

2022

Annual Report



FIERA MILANO

This version has been prepared for convenience of use and does not contain the ESEF information as specified in the ESEF regulatory technical standards (Delegated Regulation (EU) 2019/815)

This document contains a faithful translation into English of the original report in Italian Relazione Finanziaria Annuale 2022.

However, for information about Fiera Milano Group reference should be made exclusively to the original report in Italian.

The Italian version of the Relazione Finanziaria Annuale 2022 shall prevail upon the English version.

2022

Annual Report



FIERA MILANO

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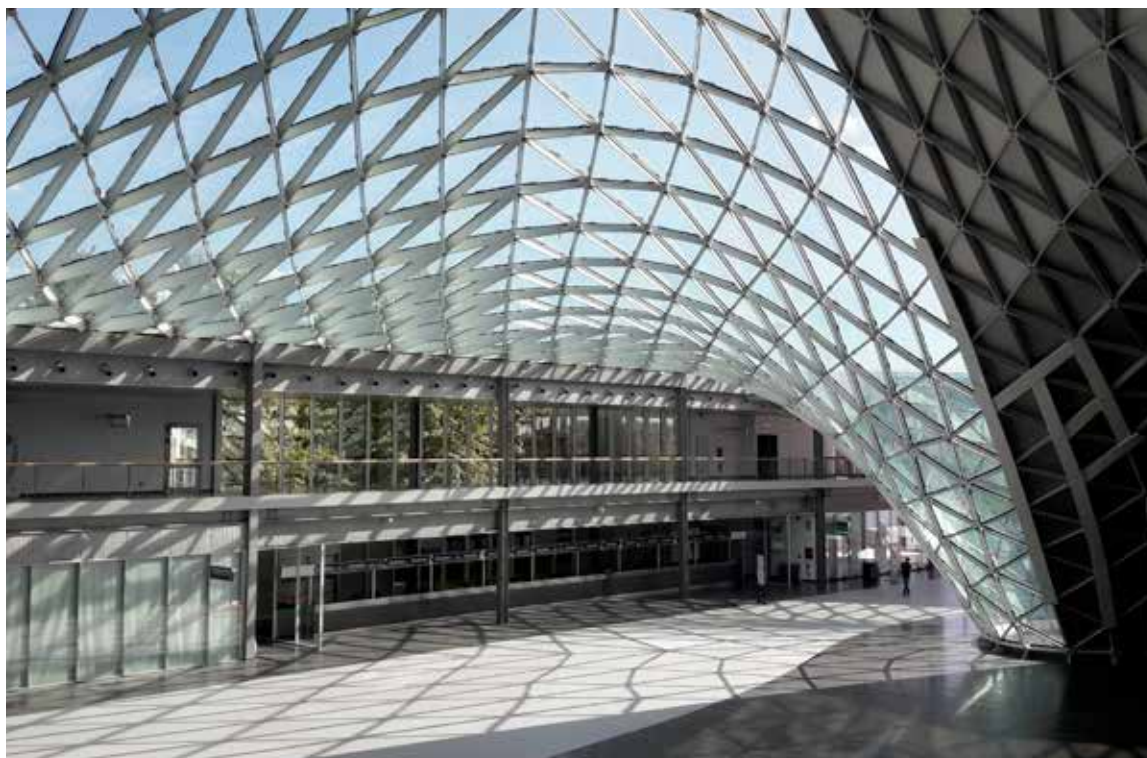
Letter to Shareholders and Stakeholders

Dear Shareholders and Stakeholders,

the results above expectations achieved in 2022 confirm a solid restart of our business. With revenues of Euro 220 million, 64 exhibitions underway, over 100 congress events and more than 4 million visitors, we have demonstrated not only our resilience after two years of pandemic, but also the decisive role of Fiera Milano in the generation of business for companies, as evidenced by the great return of exhibitors and visitors. With the period of crisis linked to the pandemic situation behind us, we are preparing to face a new phase of growth, development and renewal of the industry which passes through the four guidelines of the CONN.E.C.T. 2025 Strategic Plan, focused on strengthening the portfolio of owned and hosted exhibitions, on the consolidation of leadership in the congress business and on the development of a complementary and synergistic offer of traditional and digital services. A drive towards internationalization, partnerships on strategic supply chains, launch of new formats, investments in digital and an emphasis on sustainability will be our priorities for 2023 which has already started with a rich exhibition calendar. Even if the industry is not immune to the difficulties and uncertainties of the macroeconomic context, mainly due to energy price increases, inflation and the persistence of geo-political tensions, we look to the future with confidence, expecting to reach an EBITDA target by 2023 in the range of Euro 70-80 million.

2022 RESULTS, A FASTER AND STRONGER RECOVERY THAN EXPECTATIONS

During 2022, our Group generated revenues of Euro 220.3 million, up 80% compared to pre-pandemic levels, signals of a clear recovery that is now consolidated. 2022 EBITDA stood at Euro 58.4 million, higher than February 2021 forecast at the time of the launch of the CONN.E.C.T. 2025 Strategic Plan, in which we thought we would achieve a result of around Euro 40-50 million. 2022 is also the year of the return to the organic



growth of the business, in fact we recall that the just ended year compares itself with the values of 2021 which benefited from around Euro 60 million of non-recurring government subsidies. Finally, we achieved cash availability of around Euro 30 million with all positive financial stability indicators.

Double-digit revenue growth for activities in Italy, which represent 77% of the business. Among the main events of the first half year, we mention The Innovation Alliance, which brought together the entire mechanical engineering supply chain with Ipack-Ima, Print4All, GreenPlast and Intralogistica Italia. This format has proven to be valid from an industrial point of view, allowing exhibitors and visitors to meet complementary production ecosystems, made up of small and large companies, generating value for the supply chains. Then the month of June saw the return of Salone del Mobile, in its traditional version, with more than 2,000 exhibitors. A success exceeding expectations that recorded over 262,000 visitors in six days, from 173 countries. The first half of 2022 closed with Mostra Convegno Expocomfort, the reference appointment for plumbing industry, with over 1,500 exhibitors and more than 90,000 visitors, over a third of which came from abroad. In September we hosted the 50th edition of Gastech, the world largest international event dedicated to energy industry which took place for the first time in our district, confirming Fiera Milano's ability to attract major international events. The last quarter of 2022 was characterized by the presence of some events dedicated to the consumer public, among these, for example, major appointments such as Eicma and Artigiano in Fiera, or again Milano Autoclassica, Milan Games Week with Cartoomics where we tested the new digital app to offer an omnichannel experience of our events and improve the customer experience. The fourth quarter of Fiera Milano also saw the launch of the first edition of NME – Next Mobility Exhibition in October, the new biennial international event dedicated to the mobility of the future.

On the international front we are positioning ourselves with a targeted strategy based on three pillars, the first is to attract major international events to Milan, the second is to ensure that the presence of foreign exhibitors and visitors at our fairs increases, in order to consolidate their role on the global scene, the third concerns the organization of events outside Italy, in relation to which it will be adopted a selective approach. A virtuous example of this last strategic orientation is represented by FIND – Design Fair Asia, the new event for design and furniture industry organized in Singapore in partnership with dmg Events, whose first edition was held in September 2022 with a very positive response from the market. Alliances of this kind represent a further opportunity for internationalization to offer to the companies that participate in our events. Our activities have also restarted in Brazil with 8 exhibitions organized in 2022 while China is now in a relaunching phase after the recent softening of zero-Covid policies. Finally, in South Africa was held the tenth edition of the contemporary art exhibition ICTAF (Investec Cape Town Art Fair), which is increasingly confirmed as the reference event for the industry in the African continent.

Excellent results for the congress division, which, with its 110 congress events held in 2022, has returned to pre-Covid levels ahead of market forecasts. Thanks to the partnership with Allianz, our congress center, renamed Allianz-MiCo, will have even greater international appeal.

Looking at these results, we can confidently say that our business is gradually returning to pre-pandemic levels faster than market forecasts. In fact, against AMR - Advanced Market Research forecasts of the Italian market, which for Italy projected a 40% decrease in the volume of net square meters sold in 2022 compared to 2019, our Group recovers faster with a decrease of only 20% of volumes.

A SYSTEM OF ITALIAN FAIRS IN STRATEGIC SECTORS FOR MADE IN ITALY

We believe that the Italian trade fair industry must begin to build a system to conquer European leadership, and our Group can play a leading role. Our ambition is to create a system of Italian trade fairs, coordinated with each other, which keeps the focus on the territory but at the same time becomes stronger and more attractive for foreign operators. The strategic partnerships with other operators in the industry that we are evaluating fit into this vision, with the aim of strengthening the joint international positioning in strategic supply chains. In particular, we are proud to have completed the strategic transaction with Fiere di Parma in March 2023 for the creation of a European exhibition platform in the agro-food sector. The goal will be to create a new multipolar exhibition platform consisting of "Tuttofood powered by Cibus" in Milan, which will position itself as an international event that, in addition to supporting the domestic supply chain, will be a reference point for an exhibition audience from all the leading countries in agro-food production, thus competing with the equivalent European exhibitions, and of "Cibus" in Parma, an iconic event for the excellent food Made In Italy and for its territories. We have also signed a confidentiality agreement with Firenze Fiera for the initiation of

discussions relating to a commercial collaboration in the trade fair and congress industry. Lastly, in November was completed the acquisition by Fiera Milano of a stake equal to 25% of the share capital of Ge.Fi S.p.A., leading Italian player in the organization of trade fairs and exhibitions, including Artigiano in Fiera, hosted annually at our Rho exhibition district. On a strategic level, the transaction aims to strengthen relations between our Group and Ge.Fi., exploiting the potential deriving from the integration of key skills in the organizational, digital services and catering areas.

THE INCREASINGLY EVOLVED SUSTAINABILITY STRATEGY TOWARDS THE DECARBONIZATION OF EVENTS

During 2022 we continued along the sustainable development path of our business, setting ourselves the goal of the total decarbonisation of events by 2050. Consistently with our adherence to the Net Carbon Zero Events initiative, we started the process of measuring the carbon footprint of events organized in our exhibition spaces, developing an innovative evaluation model that has allowed us to be recognized by UFI (The Global Association of the Exhibition Industry) as the European best practice in the industry in this area. In line with the investment plan of Fondazione Fiera Milano for the sustainable development of the exhibition district, it will also be increased the installed capacity of the photovoltaic system on the roofs of Rho, which will allow us to make greater use of green energy from renewable sources. Fiera Milano's ability to know how to integrate sustainability into its business model, in full execution of the three-year Sustainability Plan, was also recognized by Sustainalytics, a leading global rating company which issued the first ESG rating on the Group, placing us in the second best rating class "Low ESG Risk" and in the 15% of the most sustainable companies among those assessed globally.

A LOOK AT THE FUTURE

Even if the industry is not immune to the difficulties of the macroeconomic context, we look to the future with confidence, expecting to reach an EBITDA target of Euro 70-80 million as at 31 December 2023, trusting that Fiera Milano, by far the leading Italian exhibition and congress reality, as well as one of the first in the world, continues to be an irreplaceable platform for development and internationalization for the country's economy and an industrial policy tool capable of generating value for businesses, people and the local area.

We thank all the Shareholders and Stakeholders who place their trust in our business model and in our strategy, and in particular we thank our employees who, with their ideas, talent and professionalism, have contributed significantly to the important results that we introduced you.

Carlo Bonomi
Chairman



Luca Palermo
Chief Executive Officer



Mission

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



Purpose

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



Mission

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



Values

EXCELLENCE

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

CUSTOMER

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

RESPECT

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

PEOPLE

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

History of the Group

The Fiera Campionaria Internazionale was founded in Milan, on the Ramparts of Porta Venezia, and in 1923 found a permanent home in the area now occupied by fieramilanocity.

The Portello site was extended with the opening of three new large pavilions that increased the available exhibition space by 74,000 square metres gross, giving a total of over 348,000 square metres of space.

In December, Fiera Milano SpA was listed on the Italian stock market. Fiera Milano increased its range of activities by acquiring some important exhibition organisers and enhanced its offering in stand-fitting services, catering, trade publications and internet services.

1920

1946

1997

2000

2002

2005

On 12 September, the Fiera Campionaria Internazionale inaugurated the new Fiera Milano exhibition site that had been rebuilt following its destruction during the Second World War.

In February, Ente Autonomo Fiera Internazionale di Milano, a private foundation, was constituted. In October, the Foundation passed the management of the exhibition sites, the organisation of exhibitions and supply of exhibition services and the congress activities to Fiera Milano SpA.

On 31 March, the new Fiera Milano exhibition complex on the outskirts of Milan was inaugurated; the site has 345,000 square metres of exhibition space. Some of the pavilions of the downtown site continued in use.



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

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

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

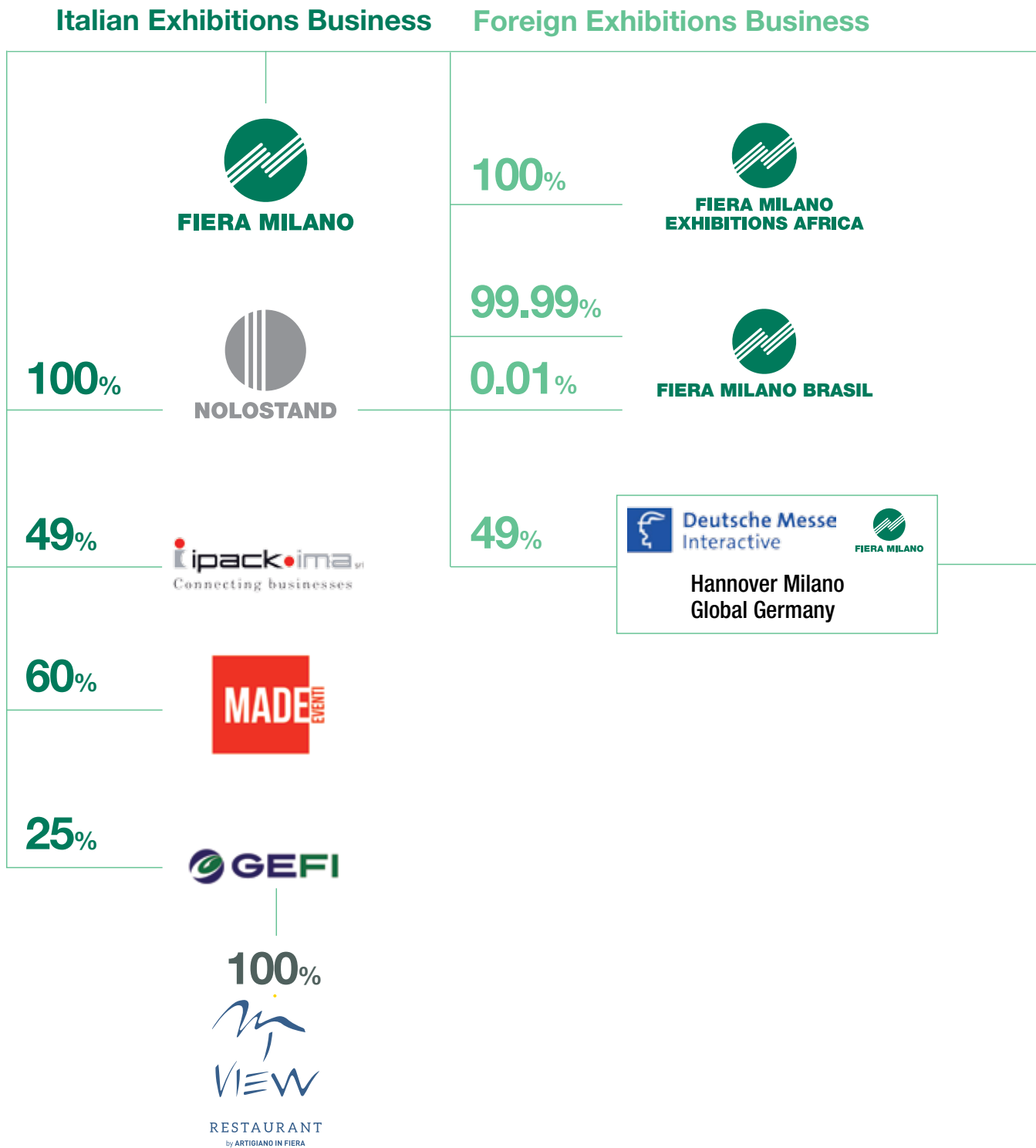
2008 2011 2015 2019 2021 2022

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

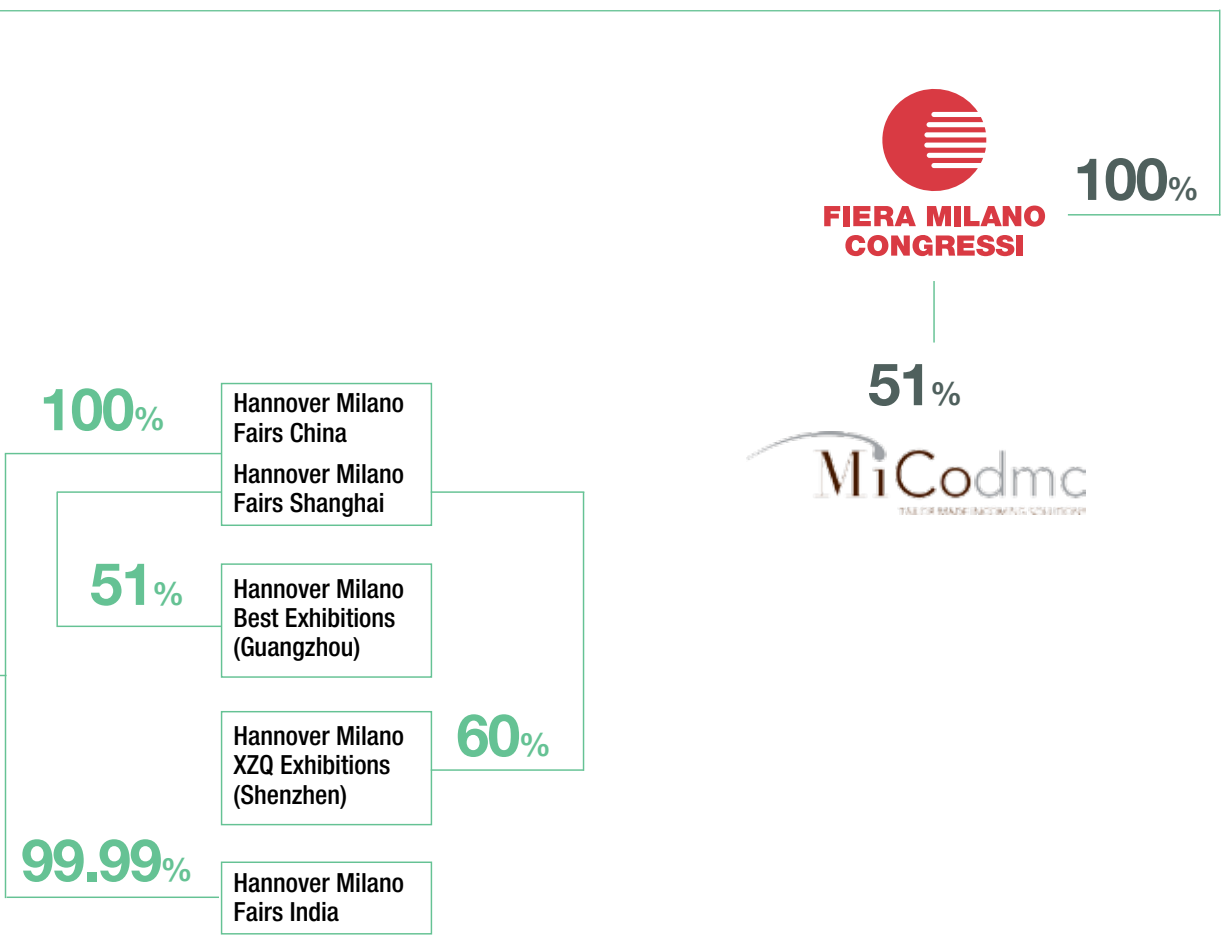
The Fiera Milano Group embarked upon the digital transformation of its Exhibition Sites, to provide visitors, exhibitors and organisers with even more highquality services thanks to a better customer experience.

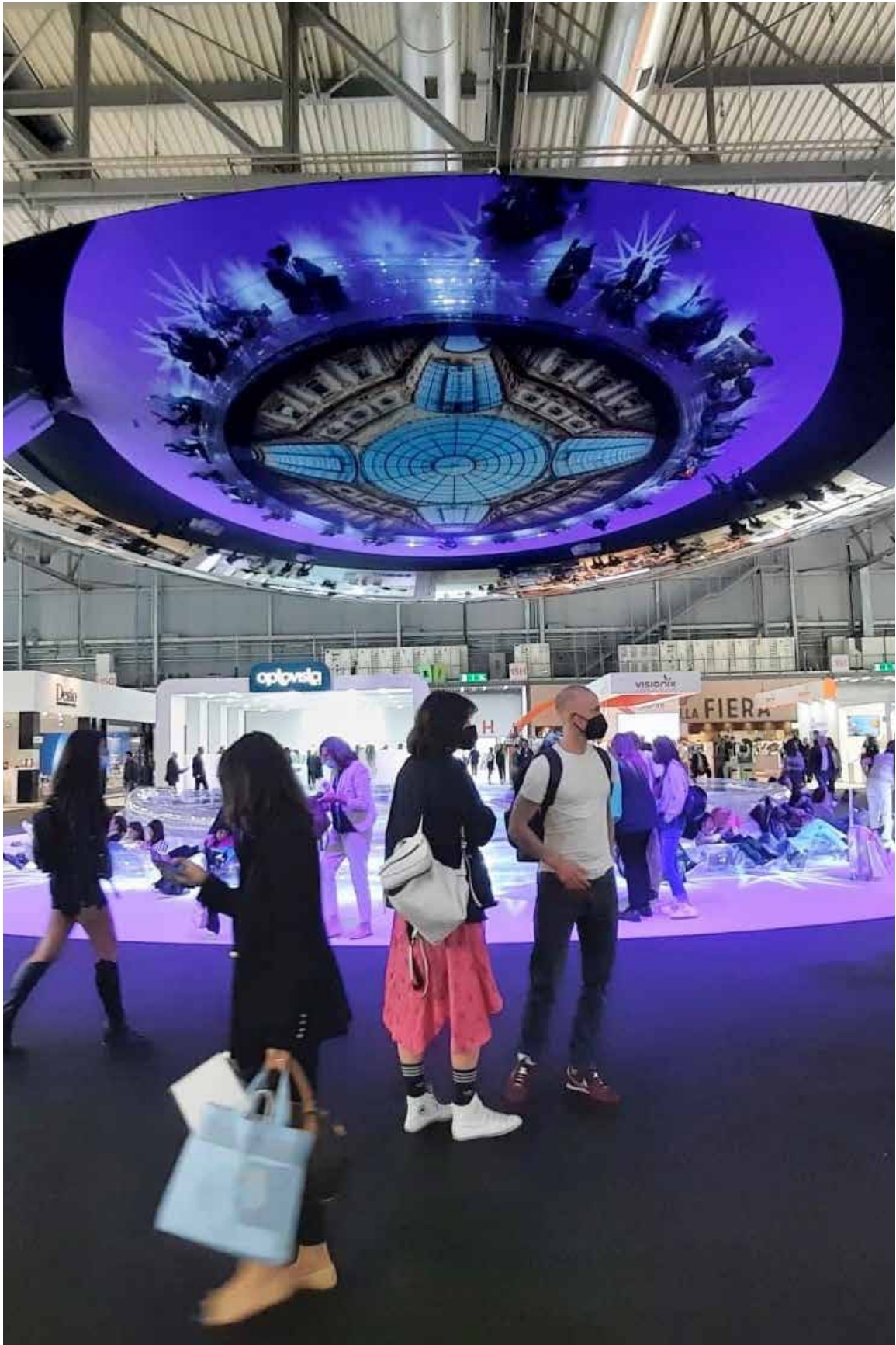
Fiera Milano consolidates post-pandemic restart. With over 50 exhibitions and more than 160 congresses and training events held during the year, the resumption of the trade fair and congress business has enabled the Group to once again play its role as an industrial policy instrument at the service of companies.

Group structure



Congresses



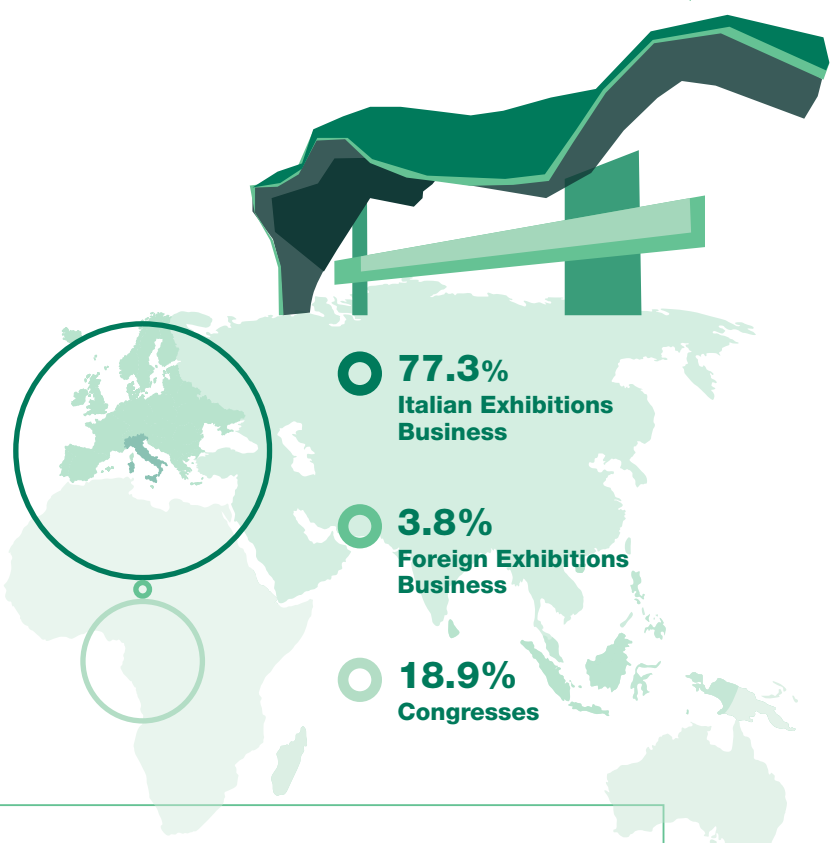


Highlights

Performance

Turnover
220
million euros

EBITDA
58
million euros



- 77.3%** Italian Exhibitions Business
- 3.8%** Foreign Exhibitions Business
- 18.9%** Congresses

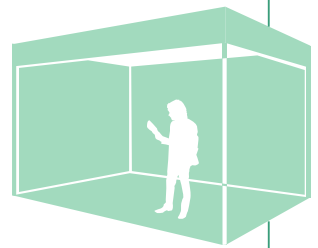
Business

Number of exhibitions	Of which abroad	Number of exhibitors	Of which abroad
115	14	23,865	2,150

Exhibition spaces

Net occupied area
1,413,755 mq
of which abroad
174,140 mq

Gross exhibition capacity
399,000 mq
of which
345,000 mq in the fieramilano area
54,000 mq in the fieramilanocity area



Human resources

Number of Group employees
674
of which abroad
83

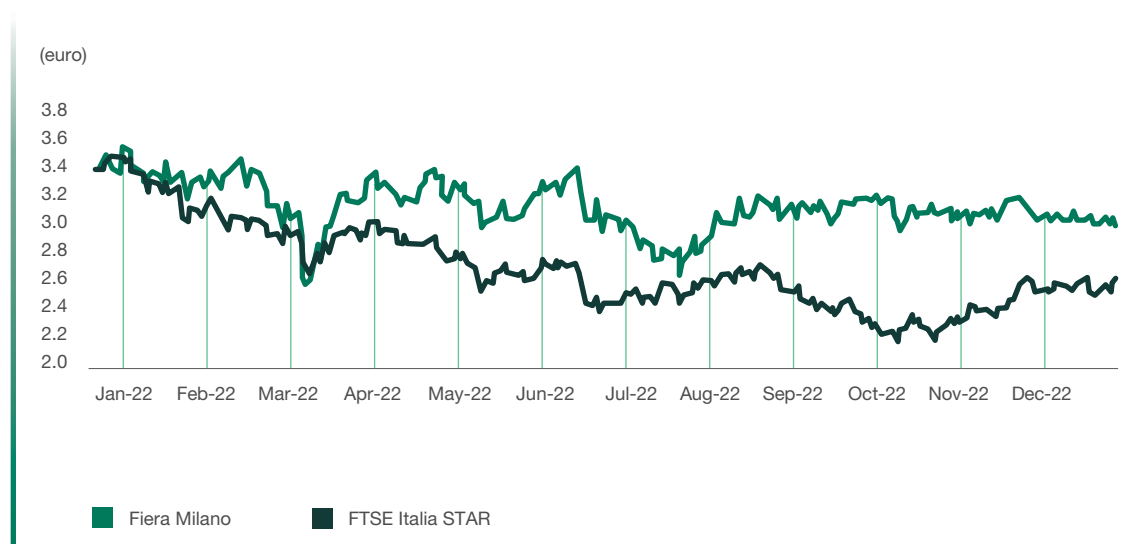
Women in the Group
58%
of which
18% Executives
53% Managers



Fiera Milano on the Stock Exchange

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

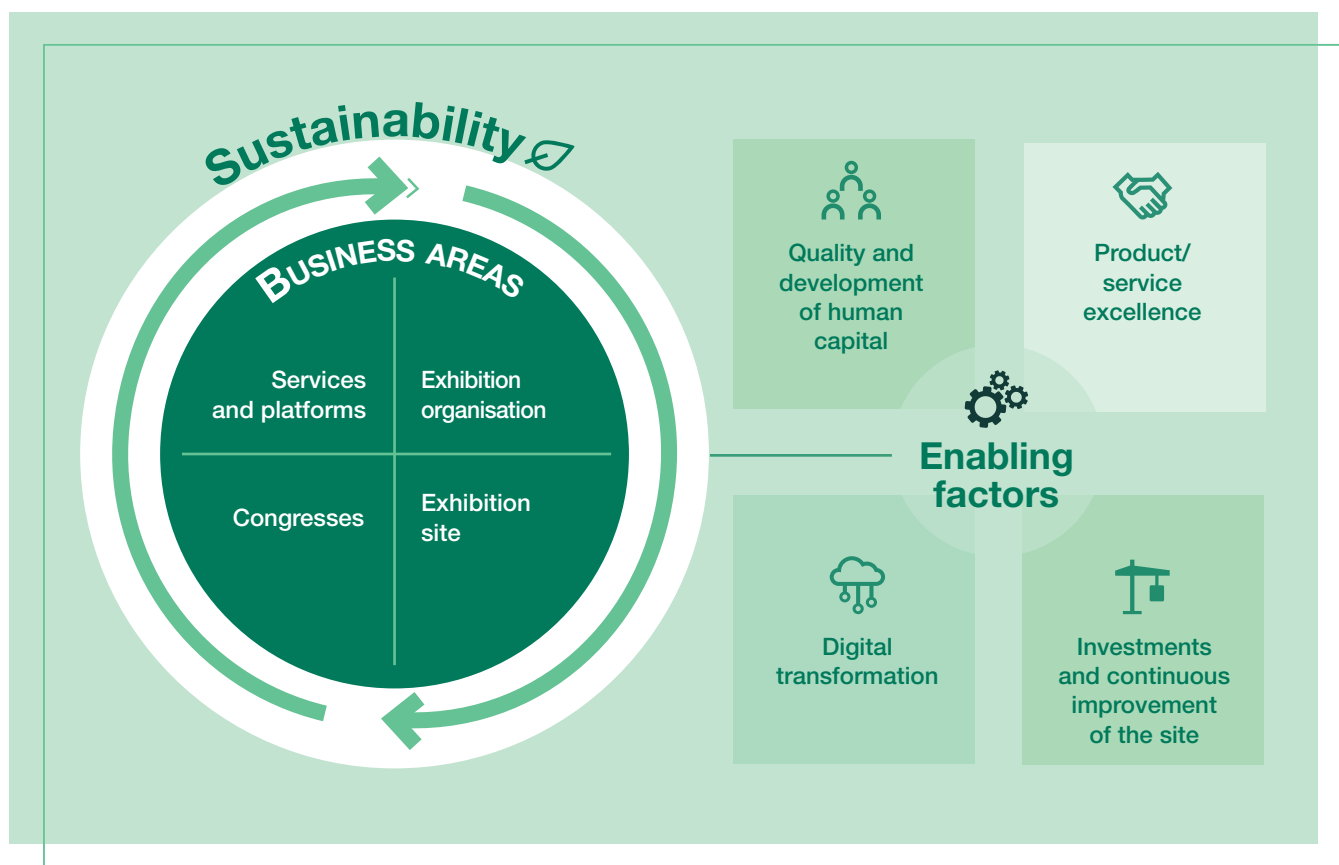
Fiera Milano share performance compared to the FTSE Italia STAR indice



Listing and Capitalisation from 31/12/2021 to 30/12/2022

	Prices (euro)				Capitalisation (millions of Euro)			
	at 31/12/2021	maximum	minimum	at 30/12/2022	at 31/12/2021	maximum	minimum	at 30/12/2022
Fiera Milano	3.38	3.55	2.58	3.01	243	255	186	216

Strategy



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

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

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

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

Corporate Bodies and Independent Auditor

BOARD OF DIRECTORS

Carlo Bonomi	Chairman [°]
Luca Palermo	Chief Executive Officer
Alberto Baldan	Director*
Stefania Chiaruttini	Director*
Regina De Albertis	Director [°]
Francesca Golfetto	Director*
Ferruccio Resta	Director*
Agostino Santoni	Director [°]
Elena Vasco	Director*

[°] Independent Director under Art. 148, paragraph 3 of Italian Legislative Decree 58 of 24 February 1998.

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

CONTROL, RISK AND SUSTAINABILITY COMMITTEE

Stefania Chiaruttini
Francesca Golfetto
Ferruccio Resta

APPOINTMENTS AND REMUNERATION COMMITTEE

Elena Vasco
Alberto Baldan
Agostino Santoni

BOARD OF STATUTORY AUDITORS

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

FINANCIAL REPORTING OFFICER ITALIAN LAW 262/2005

Andrea Maldì

SUPERVISORY BOARD, ITALIAN LEGISLATIVE DECREE 231/01

Enrico Maria Giarda

Luigi Bricocoli

Basilio Postiglione

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

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

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

During the meeting of the Board of Directors held on 14 June 2022, Professor Ferruccio Resta was appointed as a director to replace Ms Anna Gatti, who left office on 10 May 2022.

Following the resignation of Directors Angelo Meregalli and Marina Natale, on 13 October 2022, the Board of Directors co-opted Regina De Albertis and Agostino Santoni as directors.

At the same meeting on 13 October 2022, Directors Ferruccio Resta and Agostino Santoni were appointed by the Board of Directors as members of the board committees, replacing Angelo Meregalli and Marina Natale who had resigned.

The entire Board of Directors will expire with the approval of the financial statements at 31 December 2022.

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

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

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

INDEPENDENT AUDITORS

EY SpA

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

Ordinary Shareholders' Meeting Call



FIERA MILANO

FIERA MILANO S.P.A.

Registered office in Milan, Piazzale Carlo Magno 1

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

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

Milan Company Register,

Tax code and VAT number 13194800150

Ordinary Shareholders' Meeting Call

The Shareholders' Meeting of Fiera Milano S.p.A. (hereinafter, the "**Company**") is convened in a single call for **27 April 2023, at 3:00 p.m.**, to discuss and pass resolutions pertaining to and resulting from the following matters

Agenda

1. Financial statements as at 31 December 2022:
 - 1.1 approval of the Financial Statements as of December 31, 2022, of the Report of the Board of Directors, of the Report of the Board of Statutory Auditors and of the Independent Auditor's Report. Presentation of the Consolidated Financial Statements at 31 December 2022 and the 2022 Consolidated Disclosure of Non-financial Information pursuant to Legislative Decree 254/2016;
 - 1.2 allocation of the financial year results.
2. Report on the Remuneration Policy and on the Remuneration Paid pursuant to article 123- *ter* of Legislative Decree 58/1998:
 - 2.1 binding decision on the first section;
 - 2.2 non-binding decision on the second section.
3. Appointment of the Board of Directors:
 - 3.1 determination of the number of members;
 - 3.2 determination of the term of office;
 - 3.3 appointment of Directors;

- 3.4 appointment of the Chairperson;
- 3.5 determination of remuneration.
- 4. Approval of an Incentive Plan pursuant to Art. 114 *bis* of Legislative Decree 58/1998.
- 5. Appointment of the independent auditors for the period 2023 - 2031 and determination of their remuneration.
- 6. Authorisation for the purchase and disposal of treasury shares pursuant to articles 2357 and 2357-ter of the Italian Civil Code, subject to revocation of the resolution passed by the Shareholders' Meeting on 22 April 2022.

Pursuant to Art. 3, paragraph 1 of Decree-Law No. 198 of 29 December 2022 (the so-called Decreto Milleproroghe), as amended by Conversion Law No. 14 of 24 February 2023, which extended until 31 July 2023, among other things, the provisions set forth in Art. 106, paragraph 4 of Decree-Law No. 18 of 17 March 2020,, **the Company has established that parties entitled pursuant to the law to attend the Shareholders' Meeting may participate exclusively by means of telecommunication** that guarantees their identification, without it being necessary in any event for the Chairperson of the Shareholders' Meeting and the person in charge of the minutes to be in the same place. The instructions for participating in the Shareholders' Meeting will be made known by the Company to the above-mentioned parties.

Information relating to the share capital

The subscribed and paid-up share capital of the Company is equal to Euro 42,445,141.00 and is made up of 71,917,829 shares with no par value. The shares are indivisible and carry one voting right each, except in the case of treasury shares which do not have this right. As of today, the Company owns 683,758 treasury shares, equal to 0.95% of the share capital.

Entitlement to participate in the Shareholders' Meeting.

Pursuant to the law and Art. 12 of the Articles of Association, the entitlement to participate in the Shareholders' Meeting and exercise voting rights is certified by a notice to the Company, issued by the authorised intermediary in accordance with its accounting records, in favour of the party entitled to vote, based on the evidence relating to the end of the accounting day of the seventh trading day prior to the date set for the Shareholders' Meeting (i.e. 18 April 2023, the so-called "record date"); credit and debit entries made to the accounts after this deadline are not relevant for the purposes of entitlement to exercise voting rights at the Shareholders' Meeting. Accordingly, those who only hold shares in the Company after that date will not be entitled to participate and vote in the Shareholders' Meeting. The intermediary's notice referred to above must be received by the Company by the end of the third trading day prior to the date set for the Shareholders' Meeting (i.e. by 24 April 2023).

Entitlement to participate and vote remains unaffected if the notice is received by the Company after the aforementioned deadline, provided that it is received before the Shareholders' Meeting proceedings commence. Please note that the notice to the Company is made by the authorised intermediary at the request of the entitled party.

Representation in the Shareholders' Meeting.

Pursuant to Art. 3, paragraph 1 of Decree-Law No. 198 of 29 December 2022 (the so-called "Decreto Milleproroghe"), as amended by Conversion Law No. 14 of 24 February 2023, which extended until 31 July 2023, among other things, the provisions of Art. 106, paragraph 4 of Decree-Law No. 18 of 17 March 2020, **the Company has established that participation in the Shareholders' Meeting shall take place exclusively through Computershare S.p.A. - with registered office in Milan, Via Lorenzo Mascheroni 19 - designated for this purpose as Designated Representative pursuant to Art. 135-undecies of Legislative Decree 58/98 (hereinafter, the "Consolidated Finance Act"), as participation in person or by proxy to third parties is not permitted.**

The proxy to the Designated Representative pursuant to Art. 135-undecies may be issued by signing the proxy form “*Proxy Form and Voting Instructions to Computershare S.p.A. as Designated Representative*”, available as of 16 March 2023 (i.e. the date of publication of the notice of call) on the Company’s website www.fieramilano.it in the “Investors/Governance/Shareholders’ Meeting” section. Pursuant to Art. 135-undecies of the Consolidated Finance Act, the proxy with the voting instructions, together with a copy of a valid ID document, must be submitted, according to the instructions on the proxy form itself, by the end of the second trading day prior to the date set for the Shareholders’ Meeting (i.e. by 25 April 2023). A proxy so conferred shall be effective only for those proposals in respect of which voting instructions have been given. The proxy and voting instructions are revocable within the same period as above (i.e. by 25 April 2023).

It should also be noted that the Designated Representative may also be granted proxies or sub-delegations pursuant to Art. 135-novies of the Consolidated Finance Act, as an exception to Art. 135-undecies, paragraph 4, of the Consolidated Finance Act, exclusively by means of the “Proxy or Sub-delegation Form” form, available as of 16 March 2023 (i.e. the date of publication of the notice of call) on the Company’s website www.fieramilano.it in the “Investors/Governance/Shareholders’ Meeting” section. Pursuant to Art. 135-novies of the Consolidated Finance Act, the proxy with the voting instructions, together with a copy of a valid ID document, must be submitted in accordance with the procedures and deadlines on the form itself.

The notice to the Company issued by the intermediary, certifying the entitlement to participate in the Shareholders’ Meeting, is also required in the event of the granting of proxy or sub-delegation to the Company’s Designated Representative; Therefore, in the absence of the aforementioned notice, the delegation and/or sub-delegation shall be deemed null and void.

The Designated Representative will be available for further clarification or information at the email address operations@computershare.it.

It is understood that participation in the Shareholders’ Meeting will be permitted to the Designated Representative and other parties entitled to participate, other than shareholders, by means of electronic means of communication that allow for their immediate identification and participation, with connection procedures that will be notified by the Company.

Additions to the Agenda.

Shareholders who, also jointly, represent at least one fortieth of the Company’s share capital may request, in writing, within ten days of the publication of this notice (i.e. 26 March 2023) and, in compliance with the provisions of Art. 126-*bis* of the Consolidated Finance Act and Art. 10.3 of the Articles of Association, the addition to the list of items to be discussed, indicating in the request the additional items proposed or the additional proposals for resolutions on items already on the agenda. These applications, together with the certification attesting ownership of the shareholding, must reach the Company by notification to the certified email address fieramilano@legalmail.it, or by registered mail with return receipt at the Company’s operating and administrative headquarters in Rho (MI), S. S. del Sempione 28 (*Investor Relations Office*). A report must be submitted to the Board of Directors of the Company by the same deadline and under the same procedures, stating the reasons for the additional resolution proposals submitted, or the reasons for the additional resolution proposals submitted on items already on the agenda.

Additions to the agenda or the presentation of further proposed resolutions on items already on the agenda shall be announced, in the same form prescribed for the publication of the notice of call, at least fifteen days prior to the date set for the Shareholders’ Meeting.

Concurrently with the publication of the announcement of additions to the agenda or the submission of further proposals for resolutions on items already on the agenda, the Company shall make available to the public the aforementioned report, accompanied by its own assessments, if any, in accordance with the procedures set forth in Art. 125-ter, paragraph 1 of the Consolidated Finance Act. A request for an addition to the agenda is not permitted for items on which the Shareholders’ Meeting resolves, in accordance with the law, on the proposal of the Directors or on the basis of a draft or report prepared by them.

Presentation of proposed resolutions.

In consideration of the fact that participation in this Shareholders' Meeting is permitted exclusively through the Designated Representative, shareholders who intend to submit proposals on the items on the agenda are invited to send them by 17 April 2023 to the certified email address fieramilano@legalmail.it, or by registered mail with return receipt to the Company's operating and administrative headquarters in Rho (MI), S. S. del Sempione 28 (*Investor Relations Office*), together with a copy of their ID document and documentation certifying the entitlement to participate in the financial year in accordance with the law.

It is recommended that proposals be formulated in a clear and comprehensive way, preferably accompanied by a report stating the reasons for the proposal.

After verifying the relevance of the proposals with respect to the agenda, as well as their completeness and compliance with the applicable regulations, the Company will disclose all proposals (and any accompanying illustrative reports) received, within the aforementioned deadline, by publishing them on the Company's website at www.fieramilano.it in the "Investors" section by 19 April 2023.

Appointment of the Board of Directors.

With reference to item three on the agenda, it is recalled that, pursuant to Art. 14 of the Articles of Association, directors will be elected on the basis of lists that may be submitted by Shareholders who, alone or together with other Shareholders, represent a total of at least 2.5% of the voting capital in the Shareholders' Meeting. At least twenty-five days prior to the date set for the Shareholders' Meeting (i.e. by 2 April 2023), Shareholders are invited to deposit at the certified mail address fieramilano@legalmail.it, or by registered mail with return receipt at the Company's operating and administrative headquarters in Rho (MI), S.S. del Sempione 28 (Corporate Secretariat, Governance and Compliance Office) their proposals for appointment to the office of Director, accompanied by information on both the identity of the shareholders who submitted the list and the percentage of their overall shareholding, as well as the certification issued in accordance with the law by authorised intermediaries, showing ownership of the shareholding.

Certifications proving the ownership of the shareholding on the date on which the lists are filed may also be produced at a later date provided that it is no later than the 21st day prior to the date set for the Shareholders' Meeting (i.e. by 6 April 2023).

Together with the lists, at least twenty-five days before the date set for the Shareholders' Meeting, pursuant to Art. 14. 4 of the Articles of Association, exhaustive information must be filed regarding the personal and professional characteristics of the candidates with the list of directorships and auditing positions held by each of them in other companies, including non-listed companies (to be updated and promptly communicated to the Company in the event of any changes before the Shareholders' Meeting is actually held), as well as the declarations with which the individual candidates accept the candidacy and certify, under their own responsibility, the non-existence of causes of ineligibility and incompatibility, as well as the existence of the requirements prescribed by the laws in force for assuming the office, including the declaration of independence from the Company, if any, issued in compliance with the independence criteria provided for by the Corporate Governance Code in force.

Please note that lists submitted without complying with the relevant statutory provisions will be considered as not submitted.

At least twenty-one days before the date scheduled for the Shareholders' Meeting (i.e. 6 April 2023), the lists will be made available to the public at the Company's registered office in Milan, Piazzale Carlo Magno no. 1, at the operating and administrative headquarters in Rho (MI), S.S. del Sempione 28, Centro Servizi (Reception Offices), as well as on the Company's website www.fieramilano.it in the "Investors" section and on the authorised storage mechanism www.emarketstorage.com.

For further information on the appointment of the Board of Directors, please refer to the illustrative report prepared by the Board of Directors pursuant to Art. 125-ter of the Consolidated Finance Act and made available to the public within the terms and according to the procedures set forth by law.

Right to ask questions on agenda items.

Those with voting rights may submit questions on the items on the agenda even before the Shareholders' Meeting in compliance with the provisions of Art. 127-ter of the Consolidated Finance Act, by sending them by certified mail to fieramilano@legalmail.it, or by registered mail with return receipt, to the Company's operating and administrative headquarters (Investor Relations Office). These questions must reach the Company by 20 April 2023; answers to the questions received will be published on the Company's website by the morning of the Shareholders' Meeting, with the Company having the right to provide a single answer to questions with the same content.

Documentation and Information.

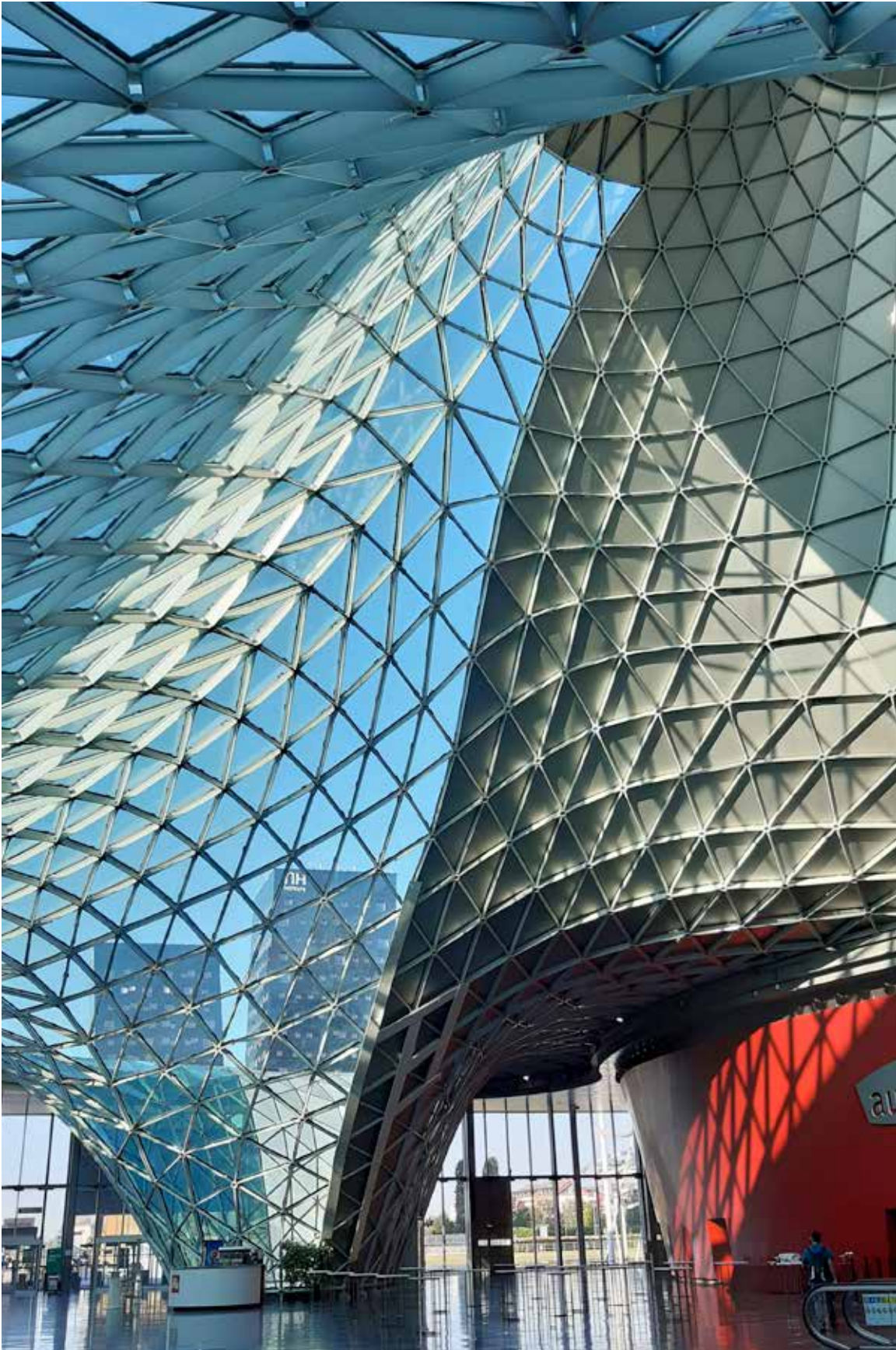
The Board of Directors' Reports on the items on the agenda and the proposed resolutions will be made available to Shareholders and the public on 16 March 2023, together with the information document on the share incentive plan pursuant to Art. 114-bis of Legislative Decree 58/1998. The additional documentation relating to the items on the agenda, as required by the regulations in force, will be made available to shareholders and the public within the legal and regulatory deadlines (by 31 March 2023 at the latest). Within the aforementioned deadlines, the said documents will therefore be available at the Company's registered office and at the operating and administrative headquarters in Rho (MI), S.S. del Sempione 28, Centro Servizi (office reception), on the Company's website www.fieramilano.it (in the section Investors/Governance/Shareholders' Meeting) and on the authorised storage mechanism www.emarketstorage.com. Shareholders have the right to obtain a copy of the above-mentioned documentation.

