



FIERA MILANO

Interim Statement of Financial Position
at 30 June 2021
Fiera Milano SpA
Fiera Milano Media SpA

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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), 1 September 2021

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| notes | | (euro) | |
|---|---|--------------------|--------------------|
| Statement of financial position - Fiera Milano SpA | | 30/06/21 | 31/12/20 |
| ASSETS | | | |
| Non-current assets | | | |
| 2 | Property, plant and equipment | 1,738,245 | 2,057,423 |
| 3 | Right-of-use assets | 381,501,796 | 398,817,854 |
| | Investments in non-core property | - | - |
| 4 | Goodwill | 70,144,099 | 70,144,099 |
| 5 | Intangible assets with a finite useful life | 14,448,911 | 14,334,188 |
| 6 | Investments | 51,113,853 | 51,155,364 |
| 7 | Other financial assets | 5,507,894 | 5,077,332 |
| 8 | Trade and other receivables | 21,449,017 | 21,579,256 |
| 9 | Deferred tax assets | 19,665,234 | - |
| | Total | 565,569,049 | 563,165,516 |
| Current assets | | | |
| 10 | Trade and other receivables | 26,633,295 | 15,203,912 |
| 11 | Inventories | 4,977,981 | 3,583,177 |
| | Contracts in progress | - | - |
| 12 | Financial assets | 4,833,833 | 3,217,612 |
| 13 | Cash and cash equivalents | 55,930,962 | 17,472,171 |
| | Total | 92,376,071 | 39,476,872 |
| Assets held for sale | | | |
| | Assets held for sale | - | - |
| | Total | - | - |
| Total assets | | 657,945,120 | 602,642,388 |
| EQUITY AND LIABILITIES | | | |
| 14 | Equity | | |
| | Share capital | 42,283,624 | 42,283,624 |
| | Share premium reserve | 8,557,350 | 8,557,350 |
| | Revaluation reserve | - | - |
| | Other reserves | 8,316,733 | 8,489,028 |
| | Retained profits/(losses) | 5,892,479 | 30,594,454 |
| | Profit/(loss) for the period | -20,859,197 | -24,755,604 |
| | Total | 44,190,989 | 65,168,852 |
| Non-current liabilities | | | |
| | Bonds in issue | - | - |
| 15 | Bank borrowings | 86,477,361 | - |
| 16 | Financial liabilities related to the right-of-use of assets | 361,175,391 | 376,688,461 |
| 17 | Other financial liabilities | 360,124 | - |
| 18 | Provisions for risks and charges | 72,399 | - |
| 19 | Employee benefit provisions | 5,021,711 | 5,147,542 |
| 20 | Deferred tax liabilities | - | 7,195,429 |
| 21 | Other liabilities | 671,724 | - |
| | Total | 453,778,710 | 389,031,432 |
| Current liabilities | | | |
| | Bonds in issue | - | - |
| 22 | Bank borrowings | 37,323,291 | 49,017,669 |
| 23 | Trade payables | 11,741,789 | 14,367,932 |
| 24 | Advances | 38,595,476 | 21,869,814 |
| 25 | Financial liabilities related to the right-of-use of assets | 41,280,971 | 37,141,354 |
| 26 | Other financial liabilities | 14,527,090 | 7,388,597 |
| 27 | Provisions for risks and charges | 140,285 | 544,747 |
| 28 | Tax liabilities | 2,659,348 | 3,063,464 |
| 29 | Other liabilities | 13,707,171 | 15,048,527 |
| | Total | 159,975,421 | 148,442,104 |
| Liabilities held for sale | | | |
| | Liabilities held for sale | - | - |
| | Total | - | - |
| Total equity and liabilities | | 657,945,120 | 602,642,388 |

| notes | Statement of comprehensive income - Fiera Milano SpA | (euro) | |
|-------|--|-------------------------|-------------------------|
| | | 1st Half at 30/06/21 | 1st Half at 30/06/20 |
| 32 | Revenues from sales and services | 2,808,444 | 49,037,421 |
| | Total revenues | 2,808,444 | 49,037,421 |
| 33 | Cost of materials | 75,550 | 150,315 |
| 34 | Cost of services | 14,534,464 | 28,781,152 |
| 35 | Cost of use of third-party assets | 112,795 | 101,501 |
| 36 | Personnel costs | 12,808,329 | 13,421,094 |
| 37 | Other operating expenses | 695,065 | 1,038,622 |
| | Total operating expenses | 28,226,203 | 43,492,684 |
| 38 | Other income | 4,519,600 | 2,961,002 |
| 39 | Provisions for doubtful receivables and other provisions | 160,500 | -1,673,740 |
| | EBITDA | -21,058,659 | 10,179,479 |
| 40 | Depreciation of property, plant and equipment and right-of-use assets | 17,709,131 | 17,834,688 |
| | Depreciation of property investments | - | - |
| 40 | Amortisation of intangible assets | 1,147,206 | 934,948 |
| | Adjustments to asset values | - | - |
| | EBIT | -39,914,996 | -8,590,157 |
| 41 | Financial income and similar | 458,992 | 80,699 |
| 42 | Financial expenses and similar | 6,265,619 | 6,356,603 |
| | Valuation of financial assets | - | - |
| | Profit/(loss) before income tax | -45,721,623 | -14,866,061 |
| 43 | Income tax | -24,862,426 | -5,310,424 |
| | Profit/(loss) from continuing operations | -20,859,197 | -9,555,637 |
| | Profit/(loss) from discontinued operations | - | - |
| 44 | Profit/(loss) for the period | -20,859,197 | -9,555,637 |
| | Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss for the period | | |
| | Revaluation of defined benefit schemes | 70,564 | -113,700 |
| | Tax effects | 16,935 | -27,288 |
| | Other comprehensive income/(loss) for the period net of related tax effects | 53,629 | -86,412 |
| | Total comprehensive income for the period | -20,805,568 | -9,642,049 |

| | | (euro) | |
|-------|--|---------------------------------|---------------------------------|
| notes | Cash flows statement - Fiera Milano SpA | 1st Half at 30/06/21 | 1st Half at 30/06/20 |
| | Net cash at beginning of year | 17,472,171 | 63,946,063 |
| | Cash flow from operating activities | | |
| 13 | Net cash arising from operations | -22,946,604 | -18,844,871 |
| 30 | Interest paid | -666,393 | -381,511 |
| 30 | Interest paid on financial liabilities related to the right-of-use of assets | -5,525,752 | -5,955,064 |
| 30 | Interest received | 28,430 | 80,700 |
| | Total | -29,110,319 | -25,100,746 |
| | Cash flow from investment activities | | |
| 2 | Investments in tangible assets | -31,948 | -1,875,858 |
| 2 | Write-downs of tangible assets | 34,048 | - |
| 4 | Investments in intangible assets | -1,261,929 | -1,147,364 |
| 6 | Subsidiary company share capital transactions | 41,511 | - |
| | Total | -1,218,318 | -3,023,222 |
| | Cash flow from financing activities | | |
| 14 | Equity | - | - |
| 7 | Non-current financial assets | -430,562 | -4,683,664 |
| 12 | Current financial assets | -1,644,651 | -1,773,917 |
| 15 | Non-current financial liabilities | 86,477,361 | - |
| 25 | Current financial liabilities related to the right of use of assets | -11,725,228 | -4,723,695 |
| 22-26 | Current financial liabilities | -3,889,492 | 19,953,545 |
| | Dividends paid | - | -9,313,728 |
| | Total | 68,787,428 | -541,459 |
| | Cash Flow in the period | 38,458,791 | -28,665,427 |
| | Net cash from assets held for sale | - | - |
| | Net cash at the end of year | 55,930,962 | 35,280,636 |

| | | (euro) | |
|--|---|---------------------------------|---------------------------------|
| | | 1st Half at 30/06/21 | 1st Half at 30/06/20 |
| | Net cash arising from operations | | |
| | Result including non-operating activities | -20,859,197 | -9,555,637 |
| | Adjustments for: | | |
| | Depreciation and amortisation | 18,856,337 | 18,769,636 |
| | Provisions, write-downs and impairment | 160,500 | -1,673,740 |
| | Valuation of financial assets | - | - |
| | Capital gain and losses | 330 | - |
| | Financial income | - | - |
| | Interest payable on leased assets (IFRS 16) | 5,525,752 | 5,955,064 |
| | Net change in employee provisions | -55,267 | 645,988 |
| | Personnel cost "Performance Shares Plan" | 187,829 | - |
| | Changes in deferred taxes | -26,877,598 | -4,138,902 |
| | Inventories | -1,394,804 | -1,235,187 |
| | Trade and other receivables | -11,023,694 | 6,129,356 |
| | Trade payables | -2,626,143 | -11,742,255 |
| | Advances | 16,725,662 | -12,497,384 |
| | Tax liabilities | -404,116 | 964,819 |
| | Provisions for risks and charges and other liabilities (excluding payables to Organisers) | -1,750,000 | -7,402,933 |
| | Payables to Organisers | 587,805 | -3,063,696 |
| | Total | -22,946,604 | -18,844,871 |

| Statement of changes in equity - Fiera Milano SpA | | | | | | | (euro) |
|--|----------------------|------------------------|----------------------|---|---|---------------------|--------|
| Note 14 | Capital share | Reserve premium | Other reserve | profit/(loss) for the period/ for previous years | (loss) for the pe for the year | Total Equity | |
| Balance at 31 December 2019 | 41,644,917 | 7,625,105 | 10,059,980 | 7,249,637 | 32,793,582 | 99,373,221 | |
| Allocation of earnings at 31/12/19: | | | | | | | |
| - dividend distribution | - | - | - | - | -9,313,729 | -9,313,729 | |
| - retained earnings | - | - | - | 23,479,853 | -23,479,853 | - | |
| <i>Fair value stock grant</i> | 638,707 | 932,245 | -1,570,952 | - | - | - | |
| Revaluation of defined benefit schemes | - | - | - | -86,412 | - | -86,412 | |
| Total comprehensive income for the period at 30/06/20 | - | - | - | - | -9,555,637 | -9,555,637 | |
| Balance at 30 June 2020 | 42,283,624 | 8,557,350 | 8,489,028 | 30,643,078 | -9,555,637 | 80,417,443 | |
| Balance at 31 December 2020 | 42,283,624 | 8,557,350 | 8,489,028 | 30,594,454 | -24,755,604 | 65,168,852 | |
| Allocation of earnings at 31/12/20: | | | | | | | |
| - retained earnings | - | - | - | -24,755,604 | 24,755,604 | - | |
| <i>Fair value stock grant</i> | - | - | 187,829 | - | - | 187,829 | |
| Reserve for hedging transactions | - | - | -360,124 | - | - | -360,124 | |
| Revaluation of defined benefit schemes | - | - | - | 53,629 | - | 53,629 | |
| Total comprehensive income for the period at 30/06/21 | - | - | - | - | -20,859,197 | -20,859,197 | |
| Balance at 30 June 2021 | 42,283,624 | 8,557,350 | 8,316,733 | 5,892,479 | -20,859,197 | 44,190,989 | |

Notes to the Financial Statements

The Interim Statement of Financial Position of the Company Fiera Milano SpA, for the period ended 30 June 2021, was prepared in summary form in accordance with the provisions of IAS 34 - *Interim Financial Reporting*, not reporting all the information and notes required by the annual financial statements, and must therefore be read in conjunction with the annual financial statements as at 31 December 2020.

Fiera Milano SpA, also through its subsidiaries, is active in all the characteristic areas of the exhibition industry and the Company is one of the largest integrated companies in this sector worldwide.

The Company business consists of hosting exhibitions, fairs and other events, promoting and making available equipped exhibition spaces, as well as offering project support and ancillary services. Specifically, this segment includes all activities associated with exhibitions (including end services for exhibitors and visitors).

The business of the Company has dual seasonality: (i) a higher concentration of exhibitions in the six months from January to June; (ii) exhibitions that have a multiannual frequency.

Covid-19 and effects on financial statements

The results of the first half of 2021 were still strongly influenced by the suspension of exhibition activities following the measures adopted by the Government to combat the pandemic and prevent the spread of Covid-19, which lasted until 15 June 2021.

The Company has endeavoured to reschedule calendar events in the period under review and has continued its activities to contain management and personnel costs, including through the use of the furlough scheme.

1) Accounting standards and criteria used to prepare the Interim Statement of Financial Position page

1.1 Preparation Standards

The present Interim Statement of Financial Position was prepared in accordance with IAS and IFRS accounting standards in force at 30 June 2021, issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and with the relative interpretative documents and provisions issued when Art. 9 of Italian Legislative Decree No. 38/2005 was enacted.

The accounting standards and valuation criteria adopted in the preparation of this Interim Statement of Financial Position are the same as those used in the financial statements at 31 December 2020, to which explicit reference is made.

Given the capital and financial position of the first six months of 2021, the economic forecasts of the 2021-2025 strategic plan, called "CONN.E.C.T. 2025" and approved by the Board of Directors on 22 February 2021 and subsequent revisions and taking into account the forecasts of the working capital and the financial and capital position, the Interim Statement of Financial Position was prepared on a going concern basis.

The Interim Statement of Financial Position is prepared in Euros and all figures are rounded to the nearest thousand Euros unless otherwise indicated.

No atypical and/or unusual transactions had taken place at 30 June 2021.

1.2 New accounting standards, interpretations and amendments adopted

The accounting standards used to prepare the Interim Statement of Financial Position as at 30 June 2021 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 Company has not opted for early adoption of any standards, interpretations or amendments that have been issued but for which adoption is not yet mandatory.

The amendments that apply for the first time in 2021 have no impact on the Interim Statement of Financial Position as at 30 June 2021.

In particular, it should be noted that, in application of the exemption introduced with the amendment to IFRS 16 Leases, the changes in the payments of the rental payments resulting from agreements between the parties in consideration of the negative effects of Covid-19, obtained by the Company during the half year, had no appreciable effects on the values of the Interim Statement of Financial Position.

With regard to the "Warning Notice No. 5/21" of 29 April 2021, CONSOB declared its intention to conform its supervisory practices to the new ESMA (European Securities and Markets Authority) Guidelines on disclosure obligations pursuant to EU Regulation 2017/1129. The Guidelines update the previous CESR Recommendations (ESMA/2013/319, in the revised version of 20 March 2013) on debt.

From the date of application of 5 May 2021, therefore, the references contained in previous CONSOB communications on the aforementioned CESR Recommendations on the statement are intended to be replaced with the ESMA Guidelines in question, including the references in Communication No. DEM/6064293 of 28/7/2006 on the subject of net financial position, now renamed "Financial debt". It should also be noted that the item "Trade and other non-current payables" includes unpaid payables, which have a significant implicit or explicit loan component and any other non-interest bearing loans.

The following are the main changes resulting from the changes to the standards introduced with the Commission Regulation (EU) 2021/1080 of 28 June 2021 published in the Official Journal of the European Union No. L239 of 2 July 2021, which will come 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 this entailing 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 fixed asset. These sales revenues and the related costs will be recognised in the income statement.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets: clarifies which cost items must be considered to assess whether a contract will be at a loss.
- Annual cycle of improvements made to IFRS 1 First adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments and IAS 41 Agriculture.

1.3 Form and content of the Financial Statements

With regard to the form and content of the Financial Statements, Fiera Milano SpA has made the following decisions:

- the Statement of Financial Position is presented with separate sections for Assets, Liabilities, and Equity. Assets and liabilities are also recognised according to their classification as current, non-current and held for sale;

- the Statement of Comprehensive Income is shown as a single statement in a continuous format and items are analysed by nature since this approach provides reliable information that is more relevant than classification by function;
- the Statement of Cash Flows is presented using the indirect method;
- the Statement of Changes in Equity is presented with separate entries for comprehensive income and transactions with shareholders.

1.4 Use of estimates

Preparation of the Interim Statement of Financial Position and related notes using IFRS requires estimates and assumptions to be made that affect the amounts of assets and liabilities in the Interim Statement of Financial Position and disclosures concerning contingent assets and liabilities at the date of the Interim Statement of Financial Position. 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 and Interim Statement of Financial Position 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 binding agreements, prices listed on an active market are used as reference or calculated according to IFRS 13 - Fair Value Measurement. The value in use is calculated by discounting, at a rate expressing the weighted average cost of capital of a company with a similar risk profile and debt profile, the expected cash flows from use of the asset (or group of assets, i.e. cash generating units) and its disposal at the end of its useful life.

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.

These assumptions are also subject to developments in the health emergency linked to the Covid-19 pandemic, with particular reference to the estimates of the timing of the scheduling of trade fairs, characterised by persistent uncertainty about the effects of the pandemic and the 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 Company.

- *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* recognised against tax losses carried forward and other taxable temporary differences to the extent that it is probable there will be sufficient future taxable income against which these tax losses and other taxable temporary differences can be used. Management must use its judgement in estimating the amount of deferred tax assets to be recognised. The Company's Business Plan was taken into consideration when verifying the recoverability of deferred tax assets.
- *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.
- *Share-based Payments.* In accordance with IFRS 2 - Share-based Payment, the total fair value of stock grants at the assignment date was recognised in full in the Income Statement under personnel costs, over the entire period between the assignment date and their vesting date, with a reserve recognised in equity as a balancing entry.
The fair value of the stock grants was measured at their assignment date, reflecting the arm's length value at that date.
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 to the estimated taxable income for the period.

