



FIERA MILANO

Half-year Financial Report

at 30 June 2021

(First half of FY2021)

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

This document contains a faithful translation in English of the original report in Italian "*Relazione finanziaria semestrale al 30 giugno 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 semestrale al 30 giugno 2021* shall prevail upon the English version.

Fiera Milano SpA

Registered office: Piazzale Carlo Magno, 1 - 20149 Milan
Operational and administrative office: SS del Sempione, 28 - 20017 Rho (Milan)
Share Capital: Euro 42,445,141.00 fully paid up.
Companies Register, Tax Reference and VAT no. 13194800150
Economic Administrative Register 1623812

Rho (Milan), 28 July 2021

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Corporate Bodies and Independent Auditor

BOARD OF DIRECTORS

Carlo Bonomi	Chairman
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**

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

CONTROL AND RISK 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 Maldì

SUPERVISORY COMMITTEE, 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.

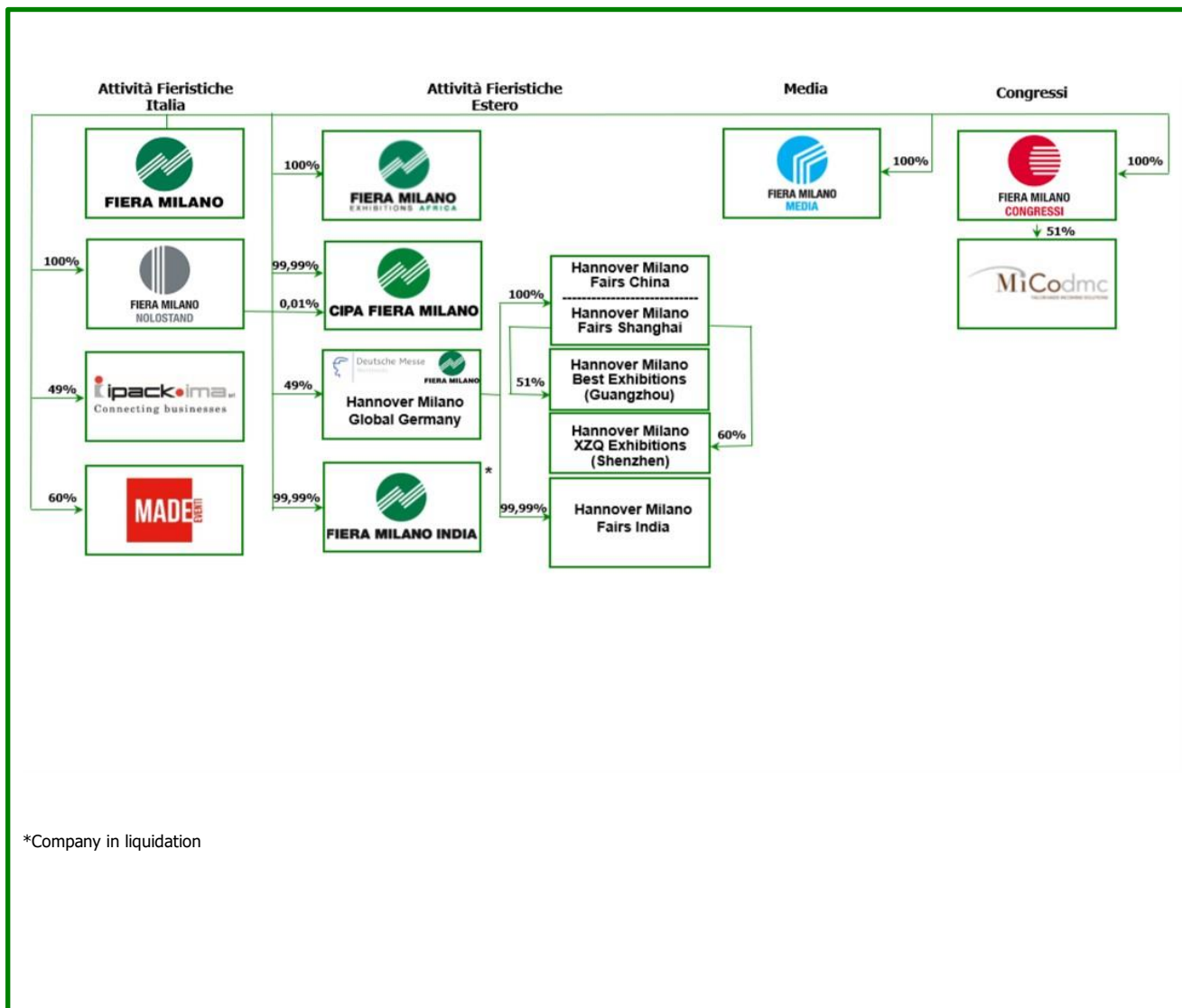
Business model

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:** production of content and supply of advertising and digital advertising 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

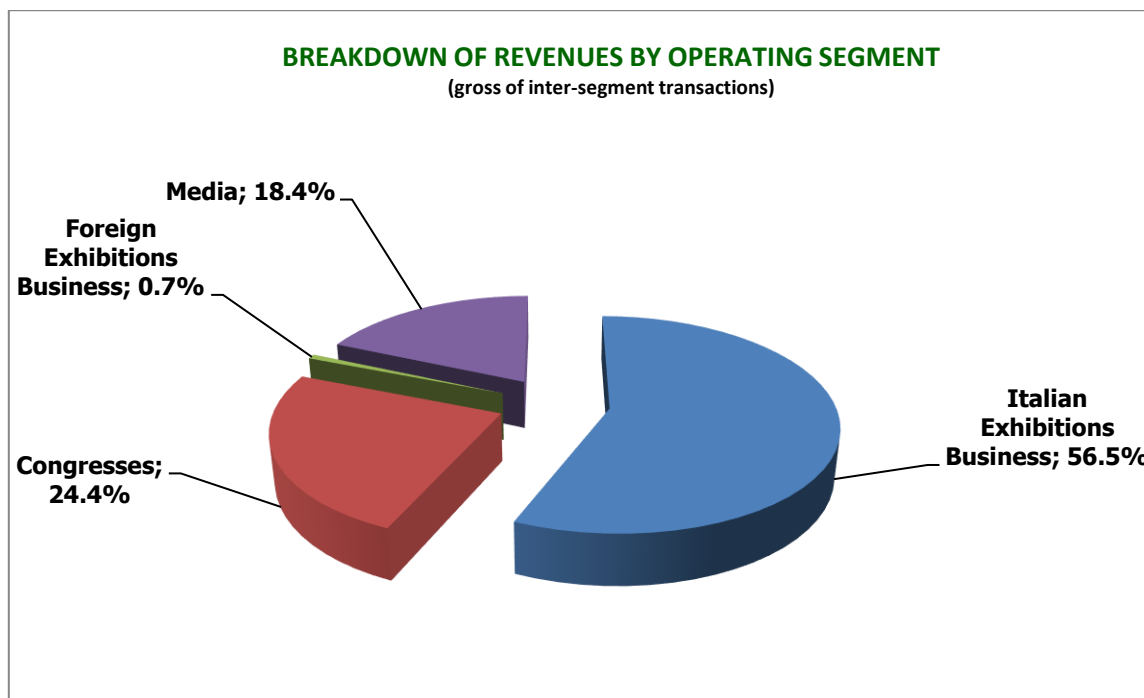


*Company in liquidation

Highlights of the first half of 2021

PERFORMANCE

Consolidated revenues: Euro 5 million.



BUSINESS

Number of exhibitions held:
5, of which 4 abroad.

Number of exhibitors:
1,945, of which 1,700 abroad

EXHIBITION SPACE

Net exhibition space occupied:
82,755 square metres
of which 76,790 square metres abroad.

Total gross exhibition space:
399,000 square metres

of which
345,000 square metres
in the **fieramilano** exhibition site

54,000 square metres
in the **fieramilanocity** exhibition site

Interim report on operations

Summary of results and significant events in the first half of the year

The table below gives the key figures of the Group for the period under review and the comparative data for the same period of the previous financial year, as well as those for the financial year to 31 December 2020.

Full year at 31/12/20	Fiera Milano Group Summary of key figures (Amounts in € '000)	1st Half at 30/06/21	1st Half at 30/06/20
73.635	Revenues from sales and services	4.599	55.988
10.443	EBITDA (a)	-22.990	10.572
(34.318)	EBIT	(45.304)	(11.877)
(34.152)	Profit/(loss) from continuing operations	(25.113)	(12.600)
-	Profit/(loss) from discontinued operations	465	-
(34.152)	Profit/(loss)	(24.648)	(12.600)
(33.943)	- Attributable to the shareholders of the controlling entity	(24.535)	(12.484)
(209)	- Attributable to non-controlling interests	(113)	(116)
536.675	Net capital employed (b)	539.777	534.754
	covered by:		
62.883	Equity attributable to the Group	38.545	84.724
348	Equity attributable to non-controlling interests	237	466
23.872	Net financial debt/(cash) before IFRS 16 effects	64.898	(20.232)
473.444	Total net financial debt/(cash)	500.995	449.564
6.114	Investments (continuing operations and assets held for sale)	1.303	3.308
707	Employees (no. of permanent employees at end of period)	684	712

(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 half-year results were affected by the prolonged suspension of exhibition and congress activities in Italy, 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. In China, after an initial return to normality in the early months of the year, there was a new interruption in the exhibitions business in the Guangdong province from June onwards. The planned exhibitions have been rescheduled and will be held in August.

During the period under review, the Company focused its efforts on creating the conditions for an effective and rapid return to business.

The exhibition and congress calendars were revised, where possible postponing exhibitions originally planned during the first half of the year to the second half. Following a huge organisational effort, the exhibition programme has been built not only with the aim of hosting as many events as possible (more than 30 exhibitions) but also trying to create synergies between related sectors. For example, events dedicated to the world of home and design will be held on the same dates in September. Homi will be held in conjunction with the new edition of the Salone del Mobile. Also, in September, the entire fashion industry will be concentrated in the week of 18 to 24 September. In October, Food & Beverage (TUTTOFOOD) and Professional Hospitality (HostMilano) will also be presented over a single period. Further synergies will also be achieved by MADE expo (Building), Sicurezza (Security) and Smart Building Expo (Home & Building Automation), which will open simultaneously at fieramilano-Rho on 22 November.

At the same time, the Company has worked to secure adequate financial resources to ensure business continuity and to support the delivery of the strategic plan at a highly unusual time due to the inability to carry on its core business for a long period of time. In the first half of 2021, Euro

87 million of medium/long-term loans were raised, with a maturity of no less than 5 years and most with a grace period of 24 months. Fiera Milano also has short-term credit lines of Euro 75 million.

Work also continued to contain management and personnel costs. The Salary Integration Fund (FIS) was used until the end of June due to the pause in business activities.

During the first half of the year, in coordination with Italian trade associations, intensive discussions were held with government institutions and health authorities to ensure the best possible conditions for the return to business.

From an operational point of view, it should be noted that BIT (International Tourism Exchange) was held in Italy in May 2021. The resumption of in-person events was heralded by Sì Spositalia Collezioni at the end of June, followed a few days later by Milano Unica (6-7 July).

Last, but not least, 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.

Among the transactions that took place in the first half of the year it should be noted that 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. The agreed price for the sale of the branch 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 value of goodwill may undergo an adjustment, upon the occurrence of certain conditions, not exceeding Euro 300 thousand. The price is due to be paid in three instalments, the first on the date of signing the final contract, the second by 31 July 2021 and the third by 31 January 2022.

In January 2021, Fiera Milano acted swiftly in informing the Public Prosecutor's Office of Milan of a situation that had been brought to its attention via whistleblowing channels. The checks carried out by the Company confirmed that all applicable internal procedures had been complied with. The checks were carried out in full cooperation with the competent authorities, which during the investigations identified a non-senior employee of the Parent Company responsible for the alleged unlawful activities. The appropriate actions were taken in relation to said employee, including their immediate precautionary suspension by the Parent Company from working for any Fiera Milano Group company.

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 no. 58/98.

Sustainability

During the first half of the year, Fiera Milano's work on sustainability brought in significant results and awards. In February, the new CONN.E.C.T. 2025 strategic plan was presented, making sustainability an integral part of the business model across the company organisation. At the same time, the corporate purpose was defined and its mission, values and material topics were reviewed. In July, the parent company was awarded ISO 20121:2012 certification for sustainable event management in the following areas of activity: planning, organisation, delivery and hosting of exhibitions and support services.

The Company's progress on sustainability was confirmed by being awarded IGI 2021 (Integrated Governance Index) prize, which saw Fiera Milano take 1st place in the "extra 100" category. The Integrated Governance index is based on a quantitative analysis model and measures the degree to which ESG factors are integrated into corporate strategies. Finally, Fiera Milano has 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 trade fairs and events held within the exhibition and congress centres.

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 project, which falls under the "New Skills Fund", is part of the wider skill transformation process set out in the CONN.E.C.T. 2025 plan. Some 50,000 hours of compulsory training will be provided during the second half of the year for all Group personnel in Italy.

It should be remembered that **the Group's activities are typically seasonal** with regard to recurring trade fair exhibitions or those held every two years. Moreover, the absence of exhibitions in July and August and the presence of exhibitions from September onwards make a comparison of the financial figures between the first and second halves of the year meaningless. Given the seasonality of the business, the revenues and results of one half-year cannot be extrapolated for the full year.

The table below gives greater detail of the **Consolidated Income Statement** for the first half of 2021.

Full year at 31/12/20	Consolidated Income Statement (Amounts in €'000)				
	1st Half at 30/06/21		1st Half at 30/06/20		
%	%		%		
73.635	100	4.599	100	55.988	100
1.586	2,2	226	4,9	1.311	2,3
45.519	61,8	12.991	282,5	29.285	52,3
453	0,6	145	3,2	256	0,5
31.852	43,3	16.269	353,8	17.285	30,9
2.467	3,4	967	21,0	1.234	2,2
81.877	111,2	30.598	665,3	49.371	88,2
16.875	22,9	3.442	74,8	1.188	2,1
532	0,7	(160)	(3,5)	(737)	(1,3)
(1.278)	(1,7)	273	5,9	(3.504)	(6,3)
10.443	14,2	(22.990)	(499,9)	10.572	18,9
44.761	60,8	22.292	484,7	22.449	40,1
-	-	22	0,5	-	-
(34.318)	(46,6)	(45.304)	(985,1)	(11.877)	(21,2)
(12.707)	(17,3)	(6.186)	(134,5)	(6.792)	(12,1)
-	-	-	-	-	-
(47.025)	(63,9)	(51.490)	(1.119,6)	(18.669)	(33,3)
(12.873)	(17,5)	(26.377)	(573,5)	(6.069)	(10,8)
(34.152)	(46,4)	(25.113)	(546,1)	(12.600)	(22,5)
-	-	465	10,1	-	-
(34.152)	(46,4)	(24.648)	(535,9)	(12.600)	(22,5)
(33.943)	(46,1)	(24.535)	(533,5)	(12.484)	(22,3)
(209)	(0,3)	(113)	(2,5)	(116)	(0,2)

Revenues from sales and services totalled Euro 4,599 thousand, a decrease of approximately Euro 51,389 thousand compared to the figure for the same half of the previous financial year (Euro 55,988 thousand).

The changes in the first half of the year, in terms of exhibition space, are mainly related to the suspension of activities in Italy due to the Covid-19 pandemic, set in comparison with the first half of 2020, which saw normal operations until the end of February. They break down as follows:

- **Annual exhibitions organised by the Group in Italy** (-89,485 sqm): the decrease is due to the presence in the first half of the previous year of the exhibitions HOMI (60,090 sqm), Bit (17,365 sqm), HOMI Fashion&Jewels (13,215 sqm) and Promotion Trade Exhibition (4,780 sqm);
- **Annual exhibitions organised by third parties in Italy** (-171,205 sqm): the decrease is due to the presence in Q1 2020 of the fashion industry exhibitions (152,955 sqm) and Simac Tanning-Tech (18,250 sqm);
- **Congresses with related exhibition areas**: these had an increase in rented space of -7,130 square metres.
- **Annual exhibitions of the Group abroad** (+72,880 square metres): the change relates to the resumption of exhibition activities in China and is mainly due to the presence of the Chinese exhibition Chinafloor Domotex Shanghai (51,070 sqm) and the Chinese exhibition Let China Guangzhou (9,935 sqm) that had been postponed from the first half of 2020 to the following quarters.

