIT** in the quarter was Euro 3,776 thousand compared to Euro 17,524 thousand in the first quarter of 2019. The Euro 13,748 thousand decrease in this figure reflected the EBITDA trend. The impact of IFRS 16 in the quarter under review amounted to Euro 1,941 thousand compared with the figure recorded in the same quarter of the previous year (Euro 1,988 thousand).
- The **loss before income tax** was Euro 97 thousand, compared to profit of Euro 14,056 thousand in the first quarter of 2019. The **pre-tax loss** was Euro -21 thousand **attributable to shareholders of the controlling entity** (Euro 14,068 thousand in the first quarter of 2019) and Euro -76 thousand **attributable to non-controlling interests** (Euro -12 thousand in the first quarter of 2019).

Net cash/debt

The Group's **net debt/cash** and its breakdown are shown in the following table.

31/12/19	Group Net Financial Position (Amounts in € '000)	31/03/20
68,031	A. Cash (including bank balances)	50,073
-	B. Other cash equivalents	-
-	C. Securities held for trading	-
68,031	D. Cash and cash equivalents (A+B+C)	50,073
1,320	E. Current financial assets	1,768
-	- E.1 of which Current financial assets to the controlling shareholder	448
1,320	- E.2 of which Current financial assets to other related parties	1,320
1	F. Current bank borrowings	-
-	G. Current portion of non-current debt	-
1,057	H. Other current financial liabilities	482
449	- H.1 of which Other current financial liabilities to the controlling shareholder	-
1,058	I. Current financial debt (F+G+H)	482
(68,293)	J. Current net financial debt (cash) (I-E-D)	(51,359)
50	K. Non-current financial assets	4,392
50	- K.1 of which non-current financial assets to other related parties	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)	(4,392)
(68,343)	Net financial debt/(cash) from continuing operations (J+O)	(55,751)
-	Net financial debt/(cash) from assets held for sale	-
(68,343)	P. Net financial debt/(cash) before IFRS 16 effects	(55,751)
33,992	Q. Other current financial liabilities related to the right of use of assets	34,319
32,423	- Q.1 of which current financial liabilities related to the right-of-use assets to the controlling shareholder	32,770
439,402	R. Other non-current financial liabilities related to the right of use of assets	432,294
433,693	- R.1 of which non-current financial liabilities related to the right-of-use assets to the controlling shareholder	427,035
473,394	IFRS 16 financial effects	466,613
405,051	S. Total net financial debt/(cash) (P+Q+R)	410,862

Net cash at 31 March 2020, before the effects of IFRS 16 was Euro 55,751 thousand, compared to cash of Euro 68,343 at 31 December 2019.

The decrease of Euro 12,592 thousand was due to the suspension of exhibition activities as a result of the Covid-19 emergency from the end of February 2020, which had a significant impact on working capital and cash flows. The change was mainly due to lower advance and balancing payments collected because of the postponement of exhibitions until later months.

Net financial debt including IFRS 16 lease liabilities amounted to Euro 410,862 thousand compared to Euro 405,051 thousand at 31 December 2019.