Rho (Milan), 16 March 2023

The Chairperson of the Board of Directors

Carlo Bonomi





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Summary of results and significant events during the year

In 2022, consolidated revenues amounted to Euro 220 million, up by Euro 98 million compared to 2021.

The calendar of events in Italy saw the organization of 50 exhibitions, occupying a total of 1,148,850 square meters of exhibition space. The increase in revenue is due to the resumption of in-person exhibition and congress activities throughout the year. The positive change was mainly due to the exhibition calendar with, for example, several exhibitions held at the same time in May. Starting with The Innovation Alliance (which brought together the entire mechanical engineering supply chain with Ipack-Ima, Print4All, GreenPlast and Intralogistica Italia), which was attended by more than 90,000 professionals from 125 countries.

This was followed by Transpotec Logitec, Italy's leading exhibition for logistics and road transport, held every two years, which closed with over 25,000 trade visitors. and Lamiera, the international exhibition of machine tools for sheet metal forming and related technologies, which registered over 19,000 entries.

June saw the return of the Salone del Mobile, in its traditional format, with more than 2,000 exhibitors. A success exceeding expectations, with over 262,000 visitors in six days from 173 countries.

The first half of 2022 ended with MCE Mostra Convegno Expocomfort, reconfirming itself after 4 years of absence, due to the pandemic, as the sector's reference event with over 1,500 exhibitors and more than 90,000 visitors (more than a third from abroad).

In September, Fiera Milano hosted the 50th edition of Gastech, the world's largest international event dedicated to the energy industry, which took place for the first time in Milan. The exhibition had a record attendance with 39,467 industry professionals, 300 CEOs and opinion leaders and 750 exhibiting companies.

In the last quarter of 2022, major events were held with consumer audiences including Eicma and Artigiano in Fiera, Milano Autoclassica, Milan Games Week with Cartoomics and Enci Winner. Also held was Bimu, the two-yearly exhibition dedicated to machine tools; Simei and Enovitis, events dedicated to the wine industry, and Expodetergo International, the four-yearly exhibition for laundry, ironing and cleaning equipment, services and products, also took place.

The fourth quarter of Fiera Milano also saw the launch of the first edition, in October, of NME – Next Mobility Exhibition, the two-yearly international event organized by Fiera Milano and dedicated to the mobility of the future.

Four trade fair exhibitions were held in China. For most of the year, exhibitions were on hold due to the lockdown of the country due to the evolving Covid-19 pandemic. In the second half of the year, Fiera Milano resumed its activities in Brazil, organising eight exhibitions in total. In South Africa, Fiera Milano organised ICTAF (Investec Cape Town Art Fair). In Singapore, Fiera Milano, with its international partner dmg Events, organized the first edition of FIND - Design Fair Asia - in September 2022, the Asian reference event for the design and furniture sector. The exhibition hosted over 250 brands from all over the world and 30 Italian design names.

A total of 51 conference events were held during 2022.

The main congress events hosted in 2022 were: the Salone del Risparmio, the Sales Force, the World of Coffee, ESA - the Congress of the European Society of Anaesthesiology, ECE - the Congress of the European Society of Endocrinology and EAS - the Congress of the European Atherosclerosis Society, EADV - the European Academy of Dermatology and Venereology and ESCRS - the European Society of Cataract and Refractive Surgeons, in addition to corporate events such as the Allianz Bank Convention, the Banca Generali Convention and Azimut Convention.

The Group's main economic and financial data are shown in the table on the next page. When reading these figures, it should be remembered that the Group's business is seasonal due to exhibitions that take place every two years or at longer intervals. This can make it more difficult to compare results from different financial years.

Fiera Milano Group Summary of key figures

(Amounts in € '000)	Full year 31/12/22	Full year* 31/12/21
Revenues from sales and services	220,285	122,302
EBITDA (a)	58,403	73,742
EBIT	9,219	28,508
Net profit/(loss) (continuing operations)	(5,760)	39,481
Net profit/(loss) (discontinued operations)	-	4,600
Net profit/(loss)	(5,760)	44,081
- Attributable to the shareholders of the controlling entity	(5,599)	44,359
- Attributable to non-controlling interests	(161)	(278)
Net capital employed (b)	473,157	473,587
covered by:		
Equity attributable to the Group	105,660	108,314
Equity attributable to non-controlling interests	533	671
Net financial debt/(cash) before IFRS 16 effects	(29,783)	(47,342)
Total net financial debt/(cash)	366,964	364,602
Investments (continuing operations ad assets held for sale)	3,976	5,945
Employees (no. of permanent employees at year end)	674	669

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

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

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5 following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

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

Trade fair activities in Italy

On 23 November 2022, Fiera Milan SpA acquired a stake equal to 25% of the share capital of Ge.Fi SpA, a leading Italian player in the organisation of trade fairs and exhibitions, including Artigiano in Fiera, which is hosted annually by Fiera Milano at its Rho exhibition site. In addition, Ge.Fi. SpA holds a 100% stake in Mi-View Srl, which manages the restaurant of the same name located at the World Join Center in Milan. The Operation is part of the strategic framework envisaged in the "CONN.ECT 2025" plan, aimed at consolidating Fiera Milano's relations with the key organizers of the exhibitions hosted belonging to the main supply chains of the Italian economic fabric, also through capital transactions, pursuing the dual goal of increasing profitability and acquiring key skills. On a strategic level, the Operation therefore aims to consolidate relations between Fiera Milano and Ge.Fi., exploiting the potential to be had from integrating key skills in the organizational field, digital services and catering. The consideration for 25% of Ge.Fi., set at Euro 11.75 million, was paid at the closing, with a cash settlement made by Fiera Milano. An earn-out is also envisaged, to be paid following the approval of the 2025 financial statements of Ge.Fi., based on the achievement of specific objectives established in Ge.Fi.'s Business Plan. Forms of protection for the minority interest held by Fiera Milano are also envisaged, in line with market practices. Thanks to this operation, Fiera Milano and Ge.Fi. intend consolidating a lasting strategic partnership aimed at developing new growth trajectories for the two companies, exploiting the synergistic potential associated with the pursuit of shared development goals in a key sector for the Italian system.

On 21 December 2022, Fiera Milano signed two important agreements, with Netcomm - the Italian digital hub and point of reference in the field of e-commerce and digital retail, and with AnotheReality - a company involved in immersive worlds, establishing new technologies in creative, innovative projects. The partnerships aim to develop a new platform of events supporting the digital transformation process of companies and further exploring the increasingly topical theme of the metaverse, through a new event, held at Allianz MiCo on 15 and 16 November 2023.

Conference development

On 16 June, the convention centre changed its name to Allianz MiCo. The insurance and financial group Allianz signed an agreement with Fiera Milano Congressi to acquire the naming rights for the congress centre in Piazzale Carlo Magno, which has been renamed Allianz MiCo.

The new partnership gives the MiCo-Milano Convention Centre, Europe's largest congress centre with 65 halls and 50,000 square metres of exhibition space, even greater international appeal thanks to the strength of the Allianz brand, the leading insurance brand among groups operating globally in financial services.

International business development

In reinforcing Fiera Milano's international strategy, which includes securing a strong position in the circuit of major international trade fair circuit, a significant partnership was signed with trade fair group dmg events. This agreement led to the Rho exhibition site hosting Gastech, the world's largest energy industry event.

On 22 September, Fiera Milano's overseas activities continued with its organisation of the first edition of FIND - Design Fair Asia - the Asian reference event for the design and furniture sector. The exhibition hosted over 250 brands from all over the world and 30 Italian design names.

Fiera Milano is also working at an institutional level in order to further encourage the internationalization of companies. Last July, it opened a representative office at the Delegation for the Lombardy Region in Brussels. This enabled Fiera Milano to organise even more stakeholder engagement activities with European institutions. In addition to being the seat of most of the institutions, the Belgian capital also holds a strategic position for exhibitions, as it is the headquarters of EMECA, the association that represents the most important European exhibition centres, including Fiera Milano.

Supplement to the lease agreement with parent company Fondazione Fiera Milano

On 15 December 2022, Fondazione Fiera Milano (as lessor of the exhibition site in Rho, Milan) and Fiera Milano (as lessee of the infrastructural assets owned by Fondazione Fiera Milano) supplemented the agreement for the lease of exhibition spaces of the Rho exhibition centre, initially entered into by private deed on 31 March 2014 and registered on 28 April 2014. The amendments to the lease aimed to:

- include, among the buildings covered by the lease, a real estate complex owned by Fondazione Fiera Milano, consisting of the warehouse located at Viale delle Ferrovie-Viale Porta Est (Sempione State Road 33 no. 28), Rho, Milan, in the area known as "Cargo 2". This warehouse, which is intended to optimise the structural organisation for the fair stand activities of Nolostand – a Fiera Milano Group company specialising in the trade fair stand business – will be subleased to the latter by Fiera Milano from 1 January 2023;
- increase the rent under the lease, accordingly, by Euro 450,000.00 per annum payable, for the year 2023, in four quarterly instalments with payment in arrears.

Sustainability

In 2022, the rating agency Sustainalytics issued the ESG rating on Fiera Milano with a score of 16.9 (on a scale between 0 and >40, where 0 indicates the best rating and >40 the worst), placing the Fiera Milano group in the second best "Low Risk" rating class. Thanks to a robust management of ESG risks and sustainability policies and programmes, Fiera Milano is one of the 15% most virtuous companies among the approximately 15,000 businesses assessed worldwide by Sustainalytics. Eight material topics were identified for Fiera Milano's business model (Corporate Governance, Human Capital, Health and Safety, Ethics and Anti-Corruption, Product Governance, Environmental Management and GHG Emissions) with reference to which more than 50 indicators relating to the management, controls, policies, programmes, initiatives, performance, measurement, disclosure and reporting of individual areas were assessed. Fiera Milano's corporate

governance was assessed as extremely positive, with a “strong/above average” evaluation compared to the reference panel. The social dimension was the most appreciated area, with the management of employees’ and customers’ health and safety, and resource development. Lastly, while Sustainalytics believes that the Fiera Milano Group is moderately exposed to environmental risks, it appreciates and recognizes its stand-out expertise in the field of measuring GHG emissions and related programmes involving its exhibitions.

Fiera Milano also received several awards during 2022 for its commitment to promoting good sustainability practices: – For the second year in a row, Fiera Milano has confirmed its position at the top of the Integrated Governance Index (IGI), the index developed by ET.Group which acknowledges companies that have undertaken a serious path of transformation and evolution in terms of their ESG identity, integrating sustainability into their business model. Fiera Milano ranked first in the “Top 3 extra 100”, a ranking of all listed companies smaller than the top 100 companies by capitalisation, and was among the Top ESG Identity Performers, achieving one of the highest scores in the index. – As part of the Sustainability Award sponsored by Credit Suisse, Kon Group, Altis and Forbes, Fiera Milano was named among the top 100 most sustainable companies in Italy; - For the second year, Fiera Milano was recognised as one of Italy’s “Sustainability Leaders”, a ranking compiled by Il Sole 24 Ore in cooperation with Statista; - Fiera Milano was named a finalist in the ‘Best carbon emissions reduction initiative’ category of the Sustainable Development Award handed out by UFI (the Global Association of the Exhibition Industry). The positive ESG rating obtained and the major acknowledgments described above are further confirmation of how the Fiera Milano Group is increasingly integrating sustainability into its enterprise risk management system and business model, making ESG a strategic lever for creating sustainable value over time.

In line with the 2021-2025 Sustainability Plan, integrated in the CONN.ECT 2025 strategic plan, and in keeping with its corporate mission “To be a leading platform for innovative, sustainable and global events”, Fiera Milano has started the process of measuring the carbon footprint generated by its events. The September edition of **Homi Fashion&Jewels**, the event dedicated to jewellery and fashion accessories was the first step on this virtuous path, confirming Fiera Milano’s commitment to reducing the environmental impact of its events. With the support of Rete Clima, the Group has developed an innovative, proprietary model for measuring GHG emissions deriving from the events held in its exhibition spaces, based on the LCA (Life Cycle Assessment) methodology, combined with the evaluation parameters of ISO 14040, ISO 14044 and ISO 14067. It is estimated that the September edition of Homi Fashion&Jewels generated 1,256 tons of CO₂ equivalent. The greatest environmental impact, equal to 70% of total CO₂ emissions deriving from the event, was generated by visitor mobility, followed by exhibitor mobility (20%) and by the emission sources generated from production and transport in the fittings area (panels, doors, furnishings, profiles, platforms, flooring and prints) which accounted for approximately 5% of total emissions generated. Electricity consumption and emission sources deriving from the production and transport of food and beverages generate 2% and 1% of total emissions respectively. Minor impacts were generated from waste treatment, employee mobility and advertising material to sponsor the event.

The 1,256 tonnes of CO₂ produced by Homi Fashion&Jewels were entirely neutralized through the purchase and subsequent cancellation of certified carbon credits (Verra Standard), which allowed Fiera Milano to support the certified *Photovoltaic Power Project at Jalgaon* in India, in the Maharashtra region.

Thanks to this process, the event was therefore “carbon neutral”.

In 2023, the **BIT Milano** trade fair was also able to benefit from this virtuous approach. The event, which took place in mid-February, was entirely climate neutral. The approximately 3,000 tons of CO₂ generated were entirely neutralized by investing in a certified environmental project thanks to which Fiera Milano is supporting the construction of a photovoltaic plant in the Indian region of Andhra Pradesh. In addition to the environmental benefits relating to the introduction of new green energy into the system, thanks to this project Fiera Milano is also contributing to the creation of job opportunities during the construction phase of the plant, and to the development of new infrastructures in the Indian region, with significant social benefits for the local community.

The process started by Fiera Milano is part of the Group’s broader commitment to joining the global industry initiative Net Carbon Zero Events, which brings together all exhibition operators with the aim of defining a common roadmap for the decarbonisation of events, and Fiera Milano - based on the positive experience of Homi Fashion&Jewels and BIT Milano - is ready to do its part.

Other information

In January 2021, Fiera Milano was actively involved in promptly reporting a situation that had come to its attention through whistleblowing channels to the Milan Public Prosecutor's Office; controls carried out by the Company confirmed that all applicable internal procedures had been duly complied with.

The controls were carried out in full cooperation with the competent authorities who, during the course of their investigations, identified a non-managerial employee of the Parent Company responsible for the alleged unlawful activities against whom appropriate action was taken, including, on the part of the Parent Company, immediate suspension from work as a precautionary measure for all Fiera Milano Group companies and subsequent dismissal. As an injured party, the company reserves the right to consider any action to protect its interests.

On 22 April 2022, the Ordinary Shareholders' Meeting of the Parent Company was held, which approved the financial statements for the year ended 31 December 2021 and resolved to carry forward net profit for the year of Euro 36,621,672.14. The Ordinary Shareholders' Meeting also approved the content of the First and Second Section of the Remuneration Report, relative to the Company policy on the remuneration of the Board of Directors. Finally, the same Shareholders' Meeting Authorisation approved the authorisation to purchase and dispose of own shares under articles 2357 and 2357-ter of the Italian Civil Code.

On 13 October 2022, Fiera Milano announced the start of its share buyback programme, in execution of the authorisation granted by the Ordinary Shareholders' Meeting of 22 April 2022. The aim of the programme is to increase the portfolio of treasury shares to be used to service existing and future share incentive plans for the Company's directors and/or employees. At 31 December 2022, 171,901 treasury shares had been acquired at an average unit price of EUR 3.08 for a value of Euro 529 thousand. At 31 December 2022, the Company held 445,659 treasury shares, amounting to 0.62% of the share capital.

Macroeconomic Framework

Macroeconomic trends

In 2022, GDP grew by 3.4%¹ worldwide. Growth was 2.7% in advanced economies and 3.9% in emerging and developing markets. This represents a slowdown compared to 2021, when GDP increased by 6.2% globally, 5.4% in advanced economies and 6.7% in emerging markets. The reasons for the slowdown in 2022 were the increase in interest rates decided by central banks to combat inflation, the war in Ukraine and an increase in Covid-19 cases in China, which led to closures.

Eurozone GDP was +3.5 %², with forecasts revised upwards from the autumn forecast: In fact, despite the energy crisis and the resulting high inflation, the slowdown expected for the third and fourth quarters of 2022 was less severe than initially assumed, and the feared economic recession was avoided. In labour market trends, the unemployment rate remained stable, while inflation – which reached 8.4% in 2022 – fell in the last three months of the year, suggesting that the peak is now behind us.

German GDP grew by 2.8% in 2022; Despite high inflation, growth was supported by increased demand following the post-pandemic reopening of the economy, particularly in services. Nevertheless, by Q3 2022 investment and private consumption had not yet returned to pre-pandemic levels, while in Q4 these actually declined, with real GDP falling by 0.2%. Inflation peaked at 11.2% in October, driven by rising energy and commodity costs, before slowing down in the following months.

Italian GDP grew by 3.9% in 2022, driven by domestic demand: the removal of Covid-19 restrictions, increased mobility and a resurgence in high-street shopping led to an increase in consumption, from which the tourism sector in particular benefited. However, in the second half of the year there was a slowdown in private consumption driven by rising inflation, which peaked in the fourth quarter and averaged 8.7% in 2022.

Business investment showed a similar trend³: in the first half of the year, investment increased, particularly in construction thanks largely to significant tax incentives. High energy prices, economic uncertainty, global trade tensions and rate hikes all led to a slowdown in the second half of the year. In the opening months of 2022, exports performed above expectations in spite of the presence of bottlenecks, price increases along international supply chains, sanctions with Russia and economic uncertainty: the estimated growth for 2022 is therefore 10.3%. However, the sharp slowdown in international demand in the second half of the year, especially in the main export markets for Italian goods (Europe and the United States), will reduce the growth potential of our exports, so much so that export growth is estimated to be lower in 2023.

Industrial production closed 2022 slightly up on the previous year (+0.5%)⁴. Of the main sectors, consumer goods and capital goods trended positively, whereas there was a decline in intermediate goods and energy. Annual performance was characterised by a cyclical decline in the first quarter, followed by recovery in the second quarter; the second half of the year brought two further downturns.

Global trade⁵ is expected to have grown by 3.5% in 2022, signalling a slowdown after the leap made in 2021. Import demand slowed down during the year, as did growth in the major economies, for several reasons. In Europe, the downturn was due to high energy costs resulting from the Russia-Ukraine war; in the US it was due to restrictive monetary policies; and in China it was the result of “zero tolerance” measures (later phased out until they were completely eliminated in early 2023).

¹ IMF; World Economic Outlook Update, January 2023.

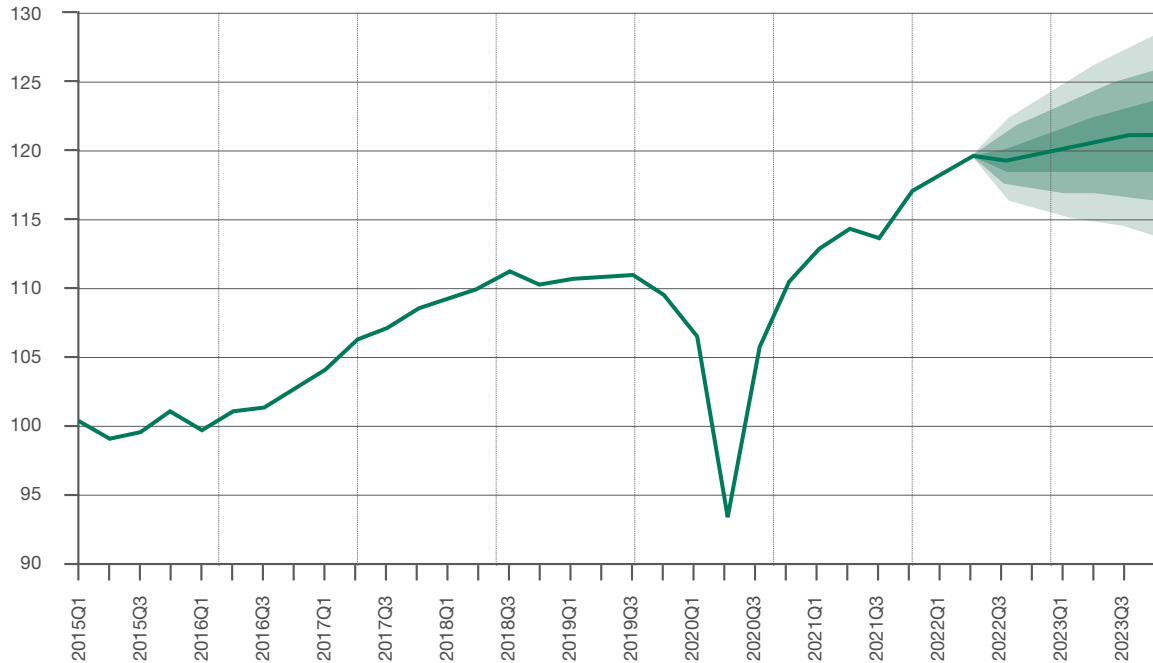
² European Economic Forecast Winter 2023

³ Centro Studi Confindustria, October 2022

⁴ ISTAT

⁵ WTO, October 2022

Volume of global trade 2015-2023



Source: WTO, October 2022

Trade fair sector

2022 was a year of recovery for the trade fair sector: according to a periodic survey conducted by Ufi⁶, activity continued to rise in 2022, almost returning to pre-pandemic levels: In December, 72% of respondents reported 'normal' levels of activity, compared to 30% in January. The turnover generated by industry players has grown as business has reopened almost everywhere in the world: Overall, 2022 turnover averaged 77% of the overall turnover achieved in 2019 (in 2021 only 41% of the 2019 turnover was achieved).

But this average figure masks some differences between geographical areas: Europe, Central and South America and the Middle East recovered best in terms of turnover with figures above the global average at 84%, 82% and 78% of 2019 turnover, respectively; North America was slightly below the global average (74% of 2019 turnover), whereas Asia only reached 66% of 2019 turnover. This was influenced by China achieving only 41% of its 2019 turnover in 2022 due to a series of lockdowns that affected Chinese cities in 2022 and prevented the smooth running of trade fairs. In terms of operating profits, about half of companies globally in 2022 reported increased or stable profits compared to 2019.

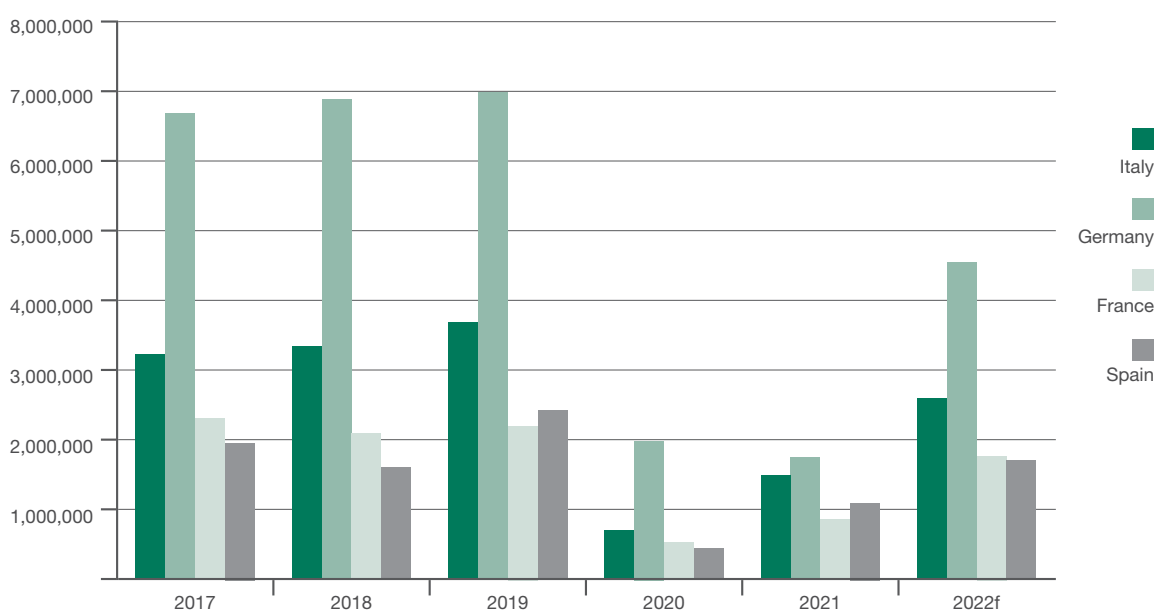
Major European countries for trade fairs recorded an increase in activity. In Italy, there was regular activity throughout 2022, with no interruptions or suspensions: therefore, 234 international trade fairs and 241 national trade fairs were staged⁷. This is a significant increase on 2021, when businesses were only able to operate during the second half of the year, organising 172 international and 163 national trade fairs. All main indicators increased: exhibitors, visitors and rented areas were all up on 2021. In particular, trade fair area in 2022 is estimated to have increased by 75% compared to 2021, although this is still short of pre-pandemic activity levels.

⁶ Ufi- The Global Association of the Exhibition Industry - Global Barometer, February 2023

⁷ AEF

After a 2021 in which fewer trade fairs were held in Germany than in 2020 (111 vs. 119), 2022 saw the number of events rise significantly to 280. Sixty trade fairs were postponed during the year due to existing restrictions in the 1Q 2022, which prevented trade fairs from being organised. From April onwards, trade fairs could go ahead in all German states and restrictions on international arrivals were lifted, allowing exhibitors and visitors to participate. According to AUMA, 65% of recorded pre-pandemic visitors and 70% of exhibitors returned to German trade fairs; this upward trend was strongest in the autumn period. In France, trade fairs went ahead regularly in 2022 and some large, multi-year fairs were also held, which improved performance. Spain was among the first European countries to resume its organisation of trade fairs in March 2021, and there were no further restrictions on staging events in 2022.

Square metres rented out at international exhibition



Source: Fondazione Fiera Milano Research processing of Euro Fair Statistics, AMR and AUMA data

Conference and events sector

The conference and events sector is also on the upswing. According to a survey by Global DMC Partners⁸, almost half of organisers reported that their events were attended by roughly the same number of people as before the pandemic, whereas 34% reported fewer participants and 20% reported more. Of those who reported decreases, 22% were in the 1-10% range and 58% in the 11%-25% range; Of those who reported increases, half saw an increase in the 1-10% range and the other half in the 11%-25% range.

Almost half of respondents increased their events budget in 2022, but often (88% of cases) this was in response to rising inflation; in 26% of cases budgets increased due to a change in the number of participants at events; in 22% of cases it was due to changes in formats (use of digital services, increased use of technology, increased security measures).

The duration of meetings seems to have reduced in 2022: According to MPI⁹, half of interviewed meeting planners organised events that were shorter in duration than in 2019; in 20% of cases much smaller meetings were arranged, whereas in 30% of cases meetings were only slightly smaller. In 44% of cases, there was no substantial change between before and after the pandemic.

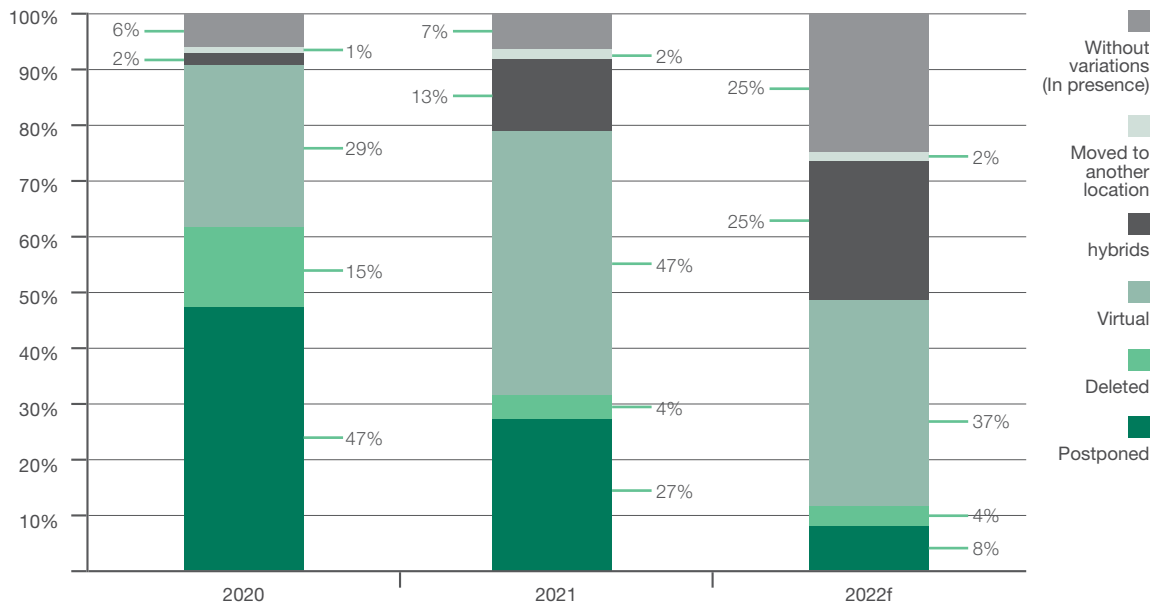
⁸ Global DMC Partners – 2022 Q4 Meetings & Events Pulse Survey

⁹ Meetings Outlook 2022 Winter Edition

Events are once again become cross-border: One survey of organisers¹⁰ showed that 80% of organisers had resumed organising international events (both those taking place outside their borders and those involving the participation of delegates from abroad). For 71% of respondents, the perception of value generated by international face-to-face meetings is higher now than it was before the pandemic.

Indications suggest there was substantial growth in in-person events among ICCA international touring congresses in 2022, made possible both by the progressive relaxation of Covid-19 restrictions in many geographical areas and by the increased importance that organisers are giving to face-to-face meetings. It is also estimated that there was an increase in hybrid meetings, which can be flexible in terms of format and do not necessarily imply simultaneous in-person and online components. Virtual events still account for a sizeable share, although this is down on 2021. Postponed, cancelled and relocated congresses have become residual.

ICCA congresses per segment 2020-2022



Source: Fondazione Fiera Milano Research processing of ICCA data

Forecasts and emerging trends

According to a survey conducted by Ufi¹¹, there will be a significant rebound in trade fair activity in 2023 and a recovery in turnover: In fact, global turnover is expected to reach an average of 91% of 2019 levels. Here too, the average figure masks significant differences between regions: in Central and South America, turnover is expected to reach almost 100% of 2019 levels; Europe and the Middle East are also viewing 2023 with optimism, with operators expecting to reach 95% and 94% of their turnover figure for 2019, respectively. North America and Asia, on the other hand, are below the global average and expect to reach 86% and 82% of their 2019 turnover, respectively. China is once again a weight on the region's expected performance, with the 2023 forecast placing it at 63% of 2019 turnover, which is well below the global average level.

The most acute challenges for trade fair operators are digitalisation and competition from other media (30% of respondents), which increased significantly during the surveys conducted by Ufi: 57% of those who mentioned digitalisation asked themselves how they can respond to new customer needs and 44% cited the development of new digital and hybrid products as something to pay attention to. Trade fair operators also placed a high concern on internal operational challenges. Overall, this concern has been stable in recent years, with a very sharp drop in 2020 and a surge the following year: The aspects considered most critical by survey respondents

¹⁰ Northstar Meeting Group Cvent, Meeting Industry Pulse Survey, 2023
¹¹ Ufi- The Global Association of the Exhibition Industry - Global Barometer, February 2023

were organisational changes caused by new business models (e.g. the introduction of new digital products and services to complement the portfolio) and human resource management.

The pandemic had a heavy impact on the trade fair world. On the one hand, prolonged inactivity, or at least low activity, led many organisations to downsize and caused many professionals to leave the sector for sectors less affected by Covid. They did not return to the sector when operations resumed. In addition to the loss of these resources, there is also a need to attract new skills¹² especially in technology, such as online event production, user experience and touch point design, data management and data analysis. These skills have become essential for providing a service with a new digital component. However, it is not enough just to attract talent. Talent must be retained by offering working environments, career paths and benefits that are in line with expectations and needs.

Alongside these challenges, which can to some extent be managed by industry players, the Ufi Global Barometer¹³ also captures fears about how trade fairs will be impacted by larger-scale events, such as the state of domestic economies as well as global economic developments. Each of these concerns were cited by 15% of respondents, up from the previous survey when they accounted for 12% and 13% of responses, respectively. The post-Covid economic crisis, inflation, the need to contain costs and the war in Ukraine have affected the sector and the number of attendances.

In the meetings industry, face-to-face meetings recovered faster than expected¹⁴, with stabilisation expected by 2024. Survey participants were very optimistic about the future health of the sector. When asked how optimistic they were on a scale of 1 to 10, 77% of respondents selected 8 or higher (last year it was 71%). Two-thirds of participants believed that the overall number of in-person events will return to pre-pandemic levels within one or two years. In some regions (e.g. North America), some types of meetings (small in-house meetings) have already surpassed the levels achieved in 2019.

Driving the demand for in-house meetings is the trend in having a dispersed workforce due to the increased use of hybrid labour: Bringing staff together for training and team building purposes has become essential. Companies recognise the key role of face-to-face meetings in strengthening their corporate culture, inducting new staff, increasing employee engagement and communicating corporate values and goals.

¹² With great talents come great responsibilities, ETT Club, 2022

¹³ Ufi- The Global Association of the Exhibition Industry - Global Barometer, February 2023

¹⁴ 2023 Global Meetings and Events Forecast, American Express

Income and financial performance for the year ended 31 December 2022

Economic performance

The Consolidated Income Statement is shown below.

Consolidated Income Statement

(Amounts in €'000)	2022		2021*	
		%		%
Revenues from sales and services	220,285	100	122,302	100
Cost of materials	4,078	1.9	1,705	1.4
Cost of services	110,159	50.0	71,204	58.2
Costs for use of third party assets	1,246	0.6	516	0.4
Personnel expenses	44,413	20.2	40,720	33.3
Other operating expenses	3,931	1.8	2,843	2.3
Total operating costs	163,827	74.4	116,988	95.7
Other income	4,135	1.9	73,146	59.8
Results of equity-accounted companies	466	0.2	1,207	1.0
Allowance for doubtful accounts and other provisions	2,656	1.2	5,925	4.8
Operating result before adjustments to non-current asset values (EBITDA)	58,403	26.5	73,742	60.3
Depreciation and amortisation	47,908	21.7	45,212	37.0
Adjustments to asset values	1,276	0.6	22	0.0
Operating result (EBIT)	9,219	4.2	28,508	23.3
Financial income/(expenses)	(12,924)	(5.9)	(13,392)	(10.9)
Valuation of financial assets	-	-	-	-
Profit/(loss) before income tax	(3,705)	(1.7)	15,116	12.4
Income tax	2,055	0.9	(24,365)	(19.9)
Profit/(loss) from continuing operations	(5,760)	(2.6)	39,481	32.3
Profit/(loss) from discontinued operations	-	-	4,600	3.8
Profit/(loss):	(5,760)	(2.6)	44,081	36.0
- attributable to the shareholders of the controlling entity	(5,599)	(2.5)	44,359	36.3
- attributable to non-controlling interests	(161)	(0.1)	(278)	(0.2)

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5 following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

Revenues from sales and services amounted to Euro 220,285 thousand, up by Euro 97,983 thousand compared to the figure of Euro 122,302 thousand in 2021. The increase in revenues is mainly linked to the resumption of trade fairs and conferences. The 2021 comparative figures, on the other hand, were affected by the cancellation of in-person events during the first six months of the year due to the Covid-19 pandemic. A key driver for this positive change was the strong performance of annual and multi-annual exhibitions, including the holding of Gastech, an international energy industry event which took place in Milan for the first time. This effect was partially offset

by the fact that Host, a biennial event directly organised by the Group only in odd years, was missing from the trade fair calendar. In the congress business, international congresses were held, including: the World of Coffee, ESA - the Congress of the European Society of Anaesthesiology, ECE - the Congress of the European Society of Endocrinology and EAS - the Congress of the European Atherosclerosis Society, EADV - the European Academy of Dermatology and Venereology and ESCRS - the European Society of Cataract and Refractive Surgeons.

EBITDA was Euro 58,403 thousand, compared to Euro 73,742 thousand in 2021. This reflects the positive trend in revenue figures. 2021 EBITDA was affected by non-recurrent components, such as public aid (Euro 61.5 million) received to compensate for the losses suffered in 2020 and 2021, following the epidemiological emergency from COVID-19, the temporary reduction in rent with Fondazione Fiera Milano, the benefit, in the first half of 2021, from the activation of the Salary Integration Fund (FIS), as well as lower provisions for risks.

EBIT was Euro 9,219 thousand, a decrease of Euro 19,289 thousand compared to the Euro 28,508 thousand recorded in 2021. The reduction was the result of the change in EBITDA, higher depreciation, and higher amortisation and impairment due to impairment testing. Impairment was Euro 1,276 thousand and concerned the trademarks of the Brazilian subsidiary Fiera Milano Brasil (Exposec for EUR 599 thousand, Fisp for EUR 592 thousand and Tubotech for EUR 85 thousand).

Net financial expenses came to Euro 12,924 thousand compared to expenses of Euro 13,392 thousand in 2021. The positive change of Euro 468 thousand is mainly due to treasury management linked to the use of short-term liquidity as well as the positive effects of financial hedging on loans.

Profit/(loss) before tax amounted to a loss of Euro 3,705 thousand compared to the Euro 15,116 thousand profit in 2021.

Profit/(loss) for the year from continuing operations amounted to a loss of Euro 5,760 thousand (profit of Euro 39,481 thousand in 2021).

Profit/(loss) for the year from discontinuing operations was nil (profit of Euro 4,600 thousand in 2021).

At **31 December 2022** a loss of Euro 5,760 thousand was recorded, compared to a net profit of Euro 44,081 thousand the previous year. The change reflects the trend in EBIT. It bears noting that the 2021 figure benefitted from the positive impact of deferred taxation following the exercise of the option for the tax realignment of certain assets.

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

The net profit/(loss) result is **attributable** as follows:

- Euro -5,599 thousand to **equity holders of the parent** (Euro 44,359 thousand in 2021);
- Euro -161 thousand to **non-controlling interests** (Euro -278 thousand in 2021).

Equity and financial performance

The table below shows the Restated Consolidated Balance Sheet.

Reclassified Consolidated Statement of Financial Position

(Amounts in €'000)	31/12/22	31/12/2021*
Goodwill	95,036	95,036
Intangible assets with a finite useful life	15,195	18,511
Right-of-use assets	367,482	392,512
Tangible fixed assets	5,003	5,808
Other non-current financial assets	2,386	71
Other non-current assets	74,270	61,787
A Non-current assets	559,372	573,725
Inventory and contracts in progress	3,144	3,280
Trade and other receivables	33,404	31,130
Other assets	-	-
B Current assets	36,548	34,410
Trade payables	50,317	50,569
Payments received on account	29,869	35,886
Tax liabilities	2,606	4,955
Provisions for risks and charges and other current liabilities	26,166	29,193
C Current liabilities	108,958	120,603
D Net working capital (B - C)	(72,410)	(86,193)
E Gross capital employed (A + D)	486,962	487,532
Employee benefit provisions	7,763	9,527
Provisions for risks and charges and other non-current liabilities	4,233	4,370
F Non-current liabilities	11,996	13,897
G NET CAPITAL EMPLOYED continuing operations (E - F)	474,966	473,635
H NET CAPITAL EMPLOYED assets held for sale	(1,809)	(48)
TOTAL NET CAPITAL EMPLOYED (G + H)	473,157	473,587
covered by:		
Equity attributable to the Group	105,660	108,314
Equity attributable to non-controlling interests	533	671
I Total equity	106,193	108,985
Cash & cash equivalents	(112,623)	(148,250)
Current financial (assets)/liabilities	71,989	44,103
Non-current financial (assets)/liabilities	409,407	468,797
Net financial debt of continuing operations	368,773	364,650
Net financial debt of assets held for sale	(1,809)	(48)
L Net financial debt (TOTAL)	366,964	364,602
EQUITY AND NET FINANCIAL DEBT (I + L)	473,157	473,587

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5 following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

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

Total **net capital employed** at 31 December 2022 amounted to Euro 473,157, decreasing by Euro 430 thousand compared to the figure at 31 December 2021 (Euro 473,587 thousand).

At **31 December 2022**, non-current assets totalled Euro 559,372 thousand compared to Euro 573,725 thousand at 31 December 2021. The decrease of Euro 14,353 thousand relates to the balance between investments for Euro 3,976 thousand, rights of use for Euro 15.902 thousand, depreciation and amortisation for Euro 47.908 thousand, impairment of exhibition trademarks for Euro 1,276, receivables for tax consolidation for Euro 1,519 thousand, hedges on loans for Euro 2,315 thousand, decreases in deferred tax assets for Euro 3,099 thousand, recognition of investments in equity for Euro 13,917 thousand, exchange differences for Euro 551 thousand, and other changes for Euro -250 thousand.

Net working capital, which is the balance of current assets and current liabilities, went from Euro -86,193 thousand at 31 December 2021 to Euro -72,410 thousand at 31 December 2022. The change is mainly due to the increase in trade receivables, the decrease in payables to organisers resulting from the different exhibition calendar, and the decrease in advance payments for events held during the year. The Fiera Milano Group structurally works with a negative working capital due to the favourable cash flow cycle that characterises trade fairs, which require customers to pay a portion of the participation price in advance.

As regards the **Net financial position** not including IFRS 16 lease liabilities, the Group's net cash at 31 December 2022 amounted to Euro 29,783 thousand, compared to net cash of Euro 47,342 thousand at 31 December 2021. The decrease of Euro 17.559 thousand is due to the effect of a balanced generation of operating cash plus the extraordinary effects of the operation with Ge.Fi. and investments in digital systems incurred during the year.

The net financial indebtedness including the IFRS 16 lease liability amounted to Euro 366,964 thousand (Euro 364,602 thousand at 31 December 2021).

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

With reference to **Total shareholders' equity**, the table below presents a reconciliation between the shareholders' equity and profit/(loss) for the year of the Parent Company and those presented in the Consolidated Financial Statements:

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

(€'000)	Full year 2022		Full year 2021	
	Equity	Profit/(loss)	Equity	Profit/(loss)
PARENT COMPANY EQUITY AND PROFIT/(LOSS)	99,204	(5,480)	102,133	36,622
Equity and profit/(loss) of consolidated companies	41,221	2,990	30,392	6,805
Intragroup dividends	-	(6,000)	-	-
Elimination of carrying value of consolidated investments	(69,713)	-	(56,291)	-
Goodwill arising from acquisitions	6,070	-	6,070	-
Write-down of investments, net of tax effect	27,590	1,744	25,846	644
Elimination of write-downs of intergroup loans and financing	1,009	976	33	-
Elimination of intragroup margins	812	10	802	10
TOTAL EQUITY	106,193	(5,760)	108,985	44,081
of which attributable to non-controlling interests	533	(161)	671	(278)
GROUP EQUITY AND PROFIT/(LOSS)	105,660	(5,599)	108,314	44,359

Investments

In the financial year ended at 31 December 2022, investments totalled Euro 3,976 thousand and break down as follows:

Investments

(€'000)	Full year to 31/12/22	Full year to 31/12/21
Intangible fixed assets	2,557	4,699
Tangible fixed assets	1,419	1,246
Total investments in non-current assets	3,976	5,945

Investments in intangible assets amounted to Euro 2,557 thousand, mainly related to the Parent Company and included the following:

- Euro 754 thousand for activities still in progress related to the development of new corporate information systems.
- Euro 1,796 thousand for purchases of software and licences made as part of digital transformation projects.

Investments in tangible fixed assets totalled Euro 1,419 thousand and mainly concern:

- Euro 493 thousand of purchases of furniture and goods to be hired out at exhibitions;
- electronic machines, plant and machinery worth Euro 242 thousand relating to the Parent Company and Euro 106 thousand relating to the Congress Centre, plus Euro 481 thousand of improvements to the Conference Centre.

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

Business performance by operating segment and geographical area

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

Summary of data by operating segment and by geographical area

(Amounts in € '000)

	2022		2021*	
Revenues from sales and services				
- By operating segment:		%		%
. Italian Exhibitions Business	176,808	77.3	102,969	81.6
. Foreign Exhibitions Business	8,697	3.8	195	0.2
. Congresses	43,310	18.9	22,953	18.2
Total revenues gross of adjustments for inter-segment transactions	228,815	100.0	126,117	100.0
. Adjustments for inter-segment transactions	(8,530)		(3,815)	
Total revenues net of adjustments for inter-segment transactions	220,285		122,302	
- By geographic area:				
. Italy	211,588	96.1	122,107	99.8
. Foreign countries	8,697	3.9	195	0.2
Total	220,285	100.0	122,302	100.0
EBITDA		%		%
- By operating segment:		on revenues		on revenues
. Italian Exhibitions Business	44,549	25.2	58,018	56.3
. Foreign Exhibitions Business	330	3.8	342	175.4
. Congresses	13,524	31.2	15,382	67.0
. Adjustments	-		-	
Total	58,403	26.5	73,742	60.3
- By geographic area:				
. Italy	58,063	27.4	73,390	60.1
. Foreign countries	340	3.9	352	180.5
Total	58,403	26.5	73,742	60.3
EBIT		%		%
- By operating segment:		on revenues		on revenues
. Italian Exhibitions Business	2,968	1.7	18,338	17.8
. Foreign Exhibitions Business	(1,213)	(13.9)	106	54.4
. Congresses	7,464	17.2	10,064	43.8
. Adjustments	-		-	
Total	9,219	4.2	28,508	23.3
- By geographic area:				
. Italy	10,422	4.9	28,392	23.3
. Foreign countries	(1,203)	(13.8)	116	59.5
Total	9,219	4.2	28,508	23.3
Employees				
(no. of permanent employees at the end of the period)				
- By operating segment:		%		%
. Italian Exhibitions Business	545	80.9	530	79.2
. Foreign Exhibitions Business	83	12.3	88	13.2
. Congresses	46	6.8	51	7.6
Total	674	100.0	669	100.0
- By geographic area:				
. Italy	591	87.7	581	86.8
. Foreign countries	83	12.3	88	13.2
Total	674	100.0	669	100.0

*Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5 following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

Revenues from sales and services for the year ending 31 December 2022 before elimination of transactions among the business segments of the Group were Euro 228,815 thousand, of which 77% was generated by Italian Exhibitions Business, 4% by Foreign Exhibitions Business and 19% by the Congress segment.

- Revenues from the **Italian Exhibitions Business** amounted to Euro 176,808 thousand, increasing by Euro 73,839 thousand over 2021 (Euro 102,969 thousand). The increase in revenues is mainly linked to the resumption of trade fairs. The 2021 comparative figures, on the other hand, were affected by the cancellation of in-person events during the first six months of the year due to the Covid-19 pandemic. A key driver for this positive change was the strong performance of annual and multi-annual exhibitions, including the holding of Gastech, an international energy industry event which took place in Milan for the first time. This effect was partially offset by the fact that Host, a biennial event held in odd years, was missing from the trade fair calendar.
- Revenues from the **Foreign Exhibitions Business** amounted to Euro 8,697 thousand, increasing by Euro 8,502 thousand over the same half of the previous year (Euro 195 thousand). The improvement is mainly due to the resumption of exhibition activities, comparing favourably against the figures for 2021, which were affected by the suspension of events due to the Covid-19 pandemic. The increase is attributable to the staging of the FISP, FESQUA, Exposec and ReaTech events in Brazil and the ICTAF 2022 contemporary art exhibition organised by the South African subsidiary.
- Revenues from **Congresses** amounted to Euro 43,310 thousand, going up by Euro 20,357 thousand over the previous year (Euro 22,953 thousand). The increase is attributable to the resumption of congress activities, comparing favourably against the figures for 2021, which were affected by the suspension of congresses due to the Covid-19 pandemic. The change is mainly linked to the staging of major congress events such as the Salone del Risparmio, Sales Force, World of Coffee, ESA - European Congress of Anaesthesia, ECE - European Congress of Endocrinology, EAS - European Congress on Atherosclerosis, EADV – European Academy of Dermatology and Venereology, and ESCRS – European Society of Refractive and Cataract Surgery, in addition to corporate events such as the Allianz Bank Convention, Banca Generali Convention and Azimut Convention.

EBITDA was equal to Euro 58,403 thousand, decreasing by Euro 15,339 thousand compared to the previous year, and breaks down by operating segment as follows:

- **Italian Exhibitions Business:** recorded EBITDA of Euro 44,549 thousand compared to EUR 58,018 thousand for the year ended 31 December 2021. This reflects the increased revenue figures. EBITDA for 2021 was affected by non-recurrent components, such as public aid (Euro 51.3 million) received to compensate for the losses suffered in 2020 and 2021, following the epidemiological emergency from COVID-19, the temporary reduction in rent with Fondazione Fiera Milano, the benefit, in the first half of 2021, from the activation of the Salary Integration Fund (FIS), as well as lower provisions for risks.
- **Foreign Exhibitions Business:** this segment recorded EBITDA of Euro 330 thousand compared to Euro 342 thousand at 31 December 2021. The Euro 1,422 thousand contribution to EBITDA from the revenues of subsidiary Fiera Milano Brasil was offset by the loss made by the joint venture, controlled together with venture partner Deutsche Messe AG, accounted for using the equity method. In connection with events in China, the result was affected by the almost complete suspension of activities due to the Covid-19 pandemic for the entirety of 2022.
- **Congresses:** EBITDA was Euro 13,524 thousand, a decrease of Euro 1,858 thousand on the Euro 15,382 thousand recorded for the year ended 31 December 2021. This reflects the increased revenue figures. EBITDA for 2021 was affected by non-recurring public grants (€10.2 million) received the previous year due to the Covid-19 public health crisis. The year under review included higher structural costs related to the management of the congress centre.