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

Fiera Milano Group Summary operating figures	1st Half 2021		1st Half 2020		Change	
	Total	of which organised by the Group	Total	of which organised by the Group	Total	of which organised by the Group
Number of exhibitions:	5	5	11	5	(6)	-
Italy	1	1	10	4	(9)	(3)
. annual	1	1	10	4	(9)	(3)
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-
Foreign countries	4	4	1	1	3	3
. annual	4	4	1	1	3	3
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-
Number of congresses with related exhibition space - Italy	-	-	3	-	(3)	-
Net sq.metres of exhibition space:	82.755	82.755	277.695	99.360	(194.940)	(16.605)
Italy	5.965	5.965	273.785	95.450	(267.820)	(89.485)
. annual (a)	5.965	5.965	273.785	95.450	(267.820)	(89.485)
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-
(a) of which congresses with related exhibition space	-	-	7.130	-	(7.130)	-
Foreign countries	76.790	76.790	3.910	3.910	72.880	72.880
. annual	76.790	76.790	3.910	3.910	72.880	72.880
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-
Number of exhibitors:	1.945	1.945	5.185	1.625	(3.240)	320
Italy	245	245	5.085	1.525	(4.840)	(1.280)
. annual (b)	245	245	5.085	1.525	(4.840)	(1.280)
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-
(b) of which congresses with related exhibition space	-	-	95	-	(95)	-
Foreign countries	1.700	1.700	100	100	1.600	1.600
. annual	1.700	1.700	100	100	1.600	1.600
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-

EBITDA for the half year was Euro -22,990 thousand compared to a figure of Euro 10,572 thousand in the same period of the previous financial year, a decrease of Euro 33,562 thousand. The change reflects the aforementioned trend in revenues. This effect was partially offset by cost reduction measures relating in particular, during the period under review, to the management of exhibition sites and personnel.

EBIT was Euro -45,304 thousand compared to a figure of Euro -11,877 thousand in the first half of 2020. The change of -33,427 reflects the EBITDA performance.

Profit/(loss) before income tax is Euro -51,490 thousand compared to Euro -18,669 thousand in the first half of 2020.

Income taxes for the half-year period of Euro -26,377 thousand were recognised by applying the estimated annual average tax rate (tax rate method) to the pre-tax profit. Taxes for the period also include the effects of the tax realignment of goodwill, provided for by Art. 110 of Legislative Decree 104/20 as amended by Art. 1 paragraph 83 of Law No.178 of 30/12/2020 (Budget Law 2021). Using this option realised a benefit of Euro 15,882 thousand against a substitute tax cost of Euro 2,015 thousand.

Profit/(loss) for the period of continuing operations amounted to Euro -25,113 thousand (Euro -12,600 thousand in the first half of 2020), while **profit/(loss) for the period from discontinued operations** amounted to Euro 465 thousand and related to the sale of the publishing business unit of Fiera Milano Media SpA (zero balance in the first half of 2020).

Net profit (loss) for the half-year is Euro -24,648 thousand and Euro -24,535 thousand attributable to the shareholders of the **controlling entity** (Euro -12,484 thousand in the first half of 2020) and for Euro -113 thousand attributable to **non-controlling interests** (Euro -116 thousand in the first half of 2020).

The following table shows the **Reclassified Consolidated Statement of Financial Position**.

Reclassified Consolidated Statement of Financial Position (Amounts in €'000)			
	30/06/21	31/12/20	Change
Goodwill	95.036	95.036	-
Intangible assets with a finite useful life	17.069	17.006	63
Right-of-use assets	412.254	431.668	(19.414)
Tangible fixed assets	5.811	7.040	(1.229)
Other non-current assets	63.795	43.062	20.733
A Non-current assets	593.965	593.812	153
Inventory and contracts in progress	7.574	5.557	2.017
Trade and other receivables	31.883	26.705	5.178
Other assets	-	-	-
B Current assets	39.457	32.262	7.195
Trade payables	15.793	19.904	(4.111)
Advances	47.076	30.577	16.499
Tax liabilities	3.202	3.849	(647)
Provisions for risks and charges and other current liabilities	13.371	13.368	3
C Current liabilities	79.442	67.698	11.744
D Net working capital (B - C)	(39.985)	(35.436)	(4.549)
E Gross capital employed (A + D)	553.980	558.376	(4.396)
Employee benefit provisions	9.406	10.062	(656)
Provisions for risks and charges and other non-current liabilities	4.797	11.639	(6.842)
F Non-current liabilities	14.203	21.701	(7.498)
G NET CAPITAL EMPLOYED continuing operations (E - F)	539.777	536.675	3.102
H NET CAPITAL EMPLOYED assets held for sale	-	-	-
TOTAL NET CAPITAL EMPLOYED (G + H)	539.777	536.675	3.102
covered by:			
Equity attributable to the Group	38.545	62.883	(24.338)
Equity attributable to non-controlling interests	237	348	(111)
I Total equity	38.782	63.231	(24.449)
Cash & cash equivalents	(58.683)	(20.442)	(38.241)
Current financial (assets)/liabilities	89.973	93.052	(3.079)
Non-current financial (assets)/liabilities	469.705	400.834	68.871
Net financial debt continuing operations	500.995	473.444	27.551
Net financial debt assets held for sale	-	-	-
L Net financial debt (TOTAL)	500.995	473.444	27.551
EQUITY AND NET FINANCIAL POSITION (I + L)	539.777	536.675	3.102

At 30 June 2021, **non-current assets** totalled Euro 593,965 thousand compared to Euro 593,812 thousand at 31 December 2020. The fall of Euro 153 thousand relates to the balance between investments for Euro 1,303 thousand, depreciation and amortisation for Euro 22,292 thousand, rights of use for Euro 342 thousand, increases in deferred tax assets for Euro 20,944 thousand, measurement of equity investments for Euro -153 thousand, exchange differences for Euro -191 thousand, other changes for Euro -182 thousand.

Net working capital went from Euro -35,436 thousand at 31 December 2020 to Euro -39,985 thousand at 30 June 2021.

The Euro -4,549 thousand change in this figure was due to the following:

- (a) increase in **Current assets** of Euro 7,195 thousand, due to the increase in the item "Trade and other receivables" of Euro 5,178 thousand and the increase in the item "Inventory and contracts in progress" of Euro 2,017 thousand. The change was mainly due to the resumption of exhibition activities as from June;
- (b) increase in **Current liabilities** of Euro 11,744 thousand, mainly due to the increase in the item "Advances" for Euro 16,499 thousand. The change mainly relates to the resumption of exhibition activities from June, which resulted in invoicing customers for events that would take place in the following quarters (in particular Host, Mostra Convegno Expocomfort, Supersalone and Tuttofood). This effect was partially offset by the decrease of Euro 4,111 thousand in the item "Trade payables".

At 30 June 2021, **non-current liabilities** totalled Euro 14,203 thousand compared to Euro 21,701 thousand at 31 December 2020. The change mainly regards the quantification of deferred tax assets on losses generated in the period.

Equity attributable to the Group at 30 June 2021 was Euro 38,545 thousand compared to Euro 62,883 thousand at 31 December 2020, a decrease of Euro 24,338 thousand due to the following: decrease for net profit (loss) for the period of Euro 24,535 thousand, stock grant reserve of Euro 188 thousand, reserve for financial hedging transactions of Euro -360 thousand, other comprehensive income of Euro 227 thousand and exchange rate gains of Euro 142 thousand.

Equity attributable to non-controlling interests amounted to Euro 237 thousand at 30 June 2021 compared to Euro 348 thousand at 31 December 2020, with a decrease of Euro 111 thousand attributable to the net profit (loss) for the period of Euro -113 thousand and Euro 2 thousand to other components of the comprehensive income statement.

The **Group's financial debt** and its composition is shown in the table below.

31/12/20	Group Net Financial Debt (Amounts in € '000)	30/06/21
20.442	A. Cash (including bank balances)	58.683
-	B. Other cash equivalents	-
-	C. Securities held for trading	-
20.442	D. Cash and cash equivalents (A+B+C)	58.683
1.320	E. Current financial assets	2.424
<i>1.320</i>	<i>- E.1 of which Current financial assets to other related parties</i>	<i>2.424</i>
49.018	F. Current bank borrowings	37.011
-	G. Current portion of non-current debt	313
1.743	H. Other current financial liabilities	7.402
<i>1.313</i>	<i>- H.1 of which Other current financial liabilities to the controlling shareholder</i>	<i>6.938</i>
50.761	I. Current financial debt (F+G+H)	44.726
28.999	J. Current net financial debt (cash) (I-E-D)	(16.381)
5.127	K. Non-current financial assets	5.558
<i>50</i>	<i>- K.1 of which non-current financial assets to other related parties</i>	<i>50</i>
-	L. Non-current bank borrowings	86.477
-	M. Debt securities in issue	-
-	N. Trade payables and other non-current liabilities	360
(5.127)	O. Non-current financial debt (-K+L+M+N)	81.279
23.872	Net financial debt from continuing operations (J+O)	64.898
-	Net financial debt from assets held for sale	-
23.872	P. Net financial debt before IFRS 16 effects	64.898
43.611	Q. Current financial liabilities related to the right of use of assets	47.671
<i>42.068</i>	<i>- Q.1 of which current financial liabilities related to the right-of-use assets to the controlling shareholder</i>	<i>46.122</i>
405.961	R. Non-current financial liabilities related to the right of use of assets	388.426
<i>401.848</i>	<i>- R.1 of which non-current financial liabilities related to the right-of-use assets to the controlling shareholder</i>	<i>384.998</i>
449.572	IFRS 16 financial effects	436.097
473.444	S. Total net financial debt (P+Q+R)	500.995

The **Group's financial debt** not including IFRS 16 lease liability at 30 June 2021 showed a net financial debt of Euro 64,898 thousand compared to a net financial debt of Euro 23,872 thousand at 31 December 2020, thereby recording an increase of Euro 41,026 thousand.

The change was driven by cash outflows due to the suspension of the exhibition business in the half year because of the Covid-19 emergency.

The net financial debt including the IFRS 16 lease liability amounted to Euro 500,995 thousand (Euro 473,444 thousand at 31 December 2020).

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)	1st Half at 30/06/21		1st Half at 30/06/20	
		%		%
Revenues from sales and services				
- By operating segment:		%		%
. Italian Exhibitions business	2.882	56,5	49.409	85,1
. Foreign Exhibitions business	35	0,7	1.147	2,0
. Media	937	18,4	3.390	5,8
. Congresses	1.242	24,4	4.151	7,1
Total revenues gross of adjustments for inter-segment transactions	5.096	100,0	58.097	100,0
. Adjustments for inter-segment transactions	(497)		(2.109)	
Total revenues net of adjustments for inter-segment transactions	4.599		55.988	
- By geographic area:				
. Italy	4.564	99,2	54.933	98,1
. Foreign countries	35	0,8	1.055	1,9
Total	4.599	100,0	55.988	100,0
EBITDA		%		%
- By operating segment:		on revenues		on revenues
. Italian Exhibitions business	(20.405)	(708,0)	11.854	24,0
. Foreign Exhibitions business	(501)	(1.431,4)	(1.042)	(90,8)
. Media	(770)	(82,2)	183	5,4
. Congresses	(1.314)	(105,8)	(417)	(10,0)
. Adjustments for inter-segment transactions	-		(6)	
Total	(22.990)	(499,9)	10.572	18,9
- By geographic area:				
. Italy	(22.489)	(492,7)	11.706	21,3
. Foreign countries	(501)	(1.431,4)	(1.134)	(107,5)
Total	(22.990)	(499,9)	10.572	18,9
EBITDA		%		%
- By operating segment:		on revenues		on revenues
. Italian Exhibitions business	(40.117)	(1.392,0)	(7.899)	(16,0)
. Foreign Exhibitions business	(620)	(1.771,4)	(1.207)	(105,2)
. Media	(814)	(86,9)	135	4,0
. Congresses	(3.753)	(302,2)	(2.900)	(69,9)
. Adjustments for inter-segment transactions	-		(6)	
Total	(45.304)	(985,1)	(11.877)	(21,2)
- By geographic area:				
. Italy	(44.683)	(979,0)	(10.578)	(19,3)
. Foreign countries	(621)	(1.774,3)	(1.299)	(123,1)
Total	(45.304)	(985,1)	(11.877)	(21,2)
Employees (no. of permanent employees at the end of the period)				
- By operating segment:		%		%
. Italian Exhibitions business	504	73,7	506	71,1
. Foreign Exhibitions business	94	13,7	105	14,7
. Media	36	5,3	52	7,3
. Congresses	50	7,3	49	6,9
Total	684	100,0	712	100,0
- By geographic area:				
. Italy	590	86,3	607	85,3
. Foreign countries	94	13,7	105	14,7
Total	684	100,0	712	100,0

Revenues from sales and services at 30 June 2021 before elimination of transactions among the business segments of the Group were Euro 5,096 thousand, of which 57% was generated by Italian Exhibitions Business, 1% by Foreign Exhibitions Business, 18% by the Media segment and 24% by the Congress segment.

- **Revenues from the Italian Exhibitions Business** were Euro 2,882 thousand, a decrease of approximately Euro 46,527 thousand compared to the figure for the same half of the previous year (Euro 49,409 thousand). The changes in the half year are mainly related to the suspension of activities in Italy due to the Covid-19 pandemic, set in comparison with the first half of 2020, which saw normal operations until the end of February.
- Revenues from the **Foreign Exhibitions Business** amounted to Euro 35 thousand, decreasing by Euro 1,112 thousand over the same half of the previous year (Euro 1,147 thousand). The decrease is due to the suspension of exhibition activities because of Covid-19.
- Revenues in the **Media** segment totalled Euro 937 thousand in the first half of the year, Euro 2,453 thousand lower than the figure for the same half of 2020 (Euro 3,390 thousand). The change was almost entirely attributable to the cancellation of exhibitions compared to the first half of 2021.
- Revenues from **Congresses** amounted to Euro 1,242 thousand, falling by Euro 2,909 thousand over the same half of the previous year (Euro 4,151 thousand). The decrease is attributable to the suspension of congress activities because of Covid-19.

The breakdown by segment of the **EBITDA** of Euro -22,990 thousand, which compared to Euro 10,572 thousand in the same period of the previous financial year, was as follows:

- **Italian Exhibitions Business:** recorded an EBITDA of Euro -20,405 thousand compared to Euro 11,854 thousand in the same period of the previous financial year. The change was mainly due to the aforementioned trend in revenues. This effect was partially offset by cost reduction measures relating in particular, to the management of exhibition sites and personnel.
- **Foreign Exhibitions Business:** EBITDA of Euro -501 thousand compared to Euro -1,042 thousand in the same period of the previous financial year. The increase was mainly due to the result of the joint venture with the partner, Deutsche MESSE AG, which in the same half of 2020 had seen the suspension of exhibition activities in China due to the Covid-19 epidemic, which hit the country from January 2020 onwards.
- **Media:** EBITDA was Euro -770 thousand compared to Euro 183 thousand in the same half of 2020. The change reflected the trend in revenues. This effect was partially offset by the lower impact of operating costs, including the lower cost of personnel transferred with the business unit.
- **Congresses:** EBITDA was Euro -1,314 thousand, compared to Euro -417 thousand in the same half of 2020. The change in the half year was mainly attributable to the already highlighted trend in revenues. This effect was partially offset by cost containment actions such as the use of the Salary Integration Fund (FIS), the suspension and/or renegotiation of contracts pertaining to the exhibition site, the postponement of promotional activities to subsequent months.

The **EBIT** of the four operating segments totalled Euro -45,304 thousand compared to Euro -11,877 thousand in the same period of the previous year.