Notes to the items of the Interim Statement of Financial Position

STATEMENT OF FINANCIAL POSITION

ASSETS

Non-current assets

2) Property, plant and equipment

The breakdown and changes in the period are given below:

| Property, plant and equipment | | | | | | | | (€'000) |
|--|------------------------|-------|-------|---------------------------|------------|-----------------------|------------------|------------------------|
| | Balance at 31/12/20 | Incr. | Decr. | Changes during the period | | | | Balance at 30/06/21 |
| | | | | Depr. | Impairment | Reclas- sification | Other changes | |
| Plant and machinery | | | | | | | | |
| . historic cost | 16,274 | 18 | - | - | - | - | - 43 | 16,249 |
| . depreciation | 15,669 | - | - | 72 | - | - | - | 15,741 |
| Net | 605 | 18 | - | 72 | - | - | - 43 | 508 |
| Industrial and commercial equipment | | | | | | | | |
| . historic cost | 12,897 | - | - | - | - | - | - | 12,897 |
| . depreciation | 12,763 | - | - | 43 | - | - | - | 12,806 |
| Net | 134 | - | - | 43 | - | - | - | 91 |
| Other assets | | | | | | | | |
| . historic cost | 28,089 | 13 | 2 | - | - | - | 358 | 28,458 |
| . depreciation | 26,771 | - | 1 | 201 | - | - | 348 | 27,319 |
| Net | 1,318 | 13 | 1 | 201 | - | - | 10 | 1,139 |
| Total property, plant and equipment | | | | | | | | |
| . historic cost | 57,260 | 31 | 2 | - | - | - | 315 | 57,604 |
| . depreciation | 55,203 | - | 1 | 316 | - | - | 348 | 55,866 |
| Net | 2,057 | 31 | 1 | 316 | - | - | - 33 | 1,738 |

The breakdown and changes in the various items during the period were as follows:

Plant and machinery

This item totalled Euro 508 thousand, net of depreciation for the period of Euro 72 thousand, and was for costs relating to electrical, heating, alarm and audiovisual systems.

The total increases amounting to Euro 18 thousand referred to plant and machinery for the Rho exhibition site.

Industrial and commercial equipment

This item totalled Euro 91 thousand, net of depreciation for the period of Euro 43 thousand, and was mainly for equipment and furnishings related to the exhibition business.

Other assets

This item totalled Euro 1,139 thousand net of depreciation for the period of Euro 201 thousand, and refers to purchases of electronic equipment, furniture and furnishing accessories and vehicles, in addition to the costs incurred for improvements made to assets of Fondazione Fiera Milano, which were the responsibility of the Company under existing lease agreements.

The overall increases, equal to Euro 13 thousand, refer to investments in the digital sector.

Depreciation of improvements to third-party assets is calculated on the residual duration of the real estate lease.

3) Right-of-use assets

The breakdown and changes in the period are given below:

| Right-of-use assets | | | | | | | | (€'000) |
|----------------------------------|--------------------------------|--------------|--------------|----------------------------------|-------------------|-------------------------------|--------------------------|--------------------------------|
| | Balance at 31/12/20 | Incr. | Decr. | Changes during the period | | | | Balance at 30/06/21 |
| | | | | Depr. | Impairment | Reclas- sification | Other changes | |
| Right-of-use properties | | | | | | | | |
| . historic cost | 468,513 | 69 | 117 | - | - | - | - | 468,465 |
| . depreciation | 69,834 | - | 94 | 17,341 | - | - | - | 87,081 |
| Net | 398,679 | 69 | 23 | 17,341 | - | - | - | 381,384 |
| Leased corporate fleet | | | | | | | | |
| . historic cost | 353 | - | 11 | - | - | - | - | 342 |
| . depreciation | 214 | - | 42 | 52 | - | - | - | 224 |
| Net | 139 | - | - 31 | 52 | - | - | - | 118 |
| Total Right-of-use assets | | | | | | | | |
| . historic cost | 468,866 | 69 | 128 | - | - | - | - | 468,807 |
| . depreciation | 70,048 | - | 136 | 17,393 | - | - | - | 87,305 |
| Net | 398,818 | 69 | - 8 | 17,393 | - | - | - | 381,502 |

The breakdown and changes in the various items during the period were as follows:

Right-of-use properties

The item totalled Euro 381,384 thousand, less depreciation for the period of Euro 17,341 thousand, and refers to the recognition of leases of right-of-use property deriving from the application of IFRS 16.

Leased corporate fleet

The item totalled Euro 118 thousand, less depreciation for the period of Euro 52 thousand, and refers to the recognition of leases of right-of-use vehicles deriving from the application of IFRS 16.

4) Goodwill

The breakdown and changes in the period are given below:

| Goodwill | | | | | | | | (€'000) |
|-----------------|--------------------------------|--------------|--------------|----------------------------------|-------------------------------|--------------------------|--------------------------------|---------|
| | Balance at 31/12/20 | Incr. | Decr. | Changes during the period | | | Balance at 30/06/21 | |
| | | | | Impairment | Reclas- sification | Other changes | | |
| Goodwill | | | | | | | | |
| . historic cost | 82,933 | - | - | - | - | - | 82,933 | |
| . depreciation | 12,789 | - | - | - | - | - | 12,789 | |
| Net | 70,144 | - | - | - | - | - | 70,144 | |
| Total | | | | | | | | |
| . historic cost | 82,933 | - | - | - | - | - | 82,933 | |
| . depreciation | 12,789 | - | - | - | - | - | 12,789 | |
| Net | 70,144 | - | - | - | - | - | 70,144 | |

The breakdown and changes in the various items during the year were as follows:

Goodwill

This item totalled Euro 70,144 thousand.

Goodwill of Euro 29,841 thousand was initially recognised in the Statement of Financial Position following the contribution by Fondazione Fiera Milano of the exhibition entity on 17 December 2001. In 2011, it increased by Euro 40,350 thousand as a result of the merger by incorporation of the 100% owned subsidiary, Rassegne SpA, into the controlling entity Fiera Milano SpA and by Euro 80 thousand for goodwill relating to acquisition of the Information Communication Technology business unit of the subsidiary Expopage SpA, now Fiera Milano Media SpA.

In 2012, it increased by a further Euro 21 thousand as a result of the merger by incorporation of the 100% owned subsidiary, TL. TI Expo SpA, into the controlling entity Fiera Milano SpA and decreased by Euro 148 thousand for goodwill relating to acquisition of the business unit F&M Fiere & Mostre Srl in 2009, following the adjustment to the final transaction consideration made due to failure to reach the targets for the 2012 editions of exhibitions.

As described in section 1.4 "Use of estimates", goodwill is not amortised but is subject to impairment tests at the end of each reporting period or more frequently if there are any indications of impairment, with the collaboration of a qualified independent expert.

The recoverable amount of the cash generating units (CGUs) was verified by calculating the higher between the fair value net of costs to sell and the value in use.

For Fiera Milano SpA, the CGUs were defined at individual exhibition level, consistent with Group segment reporting.

In order to avoid using arbitrary allocation criteria for the impairment tests, goodwill was allocated based on appropriate groupings that are in line with Segment Reporting and reflect the Group's strategic vision, organisation and governance. More specifically, at Fiera Milano SpA, the group of CGUs "Italian Exhibitions Business" was identified and encompasses all of the activities relating to exhibitions held in the Exhibition Sites of **fieramilano** and **fieramilanocity**, which were allocated goodwill totalling Euro 70,144 thousand.

Moreover, the item "Right-of-use assets" does not generate independent cash flows; therefore, the recoverable amount, determined as the higher of value in use and fair value less the costs to sell, can only be assessed within the CGUs to which it belongs.

5) Intangible assets with a finite useful life

The breakdown and changes in the period are given below:

| Intangible assets with a finite useful life | (€'000) | | | | | | |
|--|---------------------|-------|-------|------------------|-------------------|---------------|---------------------|
| | Balance at 31/12/20 | Incr. | Decr. | Depr. Impairment | Reclas-sification | Other changes | Balance at 30/06/21 |
| Industrial patents and intellectual property rights | | | | | | | |
| . historic cost | 40,999 | 98 | - | - | - | - | 41,097 |
| . depreciation | 38,677 | - | - | 543 | - | - | 39,220 |
| Net | 2,322 | 98 | - | 543 | - | - | 1,877 |
| Concessions, licences and similar | | | | | | | |
| . historic cost | 4,825 | 27 | - | - | - | - | 4,852 |
| . depreciation | 4,247 | - | - | 181 | - | - | 4,428 |
| Net | 578 | 27 | - | 181 | - | - | 424 |
| Trademarks | | | | | | | |
| . historic cost | 27,963 | - | - | - | - | - | 27,963 |
| . depreciation | 20,557 | - | - | 423 | - | - | 20,980 |
| Net | 7,406 | - | - | 423 | - | - | 6,983 |
| Intangible fixed assets under | | | | | | | |
| . historic cost | 4,028 | 1,137 | - | - | - | - | 5,165 |
| Net | 4,028 | 1,137 | - | - | - | - | 5,165 |
| Total intangible assets with a finite useful life | | | | | | | |
| . historic cost | 77,815 | 1,262 | - | - | - | - | 79,077 |
| . depreciation | 63,481 | - | - | 1,147 | - | - | 64,628 |
| Net | 14,334 | 1,262 | - | 1,147 | - | - | 14,449 |

The breakdown and changes in the various items during the period were as follows:

Industrial patents and intellectual property rights

This item totalled Euro 1,877 thousand net of amortisation for the period of Euro 543 thousand. The total increase of Euro 98 thousand refers to costs associated with the implementation of digital projects and software purchases.

Amortisation is calculated on the estimated useful life of the asset, which is three years.

Concessions, licences and similar rights

This item totalled Euro 424 thousand net of amortisation for the period of Euro 181 thousand. The total increase of Euro 27 thousand refers to the acquisition of software licences with time-limited user rights.

Time-limited software licences are amortised over a period of three years.

Trademarks

This item totalled Euro 6,983 thousand net of amortisation for the year of Euro 423 thousand, which breaks down as follows:

| | |
|------------------------------|----------------------|
| - Milan Games Week | Euro 2,021 thousand; |
| - Host | Euro 1,215 thousand; |
| - Mipap Milano Prêt-à-Porter | Euro 1,142 thousand; |
| - Promotion Trade Exhibition | Euro 1,031 thousand; |
| - G! Come Giocare | Euro 534 thousand; |
| - Transpotec & Logitec | Euro 319 thousand; |
| - Cartoomics | Euro 257 thousand; |

| | |
|-----------------------------|--------------------|
| - Salone Franchising Milano | Euro 145 thousand; |
| - Festivity | Euro 85 thousand; |
| - Miart | Euro 84 thousand; |
| - La Campionaria | Euro 73 thousand; |
| - BtoBio Expo | Euro 63 thousand; |
| - Tuttofood | Euro 7 thousand; |
| - Fruit&Veg Innovation | Euro 7 thousand. |

For the purpose of the impairment testing of trademarks to which Fiera Milano SpA assigns a finite useful life, the external and internal sources of information specified in paragraphs 12-14 of IAS 36 were examined and no signs of impairment were found.

Exhibition trademarks are amortised over a useful life of 10-20 years. The useful life of each trademark is calculated, assuming for each specific intangible asset that its presence in its reference market is ongoing, the competitive position and its operating profitability.

Intangible fixed assets under construction

This item totalled Euro 5,165 thousand and mainly refers to costs incurred for the development of new company IT systems. On completion, the asset will be reclassified under the corresponding item of fixed assets and it will start to be depreciated.

6) Investments

The breakdown and changes in the period under review are given below:

| Investments | % held | Book value | | Changes during the period | | | | | Book value |
|--|--------|---------------|----------|---------------------------|-----------|------------------|--------------|-------------|---------------|
| | | 30/06/21 | 31/12/20 | Increases | Decreases | Reclassification | Revaluations | Write-downs | 30/06/21 |
| (€'000) | | | | | | | | | |
| Investments in subsidiaries companies | | | | | | | | | |
| Fiera Milano Congressi SpA | 100% | 12,200 | - | - | - | - | - | - | 12,200 |
| Fiera Milano Media SpA | 100% | 7,618 | - | - | - | - | - | - | 7,618 |
| MADE eventi Srl | 60% | 1,860 | - | - | - | - | - | - | 1,860 |
| Nolostand SpA | 100% | 13,390 | - | - | - | - | - | - | 13,390 |
| Cipa Fiera Milano Publicações e Eventos Ltda | 99.99% | 2,202 | - | - | - | - | - | - | 2,202 |
| Fiera Milano Exhibitions Africa Pty Ltd | 100% | 415 | - | - | - | - | - | - | 415 |
| Fiera Milano India Pvt Ltd | 99.99% | 42 | - | 42 | - | - | - | - | - |
| Total | | 37,727 | - | 42 | - | - | - | - | 37,685 |
| Investments in joint ventures | | | | | | | | | |
| Hannover Milano Global Germany GmbH | 49% | 10,990 | - | - | - | - | - | - | 10,990 |
| Ipack Ima Srl | 49% | 2,407 | - | - | - | - | - | - | 2,407 |
| Total | | 13,397 | - | - | - | - | - | - | 13,397 |
| Other investments | | | | | | | | | |
| Comitato Golden Card | 33.33% | 32 | - | - | - | - | - | - | 32 |
| Total | | 32 | - | - | - | - | - | - | 32 |
| Total investments | | 51,156 | - | 42 | - | - | - | - | 51,114 |

The values of investments are shown net of any impairment losses.

Other changes in the Investments item were as follows:

- On 28 September 2018, Fiera Milano SpA, as the sole shareholder of Fiera Milano India Pvt Ltd, approved the liquidation status of the company. On 22 May 2021, the final liquidation financial statements and the consequent allotment plan were approved, resulting in a capital loss of Euro 13 thousand.

The investments of all operating companies are subjected to impairment tests, at the closing date of the financial year or more frequently if there are indicators of impairment, with the collaboration of a qualified independent expert.

7) Other financial assets

This item totalled Euro 5,508 thousand (Euro 5,077 thousand at 31 December 2020) and the breakdown was as follows:

| Other financial assets | (€'000) | | |
|----------------------------------|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Units in mutual investment funds | 5,508 | 5,077 | 431 |
| Total | 5,508 | 5,077 | 431 |

Units in mutual investment funds are 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.

8) Trade and other receivables

This item totalled Euro 21,449 thousand (Euro 21,579 thousand at 31 December 2020), of which Euro 94 thousand due beyond five years, with breakdown as follows:

| Trade and other receivables | (€'000) | | |
|--|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Other receivables from the controlling shareholder | 10,676 | 10,808 | - 132 |
| Receivables from the controlling shareholder for tax consolidation | 10,679 | 10,679 | - |
| Other guarantee deposits | 94 | 92 | 2 |
| Total | 21,449 | 21,579 | - 130 |

The item includes:

- 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 Controlling shareholder for tax consolidation for Euro 10,679 thousand (Euro 10,679 thousand at 31 December 2020) refer to the remuneration of the tax losses for the year 2020 made to the tax consolidation with Fondazione Fiera Milano and recognised against the valuation of recoverability, within the limits on the time horizon of the approved plans;
- other guarantee deposits totalling Euro 94 thousand (Euro 92 thousand at 31 December 2020).

9) Deferred tax assets

This item totalled Euro 19,665 thousand (balance equal to zero as at 31 December 2020) and is the net balance of deferred tax assets and deferred tax liabilities.

An analysis of the changes in deferred taxes is given in Note 43 to the Income Statement.

Current assets

10) Trade and other receivables

| Trade and other receivables | (€'000) | | |
|--|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Trade receivables | 13,277 | 6,741 | 6,536 |
| Trade receivables from subsidiaries | 2,325 | 1,669 | 656 |
| Trade receivables from joint ventures | 213 | 85 | 128 |
| Trade receivables from associates | 1 | 119 | - 118 |
| Group VAT receivables from the controlling shareholder | 6,309 | 2,894 | 3,415 |
| Other receivables | 1,558 | 1,454 | 104 |
| Other receivables from the controlling shareholder | 1,546 | 1,003 | 543 |
| Prepaid expenses | 1,343 | 1,137 | 206 |
| Prepaid expenses from the controlling shareholder | - | 102 | - 102 |
| Prepaid expenses from subsidiaries | 60 | - | 60 |
| Prepaid expenses from joint ventures | 1 | - | 1 |
| Total | 26,633 | 15,204 | 11,429 |

This item totalled Euro 26,633 thousand (Euro 15,204 thousand at 31 December 2020), with breakdown as follows:

- trade receivables due from customers totalled Euro 13,277 thousand (Euro 6,741 thousand at 31 December 2020), net of the provision for doubtful receivables of Euro 2,396 thousand. They comprised receivables from organisers, exhibitors and others for providing the exhibition site and services for exhibitions. The change is mainly due to the resumption of exhibition activities starting from June 2021.

The figure for receivables was adjusted for the provision for doubtful receivables in order to bring the nominal value of the receivables that were deemed difficult to recover in line with the estimated recoverable amount. Use of the provision refers to receivables that, in the financial period under review, were found to be unrecoverable.

The change in this provision during the year was as follows:

| | (€'000) | | | |
|------------------------------------|-----------------|-------------------|--------------------|-----------------|
| | 31/12/20 | Provisions | Utilisation | 30/06/21 |
| Provision for doubtful receivables | 4,826 | - | 2,430 | 2,396 |

- Trade receivables from subsidiaries of Euro 2,325 thousand (Euro 1,669 thousand at 31 December 2020). These were trade receivables and are settled at arm's length. The services provided are part of the organisation and management of exhibitions and other events at the exhibition site.
- Other receivables of Euro 1,558 thousand (Euro 1,454 thousand at 31 December 2020). These included receivables from employees for Euro 278 thousand, receivables for tax advances on employee severance indemnities for Euro 315 thousand, advances to suppliers for Euro 160 thousand, receivables from social security and welfare institutions for Euro 629 thousand, IRES receivables for Euro 28 thousands, other tax credits for Euro 5 thousand and other short-term receivables for Euro 143 thousand.

- Prepayments for Euro 1,343 thousand (Euro 1,137 thousand at 31 December 2020). These refer to insurance premiums and other accruals, and to costs incurred by period end but pertaining to the following period.

11) Inventories

This item includes deferred costs for Euro 4,978 thousand (Euro 3,583 thousand at 31 December 2020) in relation to events to be held after 30 June 2021.

| Inventories | (€'000) | | |
|----------------------|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Tuttofood | 1,651 | 1,255 | 396 |
| Host | 1,544 | 1,104 | 440 |
| Transpotec & Logitec | 490 | 351 | 139 |
| Print4all | 260 | 230 | 30 |
| Sicurezza | 253 | 184 | 69 |
| Miart | 200 | - | 200 |
| HOMI | 163 | 110 | 53 |
| Bit | 14 | 129 | - 115 |
| Other | 403 | 220 | 183 |
| Total | 4,978 | 3,583 | 1,395 |

Personnel costs directly attributable to the events are recognised in the income statement in the period in which the event takes place and are consequently included in the inventories item. The impact of this amounts to Euro 2,545 thousand.