Business performance by operating segment and by geographical area

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

Full year 2019		Summary of data by operating segment and by geographic area (Amounts in € '000)	1st Quarter 31/03/20		1st Quarter 31/03/19	
		Revenues from sales and services				
	%	- By operating segment:		%		%
235,290	81.0	. Italian Exhibitions business	42,303	85.4	62,964	85.8
4,276	1.5	. Foreign Exhibitions business	1,085	2.2	806	1.1
11,106	3.8	. Media	2,121	4.3	2,686	3.7
39,677	13.7	. Congresses	4,005	8.1	6,922	9.4
290,349	100.0	Total revenues gross of adjustments for inter-segment transactions	49,514	100.0	73,378	100.0
(10,638)		. Adjustments for inter-segment transactions	(1,920)		(2,381)	
279,711		Total revenues net of adjustments for inter-segment transactions	47,594		70,997	
		- By geographic area:				
275,551	98.5	. Italy	46,608	97.9	70,304	99.0
4,160	1.5	. Foreign countries	986	2.1	693	1.0
279,711	100.0	Total	47,594	100.0	70,997	100.0
	%	EBITDA		%		%
	on revenues	- By operating segment:		on revenues		on revenues
90,559	38.5	. Italian Exhibitions business	15,074	35.6	24,642	39.1
3,338	78.1	. Foreign Exhibitions business	(124)	(11.4)	2,309	286.5
816	7.3	. Media	(234)	(11.0)	254	9.5
11,341	28.6	. Congresses	339	8.5	1,782	25.7
-		. Adjustments for inter-segment transactions	(14)		(3)	
106,054	37.9	Total	15,041	31.6	28,984	40.8
		- By geographic area:				
102,827	37.3	. Italy	15,264	32.7	26,788	38.1
3,227	77.6	. Foreign countries	(223)	(22.6)	2,196	316.9
106,054	37.9	Total	15,041	31.6	28,984	40.8
	%	EBIT		%		%
	on revenues	- By operating segment:		on revenues		on revenues
50,707	21.6	. Italian Exhibitions business	5,161	12.2	14,540	23.1
2,917	68.2	. Foreign Exhibitions business	(215)	(19.8)	2,191	271.8
(584)	-5.3	. Media	(257)	(12.1)	196	7.3
6,558	16.5	. Congresses	(899)	(22.4)	600	8.7
-		. Adjustments for inter-segment transactions	(14)		(3)	
59,598	21.3	Total	3,776	7.9	17,524	24.7
		- By geographic area:				
56,791	20.6	. Italy	4,090	8.8	15,446	22.0
2,807	67.5	. Foreign countries	(314)	(31.8)	2,078	299.9
59,598	21.3	Total	3,776	7.9	17,524	24.7
		Employees				
		(no. of permanent employees at the end of the period)				
	%	- By operating segment:		%		%
501	70.9	. Italian Exhibitions business	520	72.2	497	71.2
105	14.9	. Foreign Exhibitions business	107	14.9	99	14.2
53	7.5	. Media	52	7.2	53	7.6
48	6.8	. Congresses	41	5.7	49	7.0
707	100.0	Total	720	100.0	698	100.0
		- By geographic area:				
602	85.1	. Italy	613	85.1	599	85.8
105	14.9	. Foreign countries	107	14.9	99	14.2
707	100.0	Total	720	100.0	698	100.0

Revenues from sales and services, before elimination of transactions among the four business segments of the Group were Euro 49,514 thousand, a decrease of Euro 23,864 thousand compared to the figure of Euro 73,378 thousand in the first quarter of 2019.

- Revenues from the **Italian Exhibitions Business** amounted to Euro 42,303 thousand in the first quarter, decreasing by approximately 33% compared to the figure for the same period of the previous year (Euro 62,964 thousand). The decrease in revenues reflects the different exhibition calendar, which also underwent significant changes as a result of the aforementioned Covid-19 epidemic that hit Italy from the end of February 2020. Therefore, the negative change is related to the postponement to subsequent quarters of the important Mostra Convegno Expocomfort exhibition held in even-numbered years and of the My Plant & Garden, Cartoomics and Fa' la cosa giusta annual exhibitions, as well as the cancellation of the Mido annual exhibition. It is also worth noting the absence of the Made Expo and Transpotec Logitec exhibitions held in odd-numbered years due to the different exhibition calendar.
- Revenues from the **Foreign Exhibitions business** totalled Euro 1,085 thousand in the first quarter, while the figure in the same period of the previous financial year totalled Euro 806 thousand. The increase was mainly due to increased sponsorship and demand for ancillary services at the Cape Town Art Fair exhibition in South Africa.
- Revenues in the **Media** segment totalled Euro 2,121 thousand in the first quarter, a decrease of approximately 21% compared to the figure in the same period of 2019 (Euro 2,686 thousand). The change was due to the different exhibition calendar, which underwent significant changes as a result of the aforementioned epidemic, heavily impacting revenues from billboard advertising. It is also worth noting the lower revenue from the publications and events of the *Business International* division.
- Revenues from **Congresses** totalled Euro 4,005 thousand in the first quarter compared to Euro 6,922 thousand in the same period of 2019. The decrease was mainly attributable to the change in the calendar of congresses starting from March following the outbreak of the epidemic. Consequently, the change was due to the postponement of important events (Salone del Risparmio and Identità Golose) to the fourth quarter of the year while others (Intel and Emerson) were postponed to subsequent years.