Total **EBIT** was equal to Euro 9,219 thousand compared to Euro 28,508 thousand in the previous year, and breaks down by operating segment as follows:

- **Italian Exhibitions Business:** this segment recorded EBIT of Euro 2,968 thousand compared to Euro 18,338 thousand at 31 December 2021. The change is mainly attributable to the trend in EBITDA and higher depreciation and amortisation.
- **Foreign Exhibitions Business:** this segment recorded EBIT of Euro -1,213 thousand compared to Euro 106 thousand at 31 December 2021. The change is mainly attributable to the trend in EBITDA and impairment of the trademarks belonging to Brazilian subsidiary Fiera Milano Brasil (Exposec for Euro 599 thousand, Fisp for EUR 592 thousand, and Tubotech for Euro 85 thousand).
- **Congresses:** EBIT of Euro 7,464 thousand compared to Euro 10,064 thousand at 31 December 2021. The change is mainly attributable to the trend in EBITDA and higher depreciation and amortisation.

Lastly, as regards **Employees** at the end of the year, the Group's 674 employees were deployed in the following four sectors as follows: 81% in the Italian Exhibitions Business, 12% in the Foreign Exhibitions Business and 7% in Congresses.

Operational Data

The table below gives the figures for events held at the **fieramilano** and **fieramilanocity** sites and those held abroad in the financial year to 31 December 2022 with comparative figures for the previous financial year. More specifically, the table shows the net square metres of exhibition space occupied and the number of participating exhibitors. According to their frequency, exhibitions are classed as annual, biennial or multi-annual. For each of the periods used for comparison, figures are also shown for exhibitions directly organised by the Group (*figures have been rounded for ease of reading and comparison*).

Fiera Milano Group Summary operating figures

	Full year to 31/12/2022		Full year to 31/12/2021	
	Total	Organised by the Group	Total	Organised by the Group
Number of exhibitions:	64	27	47	30
Italy	50	13	30	13
. annual	33	10	20	8
. biennial	12	2	7	5
. multi-annual	5	1	3	-
Foreign countries	14	14	17	17
. annual	8	8	17	17
. biennial	6	6	-	-
. multi-annual	-	-	-	-
Number of congresses with related exhibition space	51	-	22	-
Net sq.metres of exhibition space:	1,413,755	368,835	954,270	513,240
Italy	1,239,615	194,695	643,775	202,745
. annual (a)	815,280	102,985	352,485	43,410
. biennial	303,710	63,155	182,270	159,335
. multi-annual	120,625	28,555	109,020	-
(a) of which congresses with related exhibition space	90,765	-	50,880	-
Foreign countries	174,140	174,140	310,495	310,495
. annual	139,850	139,850	310,495	310,495
. biennial	34,290	34,290	-	-
. multi-annual	-	-	-	-
Number of exhibitors:	23,865	4,790	17,601	9,006
Italy	21,715	2,640	12,335	3,740
. annual (b)	16,400	1,920	7,785	1,150
. biennial	3,485	315	2,885	2,590
. multi-annual	1,830	405	1,665	-
(b) of which congresses with related exhibition space	4,870	-	2,640	-
Foreign countries	2,150	2,150	5,266	5,266
. annual	1,465	1,465	5,266	5,266
. biennial	685	685	-	-
. multi-annual	-	-	-	-

The table shows that in 2022, the percentage of total square metres of exhibition space covered by annual exhibitions was approximately 68%. In terms of net exhibition floor space, annual exhibitions covered 955,130 square metres, an increase of 292,150 square metres compared to the previous year. The increase mostly regarded annual exhibitions held in Italy (+462,795 square metres, corresponding to approximately 48%). Biennial exhibitions totalled 338,000 square metres of net exhibition space, an increase of 155,730 square metres compared to 2021. The positive change is mainly due to the presence of the directly organised “even-year biennial” exhibitions (Mostra Convegno Expocomfort, Eurocucina, Simej and Bimu). The total contribution of events held abroad compared to 2021 was reflected in a decrease of 136,355 net square metres, or around 44%, due to annual events in China not being held due to the Covid-19 pandemic.

The tables below show, for the two periods under comparison, the portfolio of events hosted by the Group at the **fieramilano** and **fieramilanocity** sites, indicating the net square metres of exhibition space occupied and the number of exhibitors, divided by frequency, with the exhibitions directly organised by the Group also highlighted (*figures have been rounded for ease of reading and comparison*).

Italian exhibition portfolio

	Net sq. metres of exhibition space		Number of exhibitors	
	Full year to 31/12/2022	Full year to 31/12/2021	Full year to 31/12/2022	Full year to 31/12/2021
Annual exhibition:				
Directly organised				
- Bit	15,610	a)	200	175
- Chibimart	2,765	2,055	75	65
- HOMI	10,955	8,760	225	215
- HOMI Fashion&Jewels (1st semester)	9,400	b)	365	b)
- HOMI Fashion&Jewels (2nd semester)	9,870	6,090	370	280
- HOMI indipendet	5,275	-	135	-
- Miart	8,145	7,660	170	160
- Milan Games Week	30,000	11,420	205	135
- Promtion Trade Exhibition	3,520	1,415	85	50
- Sposaltalia	7,445	6,010	90	70
Total annual exhibitions directly organised	102,985	43,410	1,920	1,150
Hosted				
- Artigiano in Fiera	44,015	39,465	985	1,255
- Eicma Moto	98,415	83,395	525	350
- Enci Winner*	2,720	-	45	-
- Fa la cosa giusta	12,000	b)	500	b)
- Filo (1st semester)*	1,810	-	90	-
- Filo (2nd semester)	2,505	3,000	80	100
- LineaPelle (1st semester)	38,635	b)	950	b)
- LineaPelle (2nd semester)	43,900	20,550	980	375
- Mido	28,505	b)	655	b)
- Milano Auto Classica	24,150	16,150	305	255
- Milano Unica (autumn)	25,045	14,395	460	290
- Milano Unica (spring)	18,850	b)	385	b)
- Mipel (March)	3,200	b)	110	b)
- Mipel (September)	4,160	2,890	160	80
- My Plant & Garden	23,640	b)	565	b)
- Salone del mobile/ Complemento d'arredo	154,610	b)	910	b)
- Simac Tanning-Tech	13,530	9,225	250	150
- Smau	2,125	1,875	5	5
- The Micam (autumn)	37,125	30,270	785	635
- The Micam (spring)	30,165	b)	630	b)
- The ONE Milano (February)	3,715	b)	65	b)
- The One Milano (September)	220	c)	10	c)
- Viscom	8,490	7,480	160	140
- SuperSalone*	b)	29,500	b)	360
Total annual exhibitions hosted	621,530	258,195	9,610	3,995
Total annual exhibitions	724,515	301,605	11,530	5,145

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	Net sq. metres of exhibition space		Number of exhibitors	
	Full year to 31/12/2022	Full year to 31/12/2021	Full year to 31/12/2022	Full year to 31/12/2021
Biennial exhibitions				
Directly organised				
- Transpotec & Logitec	52,880	-	220	-
- NME	10,275	-	95	-
- Host	-	88,750	-	1,250
- Made Expo	-	19,635	-	330
- Sicurezza	-	17,925	-	205
- Smart Building Expo	-	2,615	-	70
- Tuttofood	-	30,410	-	735
Total biennial exhibitions directly organised	63,155	159,335	315	2,590
Hosted				
- Eurocucina	29,095	-	80	-
- It's Elettrica*	4,000	-	d)	-
- Lamiera	18,990	-	250	-
- Mostra Convegno Expocomfort	77,740	-	1,330	-
- Salone del Bagno	17,980	-	125	-
- Sime	28,600	-	425	-
- Venditalia	14,015	-	265	-
- Workplace 3.0	2,555	-	25	-
- Xylexpo	18,995	-	240	-
- Bimu	28,585	-	430	-
- Made in Steel	-	11,450	-	185
- Vitrum	-	11,485	-	110
Total biennial exhibitions hosted	240,555	22,935	3,170	295
Total biennial exhibitions	303,710	182,270	3,485	2,885
Multi-annual exhibitions				
Directly organised				
- Print4all	11,960	-	180	-
- Expodetergo	16,595	-	225	-
Total multi-annual exhibitions directly organised	28,555	-	405	-
Hosted				
- Gastech*	30,880	-	300	-
- Greenplast	5,140	-	145	-
- Intralogistica	3,575	-	85	-
- Ipack-Ima	52,475	-	895	-
- CPHI	-	55,940	-	930
- EMO	-	49,055	-	660
- Meat Tech	-	4,025	-	75
Total multi-annual exhibitions hosted	92,070	109,020	1,425	1,665
Total multi-annual exhibitions	120,625	109,020	1,830	1,665
TOTAL EXHIBITIONS	1,148,850	592,895	16,845	9,695
- Congresses with related exhibition space	90,765	50,880	4,870	2,640
TOTAL	1,239,615	643,775	21,715	12,335

* The exhibition was held for the first time.

a) The exhibition took place in digital form.

b) The exhibition did not take place.

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

d) It's a single exhibitor event.

The table below gives details of the exhibitions organised abroad, for which the Group has acted as organiser, business partner or agent. The net exhibition space occupied was 174,140 square metres (*the figures for net square metres of exhibition space have been rounded off to make them easier to read and compare*).

Foreign exhibition portfolio

	Net sq. metres of exhibition space		Number of exhibitors	
	Full year to 31/12/2022	Full year to 31/12/2021	Full year to 31/12/2022	Full year to 31/12/2021
Annual exhibition:				
Annual exhibitions in China				
- CEFE Hangzhou °	7,345	a)	250	a)
- Chinafloor Domotex Shanghai °	23,735	51,070	485	990
- Let China Guangzhou	8,595	9,935	265	330
- Motor Show Chengdu °	83,875	83,225	90	95
- CeMAT Asia Shanghai	a)	37,540	a)	690
- Chengdu International Industry Fair	a)	12,345	a)	305
- China International Consumer Electronics Exposition	a)	3,835	a)	80
- China International Stainless Steel Industry Exhibition °	a)	1,980	a)	35
- Comvac Asia	a)	8,960	a)	245
- E-Pack Tech Shanghai	a)	505	a)	15
- GITF International Tour Guangzhou	a)	6,280	a)	70
- Heavy Machinery Asia	a)	725	a)	20
- Industrial Automation Shenzhen	a)	11,475	a)	325
- International Cold Chain Exhibition °	a)	1,080	a)	26
- Laser Fair Shenzhen	a)	6,615	a)	155
- Metal + Metallurgy	a)	3,430	a)	40
- PTC Asia Shanghai	a)	34,360	a)	1,760
- Wuhan Motor Show °	a)	37,135	a)	85
Total annual exhibition in China	123,550	310,495	1,090	5,266
Annual exhibitions in South Africa				
- Cape Town Art Fair	2,540	a)	80	a)
Total annual exhibitions in South Africa	2,540	-	80	-
Annual exhibitions in Singapore				
- FIND - Design Fair Asia*	2,500	-	80	-
Total annual exhibitions in Singapore	2,500	-	80	-
Annual exhibitions in Brasil				
- Ecoenergy	270	a)	15	a)
- Exposec	10,990	a)	200	a)
Total annual exhibitions in Brasil	11,260	-	215	-
Total annual exhibitions	139,850	310,495	1,465	5,266
Biennial in Brasil				
- Reatech	2,170	-	55	-
- Tubotech	925	-	25	-
- Wire South America	1,575	-	45	-
- Ebrats	1,340	-	40	-
- Fesqua	11,490	-	220	-
- Fisp	16,790	-	300	-
Total biennial exhibitions in Brasil	34,290	-	685	-
Total biennial exhibitions	34,290	-	685	-
TOTAL EXHIBITIONS	174,140	310,495	2,150	5,266

° Fiera Milano Group acts as a trading partner.

* First edition of this exhibition.

a) The exhibition did not take place.

Fiera Milano Group personnel

Headcount and turnover

At 31 December 2022, the Group had 674 permanent employees compared to 669 at 31 December 2021.

Permanent employees at year end

(units)	31/12/22			31/12/21		
	Total	Italy	Foreign countries	Total	Italy	Foreign countries
Fully consolidated companies:						
Executives	30	29	1	26	25	1
Managers and White collar workers (including Journalists)	561	537	24	567	541	26
Total	591	566	25	593	566	27
Equity-accounted companies (a):						
Executives	5	2	3	5	2	3
White collar workers	78	23	55	71	13	58
Total	83	25	58	76	15	61
TOTAL	674	591	83	669	581	88

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

In detail, in 2022, 81 new employees were hired, 74 of which in Italy, mainly due to the replacement of personnel who left or took early retirement, the strengthening of commercial and digital areas and the acquisition of associate Ge.Fi; the remaining 7 resources in the foreign area mainly refer to the replacement of staff who resigned.

A total of 76 people left the Group, of whom 64 from Italian companies, due to voluntary resignations and/or termination of employment, as well as some retirements; 12 people left foreign businesses mainly due to business reorganisation.

The overall turnover rate of employees, calculated as the difference between those joining and those leaving as a percentage of the average number of employees, was 22.1% compared to 18.2% last year.

Fiera Milano Group usually employs staff on temporary contracts to manage peaks of activity related to the exhibition calendar and to start up extraordinary projects. Staff on fixed-term contracts increased from 6 at 31 December 2021 to 24 in 2022, primarily due to the resumption of activities in the post-pandemic period.

The Fiera Milano Group, within the framework of agreements stipulated with the State University of Milan, the Polytechnic of Milan, the Bocconi University of Milan, the Bicocca University of Milan, the Catholic University of the Sacred Heart of Milan, the IULM University of Milan, the IED - European Institute of Design of Milan, the Academy of the Fondazione Fiera Milano, Radar Academy, the Carlo Cattaneo University - LIUC of Castellanza, the Sole 24 Ore Business School and the University of Insubria in Varese, hosted 59 internships in 2022 (37 set up in 2021, 22 set up previously) in different company sectors (Purchasing, Sales, Communication, Internal Control, Customer Care, IT, Legal, Marketing, Operation and Technical Area). The average duration of internships is approximately six months.

Current contracts

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

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

- Executives, with managerial roles.
- Managers, with specialised roles.
- White-collar staff, office workers and technical support.

There is no “blue-collar staff” category within the Fiera Milano Group, Italy sector, as trade fair services are delivered and arranged through the use of external suppliers.

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

Security measures

The safety of all Fiera Milano Group employees in Italy is a priority in which we must make significant investment. In 2022, personnel with technical roles in the Company safety training.

Training

On the back of the key training interventions carried out in 2021 through the New Skills Fund, in 2022 the Group opted to refocus its resources towards the resumption of the trade fair and conference business. Nevertheless, in view of the constant progress and innovation of the industry, the Group adequately supports development by carrying out training activities and continuous learning. Therefore, in 2022 the Fiera Milano Group also placed a strong emphasis on ongoing training with a view to progressively improving the capabilities of its staff, incisively implementing their hard skills and strengthening their soft skills (i.e. skills that are valuable for the company to continue offering better, functional and effective services to customers).

In 2022, the Fiera Milano Group initiated an HR plan with the aim of enabling a change management process. In doing so, by accompanying, enhancing and targeting the continuous growth of the company's existing human capital, while also taking care to onboard functional resources suited to the new vision, the Group ensured that it had adequate resources available to achieve its strategic objectives. At the base of this plan was a comprehensive resource management system that takes care to develop staff during their careers with the company, from the moment of their induction until they reach senior roles.

This HR plan was underpinned by two fundamental pillars:

- *Performance and Leadership Management;*
- *Training Management.*

The first process, *Performance and Leadership Management*, entailed three different plans being implemented:

- Development Plan, in which key figures and talent are identified, with appropriate empowerment measures defined and planned;
- Recovery Plan, which instead focuses on defining and planning appropriate behavioural and performance recovery interventions for poorly performing staff;
- Succession Plan, in which a list of possible successors is defined both for Business Units (first report to the CEO) and for the Organisational Structures reporting to the Directors (second report to the CEO) with a rough estimation of timeframes (Readiness).

The other process, *Training Management*, entailed two additional types of training being implemented in addition to that which is required by law:

- Specialist training aimed at continuously enhancing the expertise and skills necessary to develop and retain specific business know-how over time;
- *Cluster* training aimed at enhancing managerial, interpersonal and operational skills with specific training paths delivered to different segments of the staff population (new hires, white-collar workers, middle managers). The aim is to further the skills intrinsic to each segment.

Specifically, the more technical courses focused on systems such as *Maglie*, *Supply Chain*, *Salesforce* and *Autocad*, while other courses focused on *Compliance*, *Cyber Security* and horizontal digital skills.

“Leadership Community”, a training programme financed by the For.Te Fund, was scheduled throughout 2022, providing personal skills development training (*Leadership Retreat*, *Leadership Learning Workshop*, *Lab Thinking*) to a group of 40 employees, who signed up voluntarily.

Also scheduled throughout 2022 was the “*School of Trades*” training programme, which aimed to enhance skills possessed by Fiera Milano’s Human Capital and ensure their development over time. In 2023, distinctive skills that are hard to find in the market will be mapped out and a knowledge-sharing process will begin in order to conserve this know-how, with experts identified and engaged to pass on their knowledge to others. The *School of Trades* will run as a 7-month course focused on developing the skills that Fiera Milano’s strategy requires, forming a genuine community that will drive innovation and a culture of continuous, active and collaborative learning.

With regard to foreign subsidiaries, as part of the strategy of brand enhancement and local expertise, some members of Fiera Milano Brasil participated in congresses such as the UFI LATAM Conference and took part in CEM certification courses, as well as taking part in on-the-job training in complex business environments, workshops to become more welcoming of people with disabilities and team building initiatives.

A total of 647 people were involved in training over the course of the year, with 25 courses amounting to a total of 9,618 training hours invested.

Main risk factors affecting the Group

Risk management in the Fiera Milano Group

Fiera Milano uses a structured and integrated Group-level risk management model rooted in internationally recognised Enterprise Risk Management (ERM) standards. Based on a risk mapping method that directly involves the Group's management in their capacity as risk owners, the ERM process assists in the assessment, definition and planning of company objectives and strategies, as well as the correct implementation of the following activities through their integration in company planning and management processes:

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

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

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

The Enterprise Risk Management process integrates ESG - Environment, Social and Governance risks, which refer to events that may jeopardise the achievement of the Group's sustainability objectives in the five thematic areas of environment, social, personnel, human rights and anti-corruption, as required by Legislative Decree 254/2016. The addition of ESG risks to the ERM process allows for more structured and proactive management of these risks, with positive effects on safeguarding the Group's sustainability objectives.

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

1. Risks related to external and strategic factors

Risks related to the macroeconomic and geopolitical environment and trends and competition in the exhibition sector

The Group's financial results are dependent on the investments planned by its customers at trade fairs, congresses and related services, which in turn are influenced by trends in their various economies, primarily the Italian economy and that of the EU. Moreover, the Group is exposed to the risk that its leadership of the domestic market may be affected by tougher competition or by the entry of new operators, which could have a negative impact on the Group's market position.

GDP in the European Union grew by 3.5% in 2022, following a strong post-Covid rebound in 2021 (+5.4%). The same trend could be seen in Italy, where GDP closed 2022 with growth of 3.9%, compared to growth of 6.7% in 2021. The slowdown was mainly caused by the high costs of energy and food commodities, exacerbated by the Russian-Ukrainian conflict in 2022.

The EU Commission's forecasts for 2023, published in February 2023, reveal a more reassuring scenario than a few months previously, although risks relating to geopolitical tensions persist; The eurozone is expected to grow by 0.8% (compared to the previous autumn forecast of 0.3%) as a result of lower gas prices, a recovery in consumer confidence and a resilient labour market. In Italy, growth of 0.8% is also expected in 2023 (compared to a previous forecast of 0.3%). Eurozone inflation is expected to slow to 5.6% in 2023 from 8.4% in 2022.

As far as the impact of the Russia-Ukraine conflict on the Italian economy is concerned, the trade exchange between Italy and Russia is significant in absolute value - around Euro 7.7 billion of exports in 2021 - but not in percentage value - 1.5% of total exports (2021 figure) - with a prevalence in the fashion, food, chemical-pharmaceutical, mechanical and plant engineering and construction services sectors. Exports to Ukraine are even less significant, at about 0.4% of the total. However, in 2022 exports of Italian domestic produce grew by 20% on the previous year, performing better than France and Germany.

The exhibitions held in Milan in 2022 saw an almost complete absence of Russian and Chinese buyers, partially offset by an increase in visits from other geographical areas such as India, South Korea, Japan and the Middle East (e.g. UAE). The size of the Russian and Chinese contingent at visitor level varies greatly from exhibition to exhibition, depending on the relevant product sector and target markets. Of note for 2023 is China's decision in January 2023 to depart from its "zero-Covid" policy after three years of restrictions. This will facilitate the country's economic recovery and the international mobility of its economic operators.

The Italian exhibition sector continues to play an instrumental role in industrial policy, particularly as around 50% of exports by domestic SMEs are generated from trade fair activity each year according to data from the Italian Exhibition and Trade Fair Association (AEFI). The exhibition calendar for 2023 looks healthy, with +14% more international events and +10% more national events than in 2022. The exhibition market remains a mature market, with high barriers to entry and investment concentrated towards the biggest events with the highest international appeal. Fiera Milano is facing an increased level of competition in the exhibition sector, with particular reference to the European and national context, worsened in recent years by repositioning in the exhibition calendar and consequent overlaps between competing events, brought about by the pandemic. Against this backdrop, the Group is committed to delivering on the strategic lines set out in the CONNECT 2021-2025 Plan, which focuses on the following four strategic lines: (i) enhancement of traditional and digital services (ii) expansion of own exhibitions (iii) consolidation of the congress business (iv) exploitation of the potential of exhibition facilities, also through actions such as partnerships with leading international operators (Informa and DMG) and possible consolidation operations with other national exhibition/congress operators.

Cyclical nature and seasonality of the exhibition and congress industry

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

The management's current strategy is condensed into the guidelines of the 2021-2025 Strategic Plan, namely (i) enhancing traditional and digital services through a platform-based model, (ii) strengthening own exhibitions by targeting greater internationalisation and new concepts (iii) consolidating and expanding the positioning of the congress business by leveraging spaces and developing partnerships, (iv) augmenting hosted exhibitions and exploitation of exhibition facilities by utilising strategic partnerships. Going forward, this strategy will allow for greater stability in revenues and margins both through the year and between odd and even years.

Risks related to the dependency of Group companies on the exhibition and congress business

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

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

Mico DMC is engaged in the development of non-captive business lines, such as corporate events and the offer of services directly to exhibitors, both of its own exhibitions and of third-party exhibitions, by means of a dedicated *Business Development* department.

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

Risks relating to market demands for sustainability certification

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

With a view to managing this risk factor, in the first half of 2022 the Group defined a structured sustainability framework, which enabled it to set out ESG targets in the CONN.E.C.T. 2021-2025 Plan. This framework envisages initiatives on several fronts, including the launch in the second half of 2022 of a project to assess the environmental footprint of exhibition events carried out according to a 'life cycle analysis' approach (the so-called LCA - Life Cycle Assessment).

Among the initiatives already completed, the Group obtained LEED ("Silver") certification for its Rho service centre, congress centre and office towers at the Rho exhibition site.

Several years ago, the MiCo congress centre, managed by the subsidiary Fiera Milano Congressi, obtained an upgrade of its Healthy Venue certification from the World Obesity Federation, from "Silver" to "Gold"; "Gold" level is awarded to companies that pay extra attention to catering, to the promotion of initiatives and to their employees. In 2021, the LEED Certification was obtained for the MICO Congress Centre and the Company has set itself the goal of obtaining similar certification for FMCity pavilions 3 and 4 by 2023.

Moreover, the parent company Fiera Milano, which is already ISO 9001:2015 certified, acquired the ISO 20121:2013 - Sustainable Event Management System certification in 2021.

The subsidiary Nolostand, which provides stand-fitting and construction services, adopts an integrated management system which includes the following certifications: (i) ISO 9001:2015 – Quality Management System; (ii) ISO 14001:2015 – Environmental Management System; (iii) ISO 45001:2018 – Occupational Health and Safety Management System; (iv) ISO 20121:2013 – Event Sustainability Management System.

Finally, in the second half of 2022, the evaluation progress with the aim of Fiera Milano Congressi obtaining the following certifications (i) ISO 20121:2013 - Sustainable Event Management System and (ii) ISO 14001:2015 - Environmental Management System. These are expected to be achieved by the end of 2023.

Rising commodity prices

The combined effect of post-lockdown spikes in demand and discontinuity in global supply chains (e.g. congestion at maritime hubs in China) has driven up the cost of raw materials since the second half of 2021, from semiconductors to aluminium and steel, and increased the cost of gas and electricity, squeezing margins for most companies. This scenario was further aggravated in the first half of 2022 by the Russia-Ukraine conflict, which exacerbated commodity price tensions, especially for gas and oil. Furthermore, economic sanctions against Russia by Western countries triggered reactions from the Russian government resulting in cuts in gas supplies to European countries and further price shocks. The disruption of global supply chains and the resulting delays in deliveries to Europe and the USA also pose a problem of shortages of materials and components needed by major industries in western countries.

This risk factor is particularly relevant with regard to the cost of electricity, which was set at pre-crisis prices for the whole of 2022, but is exposed to market fluctuations from 2023. In this regard, the Company has met most of its energy needs for the first half of 2023 at pre-set costs, which take into account the positive energy price trends recorded on the market since the second half of January. The underlying hedging strategy is to seize the most favourable energy price opportunities by composing the hedge ratio accordingly. In addition, in early 2023 work began to upgrade the photovoltaic system installed in the Rho exhibition site with the aim, between 2023 and 2024, of increasing the share of energy needs from this source from the current 20% to 25-30%.

For other raw materials, such as wood (used for stand panels) and polymers (used for graphics, signage and carpeting), the Group has put in place advance procurement policies for certain materials (e.g. stand panels) and entered into framework agreements with suppliers at prices set for the short term. On the revenue side, the company rejigged its price lists to with the aim of preserving the margins on its orders.

2. Operational risks related to processes and organisation

Risks associated with the loss of key events

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

To address these uncertainties, the Group has drawn up plans of action with a view to reducing its risk exposure.

In terms of its hosted exhibitions, the Group has always pursued a policy of renewing hosting agreements with third-party organisers in the medium to long term, with the aim of consolidating the visibility of its exhibitions portfolio as much as possible in the years to come.

Moreover, in line with its Strategic Plan 2021-2025, recent years' schedules have included leading international events such as GASTECH, CPHI and ITMA thanks to the agreements in place with major international players. In future, the technological appeal of the Milan exhibition site will become increasingly important. This includes the "Digital Signage" system, consisting of 80 latest-generation LED walls for infotainment and wayfinding, and the geolocation "Smart Grid".

On the direct exhibitions front, the Strategic Plan envisages strengthening the portfolio of proprietary events, by improving content and increasing the international weight of directly organised events, to create reference events for the sector not only at national level but also by increasing the internationality rate of exhibitors and buyers, and the launch of new proprietary events (e.g. Next Mobility Exhibition, Global Elevator Exhibition).

Business Continuity

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

To manage the fallout from events of the type described, the Group implemented a Business Continuity Management framework, which includes a (i) Crisis Management Plan, which identifies a Crisis Unit whose role is to manage the operational countermeasures to be taken in the event of crisis events, including the management of communication, both internal and external, (ii) a set of Business Continuity procedures for the main business functions, which is capable of ensuring operational continuity in times of crisis, and (iii) a Disaster Recovery Plan for the management of crisis events impacting information systems and network infrastructure.

The Group also has PDBI (Property Damage and Business Interruption), Third Party Liability and Cyber insurance, which act as risk mitigators on the potential negative impacts generated by various crisis events.

Dependence on suppliers

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

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

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

Cyber risk

The growing use of network-based technologies and business models that enable sensitive information to be sent and shared through virtual spaces (e.g.: social media, cloud computing) contributes to a rise in IT vulnerability and hence cases of cyber attacks, which are becoming increasingly more frequent and sophisticated within a geopolitically triggered environment. These attacks can cause delays in business dealings, a temporary or prolonged interruption to activities, the loss of data, personal data breaches with relative requests for compensation, with potential financial and reputational harm.

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

- (i) IT Security policies and procedures, including its cyber security management policy, its procedure on data breaches, its policy to manage data security in relations with third parties and policy to classify and manage information
- (ii) data protection – data protection, back-up and retention solutions

- (iii) e-mail protection - solutions for protecting company e-mails from external threats
- (iv) endpoint detect & response – solutions for external threat detection and autonomous endpoint response capability
- (v) network protection – means of ensuring the infrastructural security of the perimeter network, including firewalls, IDSs (Intrusion Detection Systems) and IPSs – (Intrusion Protection Systems)
- (vi) identity and access management (IAM) – technologies that manage digital identity for centralised access to the Group's platforms
- (vii) mobile protection – solutions for protecting mobile devices.

In terms of infrastructure and network protection, a new data centre, outsourced to a third-party provider, became operational in the second half of 2022. This has introduced geographical redundancy (disaster recovery), optimised management of back-up data (golden copy), and infrastructure upgrades to ensure best practice in security and business continuity.

Also implemented in 2022 was an SOC – Security Control Center service, managed by a service provider, with the aim of analysing and managing security incidents and the related containment and resolution measures. At the beginning of 2023, the Cyber Threat Intelligence service came online, offering a proactive element for the company's cyber security management and enabling the consolidation of the memorandum of understanding on cyber risk prevention signed in July 2021 with the CNAIPIC (National Cybercrime Prevention Centre for the Protection of Critical Infrastructure) by activating and automating IoC info sharing and security feeds.

Specific periodic training is also given to Group employees on the issues of “phishing” and “social engineering” to increase awareness among company personnel of recognising this specific type of cyber attack.

Lastly, on the insurance front, an insurance policy covering cyber risk has been taken out.

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

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

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

In addition, the Group – as part of the HR Plan initiated in the first half of 2022 – launched the “School of Trades” training initiative with the aim of mapping the knowledge and key skills present within the company and activating a process for the dissemination and sharing of this know-how.

Employee commitment, engagement and satisfaction

This is the risk of a decline in employee motivation and a reduced sense of belonging to the Group during the pandemic as a result of the prolonged suspension of exhibition and congress activities, with consequent fears of loss of income and/or employment. The sudden change in working methods, with the mass and prolonged use of remote working during the pandemic also had repercussions on work-life balance.

To address this situation, the Group's management launched an engagement survey of its workforce in 2021, which revealed areas of focus. During the first half of 2022, the Group developed an HR Plan that envisages a series of actions, including the design of individual development plans and total reward policies, aimed at boosting the professional growth and motivation of people.

During the first half of 2022, the Agile Work scheme was regulated, with the signing of an ad hoc trade union agreement, which made it possible to move beyond emergency remote working, and the "Leadership Community" project was launched, an initiative aimed at developing a sense of belonging to the Group and motivation for the company's development.

Risks associated with undeclared labour

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

The actual likelihood of engaging suppliers with issues surrounding informal-market labour is in any event considered low, due to the numerous organisational, contractual and procedural oversight mechanisms put into place by the Group, which has refined and implemented controls (i) in the supplier engagement phase, for its reputational and economic/technical qualification, for the purposes of its enrolment in the Group's supplier register, as well as (ii) in the field, in the physical access control phase (check of validity of entry permits by the Security function) and in the phase of executing the contracted services (first-level check by the requesting function and second-level check by the Supplier Quality function).

In addition to the 231 Model (special section regarding employment offences involving foreign people without the correct residency permits and special section regarding offences involving illegal recruitment practices and worker exploitation) and the Code of Ethics (core policies to prevent the use of illegal employment practices and underage workers), the procedural framework also comprises:

- i) procedure for granting accreditation and controlling access to exhibition centres;
- (ii) procedure for the procurement of goods and services, reputational assessment procedure, supplier technical-economic assessment procedure
- (iii) procedure for personnel selection, recruitment and management.

In terms of contractual safeguards, the framework contains measures to prevent and counteract any illegality by contractors and their potential subcontractors, including (i) general conditions for compliance with national collective bargaining agreements and termination clauses in the event of breach of social security and tax obligations (ii) an "integrity pact" (iii) technical regulations for exhibition venues (iv) general regulations for exhibitions (v) specific safety provisions.

Lastly, it is worth mentioning that in 2019 Fiera Milano signed a memorandum of understanding with the relevant authorities concerning undeclared work, with a view to providing ongoing cooperation on the issues of safe working conditions and compliance with worker protection regulations. The memorandum aims to combat illegal and irregular work practices through information sharing, which strengthens the capacity for intervention and prevention, also thanks to a permanent Observatory, which promotes the broadest dissemination of the culture of legality.

Risks related to business ethics and integrity in the supply chain

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

To protect itself against such risk and the potential negative impact in financial, operational and reputational terms, the Group has developed and implemented an extensive system of procedural and organisational measures with respect to active and passive corruption, as detailed below.

In operational terms, controls have been implemented (i) in the supplier engagement phase, for its reputational and economic/technical qualification, resulting in enrolment in the Group's supplier register, as well as (ii) in the field, in the physical access control phase (check of validity of entry permits by the Security function) and in the phase of executing the contracted services (first-level check by the requesting function and second-level check by the Supplier Quality function).

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

With regard to foreign subsidiaries, the Brazilian company Fiera Milano Brasil and the South African company Fiera Milano Exhibition Africa have adopted "guidelines for the application of anti-corruption measures and other compliance programmes by foreign subsidiaries", which followed the adoption at both Fiera Milano Brasil and Fiera Milano Exhibition Africa of a staff search and selection procedure and a procedure for gifts, donations and sponsorships, both inspired by the guidelines of the corresponding Parent Company procedures.

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

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

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

3. Legal/compliance risks

Risks related to the reference legal framework on health and safety

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

It should be noted that these risks are mitigated by a series of procedural and organisational safeguards adopted for this purpose, which include:

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

Finally, it should be noted that in 2019 Fiera Milano signed a memorandum of understanding with the relevant authorities to define the roles and responsibilities for organising work safety at trade fair exhibitions within the Fiera Milano-managed venues. The measures implemented in connection with this memorandum included (i) allowing the relevant authorities (Prefecture, Public Health Agency – ATS, Police Headquarters, Workplace Accident Insurance Institute – INAIL, Social Welfare Institute – INPS) to access the stand builders’ registration system (ii) making safety-related information (contact names for each stand), hall plans and technical data sheets available to the Public Health Agency (ATS) (iii) providing stand builders with a dedicated section on the website to enter the risk assessment form (DUVRI) and/or the safety and coordination plan (PSC) relating to stand construction work.

Administrative liability of entities pursuant to Legislative Decree 231/01

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

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

During 2022, the General Part of the 231 Model (pursuant to Legislative Decree 231/2001) was updated to adapt the list of predicate offences to the following regulatory amendments: (i) Legislative Decree 184/2021, which introduced Article 25-octies.1 (Crimes relating to non-cash payment instruments); (ii) Legislative Decree No. 231/200, which extended the administrative liability of entities to the offences referred to in the Criminal Code, Articles 493-ter “Misuse and forgery of non-cash payment instruments”, 493-*quater* “Possession and distribution of computer equipment, devices or programmes intended to commit offences involving non-cash means of payment” and 640-ter ‘Computer fraud’ where aggravated by transfers of money, monetary values or virtual currencies; (iii) Legislative Decree 195/2021, which amended and broadened the scope of the offences of receiving stolen goods, money laundering, use of money, goods or benefits of unlawful origin, and self-laundering; Law 22/2022, which extended the catalogue of predicate offences by introducing Article 25-*septiesdecies* (“Crimes against cultural heritage”) and Article 25-*duovicies* (“Laundering of cultural assets and devastation and looting of cultural and landscape assets”). As regards the Special Parts of Model 231, the following updates

were made: (i) with reference to Special Part 6 “Crimes of receiving stolen goods and money laundering and use of money, goods or benefits of unlawful origin, including self-laundering”, the catalogue of relevant offences – as already provided for in Article 25-octies of Legislative Decree 231/01 – has been amended in the light of the new Legislative Decree 195/2021. The list of processes and the sensitive activities identified within them were also supplemented; (ii) with reference to Special Part 7 “Computer Crimes”, the catalogue of relevant offences was updated in the light of the new Article 25-octies.1 of Legislative Decree 231/01, entitled “Crimes relating to non-cash means of payment”, as amended by new Legislative Decree 184/2021. The list of processes and the sensitive activities identified within them were also supplemented; (iii) with reference to Special Part 11 “Environmental Crimes”, the offence of temporarily storing hazardous medical waste (surgical masks and FFP2) referred to in Article 256, paragraph 6, of Legislative Decree 152/2006 (the “Environment Code”) was included.

As regards foreign subsidiaries, that are not subject to Legislative Decree 231/2001, the Brazilian company Fiera Milano Brasil and the South African company Fiera Milano Exhibition Africa adopted “guidelines for the adoption by foreign subsidiaries on anti-corruption controls and a compliance programme”.

Compliance risk regarding data protection (privacy)

As part of their activities, the Company and the Group Companies process personal data, including special data, relating to natural persons (e.g. employees, customers, suppliers, etc.) and are each, therefore, required to comply with the provisions of Regulation (EU) 2016/679 (“GDPR”), and any other applicable national and/or EU provisions on personal data protection, including the provisions of the Data Protection Authority, such as those issued in June 2021 relating to the guidelines for cookies and other tracking tools. The Company, along with the other Group Companies, is therefore exposed to the risk that the procedures implemented and the measures adopted to protect personal data prove to be inadequate and/or that greater supervision of such issues is required in order to avoid sanctions, which provide for maximum fines of Euro 10 million to Euro 20 million or 4% of the previous year’s total annual turnover, whichever is higher. Since the entry into force of the new regulations, the Parent Company and the companies of the Group have undertaken a GDPR compliance process. With respect to procedural controls, Fiera Milano has adopted a data breach procedure, a personal data protection policy, it has appointed a Data Protection Officer (DPO) and appointed Privacy Representatives in the various company departments, who have been given specific responsibilities regarding the processing of personal data within their department. Activities to map personal data processing and update registers under Art. 30 GDPR are carried out continuously and systematically.

4. Financial risks

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

Non-Financial Statement

“To meet the requirements of Article 5, paragraph 3, letter b of Legislative Decree 254/2016, the Company has prepared the Consolidated Disclosure of Non-Financial Information, which is a separate report. The 2022 Consolidated Disclosure of Non-Financial Information, prepared in accordance with GRI Standards, is available on the Group website”.

Significant events after the end of the reporting period

On 28 February 2023, Fiera Milano closed out the buyback of treasury shares, purchasing 410,000 shares at an average price of Euro 3.02 for a total value of Euro 1,241,132. The Company holds 683,758 treasury shares, representing 0.95% of share capital.

The Company holds n. 683,758 treasury shares equal to 0.95% of the share capital.

On 9 March 2023, the Board of Directors of Fiera Milano SpA, following the press releases of 25 January 2022, 20 May 2022, 13 October 2022, 2 March 2023 and 7 March 2023, announced that it had agreed to finalise the strategic transaction with Fiere di Parma SpA concerning a partnership aimed at creating a common European exhibition platform in the agri-food sector. As a reminder, the Operation will be carried out through the subscription of a capital increase of Fiere di Parma reserved to Fiera Milano to be paid through the contribution of Fiera Milano's business unit related to the exhibition “Tuttofood”, a leading exhibition event in the agri-food sector organised in Milan at the Rho exhibition site for a value of Euro 16.5 million. The Parties have agreed that, upon closing of the transaction, Fiera Milano will initially hold 18.5% of the share capital of Fiere di Parma.

It also bears reminding that the transaction will see the Parties create a new multi-hub trade fair platform: (i) in Milan, ‘Tuttofood powered by Cibus’ will take on an international focus, bringing together audiences from all major agri-food producing countries and thus competing with other leading European exhibitions, while also continuing to support the local supply chain; and (ii) in Parma, ‘Cibus’ will become an iconic event for authentic Italian produce, including regional delicacies. Thanks to the synergies built between Fiera Milano and Fiere di Parma, the two exhibitions will be able to optimise their positioning by offering strategic and permanent support to the Made in Italy agro-food industry and the Italian system in general.

With this transaction, Fiera Milano will also participate in the governance of Fiere di Parma by supporting private shareholders (i.e. Crédit Agricole Italia SpA and Unione Parmense degli Industriali) and public shareholders (i.e. the Municipality and Province of Parma, Parma Chamber of Commerce, and the Emilia-Romagna Region) in enhancing the execution of the exhibition business plan. The transaction will also see Fiera Milano provide services to Fiere di Parma in relation to the “Tuttofood powered by Cibus” event, which will continue to be held at the Rho exhibition site and will be managed by Fiera Milano.

Business outlook

Business prospects for 2023 will be strongly influenced by the socio-economic dynamics affecting 2022.

The conflict in Ukraine had an impact on exhibitions held in Milan during 2022, with the almost total absence of Russian buyers and exhibitors, an absence only partially offset by the arrival of buyers and exhibitors from other Asian and Middle Eastern regions. Therefore, the Group considers it likely, in light of the prolonged conflict, that a part of 2023 will also see the absence of exhibitors from these countries.

As for the health situation, the Group currently plans to hold all exhibition and congress events in its European portfolio scheduled for 2023. With regard to the situation in Chinese, the zero-COVID policies of local authorities have led to new generalised lock-downs in the country's main cities, with the consequent suspension of exhibition activities and reduced international mobility. China's decision to reopen its borders from 8 January 2023, easing anti-COVID measures, suggests a resumption of activities in the region, however some unclear points remain, especially over the timing of reopening to outbound tourism. The Company continues to monitor developments in the situation; it should be noted that some of the events planned in this region have been rescheduled and potential impacts related to the gradual reopening are in any case expected.

With particular reference to energy price increases, the Company estimates that at current valuations the cost of energy in 2023 could undergo an increase of around Euro 13 million compared to the previous Plan forecasts. The Company is planning the implementation of specific risk mitigation plans aimed at improving the energy efficiency of the exhibition pavilions, also envisaging the possibility of expanding the photovoltaic system installed on the roofs of the Rho exhibition site, which currently contributes to the generation of approximately 20% of Fiera Milano's energy needs, with the aim of doubling its installed capacity, as announced in the press release of 20 February 2023. In addition to the current photovoltaic system which has a power of 8,200 kWp, the installation of two new photovoltaic systems is planned, with a total installed power of 1,800 kWp and 3,600 kWp respectively, and produced electricity which will be purchased by the Company.

In light of these considerations, the Company expects to achieve an EBITDA target of Euro 70-80 million as at 31 December 2023.

Income and financial performance of Fiera Milano SpA

Economic performance

Fiera Milano SpA Income Statement

(amounts in €'000)	2022		2021*	
		%		%
Revenues from sales and services	172,488	100.0	98,995	100.0
Cost of materials	221	0.1	224	0.2
Cost of services	91,367	53.0	62,707	63.3
Costs for use of third party assets	1,177	0.7	600	0.6
Personnel expenses	37,791	21.9	33,681	34.0
Other operating expenses	3,663	2.1	3,098	3.1
Total operating costs	134,219	77.8	100,310	101.3
Other income	5,954	3.5	63,595	64.2
Allowance for doubtful accounts and other provisions	2,578	1.5	5,449	5.5
Operating result before adjustments to non-current asset values (EBITDA)	41,645	24.1	56,831	57.4
Depreciation and amortisation	39,909	23.1	37,999	38.4
Adjustments to asset values	-	-	-	-
Operating result (EBIT)	1,736	1.0	18,832	19.0
Financial income/(expenses)	(6,347)	(3.7)	(9,883)	(10.0)
Valuation of financial assets	(2,720)	(1.6)	(644)	(0.7)
Profit/(loss) before income tax	(7,331)	(4.3)	8,305	8.3
Income tax	(1,851)	(1.1)	(23,717)	(24.0)
Profit/(loss) from continuing operations	(5,480)	(3.2)	32,022	32.2
Profit/(loss) from discontinued operations	-	-	4,600	4.5
Profit/(loss)	(5,480)	(3.2)	36,622	36.9

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5 following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

Revenues from sales and services amounted to Euro 172,488 thousand, an increase of Euro 73,493 thousand on the Euro 98,995 thousand recorded in 2021.

The increase in revenues is mainly attributable to the resumption of trade fairs. The 2021 comparative figures, on the other hand, were affected by the cancellation of in-person events during the first six months of the year due to the Covid-19 pandemic. A key driver for this change was the strong performance of annual and multi-annual exhibitions, including the holding of Gastech, an international energy industry event which took place in Milan for the first time. This effect was partially offset by the fact that Host, a biennial event directly organised by the Group only in odd years, was missing from the trade fair calendar.

Fiera Milano SpA operates almost exclusively in the domestic market and therefore no breakdown of revenues by geographic area is provided.

EBITDA was Euro 41,645 thousand, a decrease of Euro 15,186 thousand on the Euro 56,831 thousand figure at 31 December 2021. This reflects the positive trend in revenue figures. 2021 EBITDA was affected by non-recurrent components, such as public aid (Euro 50.8 million) received to compensate for the losses suffered in 2020 and 2021, following the epidemiological emergency from COVID-19, the temporary reduction in rent with Fondazione Fiera Milano, the benefit, in the first half of 2021, from the activation of the Salary Integration Fund (FIS), as well as lower provisions for risks.

EBIT was Euro 1,736 thousand, a decrease of Euro 17,096 thousand on the Euro 18,832 million recorded at 31 December 2021. The decrease was related to the trend in EBITDA and higher depreciation corresponding to new digital systems rolled out from the end of 2021 going into production.

Net financial expenses amounted to Euro 6,347 thousand compared to net expenses of Euro 9,883 thousand at 31 December 2021. The Euro 3,536,000 reduction was mainly due to the higher dividends received.

The item Valuation of financial assets **amounted to Euro -2,720 thousand compared to Euro -644 thousand at 31 December 2021 and refers to the impairment** of the investment and of the loan to the company Fiera Milano Brasil Publicações e Eventos Ltda.

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

Profit/(loss) before tax amounted to a loss of Euro 7,331 thousand compared to a loss of Euro 8,305 thousand in 2021.

Profit/(loss) for the year from continuing operations amounted to a loss of Euro 5,480 thousand (profit of Euro 32,022 thousand in 2021).

Profit/(loss) for the year from discontinuing operations was nil, compared to a profit of Euro 4,600 thousand in 2021.

Profit/(loss) for the year at 31 December 2022 amounted to Euro -5,480 thousand, compared to a profit of Euro 36,622 thousand for the previous year. The change reflected the trend in EBIT. It should be noted that the previous year benefited from the positive impact of taxes, following the fiscal realignment of goodwill and exhibition brands.

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

Equity and financial performance

Fiera Milano SpA Reclassified Statement of Financial Position

(Amounts in €'000)	31/12/22	31/12/21*
Goodwill	76,091	76,091
Intangible assets with a finite useful life	14,151	16,131
Right-of-use assets	330,746	351,419
Tangible fixed assets	1,417	1,656
Other non-current assets	98,683	85,167
Other non-current financial assets	15,262	15,103
A Non-current assets	536,350	545,567
Inventories	2,098	1,802
Trade and other receivables	22,973	24,647
B Current assets	25,071	26,449
Trade payables	29,202	29,785
Pre-payments	24,617	27,624
Tax liabilities	2,044	3,510
Provisions for risks and charges and other current liabilities	33,074	38,973
C Current liabilities	88,937	99,892
D Net working capital (B - C)	(63,866)	(73,443)
E Gross capital employed (A + D)	472,484	472,124
Employee benefit provisions	5,399	6,521
Provisions for risks and charges and other non-current liabilities	500	728
F Non-current liabilities	5,899	7,249
G NET CAPITAL EMPLOYED continuing operations (E - F)	466,585	464,875
H NET CAPITAL EMPLOYED asset held for sale	(1,809)	(48)
TOTAL NET CAPITAL EMPLOYED (G + H)	464,776	464,827
covered by:		
I Equity	99,204	102,133
Cash & cash equivalents	(74,894)	(135,948)
Current financial (assets)/liabilities	54,881	62,715
Non-current financial (assets)/liabilities	387,394	435,975
Net financial debt of continuing operations	367,381	362,742
Net financial debt of asset held for sale	(1,809)	(48)
L Net financial position (TOTAL)	365,572	362,694
EQUITY AND NET FINANCIAL POSITION (I + L)	464,776	464,827

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5 following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

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

Net capital employed totalled Euro 464,776 thousand at 31 December 2022, an increase of Euro 51 thousand compared to the figure at 31 December 2021.

At 31 December 2022, **Non-current assets** totalled Euro 536,350 thousand compared to Euro 545,567 thousand at 31 December 2021. The decrease mainly refers to the item "Right-of-use assets" of buildings and rental cars as a result of the amortisation process. This effect was partially offset by the increase in the item "Other non-current assets" following the acquisition of 25% of the share capital of the company Ge.Fi SpA.

Net working capital, which is the balance of current assets and current liabilities, changed from a negative figure of Euro -73,443 thousand at 31 December 2021 to a negative figure of Euro -63,866 thousand at 31 December 2022. The change is mainly attributable to the decrease in payables to organisers resulting from the different exhibition calendar.

Fiera Milano SpA structurally works with a negative working capital due to the favourable cash flow cycle that characterises trade fairs, which require customers to pay a portion of the participation price in advance. Furthermore, Fiera Milano SpA also manages these activities on behalf of third-party organisers and, in this way, generates positive cash flows also from renting exhibition space.

Shareholders' equity amounted to Euro 99,204 thousand, a decrease of Euro 2,929 thousand compared to 31 December 2021. The change is mainly attributable to profit/(loss) for the year and is partially offset by the fair value measurement of financial hedges.

Financial debt not including IFRS 16 *lease liabilities* shows net cash of Euro 3.436 thousand, compared to net cash of Euro 17,726 thousand at 31 December 2021. The decrease of Euro 14,290 thousand was mainly due to the payment of consideration for the acquisition of a 25% stake in Ge.Fi SpA on 23 November, as well as investments in digital systems. There was also a decrease in cash flows from operations, which was partially offset by dividends received from subsidiaries.

Net financial debt including IFRS 16 lease liabilities amounted to Euro 365,572 thousand compared to net financial debt of Euro 362,694 thousand at 31 December 2021.

Investments: In the financial year ended at 31 December 2022, investments totalled Euro 14,648 thousand and break down as follows:

Investments

(€'000)	Full year at 31/12/22	Full year at 31/12/21
Intangible fixed assets	2,550	4,679
Tangible fixed assets	348	254
Financial fixed assets	11,750	900
Total investments in non-current assets	14,648	5,833

Investments in intangible fixed assets totalled Euro 2,550 thousand and mainly concern:

- Euro 1,796,000 for purchases related to the implementation of digital projects and software purchases and licences;
- Euro 754 thousand for activities still in progress related to the development of new digital systems.

Investments in tangible fixed assets totalled Euro 348 thousand and mainly concerned systems at the Rho exhibition site, equipment and furnishings to support trade fair activities, and electronic equipment.

Investments in financial assets amounted to Euro 11.750 thousand and referred to the acquisition of a 25% stake in the company Ge.Fi SpA.