12) Financial assets

This item totalled Euro 4,834 thousand (Euro 3,218 thousand at 31 December 2020) and the breakdown was as follows:

| Financial assets | (€'000) | | |
|---|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Financing from subsidiaries and joint venture | 4,834 | 3,218 | 1,616 |
| Total | 4,834 | 3,218 | 1,616 |

This item includes financing activities with a number of subsidiaries and joint ventures. These transactions are settled at arm's length and include:

- a Euro 1,411 thousand loan granted to the subsidiary MADE eventi Srl. The interest payable on this loan is 1.30%;
- for Euro 1,018 thousand, the loan granted to the subsidiary Cipa Fiera Milano Publicações e Eventos Ltda. The interest payable on this loan is 1.50%;
- a Euro 2,405 thousand loan granted to the joint venture company Ipack Ima Srl. The interest payable on this loan is 1.30%.

13) Cash and cash equivalents

This item totalled Euro 55,931 thousand (Euro 17,472 thousand at 31 December 2020) and referred almost entirely to short-term bank deposits.

| Cash and cash equivalents | (€'000) | | |
|----------------------------------|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Bank and postal accounts | 55,926 | 17,464 | 38,462 |
| Cheques | - | - | - |
| Cash and cash equivalents | 5 | 8 | - 3 |
| Total | 55,931 | 17,472 | 38,459 |

The change compared to the previous year is mainly attributable to the loans and credit lines obtained by the Company to manage the reduction in turnover due to the suspension of exhibition activities following the Covid-19 emergency.

The change in cash flows compared to the quarter closing 30 June 2020, is shown in the Statement of Cash Flows.

EQUITY AND LIABILITIES

14) Equity

The breakdown of equity was as follows:

| Equity | (€'000) | | |
|---------------------------------|-----------------|-----------------|----------------|
| | 30/06/21 | 31/12/20 | change |
| Share capital | 42,284 | 42,284 | - |
| <i>of which treasury shares</i> | -161 | -161 | - |
| Share premium reserve | 8,557 | 8,557 | - |
| <i>of which treasury shares</i> | -2,272 | -2,272 | - |
| Other reserves | 8,317 | 8,489 | -172 |
| Retained profits/(losses) | 5,892 | 30,594 | -24,702 |
| Profit/(loss) for the period | -20,859 | -24,756 | 3,897 |
| Equity | 44,191 | 65,168 | -20,977 |

The amounts and changes in the items compared to 31 December 2020 were as follows:

Share capital

At 30 June 2021, the share capital was Euro 42,284 thousand (Euro 42,284 thousand at 31 December 2020) net of Euro 161 thousand of treasury shares. The fully paid-up share capital is divided into 71,917,829 ordinary shares, without restrictions regarding the distribution of dividends and the repayment of capital, with the exception of the provisions of the law for treasury shares and for the tax suspension amount of Euro 65,157 thousand as required by Art. 110 of Legislative Decree 104/20 as amended by Art. 1 paragraph 83 of Law 178 of 30 December 2020 (Budget Law 2021).

A breakdown of the shares outstanding is shown in the following table:

| | 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 |

In accordance with IAS/IFRS, the nominal value of treasury shares acquired in previous years was recorded as a direct decrease in share capital whilst the difference between the purchase value and nominal value of treasury shares directly reduced the share premium reserve.

The Company's Extraordinary Shareholders' Meeting of 31 July 2015, at the same time as approving the share capital increase, also approved the cancellation of the nominal value of the shares representing the share capital. Therefore, since that date the nominal value is calculated by dividing the share capital by the number of shares outstanding. At 30 June 2021, the implicit nominal value of the shares was Euro 0.59 per share.

At 30 June 2021, the Controlling shareholder held 273,758 treasury shares.

Share premium reserve

The share premium reserve was Euro 8,557 thousand (Euro 8,557 thousand at 31 December 2020) net of the Euro 2,272 thousand reserves for treasury shares.

Other reserves

Other reserves totalled Euro 8,317 thousand (Euro 8,489 thousand at 31 December 2020), broken down as follows:

- Euro 8,489 thousand (Euro 8,489 thousand at 31 December 2020) for the legal reserve;
- Euro 188 thousand (zero balance as at 31 December 2020) from the stock grant reserve in relation to the estimated cost of the Performance Shares Plan included in the 2021-2022 management incentives plan;
- Euro -360 thousand (balance equal to zero at 31 December 2020) from the reserve for financial hedging transactions.

Retained profits/(losses)

The retained earnings were Euro 5,892 thousand (Euro 30,594 thousand at 31 December 2020). The change of Euro 24,702 thousand was due to the increase of Euro 24,756 thousand deriving from the Shareholders' Meeting resolution of 28 April 2021, by which it was decided to carry forward the loss for the 2020 and the increase of Euro 54 thousand to be attributed to the remeasurement of defined benefit plans net of tax effects.

Profit/(loss) for the period

The period ended 30 June 2021 shows a loss of Euro 20,859 thousand, compared to a loss of Euro 24,756 thousand at 31 December 2020.

LIABILITIES

Non-current liabilities

15) Bank borrowings

These amount to Euro 86,477 thousand (balance equal to zero at 31 December 2020):

| Bank borrowings | (€'000) | | |
|------------------------|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Bank loans | 86,477 | - | 86,477 |
| Total | 86,477 | - | 86,477 |

Medium/long-term bank borrowings relate to the following loans:

- Euro 54,804 thousand for the portion of the loan granted on 22 February 2021 by a pool of leading credit institutions (Intesa Sanpaolo, Banco BPM and Unicredit) with maturity on 31 December 2025 and with 24 months of pre-amortisation. This loan is remunerated at a variable interest rate with financial hedging (Interest Rate Swap) and is subject to the measurement of financial covenants on a half-yearly basis. With reference to the half-yearly measurement as at 30 June 2021, the covenants were respected;
- Euro 19,986 thousand for the portion of the loan granted on 1 March 2021 by Cassa Depositi e Prestiti with maturity on 31 December 2025 and with 24 months of pre-amortisation. This loan is remunerated at a fixed interest rate and is subject to the measurement of financial covenants on a half-yearly basis. With reference to the half-yearly measurement as at 30 June 2021, the covenants were respected;

- Euro 4,687 thousand the medium/long-term portion of the loan of Euro 5,000 thousand granted on 19 May 2021 by Banca Carige with maturity on 31 March 2026 and with 12 months of pre-amortisation. This loan is remunerated at a variable interest rate.

The loans described above are assisted for 90% of the amount disbursed by the guarantee issued by SACE, as part of the "Italian Guarantee" programme pursuant to Art. 1 of Law Decree No. 23/2020, converted, with amendments by Law No. 40/2020 (so-called "Liquidity Decree").

- Euro 7,000 thousand, the portion of the loan granted on 28 April 2021 by SIMEST with maturity on 31 December 2027. This loan is remunerated at a fixed interest rate.

16) Financial liabilities related to the right-of-use of assets

This item totalled Euro 361,175 thousand (Euro 376,688 thousand at 31 December 2020) and the breakdown was as follows:

| Financial liabilities related to the right-of-use of assets | (€'000) | | |
|--|-----------------|-----------------|-----------------|
| | 30/06/21 | 31/12/20 | change |
| Financial liabilities related to the right-of-use of assets | 361,175 | 376,688 | - 15,513 |
| Total | 361,175 | 376,688 | - 15,513 |

It refers to the medium/long-term portion of the lease liability. The liability refers to the obligation to make the payments provided for by the lease contracts for properties and cars deriving from the application of IFRS 16. The dynamics of cash flows can be seen in note 30 "Financial assets and liabilities".

17) Other financial liabilities

This item totalled Euro 360 thousand (balance equal to zero at 31 December 2020), with breakdown as follows:

| Other financial liabilities | (€'000) | | |
|------------------------------------|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Derivative instruments | 360 | - | 360 |
| Total | 360 | - | 360 |

They refer to financial hedging contracts for interest rate risk on some medium/long-term bank loans.

18) Provisions for risks and charges

| Provisions for risks and charges | (€'000) | | | | | |
|---|-----------------|-------------------|--------------------|---------------------------------|-------------------------|-----------------|
| | 31/12/20 | Provisions | Utilisation | Write-back of provisions | Reclassification | 30/06/21 |
| Other provisions for risks and charges | - | - | - | - | 72 | 72 |
| Total | - | - | - | - | 72 | 72 |

The item is equal to Euro 72 thousand (balance equal to zero as at 31 December 2020) and refers to risks provisions to deal with disbursements on tax disputes.

19) Employee benefit provisions

This item totalled Euro 5,022 thousand (Euro 5,148 thousand at 31 December 2020).

Employee benefit provisions, calculated using actuarial methods, were for employee severance indemnities that had accrued at 31 December 2006 and with breakdown as follows:

| Employee benefit provisions | (€'000) | | | | |
|------------------------------------|-----------------|---------------------------------|---|----------------------------|-----------------|
| | 31/12/20 | Actuarial evaluation | Indemnities and advances | Other movements | 30/06/21 |
| Defined benefit plans | 5,148 | - 62 | 69 | 5 | 5,022 |
| Total | 5,148 | - 62 | 69 | 5 | 5,022 |

Actuarial evaluation (€'000)

| | |
|--|-------------|
| Financial expenses: | |
| - actualisation charges | 9 |
| Other comprehensive income: | |
| - Remeasurement of defined benefit plans | - 71 |
| Total | - 62 |

The Company uses a duly certified professional to determine the actuarial amounts.

20) Deferred tax liabilities

This item was zero (Euro 7,195 thousand at 31 December 2020). The net balance of deferred taxes is recorded under the item "Deferred tax assets".

21) Other current liabilities

This item totalled Euro 672 thousand (balance equal to zero at 31 December 2020), with breakdown as follows:

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

They refer to the medium/long-term portion of the payable relating to the substitute tax due following the tax realignment of goodwill and exhibitions brands, as better described in item 43 "Income tax".

Current liabilities

22) Bank borrowings

This item totalled Euro 37,323 thousand (Euro 49,018 thousand at 31 December 2020) and the breakdown was as follows:

| Bank borrowings | (€'000) | | |
|------------------------|-----------------|-----------------|-----------------|
| | 30/06/21 | 31/12/20 | change |
| Credit lines | 37,010 | 24,005 | 13,005 |
| Bank loans | 313 | 25,013 | - 24,700 |
| Total | 37,323 | 49,018 | - 11,695 |

Bank borrowings include:

- Euro 37,010 thousand (Euro 24,005 thousand at 31 December 2020) the short-term credit lines opened to meet the treasury needs including accrued interest.

These credit lines refer for Euro 20,000 thousand to an 18-month revolving credit facility granted in June 2020 by Banco BPM with maturity on 15 December 2021, (fully used as of 30 June 2021) subject to the half-yearly measurement of financial covenants starting from 30 June 2020. These covenants were respected at 30 June 2021 and 31 December 2020.

In January 2021, a new credit line at maturity for Euro 5,000 thousand was obtained from Banca Popolare di Sondrio, which is added to a previous revocable credit line granted by the same bank for Euro 5,000 thousand and which leads to Euro 10,000 thousand in the overall contract that this institute has granted to Fiera Milano SpA. At 30 June 2021, the credit lines of Banca Popolare di Sondrio were used for Euro 2,000 thousand.

In February 2021, a maturing credit line with Banca Intesa Sanpaolo for Euro 20,000 thousand was renewed, used for Euro 15,000 thousand as at 30 June 2021.

- Euro 313 thousand (Euro 25,013 thousand at 31 December 2020) the short-term portion of the loan granted by the Carige bank already described in note 15.

23) Trade payables

This item totalled Euro 11,742 thousand (Euro 14,368 thousand at 31 December 2020). Trade payables were mainly to Italian suppliers, most of which for the purchase of services required to mount the exhibitions that is the core business of the Company. The change is mainly due to the lower volume of activity related to the prolonged suspension of exhibition activities following the Covid-19 pandemic.

24) Advances

This item totalled Euro 38,595 thousand (Euro 21,870 thousand at 31 December 2020) and represent advances invoiced to customers for events that will take place after 30 June 2021. Recognition as revenue is deferred until the exhibition is held.

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 Expoconfort | 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 |
| Mido | 1,072 | 1,414 | - 342 |
| Emo | 1,071 | 500 | 571 |
| Milano Unica | 990 | - | 990 |
| Transpotec & Logitec | 807 | 414 | 393 |
| Sicurezza | 721 | 550 | 171 |
| Ipack-Ima | 679 | 650 | 29 |
| Myplant & Garden | 580 | 580 | - |
| Miart | 446 | 347 | 99 |
| Homi | 398 | 252 | 146 |
| Made Expo | 397 | 76 | 321 |
| Supersalone | 387 | - | 387 |
| Eicma Moto | 379 | 330 | 49 |
| Micam September | 378 | 17 | 361 |
| Viscom | 372 | 47 | 325 |
| Lineapelle - A new point of view | 350 | - | 350 |
| Eurocucina | 315 | 442 | - 127 |
| Made in Steel | 315 | 85 | 230 |
| Print4all | 222 | 193 | 29 |
| Salone Internazionale del Bagno | 215 | 225 | - 10 |
| Vitrum | 170 | 14 | 156 |
| L'Artigiano in Fiera | 161 | - | 161 |
| Lamiera | 152 | 165 | - 13 |
| Simei | 129 | 30 | 99 |
| Meat-tech | 129 | 121 | 8 |
| Si sposa Italia | 117 | 304 | - 187 |
| Homi Fashion&Jewels | 112 | 4 | 108 |
| Euroluce | - | 286 | - 286 |
| Plast | - | 1,224 | - 1,224 |
| Other | 427 | 345 | 82 |
| Total | 38,595 | 21,870 | 16,725 |

25) Financial liabilities related to the right-of-use of assets

This item totalled Euro 41,281 thousand (Euro 37,141 thousand at 31 December 2020) and the breakdown was as follows:

| Financial liabilities related to the right-of-use of assets | (€'000) | | |
|--|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Financial liabilities related to the right-of-use of assets | 41,281 | 37,141 | 4,140 |
| Total | 41,281 | 37,141 | 4,140 |

It refers to the short-term portion of the lease liability. The liability refers to the obligation to make the payments provided for by the lease contracts for properties and cars deriving from the application of IFRS 16.

To understand the change in the item, it should be noted that the balance of the previous year included the effect of the reduction in the rent of the Rho and Milan exhibitions sites for the last quarter.

26) Other financial liabilities

This item totalled Euro 14,527 thousand (Euro 7,389 thousand at 31 December 2020) and the breakdown was as follows:

| Other financial liabilities | (€'000) | | |
|---|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Financial payables to the controlling shareholder | 6,937 | 1,313 | 5,624 |
| Financial payables to the subsidiaries | 7,590 | 6,076 | 1,514 |
| Total | 14,527 | 7,389 | 7,138 |

The item "Financial payables to the controlling entity" refers to the balance in the correspondent current account held with Fondazione Fiera Milano. The fixed rate was equal to the 1-month Euribor plus a spread of 0.75%.

The item "Financial payables to the subsidiaries" refers to the balance in the correspondent current account held with the following subsidiaries:

- Fiera Milano Congressi SpA for Euro 1,195 thousand;
- Fiera Milano Media SpA for Euro 2,127 thousand;
- Nolostand SpA for Euro 4,268 thousand.

These current accounts originate from the cash pooling contracts signed on 22 November 2018, effective from 10 December 2018, and show daily balances subject to offsetting among the companies. The 3-month Euribor rate is applied (with zero floor) plus a market value spread.

27) Provisions for risks and charges

| Provisions for risks and charges | | | | | | (€'000) |
|---|-----------------|-------------------|--------------------|---------------------------------|-------------------------|-----------------|
| | 31/12/20 | Provisions | Utilisation | Write-back of provisions | Reclassification | 30/06/21 |
| Other provisions for risks and charges | 545 | 160 | 74 | 419 | - 72 | 140 |
| Total | 545 | 160 | 74 | 419 | - 72 | 140 |

This item totalled Euro 140 thousand (Euro 545 thousand at 31 December 2020) and mainly referred to provisions for the various risks of dealing with disbursements on personnel disputes, calculated on the basis of their presumed outcome, through internal assessments and with support from external legal advisers. The change mainly refers to the release of the excess portions relating to the provisions for risks recorded in previous years in relation to legal disputes with suppliers.