Group **EBITDA** as a whole was Euro 15,041 thousand, a decrease of Euro 13,943 thousand compared to the figure for the first quarter of 2019 (Euro 28,984 thousand). The breakdown was as follows:

- **Italian Exhibitions Business:** recorded an EBITDA of Euro 15,074 thousand compared to Euro 24,642 thousand in the same period of the previous financial year. The change was mainly due to the aforementioned trend in revenue. This effect was partially offset by cost containment, in particular personnel costs due to the lower impact of the variable portion and greater use of holiday allowances.
- **Foreign Exhibitions Business:** recorded an EBITDA of Euro -124 thousand, a decrease compared to the figure for the same period of the previous financial year (Euro 2,309 thousand). The decrease was mainly due to the result of the joint venture held jointly with the partner, Deutsche MESSE AG, in relation to activities in China, following the Covid-19 epidemic that hit the country from January 2020 onwards. As a result, some exhibitions were cancelled by order of government authorities, including GITF-International Tour Guangzhou, a trade fair operating in the tourism sector, and others were postponed, including Chinafloor Domotex Shanghai.
- **Media:** EBITDA was Euro -234 thousand, down from Euro 254 thousand in the same quarter of 2019. The change reflected the trend in revenues.
- **Congresses:** EBITDA was Euro 339 thousand compared to Euro 1,782 thousand in the same quarter of 2019. The change in the quarter was mainly attributable to the already highlighted trend in revenues.

EBIT for the four operating segments in the first quarter of 2020 was Euro 3,776 thousand compared to Euro 17,524 thousand in the same period of the previous financial year and reflected the aforementioned EBITDA trend.

The **breakdown by geographical area** in the first quarter showed revenues from foreign activities of Euro 986 thousand, an increase of approximately 42% compared to the figure for the same period of the previous financial year (Euro 693 thousand). EBITDA amounted to Euro -223 thousand, a decrease of Euro 2,419 thousand compared to the same period of the previous year (Euro 2,196 thousand).

EBIT was Euro -314 thousand compared to the figure for the same period of the previous financial year of Euro 2,078 thousand.

In Italy, during the quarter under review, 10 exhibitions and 3 events for congresses with adjoining exhibition space were held. Net exhibition space occupied totalled 273,785 square metres, compared to 478,450 in the same period of the previous financial year, and the number of exhibitors went from 9,780 in the first quarter of 2019 to 5,085 in the first quarter of 2020.

Exhibitions directly organised by the Group in Italy and abroad occupied total net exhibition space of 99,360 square metres, which equated to approximately 36% 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 31/03/20	Quarter to 31/03/19	Quarter to 31/03/20	Quarter to 31/03/19
Annual Exhibitions:				
Directly organised				
- Bit	17,365	15,790	260	280
- HOMI*	60,090	-	585	-
- HOMI Fashion&Jewels (I semester)*	13,215	-	540	-
- Promotion Trade Exhibition	4,780	4,530	140	140
- HOMI I semester	a)	72,730	a)	1,205
Total annual exhibitions directly organised	95,450	93,050	1,525	1,625
Hosted				
- LineaPelle February	46,150	48,710	1,110	1,115
- Milano Unica (Spring)	30,575	28,115	450	425
- Mipel (March)	7,330	8,270	240	270
- Simac Tanning-Tech	18,250	18,685	295	280
- The Micam (Spring)	58,065	60,870	1,190	1,255
- The ONE Milano (February)	10,835	13,970	180	230
- Cartoomics	b)	12,800	b)	435
- Fa' la cosa giusta	b)	11,345	b)	695
- Mido	c)	50,610	c)	1,250
- My Plant & Garden	b)	24,935	b)	620
Total annual exhibitions hosted	171,205	278,310	3,465	6,575
Total annual Exhibitions	266,655	371,360	4,990	8,200
Biennial Exhibitions:				
Directly organised				
- Transpotec & Logitec **	-	51,150	-	255
Total biennial exhibitions directly organised	-	51,150	-	255
Hosted				
- Made Expo***	-	45,935	-	690
Total biennial exhibitions hosted	-	45,935	-	690
Total biennial Exhibitions	-	97,085	-	945
TOTAL EXHIBITIONS	266,655	468,445	4,990	9,145
- Congresses with related exhibition space	7,130	10,005	95	635
TOTAL	273,785	478,450	5,085	9,780

* The exhibition was held for the first time.