As regards related-party transactions with Group companies, see Note 48 in the Notes to the Financial Statements of Fiera Milano SpA.

Fiera Milano SpA personnel

Headcount and turnover

The Company had 477 permanent employees at 31 December 2022 and the breakdown compared to the previous financial year was as follows:

Permanent employees at year end

(units)	31/12/22	31/12/21
Executives	25	22
Managers and White collar workers	452	417
Total	477	439

Compared to the previous year, resources with permanent contracts increased by 38, mainly due to the takeover of the subsidiary Fiera Milano Media SpA and to the turnover of the workforce in the various operating areas. Also of note is the gradual insertion of junior resources who were initially recruited under other types of contracts.

The overall turnover of employees, calculated as the difference between those joining and those leaving the Company as a percentage of the average number of employees, was 20.9% in 2022 compared to 12.4% in 2021.

Fiera Milano SpA usually employs staff on temporary contracts to manage peaks of activity related to the changing dynamics of the exhibition calendar and the demands of extraordinary projects. Staff on fixed-term contracts increased from 3 in 2021 to 14 in 2022, primarily due to the resumption of activities in the post-pandemic period.

Current contracts

National and Supplementary Collective Employment Agreements

Fiera Milano SpA uses the National Collective Employment Agreement for employees of companies in the tertiary, distribution and services sectors and also a supplementary company contract for non-executive employees, valid from 1 March 2019 to 31 December 2022, and extended to 30 June 2023.

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

Fiera Milano SpA has therefore reinforced its focus on human resources by seeking to identify alternative tools for promoting the well-being of its employees, while at the same time containing business costs.

The success of the Corporate Welfare Plan continued in 2022; this plan incorporates benefits, personal services and services to ensure an optimum work-life balance. The Company sets aside an equal sum for each employee to use on these benefits. The "WellFair" plan is accessible on-line and permits employees to choose the services that best suit them from amongst those identified by the Company under the provisions of applicable law. It allows each individual to construct his/her own benefit package and to manage it as he/she sees fits until the credit allocated him/her has been used up.

Equal Opportunities and Non-Discrimination

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

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

The competent functions must:

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

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

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

In 2022, female employees numbered 295 representing 60% of total employees, broken down as follows:

Composition

	Female presence	Male presence	Total
Executives	3	22	25
Managers	44	43	87
White collars workers	248	131	379
Total	295	196	491

The role of the *Diversity & Inclusion Manager* has also been introduced at the company, whose task is to coordinate all activities aimed at developing a Human Resources management policy that places a high value on gender equality. The *Diversity & Inclusion Manager* also promotes actions to amplify diversity and inclusion in the company, develops agreements with organisations and associations that can help the Group in its development and monitors the market to identify virtuous examples from which the company can draw inspiration.

Safety

For Fiera Milano SpA, employee safety is a priority in which we must make significant investment. In 2022, personnel with technical roles in the Company safety training.

Training

As regards the 2022 training programme of Fiera Milano SpA, see the section "Training" in the chapter "Fiera Milano Group personnel".

Other information

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

The table below shows equity investments in Fiera Milano SpA and its subsidiaries held by members of the Administrative and Control Bodies, the General Managers and Executives with Strategic Responsibilities, as well as by their spouses not legally separated and children that are minors, directly or through subsidiary companies, trust companies or intermediaries that appeared in the shareholders' register at 31 December 2022 or from communications received or information obtained directly from the relevant parties.

Name and surname	Position	Company in which shares are held	No. of shares acquired at 31.12.2021	No. of shares acquired	No. of shares sold	No. of shares acquired at 31.12.2022
Directors						
Carlo Bonomi	Chairperson	Fiera Milano SpA	-	-	-	-
Luca Palermo	Chief Executive Officer	Fiera Milano SpA	-	125,998	-	125,998
Alberto Baldan	Director	Fiera Milano SpA	-	-	-	-
Stefania Chiaruttini	Director	Fiera Milano SpA	-	-	-	-
Regina De Albertis	Director	Fiera Milano SpA	-	-	-	-
Francesca Golfetto	Director	Fiera Milano SpA	-	-	-	-
Ferruccio Resta	Director	Fiera Milano SpA	-	-	-	-
Agostino Santoni	Director	Fiera Milano SpA	-	-	-	-
Elena Vasco	Director	Fiera Milano SpA	-	-	-	-
Statutory Auditors						
Monica Mannino	Chairperson	Fiera Milano SpA	-	-	-	-
Piero Antonio Capitini	Statutory Auditor	Fiera Milano SpA	-	-	-	-
Daniele Federico Monarca	Statutory Auditor	Fiera Milano SpA	-	-	-	-
Livia Amidani Aliberti	Substitute Auditor	Fiera Milano SpA	-	-	-	-
Simone Bruno	Substitute Auditor	Fiera Milano SpA	-	-	-	-
No. of Executives with strategic responsibilities	Company in which shares are held		No. of shares acquired at 31.12.2021	No. of shares acquired	No. of shares sold	No. of shares acquired at 31.12.2022
Strategic Executive in charge*	Fiera Milano SpA	no. 1	-	38,750	-	38,750
Other Executives*	Fiera Milano SpA	no. 3	-	93,000	-	93,000

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

None of the individuals listed above hold any investments in subsidiaries of Fiera Milano SpA.

Report on corporate governance and ownership structure at 31 December 2021

Fiera Milano SpA (hereinafter, the “**Company**” or “**Fiera Milano**”) with this Report on Corporate Governance and Ownership Structure (hereinafter, the “**Report**”) intends to provide a general and systematic overview of its corporate governance structure, information on its ownership structure, and information on the application of the provisions contained in the principles and recommendations of the Corporate Governance Code of listed companies of Borsa Italiana, approved by the Corporate Governance Committee in January 2020 and in force since 1 January 2021 (hereinafter, the “**Corporate Governance Code**”), with reference to the fiscal year ended 31 December 2022 (hereinafter, the “**Financial Year**”). The term corporate governance is used to identify the body of rules and procedures for managing and controlling joint-stock companies. An effective and efficient business organisation model must be capable of using the correct means to manage business risks and potential conflicts of interest that can arise between directors and shareholders and between controlling and non-controlling interests. These aspects are of even greater significance in listed companies with a wide shareholder base.

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

1. Issuer Profile

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

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

Fiera Milano qualifies as a Small and Medium Enterprise (hereinafter “**SME**”) under Article 1, paragraph 1.w-quater).1 of Legislative Decree 58 of 24 February 1998 (hereinafter the “**Consolidated Finance Act**”); the capitalisation of the Company, in fact, is Euro 208,561,711 at 31 December 2022, with revenue of Euro 172,488,115 as at 31 December 2022.

* * * *

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

During the year, the company also started a process to obtain a sustainability rating. The rating agency Sustainalytics issued the ESG rating on Fiera Milano with a score of 16.9 (on a scale between 0 and >40, where 0 indicates the best rating and >40 the worst), placing the Fiera Milano group in the second best “Low ESG Risk” rating class. Eight material topics were identified for Fiera Milano’s business model (Corporate Governance, Human Capital, Health and Safety, Ethics and Anti-Corruption, Product Governance, Environmental Management and GHG Emissions) with reference to which more than 50 indicators relating to the management, controls, policies, programmes, initiatives, performance, measurement, disclosure and reporting of individual areas were assessed.

The ratings of Sustainalytics, a subsidiary of Morningstar and specialised in assessing how effectively companies manage ESG risks, serve as a universal and independent yardstick for investors, shareholders and analysts and are publicly available on the Sustainalytics platform at this address: <https://www.sustainalytics.com/esg-rating/fiera-milano-spa/1013583801>.

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

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

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

2.1 Share capital structure (Article 123-bis, paragraph 1.a), Consolidated Finance Act)

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

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

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

At 31 December 2022, the Company had no share-based incentive schemes involving an increase, against payment or free of charge, in the share capital.

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

There are no restrictions on the transfer of shares.

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

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

Based on the results of the Company's Shareholders' Register and taking into account the notifications received pursuant to Article 120 of the Consolidated Finance Act, as of 15 March 2023, and on the results of the Consob website on the Company's shareholding structure, the following persons owned, directly or indirectly - including through third parties, trust companies and subsidiaries pursuant to Article 93 of the Consolidated Finance Act - shares of the Company equal to or greater than 5% of the share capital:

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

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

No shares with special rights have been issued.

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

At 31 December 2022, there were no employee stock option plans.

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

There are no restrictions on voting rights.

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

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

2.8 Change of control clauses (Article 123-bis, paragraph 1.h), Consolidated Finance Act) and statutory provisions on takeover bids (Article 104, paragraph 1-ter and Article 104-bis, Consolidated Finance Act)

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

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

During the financial year, the Shareholders' Meeting did not grant any powers to the Board of Directors to increase the share capital, pursuant to Article 2443 of the Italian Civil Code, nor did it grant it the power to issue equity financial instruments.

With regard to the purchase of treasury shares, as of the date of this Report, the Ordinary Shareholders' Meeting of 22 April 2022 authorised the Board of Directors to execute transactions to purchase treasury shares - as well as to dispose of all and/or part of the treasury shares purchased without time limits and even before the purchases have been exhausted - for a period of 18 months from the date of the said Shareholders' Meeting. The authorisation mentioned above stipulates that (i) the maximum number of shares acquired, including those already owned by the Company and its subsidiaries, can not exceed 5% of shares making up the share capital of the Company, (ii) the purchase price of each share can not be higher than the greater of the highest price of the last independent transaction and the current highest independent offer price on the trading date on which the acquisition is made, whilst respecting the requirement that the unit price of the shares must not be 10% higher or lower than the reference price of Fiera Milano shares on the MTA market organised and operated by Borsa Italiana on the trading day preceding any single transaction, (iii) shares can be disposed of in one or more transactions even before the authority to acquire the shares has been completed, and (iv) the disposal price can not be lower than the lowest price at which the shares are acquired; this restriction on the disposal price does not apply if the shares are disposed of as part of a stock option plan.

By virtue of this authorisation, on 13 October 2022, the Board of Directors resolved to start the share buyback programme as of 24 October 2022 and, as of 31 December 2022, Fiera Milano held 445,659 treasury shares,

equal to 0.62% of the share capital. As at today's date, the Company holds 683,758 treasury shares, equal to 0.95% of the share capital.

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

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

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

Fiera Milano exercises direction and control over its direct subsidiaries. At 31 December 2022, the Company exercised direction and control over: i) wholly owned companies, i.e. Fiera Milano Congressi SpA and Nolostand SpA; and ii) the subsidiary Made Eventi S.r.l. (hereinafter jointly with the Company, the “**Group**” or “**Fiera Milano Group**”)

Direction and control activities are governed by the Guidelines on Direction and Coordination, approved by the Board of Directors of the Company in the meeting of 31 July 2019 (refer to paragraph 14.2 below).

It should be noted that:

- the information required by Article 123-bis, paragraph 1.i) (“*agreements between the company and the directors... which provide for indemnities in the event of resignation or dismissal without just cause or if their employment ceases as a result of a takeover bid*”) is contained in the Report on Remuneration Policy and Remuneration Paid Pursuant to Article 123-ter of the Consolidated Finance Act;
- the information required by Article 123-bis, paragraph 1.l), first part (“*the rules applicable to the appointment and replacement of directors... if different from the laws and regulations applicable by way of supplementary provisions*”) is illustrated in the section of the Report on the Board of Directors (Chapter 4);
- the information required by Article 123-bis, paragraph 1 (l), second part (“*the rules applicable... to the amendment of the articles of association, if different from the laws and regulations applicable by way of supplementary provisions*”) is set out in the section of the Report on the Shareholders' Meeting (Chapter 13).

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

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

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

Fiera Milano and the companies controlled by it pursuant to Article 93 of the Consolidated Finance Act having strategic relevance are not subject to non-Italian legal provisions affecting the corporate governance structure of the Company

4. Board of Directors

4.1 Role of the Board of Directors

The Board of Directors has a central role in the business organisation and is responsible for its activities and its strategic and operating guidelines, as well as for verifying the existence of controls necessary to monitor Company and Group performance. Pursuant to Article 17.2 letter B of the Articles of Association, the Board of Directors is exclusively responsible, *inter alia*, for approving the strategic guidelines and policies, the industrial and financial plans and the policies for assuming and managing all risks. In line with Principle I of the Corporate Governance Code, the Board guides the Company and defines its industrial strategy with the aim of pursuing sustainable success and

creating long-term value for the benefit of shareholders and all stakeholders. These objectives are an integral part of the 'CONN.E.C.T. 2025' Strategic Plan, approved by the Board of Directors at its meeting on 22 February 2021.

As more fully covered in Chapter 1 of this Report, during the Year, the Company also started a process to obtain an ESG rating, ranking in the second best "Low ESG Risk" rating class of the rating agency Sustainalytics. The ESG rating is a tool at the Board's disposal for verifying and measuring the effectiveness of the actions implemented in the area of sustainability and for defining further lines of development to supplement the actions already envisaged in the "CONN.E.C.T. 2025" Strategic Plan.

The Management and Coordination Guidelines adopted by the Company (see section 14.2 below), define its strategic and governance role with reference to the Fiera Milano Group: in particular, it is the responsibility of the Board of Directors of Fiera Milano to impart strategic, management and supervisory guidelines with a view to achieving the Group's interests. To this end, the Company's Board of Directors examines and evaluates in advance the transactions of its subsidiaries, when such transactions have a significant strategic, equity or financial significance for the Group itself.

The Board of Directors carries out its strategic policy-making activities in compliance with the laws, regulations and articles of association in force, on the one hand, and with the principles of proper corporate and entrepreneurial management, on the other, continuously seeking a fair balance of the interests involved and pursuing an organic regulation of coordination activities between the Company and its subsidiaries that balances the interests of the Group as a whole.

In this context, each Group company fosters a culture of internal control and risk management by promoting: the efficiency and effectiveness of company processes, the adequate management of current and prospective risks, the timeliness of the company's information reporting system, the reliability and integrity of accounting and management information, the safeguarding of assets, the compliance of the company's activities with current legislation, company directives and procedures, operational correctness and the respect for integrity and ethical values by all personnel; also ensuring that all the functions and bodies responsible for control are not hindered in the exercise of their functions and checks, and that they establish profitable collaborative relationships with each other, taking care not to alter, even in substance, the useful responsibility of corporate bodies and internal controls.

The Internal Audit Department, as defined below, reports to the Board of Directors in the person of the Chairperson, so that its independence and autonomy are guaranteed. In line with reference best practices, the Board of Directors approves the internal audit manual that defines the purposes, powers and responsibilities of the aforementioned management and the annual audit plan (see section 9.3 below).

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

With particular reference to the Financial Year, the Board of Directors examined the operational plan relating to the activities of the Investor Relations and Sustainability function, divided into strategic priorities accompanied by the relevant implementation actions.

It should also be noted that the Company has adopted a "Procedure for the Internal Management and External Disclosure of Inside Information and for Keeping Records" and the "Implementing Measures of the Procedure for the Internal Management and External Disclosure of Inside Information and for Keeping Records", with reference to which please refer to Chapter 5 of this Report.

The Board of Directors is invested with the broadest powers for the ordinary and extraordinary management of the Company; specifically, it has the power to perform all acts it deems appropriate or useful for the achievement of the corporate purposes, excluding only those acts that, by law or by the Articles of Association, are reserved to the Shareholders' Meeting.

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

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

Under Article 17.2 of the Articles of Association, as most recently amended by the Shareholders' Meeting of 5 October 2021¹⁵, in addition to the responsibilities that by law may not be delegated, the Board of Directors also has exclusive responsibility for:

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

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

As required by law and by the Articles of Association, the appointment of members of the Board of Directors is from lists presented by shareholders who, either alone or in concert with other shareholders, hold at least 2.5% of the Company share capital, as established by the Articles of Association and by Consob Resolution 76 of 30 January 2023. The lists must be filed with the registered office of the Company at least twenty-five days prior to the date set for the Shareholders' Meeting on first call and must be made publicly available at least twenty-one days prior to this date in compliance with current regulations.

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

¹⁵ Please note that to make it easier to manage the Company, the Extraordinary Shareholders' Meeting of 5 October 2021 resolved to amend letter (i) of Article 17.2 of the Articles of Association.

Each list must be filed, by the aforementioned deadlines, with (i) information concerning the identity of the shareholders who have presented the list and their percentage shareholding, (ii) statements in which each candidate accepts the candidacy, confirming that there is no cause that would make them ineligible or incompatible and that they meet the necessary requirements for appointment under current regulations, including any independence requirements for Statutory Auditors required by law and by the Corporate Governance Code, and that they do not exceed the limit to the total number of administration and control positions held in other companies, listed or unlisted; the statements of each candidate must confirm possession of the capacity for free expression and must also include a specific undertaking from each candidate that they will maintain their ability for independent judgement free from any external influence for the entire term of office, as well as a specific undertaking to dedicate an amount of time to the position consistent with correct and diligent fulfilment of the role and not to assume other administration and control positions that violate the internal regulation of the Company regarding the limit to the total number of positions held; (iii) a professional curriculum vitae from each candidate, indicating administrative and control and executive positions currently held and those held previously.

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

Furthermore, the Articles of Association, with reference to the appointment and replacement of the members of the Board of Directors, in compliance with the provisions of Article 147-ter, paragraph 1-ter of the Consolidated Finance Act and Article 144-undecies of the Regulation adopted by Consob Resolution No. 11791 of 14 May 1999, as amended (hereinafter, the "**Issuers' Regulation**"), provide for:

- the number of Directors respects the principle of gender balance, in compliance with applicable regulations¹⁶;
- the way in which the lists are drawn up and the substitution mechanisms for replacing persons during their term of office guarantee compliance with the principle of gender balance;
- the mechanisms used should the elected body not respect the principle of gender balance ensure that some or all of the last persons elected from the list that obtained the highest number of votes and that are of the gender most represented must step down to ensure compliance with the principle of gender balance, and must be replaced by the first persons that failed to be elected on the same list and belong to the less represented gender.

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

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

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

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

The Board of Directors will ascertain annually that the requirements for independence of Directors already appointed are still met. In all cases, an assessment that each Director classified as independent meets the independence requirements must be carried out by the Board of Directors in accordance with the principle of substance over form. Should the requirements for independence, as defined above, be found to be lacking in any independent director, they will forfeit the position unless at least the majority of members of the Board of Directors still meets the independence requirements. An independent Director losing their independence requirements during the term of office must immediately inform the Board of Directors. Furthermore, the independence

¹⁶ Article 14.4 of the Articles of Association was brought into line with regulatory provisions by resolution of the Board of Directors on 10 March 2020.

requirement will be considered not met if a Director has already held three consecutive positions as independent director of the Company.

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

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

In particular, the Board of Directors decided to use, in determining the materiality threshold of the “significant commercial relationship” and “significant additional remuneration” referred to in Recommendation 7 letters c) and d)¹⁷ the criteria already adopted by the Company in the Procedure for Related Party Transactions, which qualifies commercial relationships with individuals within the threshold of Euro 50,000.00 as Small Amounts.

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

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

- a) are a significant shareholder of the company;
- b) if they are, or have been in the preceding three financial years, an executive director or an employee: of the company, a strategically important subsidiary of the company or a company under common control;
- c) if, directly or indirectly (e.g. through subsidiaries or companies of which they are an executive director, or as a partner of a professional firm or a consulting company), they have or have had in the previous three financial years a significant commercial, financial or professional relationship (i.e. by resolution of the aforementioned Board of Directors of December 2020, a commercial, financial or professional relationship exceeding EUR 50,000.00);
- d) if they receive, or have received in the previous three financial years, from the company, one of its subsidiaries or the parent company, a significant remuneration (i.e. by resolution of the aforementioned Board of Directors of December 2020, a remuneration exceeding Euro 50,000.00) in addition to the fixed remuneration for the office and to that provided for participation in the committees recommended by the Code or provided for by the regulations in force;
- e) if they have been a director of the company for more than nine financial years, even if not consecutive, in the last twelve financial years;
- f) are an executive director in another company in which an executive director of the issuer is also a director;
- g) if they are a shareholder or director of a company or entity belonging to the group of the company that is appointed as auditor to the company;
- h) is closely related to a person in any of the situations described above.

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

The mandate of the Board of Directors, currently ongoing, was conferred by the Shareholders' Meeting of 20 April 2020 and will end with the one held on 31 December 2022 to approve the financial statements.

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

¹⁷ Recommendation 7 of the Corporate Governance Code:

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

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

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

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

On 14 June 2022, the Board of Directors co-opted Professor Ferruccio Resta as Director, to replace Anna Gatti, who had resigned.

During the meeting of 13 October 2022, the Board of Directors co-opted Regina De Albertis and Agostino Santoni as directors, to replace the resigning Angelo Meregalli and Marina Natale.

The term of office of directors Resta, De Albertis and Santoni, pursuant to current legal provisions, will expire with the next Shareholders' Meeting, called for 27 April 2023.

The Board of Directors is currently made up of nine Directors, all of whom have the professionalism and skills appropriate to the tasks entrusted to them, as shown by the CVs/resumes of the individual Directors and as confirmed at the end of the Self-Assessment activity carried out by the Board of Directors for the Financial Year.

A brief CV/resume for each Director in office at 31 December 2022 giving their main personal and professional details, as well as a list of positions held, is given below.

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

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

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

He is currently Chairperson of the Board of Directors of the companies Medtech SpA, Emotec S.r.l., Sidam S.r.l., Marsupium S.r.l., Ocean S.r.l. and is an independent Director of Muzinich & Co. He is also a Director of Bocconi University and a member of the Board of Directors of Fondazione Assolombarda.

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

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

Born in Ivrea (TO) on 29 October 1970, he graduated in Economics and Business at the University of Pavia and then continued his education with the prestigious General Management Program 15 at Harvard Business School (USA). After his first positive work experience, he followed the Fineco Bank project through the two companies involved, in the role of CRM Senior Project Manager in Matrix SpA and General Manager in Acroservizi SpA. He then held the position of Regional Sales Director in Vodafone Italia N.V., then CEO in Nexive Italia SpA and subsequently CEO in Logista Italia SpA. Finally, prior to his appointment at Fiera Milano, he served as CEO and General Manager of Edenred Italia S.r.l. and member of the Board of Directors of Edenred Italia Fin S.r.l. until December 2020.

In June 2022, he was appointed Cavaliere al Merito (Knight of Merit), of the Italian Republic.

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

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

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

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

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

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

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

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

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

He currently holds the position of Chairperson of the Board of Statutory Auditors of United Ventures One SpA, SICAF EuVeca and United Ventures SGR SpA, Statutory Auditor of Banco di Desio e della Brianza SpA and of Esercizi Aeroportuali S.E.A. SpA.

- **Regina De Albertis**, Director, appointed by the Board of Directors pursuant to Article 2386 of the Italian Civil Code on 13 October 2022, is independent pursuant to Article 148, paragraph 3, of the Consolidated Finance Act (**Non-executive Director**).

Born in Milan on 16 April 1983, she graduated in Building Engineering and Construction Management at the Politecnico di Milano.

Managing Director and Technical Director of Borio Mangiarotti SpA and Board Member of La Triennale di Milano, Ms De Albertis is also President of Assimpredil Ance and member of the Board and General Council of the Chamber of Commerce of Milan, Monza Brianza, Lodi.

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

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

- **Ferruccio Resta**, Director, appointed by the Board of Directors pursuant to Article 2386 of the Italian Civil Code on 14 June 2022, is independent pursuant to Article 148, paragraph 3, of the Consolidated Finance Act and pursuant to the Corporate Governance Code (**independent Non-executive Director**).

Born in Bergamo, Italy, on 29 August 1968, he graduated in 1992 with a degree in Mechanical Engineering from the Politecnico di Milano, where he obtained a PhD in Applied Mechanics and continued his academic career, first becoming Full Professor of Applied Mechanics to Machines, then Director of the Department of Mechanics and Rector's Delegate for Research Enhancement and Technology Transfer. Former Rector of the Politecnico di Milano (from 2016 to 2022) and President of CRUI - Conference of Italian University Rectors, Professor Resta is now President of MOST - National Centre for Sustainable Mobility.

In 2019, the President of the Republic awarded him the honour of Commendatore (Commander) of the Italian Republic.

Professor Resta is currently a member of the Board of Directors of the Veneranda Fabbrica del Duomo, Allianz SpA, Leonardo SpA and Il Sole 24 Ore SpA.

He is an expert member of the Technical Mission Structure at the Ministry of Infrastructure and Transport.

- **Agostino Santoni**, Director, appointed by the Board of Directors pursuant to Article 2386 of the Italian Civil Code on 13 October 2022, is independent pursuant to Article 148, paragraph 3, of the Consolidated Finance Act (**Non-executive Director**).

Agostino Santoni has many decades of experience in the Italian IT industry: he began his career at Compaq Computer, then at HP, where he held roles of increasing responsibility for HP's Italian branch and for the parent company, rising to the position of Vice President & Enterprise Sales Director of HP Italy. From 2009 to 2012 he was CEO of SAP Italia and from the end of 2012 to March 2021 he held the role of CEO of Cisco Italia.

He is currently Vice President of Cisco Southern Europe with responsibility for Italy, France, Spain, Portugal, Greece, Cyprus, Malta and Israel. He is also a member of the Cisco Foundation Board of Trustees.

Former President of Assinform and Confindustria Digitale, Agostino Santoni is Vice President of Confindustria with responsibility for Digital.

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

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

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

She is currently a member of the Board of Directors of DeA Capital SpA and Cattolica Assicurazioni SpA. She is also Deputy Chairperson of the Board of Directors of Fondazione La Triennale di Milano.

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

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

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

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

The Appointments and Remuneration Committee at its meeting of 9 February 2023 and, subsequently, the Board of Directors at its meeting of 20 February 2023, verified the existence of the independence requirements of the directors, on the basis of self-certifications produced by each director and kept on file by the Company. On 17 February 2023, the Board of Statutory Auditors, as part of its duties required by law, certified that the Board of Directors had correctly applied the criteria and procedures for ascertaining and evaluating the independence of its members. The Chairperson of the Board of Directors and the Chairperson of the Board of Statutory Auditors confirmed that the independence requirements were met by the aforementioned independent directors. With reference to the assessment of the independence of the Chairperson of the Board of Directors, please note that due to the exercise of the operating powers received in 2020 following the resignation of the then CEO Fabrizio Curci, the Board of Directors, since the term of three financial years necessary to reacquire the status of independent had not yet elapsed, deemed the Chairperson to be non-independent pursuant to Article 2, paragraph 7.b) of the Corporate Governance Code.

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

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

In the Financial Year under review, even in the absence of a diversity policy, the following measures were implemented regarding the Company's strategy of diversity in the composition of the administration, management and control bodies.

Under the current Articles of Association, the composition of the Board of Directors must meet the legal requirements for gender balance. Moreover, the composition of the Board must reflect adequate diversity in terms of skills, experience, age, gender and international profile¹⁸. Guidance on the optimal qualitative composition of the Board of Directors is contained in the Guidance Opinion on the Qualitative and Quantitative Composition of the New Board of Directors addressed to shareholders on the occasion of each renewal of the Board of Directors.

Furthermore, the Rules, as defined below, set out the requirements that the directors must meet in addition to those provided for by the applicable laws and regulations, in order to ensure the proper functioning of the administrative body.

It should also be noted that two-fifths of the Board of Directors of Fiera Milano is made up of the least represented gender, i.e., in the case in point, the female gender, and that generational and professional diversities are adequately present in addition to gender diversity.

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

Regarding the diversity policies applied by the Company within its own organisation, please note, in line with the provisions of its Code of Ethics, as defined below and available on the website www.fieramilano.it, Fiera Milano offers all workers the same work opportunities, ensuring that everyone can enjoy fair treatment based on merit criteria, without any discrimination.

For the Fiera Milano Group, offering every employee the same opportunities to develop their skills and aptitudes, avoiding any discrimination on the basis of race, nationality, gender, age, physical disability, sexual orientation, political or trade union opinions, philosophical views or religious beliefs, is considered a core aspect of its management policy. With particular reference to the issue of female employment, it should be noted that the commitment of Fiera Milano and the other Group companies is not limited to legal obligations. During the Financial Year, in fact, the equal opportunities report was also drawn up by those Group companies exempt from the regulatory obligation and, even more importantly, work was undertaken to analyse and adapt the corporate structure and policies with a view to obtaining, at Group level, gender equality certification, certifying, on the basis of specific qualitative and quantitative indicators, a policy aimed at enhancing and protecting diversity and equal opportunities in the workplace. This process will be completed in 2023.

¹⁸ In 2020, Fiera Milano's Articles of Association underwent an amendment by the Board of Directors, to make them consistent with the new provisions of Law 160/2019 regarding the gender distribution of members of corporate bodies.

In addition, the company has a Diversity & Inclusion Manager, whose task is to coordinate all activities aimed at fostering the development of a human resources management policy that values gender equality, promoting actions that maximise the value of diversity and inclusion in the company.

For more details on the diversity policies adopted by the Company, please refer to the Consolidated Disclosure of Non-Financial Information pursuant to Legislative Decree no. 254/2016, made available on the Company's website, www.fieramilano.it in the *Investors/Documents* section.

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

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

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

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

Fiera Milano SpA

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

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

In accordance with the Rules of the Board of Directors:

- executive positions refer to: chief executive officer, member of the management board, chairperson of the Board of Directors or Supervisory Committee, general manager;
- non-executive positions and positions with control refer to: members of the Board of Directors with no executive responsibilities, members of the Supervisory Committee and members of the Board of Statutory Auditors;
- companies of material size refer to those with consolidated revenues in excess of Euro 500 million or with a total number of employees exceeding 500.

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

For all information concerning the offices held by the directors, please refer to Section 4.3 of this Report, as well as Table 1 attached thereto.

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

The Board of Directors of Fiera Milano has adopted the 'Rules of the Board of Directors of Fiera Milano SpA', hereinafter the "**Rules**" - last updated on 8 November 2021 - to bring the organisation and operation of the Board of Directors into line with the provisions of current laws, the Articles of Association of the Company, the Corporate Governance Code and internal governance procedures.

Together with their attachments, the Rules of the Board of Directors govern the appointment and composition, the operating methods, responsibilities, powers and funds of the Board of Directors, the assessment procedure and amendments to the Regulations. Any omission in the Regulations is covered by the provisions of laws and regulations *ratione temporis*.

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

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

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

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

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

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

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

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

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

During the Financial Year, the Company usually met the deadlines set. The exceptions were limited cases where the delay was justified by the exceptional urgency of the issues under examination and/or resolved upon.

With the Company Secretariat's support, the Chairperson ascertains that the information mentioned above has been provided to the directors and the statutory auditors, confirming this at the start of the meeting. During the Financial Year, compliance with deadlines was a constant focus of the Chairperson, to ensure the adoption of suitable Board decisions, and deadlines were, generally, met.

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

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

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

During the Financial Year, the Board of Directors held 10 meetings, which were regularly and assiduously attended by the directors (the number of meetings attended by each member of the Board of Directors is shown and can be consulted in Table No. 1 attached to this Report). The average duration of the Board meetings was approximately 2 hours 30 minutes. In the current Financial Year, as at the date of this Report, 1 (one) meeting has already been held.

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

4.5 Role of the Chairperson

Pursuant to specific provisions of law and the Articles of Association, the Chairperson convenes and sets the agenda of the Board of Directors' meetings, encourages internal debate and promotes the effective functioning of the corporate governance system, ensuring the coordination of the Board committees' activities with those of the Board and the balance of powers with respect to the CEO.

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

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

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

With specific reference to the Financial Year, it should be noted that managers of the Company or the Group and the Heads of the various corporate functions assiduously took part in Board meetings to provide support in dealing with the items on the agenda: in particular, by way of example only, we acknowledge the regular attendance at meetings of the Chief Financial Officer with regard to the approval of financial reports, of the Head of Investor Relations and Sustainability on the occasion of the approval of press releases and updates concerning relations with shareholders and stakeholders and sustainability the Head of Internal Audit on the occasion of the approval of the Audit Plan and the presentation of the related reports, the Chief of Corporate Staff on the occasion of the examination of issues pertaining to corporate organisation, the Risk Manager on the occasion of the examination of ERM risk assessments, the Head of the Compliance Department on the occasion of the presentation of the annual compliance plan and the updating of the organisational model pursuant to Legislative Decree 231/2001.

It should also be noted that in the context of the Board meetings scheduled for 2022, the Heads of the competent corporate functions presented the Digital Data & Media Plan 2022 - 2025, the Sustainability Plan 2022 and the Business Continuity Management Project to the Board of Directors and the Board of Statutory Auditors, delving into issues of primary interest also with a view to the strategic development of the Group. During these meetings, the directors received adequate information on the context in which Fiera Milano operates, the company organisation and its evolution.

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

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

Assisted by the Chief Executive Officer, the Chairperson ensures that the Board of Directors is promptly informed of the development and significant contents of the dialogue with Institutional Investors and, in particular, with shareholders, in line with the principles set out in the Corporate Governance Code and based on the provisions of the 'Policy for managing dialogue with Institutional Investors and with Fiera Milano shareholders in general'. For relations with shareholders, please refer in detail to Chapter 12 of this Report.

Finally, in accordance with the provisions of the Corporate Governance Code and pursuant to the Board of Directors Regulation, the self-assessment process of the Board of Directors is promoted and managed by the Chairperson of the Board of Directors (with the support of the Appointments and Remuneration Committee), who ensures its adequacy and transparency.

- **Secretary of the Board**

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

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

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

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

It should be noted that on 13 October 2022, the Board of Directors appointed Mr Alessio Minutoli, lawyer, as Secretary of the Board, who took on the role of Legal, Compliance and Corporate Affairs Director at Fiera Milano as of 1 October 2022.

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

4.6 Executive Directors

• Chief Executive Officer

Following his appointment by the Board of Directors on 15 December 2020, as of 1 January 2021, Mr Luca Palermo assumed the position of chief executive officer (hereinafter, the “**Chief Executive Officer**”) and general manager of Fiera Milano.

The Chief Executive Officer has been vested with all powers relating to the ordinary management and administration of the Company, with the exclusion of those matters reserved by law to the Board of Directors, the matters indicated in Articles 17.1 and 17.2 of the Articles of Association, and the additional matters that remain remit of the Board of Directors.

In particular, with the aforementioned resolution of the Board of Directors, the following powers were granted to the Chief Executive Officer:

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

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

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

By the same resolution, Mr Luca Palermo was also appointed:

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

The Board of Directors therefore assigned specific duties to the CEO as general manager of Fiera Milano, and more specifically:

1. To conclude, amend and terminate consultancy and cooperative agreements, contracts for the use of intellectual property and professional services in general for an amount or commitment not exceeding Euro 1,000,000.00 (one million point zero zero) per transaction, without prejudice to the fact that the Board of Directors remains responsible for appointments, consultancies and services for over Euro 100,000.00 (one hundred thousand point zero) that are not within budget limits.
2. To assign mandates to banks, credit institutions, financial and trust companies to carry out equity services on behalf of the Company, negotiating the relative conditions and making the necessary payments.
3. To carry out banking transactions, including opening bank accounts, making deposit agreements, transferring cash and cash equivalents among banking institutions and using the current account and overdraft facilities within the credit limits previously requested and obtained by the Company.
4. To negotiate, enter into, amend, withdraw from or terminate contracts, business proposals, documents and/or deeds of any nature whatsoever concerning the sale and/or provision of consumer goods or services, with no limitation on amount.

5. Negotiate, conclude, amend, execute and terminate for any reason, title or cause whatsoever all contracts, documents and/or acts of any nature whatsoever concerning the purchase of individual goods or services necessary for the Company's business, which entail the Company's assumption of commitments within the economic limit of Euro 2,000,000.00 (two million point zero zero) for each individual transaction.
6. To conclude, amend and terminate insurance contracts covering all types of risks, lease and factoring contracts for sums not exceeding Euro 5,000,000.00 (five million point zero zero) for any single transaction.
7. To conclude, amend and terminate tender contracts of any kind, including services, works, and transport contracts, commission agreements, deposit contracts, agency and sale contracts, loan for use, hire, agency and carrier services agreements for sums not exceeding Euro 20,000,000.00 (twenty million point zero zero) for any transaction.
8. To represent the Company, in Italy and abroad, in tenders and, in general, any procedures for the award of contracts of any kind, from public or private entities and their agents and sub- agents, stipulating and signing contracts in the name of and on behalf of the Company, giving expressions of interest, applications, financial quotations or any other relevant statement or declaration defining prices, agreements and conditions, constituting and releasing security deposits, receipt of payments, issuing valid receipts and disclaimers to the cashiers, offices and officials in charge of payment and signing the relevant contracts.
9. To dispose of, destroy or scrap machinery, equipment, plant, vehicles and any other type of asset having completed any formalities required by the public registers for ownership and including the cancellation of mortgages.
10. To buy, sell, register, grant or conclude licences for the use of patents, trademarks, models, domains and/or websites, publications, copyrights and all intellectual property rights in general, provided they are inherent to the corporate purpose.
11. To oversee the organisation of work, define the Company's organisation chart and ensure that all company functions act in coordination with each other, defining each function's tasks and responsibilities, setting objectives, and measuring their achievement.
12. To adopt all necessary measures to ensure the regular operation of the Company.
13. To make available and/or authorise the payment of the salaries and contributions of Fiera Milano employees, referred to each month, and taking any action to ensure the above and carrying out and/or subscribing to any means useful or necessary to compile the forms for the payment of costs related to the monthly wages (i.e. national insurance contributions and statutory deductions) and the payment of these costs.
14. To coordinate and optimise all Company operations and projects to enhance their efficiency and ensure they work towards the aims of the Company.
15. To ensure strict compliance with laws, internal regulations and instructions.
16. With the power to assign special powers of attorney for certain acts or categories of acts, within the limits of the powers received.

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

• **Other Executive Directors**

There are no other directors on the Board to be considered executive besides the Managing Director, who also holds the position of General Manager.

4.7 Independent Directors and Lead Independent Director

• *Independent Directors*

The Board of Directors consists of five independent directors within the meaning of the Consolidated Finance Act and the Corporate Governance Code, out of a total number of nine.

The Appointments and Remuneration Committee at its meeting of 9 February 2023 and, subsequently, the Board of Directors at its meeting of 20 February 2023, verified the existence of the independence requirements for directors Alberto Baldan, Stefania Chiaruttini, Francesca Golfetto, Ferruccio Resta and Elena Vasco.

On this point, it should be noted - as will be further detailed below - that as of 31 December 2022, both board committees were composed of a majority of independent directors, as required by the Corporate Governance Code.

In addition to at the time of appointment, the continued existence of the independence requirement for directors is checked annually on the basis of the criteria set out in the Corporate Governance Code¹⁹ and other applicable regulatory provisions.

This verification is carried out on the basis of the self-declarations issued by each director at the time of self-evaluation in relation to the existence of this requirement, pursuant to Article 148, paragraph 3, of the Consolidated Finance Act as recalled by Article 147-ter, paragraph 4, of the Consolidated Finance Act, as well as Article 2, Recommendation 7, of the Corporate Governance Code.

With specific reference to the assessment of the independence of the Chairperson of the Board of Directors, please note that due to the exercise of the operating powers received in 2020 following the resignation of the then Chief Executive Officer Fabrizio Curci, the Board of Directors decided to qualify the Chairperson as non-independent pursuant to Article 2 paragraph 7.b) of the Corporate Governance Code.

As a result of the annual self-assessment process of the Board of Directors conducted with reference to the Financial Year, it was found that the number and remit of the independent directors were adequate to the needs of the company and the functioning of the Board, and that the independent directors actively contributed to the taking of corporate decisions

The assessment of the independence of the directors, carried out with reference to the Financial Year, was submitted to the Board of Statutory Auditors, which, at its meeting of 17 February 2023, verified - with a positive outcome - the correct application of the criteria adopted by the Board of Directors and the assessment procedures used by the latter in assessing the independence of its members.

• *Lead Independent Director*

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

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

¹⁹ In December 2020, the Board of Directors of Fiera Milano, taking into account the criteria identified by the Corporate Governance Code, defined the quantitative criteria to be used for the assessment of the significance of existing relationships for the assessment of the existence of the independence requirement.

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

5. Management of corporate information

The Company's Board of Directors has adopted a "Procedure for the Internal Management and External Disclosure of Inside Information and for Keeping Records" (hereinafter, the "**Procedure**"), as well as the related "Implementing Measures of the Procedure for the Internal Management and External Disclosure of Inside Information and for Keeping Records" (hereinafter, the "**Implementing Measures**"), most recently updated in July 2022, with the aim of guaranteeing the confidentiality of this information while ensuring that the market is provided with clear, complete and consistent information, in compliance with the relevant regulations.

In particular, the Procedure, pursuant to Regulation (EU) 596/2014 ("MAR"), provides for specific sections dedicated to the definition of relevant and privileged information, the related procedures and the methods for managing so-called market rumours, regulating at the same time the cases of delayed market disclosure, the approval process for press releases, the persons authorised to deal with external relations and the persons required, instead, to maintain confidentiality.

The Procedure also regulates the keeping and updating of the so-called "Relevant Information List - RIL" and the "Insider List" and identifies the Head for the management of the Register, an info room committee and the individuals that can be registered in it. It also regulates the initial registration procedures and subsequent updates, as well as the confidentiality aspects of the information and the procedures for handling it in cases where the delayed disclosure procedure is triggered.

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

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

The Board of Directors, also in compliance with the Corporate Governance Code, has resolved to set up internal committees to assist the Board in performing its functions.

In particular, the Board of Directors has established the Control, Risk and Sustainability Committee and the Appointments and Remuneration Committee, whose roles and functions of a consultative and/or propositional nature are aligned with the standards set forth by the Corporate Governance Code and market best practices in corporate governance.

As of 31 December 2022, both internal committees of the Board of Directors consisted of a majority of non-executive and independent directors: specifically, the Control, Risk and Sustainability Committee is composed exclusively of independent directors pursuant to the Consolidated Finance Act and the Corporate Governance Code, while the Appointments and Remuneration Committee is composed of a majority of independent directors pursuant to the Consolidated Finance Act and the Corporate Governance Code. Both committees are chaired by directors who meet the requirements of independence. It should also be noted that at least one member of the Nomination and Remuneration Committee has adequate knowledge and experience in financial matters or remuneration policies.

With regard to the Appointments and Remuneration Committee, it should be noted that the Company deemed it appropriate to continue to keep the activities relating to remuneration and appointments unified in a single committee. This, in light of the fact that, also by virtue of the Company's small size and high degree of ownership concentration as of 31 December 2022, it has been verified that this approach is capable of achieving the objectives set by the Corporate Governance Code.

Likewise, the Company decided to include among the typical tasks of the Risk Control Committee the review of issues relevant to the generation of long-term value and the sustainable success of the company, and consequently changed the name of this committee to the Control, Risk and Sustainability Committee.

On this point, it should be noted that, given the importance that sustainability issues have taken on and will increasingly take on within the Fiera Milano Group, the outgoing Board of Directors, in its Guidelines on the composition of the new Board of Directors of Fiera Milano for the three-year period 2020-2022, approved and published on 20 February 2023, suggested evaluating the advisability of setting up a Sustainability Committee in the future, separate from the Control and Risk Committee, made up of members with strong remit in this area.

The Control, Risk and Sustainability Committee, as a body composed exclusively of non-executive and independent directors, is also the body entrusted with expressing a reasoned opinion on the Company's interest and the substantial fairness of the conditions applied in the case of transactions with related parties of greater or lesser significance.

Regarding the procedural safeguards adopted by the Company for transactions with related parties, please refer to Chapter 10 of this Report.

The operation of the committees is governed by specific regulations adopted by resolution of the Board of Directors, to which the committees report periodically on the performance of their activities. The rules of operation of the individual committees provide for the documentation to be made available to those present well in advance through the IT application used by the Company, guaranteeing the confidentiality of the information shared. The Chairperson of each committee may invite the Chairperson of the Board of Directors, the Chief Executive Officer, individual directors and, informing the CEO, also the managers of Fiera Milano or of group companies, or other individuals whose presence may help in the better performance of the functions of the committee itself. The Head of Internal Audit, as defined below, is usually invited to Control, Risk and Sustainability Committee meetings, while the Chief Corporate Staff is usually invited to Appointments and Remuneration Committee meetings.

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

7.1 Self-assessment and succession of directors

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

In accordance with the provisions of the Corporate Governance Code, the Rules of Procedure of the Board of Directors establish that at least every three years, in view of its renewal, the Board of Directors shall carry out a self-assessment of itself and its Committees in relation to the adequacy of their size and composition, as well as with respect to their actual functioning, in order to periodically verify the effectiveness of its activities and the contribution made by its individual members, and to provide any indications regarding the professional qualities whose presence on the Board is deemed appropriate.

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

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

The self-assessment process is carried out by the Board of Directors supported, for the related activities, by the Appointments and Remuneration Committee.

At its meeting of 15 December 2022, the Board of Directors resolved to start the self-assessment process of itself and its internal committees with reference to the Financial Year, with the sole support of the Company Secretariat.

The self-appraisal involves the following steps:

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

In particular, in the context of the self-assessment carried out with reference to the Financial Year, the documentation and questionnaires examined showed that all members confirmed:

- the absence of causes of ineligibility and incompatibility, pursuant to current laws and regulations, as well as the Articles of Association of Fiera Milano;
- that they met the requirements of Article 2382 of the Italian Civil Code;
- that they were not the subject of a disqualification order adopted in a member state of the European Union;
- that the Board of Directors is composed of five independent directors out of a total number of nine, pursuant to both Article 2, Recommendation 7 of the Corporate Governance Code²⁰ (which requires the presence of a "significant" component of independent directors within the Board of Directors), and Article 148, Section 3, of the Consolidated Finance Act; specifically:
 - the following directors meet both independence requirements: Alberto Baldan, Stefania Chiaruttini, Francesca Golfetto, Ferruccio Resta, Elena Vasco;
 - the following directors only meet the independence requirements pursuant to Article 148, paragraph 3 of the Consolidated Finance Act: Carlo Bonomi, Regina De Albertis, Agostino Santoni;
 - the Chief Executive Officer, Mr Luca Palermo, as executive director, cannot be counted among the independent directors;
- that they have not exceeded the limit for the accumulation of directorships and auditorships by directors;
- that the current size of the Board (nine members) is appropriate in view of the structure and size of the company;
- that the composition of the Board is balanced and ensures the diversity of its members. In particular:
 - gender diversity is well represented on the Board, with two-fifths of the directors being female, i.e. the least represented gender;
 - generational diversity is well represented on the Board, as members are from different age groups and professional backgrounds²¹;
 - the diversity of professional skills is well represented on the Board, which consists of specialised professionals working in different sectors²²;
- that each Director has a good knowledge and experience in at least two of the areas of remit set out in the Board Rules;
- that overall, in relation to the number Board Directors, the Board has a high level of competency in each area appraised;

	Knowledge of the trade fair sector	Business management and/or organization	Balance Sheet Data reading skills	Corporate governance skills	International experience and knowledge of foreign markets	Knowledge of remuneration packages	Business risk management
High	4	7	7	6	3	4	5
Average	5	2	2	3	6	5	4

Basic

- that the functioning of the Board is generally adequate for the operating requirements of Fiera Milano; specifically:
 - the Board has effectively exercised its powers to define the general planning and strategic policies of the Company and the Group;
 - the Board operates effectively to monitor, promote and encourage compliance with relevant rules and regulations;

²⁰ Please note that in its resolution of 15 December 2020, the Board of Directors of Fiera Milano, in resolving to adopt the Corporate Governance Code, also quantified the "significant business relationship" and "significant additional remuneration" in the annual sum of Euro 50,000.00 for assessing the independence requirements of directors and statutory auditors referred to in points c) and d) of Article 2, recommendation 7 of the Corporate Governance Code.

²¹ On this point, it is suggested that the inclusion of an "under-35" profile be considered.

²² On this point, a strengthening of sectoral and digital skills is suggested.

- the risks to which the Company is exposed are adequately identified and addressed;
- Board discussions are thorough and participated in by the members through a process that contributes to reaching properly agreed decisions;
- the Chairperson ensures proper management of the discussion of board meetings;
- members are prepared for the Board's discussions and spend the necessary time examining the documentation relating to the items on the agenda;
- independent directors actively participate in board discussions and consciously contribute to the decision-making process;
- the frequency and duration of Board meetings are adequate for the items on the agenda;
- the manner in which meetings are held by telecommunication means allows participants to follow and intervene in the discussion in real time;
- the agenda and the minutes of the meetings were adequate for the proper functioning of the Board;
- Board activities are generally given a positive assessment;
- that the pre-consultation information is adequate;
- that the information flows between the Board and other company boards are adequate.

- **Succession of directors.**

Regarding the procedure for the appointment and succession of directors, however, the following should be noted.

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

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

In view of the forthcoming renewal of the administrative body, which will be carried out by the Shareholders' Meeting convened for 27 April 2023, the outgoing Board of Directors has expressed its guidance on the quantitative and qualitative composition deemed optimal, making available to shareholders the "Guidelines on the composition of the new Board of Directors of Fiera Milano for the three-year period 2023-2025" (hereinafter, the "**Guidelines**"). The aforesaid document was published on 20 February 2023 on the Company's website, www.fieramilano.it, in the *Investors/Governance/Shareholders' Meeting* section, as well as on the authorised storage mechanism www.emarketstorage.com, well in advance of the publication of the notice of the Shareholders' Meeting relating to the renewal of the Board.

Within the framework of the Guidelines, the outgoing Board of Directors also recommended that shareholders intending to submit a list containing more than half the number of candidates to be elected, provide adequate information, in the documentation submitted for the filing of the list, on the compliance of the list with the orientation expressed by the Board of Directors, also with reference to the diversity criteria set forth in Principle VII and Recommendation 8 of the Corporate Governance Code, and to indicate their candidate for the office of Chairperson.

In March 2019, the Company also adopted, in compliance with Recommendation 24 of the Corporate Governance Code, the procedure for the adoption of a succession plan for executive directors with the aim to ensure their prompt replacement in the event of termination from their office different from the natural termination of the mandate, in order to guarantee an orderly succession in the top management positions through a rapid replacement of the discontinued executive directors, thus ensuring the continuity and stability of the management.

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

7.2 Appointments and Remuneration Committee

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

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

The Nomination and Remuneration Committee is made up of the non-executive and independent directors Elena Vasco, acting as Chairperson, and Alberto Baldan, and the non-executive Director Agostino Santoni. Members of the Appointments and Remuneration Committee have the necessary experience to carry out their assigned duties with respect to appointments and remuneration and receive remuneration for their work.

For all information concerning the composition, duties and functioning of the Appointments and Remuneration Committee, please refer in more detail to the Report on Remuneration Policy and Remuneration Paid drawn up pursuant to Article 123-ter of the Consolidated Finance Act, published on 31 March 2023 and available on the Company's website, www.fieramilano.it, in the Investors/Governance/Shareholders' Meeting section, as well as Table 1 attached to this Report.