28) Tax liabilities

This item totalled Euro 2,659 thousand (Euro 3,063 thousand at 31 December 2020).

| Tax liabilities | (€'000) | | |
|--|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Income tax payable in the financial year | 51 | 51 | - |
| Income tax payable for employees (IRPEF) | 1,845 | 2,865 | - 1,020 |
| Income tax (IRPEF) payable for temporary employees and project workers | 88 | 114 | - 26 |
| Other tax liabilities | 675 | 33 | 642 |
| Total | 2,659 | 3,063 | - 404 |

29) Other liabilities

This item totalled Euro 13,707 thousand (Euro 15,049 thousand at 31 December 2020).

| Other liabilities | (€'000) | | |
|--|-----------------|-----------------|----------------|
| | 30/06/21 | 31/12/20 | change |
| Trade payables to subsidiaries | 4,301 | 5,388 | - 1,087 |
| Payables to joint ventures | 62 | 14 | 48 |
| Payables to pension and social security entities | 2,317 | 3,328 | - 1,011 |
| Payables to directors and statutory auditors | 34 | 44 | - 10 |
| Payables to employees | 1,562 | 1,493 | 69 |
| Payables to exhibition organisers and others | 4,258 | 3,696 | 562 |
| Payables to exhibition Subsidiaries | 63 | - | 63 |
| Payables to exhibition organisers in joint venture | - | 37 | - 37 |
| Other payables | 28 | 23 | 5 |
| Other payables to the controlling shareholder | 148 | 92 | 56 |
| Other payables to Subsidiaries | - | 687 | - 687 |
| Accrued liabilities | 622 | 85 | 537 |
| Accrued liabilities to the controlling shareholder | 81 | 61 | 20 |
| Accrued liabilities to subsidiaries | 81 | 35 | 46 |
| Accrued liabilities to joint ventures | 134 | 2 | 132 |
| Accrued liabilities to associates | 16 | 64 | - 48 |
| Total | 13,707 | 15,049 | - 1,342 |

30) Financial assets and liabilities

As of 30 June 2021, the Company has a net financial debt including the IFRS 16 lease liability of Euro 474,870 thousand (net financial debt of Euro 444,469 thousand at 31 December 2020), as detailed in the table below.

| Financial Debt (Amounts in €'000) | 30/06/21 | 31/12/20 | change |
|--|-----------------|-----------------|----------------|
| A. Cash (including bank balances) | 55,931 | 17,472 | 38,459 |
| B. Other cash equivalents | - | - | - |
| C. Securities held for trading | - | - | - |
| D. Cash and cash equivalents (A+B+C) | 55,931 | 17,472 | 38,459 |
| E. Current financial assets | 4,834 | 3,218 | 1,616 |
| F. Current bank borrowings | 37,010 | 49,018 | -12,008 |
| G. Current portion of non-current debt | 313 | - | 313 |
| H. Other current financial liabilities | 14,527 | 7,389 | 7,138 |
| I. Current financial debt (F+G+H) | 51,850 | 56,407 | -4,557 |
| J. Current net financial debt (I-E-D) | -8,915 | 35,717 | -44,632 |
| K. Non-current financial assets | 5,508 | 5,077 | 431 |
| L. Non-current bank borrowings | 86,477 | - | 86,477 |
| M. Debt securities in issue | - | - | - |
| N. Trade and other non-current payables | 360 | - | - |
| O. Non-current financial debt (-K+L+M+N) | 81,329 | -5,077 | 86,046 |
| Net financial debt from continuing operations (J+O) | 72,414 | 30,640 | 41,414 |
| Net financial position assets held for sale | - | - | - |
| P. Total Net financial debt before IFRS 16 effects | 72,414 | 30,640 | 41,414 |
| Q. Current financial liabilities related to the right of use of assets | 41,281 | 37,141 | 4,140 |
| R. Non-current financial liabilities related to the right of use of assets | 361,175 | 376,688 | -15,513 |
| IFRS 16 financial effects | 402,456 | 413,829 | -11,373 |
| S. Total net financial debt (P+Q+R) | 474,870 | 444,469 | 30,041 |

Net financial debt not including IFRS 16 lease liability shows a balance of Euro 72,414 thousand compared to a net financial debt of Euro 30,640 thousand at 31 December 2020, thus recording an increase of Euro 41,414 thousand.

The increase is mainly due to the negative cash flows deriving from the suspension of the exhibition activities in the half year in question following the Covid-19 emergency.

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

| Changes in liabilities from financing activities | (€'000) | | | | |
|---|---------------------|-----------------------|---------------|----------------------|---------------------|
| | Balance at 31/12/20 | Changes in Cash flows | | exchange rate effect | Balance at 30/06/21 |
| | | Increases | Decreases | | |
| Bank borrowings | - | 86,477 | - | - | 86,477 |
| Financial liabilities related to the right-of-use of assets | 376,688 | - | - | - 15,513 | 361,175 |
| Other financial liabilities | - | - | - | 360 | 360 |
| Total change in non-current financial payables | 376,688 | 86,477 | - | - 15,153 | 448,012 |
| Credit lines | 24,005 | 17,006 | 4,000 | - | 37,011 |
| Bank loans | 25,013 | 313 | 25,013 | - | 313 |
| Financial liabilities related to the right-of-use of assets | 37,141 | - | 11,725 | 15,865 | 41,281 |
| Current financial debt with the controlling shareholder | 1,313 | 27,041 | 21,417 | - | 6,937 |
| Current financial debt with the subsidiaries | 6,076 | 3,205 | 1,691 | - | 7,590 |
| Total change in current financial payables | 93,548 | 47,565 | 63,846 | 15,865 | 93,132 |
| Total liabilities from financing activities | 470,236 | 134,042 | 63,846 | 712 | 541,144 |

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

Guarantees given

This item totalled Euro 1,638 thousand (Euro 1,638 thousand at 31 December 2020) and the breakdown was as follows:

- Euro 924 thousand for the guarantee given to Conserva Holding Srl on behalf of the subsidiary Nolostand SpA for the obligations under the lease agreement for a warehouse;
- Euro 501 thousand for the guarantee given to the Revenue Agency on behalf of the company La Fabbrica del Libro SpA, liquidated on 10 November 2019, to guarantee the request for VAT refund for tax year 2019;
- Euro 213 thousand for the guarantee given to the Tax Authority - Milan Internal Revenue Office on behalf of the company La Fabbrica del Libro SpA, liquidated on 10 November 2019, to cover offsets made as part of Group VAT consolidation.

Potential liabilities

There are several pending legal disputes, for which the legal consultant has estimated a potential liability of Euro 650 thousand.

INCOME STATEMENT

32) Revenues from sales and services

This was Euro 2,808 thousand (Euro 49,037 thousand at 30 June 2020).

The breakdown of revenues was as follows:

| Revenues from sales and services | (€'000) | | |
|---|----------------------|----------------------|-----------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Fees exhibitors area | 1,120 | 14,716 | -13,596 |
| Advertising space and services | 759 | 1,698 | -939 |
| Rental of stands, fittings and equipment | 367 | 12,109 | -11,742 |
| Telephone and internet services | 230 | 418 | -188 |
| Miscellaneous fees and royalties | 221 | 2,283 | -2,062 |
| Supplementary exhibition services | 52 | 360 | -308 |
| Exhibition site services | 42 | 884 | -842 |
| Catering and canteen services | 9 | 1,105 | -1,096 |
| Revenues from exhibition and congress organisation se | 6 | 180 | -174 |
| Ticket office sales | 2 | 137 | -135 |
| Sales of exhibition space | - | 14,590 | -14,590 |
| Access surveillance and customer care services | - | 262 | -262 |
| Exhibition insurance services | - | 219 | -219 |
| Multimedia and online catalogue services | - | 48 | -48 |
| Exhibition administrative services | - | 23 | -23 |
| Revenues from publishing products | - | 5 | -5 |
| Total | 2,808 | 49,037 | - 46,229 |

The change in revenues is mainly attributable to the prolonged suspension of exhibition activities in Italy following the Covid-19 pandemic that hit Italy starting from the end of February 2020.

The business of the Company is almost exclusively concentrated in the domestic market.

33) Costs of materials

This was Euro 76 thousand (Euro 150 thousand at 30 June 2020).

The breakdown of this entry was as follows:

| Cost of materials | (€'000) | | |
|---|----------------------|----------------------|---------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Subsidiary materials and consumables | 60 | 64 | - 4 |
| Printed materials, forms and stationery | 16 | 86 | - 70 |
| Total | 76 | 150 | - 74 |

34) Costs of services

This was Euro 14,534 thousand (Euro 28,781 thousand at 30 June 2020).

The breakdown of this entry was as follows:

| Cost of services | (€'000) | | |
|--|----------------------|----------------------|-----------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Equipment hire for exhibitions | 3,690 | 10,091 | - 6,401 |
| Maintenance | 2,372 | 3,722 | - 1,350 |
| Energy costs | 2,043 | 2,580 | - 537 |
| Technical, legal, commercial and administrative advice | 1,340 | 707 | 633 |
| IT services | 1,292 | 1,002 | 290 |
| Cost of marketing projects for exhibitions | 630 | 2,554 | - 1,924 |
| Insurance | 596 | 610 | - 14 |
| Security and gate services | 576 | 1,311 | - 735 |
| Technical, legal, commercial and administrative services | 530 | 614 | - 84 |
| Advertising | 454 | 1,274 | - 820 |
| Telephone and internet expenses | 333 | 906 | - 573 |
| Cleaning and waste disposal | 193 | 989 | - 796 |
| Other professional and collaborative services | 185 | 328 | - 143 |
| Conference and congress services | 178 | 136 | 42 |
| Remuneration of statutory auditors | 60 | 60 | - |
| Stands and equipment for exhibitions | 45 | 371 | - 326 |
| Ticketing | 37 | 116 | - 79 |
| Technical assistance and ancillary services | 18 | 236 | - 218 |
| Transport | 12 | 143 | - 131 |
| Catering services | 11 | 493 | - 482 |
| Fees and commissions | 9 | 38 | - 29 |
| Others | 511 | 931 | - 420 |
| Change in suspended costs for future exhibitions | - 579 | - 415 | - 164 |
| Uses of provisions | - 2 | - 16 | 14 |
| Total | 14,534 | 28,781 | - 14,247 |

Costs of services mainly included costs for managing the exhibition sites during the setting up, running and dismantling of exhibitions and congresses.

The change is mainly due to the lower volume of activity related to the prolonged suspension of exhibition activities following the Covid-19 pandemic, as well as to the cost containment activities started in March of last year.

35) Cost of use of third-party assets

This item totalled Euro 113 thousand (Euro 102 thousand at 30 June 2020) and the breakdown was as follows:

| Cost of use of third-party assets | (€'000) | | |
|--|----------------------|----------------------|---------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Vehicle hire - management costs | 95 | 90 | 5 |
| Rent and expenses for exhibition sites | - | 4 | -4 |
| Office equipment and photocopier hire | - | 3 | -3 |
| Other rental expenses | 18 | 5 | 13 |
| Total | 113 | 102 | 11 |

36) Personnel costs

This item totalled Euro 12,808 thousand (Euro 13,421 thousand at 30 June 2020) and the breakdown was as follows:

| Personnel costs | (€'000) | | |
|--|---------------|---------------|--------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Salaries | 9,073 | 9,805 | -732 |
| Social Security payments | 2,920 | 2,581 | 339 |
| Defined contribution plan charges | 731 | 982 | -251 |
| Directors' remuneration | 319 | 366 | -47 |
| Redundancy incentives | 72 | 36 | 36 |
| Seconded employees from subsidiaries | 53 | 137 | -84 |
| Seconded employees from joint ventures | 4 | 6 | -2 |
| External and temporary employees | 2 | 69 | -67 |
| Other expenses | 522 | 295 | 227 |
| Change in suspended costs for future exhibitions | - 816 | - 820 | 4 |
| Uses of provisions | - 72 | - 36 | -36 |
| Total | 12,808 | 13,421 | - 613 |

The item decreased mainly due to the activation of the Salary Integration Fund (FIS), for the variable part of the wages.

The breakdown by category 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 |
|--|---------------|---------------|------------|
| Executives | 21 | 22 | -1 |
| Middle managers and white collar workers | 430 | 432 | -2 |
| Total | 451 | 454 | - 3 |

37) Other operating expenses

This item totalled Euro 695 thousand (Euro 1,039 thousand at 30 June 2020) and the breakdown was as follows:

| Other operating expenses | (€'000) | | |
|-----------------------------------|---------------|---------------|-------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Taxes other than income tax | 469 | 669 | -200 |
| Contributions and donations | 192 | 286 | -94 |
| Doubtful receivables | 55 | - | 55 |
| Gifts and advertising merchandise | 4 | - | 4 |
| Copyright royalties (SIAE) | 1 | 54 | -53 |
| Other expenses | 29 | 30 | -1 |
| Uses of provisions | - 55 | - | -55 |
| Total | 695 | 1,039 | -344 |

The decrease mainly refers to the reduction in the variable portion of the tax on waste, based on the lower collection volumes due to the current pandemic situation.

38) Other income

This item totalled Euro 4,520 thousand (Euro 2,961 thousand at 30 June 2020) and the breakdown was as follows:

| Other income | (€'000) | | |
|---|----------------------|----------------------|---------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Recovered costs | 597 | 662 | -65 |
| Office rentals and premises use costs | 321 | 344 | -23 |
| Insurance indemnities | 36 | - | 36 |
| Contributions to income | 25 | - | 25 |
| Recovery of expenses for seconded employees | 12 | 240 | -228 |
| Capital gains on non-current assets | - | - | - |
| Other income | 3,529 | 1,715 | 1,814 |
| Total | 4,520 | 2,961 | 1,559 |

The change is mainly attributable to the item "Other income" which includes penalties to suppliers for Euro 1,900 thousand.

39) Provisions for doubtful receivables and other provisions

This item totalled Euro 160 thousand (Euro -1,674 thousand at 30 June 2020) and the breakdown was as follows:

| Provisions for doubtful receivables and other provisions | (€'000) | | |
|---|----------------------|----------------------|---------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Personnel disputes | 160 | - | 160 |
| Write-downs of receivables | - | 187 | - 187 |
| Write-back of provisions | - | - 1,861 | 1,861 |
| Total | 160 | - 1,674 | 1,834 |

Note 27 of the Statement of Financial Position provides further details on movements in risk provisions in the period.

40) Depreciation and amortisation

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

This was Euro 17,709 thousand (Euro 17,835 thousand at 30 June 2020).

Details of depreciation are provided in the Explanatory Notes under the item Property, plant and equipment and under Right-of-use assets.

Amortisation of intangible assets

This was Euro 1,147 thousand (Euro 935 thousand at 30 June 2020).

Details of amortisation are given in the Explanatory Notes on the item Intangible assets with a finite useful life.

41) Financial income and similar

This item totalled Euro 459 thousand (Euro 81 thousand at 30 June 2020) and the breakdown was as follows:

| Financial income and similar | (€'000) | | |
|--|----------------------|----------------------|---------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Measurement at fair value of investment funds | 431 | - | 431 |
| Interest income on financing to subsidiaries | 14 | 6 | 8 |
| Interest income on financing to joint venture | 9 | 9 | - |
| Interest income from cautionary deposits for rent of the exhibition sites from the controlling shareholder | 2 | 2 | - |
| Interest income on bank deposits | - | 24 | -24 |
| Exchange rate gains | - | 18 | -18 |
| Other financial income | 3 | 22 | -19 |
| Total | 459 | 81 | 378 |

42) Financial expenses and similar

This item totalled Euro 6,266 thousand (Euro 6,357 thousand at 30 June 2020) and the breakdown was as follows:

| Financial expenses and similar | (€'000) | | |
|---|----------------------|----------------------|---------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Interests on financial leasing with the Controlling shareholder | 5,526 | 5,955 | - 429 |
| Interest payable on bank accounts | 604 | 22 | 582 |
| Interest payable on current account held with the controlling shareholder | 27 | - | 27 |
| Interest payable on current account held with the subsidiaries | 21 | 42 | - 21 |
| Charges on discounting defined benefit plans | 9 | 15 | - 6 |
| Financial expenses on leased assets | 3 | 5 | - 2 |
| Exchange rate losses | 1 | 1 | - |
| Measurement at fair value of investment funds | - | 316 | -316 |
| Financial expenses | 75 | 1 | 74 |
| Total | 6,266 | 6,357 | - 91 |

The "Financial expenses on leased assets" refer to the lease liability resulting from the application of the IFRS 16 accounting standard.

43) Income taxes

Income taxes were Euro -24,862 thousand (Euro -5,310 thousand at 30 June 2020).

The breakdown was as follows:

| Income tax | (€'000) | | |
|---------------------|----------------------|----------------------|-----------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Current income tax | 2,015 | - 1,171 | 3,186 |
| Deferred income tax | - 26,877 | - 4,139 | - 22,738 |
| Total | - 24,862 | - 5,310 | - 19,552 |

Taxes for the period include:

- the effects of the tax realignment of goodwill and exhibition trademarks provided for by Art. 110 of Legislative Decree 104/20 as amended by Art. 1, paragraph 83 of Law 178 of 30 December 2020 (Budget Law 2021). The exercise of this right allowed the realisation of a benefit equal to Euro 13,867 thousand, consisting of the release of deferred tax liabilities for Euro 7,305 thousand, the recognition of new deferred tax assets for Euro 8,577 thousand, against a cost for substitute tax of Euro 2,015 thousand classified under current taxes; it should be noted that following the exercise of the tax realignment faculty, the realigned portion of assets net of the 3% substitute tax was subject to a restriction to take into account full taxation in the event that part of this portion of assets is distributed in the future;
- deferred tax assets of Euro -10,995 thousand resulting from the tax loss for the period, calculated by applying the estimated average annual rate (tax rate method) to the profit/(loss) before tax.

44) Profit/(loss) for the period

The net profit in the first semester 2021 was Euro -20,859 million compared to Euro -9,556 million in the first semester of 2020.

45) Related-party transactions

As part of its corporate governance action, Fiera Milano SpA has adopted Procedures for Related-party Transactions.

Transactions carried out by Fiera Milano SpA with related parties are settled as a rule at arm's length.

Detailed information on related-party transactions is provided below and is divided into "Related-party transactions with the controlling entity Fondazione Fiera Milano", "Related-party transactions with subsidiaries," "Related-party transactions with joint ventures" and "Related-party transactions with associates".

Related-party transactions with the controlling shareholder Fondazione Fiera Milano

Recurring related-party transactions are summarised below.

I. Real estate lease agreements

As described below, on 31 March 2014, new lease agreements were signed for the exhibition sites of Rho and Milan. These contracts were effective from the second half of 2014.

On 18 January 2003, the Company signed a lease agreement with Fondazione Fiera Milano for the Rho exhibition site. The same agreement established the terms of the lease for the Milan City site, giving an effective date of 1 January 2006 in the contracts for both exhibition 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 exhibition sites of Rho and Milan were signed. The new rental agreements are for nine years effective from 1 July 2014 (following the agreed early termination of the existing lease agreements due to expire on 31 December 2014) and are automatically renewable for a further nine years.

Under the rental agreement for the Rho exhibition site, compared to the previous agreement that was valid until 30 June 2014, the rent was reduced by Euro 2,000 thousand in the second half of 2014 and by Euro 14,000 thousand for the full-year 2015 and for each subsequent year of the agreement. Therefore, the rent was Euro 24,400 thousand for the second half of 2014 and Euro 38,800 thousand from 2015 and for each subsequent year, annually adjusted for 100% of the change in the ISTAT consumer price index.

For the Milan City exhibition site, the parties agreed to maintain the existing 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, as well as the exclusion of some areas 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.