The breakdown by geographic area in the first half shows revenues from foreign activities of Euro 35 thousand compared to Euro 1,055 thousand in the same period of the previous year. EBITDA was Euro -501 thousand, compared to the figure for the first half of the previous year (Euro -1,134 million) whilst EBIT was Euro -621 thousand compared to an EBIT of Euro -1,299 thousand, an increase of Euro 678 thousand compared to the figure for the same period of the previous year.

Exhibitions directly organised by the Group occupied 82,755 square metres of net exhibition space, equivalent to approximately 100% of the total exhibition space occupied.

During the half year, 1 event was held in the two exhibition sites of **fieramilano** and **fieramilanocity**.

Exhibitions in Italy occupied net exhibition space totalling 5,965 square metres compared to 273,785 square metres in the first half of the previous year. The number of exhibitors rose from 5,085 in the first half of 2020 to 245 in the first half of 2021.

Details of exhibitions held in Italy are given in the following table (figures have been rounded so as to facilitate reading and comparison of the figures).

Italian exhibition portfolio				
	Net sq. metres of exhibition space		Number of exhibitors	
	1st Half to 30/06/21	1st Half to 30/06/20	1st Half to 30/06/21	1st Half to 30/06/19
Annual Exhibitions:				
<u>Directly organised</u>				
- Bit	a)	17.365	175	255
- SposaItalia	5.965	c)	70	c)
- HOMI	b)	60.090	b)	585
- HOMI Fashion&Jewels (I semestre)	c)	13.215	c)	545
- Promotion Trade Exhibition	b)	4.780	b)	140
Total annual exhibitions directly organised	5.965	95.450	245	1.525
<u>Hosted</u>				
- LineaPelle (I semestre)	c)	46.150	c)	1.110
- Milano Unica (primavera)	c)	30.575	c)	450
- Mipel (marzo)	c)	7.330	c)	240
- Simac Tanning Tech	c)	18.250	c)	295
- The Micam (primavera)	c)	58.065	c)	1.190
- The ONE Milano (febbraio)	c)	10.835	c)	180
Total annual exhibitions hosted	-	171.205	-	3.465
Total annual exhibitions	5.965	266.655	245	4.990
TOTAL EXHIBITIONS	5.965	266.655	245	4.990
- Congresses with related exhibition space	-	7.130	-	95
TOTAL	5.965	273.785	245	5.085

a) The exhibition was held in digital form.
b) The exhibition will take place in subsequent quarters.
c) The exhibition did not take place.

In the first half of the year, 4 exhibitions were held in foreign exhibition centres and the net exhibition space occupied totalled 76,790 square metres compared to 3,910 square metres in the same period of the previous financial year. The number of exhibitors went from 100 in the first half of 2020 to 1,700 in the first half of 2021.

Details of exhibitions held abroad in the first half of 2021 are given in the following table (figures have been rounded so as to facilitate reading and comparison of the figures).

Foreign Exhibition portfolio				
	Net sq. metres of exhibition space		Number of exhibitors	
	1st Half to 30/06/20	1st Half to 30/06/19	1st Half to 30/06/20	1st Half to 30/06/19
Annual Exhibitions:				
<u>Exhibitions in China</u>				
- Chengdu International Industry Fair *	12.345	-	305	-
- Chinafloor Domotex Shanghai °	51.070	b)	990	b)
- Let China Guangzhou	9.935	b)	365	b)
- Metal + Metallurgy	3.440	b)	40	b)
Total Exhibitions in China	76.790	-	1.700	-
<u>Exhibitions in South Africa</u>				
- Cape Town Art Fair	a)	3.910	a)	100
Total Exhibitions in South Africa	-	3.910	-	100
Total Annual Exhibitions	76.790	3.910	1.700	100
TOTAL EXHIBITIONS	76.790	3.910	1.700	100
* First edition of this exhibition.				
° The exhibition was organised in partnership.				
a) The exhibition did not take place.				
b) The exhibition was held/will be held in subsequent quarters.				

Information on related-party transactions

Note 38 of the Illustrative Notes to the Accounts of the present half-year financial report provides information on related-party transactions.

Group personnel

At 30 June 2021, Group employees totalled 684. The breakdown compared to 31 December 2020 was as follows:

31/12/20			Permanent employees at period end (units)	30/06/21			30/06/20		
Total	Italy	Foreign countries		Total	Italy	Foreign countries	Total	Italy	Foreign countries
			Fully consolidated companies:						
25	24	1	Executives	25	24	1	26	25	1
597	565	32	Managers and White collar workers (including Journalists)	579	550	29	598	566	32
622	589	33	Total	604	574	30	624	591	33
			Equity-accounted companies (a):						
5	2	3	Executives	5	2	3	5	2	3
80	14	66	White collar workers	75	14	61	83	14	69
85	16	69	Total	80	16	64	88	16	72
707	605	102	TOTAL	684	590	94	712	607	105
			(a) the indicated data corresponds to the pro-quota of total employees						

Compared to 31 December 2020, the number of employees on permanent contracts was down by 23, mainly due to the sale of the publishing business of Fiera Milano Media SpA.

Risk factors affecting the Group

Risk management in the Fiera Milano Group

Fiera Milano uses an 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.

The main factor of uncertainty of the global macroeconomic context is certainly linked to the effects of the Covid-19 pandemic, which has overshadowed other factors such as the US-China customs war, which has gone through ups and downs, and Brexit.

globally in 2020, GDP fell by 3.3%¹, advanced economies declined by 4.7%, while emerging and developing markets saw a contraction of 2.2%.

The Eurozone as a whole saw its GDP contract by 6.6%, while Italy's GDP ended 2020 with a drop of 8.9%. For 2021, thanks in part to the progress of vaccination campaigns, the European Commission² forecasts a gradual recovery, equal to +5.0% in 2021 and +4.2% in 2022. An important contribution to the rise in GDP is expected to come from the positive effects of the European funds that Italy is expecting under the Next Generation EU (NG-EU) programme.

Italian exports of goods and services are also expected to recover by 11.4% in 2021, compared to a decline of 13.8% in 2020. The average figure hides very differing trends in the goods and services sectors, as foreign sales of goods fell by 10.2% in 2020 and are expected to recover fully as early as 2021 (+10.2%), while Italian trade in services fell by 30.6% in 2020 and is expected to only partially recover in 2021 (+18.3%). The performance in this area was heavily impacted by the restrictions placed on the tourism sector, as seen in other European countries with a strong vocation for tourism such as Spain.

The exhibition sector has been one of the hardest hit by the pandemic as a result of measures banning mass gatherings put in place by the various governments. It is estimated that the decline in 2020 turnover of the global exhibition industry will be around 68%³. In fact, Europe's main countries reported falls of more than 70% in terms of square metres compared to 2019 (76% in Italy). Forecasts for the future hinge on the progress of vaccination campaigns and the consequent easing of restrictions on flights and crowds of people. The Digital Green Pass, which comes into force EU-wide on 1 July 2021, will encourage the revival of air transport, which is essential for participation in international trade fairs and congresses. For the second half of 2021, the AMR

¹ IMF, World Economic Outlook Update, April 2021

² EU Commission, July 2021

³ Ufi Global Barometer, January 2021

consultancy expects a gradual return to in-person exhibitions: the recovery rate, calculated as the ratio of trade fairs scheduled between July and December 2021 to the same period in 2019 (pre-crisis), is estimated at 70%⁴.

Fiera Milano also faces an increase in the level of competition in the exhibition sector, with particular reference to the European and national context, triggered 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.

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 2021-2025 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 since the start of the pandemic have contained changing guidelines depending on the status of the pandemic at the time and have generally covered limited time periods, which has brought increased uncertainty for sector operators. To deal with these critical issues, in the first half of 2020, the Group launched an advocacy initiative with government and regional institutions to safeguard the interests of the Group and the exhibition and congress sector, including through research and identification of the best channels through which to protect their 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 conferences). In particular, the Institutional Relations & Corporate Communication Department, including through the External Relations Office, deals with the continuous legal/regulatory monitoring, with reports to management.

Cancellation or postponement of events due to the Covid-19 pandemic

The ongoing pandemic situation during most of the first half of 2021 prevented exhibition and congress events being held. In particular, the upsurge caused by the spread of the so-called English variant, which peaked at the end of March, led organisers to reschedule or cancel a number of events originally planned in May and June, including the hosted exhibitions Lamiera, Made in Steel and Mido and the direct exhibitions Transpotec Logitec and BIT, the latter held in digital-only format in the second half of May.

On 22 April, the "Reopening" decree-law was approved, containing a series of urgent measures for the gradual recovery of economic and social activities, which provided for exhibitions to be held in the yellow zone from 15 June 2021 and congresses and conventions from 1 July 2021. Thanks to these provisions, it was possible to restart activities with the direct Si Sposaitalia event on 25-27 June and the Milano Unica hosted event on 6 and 7 July, with safety anti-Covid protocol measures in line with the provisions of the Ministry of Health order of 28 May and with financial results in line with expectations.

⁴ AMR Tracker, 2021

The calendar of exhibitions and congresses for the period September-December 2021 is expected to be full (around 30 exhibitions) but the size of the events is likely to be smaller than pre-Covid, both in terms of square metres and numbers of exhibitors and professional visitors.

This is due on one hand, to the lower spending capacity and therefore reduced marketing and promotion budgets of exhibiting companies due to the economic and financial difficulties caused by the pandemic, and on the other, ongoing restrictions on international mobility, particularly on non-European routes, which slow down the flow of exhibitors and buyers.

Although the pandemic situation is still uncertain, with the spread of new variants (e.g. the delta variant), there are signs of optimism as a result of the rapid progress of the vaccination campaigns in the main European countries and the progressive increase in the percentage of the immunised population, as well as from the Green Pass system, which came into force on 1 July, facilitating mobility within the EU area, a fundamental requirement to guarantee operator participation in international exhibitions and congresses.

In this context, the transition towards new formats for exhibitions/congress events of a hybrid physical+digital nature (the so-called phygital model) and related activities to develop digital platforms able to provide new content and services to be made available to customers continue.

Overall, as things stand at present, an autumn recovery of exhibition and congress activities is expected, with a probable reduction in the main KPIs of events (numbers of square metres, exhibitors and visitors) compared to pre-Covid, due to the factors mentioned above. However, there is likely to be greater stability health wise compared to the recent past, thanks above all to the progression of vaccination coverage in the coming months both at national level and, hopefully, in the main European countries.

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 2021-2025 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, Fiera Milano Media SpA, 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. In particular, in 2020 Fiera Milano Media SpA continued to develop new products in the Business International division (Education segment). Specifically, starting in March 2020, in response to the pandemic, Business International's entire managerial and corporate educational programme started operating remotely through digital platforms with networking, matchmaking and participant engagement capabilities.

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, the commercial offer is managed by the structures of Fiera Milano SpA in the sales and design and cost estimate phases, while the execution phase of orders is managed by the operational area (engineering, logistics and construction sites) 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 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. The MiCo congress centre, managed by the Fiera Milano Congressi subsidiary company, obtained Healthy Venue "Gold" certification from the World Obesity Federation; "Gold" level is awarded to companies that pay extra attention to catering, to the promotion of initiatives and to their employees.

Moreover, 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 in 2020, and in the first half of 2021, obtaining 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; (iv) ISO 20121:2013 – Event Sustainability Management System. Migration to the ISO 45001:2018 Occupational Health and Safety Management System standard, replacing OHSAS 18001:2007, is planned for the first half of 2021.

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 ITMA (2023), EMO (October 2021) and CPPI (November 2021) and, in line with the contents of the 2021-2025 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.

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 undertaken a Business Continuity Management path, 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 conferences 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 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; ensuring replacement can take place over a short space of time. The Group has a list of qualified suppliers covering all relevant product categories, from which it can draw on to begin market exploration. Moreover, with a view to restarting operations in 2021 after the shutdown imposed by Covid-19, the Purchasing Department relies on the Supplier Quality unit for periodic monitoring of the financial and operating health of the Group's main suppliers.

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 growing use of network-based technologies and business models that enable sensitive information to be sent and shared through virtual spaces (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 cybersecurity 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) end point 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.

Furthermore, the Group’s IT Security department systematically carries out vulnerability assessments and penetration tests (VAPT) aimed at verifying the robustness of the ICT environment’s security measures and there are plans to activate the SOC - Security Control Centre service, managed by a service provider that will provide support in detecting security incidents and implementing the corresponding containment and resolution measures, over the course of 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.

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.

Finally, the Group implemented a succession & management continuity plan to identify potential successors for key positions within the Group. This plan involves identifying individuals with great potential to replace those responsible for certain strategic areas for the Group in the future, including through training and skills development plans.

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 2021-2025 Strategic 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; furthermore, the sudden change in working methods, with the mass and prolonged use of 'home-working', has potentially impacted on people's private lives in terms of increased family pressures and difficulties in striking a healthy work-life balance.

In response to this, the company has planned a series of actions, including the launch of an engagement survey on the company population, the provision of a training plan financed by the FNC - Fondo Nuove Competenze (New Skills Fund), set up by Legislative Decree 34/20 ("Decreto Rilancio"), focusing on the development of digital skills, and an "agile work" project.

Insurance cover for Covid-19 was also renewed for 2021 for all Group employees.

Risks associated with undeclared working practices used in the Group's supply chain

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 the above practices 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, 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).

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.

Fiera Milano carries out document controls on access badges for suppliers with a higher number of workers, thanks to the use of an entrance database managed by the Security department, in order to check people present in the authorised subcontractor area, based on the contract awarded to the suppliers and/or service provider.

In February 2020, a permanent Observatory was set up to combat the irregular and undeclared work, aimed at promoting maximum dissemination of the culture of legality, following the signing of a Memorandum of Understanding with the Milan Prefecture and some social partners on prevention and the protection of labour in the exhibition sites managed by Fiera Milano.

Business third-party dependency and reliability

The value proposition of the 2021-2025 Strategic Plan for the service sector includes the development of partnerships in a number of areas, such as i) traditional services (e.g: designers/producers) (ii) digital services (e.g. tech companies, digital marketplace providers), iii) content services (e.g. publishers). There is therefore a risk of dependence on the know-how of business partners in the development of services (both traditional and digital) as well as risk relating to their reliability in terms of quality, expertise, reputation and integrity.

In order to deal with this type of risk, during the period of the Plan the Group will set up third-party management processes, which will include mechanisms for the due diligence, selection and monitoring of counterparties, with the aim of combining the need for business growth and value creation with appropriate risk appetite and management policies.

Risks of potential repercussions from a lack of transparency in transactions with supplier base

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 media exposure. The Covid-19 pandemic lockdown and the consequent economic and financial crisis that has impacted businesses potentially had 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. 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 the 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.

Regarding the management of procurement and accounts payable, further in-depth actions are in progress such as audit activities as well as the development of new support information systems.

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 has been introduced for members of

the company functions in contact with suppliers belonging to medium and high risk product classes.

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. In 2021, the procedure will be updated to make it compliant with the European Directive 2019/1937.

3. Legal/compliance risks

Risks related to the reference legal framework on health and safety

The activities of the Group, particularly those carried out in the exhibition and congress sites, and the number of persons (employees, suppliers, exhibitors, visitors, congress attendees and those involved in setting up exhibitions, etc.) that transit or work in the exhibition sites, expose the Group companies to the risk of accidents or breaches of the legislation governing workplace health and safety (Consolidated Law 81/2008). Such breaches, should they occur, may expose the Group to the application of substantial sanctions or, in the event of an accident, to legal proceedings with negative repercussions for the Group's finances and assets as well as for its reputation.

In addition, the Group also uses many suppliers for the provision of exhibition-related services, for which specific procurement legislation is applicable. Although the Fiera Milano Group does not have any relationship with workers of contractors, Group companies could be held jointly responsible with the contractors for the payment of tax and social security contributions for workers carrying out the contracts. Therefore, the Group is exposed to the risk of administrative sanctions (also under the provisions of Italian Legislative Decree 231/2001) and interruption of its business for breaches of the relevant laws, including workplace health and safety and the regulations governing remuneration and social security, by construction companies and unauthorised sub-contractors.