** The exhibition was held at Veronafiere exhibition site.

*** The exhibition will be directly organised from the next edition.

a) The exhibition was reconfigured in two new formats: HOMI and HOMI Fashion&Jewels.

b) The exhibition will take place in subsequent quarters.

c) The exhibition did not take place.

During the first quarter of 2020, 1 exhibition was held at exhibition sites abroad and the net square metres of exhibition space occupied totalled 3,910 square metres (in the first quarter of 2019, this figure was 105,970 square metres). The number of exhibitors was 100 (2,055 in the first quarter of 2019).

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 31/03/20	Quarter to 31/03/19	Quarter to 31/03/20	Quarter to 31/03/19
Annual Exhibitions:				
Annual exhibitions in China				
- Chinafloor Domotex Shanghai °	b)	89,030	b)	1,605
- GITF International Tour Guangzhou	a)	9,530	a)	215
Total annual exhibitions in China	-	98,560	-	1,820
Annual exhibitions in South Africa				
- Cape Town Art Fair	3,910	3,930	100	105
Total annual exhibitions in South Africa	3,910	3,930	100	105
Total annual exhibitions	3,910	102,490	100	1,925
Biennial Exhibitions:				
Annual exhibitions in China				
- Metal + Metallurgy	-	3,480	-	130
Total biennial exhibitions in China	-	3,480	-	130
Total biennial exhibitions	-	3,480	-	130
TOTAL EXHIBITIONS	3,910	105,970	100	2,055
° The exhibition is organised in partnership.				
a) The exhibition did not take place.				
b) The exhibition will take place in subsequent quarters.				

Group personnel

At 31 March 2020, Group employees totalled 720 and the breakdown compared to 31 March 2019 and 31 December 2019 was as follows:

31/12/19			Permanent employees at end of period (units)	31/03/20			31/03/19		
Total	Italy	Foreign countries		Total	Italy	Foreign countries	Total	Italy	Foreign countries
			Fully consolidated companies:						
27	25	2	Executives	26	25	1	25	23	2
592	562	30	Managers and White collar workers (including Journalists)	604	573	31	595	560	35
619	587	32	Total	630	598	32	620	583	37
			Equity-accounted companies (a):						
5	2	3	Executives	5	2	3	5	2	3
83	13	70	White collar workers	85	13	72	73	14	59
88	15	73	Total	90	15	75	78	16	62
707	602	105	TOTAL	720	613	107	698	599	99
			(a) the indicated data corresponds to the pro-quota of total employees						

Compared to 31 December 2019, the number of permanent employees increased by 13 net units and was mainly the result of the consolidation of the commercial area and of the design technical area of the Parent Company.

Significant events after the end of the reporting period

On 20 April 2020, the Ordinary Shareholders' Meeting of the Parent Company was held, which approved the financial statements as of 31 December 2019 and approved the distribution of a dividend of 13 euro cents per share, allocating the remaining part of the Profit for the financial year to Retained Earnings. It also decided in favour of the contents of the First and Second Section of the Remuneration Report, relating to the Company's policy on the remuneration for the members of the Board of Directors as well as to authorise the purchase and disposal of treasury shares. Finally, the Shareholders' Meeting approved the appointment of the new Board of Directors, which will remain in office for the financial years 2020-2022.

Business outlook

Despite a scenario of extreme uncertainty, the Company has confirmed its EBITDA target for 2020 in a range of Euro 38-43 million, even since the deferral to 2021 of Salone del Mobile, assuming a recovery in exhibition activities in Italy from September 2020 and a net exhibition area estimated at around 700 thousand square metres in the last part of this year.

The Group remains committed to controlling costs, with further action taken after the end of the quarter, including the voluntary reduction in the salaries of Group managers, recourse to nine-week salary integration fund (FIS) and further containment of operating costs.