The Appointments and Remuneration Committee assists the Board of Directors in preparatory work, advises and makes recommendations on appointments and remuneration matters. In particular, pursuant to the rules of the Appointments and Remuneration Committee, the Committee has the following functions in relation to appointments:

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

During the Financial Year, the said Committee held seven duly minuted meetings and carried out its responsibility to table proposals to the Board of Directors. The average duration of the meetings of this Committee was approximately 1 hour. At the date of approval of this Report, three meetings had been held in the current financial year.

Meetings of the Appointments and Remuneration Committee are attended by at least one auditor and the Chief Corporate Staff of Fiera Milano.

With reference to the Financial Year, the meetings were always attended by at least one auditor.

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

During the Financial Year, the activities of the Appointments and Remuneration Committee concerned appointments:

- examination of the candidature of Professor Ferruccio Resta for co-option as director of Fiera Milano, to replace the resigning Ms Anna Gatti;
- the examination of the candidatures of Mr Regina De Abertis and Mr Agostino Santoni for the appointment by co-option as director of Fiera Milano, to replace the resigning directors Ms Marina Natale and Mr Angelo Meregalli.

The Committee, also (i) conducted - in relation to the 2021 financial year - the self-appraisal to verify the adequacy of its composition and operating rules; (ii) presented, through the Chairperson, detailed reports on the activities carried out at each meeting of the Board of Directors and approved the annual report referring to the year 2021 and the half-yearly report referring to the year 2022; (iii) provided support to the Board of Directors in defining the procedures for the self-assessment process of the Board itself and the Board Committees for the Financial Year and the Guidelines.

8. Remuneration of Directors - Appointments and Remuneration Committee

8.1 Remuneration of directors

The variable part of the remuneration of the Chief Executive Officer and the Executives with Strategic Responsibilities is linked to achievement of the specific performance targets, indicated in advance and determined in accordance with the remuneration policy approved by the Board of Directors. Please refer, for the details of interest, to the Report on Remuneration Policy and Remuneration Paid Drafted Pursuant to Article 123-ter of the Consolidated Finance Act, published on 31 March 2023 and available on the Company's website, www.fieramilano.it, in the *Investors/Governance/Shareholders' Meeting* section, regarding:

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

8.2 Appointments and Remuneration Committee

With reference to the composition and functioning of the Appointments and Remuneration Committee, please refer to what has already been set forth in Section 7.2 of this report, considering that the same Committee also performs the typical functions of the Remuneration Committee.

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

- e) assists the Board of Directors in drawing up the remuneration policy, for its presentation to the Shareholders' Meeting called to approve the financial statements as required by law;
- f) submits proposals and expresses opinions on the remuneration of executive directors, directors holding special offices and top management²³, regarding the various forms of remuneration and economic treatment;
- g) assists the Board of Directors in drawing up share-based remuneration plans for executive directors, directors holding special offices and top management;

²³ Top management means senior managers who are not members of the Board of Directors and who have the power and responsibility for planning, directing and controlling the activities of the company and its group; it being understood that the Committee shall refer, for identification from time to time of the same, to the top management identified in the Remuneration Report drawn up pursuant to Article 123-ter of the Consolidated Finance Act.

- h) presents proposals and expresses opinions on the setting of performance targets (MBO, LTI Plans and/or stock option plans, if any) connected to the determination of the variable remuneration of executive directors, directors holding special offices and top management;
- i) proposes the definition, in relation to executive directors and directors holding special offices, of end-of-office indemnities for Directors, as well as non-competition agreements;
- j) monitors the practical implementation of the Remuneration Policy, in particular, verifying the actual achievement of performance targets;
- k) periodically assesses the adequacy and overall consistency of the remuneration policy for executive directors, directors holding special offices and top management;
- l) informs the shareholders' meeting about procedures for exercising its functions in reports to be presented in compliance with applicable law.

During the Financial Year, the activities of the Appointments and Remuneration Committee concerned remuneration:

- review of the Remuneration Report pursuant to Article 123-ter of the Consolidated Finance Act and in particular the remuneration policy to be presented for approval to the Board of Directors and the Shareholders' Meeting convened to approve the financial statements for the year;
- review of the short-term incentive plan (MBO) for the Chief Executive Officer and for Top Management for the Financial Year;
- the review of the final results of the 2021 Short-Term Incentive Plan (MBO) and the first vesting period (2021) of the LTI 2021-2022 plan of the CEO and Top Management;
- the examination of the proposed definition of the employee engagement index referred to in letter C) - Year 2022 of the rules underlying the LTI Plan 2021 - 2022;
- first indications on the revision of Fiera Milano incentive systems

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

The company and Group's internal control and risk management system is in line with the Corporate Governance Code and represents the set of rules, procedures and organisational structures that allow for identifying, measuring, managing and monitoring the main risks. In order to contribute to the sustainable success of the Company and the Group. This system leads to a consistent company and Group, with the goals defined by the Company's Board of Directors in their sights, taking informed decisions. It assists in ensuring: (i) the protection of equity, (ii) efficient and effective corporate procedures, (iii) reliability of financial reporting to corporate bodies and the market, and (iv) compliance with applicable laws and regulations, the Articles of Association, and internal procedures.

Fiera Milano uses a structured and integrated Group-level risk management model rooted in internationally recognised Enterprise Risk Management (hereinafter "ERM") standards.

Based on a risk mapping method that directly involves the Group's management in their capacity as risk owners, the ERM process assists in the assessment, definition and planning of company objectives and strategies, as well as the correct implementation of the following activities through their integration in company planning and management processes:

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

Organisational and procedural oversight of the ERM process is guaranteed by the Risk Management function, which is responsible for the proper functioning of the overall corporate risk management process and operates according to the provisions of the ERM Policy, approved by the Board of Directors, which regulates roles and responsibilities within the Fiera Milano Group's corporate risk identification, measurement, management, monitoring and reporting process.

The ERM process integrates ESG - Environment, Social and Governance risks, which refer to events that may jeopardise the achievement of the Group's sustainability objectives in the five thematic areas of environment, social, personnel, human rights and anti-corruption.

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

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

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

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

With reference to the internal control system implemented, in relation to the financial reporting process, Fiera Milano has consolidated an accounting and administrative control model over the years, based on the indications of Law 262/05, which includes the planning and performance of periodic audits of the operational effectiveness of controls to support the certification process of the Financial Reporting Officer.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- **Monitoring the administrative and accounting procedures**

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

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

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

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

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

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

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

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

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

With reference to the provisions of Article 15, as recalled by Article 18, paragraph 1, of the Market Rules adopted by Consob with resolution No. 20249 of 28 December 2017 (“**Market Rules**”), we inform you that the Company and its subsidiaries have administrative-accounting systems that allow for the accounting situations prepared for the purpose of preparing the consolidated financial statements to be made available to the public by the companies falling within the scope of said rules and are suitable for regularly providing the Company’s management and auditor, as parent company, with the data necessary for the preparation of the consolidated financial statements themselves.

Therefore, the conditions exist under the aforementioned Article 15, letters a), b) and c) of the Market Rules.

9.1 Chief Executive Officer

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

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

The Chief Executive Officer, with the support of the relevant corporate functions and in execution of the guidelines defined by the Board of Directors, is responsible for the design, implementation and management of the internal control and risk management system, constantly verifies its adequacy and effectiveness, and promotes its adaptation to the dynamics of the operating conditions and the legislative and regulatory framework.

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

In the course of the Financial Year, information on the main risk factors as at 31 December 2021 and information on the main risk factors as at 30 June 2022 were presented to the Board of Directors.

9.2 Control, Risk and Sustainability Committee

The Control, Risk and Sustainability Committee has been set up within the Board of Directors.

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

The Board of Directors appoints one of the independent members of the committee as Chairperson to coordinate the work of the committee.

The Control, Risk and Sustainability Committee is currently composed of the following non-executive and independent directors: Stefania Chiaruttini, acting as Chairperson, Francesca Golfetto and Ferruccio Resta. Committee members have the necessary skills and experience to perform the tasks assigned to them and receive remuneration for their work.

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

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

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

In accordance with the rules of the Control, Risk and Sustainability Committee, the latter is invested with the following functions:

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

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

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

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

During the Financial Year, the Control, Risk and Sustainability Committee held 7 duly minuted meetings. The average duration of the meetings of this Committee was approximately two hours. At the date of approval of this Report, 2 meetings had been held in the current financial year.

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

With reference to the Financial Year, the meetings were always attended by at least one auditor.

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

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

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

During the Financial Year, the Control, Risk and Sustainability Committee – within the scope of its remit – commented on the following matters:

- examination and assessment of the financial position of Fiera Milano and the Group and of the Company's Equity;
- examination of the Impairment Test procedure for the financial statements as at 31 December 2021;
- Impairment Test results as at 31 December 2021;
- procedures and activities under Law No. 262/2005;
- draft Financial Statements as at 31 December 2021 and the Management Report, the Consolidated Financial Statements as at 31 December 2021 and the Management Report;
- the Disclosure of Non-Financial Information at 31 December 2021;
- 2022 plans for the Internal Audit and Compliance Functions;
- ERM Risk Assessment as at 31 December 2021;
- results of activities carried out as at 31 December 2021 by Internal Audit and Compliance;
- analysis of shared services 2022;
- in-depth analysis of cyber security initiatives and projects;
- analysis of the sustainability objectives linked to the CONN.E.C.T. 2025 plan and examination of the sustainability plan;
- examination of the Investor Relator Function Plan;
- consolidated interim management statement as at 30 September 2022;
- examination of 6+6 and 9+3 forecasts;
- renewal of the tax consolidation;
- in-depth analysis of sustainability issues with reference to Fiera Milano's path in terms of ESG and "carbon neutral";
- updating of the business continuity management project;
- assessment of the 2023 budget.

The Committee also:

- conducted - in relation to the 2021 financial year - the self-appraisal to verify the adequacy of its composition and operating rules;
- expressed a positive opinion on the Company's interest in carrying out the transaction of greater importance with a related party (*i.e.* Fondazione Ente Autonomo Fiera Internazionale di Milano) concerning the amendment to the real estate lease for the so-called external hub.

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

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

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

9.3 Head of the Internal Audit (the "Internal Audit Department")

The Group Internal Audit Department (hereinafter, the "**Internal Audit Department**") performs third-level, independent, assurance control activities, aimed at verifying that the Internal Control and Risk Management System (hereinafter, the "**ICRMS**") is functional, adequate and consistent with the guidelines defined by the Board of Directors. The Internal Audit Department is primarily responsible for the following tasks:

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

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

Mr Basilio Postiglione was appointed Head of the Internal Audit function (hereinafter, the "**Head of Internal Audit**"), on the reasoned proposal of the CEO as director in charge of the ICRMS, by the Board of Directors of Fiera Milano in the meeting of 10 July 2017 and confirmed in the meeting of 20 April 2020, after obtaining the favourable opinion of the then Control, Risk and Sustainability Committee and after consulting the Board of Statutory Auditors.

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

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

In particular, the Head of Internal Audit:

- verifies, both on an ongoing basis and in relation to specific needs and in compliance with national and international standards, the operation and suitability of the ICRMS, taking into account the characteristics of the Fiera Milano Group and the risks identified, and prepares, after obtaining the opinion of the Managing Director, as the director in charge of the ICRMS, the Control, Risk and Sustainability Committee and the Board of Statutory Auditors, an annual audit plan that is submitted to the Board of Directors for approval;
- prepares periodic reports containing adequate information on their activities, the risk management methods and compliance with defined risk containment plans. The periodic reports contain an assessment of the adequacy and effectiveness of the ICRMS;
- promptly prepares reports on particularly significant events;
- submits the aforementioned reports to the Control, Risk and Sustainability Committee, the Board of Statutory Auditors and the Chairperson of the Board of Directors, as well as to the CEO, as director in charge of ICRMS;
- as part of the audit plan, audits the reliability of the IT systems, including accounting records systems.

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

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

For the Financial Year, the Head of Internal Audit carried out their activities by defining a specific Audit Plan (hereinafter the "**Plan**") following a methodology based on criteria of relevance and coverage of the main corporate risks. The above-mentioned Plan was approved by the Board of Directors at its session of 15 March 2022.

In detail, audit work was carried out, both planned and unplanned (so-called “Special Audits”), by carrying out the following:

- preliminary activities, aimed at defining the objectives and scope of work of the audit;
- verification activities, with the purpose of: i) assessing the adequacy and effectiveness of the internal control system relating to the processes audited; ii) identifying any observations; iii) defining the improvement actions to be implemented;
- formalising and communicating the results of its audit activities through the preparation of specific audit reports sent, depending on their remit, to the Chairperson, the CEO, in their capacity as director appointed to oversee the ICRMS, the Control, Risk and Sustainability Committee, the Board of Statutory Auditors, and the Head of the function being audited.

In addition, the Internal Audit Department periodically monitors the recommendations/actions for improvement agreed with the reference managers during audits carried out (so-called follow-ups). The objective of the follow-up activity is to verify the effective and timely implementation of the recommendations identified in the Action Plans, according to the defined deadlines.

The Internal Audit Department also assists the Supervisory Board of Fiera Milano and its subsidiaries through specific audit work aimed at verifying the functioning, effectiveness and compliance with the Organisation, Management and Control Model adopted pursuant to Legislative Decree No. 231 of 2001.

9.4 Organisation model pursuant to Legislative Decree 231/01

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

The Company, with a focus on the need to ensure transparency and fairness in the conduct of business activities, has deemed it appropriate to adopt an Organisation, Management and Control Model pursuant to Legislative Decree 231/01 (hereinafter, the “**Model 231**”). This 231 Model is periodically reviewed and updated in the light of changes in the reference regulatory context and changes in the company organisation.

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

The Company’s Model 231 is currently composed of:

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

The Model 231 is also completed by its annex, which is an integral part of it, i.e. the Code of Ethics of the Fiera Milano Group (hereinafter, the “**Code of Ethics**”), which will be updated in 2021 as part of the process aimed at strengthening the Fiera Milano Group’s sustainability policies, with medium-to-long term objectives and targets in the various areas to which it is applied; which are already an integral part of the “CONN.E.C.T. 2025” Strategic Plan.

The Code of Ethics clearly defines the set of values recognised, accepted and shared by the Company and the responsibilities it assumes both internally and externally. Compliance with the Code of Ethics by employees of Fiera Milano is of fundamental importance to the operations, reliability and reputation of the Company – factors that are a decisive asset in the success of the entire Group. The employees of Fiera Milano, in addition to fulfilling their general duties of loyalty, fairness and performance of the contract of employment in good faith, must refrain from carrying out activities in competition with those of Fiera Milano, comply with company rules and abide by the precepts of the Code of Ethics, the content of which is also brought to the attention of all those with whom the Company has business relations.

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

In order to ensure the functioning, effectiveness and observance of Model 231, a collegial body called the Supervisory Board is operational in the Company, composed of the Chairperson, Lawyer Enrico Maria Giarda, the external member Mr Luigi Bricocoli and the internal member Mr Basilio Postiglione, also Head of Internal Audit of Fiera Milano. This Committee is tasked with the control and updating of the Model 231 to ensure that it is both efficient and effective, as well as coordinating its own activities with those of other bodies and internal audit departments.

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

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

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

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

9.5 Independent Auditors

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

In view of the forthcoming expiry of the mandate granted to EY SpA, at the Shareholders' Meeting convened for 27 April 2023, the shareholders will be called upon to appoint a new statutory auditor for the period 2023-2031 and to determine the relevant remuneration.

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

The Board of Directors, after obtaining the favourable opinion of the Board of Statutory Auditors, proceeded to appoint - effective as of 1 June 2021 - Mr Andrea Maldi as Chief Financial Officer and Manager in charge of preparing the company's financial reports (the "**Financial Reporting Officer**"), while vesting him, through a specific delegation of functions, with adequate means and powers to perform the tasks assigned to him by the applicable provisions of law. The Board of Directors also supervises actual compliance with administrative and accounting procedures. The Articles of Association require this Officer to be an expert in matters of administration, finance and control and to meet the same integrity requirements as statutory auditors under current legislation. The Officer's appointment is for three financial years and must not exceed the term of office of the Board of Directors that made the appointment.

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

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

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

The coordination of persons involved in the internal control and risk management system is through a series of mechanisms and means of interaction such as: i) scheduling and holding joint meetings of the various corporate bodies and departments responsible for internal control and risk management; ii) the Chairperson of the Board of Statutory Auditors or another member of the Board of Statutory Auditors, the Head of Internal Audit and the Head of the Compliance Department attend meetings of the Control, Risk and Sustainability Committee; iii) the participation of the Head of Compliance and the Head of Internal Audit, also as an internal member, in the meetings of the Supervisory Board pursuant to Legislative Decree No. 231/01; iv) the Risk Management function attends the meetings of the Control, Risk and Sustainability Committee at least twice a year, and also takes part in periodic meetings of the Board of Statutory Auditors.

Also in force are the Information Flow Management Guidelines, prepared and approved by the Board of Directors, which aim to define the management of minimum information flows both between the various Group companies and between the Company's control bodies (i.e. the Board of Directors, the Board of Statutory Auditors, the Supervisory Board, the internal committees of Fiera Milano, the Internal Audit Department, the Risk Management Department, the Compliance Function, the Financial Reporting Officer under Law 262/2005), in order to promote the exchange of information among company boards and Group companies, to guarantee more efficient and effective process management.

10. Directors' interests and Related Party Transactions

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

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

In general, the RPT Procedure provides rules and measures to be adopted to ensure transparency and the substantial and procedural fairness of related-party transactions carried out directly by Fiera Milano or through its subsidiaries. In particular, it identifies the Control, Risk and Sustainability Committee, as it is composed exclusively of non-executive and independent directors (for the composition, functioning, duties and activities, carried out during the Financial Year, of the Control, Risk and Sustainability Committee, please refer to section 9.2 of this Report), as the body entrusted with expressing a reasoned opinion on the Company's interest and the substantial correctness of the relevant conditions concerning the performance of transactions with related parties of lesser and greater importance.

The RPT Procedure takes advantage of the exception granted in the Regulation that, without prejudice to provisions on public disclosure, smaller listed companies – or those with balance sheet assets or revenues that do not exceed Euro 500 million as shown in the most recently approved Consolidated Financial Statements - the possibility of applying to so-called greater importance transactions the procedures of instruction and approval provided for less important transactions.

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

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

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

The RPT Procedure is available on the Company website, www.fieramilano.it, in the section *Investors/ Corporate Governance/Related Party Transaction Procedure*.

11. Board of Statutory Auditors

11.1 Appointment and replacement

The Articles of Association require that the appointment of Statutory Auditors is on the basis of lists presented by the shareholders; the Articles state that the position of Chairperson of the Board of Statutory Auditors is granted to the first candidate on the second list by number of votes and who is in no way related, even indirectly, to those shareholders who presented, or acted in concert to present, or voted for the first – placed list by number of votes. Only those shareholders who, individually or together, represent at least 2.5% of the share capital and are entitled to vote in the ordinary shareholders' meeting have the right to present a list, as required by the Articles of Association and by Consob Resolution 76 of 30 January 2023. A shareholder who intends to present a list of candidates and who does not own a controlling interest or the relative majority of the share capital of the Company must deposit a declaration stating the absence of any relationship with the controlling shareholders, as required by the regulatory provisions. The lists must be filed with the registered office of the Company at least twenty-five days prior to the date set for the Shareholders' Meeting on first call and must be made publicly available at least twenty-one days prior to this date.

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

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

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

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

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

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

11.2 Composition and operation

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

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

Monica Mannino, Chairperson of the Board of Statutory Auditors of Fiera Milano since 28 April 2021 and standing auditor of the subsidiary Made Eventi S.r.l. since 12 April 2022.

Born in Palermo on 18 October 1969, she graduated in Business Administration from Bocconi University in 1994. She has practised as a Chartered Accountant since 1995 and is on the National Register of Auditors.

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

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

She currently holds the following positions: Chairperson of the Board of Statutory Auditors of DiaSorin SpA, ERAMET ALLOYS Italia Srl, Tinexta Cyber SpA, Corvallis Srl and member of the Board of Statutory Auditors of TINEXTA SpA, Istituto Stomatologico Italiano Soc Coop Sociale ONLUS, FBS Next SpA and LUXMASTER SpA

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

Daniele Federico Monarca, standing auditor of Fiera Milano since 23 April 2018.

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

He has held various administration and control positions, and is currently standing auditor of Industrie Costruzioni Maltauro SpA Partner/Co-founder and Managing Director of Pigreco Corporate Finance S.r.l., Standing Auditor of Foodness SpA, of Firstance Srl (formerly First Advisory S.r.l.), of D.P.I. SpA in liquidation, of Magifin SpA, of Colonna SpA and Standing Auditor with auditing duties of FHS&C SpA.

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

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

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

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

He has held various administration and control positions; he is currently standing auditor of Polti SpA, Sirtion Pharmaceuticals SpA, Panta Distribuzione SpA, Knorr-Bremse Sistemi Per Autoveicoli Commerciali SpA, Sevecom SpA, Costamp Group, ABG Systems SpA, Nelsa S.r.l.

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

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

Ms Aliberti has extensive experience as an Independent Director and member of internal committees in Italy and abroad. She currently holds the position of Standing Auditor at Recordati SpA, is a member of the Supervisory Board of UniCredit Bank Austria AG and an independent director of Cassa Depositi e Prestiti SpA, as well as Messaggerie Italiane S.p.A. She is also the founder of The AgriCult Ltd, a platform for food sustainability.

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

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

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

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

He is also Chairperson of the Board of Statutory Auditors of Capac, Centro Intermodale SpA, CIM SpA, Fondazione Educatori III Millennio, Hupac SpA, Sixtema SpA, Termini SpA, and Standing Statutory Auditor and auditor in other companies.

Under Article 20 of the Articles of Association and in compliance with provisions of the Corporate Governance Code, the Board of Statutory Auditors is well represented in terms of gender diversity – as it has three Standing Statutory Auditors of which at least one is of the least represented gender and two Substitute Statutory Auditors, one of each gender – and also in terms of generational diversity as its members come from various age groups and professional backgrounds²⁴.

The replacement procedure complies with the requirement for gender balance.

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

With particular reference to the quantitative and qualitative criteria for assessing the significance of the circumstances relevant under the Code for the assessment of independence – as already set out in Chapter 4.2 of this Report – please note that in determining the significance threshold of the 'significant commercial relationship' and 'significant additional remuneration' referred to in recommendation 7 letters c) and d)²⁵ the Board of Directors

²⁴ Please note that Fiera Milano's Articles of Association was amended in 2020, by the Board of Directors, to make them consistent with the new provisions of Law 160/2019 on the subject of gender distribution of members of corporate bodies.

²⁵ Recommendation 7 of the Corporate Governance Code:

has decided to use the criteria already adopted by the Company in the Related Party Transactions Procedure. Under this Procedure, Small Amounts are commercial relationships with individuals below the threshold of Euro 50,000.00.

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

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

During the Financial Year, the Board of Statutory Auditors held 21 meetings, with an average duration of about 2 and a half hours. At the date of approval of this Report, 7 meetings had been held in the current financial year.

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

Pursuant to Article 20.1 of the Articles of Association, in addition to the duties pursuant to Article 2403(1) of the Italian Civil Code and the powers pursuant to Article 2403-*bis* of the Italian Civil Code, the supervisory board is responsible for supervising:

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

Furthermore, the Board of Statutory Auditors, as the internal control and audit committee also pursuant to Reg. (EU) 537/2014, is responsible for the external auditor selection process. The Board of Statutory Auditors must also inform the Board of Directors of the results of the audit and submit the additional report to the Board pursuant to Article 11, Regulation (EU) 537/2014 received from the independent auditors, accompanied by any findings.

The Board of Statutory Auditors also monitors the independence of the independent auditors, ensuring compliance with existing regulations, and the nature and scale of non-audit services provided to the Company and its subsidiaries by the independent auditors and its network of entities. To carry out its responsibilities, the

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

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

Board of Statutory Auditors also works in conjunction with the Internal Audit Department and with the Control, Risk and Sustainability Committee on matters of common interest through meetings and exchanges of information.

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

The members of the Control Body receive remuneration commensurate with the competence, professionalism and commitment required by the importance of their role, and with the size and sector of the Company. On this point, it should be noted that the Fondazione Ente Autonomo Fiera Internazionale di Milano, as a majority shareholder - from whose list the entire Board of Statutory Auditors was drawn in the absence of minority lists - proposed that in determining the remuneration of the Board of Statutory Auditors, the Shareholders' Meeting take due account of the "Considerations on remuneration" of the "Guidelines for shareholders on the renewal of the Board of Statutory Auditors" drawn up by the outgoing Board of Statutory Auditors.

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

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

- the suitability of members and adequate composition of the board, with reference to the professionalism, expertise, integrity and independence requirements of the regulations;
- the availability of time and resources suited to the complexity of the position.
- of its actions with reference to the practical planning of its activities.

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

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

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

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

The results of the self-appraisal were obtained with the active cooperation of all Statutory Auditors and were processed with operating support from the Secretariat of Fiera Milano. The latter were then approved by the Board of Statutory Auditors on 14 February 2023 and formalised in a specific document presented to the Board of Directors on 20 February 2023.

With reference to the results of the self-assessment activity, the following is emphasised in particular:

- all members meet the requirements under Article 2382 of the Italian Civil Code;
- the members of the Board of Statutory Auditors must also meet the integrity, professionalism and independence requirements of laws and regulations (i.e. the Consolidated Finance Act and the Corporate Governance code);
- all the members meet the requirements of good repute and professionalism;
- none of the members exceeded the limit on the number of offices held;

- the composition of the Board of Statutory Auditors is such as to respect the criteria of gender, generational and professional diversity;
- all auditors declared that they had adequate time available for the diligent fulfilment of their assigned tasks;
- the size of the Board is adequate for it to carry out its functions;
- the functioning of the Board is generally adequate;
- information flows between the Board of Statutory Auditors and other company boards are adequate;
- the information flow between the Board of Statutory Auditors and the Independent Auditors is adequate;
- the remuneration of the Board of Statutory Auditors is considered on the whole to be appropriate to the remit, professionalism and commitment required by the importance of the role held, and the size and sectoral characteristics of the company.

In conclusion, in light of the analysis of the profiles concerning the composition and functioning of the Control Body, the Board of Statutory Auditors deems the exercise of the control function to be adequate, given the role it plays in supervising legal compliance with laws, regulations and the Articles of Association on sound administration, the adequacy of the Company's organisational and accounting structures, and the functionality of the overall internal control system.

12. Shareholder Relations

• *Access to information*

The Company has adopted a communication policy with the aim of establishing continuous dialogue with all shareholders and, in particular, with institutional investors, ensuring the systematic and prompt dissemination of exhaustive information regarding its activities, while complying with the regulations on inside information.

The Company has an ad hoc corporate structure for the management of relations with shareholders and the financial community, called "Investor Relations & Sustainability", whose responsibility is entrusted to Mr Vincenzo Cecere.

The methods adopted for financial disclosure are those of systematic contact with financial analysts, institutional investors and the specialist media in order to ensure a full and proper understanding of trends in the Company's strategic direction, the implementation of strategy and the impact on the business results.

In addition, it was decided to further promote dialogue with investors so as to enable them, too, to make an informed financial year of their rights through an appropriate arrangement of the contents of the Company's website, www.fieramilano.it, in the *Investors* section, which is easily identifiable and accessible. The section also contains information on corporate governance issues (the composition of corporate bodies, the Company's articles of association, corporate governance reports, remuneration reports, documents relating to shareholders' meetings, shareholders' meeting regulations, the related-party transactions procedure), earnings and financials (such as financial statements, half-yearly and interim reports, presentations to the financial community, Fiera Milano share price performance), and sustainability (Sustainability Report/Non-Financial Statement). Information is also provided on how to contact the Investor Relations & Sustainability Function.

Furthermore, the same section of the website contains a section for press releases and other up-to-date documents of interest to all shareholders (e.g. information on capital structure, share performance, financial calendar, presentations to the financial community). Press releases with price-sensitive content are disseminated in accordance with the procedures laid down by Consob regulations on the release of regulated information to the public.

- **Dialogue with shareholders**

Fiera Milano attaches great importance to establishing and maintaining a constant, transparent and constructive dialogue with Investors, with the majority of its shareholders and, more broadly, with the entire financial community. This contributes to improving the level of understanding of the strategy and objectives of the Company and the Group it heads, of the results achieved and on every aspect – financial and non-financial – relevant to investment choices and the informed exercise of shareholder rights. Interacting with investors in accordance with current regulations and the principle of equal treatment also presents a valuable opportunity for discussion and exchange of information and opinions, and is a strategic lever for medium/long-term value creation.

The Board of Directors, in the interest of the Company and its shareholders, promoted dialogue with Investors and, in accordance with the provisions of the Corporate Governance Code, at the Board meeting of 28 July 2021 approved the “Policy concerning the management of dialogue with institutional investors and with the shareholders in general” (hereinafter, “**Engagement Policy**”).

The Engagement Policy has been prepared with the aim of ensuring that dialogue with investors and, in general, with the entire shareholder community takes place in compliance with good corporate practices and current legislation, including legislation on the treatment of inside information, and that it is based on the principles of accuracy, transparency, timeliness and information symmetry.

The Chairperson of the Board of Directors, assisted by the Chief Executive Officer, ensures that the Board of Directors is promptly informed of the development and main content of dialogue with institutional investors and shareholders under this Engagement Policy.

With particular reference to the Financial Year, the topics discussed in the dialogue with shareholders concerned the following issues:

- Fiera Milano’s business performance at a consolidated and divisional level in relation to the three business units i) exhibition activities in Italy, ii) exhibition activities abroad, and iii) congresses;
- the progress of the CONNE.C.T. 2025 business plan;
- economic and financial performance;
- the performance of Fiera Milano shares;
- the sustainability path and the progress of the implementation actions of the 2021-2025 Sustainability Plan.

In order to provide a better representation of Fiera Milano’s economic and financial situation, a new section dedicated to the analysis of the generation of the cash flows that contributed to the net financial position for the quarter in question has been included in the institutional presentations of the quarterly results. In addition, a greater degree of detail was used in the description of the economic dynamics that contribute to the generation of the economic result for the period at consolidated and divisional level.

To facilitate a better understanding of Fiera Milano’s sustainability journey, the Group’s first institutional sustainability presentation has also been drawn up and is available on the Company’s website www.fieramilano.it, in the *Investors/Documents/Presentations* section.

Fiera Milano has also developed an annual materiality analysis process, in compliance with the requirements of Legislative Decree 254/16 and reporting standards, aimed at an increasingly in-depth understanding of the most relevant non-financial issues, in terms of risks and opportunities, related to the achievement of corporate objectives. The analysis, through an extensive stakeholder engagement activity, enabled the identification of material ESG issues considered to have the greatest impact on stakeholder decision-making and which play a major role in defining the Group’s sustainability strategy. In defining potentially relevant topics for the sector and guiding the materiality analysis process, Fiera Milano conducted an internal and external analysis, which took into account input from various sources. Specifically, the internal analysis considered the CONNE.C.T.2025 Strategic Plan, the Group’s risk management model and the results of the materiality analysis carried out for the 2021 Sustainability Report; the external analysis, on the other hand, took into account the requests of stakeholders involved in the stakeholder engagement activity in 2022, the provisions deriving from regulatory sources and the main international sustainability guidelines, and the requests of the main questionnaires prepared by sustainability rating agencies. The way in which the stakeholder engagement activity was implemented was a survey sent to the main relevant stakeholders.

Finally, please note that the Engagement Policy is published on the Company's website www.fieramilano.it, in the *Investors/Governance/Engagement Policy* section.

13. Shareholders' Meetings (Article 123-bis, paragraph 2.c), Consolidated Finance Act)

The Shareholders' Meeting represents all shareholders, and its decisions, taken in accordance with the law and the Articles of Association, are mandatory and binding on all shareholders, including those who did not attend, abstained or dissented, although dissenting shareholders have rights of rescission under certain circumstances.

On 23 April 2013, the Shareholders' Meeting adopted a set of rules, available on the Company's website www.fieramilano.it, in the *Investors/Governance/Shareholders' Meeting* section, aimed at defining the procedures that guarantee the orderly and functional proceedings of Shareholders' Meetings, both in ordinary and extraordinary session, while ensuring the right of each shareholder to speak on the matters under discussion (hereinafter, the **"Shareholders' Meeting Rules"**).

The Shareholders' Meeting is convened and deliberates, under the law and regulations for companies with listed shares, on matters that are its responsibility by law.

The Shareholders' Meeting is authorised to approve, inter alia, in an ordinary or extraordinary meeting (i) the appointment or removal of members of the Board of Directors and of the Board of Statutory Auditors and their relevant remuneration and responsibilities, (ii) the Financial Statements and the allocation of profits, (iii) the purchase and disposal of treasury stock, (iv) changes to the Articles of Association, (v) the issue of convertible bonds.

In accordance with applicable law, legitimate attendance and exercise of the right to vote in Shareholders' Meetings is restricted to all those who appear as shareholders at close of business on the seventh trading day prior to the date of the Shareholders' Meeting, and who present to the issuer the relevant communication from an intermediary that conforms to its accounting records, on behalf of the person having the right to vote at the Shareholders' Meeting using the aforementioned mechanism.

With reference to the Shareholders' Meeting held on 22 April 2022, it should be noted that given the health emergency situation then in place, in accordance with the provisions of Article 3, paragraph 1 of Decree Law No. 228 of 30 December 2021 (the "Milleproroghe Decree"), as amended by Conversion Law No. 15 of 25 February 2022, which had extended until 31 July 2022, among others, the provisions set forth in Article 106, paragraph 4 of Decree-Law No. 18 of 17 March 2020, the Company had established that work at the Shareholders' Meeting would take place exclusively through the company Computershare SpA, designated for this purpose as Appointed Representative pursuant to Article 135-*undecies* of Legislative Decree 58/98, as participation in person or by proxy to third parties was not permitted. Attendance at the Shareholders' Meeting was allowed for the Appointed Representative and other persons entitled to participate in the work, other than shareholders, by means of electronic means of communication enabling their immediate identification and participation.

Therefore, in addition to the Chairperson Carlo Bonomi, the CEO Luca Palermo and the directors Marina Natale, Alberto Baldan, Francesca Golfetto, Elena Vasco and Angelo Meregalli participated in the Shareholders' Meeting by electronic means.

For the Board of Statutory Auditors, Chairperson Monica Mannino and Standing Auditors Pietro Antonio Capitini and Daniele Federico Monarca participated by electronic means.

The Board also took steps - by publishing the documents relating to the items on the agenda within the legal deadlines - to ensure that shareholders were adequately informed of the necessary elements so that they could make informed decisions within the remit of the Shareholders' Meeting.

It was not necessary for the Chairpersons of the Committees to report to the Shareholders' Meeting on the procedures for the exercise of the Committee's functions, as the Company illustrated its activities during the financial year in the Report on Corporate Governance and Ownership Structure.

During the Financial Year, the Board of Directors did not deem it necessary to assess the need to propose any amendments to the Articles of Association to the Shareholders' Meeting on the percentages established for the exercise of shares and prerogatives to protect non-controlling interests

14. Additional corporate governance practices (Article 123-bis, paragraph 2.a), Consolidated Finance Act)

14.1 Management procedure for disclosures, including anonymous disclosures received by Fiera Milano and its subsidiaries

On 8 November 2016, the Procedure for the management of reports, including anonymous reports (Whistleblowing) received by Fiera Milano and the companies in the Group was adopted. The latest update of the Procedure was made during the meeting of the Company's Board of Directors held on 11 May 2018 and of which, following the recent approval (on 9 December 2022) by the Board of Ministers of the scheme implementing the (EU) Directive 2019/1937, a forthcoming update is envisaged to align the document with the regulatory changes introduced by the EU Directive 2019/1937 (hereinafter, the "**Whistleblowing Procedure**").

The Whistleblowing Procedure governs the receipt, analysis and treatment of disclosures alleging irregularities, including those made anonymously or in confidence, from third parties or from Fiera Milano Group personnel.

The disclosures may include, inter alia: crimes, illicit or anomalous activities and/or behaviour of any kind, also omissive, attributable to the employees of the Fiera Milano Group or third parties that violate the Code of Ethics, the Model 231 adopted by companies of Fiera Milano Group, internal regulations issued by the Fiera Milano Group, laws or regulations or obligations issued by the Authorities or any acts that could cause damage or detriment of any kind to the Fiera Milano Group.

The latest review of the Whistleblowing Procedure amended the composition of the Whistleblowing Committee, in which the Head of Internal Audit and Human Resources Director, participate with the Head of Security. This Committee reports to the Supervisory Committee on any controls that have been carried out when significant provisions of Legislative Decree 231/01 have been breached.

Although disclosures may be made in any way, the Company has set up different channels of communication that include: the website, a dedicated email address, a freephone number and a postal address. The channels set up for direct disclosure to the supervisory committees of Group companies remain valid (dedicated account).

14.2 Guidelines on Direction and Coordination

The Company has adopted guidelines on the subject of the exercise of the power of management and coordination by the same, as parent company, over its subsidiaries (hereinafter, the "**Guidelines**") in order to concretely determine the procedures for the execution of the management and coordination activities of the superordinate over the subordinates, with the aim of developing solid bases for the search for and implementation of greater and more functional interrelationships between Group companies.

The Guidelines identify precise responsibilities regarding, respectively, the Company and its subsidiaries, in a framework of a unequivocal and reciprocal undertaking of duties and of defined governance procedures, appropriately gauged to provide an equitable balance between requirements for centralisation and respect for the autonomous management of each subsidiary. The Guidelines, and any amendments or additions thereto, are submitted to the boards of directors of Group companies for their approval and, subsequently, brought to the attention of the shareholders' meetings of those companies.

It should be noted that the Guidelines were approved by the Board of Directors of the Company, as parent company, on 31 July 2019 and, subsequently, they were presented to the Boards of Directors of the individual entities comprising the Group, so that each of them, albeit autonomously, could adopt them and take them as the basis for their own activities. The same Guidelines were then presented to all the shareholders of Fiera Milano during the Shareholders' Meeting on 20 April 2020.

15. Changes after the end of the reporting period

There have been no changes in corporate governance since the end of the Financial Year.

16. Considerations on the letter dated 25 January 2023 from the Chairperson of the Corporate Governance Committee

In a letter dated 25 January 2023, the Chairperson of the Corporate Governance Committee sent a letter containing the Corporate Governance Committee's report for 2022 to the chairpersons of the boards of directors of listed companies, and for information to the CEOs and chairpersons of the control bodies.

In the same, the Chairperson formulated a series of recommendations aiming to encourage and support the process of compliance of listed companies with the provisions of the Corporate Governance Code. In detail, the recommendations focused on the following issues:

- a. dialogue with shareholders;
- b. dialogue with other relevant stakeholders;
- c. the attribution of management powers to the chairperson;
- d. pre-board documentation;
- e. the participation of managers in Board meetings;
- f. guidelines on the optimal composition of the Board;
- g. the criteria for evaluating the significance of the relationship that may influence the independence of the director;
- h. the transparency of remuneration policies on the weighting of variable components;
- i. long-term horizons in remuneration policies;
- j. the ESG parameters for the remuneration of directors.

These recommendations – immediately brought to the attention of the Chairperson of the Board of Directors and the Chairperson of the Board of Statutory Auditors of the Company – were shared with the entire Board of Directors of Fiera Milano at the meeting held on 20 February 2023. On that occasion, the Board of Directors was able to verify that the Company was in line with the recommendations issued by the Corporate Governance Committee.

In particular, having examined the recommendations and the specific points of concern raised for each of them, it is noted that:

dialogue with shareholders: As early as 2021, Fiera Milano adopted an Engagement Policy. In line with market best practices and the Committee's recommendations, the Engagement Policy already provides, inter alia, as a procedure and tool for dialogue with shareholders, that the Investor Relations Manager is available on an ongoing basis to Shareholders, including Retail Shareholders, providing feedback to all appropriate requests made and assistance on the Shareholders' Meeting proceedings, accreditation procedures, dividends and, more generally, corporate governance issues.

The Engagement Policy also provides for additional channels of dialogue with shareholders; specifically: (i) periodic conference calls organised by the Investor Relations Function on the occasion of the approval of the Company's periodic financial results (special conference calls may also be organised on the occasion of the announcement to the market of extraordinary transactions involving the Company); (ii) roadshows and events organised periodically by Borsa Italiana and/or Italian and foreign brokers during which the Company's representatives meet institutional investors and other market players to illustrate, inter alia, the strategy and objectives of the industrial plan, the most recent economic-financial data and any extraordinary transactions underway. These events are also a useful opportunity for the Company's representatives to understand investors' opinions, expectations and requirements; (iii) one-to-one meetings and (iv) specific events (such as the presentation of the business plan).

In order to comply with the Committee's recommendation of expediency, the Company has also highlighted in this Report that, with reference to the financial year 2022, the topics discussed in the dialogue with shareholders concerned the following issues:

- Fiera Milano's business performance at a consolidated and divisional level in relation to the three business units i) exhibition activities in Italy, ii) exhibition activities abroad, and iii) congresses;
- the progress of the CONNE.C.T. 2025 business plan;

- economic and financial performance;
- the performance of Fiera Milano shares;
- the sustainability path and the progress of the implementation actions of the 2021-2025 Sustainability Plan.

In order to provide a better representation of Fiera Milano's economic and financial situation, i) a new section dedicated to the analysis of the generation of the cash flows that contributed to the net financial position for the quarter in question has been included in the institutional presentations of the quarterly results; ii) a greater degree of detail was used in the description of the economic dynamics that contribute to the generation of the economic result for the period at consolidated and divisional level. In addition, the Group's first institutional sustainability presentation was established to facilitate a better understanding of Fiera Milano's sustainability journey.

dialogue with other relevant stakeholders: The Company highlights in this Report that Fiera Milano has developed an annual materiality analysis process, in compliance with the requirements of Legislative Decree 254/16 and reporting standards, aimed at an increasingly in-depth understanding of the most relevant non-financial issues, in terms of risks and opportunities, related to the achievement of corporate objectives. The analysis, through an extensive stakeholder engagement activity, enabled the identification of material ESG issues considered to have the greatest impact on stakeholder decision-making and which play a major role in defining the Group's sustainability strategy. To define the universe of potentially relevant topics for the sector and guide the materiality analysis process, Fiera Milano conducted an internal and external analysis, which took into account input from various sources. Specifically, the internal analysis considered the CONNE.C.T.2025 Strategic Plan, the Group's risk management model and the results of the materiality analysis carried out for the 2021 Sustainability Report; the external analysis, on the other hand, took into account the requests of stakeholders involved in the stakeholder engagement activity in 2022, the provisions deriving from regulatory sources and the main international sustainability guidelines, and the requests of the main questionnaires prepared by sustainability rating agencies. The way in which the stakeholder engagement activity was implemented was a survey sent to the main relevant stakeholders.

the attribution of management powers to the chairperson: Although the Company is not in the situation referred to in the recommendation expressed by the Committee, it should be noted that in the Corporate Governance Report referring to the 2020 financial year, the Company had adequately specified that the temporary granting of management powers to the Chairperson - following the resignation of the then Chief Executive Officer and pending the appointment of the new Chief Executive Officer, while the succession plan was activated - was motivated by the need to ensure the continuity and stability of the Company's management.

pre-board documentation: The Rules of the Board of Directors expressly provide for a period of 3 (three) days for making pre-board documentation available, except in cases of urgency, in which documentation is made available as soon as possible. In 2022, the Company usually met the deadlines set. The exceptions were limited cases where the delay was justified by the exceptional urgency of the issues under examination and/or resolved upon.

The participation of managers in Board meetings: The Rules of the Board of Directors establish that the Company's or Group's executives, Head of the corporate functions responsible for the specific items on the agenda are invited to attend board meetings, in agreement with the Chief Executive Officer, in order to provide the appropriate in-depth analysis of the issues to be examined by the Board of Directors. The rules of both board committees also provide that the chairperson of the committee may invite the chairperson of the board of directors, the CEO, individual directors and, by informing the CEO, executives of Fiera Milano or group companies, or other persons whose presence may help the committee to better perform its functions, to attend its meetings.

With reference to the information on the actual attendance of managers at meetings, in this Report, the Company acknowledged, with specific reference to 2022, that managers of the Company or the Group and the Heads of the various corporate functions assiduously attended board meetings to provide support in the discussion of agenda items: in particular, and by way of example, it is acknowledged that the Chief Financial Officer, the Head of Investor Relations and Sustainability, the Internal Audit Director, the Chief of Corporate Staff, the Risk Manager and the Head of the Compliance Function regularly attend meetings.

As far as committees are concerned, the Internal Audit Director, as defined below, is usually invited to Control, Risk and Sustainability Committee meetings, while the Chief Corporate Staff is usually invited to Appointments and Remuneration Committee meetings.

Guidelines on the optimal composition of the Board: this Report acknowledges that on 20 February 2023 the outgoing Board of Directors expressed its guidance on the quantitative and qualitative composition deemed optimal, making available to shareholders on the same date the “Guidelines on the composition of the new Board of Directors of Fiera Milano for the three-year period 2023-2025”.

The criteria for evaluating the significance of the relationship that may influence the independence of the director: Please note that, by a resolution of 15 December 2020, the Board of Directors decided to use, in determining the materiality threshold of the “significant commercial relationship” and “significant additional remuneration” referred to in Recommendation 7 letters c) and d) the criteria already adopted by the Company in the Procedure for Related Party Transactions, which qualifies commercial relationships with individuals within the threshold of Euro 50,000.00 as Small Amounts.

Remuneration policies: Fiera Milano confirms its commitment to adopting the principles and recommendations expressed by the Corporate Governance Code and - as part of the Report on Remuneration Policy and Remuneration Paid - will acknowledge the actions implemented in line with the suggestions of the Corporate Governance Committee.

Tables

The following pages contain two summary tables on the Company's procedures for implementing the provisions of the Corporate Governance Code.

The first table summarises the structure of the board of directors and its internal committees, indicating in particular the details of the directors and the category to which each one belongs (executive, non-executive and independent). It also shows the composition of the various committees.

The second table summarises the main information relating to the Board of Statutory Auditors. It lists the members of that Board, both standing and substitute, and indicates if they have been nominated from lists put forward by non-controlling interests.

In both tables, there are special sections in which the number of meetings of the board of directors, the committees and the board of statutory auditors are indicated, as well as the percentage frequency of attendance at meetings of each body by its individual members. A specific section is then provided for the purpose of indicating the number of relevant offices held by directors and auditors in other companies, as already explained in the Report, used for the checks necessary to ascertain compliance with the limit set on the accumulation of offices.

Table 1: Structure of the Board of Directors and of its Committees
BOARD OF DIRECTORS

Office	Members	Year of birth	Date first appointed	In office from/to	List	Exec.	Non Exec.	Indep- endent under the Code	Indep. under the Consol- idated Finan- ce Act	No. of other posi- tions held**	Control, Risk and Sustain- ability Commit- tee		Appoint- ments and Remune- ration Commit- tee		
											***	*	***	*	
Chairperson	Carlo Bonomi	1966	25.04.2020	b	f		X		X	10/10	1				
Chief Executive Officer	Luca Albino Palermo ^o	1970	2.10.2020	b	f	X				10/10	0				
Director	Alberto Baldan	1960	21.04.2017	a	f		X	X	X	8/10	1			M	7/7
Director	Stefania Chiaruttini	1962	21.04.2017	a	f		X	X	X	9/10	3	C		7/7	
Director	Regina De Albertis	1983	13.10.2022	d			X		X	3/3	0				
Director	Francesca Golfetto	1950	21.04.2017	a	f		X	X	X	9/10	1	M		7/7	
Director	Ferruccio Resta	1968	14.06.2022	c			X	X	X	4/5	3	M		2/2	
Director	Agostino Santoni	1967	13.10.2022	d			X		X	3/3	1			M	1/1
Director	Elena Vasco	1964	21.04.2017	a	f		X	X	X	9/10	2			C	7/7

DIRECTORS WHO LEFT OFFICE DURING THE FINANCIAL YEAR

Director	Anna Gatti	1972	20.04.2020	and	f		X	X	X	1/3	3				
Director	Angelo Meregalli	1967	21.04.2017	a	f		X	X	X	6/6	0	M		5/5	
Director	Marina Natale	1962	21.04.2017	a	f		X	X	X	5/6	3			M	2/4

											BoD	Control, Risk and Sustain- ability Commit- tee	Appoint- ments and Remune- ration Commit- tee
Number of meetings held in the financial year ended 31 December 2022											10	7	7
Shareholding required by non-controlling shareholders to present lists (under Article 147-ter of the Consolidated Finance Act):													2.50%

NOTES

- * This column shows the attendance rate of Directors at Board Meetings and Committee Meetings. Specifically, the number of meetings they attended is indicated against the total number of meetings they should have attended (no. of attendances/no. of meetings held during the person's actual period in office).
- ** This column shows the number of other positions of Director or Statutory Auditor held in listed companies, banks or in companies of material size on regulated markets, including those outside Italy
- *** This column shows the role of the director on the committee: "C": chairperson; "M ": member.
- ^o The symbol indicates the director in charge of the internal control and risk management system.
- a Appointed by the Shareholders' Meeting of 21 April 2017 for the three-year period expiring with the approval of the financial statements as at 31 December 2019 and renewed in office by the Shareholders' Meeting of 20 April 2020 for the three-year period expiring with the approval of the financial statements as at 31 December 2022. The directors Meregalli and Natale left office on 27 July 2022.
- b Appointed by the Shareholders' Meeting of 2 October 2020 for the three-year term expiring with the approval of the financial statements as at 31 December 2022. Please note that Mr Bonomi was co-opted pursuant to Article 1386 of the Italian Civil Code by the Board of Directors on 25 April 2022 and confirmed by the Shareholders' Meeting of 2 October 2020.
- c Appointed by co-option pursuant to Article 2386 of the Italian Civil Code by the Board of Directors on 14 June 2022 and in office, pursuant to current legislation, until the next Shareholders' Meeting, called for 27 April 2023.
- d Appointed by co-option pursuant to Article 2386 of the Italian Civil Code by the Board of Directors on 13 October 2022 and in office, pursuant to current legislation, until the next Shareholders' Meeting, called for 27 April 2023.
- e Appointed by the Shareholders' Meeting of 20 April 2020 for the three-year term expiring with the approval of the financial statements as at 31 December 2022, Mr Gatti left office on 10 May 2022.
- f Appointed from the only list presented by the majority shareholder Fondazione E. A. Fiera Internazionale di Milano.