To mitigate potential negative effects of the risk factors listed above, aside from contractual protection mechanisms, the Fiera Milano Group has adopted a series of various types of procedural and organisational oversight mechanisms, 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 measures taken by the relevant authorities in terms of health and safety, the Group (i) adopted the AEFI regulatory protocol to curb the spread of Covid 19 in exhibitions and trade fair events, updated in February 2021 and referred to in the Ministry of Health Order of 28 May 2021, which also provides for Covid-19 green certifications to be held by those participating in activities related to the organisation of exhibition events (ii) prepared in May 2020 and updated in June 2021, a DVR - Risk Assessment Document on the biological risk from Covid-19 and (iii) adopted a Regulatory Protocol, the latest version of which is dated April 2021, of measures to combat and curb the spread of Covid-19 in the Fiera Milano S.p.A. working environment, 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 2020, 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.

The Company provides continuous and systematic training on 231 issues to the employees of the Group's Italian companies.

With regard to foreign subsidiaries, which are not subject to Regulation 231, in 2019, Guidelines for the application by Foreign Subsidiaries of Anti-Corruption Principles and Compliance Programme were adopted by CIPA FM (Brazil) and FMEA (South Africa); in the first half of 2021, training on the aforementioned Guidelines was provided to CIPA FM employees.

Compliance risk regarding data protection (privacy)

As part of its activities, the Company and the companies within the Group 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. The company, along with the other companies within the Group, 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 global 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 Interim Consolidated Financial Statements.

Key data of the companies of the Group

Key data of the companies of the Group data compliant with IAS/IFRS		
	1st Half at 30/06/21 (€ '000)	1st Half at 30/06/20 (€ '000)
Fully consolidated companies		
Fiera Milano SpA		
Revenues from sales and services	2.808	49.037
EBITDA	(18.429)	10.179
Employees	444	445
Net financial debt	474.872	424.228
Nolostand SpA		
Revenues from sales and services	3.742	9.668
EBITDA	1.019	2.121
Employees	40	41
Net financial debt	(890)	1.739
Fiera Milano Media SpA		
Revenues from sales and services	937	3.390
EBITDA	(770)	183
Employees	36	52
Net financial debt	(2.221)	(2.017)
Fiera Milano Congressi SpA		
Revenues from sales and services	1.243	4.151
EBITDA	(1.144)	(328)
Employees	42	41
Net financial debt	28.000	26.116
MADE eventi Srl		
Revenues from sales and services	-	14
EBITDA	(307)	(304)
Employees	12	12
Net financial debt	1.149	564
CIPA Fiera Milano Publicações e Eventos Ltda		
Revenues from sales and services	35	318
EBITDA	(500)	(738)
Employees	27	29
Net financial debt	257	(781)
Fiera Milano India Pvt Ltd*		
Revenues from sales and services	-	-
EBITDA	-	(3)
Employees	-	-
Net financial debt	-	(47)

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Key data of the companies of the Group data compliant with IAS/IFRS	1st Half at 30/06/21 (€ '000)	1st Half at 30/06/20 (€ '000)
Fiera Milano Exhibitions Africa Pty Ltd		
Revenues from sales and services	-	828
EBITDA	(55)	207
Employees	3	4
Net financial debt	(634)	(667)
List of jointly controlled companies equity-accounted		
Hannover Milano Global Germany GmbH		
Revenues from sales and services	6.365	4.255
EBITDA	554	(1.318)
Employees	130	146
Net financial debt	(16.331)	(20.982)
Ipack Ima Srl		
Revenues from sales and services	-	-
EBITDA	(291)	(237)
Employees	16	16
Net financial debt	1.204	(11)
MiCo Dmc Srl		
Revenues from sales and services	85	1.568
EBITDA	(401)	(214)
Employees	16	16
Net financial debt	(916)	(1.414)
* Company in liquidation		

Significant events after the end of the reporting period

On 21 July 2021, paid the contribution of Euro 10 million from the Integrated Promotion Fund (FPI) to meet fixed costs not covered by profits.

Business outlook

Despite the still uncertain public-health situation, with the spread of new variants of Covid-19 (e.g. the Delta variant), the current situation is more stable than in the recent past. This is due mainly to the increase in vaccine uptake and the Green Pass system, which came into force on 1 July, facilitating mobility within the EU area, which is key to ensuring participation in international exhibitions and congresses.

The exhibition calendar for the period September-December 2021 promises to be very busy, with more than 30 on the calendar. However expected levels of attendance and occupancy are lower than initially estimated. In particular, the main performance indicators for the scheduled September special edition of Salone del Mobile and other exhibitions were down on previous quarters.

This situation has led the Company to revise its estimates only for the current year. Based on the information currently available, EBITDA is expected to be between Euro 23-28 million and net financial debt before IFRS 16 effects in the range of Euro 24-28 million.

It should be noted that the estimate of the new EBITDA range includes the collection of Euro 10 million related to government grants under the "de minimis" regime and the benefits of other actions on the cost containment front, including the ongoing rent payment renegotiation with the controlling shareholder Fondazione Fiera Milano, based on technical parameters in line with the previous year.

Therefore, Fiera Milano's financial situation is balanced and, as at 30 June 2021, the financial covenants relating to existing medium- and long-term loan agreements are fully respected. The level of debt ensures the operational flexibility needed to plan 2022 schedules and seize any growth opportunities that may arise.

On the basis of that described above, with reference to the current forecast earnings for 2021 and the Connect plan, and taking into account the forecasts of the working capital and the financial and equity situation, the condensed six-month interim financial statement have been drawn up on a going-concern basis. The half-year financial report also describes the estimates and uncertainties taken into account, which the Board of Directors will continue to monitor and which are mainly related to the impact of the Covid-19 pandemic on earnings, financial performance and the balance-sheet stability of the Company and the Group."

Interim Condensed Consolidated Financial Statements at 30 June 2021

- **Consolidated Financial Statements**
- **Illustrative Notes to the Interim Condensed Consolidated Financial Statements**
- **Attachments:**
 - 1. List of companies included in the consolidation area and other investments**

		(€ '000)	
notes	Consolidated Statement of Financial Position	30/06/21	31/12/20
ASSETS			
Non-current assets			
4	Property, plant and equipment	5.811	7.040
4	Right-of-use assets	412.254	431.668
38	<i>of which from related parties</i>	407.431	426.153
	Investments in non-core property	-	-
5	Goodwill	95.036	95.036
5	Intangible assets with a finite useful life	17.069	17.006
2-6	Equity accounted investments	16.164	16.226
6	Other investments	82	82
9-38	Other financial assets	5.558	5.127
6	Trade and other receivables	23.345	23.471
38	<i>of which from related parties</i>	23.241	23.373
6	Deferred tax assets	24.204	3.283
	Total	599.523	598.939
Current assets			
7	Trade and other receivables	31.883	26.705
38	<i>of which from related parties</i>	9.667	8.678
8-38	Inventories	7.574	5.557
	Contracts in progress	-	-
9	Financial assets	2.424	1.320
38	<i>of which from related parties</i>	2.424	1.320
10	Cash and cash equivalents	58.683	20.442
	Total	100.564	54.024
Assets held for sale			
	Assets held for sale	-	-
	Total assets	700.087	652.963
EQUITY AND LIABILITIES			
11	Equity		
	Share capital	42.284	42.284
	Share premium reserve	10.256	10.256
	Revaluation reserve	-	-
	Other reserves	1.678	1.708
	Retained earnings	8.862	42.578
	Profit/(loss) for the period	(24.535)	(33.943)
	Total Group equity	38.545	62.883
	Equity attributable to non-controlling interests	237	348
	Total equity	38.782	63.231
Non-current liabilities			
	Bonds in issue	-	-
12	Bank borrowings	86.477	-
13	Financial liabilities related to the right-of-use of assets	388.426	405.961
38	<i>of which from related parties</i>	384.998	401.848
13	Other financial liabilities	360	-
14	Provision for risks and charges	72	379
15	Employee benefit provisions	9.406	10.062
18	Deferred tax liabilities	4.053	11.260
19	Other liabilities	672	-
	Total	489.466	427.662
Current liabilities			
	Bonds in issue	-	-
12	Bank borrowings	37.324	49.018
16	Trade payables	15.793	19.904
17-38	Advances	47.076	30.577
13	Financial liabilities related to the right-of-use of assets	47.671	43.611
38	<i>of which from related parties</i>	46.122	42.068
13	Other financial liabilities	7.402	1.743
38	<i>of which to related parties</i>	6.937	1.313
14	Provision for risks and charges	1.516	1.777
18	Tax liabilities	3.202	3.849
19-38	Other liabilities	11.855	11.591
	Total	171.839	162.070
Liabilities held for sale			
	Liabilities held for sale	-	-
	Total equity and liabilities	700.087	652.963

		(€ '000)	
notes	Consolidated Statement of Comprehensive Income	1st Half at 30/06/21	1st Half at 30/06/20
23	Revenues from sales and services	4.599	55.988
38	<i>of which with related parties</i>	741	3.616
	Total revenues	4.599	55.988
24	Cost of materials	226	1.311
25	Cost of services	12.991	29.285
38	<i>of which with related parties</i>	187	1.243
26	Cost of use of third-party assets	145	256
27-38	Personnel expenses	16.269	17.285
28-38	Other operating expenses	967	1.234
	Total operating expenses	30.598	49.371
29-38	Other income	3.442	1.188
30	Results of equity accounted associates and joint ventures	(160)	(737)
31	Provisions for doubtful receivables and other provisions	273	(3.504)
	EBITDA	(22.990)	10.572
32	Depreciation of property, plant and equipment and right-of-use assets	20.986	21.333
	Depreciation of property investments	-	-
32	Amortisation of intangible assets	1.306	1.116
33	Adjustments to asset values	22	-
	EBIT	(45.304)	(11.877)
34-38	Financial income and similar	603	142
34	Financial expenses and similar	6.789	6.933
38	<i>of which with related parties</i>	5.935	6.376
	Valuation of financial assets	-	-
	Profit/(loss) before tax	(51.490)	(18.668)
35	Income tax	(26.377)	(6.068)
	Profit/(loss) for the period from continuing operations	(25.113)	(12.600)
	Profit/(loss) for the period from discontinued operations	465	-
36	Profit/(loss) for the period	(24.648)	(12.600)
	Profit/(loss) attributable to:		
	The shareholders of the controlling entity	(24.535)	(12.484)
	Non-controlling interests	(113)	(116)
	Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss for the period		
11	Revaluation of defined benefit schemes	292	75
	Tax effects	(70)	(17)
	Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss of the period		
11	Currency translation differences of foreign subsidiaries	51	(749)
	Other comprehensive income/(loss) of equity accounted associates and joint ventures that will not be reclassified subsequently to profit or loss for the period		
2	Revaluation of defined benefit schemes	9	14
	Tax effects	(2)	(3)
	Currency translation differences of foreign subsidiaries	91	(72)
	Other comprehensive income/(loss) for the period net of related tax effects	371	(752)
	Total comprehensive income/(loss) for the period	(24.277)	(13.352)
	Total comprehensive income/(loss) for the period attributable to:		
	The shareholders of the controlling entity	(24.166)	(13.238)
	Non-controlling interests	(111)	(114)
37	Earnings/(losses) per share (€)		
	Basic	(0,3435)	(0,1753)
	Diluted	(0,3435)	(0,1753)

(€ '000)

notes	Consolidated Cash Flows	1st Half at 30/06/21	1st Half at 30/06/20
	Net cash at beginning of the period from continuing operations	20.442	68.031
	Net cash at beginning of the period from assets held for sale	-	-
	Cash flow from operating activities		
10	Net cash arising from operations	(20.446)	(11.629)
38	of which from related parties	264	(4.259)
20	Interest paid	-	(10)
20	Interest paid on financial liabilities related to the right-of-use of assets	(5.980)	(6.469)
38	of which from related parties	(5.908)	(6.375)
20	Interest received	7	173
	Total from continuing operations	(26.419)	(17.935)
	Total from assets held for sale	465	-
	Cash flow from investing activities		
4	Investments in tangible assets	-	(1.999)
5	Investments in intangible assets	(1.266)	(613)
	Total from continuing operations	(1.266)	(2.612)
	Total from assets held for sale	-	-
	Cash flow from financing activities		
9	Non-Current financial assets	-	(5.000)
9	Non-current financial liabilities	86.477	-
9	Current financial assets	(1.111)	(561)
12-13-20	Current financial liabilities related to the right-of-use of assets	(13.817)	(17.022)
38	of which from related parties	(11.343)	(16.144)
12-13-20	Current financial liabilities	(6.070)	24.500
38	of which from related parties	5.624	(449)
11	Dividends paid	-	(9.314)
	Total from continuing operations	65.479	(7.397)
	Total from assets held for sale	-	-
11	Total translation differences	(18)	(908)
	Net cash for the period from continuing operations	37.794	(27.944)
	Net cash for the period from assets held for sale	465	-
	Net cash at the end of the period	58.683	39.179

(€ '000)

	1st Half at 30/06/21	1st Half at 30/06/20
Net cash arising from operations		
Result of continuing operations	(25.113)	(12.600)
<i>Adjustments for:</i>		
Profit from equity accounted investments	160	737
Depreciation and Amortisation	22.292	22.449
Financial income and expenses	(431)	316
Financial expenses related to the right-of-use of assets (IFRS 16)	5.980	6.469
Personnel costs "Performance Shares Plan"	188	-
Net change in employee provisions	(365)	52
Changes in deferred taxes	(28.197)	(4.891)
Inventories	(2.017)	(1.868)
Trade and other receivables	(5.052)	17.426
Trade payables	(4.111)	(21.825)
Pre-payments	16.499	(12.302)
Tax payables	(647)	1.453
Provisions for risks and charges and other liabilities (excluding payables to Organisers)	(158)	(7.186)
Payables to Organisers	526	141
Total	(20.446)	(11.629)

Consolidated Statement of Changes in Equity

(€'000)

note 11	Share capital	Share premium reserve	Other reserves	Retained profits/(losses)	Profit/(loss) for the period	Total Group equity	Capital and reserves attributable to non-controlling interests	Profit/(loss) for the financial period 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 31.12.19:	-	-	-	34.425	(34.425)	-	(97)	97	-	-
<i>use of reserves</i>	-	-	-	-	-	-	-	-	-	-
<i>dividend distribution</i>	-	-	-	(9.314)	-	(9.314)	-	-	-	(9.314)
Fair value stock grant	639	932	(1.571)	-	-	-	-	-	-	-
Remeasurement of defined benefit plans	-	-	-	67	-	67	2	-	2	69
Total comprehensive income for the period	-	-	(821)	-	(12.484)	(13.305)	-	(116)	(116)	(13.421)
Balance at 30 June 2020	42.284	10.256	2.008	42.660	(12.484)	84.724	582	(116)	466	85.190
	Share capital	Share premium reserve	Other reserves	Retained profits/(losses)	Profit/(loss) for the period	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 2020	42.284	10.256	1.708	42.578	(33.943)	62.883	557	(209)	348	63.231
Allocation of earnings at 31.12.20:	-	-	-	(33.943)	33.943	-	(209)	209	-	-
<i>use of reserves</i>	-	-	-	-	-	-	-	-	-	-
<i>dividend distribution</i>	-	-	-	-	-	-	-	-	-	-
Fair value stock grant	-	-	188	-	-	188	-	-	-	188
Hedge reserve	-	-	(360)	-	-	(360)	-	-	-	(360)
Remeasurement of defined benefit plans	-	-	-	227	-	227	2	-	2	229
Total comprehensive income for the period	-	-	142	-	(24.535)	(24.393)	-	(113)	(113)	(24.506)
Balance at 30 June 2021	42.284	10.256	1.678	8.862	(24.535)	38.545	350	(113)	237	38.782

Illustrative Notes to the Interim Condensed Consolidated Financial Statements

The Fiera Milano Group Interim Condensed Consolidated Financial Statements at 30 June 2021 were approved and their publication authorised by the Board of Directors on 28 July 2021.

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 greater concentration of exhibitions in the period from January – June; (ii) exhibitions that have a multi-annual frequency.

For further details on the Group structure, reference should be made to the relevant section of the Interim Report on Operations.