The exhibition business will play a key role in the economic recovery. As such, Fiera Milano is working closely with Italian and international exhibition associations to facilitate a return to normal business, including by drawing up strict safety protocols. The digital transformation plan will also provide an additional tool to ensure safety within exhibition sites and drive an expansion of innovative services, supporting the digital development of exhibitions and leading to better customer experience on-site.

The Group will continue to pursue the strategy set out in the 2018-2022 Strategic Plan, built on its robust capital and finances and the management efficiency it has achieved over recent years, which put it in a position to deal with the impact of the current situation.

Accounting 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 the Listing Rules issued by Consob 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 disclosure and valuation requirements of the International Accounting Standards IAS/IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The valuation criteria used to prepare the Financial Statements for the first quarter 2020 are the same as those used for the Consolidated Financial Statements for the full-year 2019, with the addition of the accounting standards endorsed by the European Union and applicable from 1 January 2020.

Starting from the current year, personnel costs directly attributable to the exhibitions are recognised in profit or loss at the time the event takes place.

The Consolidated Financial Statements have been prepared on the basis of the accounting situation at 31 March 2020 as approved by the Boards of Directors of the companies included in the area of consolidation and prepared by Group companies within the area of consolidation. As regards comparable data, it should be noted that in preparing the Consolidated Interim Management Report the tax charge has not been calculated, as permitted under Consob Regulations.

It should also be noted that the methodologies used for estimates in the preparation of the Consolidated Interim Management Report at 31 March 2020 are the same as those normally used to prepare the Annual Consolidated Financial Statements.

The list of companies included in the area of consolidation at 31 March 2020 is given in Attachment 1.

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

Financial statements

Full year to 31/12/19	Consolidated Income Statement (Amounts in €'000)		1st Quarter to 31/03/20		1st Quarter to 31/03/19	
		%		%		%
279,711	100	Revenues from sales and services	47,594	100	70,997	100
2,489	0.9	Cost of materials	649	1.4	638	0.9
121,215	43.3	Cost of services	20,776	43.7	29,723	41.9
486	0.2	Costs for use of third party assets	193	0.4	208	0.3
47,432	17.0	Personnel expenses	10,797	22.7	12,783	18.0
4,778	1.7	Other operating expenses	722	1.5	1,305	1.8
176,400	63.1	Total operating costs	33,137	69.6	44,657	62.9
2,428	0.9	Other income	785	1.6	544	0.8
3,768	1.3	Results of equity-accounted companies	(109)	(0.2)	2,287	3.2
3,453	1.2	Allowance for doubtful accounts and other provisions	92	0.2	187	0.3
106,054	37.9	EBITDA	15,041	31.6	28,984	40.8
45,171	16.1	Depreciation and amortisation	11,265	23.7	11,460	16.1
1,285	0.5	Adjustments to asset values	-	-	-	-
59,598	21.3	EBIT	3,776	7.9	17,524	24.7
(13,365)	(4.8)	Financial income/(expenses)	(3,873)	(8.1)	(3,468)	(4.9)
-	-	Valuation of financial assets	-	-	-	-
46,233	16.5	Profit/(loss) before income tax from continuing operations	(97)	(0.2)	14,056	19.8
-	-	Profit/(loss) before income tax from discontinued operations	-	-	-	-
46,233	16.5	Profit/(loss) before income tax	(97)	(0.2)	14,056	19.8
46,329	16.6	- attributable to the shareholders of the controlling entity	(21)	(0.0)	14,068	19.8
(96)	(0.0)	- attributable to non-controlling interests	(76)	(0.2)	(12)	(0.0)