The amendment to the lease agreement according the terms described above 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 favourable reasoned opinion of the Control and Risk Committee 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, it should be noted 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 applied, the rental agreements were prepared by the parties also 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 the Covid-19 emergency, Fondazione Fiera Milano has granted the temporary modification of the payment terms of the rental payments of both Leases for the years 2020 and 2021, so that payment is made quarterly in arrears, rather than quarterly in advance.

II. Settlement of Group VAT

Taking advantage of the option provided by Italian Presidential Decree 633/72, from 1 January 2002 Fiera Milano SpA chose to follow the procedure, managed by the controlling entity, Fondazione Fiera Milano, for the settlement of Group VAT. This mechanism makes it easier to settle any tax obligations, without the Company incurring additional costs.

III. Group tax consolidation

Starting in 2016, Fiera Milano SpA and some of its Italian subsidiaries opted to adhere to the tax consolidation of Fondazione Fiera Milano acting as the consolidating entity. This option was renewed for the three years 2019, 2020 and 2021.

The Regulation adopted for the tax consolidation of Fondazione Fiera Milano provides that the tax losses of consolidated companies, generated in each of the years that the option is valid, may be utilised to offset the tax payables in the same financial year of companies participating in the tax consolidation, after the tax losses of Fiera Milano SpA and the consolidating entity have been calculated; the tax losses of consolidated companies are remunerated to the extent of the effective benefit achieved by the tax consolidation.

IV. 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 agreed on each occasion between the buyer and the supplier, also on the basis of specific offers/estimates. The service supply contract is governed by market conditions.

V. Licence contracts for use of the Fiera Milano brand

On 17 December 2001, Fondazione Fiera Milano, as owner of the "Fiera Milano" trademark granted Fiera Milano SpA exclusive licence for use of the brand name for its own activities, also through its use on headed paper, on its commercial material, and to differentiate its headquarters and offices. The licence has been granted for Italy and all countries and locations where the brand name has been or will be registered or lodged.

The symbolic consideration paid by Fiera Milano SpA to Fondazione Fiera Milano was Euro 1.0. As its corporate purpose includes development of the exhibition sector, Fondazione Fiera Milano decided to retain ownership of the Fiera Milano trademark and did not include it in the "Exhibition Management Business" unit transferred to the Company in 2001, but envisaging that Fiera Milano SpA would use the trademark for an extended period of time and without incurring additional costs for its use. This licence is renewed each year until 31 December 2032.

VI. Correspondent current account contract

A new contract for the correspondent current account was agreed on 24 June 2016. The contract expires on 31 December of each year and is automatically renewed unless one of the parties cancels by September 30 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 specific terms of the leases. The balance of any invoices that are 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.

VII. "Corporate Think Tank" investment plan

On 14 May 2018, as part of the competitiveness and sustainability plan for exhibition structures, Fondazione Fiera Milano signed an agreement with Fiera Milano SpA undertaking a commitment to support major investment plans. The parties developed their cooperation through the establishment of a 'Corporate Think Tank' for the joint analysis, comparison and assessment of the way in which investments are made. The parties agree that for the coordination and strict monitoring of investment activities, Fondazione Fiera Milano will pay Fiera Milano SpA an arm's length fee of 4% of the total value of the related investments.

VIII. Real estate sublease agreements

On 21 March 2019, Fiera Milano SpA, pursuant to Article 5 of Consob Regulation 17221 of 12 March 2010 as amended on Related-Party Transactions, published the Information Document on agreements relative to the sub-leasing of the roofing of exhibition spaces at Rho-Però for the construction of a photovoltaic system and the related contract to purchase renewable energy, entered into with Fair renew S. r. l., whose share capital is held by A2A Rinnovabili S.p.A. (60%), a company of the A2A Group, and by Fondazione Fiera Milano (40%).

Transactions with subsidiaries

Fiera Milano SpA trade relations with the subsidiaries target the organisation and management of exhibitions and other events.

As part of the corporate reorganisation and to achieve more efficient management of the organisational processes and strengthen the centralisation and single management of strategic services, Fiera Milano SpA provides the following services to some of its subsidiaries:

- purchase;
- legal and corporate affairs;
- administration, financial and control services;
- information communication technology;
- certification;
- human resources.

The subsidiaries Fiera Milano Media SpA, Fiera Milano Congressi SpA and Nolostand SpA have agreements in place with Fiera Milano granting the right to use the name "Fiera Milano" in their own trademarks. The contract with Fiera Milano Media SpA is valid until December 2021 while the contracts with Fiera Milano Congressi SpA and Nolostand SpA will expire in December 2022 and there is no automatic renewal on expiry. The agreed amount payable by each licensee company is Euro 100.

On 22 November 2018, effective from 10 December 2018, Fiera Milano SpA signed a cash pooling agreement with Fiera Milano Congressi SpA, Fiera Milano Media SpA and Nolostand SpA that shows the daily balances subject to offsetting among the companies. The 3-month Euribor rate is applied (with zero floor) plus a market value spread. It should be noted that this contract is automatically renewed from year to year, unless terminated by one of the parties.

Fiera Milano SpA also provides communication services to subsidiaries in order to ensure a uniform Group image.

I. Nolostand SpA

On 2 July 2018, Fiera Milano SpA signed an agreement with the subsidiary Nolostand SpA for the exclusive provision of stand-fitting services to customers of the Controlling shareholder at exhibitions, events and other initiatives at the **fieramilano** and **fieramilanocity** exhibition sites. On 16 December 2019 the contract was renewed to take account of certain changes in operations. The agreed consideration is based on the costs incurred plus a margin as remuneration. It should be noted that the contract is tacitly renewed from year to year.

II. Fiera Milano Media SpA

Fiera Milano SpA has an agreement with Fiera Milano Media SpA whereby the latter has the exclusive right to manage the advertising on billboards owned by Fiera Milano SpA and also to promote and market its business to certain specific clients of the Parent Company. Fiera Milano Media SpA pays Fiera Milano SpA 35% of the revenues generated by these two activities. The remaining 65% remains with the subsidiary as payment for the services provided under the contract.

III. MADE eventi Srl

On 17 December 2019, Fiera Milano SpA and the subsidiary MADE eventi Srl signed a loan agreement for a maximum of Euro 600 thousand. On 6 May 2020 it was increased by a further Euro 300 thousand. The loan is renewed automatically each year. On 2 April 2021, an additional loan agreement was signed for a maximum amount of Euro 1,000 thousand, with a duration of six months. The interest payable on this loan is 1.30%. As of 30 June 2021, the loans were used for Euro 1,400 thousand.

IV. Cipa Fiera Milano Publicações e Eventos Ltda

On 11 March 2020, Fiera Milano SpA entered into a loan agreement with the subsidiary Cipa Fiera Milano Publicações and Eventos Ltda for a maximum amount of Euro 1,000 thousand, maturing on 11 March 2022. The interest payable on this loan is 1.50%. As of 30 June 2021, the loan was fully used.

Relations with joint ventures

Fiera Milano SpA trade relations with joint ventures target the organisation and management of exhibitions and other events.

On 21 February 2016, Fiera Milano SpA and the joint venture company Ipack Ima Srl signed a loan agreement for a maximum of Euro 3,000 thousand. The loan is renewed automatically each year and a 1.30% interest rate is applied. At 30 June 2021, the loan was used up to Euro 2,400 thousand.

Relations with associates

Fiera Milano SpA relations with associates are part of normal operations.

On 5 July 2018, Fiera Milano SpA signed an agreement with the associate Fiera Parking SpA, a wholly-owned subsidiary of Fondazione Fiera Milano, for the management of car parks serving the **fieramilanocity** exhibition centre. The contract lasts seven years starting from 1 September 2018 and is tacitly renewed for the same period.

Financial, capital and economic transactions with related parties are summarised below.

Fiera Milano SpA

Related party entries in the statement of financial position and income statement to 30 June 2021

| (€'000) | Trade receivables and other non current | Trade receivables and other current | Inventories | Current financial assets | Non-current financial liabilities related to the right of use of assets | Advances | Financial liabilities related to the right-of-use of assets | Other current financial liabilities | Other current liabilities | Revenues from sales and services | Cost of services | Cost of use of third-party assets | Personnel expenses | Other operating expenses | Other income | Financial income | Interest payable |
|--|---|-------------------------------------|--------------|--------------------------|---|---------------|---|-------------------------------------|---------------------------|----------------------------------|------------------|-----------------------------------|--------------------|--------------------------|--------------|------------------|------------------|
| Controlling shareholder: | | | | | | | | | | | | | | | | | |
| Fondazione Fiera Milano | 21,355 | 7,855 | | | 361,092 | | 41,167 | 6,937 | 229 | 330 | 137 | | | 102 | 186 | 2 | 5,553 |
| Subsidiaries: | | | | | | | | | | | | | | | | | |
| Fiera Milano Congressi SpA | | 839 | | | | | | 1,195 | 147 | 6 | 57 | 17 | | | 399 | | 6 |
| Fiera Milano Media SpA | | 282 | 69 | | | | | 2,127 | 493 | 10 | 333 | | 53 | 49 | 408 | | 8 |
| MADE eventi Srl | | 676 | | 1,411 | | 397 | | | 70 | | | | | | 157 | 6 | |
| Nolostand SpA | | 589 | 1 | | | | | 4,268 | 3,735 | | 3,668 | | | | 873 | | 7 |
| Cipa Fiera Milano Publicações e Eventos Ltda | | | | 1,018 | | | | | | | | | | | | 8 | |
| Investments in joint ventures: | | | | | | | | | | | | | | | | | |
| Mico DMC Srl | | 111 | 112 | | | | | | 78 | | 63 | | 4 | 20 | 40 | | |
| Ipack Irma Srl | | 102 | | 2,405 | | 808 | | | 118 | | | | | | 125 | 9 | |
| Hannover Milano Fairs Shangai Ltd | | | 1 | | | | | | | | | | | | | | |
| Associates: | | | | | | | | | | | | | | | | | |
| Fiera Parking SpA | | 1 | | | | | | | 16 | 47 | | | | | 2 | | |
| Total related parties | 21,355 | 10,455 | 183 | 4,834 | 361,092 | 1,205 | 41,167 | 14,527 | 4,886 | 393 | 4,258 | 17 | 57 | 171 | 2,190 | 25 | 5,574 |
| Total reported | 21,449 | 26,633 | 4,978 | 4,834 | 361,175 | 38,595 | 41,281 | 14,527 | 13,707 | 2,808 | 14,534 | 113 | 12,808 | 695 | 4,520 | 459 | 6,266 |
| Related party entries/ Total reported (%) | 99.56% | 39% | 4% | 100% | 100% | 3% | 99.72% | 100% | 36% | 14% | 29% | 15% | 0% | 25% | 48% | 6% | 89% |

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.

46) Other information

Material non-recurring events and transactions

During the first semester, there were no material non-recurring transactions under Consob Communication of 28 July 2006.

Transactions relating to atypical and/or unusual operations

In compliance with the Consob Communication of 28 July 2006, it is stated that no unusual and/or atypical operations were carried out by the Company in the first semester of 2021 as defined in the aforementioned Communication.

Information required pursuant to Italian Law 124/2017

Pursuant to Law 124/2017 there are no contributions to report. "Grants related to income" included under Other income refer to the tax grant recognised on advertising investments in newspapers, periodicals and local television and radio stations pursuant to article 57-bis of Italian Decree Law 50 of 24 April 2017.

Significant events after the end of the period

On 21 July 2021, SIMEST disbursed the contribution, equal to Euro 10 million, from the Integrated Promotion Fund to cover fixed costs not covered by profits.

Remuneration paid to the Administrative and Control Bodies, General Managers and Executives with strategic responsibilities

Executives with strategic responsibilities are those that have the power and responsibility, both direct and indirect, for the planning, management and control of Company activities.

The Executives with strategic responsibilities are the Directors, Statutory Auditors, the Chief Financial Officer and the Chief Revenue Officer.

The total remuneration of this category of executives was Euro 1,129 thousand in the period to 30 June 2021 (Euro 900 thousand at 30 June 2020) and the breakdown was as follows:

| Remuneration | 1st Half 2021 | | |
|----------------------------|---------------|--------------------|------------|
| | Directors | Statutory Auditors | Others |
| Short-term benefits | 307 | 60 | 548 |
| Post-employment benefits | - | - | 26 |
| Other non current benefits | - | - | - |
| Staff-leaving indemnities | - | - | - |
| Performance Share Plan | - | - | 188 |
| Total | 307 | 60 | 762 |

(€'000)

(€'000)

| Remuneration | 1st Half 2020 | | |
|----------------------------|---------------|--------------------|------------|
| | Directors | Statutory Auditors | Others |
| Short-term benefits | 338 | 60 | 471 |
| Post-employment benefits | - | - | 31 |
| Other non current benefits | - | - | - |
| Staff-leaving indemnities | - | - | - |
| Total | 338 | 60 | 502 |

At 30 June 2021, the outstanding amount payable to this category was Euro 283 thousand (Euro 258 thousand at 30 June 2020).

Rho (Milan), 1 September 2021

for The Board of Directors
The Chairman
Carlo Bonomi

Attachment 1

List of investments in Subsidiaries and joint ventures for the period ended 31 December 2020
(art. 2427, paragraph 1, no.5 of the Italian Civil Code)

(€'000)

| <u>Company name</u> | <u>Registered Office</u> | Capital | Equity | | Profit (loss) for the period | | Share of held | Value in the financial statements |
|--|--------------------------|---------|--------|-----------|------------------------------|-----------|---------------|-----------------------------------|
| | | share | Total | Pro-quota | Total | Pro-quota | | |
| Subsidiaries: | | | | | | | | |
| Fiera Milano Congressi SpA | Milan | 2,000 | 4,761 | 4,761 | -3,013 | -3,013 | 100.00% | 12,200 |
| Fiera Milano Media SpA | Milan | 2,803 | 2,357 | 2,357 | -64 | -64 | 100.00% | 7,618 |
| MADE eventi Srl | Milan | 1,100 | 1,308 | 785 | -467 | -280 | 60.00% | 1,860 |
| Nolostand SpA | Milan | 7,500 | 6,726 | 6,726 | 212 | 212 | 100.00% | 13,390 |
| Cipa Fiera Milano Publicações e Eventos Ltda | São Paulo Brasil | 15,373 | 672 | 672 | -1,250 | -1,250 | 99.99% | 2,202 |
| Fiera Milano Exhibitions Africa Pty Ltd | Cape Town | - | 649 | 649 | 45 | 45 | 100.00% | 415 |
| Fiera Milano India Pvt Ltd | New Delhi | 223 | 41 | 41 | -7 | -7 | 99.99% | 42 |
| Total | | | | | | | | 37,727 |
| Joint ventures: | | | | | | | | |
| Hannover Milano Global Germany GmbH | Hannover Germany | 25 | 14,340 | 7,027 | 1,547 | 758 | 49.00% | 10,990 |
| Ipacck Ima Srl | Milan | 20 | 2,342 | 1,148 | -371 | -182 | 49.00% | 2,407 |
| Total | | | | | | | | 13,397 |

For subsidiary companies the indirect percentage held in the share capital has also been shown..

Financial Statements Fiera Milano Media Spa

Statement of Financial Position

ASSETS

| (euro) | 30/06/21 | 31/12/20 |
|---|----------------|----------------|
| A) Receivables from shareholders for payments still due | - | - |
| (of which already recalled) | | |
| Fixed assets, with separate sections of those granted under finance leases | | |
| I. Intangible fixed assets | | |
| 1) Start-up and expansion costs | - | - |
| 2) Development costs | - | - |
| 3) Industrial patents and intellectual property rights | - | 925 |
| 4) Concessions, licences and similar rights | - | - |
| 5) Goodwill | 614,583 | 677,083 |
| 6) Contracts in progress and pre-payments | - | - |
| 7) Other | 4,314 | 6,667 |
| Total | 618,897 | 684,675 |
| II. Tangible fixed assets | | |
| 1) Land and buildings | - | - |
| 2) Plant and machinery | 1,485 | 1,846 |
| 3) Industrial and commercial equipment | - | - |
| 4) Other assets | 4,292 | 5,393 |
| 5) Contracts in progress and pre-payments | - | - |
| Total | 5,777 | 7,239 |
| III. Financial assets | | |
| 1) Investments in: | - | - |
| a) subsidiaries | - | - |
| b) associates | - | - |
| c) controlling shareholders | - | - |
| d) companies subject to the control of the controlling shareholders | - | - |
| d-bis) other companies | - | - |
| 2) Receivables | 1,588 | 1,588 |
| a) from subsidiaries | | |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| b) from associates | | |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| c) from controlling shareholders | | |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| d) from companies subject to the control of the controlling shareholders | | |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| d-bis) from others | 1,588 | 1,588 |
| - due within the next financial year | - | - |
| - due beyond the next financial year | 1,588 | 1,588 |
| 3) Other securities | - | - |
| 4) Derivative financial instruments assets | - | - |
| Total | 1,588 | 1,588 |
| Total fixed assets | 626,262 | 693,502 |