Covid-19 and its effects on the half-year consolidated financial statements

The results for the first half of 2021 were still strongly impacted by the suspension of exhibition and congress activities following the measures adopted by the Government to combat the pandemic and curb the spread of Covid-19 infections, extended until 15 June 2021.

The Group took steps to reschedule the events scheduled for the period and has continued its efforts to contain operating and personnel costs, including use of the Salary Integration Fund (FIS).

The impact of the Covid-19 pandemic on the financial position, the economic results of the period and those expected for the entire year, the financial debt and on the risks and uncertainties attributable to it are shown in the specific chapter of the Interim report on operations, "Summary of results and significant events in the semester", "Risk factors affecting the Group", "Business outlook" and "Liquidity risk" into the Illustrative Notes.

1) Accounting standards and consolidation criteria

Standards used to prepare the Financial Statements

These Consolidated Interim Financial Statements were prepared in accordance with IAS 34 – *Interim Financial Reporting* and must therefore be read in conjunction with the Consolidated Financial Statements for the financial year to 31 December 2020.

Given the capital and financial position of the first six months of 2021, the financial forecasts in the budget and in the 2021-2025 strategic plan called "CONN.E.C.T. 2025", approved by the Board of Directors on 22 February 2021, and subsequent revisions and taking into account the forecasts for working capital requirements and for the financial and capital position of the Group, the Interim Condensed Consolidated Financial Statements have been prepared on a going concern basis, as fully described in the report on operations in the paragraph "Business outlook".

The reference currency is the Euro and all figures have been rounded up or down to the nearest thousand.

No atypical and/or unusual transactions took place in the first half of 2021.

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 21 of the Illustrative Notes and in section 1.4 on the use of estimates.

The present Interim Condensed Consolidated Financial Statements have been subject to a limited audit by the audit firm EY SpA.

1.1 New accounting standards, interpretations and amendments adopted

The accounting standards used to prepare these Interim Condensed Consolidated Financial Statements conform to those used to prepare the Consolidated Financial Statements for the financial year to 31 December 2020, except for new standards and amendments applicable from 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.

Amendments that apply for the first time in 2021 have no impact on the Group's condensed consolidated interim financial statements.

In particular, it should be noted that, in application of the exemption introduced with the amendment to IFRS 16 *Leases*, the changes in lease payments resulting from agreements between the parties in consideration of the negative effects of Covid-19, obtained by the Group during the half-year, did not have an appreciable effect on the values of the consolidated interim financial statements.

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 debt, 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.

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.

1.2 Form and content of the Consolidated Financial Statements

Notwithstanding the provisions of IAS 34 – Interim Financial Reporting the present Interim Condensed Consolidated Financial Statements give detailed, and not just summary, tables in order to provide a better and more complete view of the financial results for the first half of the year to 30 June 2021 and of the same period of the previous year. The Illustrative Notes meet the information requirements of IAS 34 and include data considered useful for a fuller understanding of the Interim Condensed Consolidated Financial Statements.

1.3 Scope and principles of consolidation

The present Interim Condensed Consolidated Financial Statements include the Parent Company Fiera Milano SpA, its subsidiary companies and jointly controlled entities.

The present Interim Condensed Consolidated Financial Statements have been prepared on the basis of the six-monthly situation at 30 June 2021 approved by the Boards of Directors of the companies included in the area of consolidation and prepared according to Group accounting policies using IAS/IFRS.

Attachment 1 gives the list of consolidated companies.

Translation of accounts prepared in currencies other than the Euro

The exchange rates used to translate the 2021 and 2020 half-year financial statements of foreign companies into Euro were as follows:

	average 1st Half 2021	average 1st Half 2020	30/06/2021	30/06/2020
South African rand	17,5244	18,3112	17,0114	19,4425
Brazilian reals	6,4902	5,4104	5,9050	6,1118
Russian rouble	89,5502	76,6692	86,7725	79,6300
Indian rupee	88,4126	81,7046	88,3240	84,6235

Source: Banca d'Italia

1.4 Use of estimates

Preparation of interim financial statements and related notes under IFRS require estimates and assumptions to be made that affect the figures for assets and liabilities in the financial statements and information regarding the potential assets and liabilities at the date the half-year financial statements are prepared. 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.

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 trade fairs and conference events, which are characterised by the continuing uncertainty about the effects of the pandemic and related restrictive measures. 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. Management must use its judgement in estimating 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.

With regard to the use of estimates for financial risks, reference should be made to the relevant paragraph in the Illustrative Notes to the Financial Statements.

- *Share-based Payments.* 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.

- *Taxes* are calculated by applying to the pre-tax profit for the period the tax rate which would be applicable to the expected annual results. If the estimated effective tax rate does not give credible results, the income taxes are calculated by applying the tax rate and enacted regulations in the countries in which the Group operates to the estimated taxable income for the period.

2) Disclosure on subsidiaries, joint ventures and associates

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. For the six-month period under review, the share was 40.207% (35.22% as at 30 June 2020).

The Group shares of the income and equity of the joint venture are summarised in the following tables:

	(€'000)	
Hannover Milano Global Germany GmbH	30/06/21	31/12/20
Current assets	6.286	3.446
Non-current assets	8.692	8.864
Current liabilities	16.405	10.606
Net financial debt/(cash)	(16.331)	(12.636)
Equity	14.904	14.340
Book value of the joint venture	7.246	7.100

	(€'000)	
Hannover Milano Global Germany GmbH	1st Half at 30/06/21	1st Half at 30/06/20
Total revenues and other income	6.368	4.315
Total operating costs	(5.814)	(5.634)
Depreciation and amortisation and write-downs	(190)	(200)
Interest income	57	170
Profit/(loss) before tax	421	(1.349)
Income tax	(92)	(230)
Profit/(loss) for the period	329	(1.579)
Non-controlling interests	(193)	145
Profit/(loss) for the period	136	(1.434)
Group profit/(loss)	55	(505)

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 equity and income figures of the company are summarised in the following tables:

	(€'000)	
Ipack Ima Srl	30/06/21	31/12/20
Current assets	3.195	2.610
Non-current assets	4.903	5.015
Current liabilities	3.728	3.480
Non-current liabilities	379	713
Net financial debt/(cash)	1.205	561
Equity	2.786	2.871
Book value of the joint venture	1.365	1.407

	(€'000)	
Ipack Ima Srl	1st Half at 30/06/21	1st Half at 30/06/20
Total revenues and other income	-	1
Total operating costs	(291)	(237)
Depreciation and amortisation and write-downs	(111)	(114)
Interest payable	(9)	(10)
Profit/(loss) before tax	(411)	(360)
Income tax	320	67
Profit/(loss) for the period	(91)	(293)
Group profit/(loss)	(45)	(143)

At 30 June 2021 and at 30 June 2020, there were no material potential liabilities or obligations relating to the shareholding of the Parent Company in the joint venture.

The Group holds, indirectly through Fiera Milano Congressi SpA, a 51% stake in MiCo DMC Srl, exercised through a joint control agreement with its partner AIM Group International SpA. Under IFRS 11 *Joint arrangements*, these agreements mean the company is categorised as a joint venture, meaning that the value of the investment is consolidated at equity.

The Group shares of the income and equity of the joint venture are summarised in the following tables:

	(€'000)	
MiCo DMC Srl	30/06/21	31/12/20
Current assets	696	893
Non-current assets	305	238
Current liabilities	1.465	1.405
Non-current liabilities	197	186
Net financial debt/(cash)	(916)	(1.041)
Equity	255	581
Book value of the joint venture	130	296

	(€'000)	
MiCo DMC Srl	1st Half at 30/06/21	1st Half at 30/06/20
Total revenues and other income	123	1.574
Total operating costs	(524)	(1.779)
Depreciation and amortisation and write-downs	(6)	(18)
Interest payable	(2)	(2)
Profit/(loss) before tax	(409)	(225)
Income tax	75	50
Profit/(loss) for the period	(334)	(175)
Group profit/(loss)	(170)	(89)

At 30 June 2021 and at 30 June 2020, there were no material potential liabilities or obligations relating to the shareholding of the controlling shareholders in the joint venture.

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 5 on Cash Generating Units.

Consequently, based on the management approach, the operating segments were 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; 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 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. 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.

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 (hereinafter "Fiera Milano Africa"), with its registered office in Cape Town.

- **Media** for production of content and supply of advertising and digital advertising services, as well as those associated with the organisation of events and congresses

- **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 data by segment for the first half to 30 June 2021 and the same period to 30 June 2020.

(€'000)

Income Statement 1st Half to 30/06/21	Italian Exhibitions Business	Foreign Exhibitions Business	MEDIA	CONGRESSES	Adjustments	Consolidated
Revenues from sales and services to third-parties	2.801	35	646	1.117	-	4.599
Revenues from intersegment sales and services	81	-	291	125	(497)	-
Total revenues	2.882	35	937	1.242	(497)	4.599
<i>of which from Italy</i>						4.564
<i>of which from foreign activities</i>						35
Cost of materials	223	-	9	4	(10)	226
Cost of services	11.789	146	710	1.651	(1.305)	12.991
Cost for use of third-party assets	135	17	45	12	(64)	145
Personnel expenses	13.678	443	996	1.238	(86)	16.269
Other operating expenses	738	26	16	191	(4)	967
Total operating expenses	26.563	632	1.776	3.096	(1.469)	30.598
Other income	3.592	43	69	710	(972)	3.442
Profit/(loss) of equity accounted companies	-45	55	-	(170)	-	(160)
Allowance for doubtful accounts and other provisions	271	2	-	-	-	273
EBITDA	(20.405)	(501)	(770)	(1.314)	-	(22.990)
<i>of which from Italy</i>						(22.489)
<i>of which from foreign activities</i>						(501)
Depreciation of property, plant and equipment and right-of-use assets	18.479	44	44	2.419	-	20.986
Depreciation of property investments	-	-	-	-	-	-
Amortisation of intangible assets	1.211	75	-	20	-	1.306
Adjustments to asset values	22	-	-	-	-	22
EBIT	(40.117)	(620)	(814)	(3.753)	-	(45.304)
<i>of which from Italy</i>						(44.683)
<i>of which from foreign activities</i>						(621)
Financial income and similar						603
Financial expenses and similar						6.789
Valuation of financial assets						
Profit/(loss) before income tax						(51.490)
Income tax						(26.377)
Profit/(loss) from continuing operations						(25.113)
Profit/(loss) from discontinued operations						465
Profit/(loss) for the period						(24.648)
Profit/(loss) attributable to non-controlling interests						(113)
Group profit/(loss)						(24.535)

The table below gives investments by operating segment:

Statement of Financial Position Data at 30/06/21		(€'000)
	Investments	<i>of which related to Right-of-use assets</i>
Italian Exhibitions Business	1.363	69
Foreign Exhibitions Business	2	-
Media	-	-
Congresses	280	273
Total	1.645	342

(€'000)

Income Statement 1st Half to 30/06/20	Italian Exhibitions Business	Foreign Exhibitions Business	MEDIA	CONGRESSES	Adjustments	Consolidated
Revenues from sales and services to third-parties	48.595	1.055	2.257	4.081	-	55.988
Revenues from intersegment sales and services	814	92	1.133	70	(2.109)	-
Total revenues	49.409	1.147	3.390	4.151	(2.109)	55.988
<i>of which from Italy</i>						54.933
<i>of which from foreign activities</i>						1.055
Cost of materials	1.245	5	70	7	(16)	1.311
Cost of services	25.760	989	2.212	3.406	(3.082)	29.285
Cost for use of third-party assets	134	115	42	17	(52)	256
Personnel expenses	14.247	568	1.504	1.284	(318)	17.285
Other operating expenses	1.075	24	26	111	(2)	1.234
Total operating expenses	42.461	1.701	3.854	4.825	(3.470)	49.371
Other income	1.974	35	180	366	(1.367)	1.188
Profit/(loss) of equity accounted companies	(143)	(505)		(89)		(737)
Allowance for doubtful accounts and other provisions	(3.075)	18	(467)	20		(3.504)
EBITDA	11.854	(1.042)	183	(417)	(6)	10.572
<i>of which from Italy</i>						11.706
<i>of which from foreign activities</i>						(1.134)
Depreciation of property, plant and equipment and right-of-use assets	18.754	59	47	2.473		21.333
Depreciation of property investments						
Amortisation of intangible assets	999	106	1	10		1.116
Adjustments to asset values						
EBIT	(7.899)	(1.207)	135	(2.900)	(6)	(11.877)
<i>of which from Italy</i>						(10.578)
<i>of which from foreign activities</i>						(1.299)
Financial income and similar						142
Financial expenses and similar						6.933
Valuation of financial assets						
Profit/(loss) before income tax						(18.668)
Income tax						(6.068)
Profit/(loss) from continuing operations						(12.600)
Profit/(loss) from discontinued operations						-
Profit/(loss) for the period						(12.600)
Profit/(loss) attributable to non-controlling interests						(116)
Group profit/(loss)						(12.484)

The table below gives investments by operating segment:

Statement of Financial Position Data at 31/12/20		(€'000)
	Investments	<i>of which related to Right-of-use assets</i>
Italian Exhibitions Business	7.469	1.766
Foreign Exhibitions Business	25	-
Media	-	-
Congresses	386	-
Total	7.880	1.766

Notes to the Interim Condensed Consolidated Financial Statements

STATEMENT OF FINANCIAL POSITION

ASSETS

4) Property, plant and equipment and Right-of-use assets

	Balance at	Incr.	Decr.	Changes during the period				Other movements	Balance at
	31/12/20			Depr.	Adjustments	Currency translation differences	Reclassification		30/06/21
Property, plant and equipment									
. historic cost	112.762	37	421	-	187	50	-	315	112.556
. depreciation	105.722	-	411	1.209	165	42	-	348	106.745
Total	7.040	37	10	1.209	22	8	-	(33)	5.811
Right-of-use assets									
. historic cost	511.107	342	128	-	-	20	-	-	511.341
. depreciation	79.439	-	136	19.777	-	7	-	-	99.087
Total	431.668	342	(8)	19.777	-	13	-	-	412.254

Property, plant and equipment

The changes in the half year were as follows:

- Euro 5 thousand of investments made by Fiera Milano Congressi SpA for electronic equipment;
- investments by Fiera Milano SpA of Euro 32 thousand, of which Euro 18 thousand related to the purchase of plant and machinery and Euro 14 thousand to the purchase of electronic machines.

Right-of-use assets

These totalled Euro 412,254 thousand net of amortisation for the period of Euro 19,777 thousand and refer to the recognition of the right of use of the leased assets deriving from the application of IFRS 16 in force from 1 January 2019. The increase of Euro 342 thousand mainly refers to the monetary revaluation of the lease agreement for the congress centres.

The item Right-of-use assets includes increases of Euro 273 thousand relating to related-party transactions (Euro 1,726 thousand at 31 December 2020). For more details, see note 38 on these transactions.

5) Goodwill and intangible assets with a finite useful life

(€'000)

	Balance at	Incr.	Decr.	Changes during the period			Reclassification	Balance at
	31/12/20			Depr.	Currency translation differences	30/06/21		
Goodwill								
. Historic cost	111.633	-	-	-	-	-	-	111.633
. Amortisation	16.597	-	-	-	-	-	-	16.597
Total	95.036	-	-	-	-	-	-	95.036
Intangible assets with a finite useful life								
. Historic cost	72.752	1.266	14	-	-	330	-	74.334
. Amortisation	55.746	-	14	1.306	-	227	-	57.265
Total	17.006	1.266	-	1.306	-	103	-	17.069

Goodwill

As described in the section 1.4 Use of estimates, goodwill is subject to annual 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.

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) from countries where the Group operates through joint venture arrangements and trademark user licence agreements (such as China and India). In the first case, the CGUs correspond to individual exhibitions; in the second, the CGUs are represented by the individual reference market.

Various CGUs can be identified in the Reportable Segment 'Media': one CGU includes all activities related to seminars and congresses ('events and training' CGU). Other CGUs include digital services and advertising and sponsorship activities.