Reclassified Consolidated Statement of Financial Position			
(Amounts in €'000)			
	31/03/20	31/12/19	Change
Goodwill	95,036	95,036	-
Intangible assets with a finite useful life	13,803	14,640	(837)
Right-of-use assets	461,323	469,571	(8,248)
Tangible fixed assets	8,507	9,155	(648)
Other non-current assets	33,532	34,078	(546)
A Non-current assets	612,201	622,480	(10,279)
Inventories and contracts in progress	3,079	2,231	848
Trade and other receivables	42,915	40,356	2,559
Other current assets	-	-	-
B Current assets	45,994	42,587	3,407
Trade payables	29,253	41,985	(12,732)
Advances	45,452	49,227	(3,775)
Tax liabilities	1,982	2,979	(997)
Provisions for risks and charges and other current liabilities	41,676	36,111	5,565
C Current liabilities	118,363	130,302	(11,939)
D Net working capital (B - C)	(72,369)	(87,715)	15,346
E Gross capital employed (A + D)	539,832	534,765	5,067
Employee benefit provisions	9,898	9,898	-
Provisions for risks and charges and other non-current liabilities	11,960	11,960	-
F Non-current liabilities	21,858	21,858	-
G NET CAPITAL EMPLOYED continuing operations (E - F)	517,974	512,907	5,067
H NET CAPITAL EMPLOYED assets held for sale	-	-	-
TOTAL NET CAPITAL EMPLOYED (G + H)	517,974	512,907	5,067
covered by:			
Equity attributable to the Group	106,608 (*)	107,276	(668)
Non-controlling interests	504 (*)	580	(76)
I Total equity	107,112	107,856	(744)
Cash & cash equivalents	(50,073)	(68,031)	17,958
Current financial (assets)/liabilities	33,034	33,730	(696)
Non-current financial (assets)/liabilities	427,901	439,352	(11,451)
Net financial debt/(cash) continuing operations	410,862	405,051	5,811
Net financial debt/(cash) assets held for sale	-	-	-
L Net financial debt/(cash) (TOTAL)	410,862	405,051	5,811
EQUITY AND NET FINANCIAL POSITION (I + L)	517,974	512,907	5,067

(*) includes pre-tax result for the period

Comments on the capital and financial position

Non-current assets totalled Euro 612,201 thousand at 31 March 2020, compared to Euro 622,480 thousand at 31 December 2019. A decrease of Euro 10,279 thousand was due to the balance between; investments of Euro 367 thousand, amortisation and depreciation of Euro 11,265 thousand, rights of use of Euro 1,726 thousand, exchange rate losses of Euro 828 thousand, changes in the result from equity accounted investments of Euro -109 thousand and other changes of Euro -170 thousand.

Net working capital went from Euro -87,715 thousand at 31 December 2019 to Euro -72,369 thousand at 31 March 2020.

The Euro 15,346 thousand change in this figure was due to the following:

- (a) a Euro 3,407 thousand increase in **Current Assets** that primarily reflected an increase in "Trade and other receivables" of Euro 2,559 thousand. The change mainly concerns higher receivables from Exhibition Organisers;
- (b) decrease in **Current liabilities** of Euro 11,939 thousand, due mainly to the decrease in "Trade payables" of Euro 12,732 thousand due to the lower volume of business related to the changed exhibition calendar as well as the suspension and postponement of some events on the calendar to later dates as a result of the Covid-19 (so-called Coronavirus) epidemic.

At 31 March 2020, **Non-Current Liabilities** totalled Euro 21,858 thousand and recorded no change compared to 31 December 2019.

Equity attributable to the owners of the Parent at 31 March 2020 was Euro 106,608 thousand compared to Euro 107,276 thousand at 31 December 2019, a decrease of Euro 668 thousand due to the following:

- Euro -21 thousand as to profit before taxes for the period;
- Euro -647 thousand as to exchange rate gains.

Equity attributable to non-controlling interests was Euro 504 thousand at 31 March 2020 compared to Euro 580 thousand at 31 December 2019. The decrease of Euro 76 thousand is due to the loss before taxes for the period.

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

Declaration of the Financial Reporting Officer

The Financial Reporting Officer, Marco Pacini, in accordance with paragraph 2 of Article 154-bis of the Consolidated Finance Act, herewith declares that the accounting information in the present Interim Management 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 31 March 2020

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
Nolostand SpA							
Milan, 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 Brasil, na Avenida Angélica, 2491, 20º andar, conjuntos 203 e 204	Organisation of exhibitions outside of Italy	R \$ 97,981	100	99.99	0.01	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
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	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	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	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	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	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 S.r.l.							
Milan, p.le Carlo Magno 1	Management of congresses	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