Table 2: Structure of the board of Statutory Auditors
BOARD OF STATUTORY AUDITORS

Office	Members	Year of birth	Date first appointed	In office from/to	List	Independent under the Code	Attendance at meetings of the Board of Statutory Auditors*	No. of other positions held**
Chairperson	Monica Mannino	1969	28/04/2021	b	c	X	21/21	2
Standing Statutory Auditor	Daniele Federico Monarca	1959	23/04/2018	a	c	X	21/21	0
Standing Statutory Auditor	Piero Antonio Capitini	1972	28/04/2021	b	c	X	21/21	1
Substitute Statutory Auditor	Livia Amidani Aliberti	1980	28/04/2021	b	c			
Substitute Statutory Auditor	Simone Bruno	1969	28/04/2021	b	c			

Number of meetings held in the financial year ended 31 December 2022 21

Shareholding required by non-controlling interests to present lists of candidates (under Article 148 of the Consolidated Finance Act) 2.50%

NOTES

- * This column shows the attendance rate at meetings of the Board of Statutory Auditors (no. of times present/ no. of meetings held during the period of appointment).
- ** This column shows the number of positions held as Director or Statutory Auditor under Article 148-bis of the TUF. For a complete list of the positions held by each member of the Board of Statutory Auditors, please refer to the information published on the Consob website in accordance with Article 144-*quinquedecies* of the Consob Issuers' Regulations.
- a Appointed by the Shareholders' Meeting of 23 April 2018 and confirmed by the Shareholders' Meeting of 28 April 2021 for the three-year period expiring with the approval of the financial statements at 31 December 2023.
- b Appointed by the Shareholders' Meeting of 28 April 2021 for a three-year period ending with the approval of the Financial Statements at 31 December 2023.
- c Appointed from the only list presented by the majority shareholder Fondazione E. A. Fiera Internazionale di Milano.

Proposals for the Ordinary Shareholders' Meeting

Ordinary Shareholders' Meeting of Fiera Milano SpA (hereinafter, "Fiera Milano" or the "Company"), convened for 27 April 2023 at 3.00 pm in a single call.

(Report pursuant to Article 125-ter, paragraph 1, of Legislative Decree No. 58 of 24 February 1998, as amended, and Article 84-ter of Consob Regulation No. 11971 of 14 May 1999, as amended)

1. Financial statements as at 31 December 2022:

1.1 approval of the Financial Statements as at 31 December 2022, of the Report of the Board of Directors, of the Report of the Board of Statutory Auditors and the Independent Auditor's Report. Presentation of the Consolidated Financial Statements as at 31 December 2022 and the 2022 Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016;

1.2 allocation of the results for the financial year.

Dear Shareholders,

the draft Financial Statements for the year ended 31 December 2022, which we submit for your attention, closed with a loss of Euro 5.479.657.11, enabling us to propose to you to carry forward the aforementioned net loss for the year of Euro 5.479.657.11.

We also submit for your attention the Group's Consolidated Financial Statements for the year ending 31 December 2022, which, although not subject to approval by the Shareholders' Meeting, complements the information provided with the Financial Statements of Fiera Milano.

Given the above, we submit the following for your approval

proposed resolution

1.1 Approval of the Financial Statements as of 31 December 2022, of the Report of the Board of Directors, of the Report of the Board of Statutory Auditors and of the Independent Auditor's Report. Presentation of the Consolidated Financial Statements at 31 December 2022 and the 2022 Consolidated Disclosure of Non-financial Information pursuant to Legislative Decree 254/2016

"The Shareholders' Meeting of Fiera Milano, having noted the Management Report of the Board of Directors, the Report of the Board of Statutory Auditors and the Report of the Independent Auditors, examined the Financial Statements as at 31 December 2022,

resolves

to approve the Financial Statements for the year ended 31 December 2022, comprising the statement of financial position, the statement of comprehensive income, the statement of changes in shareholders'

equity, the statement of cash flows and the related notes to the financial statements, which shows a loss of Euro 5.479.657.11, as presented by the Board of Directors as a whole, in the individual entries and with the proposed provisions, as well as the related Report of the Board of Directors on Operations'.

1.2 Allocation of results for the financial year.

"The Shareholders' Meeting of Fiera Milano, having noted the Management Report of the Board of Directors, the Report of the Board of Statutory Auditors and the Report of the Independent Auditors, examined the Financial Statements as at 31 December 2022,

resolves

to approve the proposal made by the Board of Directors to carry forward the net loss for the year of Euro 5.479.657.11".

We also present the Shareholders' Meeting with the Consolidated Disclosure of Non-financial Information prepared by the Company in compliance with Italian Legislative Decree 254/2016.

2. Report on the Remuneration Policy and on the Remuneration Paid pursuant to article 123-ter of Italian Legislative Decree 58/1998:

2.1 Binding decision on the first section;

2.2 non-binding decision on the second section.

Dear Shareholders,

the Board of Directors, on 15 March 2023, approved, in compliance with current legal provisions, the Report on Remuneration Policy and Remuneration Paid (hereinafter, the '**Report**') prepared under Article 123-ter of Legislative Decree 58/1998 (hereinafter, the '**Consolidated Law on Finance**'), which will be made available to the public within the terms of the law.

Under paragraph 3-ter of Article 123-ter of the Consolidated Law on Financial Intermediation, the Shareholders' Meeting is called upon to pass a binding resolution, in favour or against, regarding Section One of the Report and, under paragraph 6 of the same provision, a non-binding resolution, in favour or against, regarding Section Two of the Report.

Concerning the preceding, the Directors, therefore, submit for your examination the Report mentioned above, which illustrates in Section One the Company's remuneration policy (hereinafter, the '**Policy**'), which the Board of Directors follows in defining the remuneration due to the members of the Board of Directors, and specifically to the Directors with special duties, the members of the Committees and the other Executives with Strategic Responsibilities of the Group.

Section Two, on the other hand, provides an adequate representation of each of the items making up the remuneration of the members of the Board of Directors, of the other Executives with Strategic Responsibilities, as well as the members of the Board of Statutory Auditors of the Company, and illustrates analytically the remuneration paid, during the year of reference, for any reason and in any form, by the Company, its subsidiaries or affiliated companies.

The Policy results from a clear and transparent process in which the Company's Board of Directors and the Nomination and Remuneration Committee play a central role.

The Board of Directors, on the proposal of the Nomination and Remuneration Committee, adopted the Policy, also drafted in light of Article 5 of the Code of Corporate Governance and related recommendations and the amendments to the Issuers' Regulations in the implementing provisions of Article 123-ter of the Consolidated Law on Finance, as amended by Italian Legislative Decree 49/2019.

In particular, please note that the Company Policy aims to:

- attract, motivate and retain staff with the professional qualities required for the profitable pursuit of the Group's objectives;
- align the interests of Management with those of Shareholders by pursuing the priority objective of creating sustainable value in the medium to long term, by developing a strong link between remuneration, on the one hand, and individual performance and that of the Group, on the other;
- recognise merit to value the individual contribution of resources properly.

For the specific contents of the Report submitted for your examination, please refer to the document that will be made available within the terms of the law on the Company's website at www.fieramilano.it in the "*Investors/ Governance/Shareholders' Meeting*" section.

Given the above, we submit the following for your approval

proposed resolution

2.1 Binding decision on the first section.

'The Shareholders' Meeting of Fiera Milano S.p.A. for the Report on remuneration policy and payments made under Article 123-ter of Italian Legislative Decree 58/98 and, in particular, Section One,

resolves

to approve the contents of Section One of the Report on Remuneration Policy and Remuneration Paid Prepared under Article 123-ter of Legislative Decree 58/98, concerning the Company's policy on the remuneration of the members of the Board of Directors, and in particular of the Directors with special duties, of the members of the Committees and of the Group's Executives with Strategic Responsibilities, as well as the procedures used for the adoption and implementation of such policy'.

2.2 Non-binding decision on the second section.

'The Shareholders' Meeting of Fiera Milano S.p.A. for the Report on remuneration policy and payments made under Article 123-ter of Italian Legislative Decree 58/98 and, in particular, Section Two,

resolves

to approve the content of Section Two of the Report on remuneration policy and payments made prepared under Article 123-ter of Italian Legislative Decree 58/98, concerning the remuneration awarded to members of the Board of Directors, Executives with Strategic Responsibilities and members of the Company's Board of Statutory Auditors.

3. Appointment of the Board of Directors:

3.1 determination of the number of members;

3.2 determination of the term of office;

3.3 appointment of Directors;

3.4 appointment of the Chairman;

3.5 determination of remuneration

Dear Shareholders,

The Shareholders' Meeting of 20 April 2020 conferred the mandate of the Board of Directors. It will expire with the Shareholders' Meeting convened to approve the Financial Statements for the year ending 31 December 2022.

Please also note that:

- with the Shareholders' Meeting of 2 October 2020, Chairman Carlo Bonomi, who was co-opted by the Board of Directors on 25 April 2020 to replace the resigning Antonio Caorsi, was confirmed as Director and Chairman of Fiera Milano. At the same meeting, Luca Albino Palermo was also appointed Director, replacing the resigning Fabrizio Curci;
- both Directors appointed at the Shareholders' Meeting of 2 October 2020 expire with the approval of the Financial Statements as at 31 December 2022;
- On 14 June 2022, the Board of Directors co-opted Professor Ferruccio Resta as Director to replace Anna Gatti, who had resigned;
- On 13 October 2022, the Board of Directors co-opted Regina De Albertis and Agostino Santoni as directors to replace the resigning Angelo Meregalli and Marina Natale;
- Under current legal provisions, the term of office of Directors Resta, De Albertis and Santoni will expire with the next Shareholders' Meeting, called for 27 April 2023.

In thanking you for the trust placed in us, therefore, under Article 2364, paragraph 1, point 2) of the Italian Civil Code, we invite you to appoint the new administrative body, after determining (i) the duration of the office, which we suggest is set at 3 (three) financial years (*i.e.* until the Shareholders' Meeting to be called to approve the Financial Statements as of 31 December 2025), and (ii) the number of members, in compliance with the laws and regulations in force, as well as the Bylaws, made available on the Company's website www.fieramilano.it in the section '*Investors/Governance/Articles of Association*'.

We also invite you to appoint the Chairman of the Board of Directors.

We suggest considering the guidelines included in the lists presented for the Chairman's appointment. Please note that if the Shareholders' Meeting does not appoint the Chairman of the Board of Directors, the administrative body will elect a Chairman at its first meeting.

To take the necessary resolutions, we remind you that:

- under Article 14.1 of the Articles of Association:
 - i. the term of office of the administrative body may not exceed three (3) financial years;
 - ii. the number of members of the administrative body may not be less than 3 (three) and more than 9 (nine), including the President;
 - iii. outgoing directors are eligible for re-election;
 - iv. Directors must fulfil the applicable legal provisions;
 - v. The composition of the Board of Directors must reflect an adequate level of diversity in terms of skills, experience, age, gender and international profile.
- Under Article 14.2 of the Articles of Association, most members of the Board of Directors must meet the independence requirements for Statutory Auditors according to current law and also the independence requirements established in the Corporate Governance Code of Borsa Italiana SpA;

- Under Article *147-quinquies* of the Consolidated Law on Finance, the directors must meet the requirements of good repute prescribed for the members of the supervisory bodies by the regulation issued by the Minister of Justice pursuant to Article 148, paragraph 4, of the Consolidated Law on Finance.

The Board of Directors is appointed based on lists of candidates submitted by Shareholders who, in compliance with the Articles of Association, current legal provisions and Consob Executive Order No. 76 of 30 January 2023, represent a total of at least 2.5% of the share capital.

Regarding the appointment procedure through list voting, please note that:

- In compliance with Article *147-ter*, paragraph three, of Italian Legislative Decree No. 58/1998 and Article 14.4 of the Articles of Association, at least one director must be drawn from the minority list that obtained the highest number of votes and is not connected in any way, not even indirectly, with the shareholders who submitted, took part in submitting, or voted for the list that received the most votes;
- each candidate may only appear on one list, failing which they will be ineligible. Each list contains a maximum of nine candidates listed by a sequential number;
- lists containing three or more candidates must contain candidates of both genders, so that the lesser represented gender has a number of candidates at least equal to the number established by the laws and regulations in force at the time, i.e. at least two fifths of the candidates;
- most of the candidates on each list must meet the independence requirements as defined in Article 14.2. of the Articles of Association;
- the submission of lists of candidates for the office of member of the Board of Directors and the appointment of the same, must be carried out in compliance with Article 14.4 of the Articles of Association and the applicable provisions of law. Lists submitted without complying with the above provisions will be considered as not submitted;
- nomination proposals must be filed at the certified email address fieramilano@legalmail.it, or by registered mail with return receipt at the Company's operating and administrative offices in Rho (MI), S.S. del Sempione 28 (Corporate Secretariat, *Governance* and *Compliance* Office), at least twenty-five days before the date set for the Shareholders' Meeting on single call (i.e. by 2 April 2023) and must be accompanied by
 - i. information on the identity of the shareholders submitting the list and the percentage of the share capital held by them;
 - ii. certification, issued in compliance with the law by persons authorised to do so, showing ownership of the shareholding. Certifications proving ownership of the shareholding on the date on which the lists are deposited may also be produced later provided that it is within twenty-one days (i.e. 6 April 2023) before the date set for the Shareholders' Meeting;
 - iii. declarations in which the individual candidates accept, under their responsibility, the candidature and certify the non-existence of causes of ineligibility and incompatibility and the existence of the requirements prescribed by current legislation for assuming the office, including the criteria of honourableness provided for by Article 148, paragraph 4, of Legislative Decree 58/98, referred to by Article *147-quinquies* of the same Decree, Legislative Decree 58/98, referred to in Article *147-quinquies* of the same Legislative Decree 58/98, as well as any indication by the same, both of the independence requirements established for statutory auditors by current law provisions and those indicated by the *Corporate Governance Code*;
 - iv. *curriculum vitae* regarding the personal and professional characteristics of each candidate, with a list of directorships and auditing positions held in other companies (to be updated and promptly communicated to the Company in the event of any changes before the actual holding of the Shareholders' Meeting);
 - v. If a list is submitted by shareholders other than those who hold, even jointly, a controlling or relative majority interest in the Company's capital, this list must be accompanied by a declaration by the submitting shareholders, certifying the absence of any relationship of connection with one or more reference shareholders as defined by current legislation;
- the lists will be published by the Company at least twenty-one days before the date scheduled for the Shareholders' Meeting, in compliance with the provisions of the Articles of Association and Article *144-octies* of Consob Regulation No. 11971/1999, as amended and supplemented (hereinafter, the "**Issuers' Regulation**");

- If only one list is submitted or if no list is submitted, the Shareholders' Meeting shall appoint the Board of Directors pursuant to and with the majorities prescribed by law, ensuring gender balance.

To submit the lists, we finally remind you that, under Article 4, Recommendation 23, of the *Corporate Governance Code of Borsa Italiana SpA*, “*in companies other than those with concentrated ownership, the Board of Directors expresses, ahead of each renewal, a guideline on its quantitative and qualitative composition deemed optimal, considering the results of the self-assessment*”.

The “*Guideline on the Quantitative and Qualitative Composition of the New Board of Directors of Fiera Milano SpA for the three years 2023-2025*” was approved by the Board of Directors on 20 February 2023 and made available to the public on the same date on the Company's website www.fieramilano.it (in the section “*Investors/ Governance/Shareholders' Meeting*”) and on the authorised storage mechanism www.emarketstorage.com.

Also, in compliance with the Corporate Governance Code, the outgoing Board of Directors recommends that shareholders intending to submit a list containing several candidates exceeding half of the members to be elected:

- provide adequate information, in the documentation submitted for the filing of the list, on the conformity of the list with the guidance expressed by the Board of Directors, also concerning the diversity criteria provided for in Principle VII and *Recommendation 8 f* the Corporate Governance Code;; and
- indicate their candidate for the office of Chairman.

Lastly, we invite you to determine - under Article 2364, paragraph 1, point 3), of the Italian Civil Code - the total annual remuneration due to the directors and the annual remuneration due to the Chairman of the Board of Directors, including all taxes and contributions payable by the Company.

The Shareholders are therefore invited, besides presenting the lists to appoint the Directors, to formulate proposals for resolutions on the items under items 3.1, 3.2, 3.4 and 3.5 on the Agenda, based on the following:

proposed resolution

3.1 Determination of the number of members.

Shareholders are invited to determine the number of members of the Board of Directors.

3.2 Setting the term of office.

Shareholders are invited to set the term of office of the Board of Directors.

3.3 Appointment of Directors.

Shareholders are invited to submit and vote on lists to appoint members of the Board of Directors under Article 14.4 of the Articles of Association.

3.4 Appointment of the Chairman;

The shareholders are invited to appoint the Chairman of the Board of Directors, based on the preferences expressed in the lists.

3.5 Determination of remuneration.

Shareholders are invited to determine the maximum total amount of annual remuneration, inclusive of all taxes and contributions payable by the Company, due to directors, leaving it to the Board of Directors, with the opinion of the Board of Statutory Auditors in compliance with the law, to determine the amount to be attributed to directors holding special offices.

4. Approval of an Incentive Plan under Art. 114 bis of Italian Legislative Decree 58/1998.

(Report pursuant to Article 84-bis and Annex 3A of the Regulation on Issuers)

Dear Shareholders,

on 15 March 2023, the Board of Directors of the Company resolved to submit to your examination, pursuant to Article 114-bis of Legislative Decree No. 58 of 24 February 1998, a medium- and long-term incentive plan, structured in the mixed form of *cash* and *performance shares* and named “*Performance Shares Plan 2023-2025*” (hereinafter, the “**Plan**”), in favour of (i) directors with management powers of the Company or of companies directly or indirectly controlled by the Company, pursuant to Article 2359 of the Civil Code or Article 93 of the Consolidated Law on Finance (hereinafter referred to as the “**Subsidiaries**” and, collectively, the “**Executive Directors**”), (ii) “**Executives with Strategic Responsibilities**” of the Company (meaning the persons identified by the Board of Directors who, pursuant to the Appendix to Consob Regulation No. 17221 of 12 March 2010 on Related Party Transactions, as subsequently amended and supplemented, have the power and responsibility, directly or indirectly, for the planning, management and control of the Company’s activities) and (iii) other employees of the Company and its Subsidiaries, who will be identified as beneficiaries of the Plan.

The information document relating to the Plan (hereinafter, the “**Information Document**”), which is submitted for your examination, has been prepared pursuant to Article 84-bis and Annex 3A of the Regulation approved by Consob with resolution No. 11971 on 14 May 1999 (the “**Issuers’ Regulation**”), and will be made available to the public as of 16 March 2023, on the Company’s website www.fieramilano.it in the “*Investors/Governance/Shareholders’ Meeting*” section, and on the authorised storage mechanism www.emarketstorage.com.

1) Reasons for adopting the Plan

The Plan aims to:

- (i) align the interests of management with those of shareholders and contribute to creating sustainable value by promoting stable management participation in the Company’s capital through incentive instruments with a medium to long-term horizon and also based on Shares;
- (ii) to encourage the continuation and motivation within the Group of resources possessing high professional qualities necessary for pursuing the Company’s strategy and sustainable success, ensuring the balance of the remuneration pay-mix in line with market practices;
- (iii) linking the overall remuneration and especially the incentive system of the Group’s management and key figures to the actual performance of the Company and the creation of new value for the Group.

2) Beneficiaries of the Plan

The Plan is addressed not only to Executive Directors but also to the Company’s Executives with Strategic Responsibilities and to the employees of the Company and its Subsidiaries whom the Board of Directors will identify from among those persons who hold or perform significant roles or functions in, or for, the Group and for whom an action to strengthen their loyalty is justified, to create value in the medium-long term, hereinafter, the “**Beneficiaries**”).

3) Modalities and clauses for implementing the Plan, with particular reference to its duration and the conditions for the allocation of shares

The Plan provides for a vesting period of three years, corresponding to the three years 2023-2025, for the verification of the *performance* targets on which the awarding of shares and bonuses is conditional. The right to receive the shares granted, and the bonus awarded will be subject to achieving these performance targets, which will be determined upon approval of the Plan regulations.

The Plan will end upon approval of the Financial Statements for the year ending 31 December 2025.

4) Potential support for the Plan from the Special Fund created to encourage workers' participation, referred to in Article 4(112) of Law 350 of 24 December 2003

The Plan will not receive any support from the Special Fund created to encourage workers' participation in companies, referred to in Article 4(112) of Law 350 of 24 December 2003

5) Limits to the transfer of vested shares

Fifty per cent of the vested shares under the Plan may not be transferred or subject to any lien or other acts of disposal *inter vivos* for any reason for 24 months from receipt of such vested shares.

Such vested shares, delivered to the Beneficiaries through the authorised financial intermediary, will have regular dividend entitlement but must remain on deposit with the authorised financial intermediary identified by the Company throughout the duration of the Lock-Up.

If a Beneficiary terminates their employment or directorship with the Company (or the relevant Subsidiary) during the lock-up period, the vested shares that have been delivered to the Beneficiary, while remaining in the Beneficiary's ownership, shall remain unavailable for 24 months.

The Shareholders' Meeting is called upon not only to approve the guidelines of the Plan in the Information Document but also to grant the Board of Directors any power necessary or appropriate to implement the Plan, in particular (for example only) any power to: (i) identify, include or exclude Beneficiaries; (ii) determine the amount of Allocated Shares and the amount of the Bonus Allocated to each Beneficiary; (iii) define the contents of the Allocation Sheets and establish the Performance Targets; (iv) verify compliance with the conditions for the delivery of the Allocated Shares, and the Allocated Bonuses as identified in the Rules and Regulations of the Plan; (v) proceed with the actual deliveries to the Beneficiaries of the Shares and Bonuses; (vi) prepare and approve the Rules and Regulations of the Plan and to make such amendments to it as may be necessary and/or appropriate, also to adapt them to extraordinary events that have occurred; as well as (vii) draw up and/or complete any document necessary or appropriate to the Plan, perform any act, fulfilment (including market disclosure in compliance with applicable laws and regulations), formality, communication that is necessary or appropriate for the management and/or implementation of the Plan, with the power to delegate its powers, duties and responsibilities concerning the Plan's execution and implementation.

Given the above, we submit the following for your approval

proposed resolution

"The Shareholders' Meeting of Fiera Milano, having acknowledged the Explanatory Report of the Board of Directors and the Information Document prepared pursuant to Article 114-bis of Legislative Decree No. 58 of 24 February 1998 and Article 84-bis of Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments and additions;

resolves

- 1) to approve the Performance Shares Plan 2023-2025 drafted pursuant to Article 114-bis of Italian Legislative Decree 58/98, in the terms broadly described above and as better reported in the Information Document published pursuant to applicable regulations;*
- 2) to vest the Board of Directors with the broadest powers necessary or appropriate to fully and completely implement the Performance Shares Plan 2023-2025, including but not limited to the power to: (i) identify, include or exclude Beneficiaries; (ii) determine the amount of Allocated Shares and the amount of the Bonus Allocated to each Beneficiary; (iii) define the contents of the Allocation Sheets and establish the Performance Targets; (iv) verify compliance with the conditions for the delivery of the Allocated Shares, and the Allocated Bonuses as identified in the Rules and Regulations of the Plan; (v) proceed with the actual deliveries to the Beneficiaries of the Shares and Bonuses; (vi) prepare and approve the Rules and Regulations of the Plan and to make such amendments to it as may be necessary and/or appropriate, also to adapt them to extraordinary events that have occurred; as well as (vii) draw up and/or complete any document necessary or appropriate to the Plan, perform any act, fulfilment (including market disclosure in compliance with applicable laws and regulations), formality, communication that is necessary or appropriate for the management and/or implementation of the Plan, with the power to delegate its powers, duties and responsibilities concerning the Plan's execution and implementation.*

5. Appointment of the independent auditors for the period 2023 - 2031 and determination of their remuneration.

Dear Shareholders,

Please note that at the outset that the engagement for the statutory audit of the Financial Statements and consolidated Financial Statements awarded, for the period 2014-2022, to E.Y. SpA by resolution of the Shareholders' Meeting of 29 April 2014, expires with the Shareholders' Meeting to approve the Financial Statements for the year ending 31 December 2022.

Pursuant to Article 17 of Legislative Decree No. 39/2010 (hereinafter, the '**Decree**'), for Italian companies issuing securities admitted to trading on regulated markets in Italy and in the European Union, the engagement for the statutory audit of accounts conferred on an auditing firm lasts for nine financial years, with the exclusion of the possibility of renewal unless at least four financial years have elapsed since the termination of the previous engagement.

Given that, as the nine years provided for by current law has elapsed, the assignment granted to E. & Y. SpA is no longer renewable, the proposal to appoint different auditors as statutory auditors for the period 2023-2031 is submitted to the Shareholders' Meeting for examination and approval.

On this point, please note that to identify possible candidates for the statutory audit assignment, the Company carried out the selection procedure pursuant to Article 16 of European Regulation No. 537/2014 (hereinafter, the "**Regulation**"), as a result of which the Board of Statutory Auditors prepared its reasoned proposal pursuant to Article 13 of the Decree and Article 16 of the Regulation. In particular, the Board of Statutory Auditors, considering the offers received from the auditing companies, recommended that the assignment for the legal audit of the accounts for the period 2023-2031 be awarded to the Company PWC SpA or the Company Deloitte SpA, expressing a preference for PWC SpA.

The reasoned proposal of the Board of Statutory Auditors regarding the appointment of the statutory auditors for the financial years 2023-2031 is attached to these Explanatory Reports as Appendix A.

Lastly, shareholders are reminded that, under Article 13 of the Decree, the Shareholders' Meeting, upon the reasoned proposal of the controlling body, appoints the auditing firm for the entire duration of the assignment and determines the fee for the auditing firm, as well as any criteria for adjusting the fee during the assignment.

Given the above, we submit the following for your approval

proposed resolution

"The Shareholders' Meeting of Fiera Milano, having noted the reasoned proposal of the Board of Statutory Auditors to appoint the external auditors for the period 2023 - 2031;

resolves

to appoint the independent auditors PWC SpA to audit the accounts of the Fiera Milano Group for the period 2023-2031, for a total annual fee (net of ISTAT increases, out-of-pocket expenses, VAT and supervisory fee) of Euro 382.150.00, authorising the Chairman of the Board of Directors and the Chief Executive Officer jointly and severally, also through proxies, to formalise the aforesaid appointment and, in any case, whatever is required, necessary or helpful in executing the resolution, under current regulations'.

6. Authorisation for the purchase and disposal of treasury shares under articles 2357 and 2357-ter of the Italian Civil Code, subject to revocation of the resolution passed by the Shareholders' Meeting on 22 April 2022. (Report pursuant to Article 73 and Annex 3A of the Regulation on Issuers)

Dear Shareholders,

Firstly, we remind you that with a resolution dated 22 April 2022, the Shareholders' Meeting authorised the Company to purchase treasury shares, and to dispose of all and/or part of the purchased treasury shares with no time limit and even before having completed the purchases, for 18 months from the date of the same resolution.

Under this authorisation, on 13 October 2022, the Board of Directors resolved to start the treasury share purchase programme as of 24 October 2022. As of today, Fiera Milano SpA holds 683,758 treasury shares, equal to 0.95% of the share capital.

Since the term of validity of the above authorisation will expire on 22 October 2023, to avoid the need to call a shareholders' meeting close to said expiry date, for the reasons set forth below we deem it useful to propose that you proceed with a new authorisation to purchase and dispose of treasury shares under Article 2357 of the Italian Civil Code et seq.

The purchase of ordinary shares of the Company will be carried out in compliance with the provisions in force for listed companies and any other applicable EU and national regulations.

The reasons and procedures for purchasing and disposing of treasury shares for which we request your authorisation are set out below.

A) Reasons for requesting authorisation to purchase and dispose of own shares

The Board of Directors requests this authority because it considers that the purchase of treasury shares could be a valuable instrument to:

- facilitate any agreements involving the exchange of blocks of shares;
- dispose of treasury shares to be used in the context of share incentive plans, both existing and future, or in the context of potential issues of bonds convertible into Company shares;
- also in compliance with applicable regulations, to stabilise share price movements linked to anomalies in the market and improve the liquidity of the shares;

and, in any event, pursue the purposes permitted by the applicable regulatory provisions, including those covered by Regulation (EU) 596/2014, as well as, where applicable, by the market practices permitted by Consob.

It is also proposed to the Shareholders' Meeting, under the conditions and within limits specified below, to authorise the Board of Directors to dispose of any shares purchased, as well as of any treasury shares already held as this facility is considered an important component of management and strategic flexibility.

B) Maximum number and nominal value of the shares to which the authorisation relates; compliance with the provisions of Article 2357(3) of the Civil Code.

The purchase mandate requested applies to the Company's ordinary shares without par value and, under Article 2357, paragraph 3, of the Italian Civil Code, may not exceed 5% of the share capital, including shares held by the Company and its subsidiaries at today's date. The subsidiaries will receive instructions for the timely notification of any purchases of shares in Fiera Milano SpA to ensure compliance with the aforementioned overall limit of 5% of the Company's share capital.

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

The fee paid or received for transactions involving the purchase or sale of treasury shares will be recognised in the accounts per the applicable *pro tempore* regulations.

C) Duration of authority

The buyback authority is required for 18 months from the date the Shareholders' Meeting adopts the relevant resolution, while the authorisation to dispose of treasury shares, which may be purchased or already in the portfolio, is required without a time limit.

D) Fees for the Purchase and Disposal of Shares

Without prejudice to the provisions of paragraph E) below, the shares may be purchased in compliance with the conditions relating to trading contained in Art. 3 of Delegated Regulation (EU) 2016/1052 (hereinafter, the "Regulation 1052") implementing Regulation (EU) 596/2014 and the applicable provisions of the Italian Civil Code, and at a price that is not higher than the highest price between the price of the last independent transaction and the price of the highest current independent bid on the trading venues where the purchase is made, it being understood that the unit price shall be neither lower nor higher by 10% than the reference price recorded for the Fiera Milano share on the Euronext Milan Market organised and managed by Borsa Italiana SpA in the session preceding each individual purchase transaction.

Shares may be sold, even before the purchases have been exhausted, in one or more tranches, at a price lower than the purchase prices.

this restriction on the disposal price does not apply if the shares are disposed of as part of a stock option plan. If the shares are used in the context of extraordinary transactions, including, for example but not limited to, exchange, swap, contribution or in the service of capital transactions or other corporate and/or financial transactions and/or other transactions of an extraordinary nature or in any case for any other non-cash disposition, the economic terms of the transaction will be determined by the Board of Directors based on the nature and characteristics of the transaction, also taking into account the market performance of Fiera Milano stock.

E) Procedures for the purchase of treasury shares

Purchases of treasury shares may be made in one or more tranches in compliance with applicable laws and regulations, including, where applicable, permitted market practices.

In particular, transactions for the purchase of treasury shares must be carried out in compliance with the conditions outlined in Article 3 of Regulation 1052, or with the applicable provisions of the Italian Civil Code, and in such a way as to ensure equal treatment among Shareholders under Article 132 of the Consolidated Law on Finance, exclusively through the following methods:

- i. takeover bid;
- ii. on regulated markets in compliance with the operating procedures laid down in the rules governing the organisation and management of those markets, which do not permit the direct matching of trading proposals on purchase with predetermined trading proposals on sale.

Disposals may be effected, in one or more tranches, even before the purchases have been exhausted, by sale on regulated and/or non-regulated markets or off-market, by public offer, or as consideration for the purchase of participations and possibly by assignment to shareholders.

F) Information on the instrumentality of the purchase for capital reduction.

The purchase of treasury shares subject to this authorisation request is not instrumental to the reduction of the share capital by cancellation of the treasury shares purchased; without prejudice to the Company's right, should the Shareholders' Meeting in the future should approve a reduction of the share capital, to implement it also by cancelling the treasury shares held in the portfolio.

Given the above, we submit the following for your approval

proposed resolution

“The Shareholders’ Meeting of Fiera Milano, having examined the report of the Board of Directors prepared under Article 125-ter of Legislative Decree No. 58/98, as well as Article 73 of Consob Regulation No. 11971 of 14 May 1999 and in compliance with Annex 3A - Schedule 4, of the same Regulation and the proposal contained therein, considering Articles 2357 and 2357-ter of the Italian Civil Code, hereby resolves to approve the following proposal

resolves

- 1) *to revoke, for the portion not executed, the resolution authorising the purchase and disposal of treasury shares adopted by the Ordinary Shareholders’ Meeting of 22 April 2022;*
- 2) *to authorise the Board of Directors, pursuant to and for Article 2357 of the Italian Civil Code et seq., to purchase the Company’s treasury shares for the purposes indicated in the Board of Directors’ report on the sixth item on the Agenda, for the quantity, price, terms and conditions set forth below:*
 - *the purchase may take place in one or more tranches within 18 months from this resolution;*
 - *the fee for the purchase of each share shall not be greater than the price of the last independent transaction or the price of the highest current independent offer (whichever is highest) in the trading venues where the purchase is made. It is understood that the unit price must be neither 10% lower nor higher than the reference price recorded for Fiera Milano shares on the Euronext Milan market organised and managed by Borsa Italiana S.p.A. on the trading day before each purchase transaction;*
 - *the maximum number of shares purchased may not, including shares held by the Company and its subsidiaries, exceed 5% of the shares into which the share capital is divided;*
 - *Purchases of treasury shares may be made in one or more tranches in compliance with applicable laws and regulations, including, where applicable, permitted market practices. Treasury share purchase transactions must be carried out in compliance with the conditions set out in Article 3 of the Delegated Regulation (EU) 2016/1052 and in compliance with Article 132 of Italian Legislative Decree 58/98, Article 144-bis of Consob Regulation No. 11971 of 14 May 1999, and any other applicable legislation, including EU legislation;*
- 3) *to authorise the Board of Directors, under current legal provisions, to dispose of all or part of the treasury shares purchased, with no time restrictions, even before the purchases have been exhausted; Disposals may be made, in one or more tranches, even before the purchases have been exhausted, by sale on regulated and/ or non-regulated markets or off-market, by public offer, or as consideration for the purchase of participations and possibly by assignment to shareholders. The selling price must be no lower than that of the lowest purchase price. This price limit will not be applicable in the event the shares are disposed of as part of a stock option plan. If the shares are used in extraordinary transactions, including, for example but not limited to, exchange, swap, contribution or in the service of capital transactions or other corporate and/or financial transactions and/or other transactions of an extraordinary nature or in any case for any other non-cash disposition, the Board of Directors will determine the economic terms of the transaction based on the nature and characteristics of the transaction, also considering the market performance of Fiera Milano stock.*
- 4) *to grant the Board of Directors all powers necessary to carry out purchases and disposals and in any case to implement the foregoing resolutions, also through proxies, complying with any requests by the competent authorities”.*

Rho (Milan), 16 March 2023

On behalf of the Board of Directors

The Chairman

Carlo Bonomi

Fiera Milano Group Consolidated Financial Statements at 31 December 2022

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Consolidated statement of financial position

notes	(€ '000)	31/12/22	31/12/21*
ASSETS			
Non-current assets			
4	Property, plant and equipment	5,003	5,808
5	Right-of-use assets	367,482	392,512
53	<i>of which from related parties</i>	364,503	388,247
	Investments in non-core property	-	-
6	Goodwill	95,036	95,036
7	Intangible assets with a finite useful life	15,195	18,511
8	Investment in an associate and a joint venture	29,640	15,733
9	Other investments	32	82
10-53	Other financial assets	2,386	71
11	Trade and other receivables	33,424	31,961
53	<i>of which from related parties</i>	33,240	31,852
12	Deferred tax assets	11,174	14,011
	Total	559,372	573,725
Current assets			
13	Trade and other receivables	33,404	31,130
53	<i>of which from related parties</i>	5,550	4,235
14-53	Inventories	3,144	3,280
	Contracts in progress	-	-
15	Financial assets	36,420	8,205
53	<i>of which from related parties</i>	703	2,429
16	Cash and cash equivalents	81,971	148,250
	Total	154,939	190,865
Assets held for sale			
1.7-53	Assets held for sale	2,672	129
	Total assets	716,983	764,719
EQUITY AND LIABILITIES			
17	Equity		
	Share capital	42,182	42,284
	Share premium reserve	9,828	10,256
	Revaluation reserve	-	-
	Other reserves	5,298	2,623
	Retained earnings	53,951	8,792
	Profit/(loss) for the year	(5,599)	44,359
	Total Group equity	105,660	108,314
	Equity attributable to non-controlling interests	533	671
	Total equity	106,193	108,985
Non-current liabilities			
	Bonds in issue	-	-
18	Bank borrowings	60,866	98,229
19	Financial liabilities related to the right-of-use of assets	346,858	370,568
53	<i>of which from related parties</i>	345,348	367,703
20	Other financial liabilities	1,683	-
21	Provision for risks and charges	500	72
22	Employee benefit provisions	7,763	9,527
23	Deferred tax liabilities	3,733	3,643
24	Other liabilities	-	655
	Total	421,403	482,694
Current liabilities			
	Bonds in issue	-	-
25	Bank borrowings	27,250	938
26	Trade payables	50,317	50,569
27-53	Advances	29,869	35,886
28	Financial liabilities related to the right-of-use of assets	49,889	41,376
53	<i>of which from related parties</i>	48,295	39,821
29	Other financial liabilities	618	9,994
53	<i>of which from related parties</i>	130	9,560
30	Provision for risks and charges	5,443	6,437
31	Tax liabilities	2,606	4,955
32-53	Other liabilities	20,723	22,756
53	<i>of which from related parties</i>	4,352	4,084
	Total	186,715	172,911
Liabilities held for sale			
1.7	Liabilities held for sale	2,672	129
	Total liabilities	716,983	764,719

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5 following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

Consolidated statement of profit or loss

notes	(€ '000)	2022	2021*
36	Revenues from sales and services	220,285	122,302
53	<i>of which with related parties</i>	10,190	4,706
	Total revenues	220,285	122,302
37	Cost of materials	4,078	1,705
38	Cost of services	110,159	71,204
53	<i>of which with related parties</i>	3,007	1,375
39	Cost of use of third-party assets	1,246	516
40-53	Personnel costs	44,413	40,720
41-53	Other operating expenses	3,931	2,843
	Total operating expenses	163,827	116,988
42	Other income	4,135	73,146
53	<i>of which with related parties</i>	959	6,269
54	<i>of which non recurring transactions</i>	-	66,990
43	Share of profit of an associate and a joint	466	1,207
44	Provisions for doubtful receivables and other provisions	2,656	5,925
	Earnings before interest, taxes, depreciation, and amortization (EBITDA)	58,403	73,742
45	Depreciation of property, plant and equipment and right-of-use assets	43,246	42,017
	Depreciation of property investments	-	-
45	Amortisation of intangible assets	4,662	3,195
46	Adjustments to asset values	1,276	22
	Earnings before interest and taxes (EBIT)	9,219	28,508
47-53	Financial income and similar	1,600	1,028
48	Financial expenses and similar	14,524	14,420
53	<i>of which with related parties</i>	10,849	11,715
	Profit/(loss) before tax	(3,705)	15,116
49	Income tax	2,055	(24,365)
53	<i>of which with related parties</i>	(1,477)	(8,745)
	Profit/(loss) from continuing operations	(5,760)	39,481
50	Profit/(loss) from discontinued operations	-	4,600
	Profit/(loss) of the year	(5,760)	44,081
51	Profit/(loss) attributable to:		
	The shareholders of the controlling entity	(5,599)	44,359
	Non-controlling interests	(161)	(278)

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5 following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

Consolidated statement of comprehensive Income

notes	(€ '000)	2022	2021
17	Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss		
	Revaluation of defined benefit schemes	1,048	145
	Tax effects	(251)	4
17	Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss		
	Currency translation differences of foreign subsidiaries	(9)	52
2	Other comprehensive income/(loss) of equity accounted associates and joint ventures that will not be reclassified subsequently to profit or loss		
	Revaluation of defined benefit schemes	34	12
	Tax effects	(8)	(3)
	Currency translation differences of foreign subsidiaries	(10)	197
	Other comprehensive income/(loss) net of related tax effects	804	407
	Total comprehensive income/(loss) for the year	(4,956)	44,488
	Total comprehensive income/(loss) for the year attributable to:		
	The shareholders of the controlling entity	(4,818)	44,765
	Non-controlling interests	(138)	(277)
52	Earnings/(losses) per share (€)		
	Basic	(0.0782)	0.6192
	Diluted	(0.0782)	0.6192

Consolidated statement of cash flows

notes	(€ '000)	2022	2021*
	Initial Cash from continuing operations	148,250	19,903
	Initial Cash from assets held for sale	48	539
	Cash flow from operating activities		
16	Net cash arising from operations	42,806	126,458
53	<i>of which from related parties</i>	(5,436)	6,633
33	Interest paid	(2,070)	(941)
33	Interest paid on financial liabilities related to the right-of-use of assets	(11,280)	(11,971)
33	Interest received	393	847
49	Income taxes paid	(960)	(730)
	Total from continuing operations	28,889	113,663
	Total from assets held for sale	1,761	(491)
	Cash flow from investing activities		
4	Investments in tangible assets	(1,419)	(1,246)
4	Write-downs of tangible assets	532	30
7	Investments in intangible assets	(2,422)	(4,700)
2	Investments in Joint Ventures	(11,750)	1,403
9	Other investments	-	-
	Total from continuing operations	(15,059)	(4,513)
	Total from assets held for sale		-
	Cash flow from financing activities		
17	Equity	(530)	600
20	Non-Current financial liabilities	(9,986)	98,159
15	Current financial assets	(28,608)	(2,676)
53	<i>of which from related parties</i>	1,705	(1,088)
28	Current financial liabilities related to the right-of-use of assets	(32,176)	(38,041)
53	<i>of which from related parties</i>	(29,219)	(36,693)
25-29	Current financial liabilities	(8,555)	(38,892)
53	<i>of which from related parties</i>	(9,430)	8,247
	Total from continuing operations	(79,855)	19,150
	Total from assets held for sale		-
17	Total translation differences	(254)	47
	Net cash flow from continuing operations	(66,025)	128,300
	Net cash flow from assets held for sale	1,761	(491)
	Net cash for the year from continuing operations	81,971	148,250
	Net cash for the year from assets held for sale	1,809	48
	Net cash at the end of the year	83,780	148,298

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5 following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

Consolidated Statement of Changes in Equity

(€'000)

note 17	Share capital	Share premium reserve	Other reserves	Retained earnings	Profit/(loss) for the year	Total Group equity	Capital and reserves attributable to non-controlling interests	Profit/(loss) for the financial year attributable to non-controlling interests	Total non-controlling interests	Total equity
Balance at 31 December 2020	42,284	10,256	1,708	42,578	(33,943)	62,883	557	(209)	348	63,231
Allocation of earnings at 31.12.20:	-	-	-	(33,943)	33,943	-	(209)	209	-	-
<i>use of reserves</i>	-	-	-	-	-	-	-	-	-	-
<i>dividend distribution</i>	-	-	-	-	-	-	-	-	-	-
Shares in portfolio	-	-	-	-	-	-	-	-	-	-
Fair value stock grant	-	-	736	-	-	736	-	-	-	736
Other changes	-	-	(70)	-	-	(70)	600	-	600	530
Total comprehensive income for the financial year	-	-	249	157	44,359	44,765	1	(278)	(277)	44,488
Balance at 31 December 2021	42,284	10,256	2,623	8,792	44,359	108,314	949	(278)	671	108,985
Allocation of earnings at 31.12.21:	-	-	-	44,359	(44,359)	-	(278)	278	-	-
<i>use of reserves</i>	-	-	-	-	-	-	-	-	-	-
<i>dividend distribution</i>	-	-	-	-	-	-	-	-	-	-
Shares in portfolio	(102)	(428)	-	-	-	(530)	-	-	-	(530)
Fair value stock grant	-	-	309	-	-	309	-	-	-	309
Other changes	-	-	2,385	-	-	2,385	-	-	-	2,385
Total comprehensive income for the financial year	-	-	(19)	800	(5,599)	(4,818)	23	(161)	(138)	(4,956)
Balance at 31 December 2022	42,182	9,828	5,298	53,951	(5,599)	105,660	694	(161)	533	106,193

Notes to the consolidated financial statements

On 15 March 2023, the Board of Directors approved the Fiera Milano Group Consolidated Financial Statements at 31 December 2022 and authorised their publication.

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

The Group business consists of hosting exhibitions, fairs and other events, promoting and making available equipped exhibition spaces, as well as offering support for projects and related services. This includes the business of staging exhibitions (and providing final services to exhibitors and visitors).

The business of the Group has dual seasonality: (i) a greater concentration of exhibitions in the period from January – June; (ii) exhibitions that have a multi-annual frequency.

Further details on Group structure are provided in the relevant section of the Management Report.

1) Accounting standards and consolidation criteria

1.1 Standards used to prepare the Financial Statements

The Consolidated Financial Statements were prepared in accordance with IAS/IFRS accounting standards in force at 31 December 2022, issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, relative interpretative documents and the provisions of Article 9 of Italian Legislative Decree 38/2005.

The accounting standards used to prepare the present Consolidated Financial Statements are the same as those used to prepare the Financial Statements at 31 December 2021, except for those applicable from 1 January 2022 described below.

Given the capital and financial position for 2022, the 2023-2026 financial forecasts, approved by the Board of Directors on 20 February 2023, confirming the medium-term forecast already included in the CONN.E.C.T. 2025 Strategic Plan by having adjusted them according to the new macroeconomic environment of increased energy costs and interest rates, and taking into account the forecasts for working capital performance and the financial and capital position of the Group, the Financial Statements were drawn up with a view to business continuity.

The Financial Statements are prepared in Euros and all figures are rounded to the nearest thousand Euros unless otherwise indicated. The Financial Statements provide comparative information for the previous year.

In 2022, no atypical and/or unusual transactions took place.

The risks and uncertainties to which the business is exposed are described in the Interim Report on Operations in the section on Risk factors affecting the Group, in note 34 of the Illustrative Notes and in section 1.6 on the use of estimates.

These Financial Statements are audited by the auditing firm EY SpA.

Russia-Ukraine Conflict

Russia's invasion of Ukraine and the sanctions imposed at the EU level caused shockwaves to the Italian and European economic fabric, which had already suffered the destructive effects of the Covid-19 pandemic and was just beginning to painstakingly emerge from the prolonged crisis. The Russia-Ukraine war has also aggravated the issue of the rising costs of energy, gas and oil. These price increases had already begun before the outbreak of war, but the war extended the escalating costs to other sectors of the economy.

In light of the above, and following the approval of the 2023 Budget on 15 December 2022, the Board of Directors of Fiera Milano updated its 2023 EBITDA target to enable its projections to better reflect the changed macroeconomic scenario compared to the situation when it published its forecasts in the CONN.E.C.T. 2025 strategic plan, back in February 2021. While Fiera Milano's business recovered more quickly than market forecasts, this new target for 2023 is nevertheless considered reasonable in light of the uncertainty that still persists due to changing energy costs and ongoing geopolitical tensions.

Particularly regarding energy prices, the Group has implemented specific risk mitigation plans aimed at improving the energy efficiency of its exhibition halls, while also considering expanding the photovoltaic system installed on the roofs of the Rho exhibition site.

Climate and environmental impacts

With regard to the recommendations of the European Securities and Markets Authority (ESMA) on the importance of climate change aspects, and regulatory developments at EU level, the Fiera Milano Group has assessed the implications of the potential physical and transitional risks deriving from climate change. In particular, as part of the framework designed according to the TCFD (Task Force on Climate-Related Financial Disclosure) guidelines – which defines two macro-classes of climate change risks: (i) physical risks (acute/chronic) and (ii) transitional risks (regulatory/market/technological/reputational) – the most applicable risk scenario for the Group's activities is considered to be that linked to extreme weather conditions (TCFD Physical/Acute classification). Extreme weather events and natural disasters expose the Group to asset and infrastructure damage (e.g. the Rho exhibition site and the MiCo Congress centre), which could potentially undermine the proper running of exhibition events and conventions, forcing the Group to suspend or interrupt its activities, with negative repercussions for the Group's finances and assets as well as for its reputation.

Based on these considerations, we can conclude that the Group is not particularly exposed to *physical* climate change risks in the short term. Therefore, the Group does not generally foresee any significant short-term financial impacts of climate risks on its operations and/or the valuation of its assets and liabilities.

1.2 New accounting standards, interpretations and amendments adopted

The Group has adopted for the first time some accounting standards and amendments that are applicable to financial periods beginning on or after 1 January 2022.

The Group has not opted for early adoption of any standards, interpretations or amendments that have been issued but for which adoption is not yet mandatory.

The following new standards and amendments have been in effect since 1 January 2022:

- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments - "Fees in the '10 per cent' test for derecognition of financial liabilities": The amendment clarifies which fees are to be included when applying the 10% test provided for in paragraph B3.3.6 of IFRS 9 to assess whether to derecognise a financial liability;
- IAS 41 Agriculture – Taxation in fair value measurements

These amendments, which are limited in scope, introduced minor modifications and clarifications and did not have an impact on the Group.

The standards and interpretations already issued but not yet in force at the date on which the Group's Consolidated Financial Statements have been prepared are illustrated below. The Group intends to adopt these standards and interpretations, if applicable, once they come into force.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new comprehensive standard setting out principles for the recognition, measurement, presentation and disclosure of insurance contracts. When IFRS 17 comes into force, it will replace IFRS 4 Insurance Contracts, which was issued in 2005. IFRS 17 applies to all types of insurance contracts (e.g. life, non-life, direct insurance, reinsurance) regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts among insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the General Model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach);
- A simplified approach (premium allocation approach) mainly for short-duration contracts.

IFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures being required. Earlier application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on its current position.

Amendments to IAS 8: Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 “Making Materiality Judgements”, which provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their ‘material’ accounting policies; furthermore, they add guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the IFRS Practice Statement 2 provide non-mandatory guidance on the application of the definition of “material” to accounting policy information, an effective date for these amendments was not necessary.

The Group is currently evaluating the impact of the amendments to determine the impact they will have on the Group’s accounting policy disclosures.

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12 narrowing the scope of the initial recognition exception under IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments apply to transactions that occur on or after the beginning of the comparative period presented. In addition, at the beginning of the comparative period presented, deferred tax assets (where there is sufficient taxable profit) and deferred tax liabilities must be recognised for all deductible and taxable temporary differences associated with leasing and restoration amounts.

The Group is currently evaluating the impacts of these changes.

1.3 Form and content of the Consolidated Financial Statements

With regard to the form and content of the Consolidated Financial Statements, the Group has made the following decisions:

- the Consolidated Statement of Financial Position is presented by separately disclosing Assets, Liabilities and Shareholders’ Equity. Assets and Liabilities are further classified as current, non-current and available-for-sale.
- The income statement is classified according to the nature of each revenue or cost item. It appears as two statements: the first (Income Statement) showing the revenue and cost components for the year; the second (Comprehensive Income Statement) containing the revenue and cost items recognised in equity rather than in profit and loss, stemming from the profit or loss for the year.
- The Consolidated Statement of Cash Flows is presented using the indirect method.
- The Consolidated Statement of Changes in Equity is presented with separate entries for comprehensive income and transactions with shareholders.