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 83,634 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 70,144 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; finally, Euro 80 thousand derived from the Parent Company's acquisition of the 'Information Communication Technology' business unit of the subsidiary Expopage SpA, now Fiera Milano Media SpA. Nolostand's goodwill arises from Nolostand SpA's acquisition of the 'standard fittings' business unit.
- The Publishing and Digital Services group of cash-generating units: this includes the cash-generating units of digital services and the advertising and sponsoring activities. Fiera Milano Media SpA's goodwill is allocated to this cash-generating unit, which equalled Euro 5,947 thousand, deriving from the acquisition of publishing companies subsequently incorporated into Fiera Milano Media.
- 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.

It should be noted that no significant indications of impairment were found for goodwill and therefore no impairment tests were performed as at 30 June 2021.

Intangible assets with a finite useful life

The increases for the half year of Euro 1,266 thousand mainly refer to the item "Assets in progress and advances" and relate to the costs incurred for the development of the new corporate IT systems of the Parent Company. As soon as the work is completed, this will be reclassified in the item of fixed assets and the related depreciation will begin.

Intangible assets with a finite useful life included the following trademarks totalling Euro 9,467 thousand (Euro 9,884 thousand at 31 December 2020):

- Exhibition trademarks:
 - Milan Games Weekend Euro 2,021 thousand;
 - Host Euro 1,215 thousand;
 - Mipap Milano Prêt-à-Porter Euro 1,142 thousand;
 - MADE expo Euro 1,150 thousand;
 - Promotion Trade Exhibition Euro 1,031 thousand;
 - Exposec Euro 660 thousand;
 - Fisp Euro 647 thousand;
 - G! Come Giocare Euro 534 thousand;
 - Transpotec & Logitec Euro 319 thousand;
 - Cartoomics Euro 257 thousand;
 - Milan Franchising Show Euro 145 thousand;
 - Festivity Euro 85 thousand;
 - Tubotech Euro 100 thousand;
 - Miart Euro 84 thousand;
 - BtoBio Expo Euro 63 thousand;
 - Tuttofood Euro 7 thousand;
 - Fruit&Veg Innovation Euro 7 thousand.

In relation to intangible assets with a finite useful life, subject to amortisation, their test as at 30 June 2021 is included in the test of the respective CGU to which they belong. For more details on the reasons and methodology, please refer to the comments in the previous paragraph "Goodwill". On the other hand, there were no indications of impairment that led to the execution of a specific test on individual brands.

6) Investments, non-current trade receivables and deferred tax assets

	Balance at 31/12/20	Changes during the period				Balance at 30/06/21
		Increase	Decrease	Results	Currency translation differences	
Equity-accounted investments	16.226	7	-	(160)	91	16.164
Other investments	82	-	-	-	-	82
Trade and other receivables	23.471	6	132	-	-	23.345
Deferred tax assets	3.283	20.978	34	-	(23)	24.204
Total	43.062	20.991	166	(160)	68	63.795

The entry for equity accounted investments was Euro 16,164 thousand (Euro 16,226 thousand at 31 December 2020) and was:

- Euro 13,920 thousand for the 49% shareholding in Hannover Milano Global Germany GmbH;
- Euro 2,069 thousand for the 49% shareholding in Ipack-Ima Srl;
- Euro 175 thousand for the 51% shareholding in MiCo DMC Srl.

Further details are provided in note 2 on Disclosure on subsidiaries, joint ventures and associates.

The entry for Trade and other receivables was mainly for the Parent Company and included:

- other receivables from the controlling shareholder of Euro 10,676 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 264 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 12,565 thousand (12,565 as at 31 December 2020). They refer to the balance of credit items for the contribution of tax losses for the year to the tax consolidation with Fondazione Fiera Milano. These receivables were recognised against the assessment of the recoverability of losses within the time horizon of the approved plans;
- other guarantee deposits totalling Euro 104 thousand (Euro 98 thousand at 31 December 2020).

The entry for trade and other receivables also included Euro 23,241 thousand of related-party transactions (Euro 23,373 thousand at 31 December 2020). For more details, see note 38 on these transactions.

The Deferred tax assets item, equal to Euro 24,204 thousand (Euro 3,283 thousand at 31 December 2020), represents the balance of deferred taxes offset at the level of individual companies subject to consolidation.

The change in this item is described in note 35 of the Income Statement.

7) Trade and other receivables

Trade and other receivables				(€'000)
	30/06/21	31/12/20	change	
Trade receivables	16.290	12.545	3.745	
Trade receivables from the controlling shareholder	9.366	8.271	1.095	
Trade receivables from <i>joint venture</i>	285	178	107	
Trade receivables from related parties	2	119	(117)	
Other receivables	4.112	4.085	27	
Prepaid expenses from the controlling shareholder	13	110	(97)	
Prepaid expenses from <i>joint venture</i>	1	-	1	
Accrued income and prepaid expenses	1.814	1.397	417	
Total	31.883	26.705	5.178	

This item amounted to Euro 31,883 thousand (Euro 26,705 thousand at 31 December 2020).

Receivables from the Parent Company increased by Euro 1,095 thousand due to the increase of Euro 3,500 thousand in VAT receivables, partially offset by the decrease of Euro 2,142 thousand in other receivables.

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.

	31/12/20	Provisions	Utilisation and other changes	Currency translation differences	30/06/21
Provision for doubtful receivables	5.685	2	2.484	1	3.204

The entry for trade and other receivables also included Euro 9,667 thousand of related-party transactions (Euro 8,678 thousand at 31 December 2020). For more details, see note 38 on these transactions.

8) Inventories

Inventories				(€'000)
	30/06/21	31/12/20	change	
Inventories	-	19	(19)	
Suspended costs for future exhibitions	7.574	5.538	2.036	
Total inventories	7.574	5.557	2.017	

Changes in suspended costs for future exhibitions was due to the net effect of the release of costs linked to exhibitions held in the first half of the year and increases in costs for exhibitions to be held after 30 June 2021.

The breakdown of deferred costs by exhibition was as follows:

	(€'000)		
Exhibition	30/06/21	31/12/20	change
Tuttofood	1.584	1.255	329
Host	1.501	1.104	397
Made Expo	1.160	765	395
Transpotec & Logitec	490	351	139
Fisp	385	312	73
Fesqua	253	430	-177
Sicurezza	248	184	64
PrintAall	245	230	15
Miart	165	-	165
HOMI	156	110	46
Reatech	112	-	112
Exposec	56	210	-154
Bit	-	129	-129
Congresses and other exhibitions	1.219	458	761
Total	7.574	5.538	2.036

The item Inventories does not include related-party transactions (Euro 140 thousand at 31 December 2020).

9) Current financial assets

Financial assets	(€'000)			
	31/12/20	Increases	Decreases	30/06/21
Investment funds	5.077	431	-	5.508
Non-current other financial assets	50	-	-	50
S/term financing to joint venture	1.320	1.104	-	2.424
Total	6.447	1.535	-	7.982

This entry included the following financial assets:

- for Euro 5,508 thousand, the 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 30 June 2021 inclusive of commissions;
- Euro 2,406 thousand for the financing given to the joint venture Ipack-Ima Srl. The interest rate applied was 1.30%;
- Euro 68 thousand for the financing given to the joint venture MiCo DMC Srl, of which Euro 50 thousand non-current.

This entry included Euro 2,474 thousand (Euro 1,370 thousand at 31 December 2020) for related-party transactions. For more details, see note 38 on these transactions.

10) Cash and cash equivalents

Cash and cash equivalents totalled Euro 58,683 thousand (Euro 20,442 thousand at 31 December 2020) and was almost entirely composed of short-term bank deposits with floating rate interest. The change is related to the loans and credit lines obtained by the Parent Company to manage the reduction in turnover volumes following the Covid-19 emergency and the suspension of trade fair activities.

The change in financial flows compared to the half year closing 30 June 2020, is shown in the Consolidated Statement of Cash Flows.

EQUITY AND LIABILITIES

11) Equity

Equity	(€'000)		
	30/06/21	31/12/20	change
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	1.678	1.708	(30)
Retained profits/(losses)	8.862	42.578	(33.716)
Profit/(loss) for the period	(24.535)	(33.943)	9.408
Group equity	38.545	62.883	(24.338)
Capital and reserves attributable to non-controlling interests	350	557	(207)
Profit/(loss) attributable to non-controlling interests	(113)	(209)	96
Equity attributable to non-controlling interests	237	348	(111)
Total	38.782	63.231	(24.449)

Share capital

At 30 June 2021, this item was 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 shares.

The number of shares in circulation and the change in this figure in the period under review is shown in the table below:

	Number of shares at 31 December 2020	Change	Number of shares at 30 June 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 value of the share capital by the number of shares in issue.

At 30 June 2021, the implicit nominal value of the shares was Euro 0.59 per share.

Share premium reserve

The item amounted to Euro 10,256 thousand (Euro 10,256 thousand at 31 December 2020), net of the reserve for treasury shares amounting to Euro 2,272 thousand.

Other reserves

Other reserves totalled Euro 1,678 thousand (Euro 1,708 thousand at 31 December 2020), broken down as follows:

- Euro 8,489 thousand from the Parent Company legal reserve;
- Euro -6,639 thousand from the currency translation reserve;
- Euro -360 thousand as to the reserve for hedging transactions;
- Euro 188 thousand referred to the stock grant reserve related to the estimated cost of the "Performance Shares Plan" included in the management incentives plan for the period 2021-2022.

Retained earnings

This entry was Euro 8,862 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 "Profit/loss of the previous financial year";
- an increase of Euro 227 thousand for the remeasurement of defined benefit plans, net of the tax effect.

Profit/(loss) for the period

In the half year to 30 June 2021, the Group net profit was Euro -24,535 thousand.

In the financial year to 31 December 2020, it was Euro -33,943 thousand.

Capital and reserves attributable to non-controlling interests

This item totalled Euro 350 thousand (Euro 557 thousand at 31 December 2020).

A Euro 207 thousand decrease mainly relating to the allocation of the result for the previous financial year.

Net profit (loss) - non-controlling interests

The net loss for the half-year attributable to non-controlling interests was Euro 113 thousand. The profit for the year ended 31 December 2020 was Euro -209 thousand.

LIABILITIES

12) Bank borrowings

Bank borrowings	(€'000)		
	30/06/21	31/12/20	change
Non-current bank borrowings	86.477	-	86.477
Current bank borrowings	37.324	49.018	(11.694)
Total	123.801	49.018	74.783

Non-current bank borrowings amounted to Euro 86,477 thousand (zero balance at 31 December 2020) and related to the following loans attributable to the Parent Company:

- 19,986 thousand for a Cassa Depositi e Prestiti loan signed on 1 March 2021 and expiring on 31 December 2025. This financing bears interest at a fixed rate. The covenants agreed under the loan were met at 30 June 2021.
- 54,804 thousand for a loan granted by a pool of banks composed of Banca Intesa, Banco BPM and Unicredit signed on 22 February 2021 and expiring on 31 December 2025. The covenants agreed under the loan were met at 30 June 2021. This financing bears interest at a variable rate with financial backing.
- 7,000 thousand for a Simest loan signed on 28 April 2021 and expiring on 31 December 2027. This financing bears interest at a fixed rate.
- Non-current portion of Euro 4,687 thousand of the Euro 5,000 thousand CARIGE loan, signed on 19 May 2021 and expiring on 31 March 2026, bearing interest at a variable rate.

Current bank borrowings amounted to Euro 37,324 thousand (Euro 49,018 at 31 December 2020) and related to the following loans attributable to the Parent Company:

- Euro 20,000 thousand Banco BPM credit line;
- Euro 15,000 thousand Banca Intesa credit line;
- Euro 2,000 thousand Banca Popolare di Sondrio credit line;
- Euro 12 thousand related to interest on credit lines;
- Euro 312 thousand current portion of the CARIGE loan.

Current bank borrowings are subject to variable-rate interest.

13) Other financial liabilities

The breakdown of this entry is given in the following tables:

Other financial liabilities	(€'000)		
	30/06/21	31/12/20	change
Non-current financial liabilities related to the right-of-use of assets	388.426	405.961	(17.535)
Current financial liabilities related to the right of use of assets	47.671	43.611	4.060
Other non-current financial liabilities	360	-	360
Other current financial liabilities	7.402	1.743	5.659
Total	443.859	451.315	(7.456)

Non-current other financial liabilities of Euro 388,786 thousand (Euro 405,961 thousand at 31 December 2020) are detailed in the following table:

Non-current financial liabilities	(€'000)		
	30/06/21	31/12/20	change
Non-current financial liabilities related to the right-of-use of assets	388.426	405.961	(17.535)
Derivative instruments	360	-	360
Total	388.786	405.961	(17.175)

“Financial liabilities related to the right-of-use of non-current assets” equal to Euro 388,426 thousand (Euro 405,961 thousand at 31 December 2020) refer to the medium-long term share of the lease liability. This liability represents the obligation to make the payments envisaged by the contracts for the lease of exhibition sites, warehouses and vehicles, deriving from the application of IFRS 16 in force from 1 January 2019.

“Derivative instruments” amounting to Euro 360 thousand (zero balance at 31 December 2020) refer to financial hedging contracts for the interest rate risk on certain medium/long-term bank loans.

Changes in cash flows are shown in paragraph 20 ‘Financial assets and financial liabilities’.

This entry included Euro 384,998 thousand (Euro 401,848 thousand at 31 December 2020) for related-party transactions. For more details, see note 38 on these transactions.

Current other financial liabilities of Euro 55,073 thousand (Euro 45,354 thousand at 31 December 2020) are detailed in the following table:

Current financial liabilities	(€'000)		
	30/06/21	31/12/20	change
Current financial liabilities related to the right of use of assets	47.671	43.611	4.060
Financial payables to controlling shareholder	6.937	1.313	5.624
Other financial payables	465	430	35
Total	55.073	45.354	9.719

The “Financial payables relating to the right-of-use of the assets” refer to the current portion of the lease liability. This liability represents the obligation to make the payments envisaged by the contracts for the lease of exhibition sites, warehouses and vehicles, deriving from the application of IFRS 16 in force from 1 January 2019.

The change in the item “Financial payables to controlling shareholder” is due to the existing correspondent current account with Fondazione Fiera Milano, which increased in the period under review due to the debiting of invoices for the rental of the exhibition centre.

Other financial payables are non-controlling interests relating to the acquisition of Cipa FM.

This entry included Euro 53,059 thousand (Euro 43,381 thousand at 31 December 2020) for related-party transactions. For more details, see note 38 on these transactions.

14) Provisions for risks and charges

Provisions for risks and charges	(€'000)							
	31/12/20	Provisions	Releases of excess provisions	Utilisation	Currency translation differences	Sale of business unit	Reclassification	30/06/21
Non current provisions:								
Other provisions for risks and charges	379	7	-	-	-	(386)	72	72
Total non current provisions for risks and charges	379	7	-	-	-	(386)	72	72
Current provisions:								
Other provisions for risks and charges	1.777	272	1	553	93	-	(72)	1.516
Total current provisions for risks and charges	1.777	272	1	553	93	-	(72)	1.516

Other provisions for risks, non-current and current, and charges were mainly payments for disputes with suppliers and disputes with personnel and are calculated on their probable outcome using both internal valuations and those done by external legal consultants.

Uses mainly relate to legal disputes with suppliers and disputes with staff.

15) Employee benefit provisions

Employee benefit provisions					(€'000)
	31/12/20	Actuarial evaluation	Indemnities and advances paid	Sale of business unit	30/06/21
Defined benefit plans	10.062	(95)	160	401	9.406
Total	10.062	(95)	160	401	9.406

Actuarial evaluation		(€'000)
Personnel expenses:		
- indemnities related to defined benefit plans		180
Financial expenses:		
- actualisation charges		18
Other comprehensive income		
- Remeasurement of defined benefit plans		(293)
Total		(95)

The main hypotheses/assumptions used in the actuarial calculations of defined benefit plans at 31 December 2020 and 30 June 2021 are given in the following tables.

Economic and financial assumption for calculation of severance indemnity provisions	30/06/21	31/12/20
Annual technical discount rate	0,80%	0,35%
Annual inflation rate	1,00%	1,00%
Annual rate of increase in total employees' salary	2,00%	2,00%
Annual rate of increase in severance indemnity provisions	2,25%	2,25%

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 (<i>Assicurazione Generale Obbligatoria</i>) 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.