continued **Statement of Financial Position**

ASSETS

| (euro) | 30/06/21 | 31/12/20 |
|--|------------------|------------------|
| C) Current assets | | |
| I. Inventories | | |
| 1) Raw materials, subsidiary materials and consumables | - | 19,402 |
| 2) Work in progress and semi-finished products | - | - |
| 3) Contracts in progress | - | - |
| 4) Finished products and goods | - | - |
| 5) Advances | - | - |
| Total | - | 19,402 |
| II. Receivables | | |
| 1) From customers | 426,224 | 1,485,464 |
| - due within the next financial year | 426,224 | 1,485,464 |
| - due beyond the next financial year | - | - |
| 2) From subsidiaries | - | - |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| 3) From associates | - | - |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| 4) From controlling shareholders | 697,650 | 986,726 |
| - due within the next financial year | 556,133 | 845,209 |
| - due beyond the next financial year | 141,517 | 141,517 |
| 5) From companies subject to the control of the controlling shareholders | 10,248 | - |
| - due within the next financial year | 10,248 | - |
| - due beyond the next financial year | - | - |
| 5-bis) tax receivables | - | 275 |
| - due within the next financial year | - | 275 |
| - due beyond the next financial year | - | - |
| 5-ter) deferred tax assets | 636,393 | 619,722 |
| - due within the next financial year | 3,930 | 7,274 |
| - due beyond the next financial year | 632,463 | 612,448 |
| 5-quater) From others | 103,950 | 265,528 |
| - due within the next financial year | 103,950 | 265,528 |
| - due beyond the next financial year | - | - |
| Total | 1,874,465 | 3,357,715 |
| III Financial assets that are not fixed assets | | |
| 1) Investments in subsidiaries | - | - |
| 2) Investments in associates | - | - |
| 3) Investments in controlling shareholders | - | - |
| 3-bis) Investments in companies subject to the control of the controlling shareholders | - | - |
| 4) Other investments | - | - |
| 5) Derivative financial instruments assets | - | - |
| 6) Other securities | - | - |
| 7) Financial activity for the centralised management of treasury in controlling shareholders | 2,127,158 | 2,115,731 |
| Total | 2,127,158 | 2,115,731 |
| IV Cash and cash equivalents | | |
| 1) Bank and postal accounts | 172,271 | 158,882 |
| 2) Cheques | - | - |
| 3) Cash and cash equivalents | 3,524 | 3,635 |
| Total | 175,795 | 162,517 |
| Total current assets | 4,177,418 | 5,655,365 |
| D) Accrued income and prepaid expenses | | |
| - accrued income and prepaid expenses | 326,454 | 229,460 |
| Total accrued income and prepaid expenses | 326,454 | 229,460 |
| Total assets | 5,130,134 | 6,578,327 |

continued **Statement of Financial Position**

LIABILITIES

| (euro) | 30/06/21 | 31/12/20 |
|---|-------------------|------------------|
| A) Equity | | |
| I. Capital | 2,803,300 | 2,803,300 |
| II. Share premium reserve | - | - |
| III. Revaluation reserves | - | - |
| IV. Legal reserve | 2,921 | 2,921 |
| V. Statutory reserve | - | - |
| VI. Other reserves: | 597,362 | 597,362 |
| - Shareholders' payment for future capital increase | 466,053 | 466,053 |
| - Reserve pursuant to Art. 60 of Law No. 126 of 13/10/2020 | 131,309 | 131,309 |
| VII. Reserve for hedging transactions of expected cash flows | - | - |
| VIII. Profits (losses) carried forward | -1,046,499 | -982,871 |
| IX. Profit (Losses) for the period | -20,106 | -63,628 |
| X. Negative reserve for treasury shares in portfolio | - | - |
| Total equity | 2,336,978 | 2,357,084 |
| B) Provision for risks and charges | | |
| 1) for pension funds and similar obligations | - | 379,039 |
| 2) for taxes, including deferred taxes | 1,760 | 1,760 |
| 3) derivative financial instruments liabilities | - | - |
| 4) Others | - | - |
| Total provisions for risks and charges | 1,760 | 380,799 |
| C) Employee severance indemnities | 1,062,015 | 1,440,588 |
| D) Payables | | |
| 1) Bonds | - | - |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| 2) Convertible bonds | - | - |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| 3) Payables to shareholders for loans | - | - |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| 4) Bank borrowings | 24 | 44 |
| - due within the next financial year | 24 | 44 |
| - due beyond the next financial year | - | - |
| 5) Payables to other lenders | - | - |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| 6) Advances | - | - |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| 7) Trade payables | 714,341 | 1,301,465 |
| - due within the next financial year | 714,341 | 1,301,465 |
| - due beyond the next financial year | - | - |

continued **Statement of Financial Position**

LIABILITIES

| (euro) | 30/06/21 | 31/12/20 |
|--|------------------|------------------|
| 8) Payables represented by debt securities | - | - |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| 9) Payables to subsidiaries | - | - |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| 10) Payables to associates | - | - |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| 11) Payables to controlling shareholders | 261,492 | 317,196 |
| - due within the next financial year | 261,492 | 317,196 |
| - due beyond the next financial year | - | - |
| 11-bis) Payables to companies subject to the control of the controlling shareholders | - | - |
| - due within the next financial year | - | - |
| - due beyond the next financial year | - | - |
| 12) Tax liabilities | 132,658 | 218,523 |
| - due within the next financial year | 132,658 | 218,523 |
| - due beyond the next financial year | - | - |
| 13) Payables to welfare and social security institutions | 126,647 | 214,948 |
| - due within the next financial year | 126,647 | 214,948 |
| - due beyond the next financial year | - | - |
| 14) Other payables | 305,672 | 245,636 |
| - due within the next financial year | 305,672 | 245,636 |
| - due beyond the next financial year | - | - |
| Total payables | 1,540,834 | 2,297,812 |
| E) Deferred income and Accrued liabilities | | |
| - deferred income and accrued liabilities | 188,547 | 102,044 |
| Total deferred income and accrued liabilities | 188,547 | 102,044 |
| Total liabilities | 2,793,156 | 4,221,243 |
| Total liabilities and equity | 5,130,134 | 6,578,327 |

Income Statement

| (euro) | 1st Half 2021 | 1st Half 2020 |
|---|------------------|------------------|
| A) Value of production | | |
| 1) Revenues from sales and services | 1,142,566 | 3,392,396 |
| 2) Change in inventories of work in progress, semi-finished and finished products | - | - |
| 3) Changes in contracts in progress | - | - |
| 4) Increases in fixed assets for internal work | - | - |
| 5) Other revenues and income: | 1,080,699 | 838,685 |
| - miscellan | 1,080,699 | 838,685 |
| - contributions to income | - | - |
| - contributions to capital (| - | - |
| Total value of production | 2,223,265 | 4,231,081 |
| B) Costs of production | | |
| 6) For raw materials, subsidiary materials and consumables | 9,673 | 82,069 |
| 7) For services | 952,984 | 2,400,348 |
| 8) For use of third-party assets | 88,231 | 88,773 |
| 9) For personnel | 1,091,853 | 1,396,424 |
| a) Salaries and wages | 784,973 | 1,008,472 |
| b) Social Security payments | 222,541 | 291,938 |
| c) Employee severance indemnities | 53,251 | 55,437 |
| d) Pensions and similar | 20,978 | 32,808 |
| e) Other expenses | 10,110 | 7,769 |
| 10) Depreciation, amortisation and write-downs | 67,240 | 112,467 |
| a) Amortisation of intangible fixed assets | 65,778 | 64,804 |
| b) Depreciation of tangible fixed assets | 1,462 | 1,462 |
| c) Other write-downs of fixed assets | - | - |
| d) Write-downs of receivables included in current assets and liquid assets | - | 46,201 |
| 11) Changes in inventories of raw materials, subsidiary materials and consumables | 7,835 | -11,928 |
| 12) Provision for risks | - | - |
| 13) Other provisions | - | - |
| 14) Various management expenses | 49,710 | 35,927 |
| Total costs of production | 2,267,526 | 4,104,080 |
| Difference between production value and costs (A-B) | -44,261 | 127,001 |
| C) Financial income and expenses | | |
| 15) Income from investments: | - | - |
| - from subsidiaries | - | - |
| - from associates | - | - |
| - from controlling shareholders | - | - |
| - from companies subject to the control of the controlling shareholders | - | - |
| - others | - | - |
| 16) Other financial income: | 7,759 | 5,397 |
| a) from receivables recorded in fixed assets | - | - |
| - from subsidiaries | - | - |
| - from associates | - | - |
| - from controlling shareholders | - | - |
| - from companies subject to the control of the controlling shareholders | - | - |
| - others | - | - |

continued Income Statement

| (euro) | 1st Half 2021 | 1st Half 2020 |
|--|----------------|----------------|
| b) from securities held as fixed assets that do not constitute investments | - | - |
| c) from securities included in current assets that do not constitute investments | - | - |
| d) income other than the above: | 7,759 | 5,397 |
| - from subsidiaries | - | - |
| - from associates | - | - |
| - from controlling shareholders | 7,759 | 5,396 |
| - from companies subject to the control of the controlling shareholders | - | - |
| - others | - | 1 |
| 17) Interest and other financial expenses: | 7 | 1 |
| - to subsidiaries | - | - |
| - to associates | - | - |
| - to controlling shareholders | - | - |
| - to others | 7 | 1 |
| 17-bis) Profits and losses on foreign exchange: | -268 | 33 |
| Total financial income and expenses | 7,484 | 5,429 |
| D) Adjustments to asset values and financial liabilities | | |
| 18) Revaluations: | - | - |
| a) of investments | - | - |
| b) of financial fixed assets that do not constitute investments | - | - |
| c) of securities included in current assets that do not constitute investments | - | - |
| d) derivative financial instruments | - | - |
| 19) Write-downs: | - | - |
| a) of investments | - | - |
| b) of financial fixed assets that do not constitute investments | - | - |
| c) of securities included in current assets that do not constitute investments | - | - |
| d) derivative financial instruments | - | - |
| Total adjustments to financial assets | - | - |
| Profit/(loss) before tax (A-B±C±D) | -36,777 | 132,430 |
| 20) Income tax for the period | -16,671 | 65,820 |
| a) Current income tax | - | 65,820 |
| b) Taxes from previous years | - | - |
| c) Deferred and prepaid taxes | -16,671 | - |
| d) Tax consolidation | - | - |
| 21) Profit (Loss) | -20,106 | 66,610 |

(euro)

| Cash flows statement Fiera Milano Media SpA | 30 June 2021 | 30 June 2020 |
|---|---------------------|---------------------|
| A. Cash flows deriving from operating activities | | |
| Profit/(Loss) for the period | -20,106 | 66,610 |
| Income tax | -16,671 | 65,820 |
| Interest expense/(interest income) | -7,484 | -5,429 |
| 1. Profit (Loss) for the year before income taxes, interest | -44,261 | 127,001 |
| <i>Adjustments for non-monetary items that do not have a balancing entry in capital</i> | | |
| Provision for funds | - | - |
| Provision for employee severance indemnities | 53,251 | 55,537 |
| Depreciation and amortisation of fixed assets | 67,240 | 66,266 |
| Write-downs for permanent losses in value | - | - |
| <i>Total adjustments for non-monetary items</i> | 120,491 | 121,803 |
| 2. Cash flows before changes in net working capital | 76,230 | 248,804 |
| <i>Changes in net working capital</i> | | |
| Decreases/(increases) in Inventories | 19,402 | -11,928 |
| Decreases/(increases) in trade receivables | 1,059,240 | 91,601 |
| Decreases/(increases) in intercompany receivables | 278,828 | 1,662,598 |
| Decreases/(increases) in payables to suppliers | -587,124 | -458,913 |
| Decreases/(increases) in intercompany payables | -55,704 | -224,164 |
| Decreases/(increases) in accrued income and prepaid expenses | -96,994 | -41,692 |
| Decreases/(increases) in deferred income and accrued liabilities | 86,503 | 8,520 |
| Other changes in capital | 55,141 | -593,335 |
| <i>Total changes in net working capital</i> | 759,292 | 432,687 |
| 3. Cash flows after changes in net working capital | 835,522 | 681,491 |
| <i>Other collections/payments</i> | | |
| Interest received/(paid) | 3,829 | 1,516 |
| (Income taxes paid) | - | - |
| (Uses of employee severance indemnities) | -431,824 | -42,738 |
| (Uses of provisions) | -386,457 | - |
| <i>Total other collections/payments</i> | -814,452 | -41,222 |
| Cash flows deriving from operating activities (A) | 21,070 | 640,269 |
| B. Cash flow from investing activities | | |
| . Intangible fixed assets (increases)/decreases | - | - |
| . tangible fixed assets (increases)/decreases | - | - |
| . financial fixed assets (increases)/decreases | - | - |
| . Non-fixed financial assets (increases)/decreases | -7,772 | -838,339 |
| Cash flow from investing activities (B) | -7,772 | -838,339 |
| C. Cash flow from financing activities | | |
| Change in share capital and reserves | | |
| Change in net financial debt | -20 | -240 |
| Cash flow from financing activities (C) | -20 | -240 |
| Increase (decrease) in cash and cash equivalents (A +/- B +/- C) | 13,278 | -198,310 |
| Cash and cash equivalents at the beginning of the year | 162,517 | 440,182 |
| Cash and cash equivalents at the end of the period | 175,795 | 241,872 |

Notes to the financial statements

This Interim Statement of Financial Position for the period ended 30 June 2021 was prepared in accordance with Art. 2423 and following and Art. 2427 and following of the Italian Civil Code.

The purpose of the Notes is to illustrate the data presented in the financial statements, by analysing, integrating and developing them. They include the information required by Art. 2427 of the Italian Civil Code and the other provisions of Legislative Decree 127/1991 as amended, as well as the complementary information considered necessary for an exhaustive, as well as truthful and correct representation of the economic, equity and financial situation of the Company.

Accounting standards and preparation criteria

This Interim Statement of Financial Position was prepared in accordance with the provisions of the Civil Code, as amended by Legislative Decree 139/2015, interpreted and integrated by the Italian accounting standards issued by the Italian Accounting Body ("OIC") in force from the financial statements starting from 1 January 2016. In this regard, it should be noted that in 2016 multiple accounting standards were modified and updated as part of the review process initiated by the OIC following the transposition into national legislation, through the Decree, of Directive 2013/34/EU (the so-called "Accounting Directive").

The accounting standards adopted in the preparation of this Interim Statement of Financial Position are the same as those used in the financial statements at 31 December 2020, with explicit reference made to the notes of the financial statements.

It should be noted that on 25 January 2021 Fiera Milano Media SpA signed a preliminary contract with the company Quine Srl, a publisher specialising in technical magazines in the engineering, mechanical, food and construction sectors for the sale of the branch relating to editorial activity. Specifically, the subject of the sale were the Tech, Ho.Re.Ca. and ICT sector editorial publications, their employees and related 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 balance sheet of the branch whose goodwill value 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 (floor). The price is expected to be paid in three instalments, the first has already been collected on the date of signing the final contract, the second by 31 July 2021 and the third by 31 January 2022.

Notes to the items of the Interim Statement of Financial Position

Assets

A) Receivables from shareholders for payments still due

The item has no value.

B) Fixed assets, with separate sections of those granted under finance leases

B I - Intangible fixed assets

| | (€'000) | | |
|-------------------------|------------|------------|------------|
| | 30/06/21 | 31/12/20 | change |
| Intangible fixed assets | 619 | 685 | - 66 |
| | 619 | 685 | -66 |

The changes in intangible fixed assets during the period as at 30 June 2021 are shown below:

| Intangible fixed assets | (€'000) | | | | | |
|---|------------------------|---------------------------|-----------|----------------------------------|------------------------------------|------------------------|
| | Balance at 31/12/20 | Changes during the period | | | | Balance at 30/06/21 |
| | | Increases | Decreases | Depreciation and amortisation | Reclassifications and transfers | Impairment |
| 1) Start-up and expansion costs | | | | | | |
| . historic cost | - | - | - | - | - | - |
| . depreciation | - | - | - | - | - | - |
| Net | - | - | - | - | - | - |
| 2) Development costs | | | | | | |
| . historic cost | - | - | - | - | - | - |
| . depreciation | - | - | - | - | - | - |
| Net | - | - | - | - | - | - |
| 3) Industrial patents and intellectual property rights | | | | | | |
| . historic cost | 342 | - | - | - | - | 342 |
| . depreciation | 341 | - | - | 1 | - | 342 |
| Net | 1 | - | - | 1 | - | - |
| 4) Concessions, licences and similar rights | | | | | | |
| . historic cost | 1,221 | - | - | - | - | 1,221 |
| . depreciation | 829 | - | - | - | - | 829 |
| . write-downs | 392 | - | - | - | - | 392 |
| Net | - | - | - | - | - | - |
| 5) Goodwill | | | | | | |
| . historic cost | 2,500 | - | - | - | - | 2,500 |
| . depreciation | 1,823 | - | - | 63 | - | 1,886 |
| Net | 677 | - | - | 63 | - | 614 |
| 6) Contracts in progress and pre-payments | | | | | | |
| . historic cost | - | - | - | - | - | - |
| Net | - | - | - | - | - | - |
| 7) Other | | | | | | |
| . historic cost | 18 | - | - | - | - | 18 |
| . depreciation | 11 | - | - | 2 | - | 13 |
| Net | 7 | - | - | 2 | - | 5 |
| Total intangible | | | | | | |
| . historic cost | 4,081 | - | - | - | - | 4,081 |
| . depreciation | 3,004 | - | - | 66 | - | 3,070 |
| . write-downs | 392 | - | - | - | - | 392 |
| Net | 685 | - | - | 66 | - | 619 |

The breakdown in the various items during the period were as follows.

3) Industrial patents and intellectual property rights

The item, which was zeroed after amortisation for the period, refers to capitalised costs relating to software developments.

4) Concessions, licences and similar rights

The zero item refers to trademarks whose historical cost has been fully amortised.

5) Goodwill

The item amounts to Euro 614 thousand, net of depreciation for the period of Euro 63 thousand, and refers to the goodwill recognised in the financial statements following the incorporation of the company Edizioni Specializzate SpA.

7) Other

The item amounted to Euro 5 thousand, net of depreciation for the period of Euro 2 thousand, and mainly refers to the improvements made to the new Rome offices.