1.4 Scope and principles of consolidation

These Consolidated Financial Statements include the Parent Company Fiera Milano SpA, its subsidiaries and companies under joint control.

The Consolidated Financial Statements are based on the financial statements at 31 December 2022 approved by the boards of directors of the companies included in the scope of consolidation and prepared according to Group accounting policies and IAS/IFRS.

In relation to the consolidation, on 23 November 2022 Fiera Milano acquired 25% of the share capital of Ge.Fi. SpA, which in turn has a 100% stake in Mi-View Srl, as better described in chapter 2 Disclosure on Joint Ventures and Associates.

Subsidiaries

Subsidiaries are consolidated from the date when control is effectively transferred to the Group and are deconsolidated on the date when control is transferred to third parties.

The carrying amount of consolidated investments is set off against the corresponding portion of equity at the acquisition date, in view of the assumption of the assets and liabilities shown in the respective financial statements of the subsidiaries consolidated on a line-by-line basis. Acquisitions of subsidiaries are recognised using the purchase method, as required by IFRS 3 – Business Combinations revised in 2008.

The total capital and reserves of subsidiaries that qualify as non-controlling interests are recognised in equity under 'Capital and reserves: non-controlling interests'. The portion of consolidated profit or loss attributable to non-controlling interests is shown under 'Net profit (loss) - non-controlling interests'.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group recognises its interest in a joint venture as an investment and must account for that investment using the equity method in accordance with IAS 28 Investments in Associates and joint ventures.

In the transition from proportionate consolidation to the equity method, the interest in the joint venture is recognised at the beginning of the earliest period presented. At initial recognition, that initial investment shall be measured as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. If the goodwill previously belonged to a larger cash-generating unit, or to a group of cash-generating units, the entity shall allocate goodwill to the joint venture on the basis of the relative carrying amounts of the joint venture and the cash-generating unit or group of cash-generating units to which it belonged.

Intercompany transactions

In preparing the Consolidated Financial Statements, profits and losses not yet realised that stem from transactions between consolidated companies are eliminated, as are all payables and receivables, costs and revenues, unrealised gains and losses and all other transactions between consolidated companies.

Translation of accounts prepared in currencies other than the Euro

At the end of the reporting period, the assets and liabilities of consolidated companies with an accounting currency that is not the Euro are translated into the presentation currency of the Group's consolidated accounts at the exchange rate in force on that date. Income Statement items are translated at the average exchange rate for the year and translation differences arising on the adjustment of opening equity at the closing spot rates and the differences arising from the different methods used to translate profit for the year are recognised in equity through the Statement of Comprehensive Income and shown separately in a special reserve.

The exchange rates used for the translation into Euros of the 2021 and 2020 financial statements of foreign companies are shown in the table below:

	average 2022	average 2021	31/12/22	31/12/21
South African rand	17.21	17.48	18.10	18.06
Brazilian reals	5.44	6.38	5.64	6.31

Source: Bank of Italy

1.5 Summary of accounting standards and measurement criteria

Business combination

Business combinations are accounted for by applying the *purchase method* in accordance with IFRS 3 Business Combinations, revised in 2008. Under this method, the amount transferred in a business combination is measured at fair value, determined as the sum of fair value of the assets transferred and the liabilities assumed by the Group at the acquisition date and the equity instruments issued in exchange for control of the acquired entity. All other costs associated with the transaction are recognised in the Statement of Comprehensive Income when they are incurred and classified under administrative expenses.

Contingent consideration, which is included as part of the transfer price, is measured at its acquisition-date fair value. Subsequent changes in fair value are recognised in profit and loss.

The identifiable assets acquired and the liabilities assumed are measured at fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceed the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Acquisition-date amounts of non-controlling interests may be measured at fair value or in proportion to the non-controlling interests in the identifiable assets of the acquiree. The measurement method is selected on a transaction-by-transaction basis.

The Fiera Milano Group uses all information available to it and, for more material business combinations, the support of external appraisals to measure the fair value of business combinations.

Business combinations transacted prior to 1 January 2010 are recognised using the previous version of IFRS 3.

Business combinations achieved in stages

When a business combination is achieved in stages (step acquisition), the Group's previously held interest in the acquiree's assets and liabilities are measured at fair value at the date that it acquires control and any resulting adjustments are recognised in profit or loss. As a consequence, previously held investments are recognised as though they were sold and reacquired on the date on which control was acquired.

Put options

In relation to non-hedging derivatives, both the IASB and the Italian Civil Code envisage that after initial measurement, subsequent measurement must be at fair value and any changes recognised through profit and loss.

By granting put options to non-controlling shareholders, those shareholders obtain the right for the Group to buy back their shares at a future date. Paragraph 23 of IAS 32 requires a contract that contains an obligation for an entity to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. Therefore, where the entity does not have the unconditional right to avoid delivering cash or other financial instruments when a put option on shares of subsidiaries is exercised, it must recognise the financial liability. The financial liability is initially measured at fair value, consisting in the present value of the redemption amount, estimated on the best available information, and any changes in fair value between one financial period and another are recognised in profit and loss under financial income/expenses.

If the contract expires without delivery, the carrying amount of the financial liability is reclassified to equity.

Transactions involving non-controlling interests

Changes in a parent's controlling interest in a subsidiary that do not result in a loss of control are treated as equity transactions. Accordingly, when a parent increases its controlling stake in an existing subsidiary, any difference between the consideration paid and the carrying amount of the parent's interest in the subsidiary's net assets shall be recognised directly in equity and attributed to owners of the parent. When a parent decreases its stake in a subsidiary without losing control, any gain is recognised directly in equity and attributed to owners of the parent.

When a parent decreases its stake in a subsidiary and loses control in doing so, the residual investment is adjusted to the related fair value and the remeasurement qualifies as a capital gain (loss) on the transaction.

Tangible fixed assets

Property, plant and equipment

Property, plant and equipment are recognised at purchase or production cost, including directly attributable expenses, adjusted for depreciation and accumulated impairment losses.

Tangible assets are systematically depreciated each year on a straight-line basis, using economic/technical rates determined by the residual useful life of the assets.

Routine maintenance costs are charged to the income statement when they are incurred.

The replacement costs of identifiable components of complex assets are allocated to the assets and depreciated over their useful lives. The residual carrying amount of the components being replaced is recognised in the income statement.

Improvements to third party assets are recognised in property, plant and equipment based on the nature of the cost incurred; the depreciation period corresponds to the lesser of the residual useful life of the tangible asset and the residual period of the lease.

The depreciation rates applied are listed below:

• Office furniture and machinery	12%
• Exhibition furniture and equipment	27%
• Components for stands to be hired out	40%
• Metal components to be hired out	13.5%
• Sundry machinery and equipment	15%
• Motor vehicles	25%
• Electronic equipment	20%
• Plant and machinery	10%
• Telecommunication systems	20%
• Alarm systems	30%
• Furnishings	10%-12%

Compared to the previous year, there were no changes in rates.

If there is any indication of impairment, the tangible assets are impairment tested using the procedure illustrated in the paragraph “Impairment of assets”.

Intangible fixed assets

An intangible asset is recognised only if it is identifiable and controllable, is expected to generate future economic benefits, and its cost can be reliably measured.

Goodwill and intangible assets with an indefinite useful life

Goodwill arising from business combinations is initially recognised at cost on the acquisition date, as indicated in the paragraph above on Business Combinations and, for impairment test purposes, allocated to a cash generating unit or group of cash generating units which benefit from the synergies permitted by the acquisition that generated the goodwill. After initial recognition, goodwill is measured at cost less any impairment loss stemming from the impairment tests (see the paragraph “Impairment of assets”). An intangible asset is considered to have an indefinite useful life when no limit can be foreseen to the period during which the asset can generate cash inflows for the Group. Intangible assets with an indefinite useful life and goodwill are not subject to amortisation.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are measured at purchase or production cost, including any contingent costs, and systematically amortised on a straight-line basis over their estimated useful life. If there is any indication of impairment, they are impairment tested using the procedure illustrated in the paragraph "Impairment of assets".

Since the last quarter of 2008, trademarks of exhibitions (i.e. exhibitor lists, visitor lists and the actual trademark of the exhibition) and of publications have been reclassified from goodwill and intangible assets with an indefinite life to intangible assets with a finite useful life. The initial choice was based on the consideration that the businesses underlying these assets, i.e. exhibitions and specialist publications, do not lend themselves to a precise assessment of their lifetime. In essence, at the time of the initial choice, no factors of a general economic, regulatory or legal nature or factors specific to the entity or to the sector in which it is active emerged such as to set a foreseeable limit on the period during which the asset was expected to generate net cash inflows.

However, general trends in national and international markets, together with the internal competitive dynamics of the reference sectors for exhibitions and specialist publications, led to a reconsideration of these initial assumptions. After comparing the practices of the main Italian and foreign competitors, it was concluded that an estimated finite useful life of 20 years was appropriate in most cases, both for exhibitions and publications.

Where an estimate of the reference time horizon for certain intangible assets was shown to be more uncertain, the useful life was set at 10 years.

Therefore, the amortisation rates applied are listed below:

- Exhibition trademarks 5% or 10%
- Other trademarks and publications 5% or 10%

Compared to the previous year, there were no changes in rates.

Industrial patents, intellectual property rights, licences and concessions are amortised over a period of three to ten years from the year they were acquired.

Research costs are recognised in the income statement at the time they are incurred. In compliance with IAS 38, development costs relating to specific projects, including the launch of new exhibitions, are capitalised when it is probable that the generation of future economic benefits is reasonably certain and when their costs can be reliably measured and amortised in the period when the expected future benefits are realised for the same project. The carrying amount of costs is reviewed annually at the end of the reporting period or more often if there are any particular reasons for doing so, to analyse the fair value and ascertain any indication of impairment.

Impairment of assets

Goodwill and other intangible assets with an indefinite life are systematically tested for impairment at the end of the reporting period, or more often if impairment indicators emerge.

Tangible and intangible assets with a finite useful life that are depreciated or amortised are tested for impairment only when there are indications of impairment.

The recoverability of carrying amounts is measured as the lower of the carrying amount and the higher of the fair value less costs to sell and the value in use of the asset. The net selling price is the price that would be received to sell an asset in an orderly transaction between market participants less costs to sell; In the absence of binding agreements, prices listed on an active market, or the best information available considering recent transactions involving identical or similar assets in the same business sector, are used as reference. The value in use is the present value of the future cash flows expected to be derived from the asset (or cash-generating unit), discounted using a weighted average cost of capital of an entity having a similar risk profile and level of indebtedness, and from its ultimate disposal at the end of its useful life.

If subsequently there is an indication that an impairment loss, other than for goodwill, may have decreased or no longer exists, the carrying amount of the asset is adjusted to the new estimate of the recoverable value. However, this value may not exceed the value which would have been recognised if there had been no impairment. Reversal of impairment, other than goodwill, is recognised in the income statement.

Leased assets

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, determining its terms and conditions of use and, though not explained, its upkeep over time.

The adoption of IFRS 16 has significantly affected the figure of the Lessee; it is no longer required to distinguish between an operating and finance lease, as the distinction between the two types is superseded by the distinction between lease and service concession arrangements. So in the case of leasing, a single accounting model independent of the characteristics of the contract will be applied, regardless.

The most significant Rights Of Use which are determined in the Fiera Milano Group as a result of the application of IFRS 16 do not generate independent cash flows and therefore the check of their recoverable amount is carried out exclusively within the CGUs to which they belong.

Control and identifiability of an asset

Two material elements are considered to determine whether an asset in question is leased or part of a service concession arrangement: control and identifiability of the asset.

With regard to control this concerns the management by the lessee on the use and obtaining of economic benefits deriving from the use of the property, identified, subject to the contract.

On the other hand, identifiability exists whenever an asset can be uniquely identified, provided that there is no right of substitution for the duration of the contract in favour of the lessor, who would be allowed to continue to have control of the asset.

The Group as lessee

The Group adopts a single recognition and measurement model for all leases, except for short-term leases and leases of low value. The Group recognises the liabilities relating to the lease payments and the right-of-use asset, which is the asset underlying the contract.

j) Right-of-Use Assets

The Group recognises the right-of-use assets at the inception date of the lease (i.e., the date on which the underlying asset is available for use). The right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasuring of lease liabilities. The cost of right-of-use assets includes the amount of the lease liabilities recognised, the initial direct costs incurred and the lease payments made at the commencement date or before commencement less any awards granted. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

- Capital properties 1-12 years old
- Car fleet 1-4 years old

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

Right-of-use assets are subject to impairment. Please refer to paragraph 1.6 'Use of estimates'.

ii) Lease liabilities

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not yet paid at that date. Payments due include fixed payments (including in-substance fixed payments) less any lease awards to be received, variable lease payments that depend on an index or rate, and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that this option will be exercised by the Group

and payments of penalties for terminating the lease if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognised as an expense in the period (unless they were incurred to produce inventories) in which the event or condition giving rise to the payment occurs.

In calculating the present value of the payments due, the Group uses the incremental borrowing rate at the commencement date if the implicit interest rate cannot be easily determined. After the commencement date, the lease liability amount increases to account for interest on the lease liability and decreases to account for payments made. In addition, the carrying amount of lease liabilities is restated in the event of any changes to the lease or for the revision of the contractual terms for the change in payments; it is also restated if there are changes in the valuation of the option to purchase the underlying asset or changes in future payments resulting from a change in the index or rate used to determine such payments.

iii) short-term leases or leases of low value

The Group applies the exemption for the recognition of short-term leases relating to machinery and equipment (i.e. leases that have a duration of 12 months or less from the inception date and do not contain a purchase option). The Group has also applied the exemption for leases relating to low-value assets with reference to lease contracts for office equipment whose value is considered low. Short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

The Group as lessor

Lease contracts that essentially leave the Group with all the risks and benefits associated with ownership of the asset are classified as operating leases. Income from operating leases must be recognised on a straight-line basis over the lease term, and are included as revenue in the income statement due to their operating nature. Initial negotiation costs are added to the carrying amount of the leased asset and recognised over the term of the contract on the same basis as lease income. Unplanned leases are recognised as revenue in the period in which they are accrued.

Financial assets

IFRS 9 requires that if specific options are not exercised, financial instruments are classified according to the following criteria:

- Business Model defined by the entity for financial instruments management, and
- characteristics of the contractual cash flows of the financial instruments.

IFRS 9 envisages three asset categories:

- Assets held to collect the contractual cash flows (or Hold to Collect; HTC), measured at amortised cost;
- Assets held to collect the contractual cash flows and to be sold (or Hold to Collect and Sell; HTCS), designated at fair value through profit or loss (FVTPL) or through other comprehensive income (FVOCI);
- Other financial assets designated at fair value through profit or loss. This residual category can include all business models other than those mentioned above.

The financial assets are initially recognised at fair value, normally represented by the transaction price, plus any accessory charges on the purchase.

The amortised cost criterion offers the best representation in the financial statements for financial assets comprising debt securities and receivables, in that it allows the interest to be spread over the holding period, in compliance with accrual accounting.

Subsequent measurement after initial recognition is at amortised cost or fair value, and these methods are applied according to the category of the financial instrument concerned.

With regard to the classification of financial liabilities, IFRS 9 envisages a general rule by which the entity measures the financial liabilities at amortised cost using the effective interest method (as previously under IAS 39). As for assets and liabilities measured at fair value, any changes in value are recognised in the income statement, thus contributing to the determination of the operating result; however, if such changes are caused by a change in *credit risk*, the changes are recognised in shareholders' equity.

Assets classed as held to maturity are recognised among current financial assets if the maturity is less than twelve months, or as non-current if greater. They are subsequently measured at amortised cost. The latter is calculated using the effective interest method, taking into account any purchase discounts or premiums and spreading them over the entire period up to maturity, less any impairment.

Loans and receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the Companies belonging to the Group measure the realisable value of these receivables taking account of estimated future cash flows.

Available-for-sale assets are recognised as non-current assets, unless they are to be divested within twelve months from the end of the reporting period, and are measured at fair value. Profits or losses from fair value measurement are recognised in other comprehensive income and aggregated in a specific equity reserve until they are sold, recovered or otherwise derecognised.

Equity investments

Equity investments fall under the scope of application of the IFRS 9 classification and measurement criteria for equity investments, excluding equity interests in subsidiaries, associates and joint ventures and companies under their control which are instead classed as equity instruments under IAS 32. In this residual category, the investments are designated at *fair value* through other comprehensive income.

Investments in associates identified as joint ventures are measured using the equity method, which envisages recognition in a specific item of comprehensive income of the Group share of the profit or loss of companies over which it exercises significant influence.

Inventories

Inventories are measured at the lower of purchase cost and net estimated and consumables. The Group's inventories consist mainly of outstanding costs relating to activities in future years.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank demand deposits and cash investments with an original maturity of not more than three months. The definition of cash and cash equivalents in the Consolidated Statement of Cash Flows is the same as that for the Statement of Financial Position.

Assets and liabilities held for sale

This category includes assets and liabilities or disposal groups/discontinued operations where the carrying amount will be recovered primarily through a sale rather than through continued use.

For this to happen, the following conditions must be met:

- the assets (or disposal groups) must be available for immediate sale in their present condition;
- the sale must be highly probable, i. e. the company must be committed to a programme for their disposal; activities to identify a buyer must have been initiated; and completion of the sale must be scheduled to take place within one year of the date of classification in this category.

Assets held for sale are measured at the lower of their net carrying amount and their fair value less costs to sell.

If an asset that is depreciated or amortised is reclassified to this item, the depreciation or amortisation process is discontinued at the time of reclassification.

In compliance with IFRS 5, figures for discontinued operations are presented as follows:

- in two specific items of the Consolidated Statement of Financial Position: Assets held for sale and Liabilities held for sale;
- in a specific item of the Consolidated Statement of Comprehensive Income: Profit/(loss) from discontinued operations.

Equity

Treasury shares

The nominal value of treasury shares is deducted from share capital and any amount in excess of nominal value is deducted from the share premium reserve.

Under IAS/IFRS regarding the acquisition of treasury shares, the nominal value of the shares is deducted from share capital while the difference between the nominal value and the acquisition value is deducted from the share premium reserve. Regarding the sale of treasury shares, the share capital and the share premium reserve are reconstituted by the same amounts as the reductions applied when the shares were acquired while any gains/losses from the sale is recognised in equity, under other reserves, with no impact on the income statement. The shares taken as reference for the calculation of gains/losses on disposal are selected using the FIFO method.

Stock Grant

According to the contents of IFRS 2 - Share-based Payments, the total amount of the current value of the stock grants (fair value) at the assignment date is recorded in full in the statement of income among the personnel costs for the period between the allocation date and their maturity date and is recognised against the equity reserve.

The fair value of the stock grants is calculated at their allocation date, reflecting the market conditions existing at the date in question.

In the case of a set 'maturity period' in which some conditions must be met (attaining targets) so that the assignees become holders of the right, the cost for remuneration, determined on the basis of the current value of the shares at the allocation date, is recorded under personnel costs based on a straight-line method over the period between the allocation date and the maturity date.

In case of assigning shares free of charge (so-called stock grant) at the end of the maturity period, the corresponding increase in equity is recorded.

Costs of capital transactions

Costs directly attributable to capital transactions are recognised as a direct reduction of equity.

Trade payables, tax payables, advances and other liabilities

Payables, advances and other liabilities are initially recognised at fair value. After that, they are measured at amortised cost. Payables are derecognised when the underlying financial obligations have been discharged.

If they have a due date exceeding twelve months, the liabilities are discounted to present value using an interest rate reflecting market assessments of the time value of money and specific risks connected with the liability concerned. Discounted interest is classified in financial expenses.

Derivative instruments

A derivative is a financial instrument or other form of contract with the following characteristics: (i) its value changes in response to the change in an interest rate, the price of a financial instrument, a commodity price, a foreign exchange rate, a price or rates index, a credit rating, or another pre-established underlying variable; (ii) it requires no net initial investment or, if initial investment is required, is smaller than would be required for a contract from which a similar response to changes in market factors would be expected; (iii) it is settled at a future date. Derivatives are classified as financial instruments and therefore adjusted to fair value at the end of each year. The effects of fair value adjustments are recognised in the income statement as financial income/expenses.

Provisions for risks and charges

Provisions for risks and charges are allocated when the Group must meet a present obligation (legal or implicit) stemming from a past event, the amount of which can be reliably estimated and for settlement of which an outflow of resources is probable. If expectations of resource outflow go beyond the next financial year, the obligation is recognised at its present value through discounting of future cash flows at a rate that also considers the time value of money and the liability's risk.

Risks for which manifestation of a liability is only possible, not probable, are shown in the paragraph 'Disclosure on guarantees given, undertakings and other contingent liabilities', and no provisions are allocated for these.

Bank borrowings and other financial liabilities

Financial payables are initially recognised at cost, represented by the fair value of the funds received net of accessory charges incurred in acquiring the loan. After initial recognition, borrowings are measured at amortised cost, calculated using the effective interest rate method. Amortised cost is calculated by taking into account issuance costs and any discount or premium envisaged at the time of settlement.

Employee benefits

Employee benefits paid out upon or after termination of the employment relationship consist mainly of employee severance indemnities (trattamento di fine rapporto or TFR), which are governed by Article 2120 of the Italian Civil Code.

In compliance with IAS 19, employee severance indemnities are considered a defined benefit plan, i.e. a plan consisting of benefits provided post-employment, which constitutes a future obligation for which the Group assumes actuarial risks and related investments. As required by IAS 19, the Group uses the projected unit credit method to determine the present value of its defined benefit obligations and the related current service costs. This calculation requires the application of objective and mutually compatible actuarial assumptions concerning demographic variables (mortality rate, employee turnover) and financial variables (discount rate, future increases in salary levels). The Fiera Milano Group recognises the change in actuarial gains and losses (remeasurement) in other comprehensive income. From 1 January 2007, following the social security reform, cumulative employee severance indemnities are allocated to pension funds or to the INPS treasury fund, or, in the case of companies with fewer than 50 employees, may remain within the company as in previous years. Employees were given the option until 30 June 2007 to choose the destination of their severance indemnities.

In that regard, the allocation of accrued employee severance indemnities to pension funds or to INPS means that a portion of these indemnities will be classified as a defined contribution plan in that the company's obligation is solely the payment of contributions either to the pension fund or to INPS. The liability related to the past severance indemnities continues to represent a defined benefit plan to be measured according to actuarial assumptions.

Employee termination benefits not included in the employee severance indemnities (TFR) are recognised as liabilities and employee expenses when the enterprise is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date or provides termination benefits as a result of an incentive to voluntary redundancy. The benefits owed to employees for termination of their employment do not give any future economic benefits to the enterprise and are therefore recognised immediately as a cost.

Revenue recognition

Revenues are recognised when contractual obligations are fully satisfied and the customer acquires control of the assets transferred. They are recognised at the *fair value* of the consideration received or receivable, taking into account any trade discounts and quantity-based reductions granted.

Revenue from the provision of services is recognised when the service is provided. In compliance with paragraph 31 et seq. of IFRS 15, services relating to exhibitions and congresses are considered to be transferred to the customer during the exhibitions and events, as this is the period in which most of the related costs are incurred. Likewise, such revenues are recognised during the exhibition or event as the funds used and costs incurred are also spread over the exhibition/event duration.

When it is probable that an exhibition's total costs will exceed its total revenues, the expected loss is recognised as a cost in a specific provision.

Operating costs

Costs are recognised when they relate to goods and services sold or used in the financial year or on an accrual accounting basis when their future usefulness cannot be precisely identified.

Personnel expenses include both the fixed and variable remuneration of Directors taking account of the effective period of service.

Costs that are not eligible to be recognised in assets are recognised in the income statement in the period in which they are incurred.

Other income

This item has a residual nature and includes revenues from grants and subsidies.

Financial income and expenses

Financial income and expenses are recognised in the accounts based on timing that considers the effective return/expense of the asset/liability concerned.

Taxes

Income taxes are recognised, for each company, according to estimated taxable income in compliance with current tax rates and regulations in the countries where the Group operates. Income taxes are recognised in the income statement, except those relating to items charged or credited directly in equity, the tax effect of which is recognised in equity.

Deferred taxes are measured according to the taxable temporary differences existing between the carrying amounts of assets and liabilities and their tax base and are classified among non-current assets and liabilities.

Deferred tax assets are recognised to the extent that there is likely to be sufficient future taxable income against which the positive balance can be utilised. The carrying amount of deferred tax assets is subject to review at the end of each reporting period.

Deferred tax assets and liabilities are measured according to the tax rates expected to be applied in the period when the deferrals materialise, considering the tax rates in force or those that are scheduled to come into force subsequently.

Current and deferred tax assets and liabilities are offset only when they are levied by the same tax authority and when there is a legal right to offsetting.

Note 47 provides further information on the tax consolidation.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the current exchange rate in force on the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in force at the end of the reporting period. Foreign exchange differences generated by the extinction of monetary items or their translation at different exchange rates from those at which they were translated at the time of initial recognition in the period or in previous periods are recognised in the income statement. Exchange rate differences are recognised in financial income and expenses.

Dividends

Dividend income is recognised when the shareholders' right to receive payment has been established. This is normally the date of the Annual Shareholders' Meeting that approves the dividend distribution.

Earnings per share

Basic earnings (losses) per share are calculated by dividing the Group profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding in the period, excluding treasury shares.

Diluted earnings (losses) per share are calculated by adjusting the weighted average number of shares outstanding to allow for all dilutive potential ordinary shares.

1.6 Use of estimates

Preparation of the financial statements and related notes using IFRS requires estimates and assumptions to be made that affect the amounts of assets and liabilities in the Statement of Financial Position and disclosures concerning contingent assets and liabilities at the end of the reporting period. Actual results may differ from these estimates. Estimates are used for provisions for doubtful accounts, depreciation and amortisation, employee benefits, taxes, and other provisions and reserves, as well as any impairment of assets. Estimates and assumptions are reviewed regularly and the effects of any change are immediately recognised in profit or loss.

The most significant estimates used in preparing the Financial Statements are given below as these require a high degree of subjective opinions, assumptions and forecasts:

- Goodwill is systematically tested for impairment at least annually, or more often if impairment indicators emerge. The impairment test calls for a discretionary estimate of the values in use of the cash-generating unit to which the goodwill is attributed, in turn based on the estimate of future cash flows of the CGU and their discounting at a specified discount rate. The recoverability of carrying amounts is measured as the lower of the carrying amount and the higher of the fair value less costs to sell and the value in use of the asset. The net selling price is the price that would be received to sell an asset in an orderly transaction between market participants less costs to sell; in the absence of a binding agreement, reference is made to similar transactions on an active market or it is determined according to IFRS 13 Fair Value Measurement. The value in use is the present value of the future cash flows expected to be derived from the asset (or cash-generating unit), discounted using a weighted average cost of capital of an entity having a similar risk profile and level of indebtedness, and from its ultimate disposal at the end of its useful life. The plans used to carry out the impairment tests are based on certain expectations and assumptions of future performance that by their very nature are subject to uncertainties. Therefore, results could differ from estimates. These assumptions are also subject to the medium- and long-term consequences of the health emergency linked to the Covid-19 pandemic and the effects of the Russian-Ukrainian conflict, with particular reference to the timing of a return to pre-pandemic performance levels. Therefore, results could differ from estimates. The plan will be continually assessed by the Directors regarding the effective realisation of the initiatives and forecasts and the effects on the financial and economic performance of the Group.

- *Intangible assets with a finite useful life* are tested for *impairment* when there are internal or external indications that an asset is impaired; this test requires an estimate of the value in use of the cash-generating unit to which the asset belongs, which itself is based on an estimate of the cash flows the cash-generating unit is expected to generate and discounting them to their net present value using an appropriate discount rate.
- *Deferred tax assets* are recognised against tax losses carried forward and other timing differences to the extent of the likely existence of future taxable profit against which these tax losses carried forward and those due to timing differences may be used. The Directors must make a significant discretionary assessment of the amount of deferred tax assets to be recognised. The business plan of the Company is used to calculate the likelihood that these deferred tax assets will be used.
- *Provisions for risks and charges* are subject to discretionary estimates using the best available information at the date of these Financial Statements and based on historic and future data regarding the likely outcome of legal disputes or events, for which assessment of the risk profiles and likely financial impact is uncertain and complex and could result in an adjustment to the estimates.

Reference should be made to the specific paragraph in the notes to the Financial Statements for the use of estimates on financial risks. Measurement of the provision for risks refers to the best information available at the end of the reporting period.

1.7 Disclosure of assets held for sale

On 9 March 2023, following the press releases of 25 January 2022, 20 May 2022 and 13 October 2022, the Board of Directors of Fiera Milano announced that it had agreed to finalise the strategic transaction with Fiere di Parma SpA concerning a partnership aimed at creating a common European exhibition platform in the agri-food sector. Under the agreement, Fiera Milano SpA will transfer its business unit dedicated to the “Tuttofood” exhibition – the number one agro-food exhibition at the Rho exhibition site. From 31 December 2022, this has therefore been classified as Assets held for sale. To execute the transaction, Fiera Milano SpA will subscribe to a capital increase in Fiere di Parma, bringing its investment up to 18.5% of share capital upon completion of the transaction.

The transaction will see the Parties create a new multi-hub trade fair platform. In Milan, ‘Tuttofood powered by Cibus’ will take on an international focus, bringing together audiences from all major agri-food producing countries and thus competing with other leading European exhibitions, while also continuing to support the local supply chain. In Parma, ‘Cibus’ will become an iconic event for authentic Italian produce, including regional delicacies. Thanks to the synergies between Fiera Milano SpA and Fiere di Parma, the two exhibitions will be able to optimise their positioning by offering strategic and permanent support to the Made in Italy agro-food industry and the Italian system in general.

Pursuant to IFRS 5 “Non-current assets held for sale and discontinued operations”, the assets held for sale were represented by setting out in a single line of the income statement, under the item “Net result from assets held for sale”, whereas in the consolidated statement of financial position they are presented in the lines “Assets held for sale” and “Liabilities held for sale”.

The recognition of assets held for sale in the income statement and in the statement of financial position are detailed below:

Statement of profit or loss from assets held for sale

(€ '000)	2022	2021
Revenues from sales and services	-	7,454
<i>of which with related parties</i>	-	21
Totale ricavi	-	7,454
Cost of materials	-	17
Cost of services	-	3,140
<i>of which with related parties</i>	-	301
Cost of use of third-party assets	-	1
Personnel costs	-	769
Other operating expenses	-	99
Total operating expenses	-	4,026
Profit/(loss) from discontinued operations	-	3,428

At 31 December 2021, the net result for the year of Assets held for sale was EUR 4,600 thousand and referred to the transfer of the 'Tuttofood' related business unit for EUR 3,428 thousand and the transfer of the publications related business unit for EUR 1,172 thousand.

Statement of financial position from assets held for sale

(€ '000)	31/12/22	31/12/21
ASSETS		
Intangible assets with a finite useful life	6	7
Inventories	857	74
<i>of which with related parties</i>	65	-
Cash and cash equivalents	1,809	48
Total assets held for sale	2,672	129
LIABILITIES		
Employee benefit provisions	2	2
Advances	2,650	106
Other liabilities	20	21
<i>of which with related parties</i>	889	-
Total liabilities held for sale	2,672	129
Net assets held for sale	-	-

The net cash flows from the Tuttofood business unit were as follows:

(€ '000)	2022	2021
Cash flow from operating activities	1,761	(491)
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Net cash flow from assets held for sale	1,761	(491)

2) Disclosure on joint ventures and associates

Joint ventures

The Group has a 49% shareholding in Hannover Milano Global Germany GmbH, a company jointly controlled with Deutsche Messe AG that is equity accounted.

Following the application of IFRS 11 - Joint Arrangements, the Group has classified its investment as a joint venture as significant business decisions relating to Hannover Milano Global Germany GmbH require the unanimous agreement of the parties and neither has specific rights over the individual assets or obligations for any individual liability of the company of the legal entity.

Under the joint venture agreement with Deutsche Messe AG, the Group share of equity is 40.24% and is calculated on the results generated by the various exhibitions.

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

Hannover Milano Global Germany GmbH	31/12/22	31/12/21
Current assets	3,994	2,972
Non-current assets	8,494	8,526
Current liabilities	22,199	18,471
Net financial debt/(cash)	(21,412)	(21,617)
Equity	11,701	14,644
Book value of the joint venture	5,836	6,977

Hannover Milano Global Germany GmbH	2022	2021
Total revenues and other income	6,068	31,151
Total operating costs	(9,706)	(24,577)
Depreciation and amortisation	(36)	(370)
Interest income	269	216
Interest payable	(1)	-
Profit/(loss) before tax	(3,406)	6,420
Income tax	(637)	2,273
Profit/(loss) for the year	(2,769)	4,147
Profit/(loss) attributable to the shareholders of the controlling entity	(2,770)	3,941
Group profit/(loss)	(1,131)	1,586

The Group has a 49% shareholding in Ipack-Ima Srl, a company jointly controlled with UCIMA (Union of Italian Automatic Machine manufacturers for packing and packaging) that is equity accounted.

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

Ipack Ima Srl	31/12/22	31/12/21
Current assets	1,137	4,285
Non-current assets	4,580	4,808
Current liabilities	1,314	6,256
Non-current liabilities	192	223
Net financial debt/(cash)	(1,311)	259
Equity	5,522	2,355
Book value of the joint venture	2,706	1,154

Ipack Ima Srl	2022	2021
Total revenues and other income	14,971	1,067
Total operating costs	(11,502)	(1,755)
Depreciation and amortisation	(299)	(294)
Interest payable	(20)	(25)
Profit/(loss) before tax	3,150	(1,007)
Income tax	898	(488)
Profit/(loss) for the year	2,252	(519)
Group profit/(loss)	1,103	(255)

The Group holds a 51% stake in MiCo DMC Srl (indirectly through Fiera Milano Congressi SpA), which was initially consolidated on a line-by-line basis.

On 4 December 2018, the governance agreement regarding MiCo DMC Srl with the partner AIM Group International SpA was amended, establishing a greater degree of collaboration for business management decisions. Under IFRS 11, these agreements mean the company is categorised as a joint venture, meaning that from 31 December 2018 the value of the investment is consolidated at equity.

The main balance sheet items of the joint venture and the Group share are summarised in the following table:

MiCo DMC Srl	31/12/22	31/12/21
Current assets	4,305	914
Non-current assets	377	332
Current liabilities	5,735	1,637
Non-current liabilities	183	211
Net financial debt/(cash)	(2,535)	(951)
Equity	1,299	349
Book value of the joint venture	662	178

MiCo DMC Srl	2022	2021
Total revenues and other income	14,000	3,155
Total operating costs	(13,039)	(3,470)
Depreciation and amortisation	(13)	(12)
Interest payable	(34)	(22)
Profit/(loss) before tax	914	(349)
Income tax	265	(105)
Profit/(loss) for the year	649	(244)
Group profit/(loss)	331	(124)

At 31 December 2022 and at 31 December 2021, there were no contingent liabilities or material obligations relating to the investment of the Parent Company in the joint ventures.

Associates

On 23 November 2022, the acquisition by Fiera Milano of a stake equal to 25% of the share capital of Ge.Fi S.p.A. was completed. Ge.Fi S.p.A. is a leading Italian player in the organization of trade fairs and exhibitions, including Artigiano in Fiera, hosted annually by Fiera Milano at its Rho venue.

Ge.Fi. SpA holds a 100% stake in Mi-View Srl, which manages the restaurant of the same name located at the World Join Center in Milan.

The initiative is part of the strategic framework envisaged in the "CONN.ECT 2025" plan, aimed at consolidating Fiera Milano's relations with the key organizers of the exhibitions hosted belonging to the main supply chains of the Italian economic fabric, also through capital transactions, pursuing the dual goal of increasing profitability and acquiring key skills.

The consideration, set at Euro 11,750 thousand, was paid at the closing, with a cash settlement made by Fiera Milano. An earn-out is envisaged, to be paid following the approval of the 2025 financial statements of Ge.Fi. SpA, based on the achievement of specific objectives established in the acquiree's Business Plan. Forms of protection for the minority interest held by Fiera Milano are also envisaged, in line with market practices.

The initial value of the investment is the cash consideration paid in cash plus the actualised value of the earn-out if its recognition is deemed probable.

The investment is recognised in the consolidated statement of financial position using the equity method, with the Group's interest in profit for 2022 amounting to Euro 163 thousand.

The figures relating to the Group's investment in Ge.Fi. SpA are summarised in the table below.

Ge.Fi.SpA	23/11/22
Current assets	10,217
Non-current assets	11,350
Current liabilities	7,906
Non-current liabilities	2,636
Net financial debt/(cash)	(614)
Equity	11,639
Equity holders of the Parent	2,910
Goodwill	10,516
Book value of the Associate	13,426
Ge.Fi.SpA	2022
Total revenues and other income	16,636
Total operating costs	(14,333)
Depreciation and amortisation	(1,312)
Interest income	47
Interest payable	(240)
Profit/(loss) before tax	798
Income tax	148
Profit/(loss) for the year	650
Group profit/(loss)	163

The associate had no contingent liabilities or commitments at 31 December 2022.

3) Segment information

In accordance with IFRS 8, the identification of operating segments and related information is based on the data used by management to take its operating decisions and is consistent with the management and control model used. The internal accounting system, which is regularly reviewed and used by the top decision makers in the Group, gives information by segment and also by individual company.

The internal organisation structure and the performance measurement system is shaped by the strategic direction of the Group, with a view to greater integration of sales and operating processes. In particular, all activities carried out by Fiera Milano SpA, Nolostand SpA, Ipack Ima Srl, Ge.Fi. SpA and in MADE eventi Srl are grouped into a single operating segment 'Italian Exhibitions Business', as described in greater detail in Note 6 on Cash Generating Units.

Consequently, based on the management approach, the operating segments are now defined as follows:

- **Italian Exhibitions Business:** this segment covers all activities for the organisation and hosting of exhibitions and other events in Italy through the use, promotion and offer of furnished exhibition spaces; the provision of stand-fitting, technical and site services associated with exhibition and congress business; the provision of project support and ancillary services; the production of content and provision of advertising and digital services, as well as the organization of conferences and training courses. This includes the business of staging exhibitions (and providing final services to exhibitors and visitors):
 - directly organised by the Group or in partnership with third parties;
 - organised by third parties, through contracting out of spaces and services.

These activities are carried out by the Parent Company Fiera Milano SpA, Ipack Ima Srl, Nolostand SpA, Ge.Fi. SpA and MADE eventi Srl.

- **Foreign Exhibitions Business:** this segment covers all activities for the organisation of exhibitions and other events abroad through the use, promotion and offer of furnished exhibition spaces, of project support and of ancillary services. This covers all activities associated with exhibitions (including end services for exhibitors and visitors) that are directly organised by the Group or in partnership with third parties or acting as agents.

These activities are carried out by:

- Hannover Milano Global Germany GmbH, a joint venture with Deutsche Messe AG of Hannover, which operates in China through two subsidiaries, Hannover Milano Fairs China Ltd, and Hannover Milano Fairs Shanghai Co. Ltd and its subsidiaries Hannover Milano Best Exhibitions Co. Ltd of which 51% is held and Hannover Milano XZQ Exhibitions of which 60% is held. In addition, it is active through the subsidiary Hannover Milano Fairs India Pvt Ltd;
- Fiera Milano Brasil Ltda, based in São Paulo;
- Fiera Milano Exhibitions Africa PTY Ltd based in Cape Town.
- **Congresses:** this segment refers to the management of conferences and events and destination management services by Fiera Milano Congressi SpA and MiCo DMC Srl.

The tables below give Income Statement and Statement of Financial Position figures by segment for the financial years at 31 December 2021 and 31 December 2022.

Income Statement to 31/12/21

(€'000)

	Italian Exhibitions Business	Foreign Exhibitions Business	Congresses	Adjustments	Consolidated*
Revenues from sales and services to third-parties	100,006	195	22,101	-	122,302
Revenues from intersegment sales and services	2,963	-	852	(3,815)	
Total revenues	102,969	195	22,953	(3,815)	122,302
<i>of which from Italy</i>					122,107
<i>of which from foreign activities</i>					195
Cost of materials	1,587	1	121	(4)	1,705
Cost of services	59,528	425	16,357	(5,106)	71,204
Cost for use of third-party assets	1,119	28	15	(646)	516
Personnel expenses	36,826	1,056	2,877	(39)	40,720
Other operating expenses	3,157	27	334	(675)	2,843
Total operating expenses	102,217	1,537	19,704	(6,470)	116,988
Other income	63,365	107	12,329	(2,655)	73,146
Profit/(loss) of equity accounted companies	(255)	1,586	(124)	-	1,207
Allowance for doubtful accounts and other provisions	5,844	9	72	-	5,925
EBITDA	58,018	342	15,382	-	73,742
<i>of which from Italy</i>					73,390
<i>of which from foreign activities</i>					352
Depreciation of property, plant and equipment and right-of-use assets	36,658	84	5,275	-	42,017
Depreciation of property investments	-	-	-	-	-
Amortisation of intangible assets	3,000	152	43	-	3,195
Adjustments to asset values	22	-	-	-	22
EBIT	18,338	106	10,064	-	28,508
<i>of which from Italy</i>					28,392
<i>of which from foreign activities</i>					116
Financial income and similar					1,028
Financial expenses and similar					14,420
Valuation of financial assets					
Profit/(loss) before income tax					15,116
Income tax					(24,365)
Profit/(loss) from continuing operations					39,481
Profit/(loss) from discontinued operations					4,600
<i>Revenues</i>					8,951
<i>Operating expenses</i>					4,351
Profit/(loss) for the year					44,081
Profit/(loss) attributable to non-controlling interests					(278)
Group profit/(loss)					44,359

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5 following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

Statement of Financial Position Data at 31/12/21

(€'000)

	Investments increase	of which related to Right-of-use assets	Depreciation and amortisation of non-current assets	of which related to Right-of-use assets
Italian Exhibitions Business	5,507	408	39,658	35,702
Foreign Exhibitions Business	3	-	236	47
Congresses	1,174	331	5,318	3,848
Adjustments	-	-	-	-
Total	6,684	739	45,212	39,597

Income Statement to 31/12/22

(€'000)

	Italian Exhibitions Business	Foreign Exhibitions Business	Congresses	Adjustments	Consolidated
Revenues from sales and services to third-parties	172,014	8,697	39,574	-	220,285
Revenues from intersegment sales and services	4,794	-	3,736	(8,530)	
Total revenues	176,808	8,697	43,310	(8,530)	220,285
<i>of which from Italy</i>					211,588
<i>of which from foreign activities</i>					8,697
Cost of materials	3,908	6	165	(1)	4,078
Cost of services	86,040	6,002	27,661	(9,544)	110,159
Cost for use of third-party assets	1,211	140	33	(138)	1,246
Personnel expenses	40,184	1,065	3,204	(40)	44,413
Other operating expenses	3,706	36	376	(187)	3,931
Total operating expenses	135,049	7,249	31,439	(9,910)	163,827
Other income	4,034	12	1,469	(1,380)	4,135
Profit/(loss) of equity accounted companies	1,266	(1,131)	331	-	466
Allowance for doubtful accounts and other provisions	2,510	(1)	147	-	2,656
EBITDA	44,549	330	13,524	-	58,403
<i>of which from Italy</i>					58,063
<i>of which from foreign activities</i>					340
Depreciation of property, plant and equipment and right-of-use assets	37,134	90	6,022	-	43,246
Depreciation of property investments	-	-	-	-	
Amortisation of intangible assets	4,447	177	38	-	4,662
Adjustments to asset values	-	1,276	-	-	1,276
EBIT	2,968	(1,213)	7,464	-	9,219
<i>of which from Italy</i>					10,422
<i>of which from foreign activities</i>					(1,203)
Financial income and similar					1,600
Financial expenses and similar					14,524
Valuation of financial assets					
Profit/(loss) before income tax					(3,705)
Income tax					2,055
Profit/(loss) from continuing operations					(5,760)
Profit/(loss) from discontinued operations					-
<i>Revenues</i>					-
<i>Operating expenses</i>					-
Profit/(loss) for the year					(5,760)
Profit/(loss) attributable to non-controlling interests					(161)
Group profit/(loss)					(5,599)

Statement of Financial Position Data at 31/12/22

(€'000)

	Investments increase	of which related to Right-of-use assets	Depreciation and amortisation of non-current assets	of which related to Right-of-use assets
Italian Exhibitions Business	17,746	14,401	41,556	36,158
Foreign Exhibitions Business	51	13	293	77
Congresses	2,603	2,010	6,059	4,793
Adjustments	-	-	-	-
Total	20,400	16,424	47,908	41,028

Notes to the Consolidated Financial Statements

STATEMENT OF FINANCIAL POSITION

ASSETS

Non-current assets

4) Property, plant and equipment

The breakdown and changes in the last two financial years are given below:

Property, plant and equipment

(€'000)

	Balance at 31/12/20	Changes during the financial year							Balance at 31/12/21	
		Incr.	Decr.	Depr.	Impairment	Currency translation differences	Acquired business	Reclas- sification		Other
Plant and machinery										
. historic cost	19,045	90	-	-	-	-	-	-	(43)	19,092
. depreciation	17,697	-	-	343	-	(1)	-	-	-	18,039
Net	1,348	90	-	343	-	1	-	-	(43)	1,053
Industrial and commercial equipment										
. historic cost	33,826	213	777	-	-	-	187	-	-	33,075
. depreciation	32,972	-	769	391	-	-	165	-	-	32,429
Net	854	213	8	391	-	-	22	-	-	646
Other assets										
. historic cost	59,891	943	42	-	-	2	-	-	358	61,152
. depreciation	55,053	-	42	1,686	-	1	-	-	345	57,043
Net	4,838	943	-	1,686	-	1	-	-	13	4,109
Total property, plant and equipment										
. historic cost	112,762	1,246	819	-	-	2	187	-	315	113,319
. depreciation	105,722	-	811	2,420	-	-	165	-	345	107,511
Net	7,040	1,246	8	2,420	-	2	22	-	(30)	5,808

Property, plant and equipment

(€'000)

	Changes during the financial year									Balance at 31/12/22
	Balance at 31/12/21	Incr.	Decr.	Depr.	Impairment	Currency translation differences	Acquired business	Reclas-sification	Other	
Plant and machinery										
. historic cost	19,092	125	-	-	-	-	-	-	-	19,217
. depreciation	18,039	-	-	312	-	-	-	-	-	18,351
Net	1,053	125	-	312	-	-	-	-	-	866
Industrial and commercial equipment										
. historic cost	33,075	493	183	-	-	-	-	-	-	33,385
. depreciation	32,429	-	182	400	-	-	-	-	-	32,647
Net	646	493	1	400	-	-	-	-	-	738
Other assets										
. historic cost	61,152	801	6,328	-	-	26	-	-	(75)	55,576
. depreciation	57,043	-	6,319	1,506	-	22	-	-	(75)	52,177
Net	4,109	801	9	1,506	-	4	-	-	-	3,399
Total property, plant and equipment										
. historic cost	113,319	1,419	6,511	-	-	26	-	-	(75)	108,178
. depreciation	107,511	-	6,501	2,218	-	22	-	-	(75)	103,175
Net	5,808	1,419	10	2,218	-	4	-	-	-	5,003

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

Plant and machinery

This item totalled Euro 866 thousand, net of depreciation for the year of Euro 312 thousand, and was mainly for electrical, heating, alarm and audiovisual systems.

The increase of Euro 125 thousand refers to Parent Company investments in plant and machinery for the Rho exhibition site.

Industrial and commercial equipment

This item totalled Euro 738 thousand, net of depreciation for the year of Euro 400 thousand, and was mainly for equipment and furnishings related to the exhibition business.

The increases amounted to Euro 493 thousand, mainly comprising investments by NoloStand SpA for the purchase of exhibition equipment and assets to be hired out during exhibitions.

Other assets

This item totalled Euro 3,399 thousand net of depreciation for the year of Euro 1,506 thousand; Euro 2,241 thousand was for improvements to the assets of Fondazione Fiera Milano and Euro 1,158 thousand was for furniture, furnishings, minor equipment, vehicles and electronic equipment.

The Euro 801 thousand increase breaks down as follows:

- Euro 592 thousand pertaining to Fiera Milano Congressi SpA, mainly referring to the upgrades of the assets leased by Fondazione Fiera Milano to the company;
- Euro 155 thousand pertaining to the Parent Company, referring to Euro 117 thousand in digital investments and Euro 38 thousand for improvements to third-party assets;
- Euro 55 thousand pertaining to minor investments.

The decreases refer to the disposal of largely obsolete electronic equipment.

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

5) Rights of use of assets

The breakdown and changes in the last two financial years are given below:

Right-of-use assets

(€'000)

	Balance at 31/12/20	Changes during the financial year					Balance at 31/12/21
		Incr.	Decr.	Depr.	Acquired business	Currency translation differences	
Leased property							
. historic cost	510,611	577	3,628	-	-	2	507,562
. depreciation	79,179	-	3,352	39,428	-	1	115,256
Net	431,432	577	276	39,428	-	1	392,306
Leased corporate fleet							
. historic cost	496	162	65	-	-	-	593
. depreciation	260	-	42	169	-	-	387
Net	236	162	23	169	-	-	206
Total Right-of-use assets							
. historic cost	511,107	739	3,693	-	-	2	508,155
. depreciation	79,439	-	3,394	39,597	-	1	115,643
Net	431,668	739	299	39,597	-	1	392,512

Right-of-use assets

(€'000)

	Balance at 31/12/21	Changes during the financial year					Balance at 31/12/22
		Incr.	Decr.	Depr.	Acquired business	Currency translation differences	
Leased property							
. historic cost	507,562	15,991	978	-	-	106	522,681
. depreciation	115,256	-	476	40,882	-	10	155,672
Net	392,306	15,991	502	40,882	-	96	367,009
Leased corporate fleet							
. historic cost	593	433	356	-	-	-	670
. depreciation	387	-	336	146	-	-	197
Net	206	433	20	146	-	-	473
Total Right-of-use assets							
. historic cost	508,155	16,424	1,334	-	-	106	523,351
. depreciation	115,643	-	812	41,028	-	10	155,869
Net	392,512	16,424	522	41,028	-	96	367,482

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

Right-of-use properties

The item totalled Euro 367,009 thousand, less depreciation for the year of Euro 40,882 thousand, and refers to the recognition of leases of right-of-use property following the application of IFRS 16. The increase of Euro 15,991 thousand mainly refers to the monetary revaluation of exhibition site leases, in particular to the Parent Company for Euro 13,850 thousand and to the company Fiera Milano Congressi for Euro 2,010 thousand.

The decrease of Euro 502 thousand refers to the early termination of minor leases.

Right-of-use vehicles

The item totalled Euro 473 thousand, less depreciation for the year of Euro 146 thousand, and refers to the recognition of the right-of-use relating to the company car fleet following the application of the new IFRS 16.