The discount rate was calculated using the Eurozone Iboxx Corporate AA index for a period equal to or greater than ten years.

The following table gives sensitivity analyses for the main assumptions used to calculate the liability of the defined benefit plans.

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%	9.406	8.958	9.894	
Annual rate of increase in total employees' salary	+/- 0.5%	9.406	9.651	9.185	
Economic and financial assumptions					
Life expectancy	+/- 1 year	9.406	9.453	9.359	

16) Trade payables

This item totalled Euro 15,793 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.

17) Advances

This item totalled Euro 47,076 thousand (Euro 30,577 thousand at 31 December 2020).

These were mainly advances invoiced to clients for exhibitions to be held after 30 June 2021. Recognition as revenue is deferred until the exhibition is held.

The change in advances was due to the combined effect of a decrease in revenues recognised for exhibitions held during the period under review and an increase in advances for exhibitions to be held later.

The table below gives a breakdown by exhibition.

Advances	(€'000)		
	30/06/21	31/12/20	change
Host	16.612	4.381	12.231
Mostra Convegno Expocomfort	4.566	4.384	182
Salone del mobile/Complemento d'arredo	2.181	2.248	(67)
Tuttofood	2.128	1.780	348
CPhI	1.617	462	1.155
Fisp	1.436	1.308	128
Mido	1.072	1.414	(342)
Emo	1.071	500	571
Exposec	1.013	906	107
Milano Unica (spring)	990	-	990
Fesqua	954	796	158
Transpotec & Logitec	807	414	393
Sicurezza	721	550	171
Made Expo	709	313	396
Myplant & garden	580	580	-
Miart	446	347	99
Homi	398	252	146
Supersalone	387	-	387
Eicma Moto	379	330	49
The Micam (autumn)	378	-	378
Viscom	372	-	372
Lineapelle - A new point of view	350	-	350
Eurocucina	315	442	(127)
Made in steel	315	-	315
Fire Show	311	282	29
Print4all	222	193	29
Salone Internazionale del Bagno	215	225	(10)
Vitrum	170	-	170
AF Artigiano in fiera	161	-	161
Lamiara	152	165	(13)
Simei	129	-	129
SposaItalia	117	304	(187)
Homi Fashion&Jewels	112	-	112
Plast	-	1.224	(1.224)
Ipack-Ima	-	650	(650)
Euroluce	-	286	(286)
Meat Tech	-	121	(121)
Congresses and other exhibitions	5.690	5.720	(30)
Total	47.076	30.577	16.499

Advances included Euro 808 thousand (Euro 771 thousand at 31 December 2020) for related-party transactions. For more details, see note 38 on these transactions.

18) Deferred tax liabilities and tax payables

Deferred tax liabilities and tax payables	(€'000)		
	30/06/21	31/12/20	change
Deferred tax liabilities	4.053	11.260	(7.207)
Current tax liabilities	3.202	3.849	(647)
Total	7.255	15.109	(7.854)

Deferred tax liabilities were Euro 4,053 thousand (Euro 11,260 thousand at 31 December 2020). The figure is the net balance of deferred tax assets and deferred tax liabilities for each company included in the area of consolidation.

The change is related to the realignment of the statutory and fiscal values of goodwill granted by the 2021 Budget Law.

Tax payables totalled Euro 3,202 thousand (Euro 3,849 thousand at 31 December 2020).

19) Other liabilities

The breakdown of other non-current and current liabilities is given in the following table:

Other liabilities	(€'000)		
	30/06/21	31/12/20	change
Other non current liabilities	672	-	672
Other current liabilities	11.855	11.591	264
Total	12.527	11.591	936

Other non current liabilities	(€'000)		
	30/06/21	31/12/20	change
Non current tax liabilities	672	-	672
Total	672	-	672

Other current liabilities	(€'000)		
	30/06/21	31/12/20	change
Payables to exhibition organisers	4.258	3.696	562
Payables to pension and social security entities	2.916	4.110	(1.194)
Payables to employees	2.300	2.056	244
Payables to the controlling shareholder	183	134	49
Payables to directors and statutory auditors	132	251	(119)
Payables to related parties	114	114	-
Payables to joint venture	66	32	34
Payables to exhibition organisers to joint venture	-	36	(36)
Group VAT payables to the controlling shareholder	-	10	(10)
Other payables	822	827	(5)
Ratei passivi	8	35	(27)
Accrued liabilities to joint venture	134	2	132
Accrued liabilities to the controlling shareholder	93	61	32
Accrued liabilities to related parties	16	64	(48)
Other accrued liabilities	813	163	650
Total	11.855	11.591	264

The entry included Euro 492 thousand (Euro 453 thousand at 31 December 2020) for related- party transactions. For more details, see note 38 on these transactions.

20) Financial assets and financial liabilities

The Group net financial debt and its breakdown are given in the following table:

Group Net Financial Debt (Amounts in € '000)	30/06/21	31/12/20	change
A. Cash (including bank balances)	58.683	20.442	38.241
B. Other cash equivalents	-	-	-
C. Securities held for trading	-	-	-
D. Cash and cash equivalents (A+B+C)	58.683	20.442	38.241
E. Current financial assets	2.424	1.320	1.104
- E.1 of which Current financial assets to other related parties	2.424	1.320	1.104
F. Current bank borrowings	37.324	49.018	(11.694)
G. Current portion of non-current debt	-	-	-
H. Other current financial liabilities	7.402	1.743	5.659
- H.1 of which Other current financial liabilities to the controlling shareholder	6.937	1.313	5.624
I. Current financial debt (F+G+H)	44.726	50.761	(6.035)
J. Current net financial debt (cash) (I-E-D)	(16.381)	28.999	(45.380)
K. Non-current financial assets	5.558	5.127	431
- K.1 of which non-current financial assets to other related parties	50	50	-
L. Non-current bank borrowings	86.477	-	86.477
M. Debt securities in issue	-	-	-
N. Other non-current liabilities	360	-	360
O. Non-current financial debt (-K+L+M+N)	81.279	(5.127)	86.406
Net financial debt/(cash) from continuing operations (J+O)	64.898	23.872	41.026
Net financial debt/(cash) from assets held for sale	-	-	-
P. Net financial debt/(cash) before IFRS 16 effects	64.898	23.872	41.026
Q. Current financial liabilities related to the right of use of assets	47.671	43.611	4.060
- Q.1 of which current financial liabilities related to the right-of-use assets to the controlling shareholder	46.122	42.068	4.054
R. Non-current financial liabilities related to the right of use of assets	388.426	405.961	(17.535)
- R.1 of which non-current financial liabilities related to the right-of-use assets to the controlling shareholder	384.998	401.848	(16.850)
IFRS 16 financial effects	436.097	449.572	(13.475)
S. Total net financial debt/(cash) (P+Q+R)	500.995	473.444	27.551

The Group's financial debt not including IFRS 16 lease liability at 30 June 2021 showed a balance of Euro 64,898 thousand compared to a net financial debt of Euro 23,872 thousand at 31 December 2020, thereby recording an increase of Euro 41,026 thousand.

The increase was driven by cash outflows due to the suspension of the exhibition business in the half year because of the Covid-19 emergency.

The net financial indebtedness including the IFRS 16 lease liability amounted to Euro 500,995 thousand (Euro 473,444 thousand at 31 December 2020).

Changes in liabilities due to bank financing are shown in the following table:

Changes in liabilities from financing activities

(Euro '000)

	Balance at 31/12/20	Changes in financial flows		Non-monetary changes	Balance at 30/06/21
		Increase	Decrease	Exchange rate effect	
Non-current financial liabilities related to the right of use of assets	405.961	-	-	(17.535)	388.426
Non-current bank loans	-	86.477	-	-	86.477
Other non-current financial payables	-	-	-	360	360
Total change in non-current financial payables	405.961	86.477	-	(17.175)	475.263
Credit lines	24.005	-	24.005	-	-
Bank loans	25.013	12.311	-	-	37.324
Current financial liabilities related to the right of use of assets	43.611	-	13.817	17.877	47.671
Current financial debt with the controlling shareholder	1.313	27.041	21.417	-	6.937
Current payables for acquisition of shareholdings	430	-	-	35	465
Total change in current financial payables	94.372	39.352	59.239	17.912	92.397
Total liabilities from financing activities	500.333	125.829	59.239	737	567.660

21) 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 venues 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.

21.1 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.

21.2 Liquidity risk

Although the Group has taken measures to ensure that it has adequate levels of working capital and liquidity, a drop in business volumes caused both by the seasonal and cyclic nature of the exhibition business and the protracted restrictions on exhibition activities caused by the Covid-19 pandemic, could affect its financial results and its ability to generate cash flows.

In this respect, note the performance of the net debt/cash which at 30 June 2021 recorded net debt, not including the IFRS 16 lease liability, of Euro 64,898 thousand, a clear deterioration on 31 December 2020, consistent with the positive operating performance.

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 relation to this, to satisfy the financial needs of the reference context noted above, the Parent Company obtained a loan in June 2020, an 18 month revolving credit facility for Euro 20 million (fully used as at 30 June 2021), the latter subject to the measurement of financial covenants on a half-yearly basis as from 30 June 2020. At 30 June 2021 and 31 December 2020, these covenants had been fulfilled.

In January 2021, a new credit line with a maturity of Euro 5 million was obtained from Banca Popolare di Sondrio, in addition to a previous revocable credit line granted by the same bank for Euro 5 million, bringing the total credit line that this institution has granted to Fiera Milano to Euro 10 million. The credit lines of Banca Popolare di Sondrio were used for Euro 2 million as of 30 June 2021.

In February 2021, a new credit line with a maturity of Euro 20 million was obtained from Banca Intesa Sanpaolo, used for Euro 15 million as of 30 June 2021.

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.

Finally, in February the Parent Company finally obtained a Euro 7 million loan from SIMEST, with disbursement in April, granted within the framework of the funds available in section 91 of the Fund 394/8, pursuant to Art. 91, paragraphs 1 and 2, of Italian Decree-Law No. 104 of 14 August 2020, converted, with amendments, by Law No. 126 of 13 October 2020, and Art. 6, paragraph 3, No. 1, of Italian Legislative Decree No. 137 of 28 October 2020. The loan matures on 31/12/2027, with the pre-amortisation period ending on 31 December 2023.

In May, a 5-year loan was signed with Banca Carige with a 12-month pre-amortisation period, 90% guaranteed by SACE under the above-mentioned "Italy guarantee" programme.

As at 30 June 2021, short-term credit lines totalling Euro 37 million were utilised, broken down as follows: Euro 20 million from Banco BPM's revolving credit facility, Euro 2 million from Banca Popolare di Sondrio's credit lines and Euro 15 million from Intesa Sanpaolo's credit lines granted in 2020.

Therefore, the loans and credit lines used as of 30 June 2021 amount to Euro 124 million.

Due to the above, the Group now 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 the progress of the Covid-19 pandemic. The 2021-2025 strategic plan, presented to the market on 22 February 2021, shows that with the resumption of exhibition activities, 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. However, at present, changes in the exhibition calendar for the year 2021 cannot be excluded, with possible further economic and financial impacts on the Group.

21.3 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.

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 infragroup 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 infragroup transaction is denominated.

c) Risk of changes in raw material prices

The Group has limited exposure to the risk of changes in raw material prices. It normally has more than one supplier for any material considered critical and, in some cases, has long-term contracts that ensure lower price volatility.

22) Disclosure on guarantees given, undertakings and other contingent liabilities

Guarantees given

These totalled Euro 1,712 thousand and the breakdown was as follows:

- 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.

Contingent liabilities

Companies of the Group are involved in several legal disputes with some suppliers. Although the outcome of these disputes is currently uncertain, a legal consultant has been charged with calculating the estimated liability should all the disputes have adverse outcomes.

The companies involved and the estimates of the potential liabilities are as follows:

- Nolostand SpA for about Euro 3,000 thousand;
- Fiera Milano SpA for about Euro 650 thousand.

INCOME STATEMENT

REVENUES

23) Revenues from sales and services

The breakdown of revenues was as follows:

Revenues from sales and services		(€'000)	
	1st Half 2021	1st Half 2020	change
Exhibitor fees	1.349	15.561	(14.212)
Advertising space and services	939	3.574	(2.635)
Rental of stands, fittings and equipment	642	13.837	(13.195)
Revenues from exhibition and congress services	456	1.103	(647)
Miscellaneous fees and royalties	408	2.484	(2.076)
Supplementary exhibition services	236	524	(288)
Publishing products	185	103	82
Exhibition site services	181	990	(809)
Congress organisation	114	151	(37)
Administrative, telephone and internet services	52	546	(494)
Access surveillance and customer care services	20	273	(253)
Catering and canteen services	15	1.447	(1.432)
Ticket office sales	2	184	(182)
Sales of exhibition space	-	14.905	(14.905)
Exhibition insurance services	-	235	(235)
Multimedia and on-line catalogue services	-	48	(48)
Administrative services related to exhibitions	-	23	(23)
Total	4.599	55.988	(51.389)

The changes in the first half of the year, in terms of exhibition space, are mainly related to the suspension of activities in Italy due to the Covid-19 pandemic, set in comparison with the first half of 2020, which saw normal operations until the end of February.

This entry included Euro 741 thousand (Euro 3,616 thousand at 30 June 2020) for related-party transactions. For more details, see note 38 on these transactions.

OPERATING COSTS

24) Cost of materials

The breakdown of this entry was as follows:

Cost of materials		(€'000)	
	1st Half 2021	1st Half 2020	change
Subsidiary materials and consumables	210	1.165	(955)
Printed materials, forms and stationery	16	79	(63)
Raw materials	-	73	(73)
Finished goods and packaging	-	6	(6)
Change in inventories of raw materials	-	(12)	12
Total	226	1.311	(1.085)

25) Costs of services

The breakdown of this entry was as follows:

Cost of services	(€'000)		
	1st Half 2021	1st Half 2020	change
Maintenance	2.647	4.014	(1.367)
Energy costs	2.225	2.819	(594)
Technical, legal, commercial and administrative services	1.521	1.352	169
IT services	1.331	1.050	281
Stands and equipment for exhibitions	724	3.908	(3.184)
Technical, legal, commercial and administrative advice	673	568	105
Security and gate services	650	1.413	(763)
Insurance	645	713	(68)
Telephone and internet expenses	478	1.044	(566)
Advertising	472	3.439	(2.967)
Collateral events connected to exhibitions	442	-	442
Cleaning and waste disposal	325	1.207	(882)
Professional services	268	743	(475)
Conference and congress services	229	224	5
Equipment hire	218	4.446	(4.228)
Technical assistance and ancillary services	160	362	(202)
Remuneration of Statutory Auditors	122	129	(7)
Ticketing	46	126	(80)
Transport	34	198	(164)
Fees and commissions	20	614	(594)
Catering services	16	658	(642)
Other	596	1.309	(713)
Uses of provisions	(2)	(23)	21
Change in suspended costs for future exhibitions	(849)	(1.028)	179
Total	12.991	29.285	(16.294)

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 lower activity volume related to the different trade fair calendar following the Covid-19 pandemic, which led to the suspension and postponement of some calendar events to later dates as well as the cost containment actions implemented starting from the month of March.

This entry included Euro 187 thousand (Euro 1,243 thousand at 30 June 2020) for related-party transactions. For more details, see note 38 on these transactions.