B II - Tangible fixed assets

(€'000)

| | 30/06/21 | 31/12/20 | change |
|-----------------------|----------|----------|------------|
| Tangible fixed assets | 6 | 7 | - 1 |
| | 6 | 7 | - 1 |

The changes in tangible fixed assets during the period as at 30 June 2021 are shown below:

| Tangible fixed assets | Balance at | | | | | Balance at |
|--|------------|-----------|-----------|-------------------------------|-----------------|------------|
| | 31/12/20 | Increases | Decreases | Depreciation and amortisation | Other movements | |
| 1) Land and buildings | | | | | | |
| . historic cost | - | - | - | - | - | - |
| . depreciation | - | - | - | - | - | - |
| Net | - | - | - | - | - | - |
| 2) Plant and machinery | | | | | | |
| . historic cost | 64 | - | - | - | - | 64 |
| . depreciation | 62 | - | - | - | - | 62 |
| Net | 2 | - | - | - | - | 2 |
| 3) Industrial and commercial equipment | | | | | | |
| . historic cost | 140 | - | - | - | - | 140 |
| . depreciation | 140 | - | - | - | - | 140 |
| Net | - | - | - | - | - | - |
| 4) Other assets | | | | | | |
| . historic cost | 840 | - | - | - | - | 840 |
| . depreciation | 835 | - | - | 1 | - | 836 |
| Net | 5 | - | - | 1 | - | 4 |
| 5) Contracts in progress and pre-payments | | | | | | |
| . historic cost | - | - | - | - | - | - |
| Net | - | - | - | - | - | - |
| Total tangible | | | | | | |
| . historic cost | 1,044 | - | - | - | - | 1,044 |
| . depreciation | 1,037 | - | - | 1 | - | 1,038 |
| Net | 7 | - | - | 1 | - | 6 |

The breakdown in the various items during the period were as follows.

2) Plant and machinery

The item amounted to Euro 2 thousand and refers to air conditioning and fire detection systems.

4) Other assets

The item amounted to Euro 4 thousand, net of depreciation for the period of Euro 1 thousand, and refers to office furniture for Euro 2 thousand and office machines for Euro 2 thousand.

B III – Financial fixed assets

2) Receivables

d-bis) From others

These amount to Euro 2 thousand (Euro 2 thousand at 31 December 2020) and represent the guarantee deposits on utilities.

C) Current assets

C I – Inventories

| Inventories | (€'000) | | |
|--|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| 1) Raw materials, subsidiary materials and consumables | - | 19 | -19 |
| 2) Work in progress and semi-finished products | - | - | - |
| 3) Contracts in progress | - | - | - |
| 4) Finished products and goods | - | - | - |
| 5) Advances | - | - | - |
| Total | - | 19 | -19 |

The item was equal to zero following the sale of the publishing business branch (Euro 19 thousand at 31 December 2020).

C II – Receivables

Current assets receivables mainly concern Italian counterparties and can be analysed as follows:

| Receivables | (€'000) | | |
|--|-----------------|-----------------|----------------|
| | 30/06/21 | 31/12/20 | change |
| 1) Trade receivables | 426 | 1,485 | - 1,059 |
| 2) Receivables from subsidiaries | - | - | - |
| 3) Receivables from associates | - | - | - |
| 4) Receivables from controlling shareholders | 698 | 987 | - 289 |
| 5) Receivables from companies subject to the control of the controlling shareholders | 10 | - | 10 |
| 5-bis) Tax receivables | - | - | - |
| 5-ter) Deferred tax assets | 636 | 619 | 17 |
| 5-quater) From others | 104 | 266 | - 162 |
| Total | 1,874 | 3,357 | - 1,483 |

As of 30 June 2021, there are no receivables with a duration of more than five years.

1) Trade receivables

This item totalled Euro 426 thousand (Euro 1,485 thousand at 31 December 2020), net of the provision for doubtful receivables of Euro 275 thousand.

The figure for receivables was adjusted for the provision for doubtful receivables in order to bring the nominal value of the receivables that were deemed difficult to recover in line with the estimated recoverable amount. Use of the provision refers to receivables that, in the financial period under review, were found to be unrecoverable.

The change in this provision in the period under review is shown in the table below:

| | (€'000) | | | | |
|------------------------------------|-----------------|-------------------|--------------------|------------------------|-----------------|
| | 31/12/20 | Provisions | Utilisation | other movements | 30/06/21 |
| Provision for doubtful receivables | 286 | - | 11 | - | 275 |

4) Receivables from Controlling shareholder

This item totalled Euro 698 thousand (Euro 987 thousand at 31 December 2020).

The item breaks down as follows:

| Receivables from Controlling shareholder | (€'000) | | |
|---|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Fondazione Fiera Milano | 159 | 159 | - |
| Fiera Milano SpA | 539 | 828 | - 289 |
| Total | 698 | 987 | - 289 |

Receivables from Fondazione Fiera Milano equal to Euro 159 thousand (Euro 159 thousand at 31 December 2020) refer to Euro 9 thousand in receivables for the supply of advertising services, Euro 8 thousand in VAT receivables and Euro 142 thousand in tax consolidation receivables relating to the remuneration of tax losses for the year 2020 made to the tax consolidation with the Fiera Milano Foundation and recognised against the assessment of recoverability, within the time horizon of the approved plans.

Receivables from Fiera Milano SpA of Euro 539 thousand (Euro 828 thousand at 31 December 2020) refer to trade receivables mainly for the supply of marketing and multimedia services.

These relationships are regulated at normal market conditions.

5) Receivables from companies subject to the control of the controlling shareholders

Receivables from companies subject to the control of the Controlling shareholder companies amount to Euro 10 thousand (balance equal to zero as at 31 December 2020) and refer to receivables from the company MADE eventi Srl.

5-ter) Deferred tax assets

Deferred tax assets amount to Euro 636 thousand (Euro 619 thousand at 31 December 2020) and are broken down as follows:

- deferred IRES taxes Euro 631 thousand;
- deferred IRAP taxes Euro 5 thousand.

For further details, see note 20 of the income statement.

5-quater) Receivables from others

This item totalled Euro 104 thousand (Euro 266 thousand at 31 December 2020) and the breakdown was as follows:

| Receivables from others | (€'000) | | |
|---|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Advances to suppliers | 33 | 171 | -138 |
| Receivables from employees | 4 | 40 | -36 |
| Receivables from social security institutions | 41 | 27 | 14 |
| Others | 26 | 28 | -2 |
| Total | 104 | 266 | -162 |

C III – Financial assets that are not fixed assets

| Financial assets that are not fixed assets | (€'000) | | |
|--|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| 1) Investments in subsidiaries | - | - | - |
| 2) Investments in associates | - | - | - |
| 3) Investments in controlling shareholders | - | - | - |
| 3-bis) Investments in companies subject to the control of the controlling shareholders | - | - | - |
| 4) Other investments | - | - | - |
| 5) Derivative financial instruments assets | - | - | - |
| 6) Other securities | - | - | - |
| 7) Financial activity for the centralised management of treasury in controlling shareholders | 2,127 | 2,116 | 11 |
| Total | 2,127 | 2,116 | 11 |

7) Financial activity for the centralised management of treasury in Controlling shareholder companies

The item amounted to Euro 2,127 thousand (Euro 2,116 thousand at 31 December 2020) and refers to the balance of the current account with the Controlling shareholder Fiera Milano SpA.

The current account originates from a cash pooling contract signed on 22 November 2018, effective from 10 December 2018, and shows daily balances subject to offsetting among the two companies. The 3-month Euribor rate is applied (with zero floor) plus a market value spread.

C IV - Cash and cash equivalents

This item totalled Euro 176 thousand (Euro 163 thousand at 31 December 2020) and referred almost entirely to short-term bank deposits:

| Cash and cash equivalents | (€'000) | | |
|----------------------------------|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| 1) Bank and postal accounts | 172 | 159 | 13 |
| 2) Cheques | - | - | - |
| 3) Cash and cash equivalents | 4 | 4 | - |
| Total | 176 | 163 | 13 |

D) Accrued income and prepaid expenses

This item amounted to Euro 326 thousand (Euro 229 thousand at 31 December 2020) and breaks down as follows:

| Accrued income and prepaid expenses | (€'000) | | |
|--|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Accrued income and prepaid expenses | - | - | - |
| Prepaid expenses | 326 | 229 | 97 |
| Total | 326 | 229 | 97 |

Prepayments refer to portions of costs incurred within the closing period but pertaining to the subsequent period. The item includes deferrals to the Controlling shareholder companies Fiera Milano SpA for Euro 19 thousand.

As of 30 June 2021, there are no prepayments with a duration of more than five years.

Liabilities

A) Equity

The breakdown of the Company's equity was as follows:

| Equity | (€'000) | | |
|--|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| I. Capital | 2,803 | 2,803 | - |
| II. Share premium reserve | - | - | - |
| III. Revaluation reserves | - | - | - |
| IV. Legal reserve | 3 | 3 | - |
| V. Statutory reserve | - | - | - |
| VI. Other reserves: | 597 | 597 | - |
| - Shareholders' payment for future capital increase | 466 | 466 | - |
| - Reserve pursuant to Art. 60 of Law No. 126 of 13/10/2020 | 131 | 131 | - |
| VII. Reserve for hedging transactions of expected cash flows | - | - | - |
| VIII. Profits (losses) carried forward | -1,046 | -982 | -64 |
| IX. Profit (Losses) for the period | -20 | -64 | 44 |
| X. Negative reserve for treasury shares in portfolio | - | - | - |
| Equity | 2,337 | 2,357 | -20 |

The following table summarises the changes in the equity items in the period as at 30 June 2020 and 30 June 2021:

| Statement of Changes in Equity | | | | | | | (€'000) |
|---|---------------|-----------------|---------------|---------------|----------------------------------|------------------------------|--------------|
| | Capital share | Reserve premium | Reserve legal | Other reserve | Profits/(losses) carried forward | Profit/(Loss) for the period | Total |
| Balance at 31 December 2019 | 2,803 | - | 3 | 597 | -943 | -39 | 2,421 |
| Allocation of earnings at 31/12/19 <i>loss carried forward</i> | - | - | - | - | -39 | 39 | - |
| Total comprehensive income for the period at 30/06/20 | - | - | - | - | - | 67 | 67 |
| Balance at 30 June 2020 | 2,803 | - | 3 | 597 | -982 | 67 | 2,488 |
| Balance at 31 December 2020 | 2,803 | - | 3 | 597 | -982 | -64 | 2,357 |
| Allocation of earnings at 31/12/20 <i>loss carried forward</i> | - | - | - | - | -64 | 64 | - |
| Total comprehensive income for the period at 30/06/21 | - | - | - | - | - | -20 | -20 |
| Balance at 30 June 2021 | 2,803 | - | 3 | 597 | -1,046 | -20 | 2,337 |

I - Capital

The share capital at 30 June 2021 amounts to Euro 2,803 thousand (Euro 2,803 thousand at 31 December 2020) and is divided into 2,803,300 ordinary shares with a value of Euro 1 each, fully subscribed and paid up by:

- Fiera Milano SpA 2,803,300 shares (equal to 100%).

IV - Legal reserve

This item totalled Euro 3 thousand (Euro 3 thousand at 31 December 2020).

VI - Other reserves

This item totalled Euro 597 thousand (Euro 597 thousand at 31 December 2020) and the breakdown was as follows:

- **Shareholders' payment for future capital increase**

The item amounted to Euro 466 thousand (Euro 466 thousand at 31 December 2020) and refers to the capital payment made in 2017 by the Controlling shareholder Fiera Milano SpA.

- **Reserve pursuant to Art. 60 of Law No. 126 of 13/10/2020**

The item amounted to Euro 131 thousand (Euro 131 thousand at 31 December 2020) and includes the amortisation charges suspended in the previous year following the adoption of the derogation provided for by Art. 60, paragraphs from 7-bis to 7-quinquies, of the law of 13 October 2020, No.126.

VIII - Profits (losses) carried forward

This item amounted to Euro -1,046 thousand (Euro -982 thousand at 31 December 2020). The decrease of Euro 64 thousand is attributable to the provisions of the shareholders' resolution of 7 April 2021, which decided to carry forward the loss for 2020.

IX - Profit/(Loss) for the period

The period ended 30 June 2021 showed a loss of Euro 20 thousand. The loss for the year ended 31 December 2020 amounted to Euro 64 thousand.

B) Provision for risks and charges

This item amounted Euro 2 thousand (Euro 381 thousand at 31 December 2020) and the breakdown was as follows:

| Provisions for risks and charges | (€'000) | | |
|---|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| 1) for pension funds and similar obligations | - | 379 | - 379 |
| 2) for taxes, including deferred taxes | 2 | 2 | - |
| 3) Derivative financial instruments liabilities | - | - | - |
| 4) Others | - | - | - |
| Total | 2 | 381 | - 379 |

1) Pension funds and similar obligations

This item was zero (Euro 379 thousand at 31 December 2020). The provision relating to the agents' termination indemnity was zeroed in the period under review following the sale of the business unit relating to the publishing business.

2) For taxes, including deferred taxes

The provision for taxes, including deferred taxes, amounted to Euro 2 thousand (Euro 2 thousand at 31 December 2020).

C) Employee severance indemnities

| Employee severance indemnities | (€'000) | | |
|---------------------------------------|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Employee severance indemnities | 1,062 | 1,440 | -378 |
| Total | 1,062 | 1,440 | -378 |

The item saw the following changes:

| Employee severance indemnities | (€'000) |
|---------------------------------------|--------------|
| Balance at 31/12/20 | 1,440 |
| Indemnities accrued | 54 |
| Indemnities paid | -31 |
| Other movements | -401 |
| Balance at 30/06/21 | 1,062 |

The amount reflects the indemnities accrued at 30 June 2021 in relation to contractual obligations and the laws in force governing employment relationships.

D) Payables

Payables mainly concern Italian counterparties and can be analysed as follows:

| Payables | (€'000) | | |
|--|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| 1) Bonds | - | - | - |
| 2) Convertible bonds | - | - | - |
| 3) Payables to shareholders for loans | - | - | - |
| 4) Bank borrowings | - | - | - |
| 5) Payables to other lenders | - | - | - |
| 6) Advances | - | - | - |
| 7) Trade payables | 714 | 1,301 | - 587 |
| 8) Payables represented by debt securities | - | - | - |
| 9) Payables to subsidiaries | - | - | - |
| 10) Payables to associates | - | - | - |
| 11) Payables to controlling shareholders | 261 | 318 | - 57 |
| 11-bis) Payables to companies subject to the control of the controlling shareholders | - | - | - |
| 12) Tax liabilities | 133 | 219 | - 86 |
| 13) Payables to welfare and social security institutions | 127 | 215 | - 88 |
| 14) Other payables | 306 | 245 | 61 |
| Total | 1,541 | 2,298 | - 757 |

As of 30 June 2021, there are no payables with a duration of more than five years.

7) Trade payables

This item amounted to Euro 714 thousand (Euro 1,301 thousand as of 31 December 2020) largely relating to the procurement of materials and services necessary for the performance of the company's activities and mainly referring to Italian suppliers.

The drop is mainly due to the lower volume of activity related to the prolonged suspension of

exhibition activities following the Covid-19 pandemic.

11) Payables to controlling shareholders

This item totalled Euro 261 thousand (Euro 318 thousand at 31 December 2020).

The item breaks down as follows:

| Payables to controlling shareholders | (€'000) | | |
|---|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Fiera Milano SpA | 261 | 306 | - 45 |
| Fondazione Fiera Milano | - | 12 | - 12 |
| Total | 261 | 318 | - 57 |

Payables to Fiera Milano SpA of Euro 261 thousand (Euro 306 thousand at 31 December 2020) are mainly attributable to the "shared service" activities.

These relationships are regulated at normal market conditions.

12) Tax liabilities

This item totalled Euro 133 thousand (Euro 219 thousand at 31 December 2020) and the breakdown was as follows:

| Tax liabilities | (€'000) | | |
|--|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Income tax payable for employees (IRPEF) | 92 | 169 | - 77 |
| Income tax (IRPEF) payable for temporary employees and project workers | 4 | 13 | - 9 |
| Income tax (IRAP) payable | 37 | 37 | - |
| Total | 133 | 219 | - 86 |

13) Payables to welfare and social security institutions

This item amounted to Euro 127 thousand (Euro 215 thousand at 31 December 2020) and mainly refer to unpaid payables to social security institutions for both employees and collaborators.

14) Other payables

This item amounted to Euro 306 thousand (Euro 245 thousand at 31 December 2020) and breaks down as follows:

| Other payables | (€'000) | | |
|--|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Payables to employees | 198 | 139 | 59 |
| Payables to directors and statutory auditors | 11 | 25 | - 14 |
| to others | 97 | 81 | 16 |
| Total | 306 | 245 | 61 |

E) Deferred income and Accrued liabilities

This item totalled Euro 189 thousand (Euro 102 thousand at 31 December 2020).

The item breaks down as follows:

| Deferred income and accrued liabilities | (€'000) | | |
|--|-----------------|-----------------|---------------|
| | 30/06/21 | 31/12/20 | change |
| Deferred income | - | - | - |
| Accrued liabilities | 189 | 102 | 87 |
| Total | 189 | 102 | 87 |

Accrued liabilities relate to portions of revenues for services carried out in the closing period but relating to after 30 June 2021. The item includes accrued liabilities with the Controlling shareholder Fiera Milano SpA for Euro 104 thousand, the Controlling shareholder Fondazione Fiera Milano for Euro 3 thousand and the affiliate MADE eventi Srl for Euro 8 thousand.

As of 30 June 2021, there are no accrued liabilities with a duration of more than five years.

The details relating to Financial Debt at 30 June 2021 and the main changes compared to the year ended 31 December 2020 are shown in the following table:

| Financial Debt (Amounts in €'000) | 30/06/21 | 31/12/20 | Change |
|--|-----------------|-----------------|---------------|
| A. Cash (including bank balances) | 176 | 163 | 13 |
| B. Other cash equivalents | - | - | - |
| C. Securities held for trading | - | - | - |
| D. Cash and cash equivalents (A+B+C) | 176 | 163 | 13 |
| E. Current financial assets | 2,127 | 2,116 | 11 |
| F. Current bank borrowings | - | - | - |
| G. Current portion of non-current debt | - | - | - |
| H. Other current financial liabilities | - | - | - |
| I. Current financial debt (F+G+H) | - | - | - |
| J. Current net financial debt (I-E-D) | -2,303 | -2,279 | -24 |
| K. Non-current financial assets | - | - | - |
| L. Non-current bank borrowings | - | - | - |
| M. Debt securities in issue | - | - | - |
| N. Trade and other non-current payables | - | - | - |
| O. Non-current financial debt (-K+L+M+N) | - | - | - |
| Net financial debt from continuing operations (J+O) | -2,303 | -2,279 | -24 |
| Net financial position assets held for sale | - | - | - |
| P. Total financial Debt | -2,303 | -2,279 | -24 |

The financial debt shows a net financial availability of Euro 2,303 thousand, in line with the net financial availability of Euro 2,279 thousand at 31 December 2020. The outgoing cash flow related to operations was mainly offset by the collection of past receivables.