26) Cost for use of third-party assets

The breakdown of this entry was as follows:

Cost of use of third-party assets	(€'000)		
	1st Half 2021	1st Half 2020	change
Vehicle hire - management costs	89	68	21
Other rental expenses	46	38	8
Office equipment and photocopier hire	5	14	(9)
Lease of company division	5	9	(4)
Rent and expenses for exhibition sites	-	127	(127)
Total	145	256	(111)

27) Personnel Costs

The breakdown of this entry was as follows:

Personnel expenses	(€'000)		
	1st Half 2021	1st Half 2020	change
Salaries	11.511	12.697	(1.186)
Social Security payments	3.752	3.414	338
Defined contribution plan charges	793	1.051	(258)
Directors' remuneration	405	476	(71)
Defined benefit plan charges	180	215	(35)
Redundancy incentives	147	56	91
Seconded employees expenses	4	6	(2)
External and temporary employees	3	94	(91)
Other expenses	634	444	190
Change in suspended personnel expenses for future exhibitions	(1.088)	(1.112)	24
Uses of provisions	(72)	(56)	(16)
Total	16.269	17.285	(1.016)

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

Wages and salaries and the related social security contributions decreased mainly due to the activation of the Salary Integration Fund (FIS), for the variable part of the wages, as well as for the reduction of employees holiday allowance.

The breakdown of the average number of employees (including those on fixed-term contracts) was as follows:

Breakdown of personnel by category			
	1st Half 2021	1st Half 2020	change
Managers	30	32	(2)
Middle managers and white collar workers	676	712	(36)
Total personnel	706	744	(38)

This entry included Euro 4 thousand (Euro 6 thousand at 30 June 2020) for related-party transactions. For more details, see note 38 on these transactions.

28) Other operating expenses

The breakdown of this entry was as follows:

Other operating expenses	(€'000)		
	1st Half 2021	1st Half 2020	change
Other taxes	578	790	(212)
Contributions	214	310	(96)
Donations	24	2	22
Doubtful receivables	67	162	(95)
Copyright royalties (SIAE)	1	55	(54)
Gifts and promotional merchandise	4	-	4
Losses on intangible assets	8	-	8
Other expenses	138	167	(29)
Uses of provisions	(67)	(252)	185
Total	967	1.234	(267)

This entry included Euro 134 thousand (Euro 111 thousand at 30 June 2020) for related-party transactions. For more details, see note 38 on these transactions.

29) Other income

The breakdown of other income was as follows:

Other income	(€'000)		
	1st Half 2021	1st Half 2020	change
Costs recovery	424	453	(29)
Changes in estimate of previous year	264	95	169
Office rent and expenses	245	279	(34)
Recovery of expenses for seconded employees	194	50	144
Capital gains on fixed assets	64	-	64
Insurance indemnities	36	1	35
Contributi in c/esercizio	25	4	21
Other income	2.190	306	1.884
Total	3.442	1.188	2.254

The item "Other income" includes "Penalties to suppliers" for Euro 1,900 thousand of the Parent Company.

This entry included Euro 391 thousand (Euro 349 thousand at 30 June 2020) for related-party transactions. For more details, see note 38 on these transactions.

30) Results of equity accounted associates and joint ventures

This entry totalled Euro -160 thousand (Euro -737 thousand at 30 June 2020) and referred to the following joint ventures:

- Deutsche Messe AG for Euro 55 thousand (Euro -505 thousand at 30 June 2020);
- Ipack Ima Srl for Euro -45 thousand (Euro -143 thousand at 30 June 2020);
- MiCo DMC Srl This was Euro -170 thousand (Euro -89 thousand at 30 June 2020).

31) Provisions for doubtful receivables and other provisions

Changes in these provisions are shown in the following table:

Provision for doubtful receivables and other provisions	(€'000)		
	1st Half 2021	1st Half 2020	change
Write-downs of receivables	2	262	(260)
Personnel disputes	162	9	153
Other legal disputes	110	1	109
Releases of excess provisions	(1)	(3.776)	3.775
Total	273	(3.504)	3.777

Note 14 provides further details on movements in risk provisions.

32) Depreciation and Amortisation

Depreciation of property, plant and equipment and right-of-use assets

This was Euro 20,986 thousand (Euro 21,333 thousand at 30 June 2020).

Details of depreciation are given in the Notes to the Accounts under the entry for property, plant and equipment and the entry Right of use of the leased assets.

Amortisation of intangible assets

This was Euro 1,306 thousand (Euro 1,116 thousand at 30 June 2020).

Details of amortisation are given in the Notes to the Accounts under the entry for intangible assets with a finite useful life.

33) Adjustments to asset values

The breakdown of this entry was as follows:

Adjustments to asset values	(€'000)		
	1st Half 2021	1st Half 2020	change
Write-downs of Property, Plant and Equipment	22	-	22
Total	22	-	22

34) Financial income and expenses

Financial income and expenses	(€'000)		
	1st Half 2021	1st Half 2020	change
Fair value measurement of financial assets	431	-	431
Exchange rate gains	132	33	99
Interest income on bank deposits	8	40	(32)
Interest income from cautionary deposits related to the rent of the exhibition site	1	3	(2)
Other financial income joint venture	10	9	1
Other financial income	21	57	(36)
Total income	603	142	461
Financial expenses on leased assets with the controlling shareholder	5.908	6.375	(467)
Financial expenses on leased assets	73	94	(21)
Interest payable on bank accounts	613	24	589
Exchange rate losses	59	89	(30)
Interest payable on the current account with the controlling shareholder	27	-	27
Charges on discounting defined benefit plans	18	34	(16)
Fair value measurement of financial assets	-	316	(316)
Other financial expenses to joint venture	-	1	(1)
Other financial expenses	91	-	91
Total expenses	6.789	6.933	(235)
Balance financial income (expenses)	(6.186)	(6.791)	696

The financial expenses on leased assets deriving from the application of IFRS 16 in force from 1 January 2019.

This entry includes Euro 5,935 thousand of financial costs and Euro 11 thousand of financial income for related-party transactions (Euro -6,364 thousand at 30 June 2020). For more details, see note 38 on these transactions.

35) Taxes on income

Income tax	(€'000)		
	1st Half 2021	1st Half 2020	change
Current income tax	2.052	(749)	2.801
Deferred income tax	(28.429)	(5.319)	(23.110)
Total	(26.377)	(6.068)	(20.309)

Taxes for the period, amounting to Euro -26,377 thousand, comprise:

- deferred tax assets of Euro 15,882 thousand arising from the benefit for the realignment of statutory and tax values of goodwill provided for by Art. 110 of Legislative Decree 104/20 as amended by Art. 1 paragraph 83 of Law No. 178 of 30/12/2020 (2021 Budget Law), against a substitute tax cost of Euro 2,015 thousand classified in current taxes;
- deferred tax assets of Euro 12,375 thousand arising from tax losses for the period, calculated by applying the estimated average annual tax rate (tax rate method) to the pre-tax profit.

36) Profit/(loss) for the period

The net profit in the first half of 2021 was Euro -24,648 thousand compared to Euro -12,600 thousand in the first half of 2020 and was attributable as follows:

- Euro -24,535 thousand (Euro -12,484 thousand at 30 June 2020) attributable to the shareholders of the controlling entity;
- A net loss of Euro -113 thousand (a net loss of Euro -116 thousand at 30 June 2020) to non-controlling interests.

37) Earnings per share

Basic earnings per share went from Euro -0.3435 in the first half of 2019 to Euro -0.1753 in the first half of 2020; the figures were calculated by dividing the net result by the weighted average number of Fiera Milano SpA shares outstanding in each period.

	1st Half 2021	1st Half 2020
Profit/(loss) (€'000)	(24.535)	(12.484)
Average no. of shares in circulation ('000)	71.428	71.210
Basic earnings/(losses) per issued share (€)	(0,3435)	(0,1753)
Earnings/(losses) per fully diluted no. of shares (€)	(0,3435)	(0,1753)

The value used as the numerator to calculate basic earnings per share and fully diluted earnings per share was net profit of Euro -24,535 thousand for the period ended 30 June 2021 (Euro -12,484 thousand for the first half of 2020).

The weighted average number of ordinary shares used to calculate basic earnings per share and fully diluted earnings per share, with a reconciliation of the two figures, is shown in the following table:

	1st Half 2021	1st Half 2020
('000)		
Weighted average no. of shares used for calculation of EPS	71.428	71.210
+ Potential no. of shares issued without payment	-	-
Weighted average no. of shares used to calculate diluted EPS	71.428	71.210

38) 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, Fiera Milano SpA has adopted Procedures for Related-party Transactions as described in the Report on corporate governance and ownership structure, which forms part of the Board of Directors' Management Report in the full-year Financial Statements.

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.

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 areas.

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 and Risk 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.

With effect from the second quarter of 2020, 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 for the years 2020 and 2021 so that payment is made quarterly in arrears rather than quarterly in advance.

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.

In light of the emergency situation related to the Covid-19 Pandemic, which, due to force majeure, led to the suspension of activities in the conference sector for a prolonged period of time during the current financial year, the parties have agreed to extend to the end of 2021 the deferred payment of the quarterly instalments of the rents provided for in the Lease Contracts already agreed for 2020.

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 the Company 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 on the basis of 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 brand name 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-Pero 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 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, with an interest rate currently at 1.30%. At 30 June 2021, the financing had not been used for an amount equal to Euro 2,406 thousand.

Ipack-Ima Srl also has commercial relations with the Group for the two 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

Transactions with other related parties are part of the normal business activity and are carried out at market conditions.

The main transactions are:

- liabilities in respect of Federlegno Arredo Eventi SpA and Federlegno Arredo following the transfer of employees to MADE eventi Srl during 2019. In view of this transfer, the Company recorded a payable corresponding to the payments accrued by employees;

- relations with 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 lasts seven years starting from 1 September 2018 and is tacitly renewed for the same period.

Financial, capital and economic 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 at 30 June 2021 (€'000)																	
	Increase Right-of-use assets	Non-current financial assets	Trade and other non- current receivables	Trade and other receivables	Current financial assets	Financial liabilities related to the right-of-use of assets non- current	Advances	Financial liabilities related to the right-of-use of assets current	Other financial liabilities	Other current liabilities	Revenues from sales and services	Cost of services	Personnel Expenses	Other operating expenses	Other income	Financial income and similar	Financial expenses and similar
Controlling shareholder and other Group companies																	
Fondazione Fiera Milano	273		23.241	9.380		384.998		46.122	6.937	276	682	141		113	192	1	5.935
Companies under joint control																	
Ipack Ima Srl				179	2.406		808			118					125		9
MICO DMC Srl		50		106	18					82	12	46	4	21	72	1	
Other related parties																	
Federlegno Arredo										40							
Federlegno Arredo Eventi SpA				1						74							
Fiera Parking				1						16	47				2		
Total related parties transactions	273	50	23.241	9.667	2.424	384.998	808	46.122	6.937	606	741	187	4	134	391	11	5.935
Total reported	412.254	5.558	23.345	31.883	2.424	388.426	47.076	47.671	7.402	11.855	4.599	12.991	16.269	967	3.442	603	6.789
% Rel. party transactions/Total reported	-	1%	100%	30%	100%	99%	2%	97%	94%	5%	16%	1%	-	14%	11%	2%	87%

Information on the remuneration paid to the Administrative and Control Bodies, to the General Managers and to Executives with strategic responsibilities in the first half to 30 June 2021, is given in the table included in the section below on other information.

	(€'000)	
Statement of related party cash flow	30/06/21	30/06/20
Cash flow from operating activities		
Revenues and income	1.132	3.965
Costs and expenses	(325)	(1.360)
Interest receivable	11	12
Interest paid on financial liabilities related to the right-of-use of assets	(5.908)	(6.375)
Interest payable	(27)	(1)
Changes in trade and other receivables	(857)	(6.262)
Changes in inventories	140	12
Changes in advances	37	457
Change in other current liabilities	153	(1.082)
Total	(5.644)	(10.634)
Cash flow from investment activities		
Investments in non-current activities		
· Tangible and intangible	-	-
· Other non-current assets	-	-
Total	-	-
Cash flow from financing activities		
Change Current financial assets	(1.104)	(388)
Change Current financial liabilities	5.624	(449)
Change in financial liabilities related to the right-of-use of assets	(11.343)	(16.144)
Total	(6.823)	(16.981)
Cash Flow in the period	(12.467)	(27.615)

The table below shows cash flow from related party transactions:

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities
FY to 30.06.21:			
Total	(26.419)	(1.266)	65.479
Related party transactions	(5.644)	-	(6.823)
FY to 30.06.20:			
Total	(17.935)	(2.612)	(7.397)
Related party transactions	(10.634)	-	(16.981)

39) Other information

Material non-recurring events and transactions

There were no material non-recurring events and transactions in the period under review.

Significant events after the end of the reporting period

On 21 July 2021, paid the contribution of Euro 10 million from the Integrated Promotion Fund (FPI) to meet fixed costs not covered by profits.

Remuneration of the Administrative and Control Bodies 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 of the Parent Company.

The total remuneration of this category of executives was Euro 1,156 thousand in the period to 30 June 2021 (Euro 924 thousand at 30 June 2020) and the breakdown was as follows:

(€'000)

Remuneration	1st Half 2021		
	Directors	Statutory Auditors	Others
Short-term benefits	307	87	548
Post-employment benefits	-	-	26
Other non current benefits	-	-	-
Staff-leaving indemnities	-	-	-
Performance Share Plan	-	-	188
Total	307	87	762

(€'000)

Remuneration	1st Half 2020		
	Directors	Statutory Auditors	Others
Short-term benefits	338	84	471
Post-employment benefits	-	-	31
Other non current benefits	-	-	-
Staff-leaving indemnities	-	-	-
Performance Share Plan	-	-	-
Total	338	84	502

At 30 June 2021, the outstanding amount payable to this category was Euro 107 thousand (Euro 275 thousand at 30 June 2020).

Rho, 28 July 2021

p. The Board of Directors
The Chairman
Carlo Bonomi

List of companies included in the consolidation area and other investments at 30 June 2021

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, Av. Angelica	Organisation of exhibitions outside of Italy	R \$ 97,981	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
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, Messegeleände	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
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 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						
Comitato Golden Card						
Crisello 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
Associazione Milano&Partners						
Milano	Other activities	50				Fiera Milano Congressi SpA

(*) Euro or other currencies as specifically indicated
(**) Company in liquidation

Declaration relating to the Interim Condensed Consolidated Financial Statements pursuant to Art. 154-bis, paragraph 5, of Legislative Decree No. 58 of 24 February 1998

1. The undersigned, Carlo Bonomi, as Chairman of the Board of Directors, and Andrea Maldi, as Financial Reporting Officer of Fiera Milano SpA, having noted the provisions of Art. 154-bis, paragraphs 3 and 4, Italian Legislative Decree No. 58 of 24 February 1998, attest to:
 - the appropriateness in relation to the characteristics of the business and
 - the effective application of the administrative and accounting procedures for the preparation of the Interim Condensed Consolidated Financial Statements for the first half of 2021.

2. It is also declared that:
 - 2.1 the Interim Condensed Consolidated Financial Statements at 30 June 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 interim report on operations includes a reliable analysis of the significant events of the first six months of the financial year and their impact on the Interim Condensed Consolidated Financial Statements together with a description of the main risks and uncertainties in the remaining six months of the financial year. The interim report on operations also includes a reliable analysis of information on significant related-party transactions.

28 July 2021

Signed
CEO

Luca Palermo

Signed
Financial Reporting Officer

Andrea Maldi

Fiera Milano S.p.A.

Review report on the interim condensed consolidated
financial statements

(Translation from the original Italian text)

Review report on the interim condensed consolidated financial statements (Translation from the original Italian text)

To the Shareholders of
Fiera Milano S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the cash flows and the related explanatory notes of Fiera Milano S.p.A. and its subsidiaries ("Fiera Milano Group") as of June 30, 2021. The Directors of Fiera Milano S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Fiera Milano Group as of June 30, 2021 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Emphasis of Matter

We call your attention to the paragraph "Covid-19 and its effects on the half-year consolidated financial statements" of the illustrative notes to the interim condensed consolidated financial statements, on the paragraphs "Risks related to external and strategic factors - Cancellation or postponement of events due to the Covid-19 pandemic" and " Business outlook "of the interim report on operations, which describe the impacts on the Group's economic and financial position as of June 30, 2021 due to the spread of Covid-19, the actions taken by the directors to counteract the effects, as well as the expectations of progressive restart of activities. Our conclusions are not qualified in relation to this aspect.

Milan, July 29, 2021

EY S.p.A.
Signed by: (Giuseppe Savoca), Partner

This report has been translated into the English language solely for the convenience of international readers