Disclosure on guarantees given, undertakings and other contingent liabilities

Guarantees given

The item amounts to Euro 50 thousand (Euro 50 thousand at 31 December 2020) and refers to the guarantee given to Fabrica Immobiliare SGR SpA to guarantee the rental property relating to the operational headquarters in Rome.

COMMENTS ON THE ITEMS IN THE INCOME STATEMENT

A) Value of production

The production value is detailed in the following table:

| Value of production | (€'000) | | |
|---|----------------------|----------------------|----------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| 1) Revenues from sales and services | 1,143 | 3,392 | -2,249 |
| 2) Change in inventories of work in progress, semi-finished and finished products | - | - | - |
| 3) Change in contracts in progress | - | - | - |
| 4) Increases in fixed assets for internal work | - | - | - |
| 5) Other revenues and income | 1,081 | 839 | 242 |
| Total | 2,224 | 4,231 | - 2,007 |

1) Revenues from sales and services

Revenues from sales and services amounted to Euro 1,143 thousand (Euro 3,392 thousand at 30 June 2020). The breakdown by type is shown in the following table:

| Revenues from sales and services | (€'000) | | |
|---|----------------------|----------------------|----------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Advertising space and services | 589 | 2,775 | -2,186 |
| Miscellaneous fees and royalties | 394 | 449 | -55 |
| Revenues from exhibition and congress organisation services | 157 | 158 | -1 |
| Revenues from publishing products | - | 6 | -6 |
| Multimedia and online catalogue services | 3 | 4 | -1 |
| Total | 1,143 | 3,392 | - 2,249 |

The drop is almost entirely attributable to the cancellation of events in the first half of 2021, as well as to the absence of revenues following the sale of the business unit relating to the publishing business.

Revenues from sales and services were mainly generated in Italy.

5) Other revenues and income

This item totalled Euro 1,081 thousand (Euro 839 thousand at 30 June 2020) and the breakdown was as follows:

| Other revenues and income | (€'000) | | |
|---|----------------------|----------------------|---------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Recovery of expenses for seconded employees | 53 | 76 | -23 |
| Other recovered costs | 16 | 105 | -89 |
| Changes in estimates on allocations from previous years | 12 | 156 | -144 |
| Risk provision release | - | 502 | -502 |
| Other income | 1,000 | - | 1,000 |
| Total | 1,081 | 839 | 242 |

The item "Other income" refers to the capital gain for the sale of the unit relating to the publishing business.

B) Costs of production

6) For raw materials, subsidiary materials and consumables

This was Euro 10 thousand (Euro 82 thousand at 30 June 2020). The breakdown of the balance is shown in the following table:

| Costs for raw materials, subsidiary materials and consumables | (€'000) | | |
|--|----------------------|----------------------|---------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Subsidiary materials and consumables | 10 | 78 | - 68 |
| Printed materials, forms and stationery | - | 4 | - 4 |
| Total | 10 | 82 | - 72 |

7) For services

This was Euro 953 thousand (Euro 2,400 thousand at 30 June 2020).

The breakdown by main types of costs for services provided is shown in the following table:

| Cost of services | (€'000) | | |
|--|----------------------|----------------------|----------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Technical, legal, commercial and administrative services | 319 | 297 | 22 |
| Advertising | 153 | 672 | - 519 |
| Telephone and internet expenses | 74 | 109 | - 35 |
| Fees and commissions | 67 | 475 | - 408 |
| Other professional and collaborative services | 59 | 226 | - 167 |
| Conference and congress services | 55 | 87 | - 32 |
| Insurance | 38 | 34 | 4 |
| Technical assistance and ancillary services | 33 | 19 | 14 |
| Directors' remuneration | 30 | 35 | - 5 |
| IT services | 22 | 35 | - 13 |
| Auditing and certification expenses | 21 | 21 | - |
| Remuneration of statutory auditors | 15 | 15 | - |
| Technical, legal, commercial and administrative advice | 12 | 27 | - 15 |
| Cost of marketing projects for exhibitions | 9 | 15 | - 6 |
| Cleaning and waste disposal | 6 | 5 | 1 |
| Energy costs | 2 | 2 | - |
| Maintenance | 2 | 1 | 1 |
| Transport | 1 | 4 | - 3 |
| Equipment hire for exhibitions | - | 24 | - 24 |
| Stands and equipment for exhibitions | - | 4 | - 4 |
| Catering services | - | 5 | - 5 |
| Seconded personnel | - | 159 | - 159 |
| External and temporary employees | - | 12 | - 12 |
| Others | 35 | 117 | - 82 |
| Total | 953 | 2,400 | - 1,447 |

The drop is largely attributable to the suspension of exhibition activities due to ongoing Covid-19 pandemic, as well as the absence of costs following the sale of the business unit relating to the publishing business.

8) For use of third-party assets

This item totalled Euro 88 thousand (Euro 89 thousand at 30 June 2020) and the breakdown was as follows:

| Cost of use of third-party assets | (€'000) | | |
|--|----------------------|----------------------|---------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Vehicle hire | 5 | 5 | - |
| Office equipment and photocopier hire | 1 | 2 | -1 |
| Other rental expenses | 82 | 82 | - |
| Total | 88 | 89 | - 1 |

The "Other rental expenses" relate to the rental payments for the operating offices in Rho and Rome.

9) For personnel

This item totalled Euro 1,092 thousand (Euro 1,396 thousand at 30 June 2020) and the breakdown was as follows:

| Personnel expenses | (€'000) | | |
|--------------------------------|---------------|---------------|--------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Salaries | 785 | 1,008 | -223 |
| Social Security payments | 223 | 292 | -69 |
| Employee severance indemnities | 74 | 88 | -14 |
| Other expenses | 10 | 8 | 2 |
| Total | 1,092 | 1,396 | - 304 |

Wages, salaries and related social security contributions fell mainly due to the absence of the costs of the employees transferred following the sale of the business unit relating to the publishing activity.

The average number of employees broken down by category is shown in the following table:

| Breakdown of personnel by category | | | |
|--|---------------|---------------|-------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Executives | 1 | 1 | - |
| Middle managers and white collar workers | 44 | 55 | - 11 |
| Total | 45 | 56 | - 11 |

The employment contracts applied are the Confcommercio National Tertiary Collective Agreement and the National Collective Agreement for Industry Managers.

10) Depreciation, amortisation and write-downs

a) Amortisation of intangible fixed assets

This was Euro 66 thousand (Euro 65 thousand at 30 June 2020). The details of the amortisation are reported in the relevant section of the Notes on intangible fixed assets.

b) Depreciation of tangible fixed assets

This was Euro 1 thousand (Euro 1 thousand at 30 June 2020). The details of the depreciation are reported in the relevant section of the Notes on tangible fixed assets.

d) Write-downs of receivables included in current assets and liquid assets

This item was zero (Euro 46 thousand at 30 June 2020).

11) Changes in inventories of raw materials, subsidiary materials and consumables

This was Euro 7 thousand (Euro -12 thousand at 30 June 2020).

14) Various management expenses

This was Euro 50 thousand (Euro 36 thousand at 30 June 2020).

The item includes:

| Various management expenses | (€'000) | | |
|---|----------------------|----------------------|---------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Changes in estimates on allocations from previous years | 31 | 10 | 21 |
| Taxes other than income tax | 11 | 10 | 1 |
| Contributions and donations | 7 | 11 | -4 |
| Other expenses | 1 | 5 | -4 |
| Total | 50 | 36 | 14 |

C) Financial income and expenses

16) Other financial income

- from controlling shareholders

This amounted to Euro 8 thousand (Euro 5 thousand on 30 June 2020) and refers to interest accrued on the cash pooling contract agreed on 22 November 2018 with Fiera Milano SpA. The 3-month Euribor rate is applied (with zero floor) plus a market value spread.

20) Income tax for the period

This was Euro -17 thousand (Euro 66 thousand at 30 June 2020).

| Income tax for the period | (€'000) | | |
|----------------------------------|----------------------|----------------------|---------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| Current income tax | - | 66 | - 66 |
| Deferred and prepaid taxes | - 17 | - | - 17 |
| Tax consolidation | - | - | - |
| Total | - 17 | 66 | - 83 |

The breakdown of current taxes at 30 June 2021 was as follows:

| Income tax for the period detail | (€'000) | | |
|---|----------------------|----------------------|---------------|
| | 1st Half 2021 | 1st Half 2020 | change |
| a) Current income tax: | | | |
| <i>IRES</i> | - | 60 | -60 |
| <i>IRAP</i> | - | 6 | -6 |
| Total current income tax | - | 66 | -66 |
| c) Deferred/prepaid taxes | | | |
| <i>IRES</i> | - 17 | - | -17 |
| <i>IRAP</i> | - | - | - |
| Total deferred/prepaid taxes | - 17 | - | -17 |
| Total | - 17 | 66 | -83 |

Income taxes for the half year include deferred tax assets resulting from the tax loss for the period, calculated by applying the estimated average annual rate (tax rate method) to the profit/(loss) before tax.

21) Profit/(Loss) for the period

The period ended 30 June 2021 shows a loss of Euro 20 thousand (profit of Euro 67 thousand at 30 June 2020).

Information on the direction or coordination of companies

Fiera Milano Media SpA is subject to direction and coordination by Fiera Milano SpA, which prepares the consolidated financial statements. The direction and coordination by Fiera Milano SpA and the intercompany relations allow an efficient use of resources and professionalism present in the various companies in the common interest.

The key figures of the Controlling shareholder Fiera Milano SpA shown in the summary table required by Art. 2497-bis of the Italian Civil Code were extracted from the related financial statements for the year ended 31 December 2020. For an adequate and complete understanding of the equity and financial situation of Fiera Milano SpA at 31 December 2020, as well as the economic result achieved by the Company in the year ended on that date, please refer to the reading of the financial statements which, drawn up in compliance with International IAS/IFRS the Accounting Standards and accompanied by the report of the independent auditors, are available in the forms and methods provided for by law.

Summary of the key figures of the financial statements of Fiera Milano SpA company that exercises direction and coordination pursuant to Art. 2497 et seq. of the Italian Civil Code

| | (euro) |
|---|--------------------|
| Fiera Milano SpA Statement of Financial Position | |
| | 31/12/20 |
| ASSETS | |
| Non-current assets | 563,165,516 |
| Current assets | 39,476,872 |
| Assets held for sale | - |
| Total assets | 602,642,388 |
| EQUITY AND LIABILITIES | |
| Share capital | 42,283,624 |
| Share premium reserve | 8,557,350 |
| Other reserves | 8,489,028 |
| Profits (losses) for previous years | 30,594,454 |
| Profit (Loss) for the year | -24,755,604 |
| Non-current liabilities | 389,031,432 |
| Current liabilities | 148,442,104 |
| Total liabilities | 602,642,388 |
| Fiera Milano SpA Income Statement | |
| | 31/12/20 |
| Revenues from sales and services | 63,038,339 |
| Total operating expenses | 71,231,090 |
| Other income | 18,597,692 |
| Write-downs | 434,049 |
| EBITDA | 9,970,892 |
| Depreciation and Amortisation and adjustments to asset values | 37,520,220 |
| EBIT | -27,549,328 |
| Financial income and similar | 4,192,932 |
| Financial expenses and similar | 12,008,794 |
| Valuation of financial assets | -11,027 |
| Profit/(loss) before income tax | -35,376,217 |
| Income tax | -10,620,613 |
| Profit or loss for the year | -24,755,604 |

Related-party transactions

In carrying out its business, Fiera Milano Media SpA has commercial and financial relationships, regulated at normal market conditions, both with the Controlling shareholder and with the other companies belonging to the Fiera Milano Group.

No atypical and/or unusual transactions had taken place in the period ended 30 June 2021.

As part of corporate governance activities, Fiera Milano Media SpA has adopted a procedure for transactions with related parties, issued by the parent company Fiera Milano SpA.

Detailed information on related-party transactions is provided below and is divided between Related-party Transactions with the Controlling shareholder Fiera Milano, Related-party Transactions with Fondazione Fiera Milano, Related-party Transactions with Fiera Group Companies and Transactions with other Related Parties.

Related-party transactions with the Controlling shareholder Fiera Milano

The related-party transactions with the Controlling shareholder Fiera Milano SpA are summarised below:

Contract for the sale of advertising space

Fiera Milano SpA has an agreement with Fiera Milano Media SpA whereby the latter has the exclusive right to manage the advertising on billboards owned by Fiera Milano SpA and also to promote and market its business to certain specific clients of the Parent Company. Fiera Milano Media SpA pays Fiera Milano SpA 35% of the revenues generated by these two activities. The remaining 65% remains with the subsidiary as payment for the services provided under the contract.

Cash pooling

Fiera Milano SpA on 22 November 2018, with effect from 10 December 2018, entered into a cash pooling agreement with the Company which records the daily bank balances subject to offsetting between the companies. The 3-month Euribor rate is applied (with zero floor) plus a market value spread. It should be noted that this contract is automatically renewed from year to year, unless terminated by one of the parties.

Financing transactions

On 12 February 2016, Fiera Milano SpA granted the Company a loan of Euro 3,200 thousand. At 30 June 2021, the loan was not used.

Centralised services

Contracts are in place with the Parent Company for centralised management so-called "shared services" for the following services:

- legal;
- human resources management;
- administration, financial and control services;
- procurement;
- *information communication technology.*

It should be noted that Fiera Milano SpA uses personnel seconded from Fiera Milano Media SpA.

Fiera Milano charges the Company the insurance premiums paid for the Civil Liability, Cyber and D&O insurance policies.

Licence for use

Fiera Milano Media SpA has an exclusive license agreement with Fiera Milano SpA for the exclusive use of the brand (name Fiera Milano), owned by Fiera Milano SpA itself, lasting until December 2021. As consideration for the aforementioned license, Fiera Milano Media SpA pays Fiera Milano SpA a fee of Euro 100.

Related-party transactions with Fondazione Fiera Milano

The most common transactions are listed below:

Settlement of Group VAT

Taking advantage of the option provided by Italian Presidential Decree 633/72, from 1 January 2004, Fiera Milano Media SpA chose to follow the procedure, managed by the controlling entity, Fondazione Fiera Milano, for the settlement of Group VAT. This mechanism makes it easier to settle any tax obligations, without the Company incurring additional costs.

Group tax consolidation

In 2019, Fiera Milano SpA and some of the Italian subsidiaries renewed the option to participate in the tax consolidation of Fondazione Fiera Milano acting as the consolidating entity. This option is binding 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.

Insurance services

Fondazione Fiera Milano charges back to Fiera Milano Media SpA the insurance premiums paid for all risks direct and indirect damage insurance policies.

Related-party transactions with Fiera Group Companies

The most significant transactions carried out with Group companies are reported below:

MADE eventi Srl

Fiera Milano Media Spa charged MADE eventi Srl for advertising services for the Made Expo exhibition.

Transactions with other related parties

There are no transactions with other related parties.

The Company has adopted a procedure on the standards of conduct regarding related-party transactions to ensure that any transactions with related parties are carried out in a transparent manner and in compliance with the principles of procedural and substantial correctness.

Financial, capital and economic transactions with the aforementioned related parties are shown in the following table:

| Fiera Milano Media SpA (Amounts in €'000) | | | | | | | | | | | | |
|---|--------------|--|------------------|--------------|---------------------|----------------------------------|---------------------------|-------------------|------------------|-----------------------------------|-----------------------------|------------------|
| Related party entries in the Statement of Financial Position and Income Statement of the year at 30/06/21 | | | | | | | | | | | | |
| | Receivables | Financial assets that are not fixed assets | Prepaid expenses | Payables | Accrued liabilities | Revenues from sales and services | Other revenues and income | Cost of materials | Cost of services | Cost of use of third-party assets | Various management expenses | Financial income |
| Controlling shareholder: | | | | | | | | | | | | |
| Fondazione Fiera Milano | 159 | - | - | - | 3 | 4 | - | - | - | - | - | - |
| Fiera Milano SpA | 539 | 2,127 | 19 | 261 | 104 | 291 | 57 | 9 | 373 | 37 | 3 | 8 |
| Companies subject to the control of the controlling shareholders: | | | | | | | | | | | | |
| MADE eventi Srl | 10 | - | - | - | 8 | - | - | - | - | - | - | - |
| Total related parties | 708 | 2,127 | 19 | 261 | 115 | 295 | 57 | 9 | 373 | 37 | 3 | 8 |
| Total reported | 1,874 | 2,127 | 326 | 1,541 | 189 | 1,143 | 1,081 | 10 | 953 | 88 | 50 | 8 |
| % Rel. party transactions/Total reported | 38% | 100% | 6% | 17% | 61% | 26% | 5% | 90% | 39% | 42% | 6% | 100% |

Other information

There are no receivables or payables with a residual duration of more than five years, nor payables secured by collateral on corporate assets.

In the period under review, no financial charges were charged to the values recorded in the assets of the Statement of Financial Position. There are no commitments other than those resulting from the Statement of Financial Position.

Significant events after the end of the period

No significant events occurred after the end of the period.

Remuneration of Directors and Statutory Auditors

The remuneration paid during the period to Directors and Statutory Auditors amounted to a total of Euro 43 thousand (Euro 48 thousand at 30 June 2020) and are made up as follows:

| Remuneration of Directors and Statutory Auditors (€'000) | | | |
|--|---------------|---------------|------------|
| | 1st Half 2021 | 1st Half 2020 | Change |
| Remuneration of Directors | 28 | 33 | - 5 |
| Remuneration of Statutory Auditors | 15 | 15 | - |
| Total | 43 | 48 | - 5 |

on behalf of the Board of Directors
The Chairman
Mario Franci

Rho (Milan), 1 September 2021

Declarations under Art. 154-bis paragraph 5 of Italian Legislative Decree 24 February 1998, No. 58

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

Signed

**The Manager responsible for preparing
the Company's financial statements**

Andrea Maldi