The changes relate to the updating of the company car fleet.

The item Right-of-use assets includes increases of Euro 15.338 thousand regarding related-party transactions (Euro 301 thousand at 31 December 2021). For more details, see note 53 on these transactions.

6) Goodwill

The breakdown and changes in the last two financial years are given below:

Goodwill

(€'000)

	Balance at 31/12/20	Changes during the financial year				Balance at 31/12/21
		Incr.	Decr.	Acquired business	Currency translation differences	
Goodwill						
. historic cost	111,633	-	-	-	-	111,633
. amortisation	16,597	-	-	-	-	16,597
Net	95,036	-	-	-	-	95,036

Goodwill

(€'000)

	Balance at 31/12/21	Changes during the financial year				Balance at 31/12/22
		Incr.	Decr.	Acquired business	Currency translation differences	
Goodwill						
. historic cost	111,633	-	-	-	-	111,633
. amortisation	16,597	-	-	-	-	16,597
Net	95,036	-	-	-	-	95,036

As described in the section on measurement criteria, goodwill is subject to annual impairment tests at the end of each reporting period or more frequently if there are any indications of impairment. Paragraph 1.6 'Use of estimates' gives details of the methods used for the impairment tests.

Goodwill is allocated to the different cash generating units (CGUs) or group of CGUs that gave rise to the goodwill.

To identify 'the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets' (IAS 36 – Impairment of Assets), each different Group reportable segment was designated a CGU.

In the new reportable segment 'Italian Exhibitions Business', the CGUs correspond to individual exhibitions and include the activities carried out by the Parent Company Fiera Milano SpA, by Nolostand SpA and MADE eventi Srl.

In the reportable segment 'Foreign Exhibitions Business', the situation is different in countries where the Group holds its own exhibitions (such as Brazil) from countries where the Group operates through joint venture arrangements and trademark user licence agreements (such as China). In the first case, the CGUs correspond to individual exhibitions; in the second, the CGUs are represented by the individual reference market.

Lastly, in the Reportable Segment 'Congresses', two CGUs can be identified: for the activities of Fiera Milano Congressi SpA and its subsidiary MiCo DMC Srl.

In order to avoid using arbitrary allocation criteria for the impairment tests, goodwill was allocated based on appropriate groupings that reflect both the strategic vision of the company and how the goodwill was generated.

The goodwill allocations are as follows:

- The CGU Italian Exhibitions Business for a total of Euro 89,581 thousand: includes the CGUs corresponding to all the events organised or hosted by Fiera Milano SpA and Made Eventi Srl, including the set-up services provided by Nolostand SpA. The goodwill of Fiera Milano SpA (Euro 76,091 thousand), the goodwill of Nolostand SpA (Euro 12,581 thousand) and the goodwill of Made Eventi Srl (Euro 909 thousand) are allocated to this cash-generating unit. The goodwill of Fiera Milano SpA breaks down as follows: Euro 29,841 thousand deriving from Fondazione Fiera Milano's transfer of the exhibition company to Fiera Milano SpA on 17 December 2001; Euro 40,223 thousand derive from the acquisitions of companies organising exhibitions that were subsequently incorporated into Fiera Milano SpA as part of various merger operations;

Euro 5,947 thousand deriving from acquisitions related to digital publishing; Euro 80 thousand deriving from the acquisition by the Parent Company of the “Information Communication Technology” business unit. Nolostand’s goodwill arises from Nolostand SpA’s acquisition of the ‘standard fittings’ business unit.

- The Congress cash-generating unit: includes the goodwill of Euro 5,455 thousand deriving from the acquisition of Fiera Milano Congressi SpA.

The recoverable amount of the cash-generating units or groups of cash-generating units, to which individual goodwill has been allocated, is tested by determining value in use.

The discounted cash flow method is used for impairment, based on the financial forecasts approved by the respective Boards of Directors of Group companies. The time horizon for the test at 31.12.2022 is four financial years (2023-2026).

Cash flow projections beyond the time horizons of the 2023-2026 plan for economic/financial projections approved by the Board of Directors on 20 February 2023 are generally made using the average gross operating profit for the last two years of financial forecasts, to set off the seasonal effects of the trade fair calendar, and reconstructing a normalised cash flow without considering changes in working capital but including maintenance and replacement investments.

The terminal value is measured as a perpetual annuity obtained by capitalising the normalised cash flow, using a discount rate calculated by reference country for the various CGUs. Zero growth in real terms was assumed, considering only the level of medium/long-term inflation forecast in the specific monetary area of reference.

The WACC (Weighted Average Cost of Capital) used for activities in Italy includes: (i) a risk free rate of 3.89%; (ii) a Market Risk Premium of 6.0%; (iii) a levered beta at the sector average of 0.93; (iv) a specific risk premium that varied in the different CGUs; (v) a cost of debt equal to 5.18%; (vi) a debt to equity ratio of 25% (industry target).

The individual parameters were determined by making the widest reference to publicly available sources. A net tax rate was applied to net tax cash flows.

The WACC used in the different CGUs varies on the basis of: (i) the different risk free rate (assumed to be equal to the yield on 10-year government bond of the CGU’s country of reference); (ii) the different specific risk coefficient covering execution risk relating to the forecast cash flows. This risk factor reflects the figures deriving from historic deviations between forecast and final figures, as well as forward-looking assessments of business initiatives; (iii) the different cost of debt based on the expected inflation rate in the individual reference monetary areas of each CGU.

For groupings of CGUs or for CGUs to which the goodwill has been allocated (Italian Exhibition Business and Congresses) the WACC obtained with the application of the above parameters is equal to 8.83%.

There was no indication of impairment in any goodwill amount.

Sensitivity analyses were carried out by varying the WACC (+0.5%) and the forecast operating cash flows (-10%), as well as the base rate used to calculate the terminal value. In particular, the WACC *sensitivity analysis was carried out* by increasing the discount rate by 0.5% while leaving unchanged the cash flows over the four-year terminal period and the terminal normalised cash flow. Cash flow *sensitivity* was tested by applying a 10% decrease, on a straight-line basis, to the cash flows over the four-year terminal period and to the terminal normalised flows, while leaving the WACC *unchanged*. Terminal value *sensitivity* was tested by leaving unchanged the WACC and the cash flows over the four-year terminal period, while using the average of all four years of the terminal period – rather than just the last two – to calculate the normalised terminal cash flow. All sensitivity analyses carried out gave positive results.

Lastly, the “breaking point” was also calculated. This is the permanent reduction of financial flows, compared to 2023-2026 projections, which should occur in the grouping of “Italian Exhibitions Business” CGUs, making a write-down of intangibles necessary. Both of these latter analyses also gave positive indications as to the recognised value of goodwill.

A test was also performed on the values that emerged following the application of IFRS16 (with the definition of consistent cash flows), confirming the results achieved.

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

7) Intangible assets with a finite useful life

The breakdown and changes in the last two financial years are given below:

Intangible assets with a finite useful life

(€'000)

	Balance at 31/12/20	Changes during the financial year							Balance at 31/12/21
		Incr.	Decr.	Depr.	Impairment	Currency translation differences	Other	Reclas- sification	
Trademarks and publishing titles									
. historic cost	23,815	-	13	-	-	33	(21)	-	23,814
. amortisation	13,931	-	13	1,049	-	21	(14)	-	14,974
Net	9,884	-	-	1,049	-	12	(7)	-	8,840
Concessions, licenses and similar rights									
. historic cost	5,173	280	-	-	-	-	-	-	5,453
. amortisation	4,557	-	-	420	-	4	-	-	4,981
Net	616	280	-	420	-	(4)	-	-	472
Industrial patents and intellectual property rights									
. historic cost	39,661	2,189	344	-	-	2	-	3,762	45,270
. amortisation	37,183	-	344	1,726	-	2	-	-	38,567
Net	2,478	2,189	-	1,726	-	-	-	-	6,703
Intangible fixed assets under construction									
. historic cost	4,028	2,230	-	-	-	-	-	(3,762)	2,496
Net	4,028	2,230	-	-	-	-	-	(3,762)	2,496
Total intangible assets with a finite useful life									
. historic cost	72,677	4,699	357	-	-	35	(21)	-	77,033
. amortisation	55,671	-	357	3,195	-	27	(14)	-	58,522
Net	17,006	4,699	-	3,195	-	8	(7)	-	18,511

Intangible assets with a finite useful life

(€'000)

	Balance at 31/12/21	Changes during the financial year							Balance at 31/12/22
		Incr.	Decr.	Depr.	Impairment	Currency translation differences	Other	Reclassification	
Trademarks and publishing titles									
. historic cost	23,814	-	-	-	3,316	529	-	-	21,027
. amortisation	14,974	-	-	1,053	2,040	331	(1)	-	14,317
Net	8,840	-	-	1,053	1,276	198	1	-	6,710
Concessions, licenses and similar rights									
. historic cost	5,453	199	-	-	-	-	-	-	5,652
. amortisation	4,981	-	-	314	-	-	-	-	5,295
Net	472	199	-	314	-	-	-	-	357
Industrial patents and intellectual property rights									
. historic cost	45,270	1,604	-	-	-	24	-	1,115	48,013
. amortisation	38,567	-	-	3,295	-	23	-	-	41,885
Net	6,703	1,604	-	3,295	-	1	-	-	6,128
Intangible fixed assets under construction									
. historic cost	2,496	754	-	-	-	-	(135)	(1,115)	2,000
Net	2,496	754	-	-	-	-	(135)	(1,115)	2,000
Total intangible assets with a finite useful life									
. historic cost	77,033	2,557	-	-	3,316	553	(135)	-	76,692
. amortisation	58,522	-	-	4,662	2,040	354	(1)	-	61,497
Net	18,511	2,557	-	4,662	1,276	199	(134)	-	15,195

Trademarks and publications

This item amounted to Euro 6,710 thousand and consisted of the following exhibition trademarks:

- Milan Games Week Euro 1.644 thousand;
- MADE expo Euro 1.055 thousand;
- Host Euro 963 thousand;
- Promotion Trade Exhibition Euro 926 thousand;
- Mipap Milano Prêt-à-Porter Euro 905 thousand;
- G! Come Giocare Euro 493 thousand;
- Transpotec & Logitec Euro 254 thousand;
- Cartoomics Euro 209 thousand;
- Salone Franchising Milano Euro 134 thousand;
- MIART Euro 66 thousand;
- BtoBio Expo Euro 55 thousand;
- Fruit&Veg Innovation Euro 6 thousand.

Most trademarks are for the directly organised exhibitions of the Group.

The trademarks came under Group control through various business combinations that took place over time. Since the last quarter of 2008, the associated exhibitions and publications have been amortised based on the assessment of their finite useful life (previously accounted as assets with an indefinite useful life).

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

As at 31 December 2022, impairment testing revealed impairment losses of Euro 1,276 thousand, referring to the following trademarks of the subsidiary Fiera Milano Brasil Ltda:

- Euro 599 thousand relating to Exposec;
- Euro 592 thousand relating to Fisp;
- Euro 85 thousand relating to Tubotech.

The other changes are detailed below:

- Euro 1,053 thousand as amortisation;
- Euro 198 thousand as positive exchange effects.

Concessions, licences and similar rights

The item was Euro 357 thousand, net of amortisation for the year of Euro 314 thousand. The increase of Euro 199 thousand refers to the purchase by the Parent Company of software licences with rights of use limited in time.

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

Industrial patents and intellectual property rights

This item was Euro 6,128 thousand, net of amortisation for the year of Euro 3,295 thousand. The increase of Euro 1,604 thousand and the Euro 1,115 thousand in reclassifications from assets under development of the Parent Company refer to costs associated with the implementation of digital projects and software purchases.

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

Assets under development and advances

This item totalled Euro 2,000 thousand and refers to costs incurred for the development of new IT systems of the Parent Company.

On completion, the assets will be reclassified under the corresponding item of fixed assets, and will start to be depreciated.

8) Investments in associates and joint ventures

This item amounted to Euro 29,640 thousand (Euro 15,733 thousand at 31 December 2021) and refers to:

- Euro 13,589 thousand for the 25% equity investment in Ge.Fi. S.p.A.;
- Euro 12,510 thousand for the 49% shareholding in Hannover Milano Global Germany GmbH;
- Euro 2,969 thousand for the 49% shareholding in Ipack-Ima Srl;
- Euro 572 thousand for the 51% shareholding in MiCo DMC Srl.

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

Investment in an associate and a joint venture

	Balance at 31/12/21	Changes during the financial year					Balance at 31/12/22
		Results	Dividend distribution	Acquisitions	Other	Currency translation differences	
Equity-accounted investments	15,733	466	-	13,426	25	(10)	29,640
Total	16,226	466	-		25	(10)	29,640

Further details are provided in Note 2 “Disclosure on subsidiaries, joint ventures and associates”.

9) Other investments

This item amounted to Euro 32 thousand (Euro 82 thousand at 31 December 2021) and constitutes the membership fee for the Golden Card Committee.

10) Other financial assets

This item totalled Euro 2,386 thousand (Euro 71 thousand at 31 December 2021), broken down as follows:

	31/12/22	31/12/21	Change
Derivatives	2,315	-	2,315
Long term financing to joint venture	71	71	-
Total	2,386	71	2,315

The item includes Euro 2,315 thousand for the financial hedge measured at fair value using the pricing models given by the issuing bank.

Other financial liabilities included Euro 71 thousand (Euro 71 thousand at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

11) Trade and other receivables

This item totalled Euro 33,424 thousand (Euro 31,961 thousand at 31 December 2021), broken down as follows:

Trade and other receivables

	31/12/22	31/12/21	Change
Receivables from the controlling shareholder for tax consolidation	22,828	21,308	1,520
Other receivables from the controlling shareholder	10,412	10,544	(132)
Other guarantee deposits	184	109	75
Total	33,424	31,961	1,463

(€'000)

These include:

- Other receivables from the Parent Company of Euro 10,412 thousand (Euro 10,544 thousand at 31 December 2021). This 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 change refers to the reclassification of the short-term portion of the receivable for the right of reimbursement from Fondazione Fiera Milano of the guarantee deposit paid under the two previous lease agreements.
- receivables from the Parent Company for tax consolidation in the amount of Euro 22,828 thousand (21,308 as at 31 December 2021). This item refers to the remuneration of the tax losses of the financial years 2020, 2021 and 2022 made to the tax consolidation with Fondazione Fiera Milano and recognised against the assessment of recoverability, within the limits of the time horizon of the approved plans;
- other guarantee deposits totalling Euro 184 thousand (Euro 109 thousand at 31 December 2021).

The entry for trade and other receivables also included Euro 33,240 thousand of related-party transactions (Euro 31,852 thousand at 31 December 2021). For more details, see note 53 on these transactions.

12) Deferred tax assets

This item totalled Euro 11,174 thousand (Euro 14,011 thousand at 31 December 2021) and represents the net balance of deferred tax assets and liabilities in each consolidated company.

An analysis of the changes in deferred tax assets is given in Note 49 to the Income Statement.

Current assets

13) Trade and other receivables

Trade and other receivables

	31/12/22	31/12/21	Change
Trade receivables	24,038	21,136	2,902
Receivables from the controlling shareholder	3,285	2,307	978
Trade receivables from associates and joint venture	2,110	1,809	301
Receivables from related parties	35	9	26
Other receivables	2,745	4,251	(1,506)
Prepaid expenses from the controlling shareholder	119	110	9
Prepaid expenses from joint venture	1	-	1
Accrued income and prepaid expenses	1,071	1,508	(437)
Total	33,404	31,130	2,274

This item totalled Euro 33,404 thousand (Euro 31,130 thousand at 31 December 2021).

The main types of receivables are described below.

Trade receivables come to Euro 24,038 thousand (Euro 21,136 thousand at 31 December 2021) net of the provision for doubtful receivables of Euro 1,273 thousand. These represent receivables from organisers, exhibitors, and others for services relating to the Exhibition site's availability and the provision of services.

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

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

	31/12/21	Provisions	Utilisation and other changes	31/12/22
Provision for doubtful receivables	3,037	69	1,833	1,273

Other receivables from the Parent Company of Euro 3,285 thousand (Euro 2,307 thousand at 31 December 2021) are broken down as follows:

- Euro 768 thousand (Euro 986 thousand at 31 December 2021) for Group VAT receivables;
- Euro 2,517 thousand (Euro 1,321 thousand at 31 December 2021) for other receivables.; The change mainly refers to the higher receivables relating to the investment projects coordinated and directed by Fiera Milano SpA, but where the cost was borne by parent company Fondazione Fiera Milano as part of the plan for the competitiveness and sustainability of exhibition facilities.

Trade receivables from associates and joint ventures of Euro 2,110 thousand (Euro 1,809 thousand at 31 December 2021).

The services provided are part of the organisation and management of exhibitions and other events at the Exhibition site.

Other receivables totalled Euro 2,745 thousand (Euro 4,251 thousand at 31 December 2021), comprising:

- Euro 858 thousand (Euro 1.693 thousand at 31 December 2021) for advances to suppliers;
- other tax receivables for Euro 416 thousand (Euro 755 thousand at 31 December 2021);
- VAT receivables for Euro 5 thousand (Euro 83 thousand at 31 December 2021);

- Euro 369 thousand (Euro 335 thousand at 31 December 2021) of receivables for tax credits on employee severance indemnities;
- receivables from employees for Euro 64 thousand (Euro 96 thousand at 31 December 2021);
- Inail advances and receivables for Euro 116 thousand (Euro 149 thousand at 31 December 2021);
- other receivables for Euro 917 thousand (Euro 1.140 thousand at 31 December 2021).

Accruals amounting to Euro 1,071 thousand (Euro 1,508 thousand at 31 December 2021) referred to insurance premiums and other costs accruing to future years.

The entry for trade and other receivables also included Euro 5,550 thousand of related-party transactions (Euro 4,235 thousand at 31 December 2021). For more details, see note 53 on these transactions.

14) Inventories

This item totalled Euro 3,144 thousand (Euro 3,280 thousand at 31 December 2021), broken down as follows:

Inventories	31/12/22	31/12/21	Change
Deferred costs	3,144	3,280	(136)
Total	3,144	3,280	(136)

(€'000)

Deferred costs referred to exhibitions and congresses to be held after 31 December 2022.

The table below gives a breakdown by exhibition:

Exhibition	31/12/22	31/12/21	Change
Host	961	148	813
Made Expo	860	50	810
Issa Pulire	248	-	248
Sicurezza	202	12	190
Bit	143	56	87
Print4all	80	354	(274)
Transpotec & Logitec	76	655	(579)
Fesqua	-	550	(550)
Expodetergo International	-	405	(405)
Fisp	-	383	(383)
Exposec	-	268	(268)
Congresses and other exhibitions	574	399	175
Total	3,144	3,280	(136)

(€'000)

The change over the previous year is mainly due to the biennial or multiannual frequency of some exhibitions. Personnel expenses directly attributable to the events are recognised in profit or loss at the time the event takes place and consequently included in the inventories among suspended costs.

The impact of this particular case amounts to Euro 2.170 thousand.

Inventories included Euro 148 thousand (Euro 25 thousand at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

15) Financial assets

This item totalled Euro 36,420 thousand (Euro 8,205 thousand at 31 December 2021), broken down as follows:

Financial assets

	31/12/22	31/12/21	Change
Time Deposit	30,652	-	30,652
Mutual investment funds ESG	5,065	5,797	(732)
Short term financing to joint venture	703	2,408	(1,705)
Total	36,420	8,205	28,215

(€'000)

This item includes the following items of the Parent Company:

- Euro 30,093 thousand for the time deposits in Banca Sistema (Euro 20,071 thousand) and Banca Nazionale del Lavoro (Euro 10,022 thousand). These amounts include interest accrued;
- Euro 5,065 thousand for units of mutual investment funds, measured at fair value. The fair value is measured on the basis of the market value of the security at 31 December 2022 inclusive of commissions.
- Euro 703 thousand for the loan granted to joint venture Ipack Ima Srl. The applied rate of 1.50% was increased from the previous rate of 1.30% on 1 October 2022.

In addition, Euro 559 thousand refers to time deposits made with Banco do Brasil S/A and Banco Santander by Fiera Milano Brasil Ltda.

Other financial liabilities included Euro 703 thousand (Euro 2,408 thousand at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

16) Cash and cash equivalents

This item totalled Euro 81,971 thousand (Euro 148,250 thousand at 31 December 2021) and referred almost entirely to cash in bank. This amount is posted net of the cash disbursements anticipated for the transfer of the "Tuttofood" related business unit, amounting to Euro 1,809 thousand (Euro 48 thousand as of 31 December 2021). For more details, see Note 1.7 "Disclosure of Assets Held for Sale".

The balance for the previous year included public grants received during the second half of the year to cope with the suspension of trade fair activities following the Covid-19 emergency.

The cash flows, with comparative data at 31 December 2021, are shown in the Consolidated Statement of Cash Flows.

1.7) Assets held for sale

This item amounted to Euro 2,672 thousand (Euro 129 thousand at 31 December 2021) and refers to the contribution of the "Tuttofood" related business unit. For more details, see Note 1.7 'Disclosure of Assets Held for Sale'.

Assets held for sale also includes Euro 65 thousand (zero at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

EQUITY AND LIABILITIES

17) Equity

The breakdown of consolidated equity was as follows:

Equity	31/12/22	31/12/21	Change
			(€'000)
Share capital	42,182	42,284	(102)
<i>of which treasury shares</i>	<i>(263)</i>	<i>(161)</i>	<i>(102)</i>
Share premium reserve	9,828	10,256	(428)
<i>of which treasury shares</i>	<i>(2,700)</i>	<i>(2,272)</i>	<i>(428)</i>
Other reserves	5,298	2,623	2,675
Retained earnings	53,951	8,792	45,159
Profit/(loss) for the year	(5,599)	44,359	(49,958)
Group equity	105,660	108,314	(2,654)
Capital and reserves attributable to non-controlling interests	694	949	(255)
Profit/(loss) attributable to non-controlling interests	(161)	(278)	117
Equity attributable to non-controlling interests	533	671	(138)
Total	106,193	108,985	(2,792)

Following the realignment of the discrepancies between the carrying amount and the tax values of goodwill and trademarks as reported in the financial statements, in accordance with article 110 of Legislative Decree 104/20 (as amended by art. 1 c. 83 of Law 178 of 30 December 2020, the 2021 Budget Law), Euro 64,087 thousand of share capital and existing reserves was restricted and held over for tax upon distribution, corresponding to the higher amount subject to realignment net of the 3% substitute tax.

The amounts and changes in the items were as follows:

Share capital

At 31 December 2022, this item was Euro 42,182 thousand (Euro 42,284 thousand at 31 December 2021), net of treasury shares for Euro 263 thousand. The fully paid-up "Share capital" was made up of 71,917,829 ordinary shares, with no restrictions on the distribution of dividends or repayment of share capital, except as legally provided for treasury shares.

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

	Number of shares at 31 December 2021	Change			Number of shares at 31 December 2022
		Capital Increase	Acquisition of shares	Free grant of ordinary shares allocated to the Directors	
Ordinary shares in issue	71,917,829	-	-	-	71,917,829
Treasury shares	273,758	-	171,901	-	445,659
Total shares outstanding	71,644,071	-	-	-	71,472,170

Under IAS/IFRS accounting principles, when treasury shares are acquired, the nominal value of the shares acquired is deducted from equity while the difference between acquisition value and the nominal value is recognised directly in the share premium reserve.

The Parent Company's Extraordinary Shareholders' Meeting of 31 July 2015, at the same time as approving the share capital increase, also approved the cancellation of the nominal value of the shares representing the share capital. Therefore, since that date the nominal value is calculated by dividing the share capital by the number of shares outstanding. At 31 December 2022, this gave an implicit nominal value of Euro 0.59 per share.

On 13 October 2022, the Parent Company announced the start of its share buyback programme, in execution of the authorisation granted by the Ordinary Shareholders' Meeting of 22 April 2022. The aim of the programme is to increase the portfolio of treasury shares to be used to service existing and future share incentive plans for the Company's directors and/or employees. At 31 December 2022, 171,901 treasury shares had been acquired at an average unit price of Euro 3.08 for a value of Euro 529 thousand. At 31 December 2022, the Parent Company held 445,659 treasury shares, amounting to 0.62% of the share capital.

Share premium reserve

This item amounted to Euro 9,828 thousand (Euro 10,256 thousand at 31 December 2021) net of treasury shares of Euro 2,700 thousand. The Euro 428 thousand decrease refers to the purchase of treasury shares.

Other reserves

This item totalled Euro 5,298 thousand (Euro 2,623 thousand at 31 December 2021), with breakdown as follows:

- Euro 8,489 thousand from the Parent Company legal reserve (Euro 8,489 thousand at 31 December 2021);
- Euro -6,551 thousand (Euro -6,532 thousand at 31 December 2021) from the currency translation reserve;
- Euro 2,315 thousand (Euro -70 thousand at 31 December 2021) from the reserve for financial hedging operations;
- Euro 1.045 thousand (Euro 736 thousand at 31 December 2021) from the stock grant reserve in relation to the estimated cost of the Performance Shares Plan included in the 2021-2022 management incentives plan.

Retained earnings

This entry was Euro 53,951 thousand (Euro 8,792 thousand at 31 December 2021).

Changes in the period under review were as follows:

- an increase of Euro 44,359 thousand for the allocation of the "Profit/loss of the previous financial year";
- an increase of Euro 800 thousand for the remeasurement of defined benefit plans, net of the tax effect.

Profit/(loss) for the year

The year ending 31 December 2022 recorded a Group loss of Euro 5,599 thousand (compared to a profit of Euro 44,359 thousand at 31 December 2021).

Capital and reserves attributable to non-controlling interests

This item totalled Euro 694 thousand (Euro 949 thousand at 31 December 2021).

Changes in the period under review were as follows:

- a decrease of Euro 278 thousand for the allocation of the "Profit/loss of the previous financial year";
- an increase of Euro 23 thousand for the remeasurement of defined benefit plans, net of the tax effect.

Net profit (loss) - non-controlling interests

The net profit attributable to non-controlling interests was Euro 161 thousand (Euro -278 thousand at 31 December 2021).

LIABILITIES

Non-current liabilities

18) Bank borrowings

Bank borrowings

	31/12/22	31/12/21	Change
Bank loans	60,866	98,229	-37,363
Total	60,866	98,229	-37,363

(€ '000)

Long-term bank borrowings amounted to Euro 60,866 thousand (Euro 98,229 thousand at 31 December 2021). refer to the following loans attributable to the Parent Company:

- Euro 36,867 thousand, for the portion of the loan underwritten on 17 February 2021 by a *pool* of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit) maturing on 31 December 2025 and with a 24-month pre-amortisation period. This loan is remunerated at a variable interest rate with financial coverage (Interest Rate Swap) and is subject to the measurement of financial covenants on a half-yearly basis. The covenants agreed under the loan were met at 31 December 2022.
- Euro 13,437 thousand, for the non-current portion of the loan underwritten on 22 February 2021 by Casa Depositi Presiti, maturing on 31 December 2025 and with a 24-month pre-amortisation period. This loan is remunerated at a fixed interest rate and is subject to the measurement on a half-yearly basis of financial covenants. The covenants agreed under the loan were met at 31 December 2022.

The above loans are backed by a 90% guarantee issued by SACE, the Italian export credit agency, as part of the “Guarantee Italy” programme in accordance with article 1 of Italian Law Decree 23/2020, ratified with amendments by Law 40/2020 (called the ‘Liquidity Decree’).

- Euro 7,000 thousand, for the portion of the loan underwritten on 28 April 2021 by Simest, maturing on 31 December 2027 and with a 36-month pre-amortisation period. This loan bears interest at a fixed rate. The loan was granted within the scope of the availability of the section of the Fund 394/8, pursuant to Article 91, paragraphs 1 and 2, of Decree-Law 14 August 2020, n.104, converted, with amendments, by Law 126 of 13 October 2020, and Article 6, paragraph 3, no. 1, of Decree Law 137 of 28 October 2020;
- Euro 2,812 thousand, for the non-current portion of the Euro 5,000 thousand loan underwritten on 19 May 2021 by Banca Carige maturing on 31 March 2026 and with a 12-month pre-amortisation period. This loan bears interest at a variable rate.

Furthermore, Euro 750 thousand in bank borrowings refers to the non-current portion of the medium-/long- term loan granted to MADE eventi Srl, on 27 September 2021, by Banca Monte dei Paschi di Siena, maturing on 30 September 2024 and with a 12-month pre-amortisation period. This loan bears interest at a fixed rate of 0.95%. The loan is backed by a 80% guarantee issued by SACE, the Italian export credit agency, as part of the “Guarantee Italy” programme in accordance with article 1 of Italian Law Decree 23/2020, ratified with amendments by Law 40/2020 (called the ‘Liquidity Decree’).

The change from the previous year is mainly due to the debt repayments on the medium/long-term portions of certain loans, as well as the early repayment of the Euro 10,000 thousand loan taken out with Banca Bper on 22 October 2021.

For more details, see note 34.2 Liquidity risk.

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

This item totalled Euro 346,858 thousand (Euro 370,568 thousand at 31 December 2021), broken down as follows:

Financial liabilities related to the right-of-use of assets				(€ '000)
	31/12/22	31/12/21	Change	
Financial liabilities related to the right-of-use of assets	346,858	370,568	(23,710)	
Total	346,858	370,568	(23,710)	

It refers to the medium-long term portion of the lease liability. The liability refers to the obligation to make the payments provided for by the leases for properties and the car fleet deriving from the application of IFRS 16.

The item Financial payables related to right-of-use assets includes related-party transactions of Euro 345,348 thousand (Euro 367,703 at 31 December 2021). For more details, see note 53 on these transactions.

20) Other financial liabilities

This item totalled Euro 1.683 thousand (zero at 31 December 2021), with breakdown as follows:

Other financial liabilities				(€ '000)
	31/12/22	31/12/21	Change	
Ern out associates	1,683	-	1,683	
Total	1,683	-	1,683	

The item displays the present value of the forward price payable on the equity investment acquired during the year, which has been recognised on the assumption that the specific objectives set forth in the *Business Plan* will be achieved and which will be paid following the approval of the 2025 financial statements of Ge.Fi.SpA.

This value was determined on the acquisition date and has been discounted at a borrowing rate of 5.18% based on current market conditions.

For further details, please refer to Note 2.

21) Provision for risks and charges

This item totalled Euro 500 thousand (Euro 72 thousand at 31 December 2021), broken down as follows:

Provisions for risks and charges					(€'000)
	31/12/21	Provisions	Write-back of provisions	Reclassifications	31/12/22
Other provisions for risks and charges	72	500	72	-	500
Total	72	500	72	-	500

The item provision for risks and charges refers to the Parent Company for various provisions for risks set up for outlays calculated on the basis of the presumed outcome of the risks.

22) Employee benefit provisions

This item totalled Euro 7,763 thousand (Euro 9,527 thousand at 31 December 2021).

Provisions for defined benefit plans, calculated using actuarial methods, were for employee severance indemnities that had accrued at 31 December 2022 and with breakdown as follows:

Employee benefit provisions

	31/12/21	Actuarial evaluation	Indemnities and advances paid	(€'000) 31/12/22
Defined benefit plans	9,527	(721)	1,043	7,763
Total	9,527	(721)	1,043	7,763

Actuarial evaluation

	(€'000)
Personnel costs:	
- indemnities related to defined benefit plans	232
Financial expenses:	
- actualisation charges	95
Other comprehensive income	
- Remeasurement of defined benefit plans	(1,048)
Total	(721)

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

The main hypotheses/assumptions used in the actuarial calculations for the defined benefit plans were as follows:

Demographic assumptions

Mortality rate	Based on the ISTAT 2011 mortality tables by gender to which has applied a 20% falling mortality connected
Probability of disability	Based on the disability tables used in the INPS 2010 forecast model
Probability of termination of employment	Based on the probable employee turnover rate equal to 9% per annum of the companies being valued
Retirement probability	Assumption that the basic requirements needed to receive the compulsory general insurance (<i>Assicurazione Generale Obbligatoria</i>) were met
Probability of early retirement	Assumption of 3% per annum and an average amount of 70% of the staff-leaving indemnities of all the companies valued.

Economic and financial assumption for calculation of severance indemnity provisions

	31/12/22	31/12/21
Annual technical discount rate	3.70%	1.00%
Annual inflation rate	2.50%	1.75%
Annual rate of increase in total employees' salary	3.00%	2.50%
Annual rate of increase in severance indemnity provisions	3.38%	2.81%

The discount rate was calculated with reference to the Eurozone Iboxx Corporate AA index for a period equal to or greater than 10 years.

The following table gives sensitivity analyses for the main assumptions used to calculate the liability.

Effect of defined benefit plans on debt

(€ '000)

Economic and financial assumptions	Range	Base figure	Increase in assumptions	Decrease in assumptions
Annual technical discount rate	+/-0.5%	7,763	7,551	7,984
Annual rate of increase in total employees' salary	+/-0.5%	7,763	7,788	7,743
Economic and financial assumptions				
Life expectancy	+/-1 year	7,763	7,801	7,723

23) Deferred tax liabilities

Deferred tax liabilities

(€ '000)

	31/12/22	31/12/21	Change
Deferred tax liabilities	3,733	3,643	90
Total	3,733	3,643	90

This item totalled Euro 3,733 thousand (Euro 3,643 thousand at 31 December 2021) and is the net balance of deferred tax assets and deferred tax liabilities for each company included in the area of consolidation.

The item includes:

- Euro 3,242 thousand for the IRES deferred tax provision;
- Euro 491 thousand for the IRAP deferred tax provision.

An analysis of the changes in deferred tax liabilities is given in Note 49 to the Income Statement.

24) Other liabilities

This item was zero (Euro 655 thousand at 31 December 2021).

Other liabilities

(€ '000)

	31/12/22	31/12/21	Change
Tax liabilities	-	655	(655)
Total	-	655	(655)

The change refers to the medium-/long-term share of the debt relating to the substitute tax that arose as a result of the tax realignment of goodwill and exhibition trademarks, now classified under current tax payables.

Current liabilities

25) Bank borrowings

This item totalled Euro 27,250 thousand (Euro 938 thousand at 31 December 2021), broken down as follows:

Bank borrowings

	31/12/22	31/12/21	Change
Bank loans	27,250	938	26,312
Total	27,250	938	26,312

(€ '000)

Bank borrowings include Euro 18,333 thousand for the short-term portion of the loan taken out on 17 February 2021 (Intesa Sanpaolo, Banco BPM and Unicredit), Euro 6,667 thousand for the short-term portion of the loan taken out with Cassa Depositi e Prestiti on 22 February 2021, Euro 1,250 thousand (Euro 938 thousand at 31 December 2021) for the short-term portion of the loan taken out with Banca Carige on 19 May 2021 and Euro 1,000 thousand for the short-term portion of the loan taken out with Banca Monte dei Paschi di Siena on 27 September 2021.

26) Trade payables

This item totalled Euro 50,317 thousand (Euro 50,569 thousand at 31 December 2021). Trade payables were mainly to Italian suppliers for the acquisition of services required to mount the exhibitions and congresses that are the typical business of the Group.

27) Advances

This item totalled Euro 29,869 thousand (Euro 35,886 thousand at 31 December 2021).

These refer to advances invoiced to customers for exhibitions and congresses to be held after the end of the year. Revenue recognition is delayed until the exhibition is held.

The change over the previous year is mainly due to the biennial or multiannual frequency of some exhibitions.

Advances

	31/12/22	31/12/21	Change
			(€ '000)
Host	6,347	1,615	4,732
Salone del mobile/Complemento d'arredo	2,564	2,160	404
Homi	2,469	3,235	(766)
Mido	2,093	1,690	403
Milano Unica	2,028	869	1,159
Lineapelle - A new point of view	1,290	1,070	220
Plast	1,200	1,014	186
Issa Pulire	902	-	902
Micam	691	1,679	(988)
Mostra Convegno Expocomfort	613	6,510	(5,897)
Promotion Trade Exhibitions	585	411	174
Euroluce	547	-	547
Exposec	532	932	(400)
Sicurezza	468	-	468
Itma	451	-	451
Homi Fashion&Jewels	428	167	261
Made Expo	317	-	317
Si Spositalia	275	190	85
Myplant & garden	271	580	(309)
Bit	268	130	138
Made in Steel	216	-	216
Gee	196	-	196
Lamiera	178	251	(73)
The One	112	137	(25)
Euroshop	105	-	105
Transpotec & Logitec	-	1,897	(1,897)
Fisp	-	1,413	(1,413)
Ipack-Ima	-	1,339	(1,339)
Fesqua	-	996	(996)
Print4all	-	444	(444)
Expodetergo International	-	417	(417)
Eurocucina	-	415	(415)
Venditalia	-	407	(407)
Simei	-	306	(306)
Fire Show	-	296	(296)
Salone Internazionale del Bagno	-	261	(261)
Greenplast	-	101	(101)
Miart	-	61	(61)
Congresses and other exhibitions	4,723	4,893	(170)
Total	29,869	35,886	(6,017)

Advances included Euro 28 thousand (Euro 1.339 thousand at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

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

This item totalled Euro 49,889 thousand (Euro 41,376 thousand at 31 December 2021), broken down as follows:

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

(€ '000)

	31/12/22	31/12/21	Change
Financial liabilities related to the right-of-use of assets	49,889	41,376	8,513
Total	49,889	41,376	8,513

It refers to the short-term portion of the *lease liability*. This liability refers to the obligation to make payments under the leases for buildings and fleet, and is recognised in accordance with IFRS 16. The increase mainly refers to the temporary rent reduction for the Rho and Milan exhibition sites in previous years, as well as the monetary revaluation of the lease for the exhibition sites.

The item Financial payables related to right-of-use assets includes related-party transactions of Euro 48,295 thousand (Euro 39,821 at 31 December 2021). For more details, see note 53 on these transactions.

29) Other financial liabilities

This item totalled Euro 618 thousand (Euro 9,994 thousand at 31 December 2021), broken down as follows:

Other financial liabilities

(€ '000)

	31/12/22	31/12/21	Change
Financial payables to the controlling shareholder	130	9,560	(9,430)
Other financial payables	488	434	54
Total	618	9,994	(9,376)

The item 'Financial payables to the controlling shareholder' refers to the balance in the correspondent current account held by the Parent Company with Fondazione Fiera Milano. The fixed rate was equal to the 1-month Euribor plus a spread of 0.75%. The change compared to the previous year is mainly attributable to the regulation of the rent.

Other financial payables refer to the payable for the acquisition of the remaining non-controlling interests of Fiera Milano Brasil Ltda.

Other financial liabilities included Euro 130 thousand (Euro 9,560 thousand at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

30) Provisions for risks and charges

This item totalled Euro 5,443 thousand (Euro 6,437 thousand at 31 December 2021), broken down as follows:

Provisions for risks and charges

(€ '000)

	31/12/21	Provisions	Write-back of provisions	Utilisation	Reclassifications	Currency translation differences	31/12/22
Other provisions for risks and charges	6,437	2,229	70	3,223	-	70	5,443
Total	6,437	2,229	70	3,223	-	70	5,443

This item mainly refers to:

- Euro 555 thousand, to Fiera Milano Brasil Ltda for various risks incurred in legal disputes;
- Euro 4,757 thousand to provisions for risks regarding the estimation of probable liabilities related to the corporate reorganization, calculated on the basis of the expected outcome of the same both through internal assessments and with the support of external lawyers.

31) Tax payables

This item totalled Euro 2,606 thousand (Euro 4,955 thousand at 31 December 2021), broken down as follows:

Tax liabilities

(€ '000)

	31/12/22	31/12/21	Change
Income tax payable for employees (IRPEF)	1,233	2,010	(777)
Income tax payable on profits for the year	493	940	(447)
Income tax payable for temporary employees and project workers (IRPEF)	117	145	(28)
Other tax liabilities	763	1,860	(1,097)
Total	2,606	4,955	(2,349)

The decrease is mainly attributable to the repayment of the debt arising from the suspension in 2020 of withholding and Irap payments resulting from the government measures adopted for the Covid-19 health emergency.

Other tax payables relating to Fiera Milano Brasil Ltda decreased by Euro 1,008 thousand following the settlement of a tax dispute.

32) Other liabilities

This item totalled Euro 20,723 thousand (Euro 22,756 thousand at 31 December 2021), broken down as follows:

Other liabilities

	31/12/22	31/12/21	Change
			(€ '000)
Payables to employees	7,568	4,113	3,455
Payables to exhibition organisers and others	5,672	10,855	(5,183)
Payables to exhibition organisers in associates and joint venture	3,540	3,270	270
Payables to pension and social security entities	2,074	2,744	(670)
Trade payables to associates and joint venture	650	535	115
Payables to directors and statutory auditors	98	121	(23)
Payables to related parties	77	114	(37)
Payables to the controlling shareholder	73	104	(31)
Payables to the associates	-	59	(59)
Other payables	573	673	(100)
Deferred income to associates and joint venture	7	2	5
Deferred income to the controlling shareholder	5	-	5
Other accrued liabilities	386	166	220
Total	20,723	22,756	(2,033)

The main changes from the previous year are described below:

- a decrease in the amounts payable to organisers and others, mainly referring to collections made on behalf of exhibition organisers;
- an increase in the amounts payable to personnel, mainly attributable to an increase in variable pay components, as well as amounts relating to settlements reached but not yet paid out in relation to business reorganisation.

Other liabilities included Euro 4.352 thousand (Euro 4.084 thousand at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

33) Financial assets and financial liabilities

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

Group Net Financial Debt

(Amounts in € '000)	31/12/22	31/12/21*	change
A. Cash	81,971	148,250	(66,279)
B. Chash and equivalents	30,652	-	30,652
C. Other current financial assets	5,768	8,205	(2,437)
- C.1 of which Other current financial assets to other related parties	703	2,408	(1,705)
D. Liquidity (A+B+C)	118,391	156,455	(38,064)
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	618	9,994	(9,376)
- E.1 of which Current financial debt to other related parties	130	9,560	(9,430)
F. Current portion of non-current debt	27,250	938	26,312
G. Current financial indebtedness (E+F)	27,868	10,932	16,936
H. Net current financial indebtedness (G-D)	(90,523)	(145,523)	55,000
I. Non-current financial debt (excluding current portion and debt instruments)	62,549	98,229	(35,680)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I+J+K)	62,549	98,229	(35,680)
Net financial debt from continuing operations (H+L)	(27,974)	(47,294)	19,320
Net financial debt from assets held for sale	(1,809)	(48)	(1,761)
M. Total financial indebtedness before IFRS 16 effects	(29,783)	(47,342)	17,559
N. Current financial liabilities related to the right of use of assets	49,889	41,376	8,513
- N.1 of which current financial liabilities related to the right-of-use assets to the controlling shareholder	48,295	39,821	8,474
O. Non-current financial liabilities related to the right of use of assets	346,858	370,568	(23,710)
- O.1 of which non-current financial liabilities related to the right-of-use assets to the controlling shareholder	345,348	367,703	(22,355)
P. Current financial assets related to the right of use of assets	-	-	-
IFRS 16 financial effects	396,747	411,944	(15,197)
R. Total net financial debt (M+N+O-P)	366,964	364,602	2,362

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5 following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

As regards the Net financial position not including IFRS 16 lease liabilities, the Group's net cash at 31 December 2022 amounted to Euro 29,783 thousand, compared to net financial debt of Euro 47,342 thousand at 31 December 2021. The decrease of Euro 17.559 million is due to the combined effect of a balanced generation of operating cash plus the extraordinary effects of the operation with Ge.Fi. SpA and investments in digital systems incurred during the year.

The net cash of assets held for sale, which amounted to Euro 1,809 thousand (Euro 48 thousand at 31 December 2021), referred to the cash disbursement anticipated for the transfer of the "Tuttofood" related business unit. For more details, see Note 1.7 'Disclosure of Assets Held for Sale'.

The net financial indebtedness including the IFRS 16 lease liability amounted to Euro 366,964 thousand (Euro 364,602 thousand at 31 December 2021).

Additional information on the financial instruments of the Group is given below to enable a better assessment of:

- a) the importance of the financial instruments to the Statement of Financial Position and Income Statement;
- b) the extent and type of risks deriving from the financial instruments to which the Group was exposed during the current and previous financial years and the relevant risk management procedures.

Classes of financial instruments

The items in the Statement of Financial Position and the types of risk related to financial instruments at 31 December 2022 and 31 December 2021 are shown in the following table.

Risk class		FY	FY	Liquidity	Interest	Credit
(€'000)	Notes	31/12/22	31/12/21	risk	rate risk	risk
NON-CURRENT ASSETS						
Other financial assets	10	2,386	71	X	X	X
Trade and other receivables	11	33,424	31,961			X
CURRENT ASSETS						
Trade and other receivables	13	33,404	31,130			X
Financial assets	15	36,420	8,205	X	X	X
Cash and cash equivalents	16	81,971	148,250			
Cash and cash equivalents held for sale	1.7	1,809	48			
NON-CURRENT LIABILITIES						
Bank borrowings	18	60,866	98,229	X	X	
Financial liabilities related to the right-of-use of assets	19	346,858	370,568	X	X	
Other financial liabilities	20	1,683	-		X	
Other liabilities	24	-	655			
CURRENT LIABILITIES						
Bank borrowings	25	27,250	938	X	X	
Trade payables	26	50,317	50,569	X		
Financial liabilities related to the right-of-use of assets	28	49,889	41,376	X	X	
Other financial liabilities	29	618	9,994	X	X	
Other current liabilities	32	20,723	22,756	X		
Other current liabilities held for sale	1.7	20	21	X		

Significance of financial instruments

Financial instruments and their relative significance, as regards the Statement of Financial Position and Income Statement at 31 December 2021 and 31 December 2022, are shown in the following tables.

Financial assets and liabilities shown in the accounts

(€'000)	Notes	FY 31/12/2021	Assets measured at fair value through profit & loss (FVPTL)	Liabilities measured at amortised cost (HTC)	Assets measured at fair value through OCI reserve (FVOCI)	Assets measured at amortised cost (HTC)	Fair value	Impact on Income Statement
NON-CURRENT ASSETS								
Other financial assets	10	71	-	-	-	71	71	2
Trade and other receivables	11	31,961	-	-	-	10,653	31,961	1
CURRENT ASSETS								
Trade and other receivables	13	31,130	-	-	-	31,130	31,130	(2)
Financial assets	15	8,205	5,797	-	-	2,408	2,408	744
Cash and cash equivalents	16	148,250	-	-	-	-	148,250	15
Cash and cash equivalents held for sale	1.7	48	-	-	-	-	48	-
NON-CURRENT LIABILITIES								
Bank borrowings	18	98,229	-	-	-	-	98,229	(1,314)
Financial liabilities related to the right-of-use of assets	19	370,568	-	379,568	-	-	370,568	(11,972)
Other financial liabilities	20	-	-	-	-	-	-	-
Other liabilities	24	655	-	-	-	-	655	(1,982)
CURRENT LIABILITIES								
Bank borrowings	25	938	-	938	-	-	938	(85)
Trade payables	26	50,569	-	50,569	-	-	50,569	-
Financial liabilities related to the right-of-use of assets	28	41,376	-	41,376	-	-	41,376	-
Other financial liabilities	29	9,994	-	9,994	-	-	9,994	(83)
Other current liabilities	32	22,756	-	22,756	-	-	22,756	-
Other current liabilities held for sale	1.7	21	-	21	-	-	21	-

Financial assets and liabilities shown in the accounts

(€'000)	Notes	FY 31/12/2022	Assets measured at fair value through profit & loss (FVPTL)	Liabilities measured at amortised cost (HTC)	Assets measured at fair value through OCI reserve (FVOCI)	Assets measured at amortised cost (HTC)	Fair value	Impact on Income Statement
NON-CURRENT ASSETS								
Other financial assets	10	2,386	-	-	2,315.00	71	2,386	73
Trade and other receivables	11	33,424	-	-	-	10,597	33,424	130
CURRENT ASSETS								
Trade and other receivables	13	33,404	-	-	-	33,404	33,404	69
Financial assets	15	36,420	35,717	-	-	703	703	244
Cash and cash equivalents	16	81,971	-	-	-	-	81,971	153
Cash and cash equivalents held for sale	1.7	1,809	-	-	-	-	1,809	-
NON-CURRENT LIABILITIES								
Bank borrowings	18	60,866	-	-	-	-	60,866	(1,777)
Financial liabilities related to the right-of-use of assets	19	346,858	-	346,858	-	-	346,858	(11,280)
Other financial liabilities	20	1,683	-	1,683	-	-	1,683	(7)
Other liabilities	24	-	-	-	-	-	-	-
CURRENT LIABILITIES								
Bank borrowings	25	27,250	-	27,250	-	-	27,250	(26)
Trade payables	26	50,317	-	50,317	-	-	50,317	-
Financial liabilities related to the right-of-use of assets	28	49,889	-	49,889	-	-	49,889	-
Other financial liabilities	29	618	-	618	-	-	618	4
Other current liabilities	32	20,723	-	20,723	-	-	20,723	-
Other current liabilities held for sale	1.7	20	-	20	-	-	20	-

As shown in the above tables, the carrying amount of financial assets and liabilities is a reasonable approximation of their fair value; financial instruments include guarantee deposits under lease agreements and borrowings and non-current instruments.

The financial instruments are classifiable under Level 3 of the fair value hierarchy of IFRS 13.

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

	Changes in financial flows				Non-monetary changes	(€'000)
	31/12/21	Increase	Decrease			
Bank borrowings	98,229	-	9,986	(27,377)	60,866	
Financial liabilities related to the right-of-use of assets	370,568	-	-	(23,710)	346,858	
Other financial liabilities	-	-	-	1,683	1,683	
Total change in non-current financial payables	468,797	-	9,986	(49,404)	409,407	
Credit lines	-	-	-	-	-	
Bank loans	938	-	1,195	27,507	27,250	
Financial liabilities related to the right-of-use of assets	41,376	-	32,176	40,689	49,889	
Current financial debt with the controlling shareholder	9,560	-	9,430	-	130	
Current payables for acquisition of shareholdings	434	-	-	54	488	
Total change in current financial payables	52,308	-	42,801	68,250	77,757	
Total liabilities from financing activities	521,105	-	52,787	18,846	487,164	

34) Financial and market risk management

The main financial instruments used by the Group are bank loans, current accounts and current financial payables to the controlling shareholder Fondazione Fiera Milano.

Fiera Milano Group has a favourable cash management cycle due to the financial nature of the companies that organise exhibitions and congresses. The organisers of exhibitions and congresses request an advance from their clients as confirmation of their participation at an event and the balance is usually received before the event is held or at its conclusion. Suppliers of goods and services are paid under the normal payment terms used. This generates negative working capital for the organisers, which gives a cash surplus.

Fiera Milano SpA, the Parent Company, which rents the exhibition space to the organisers, carries out administrative and cash management services for the organisers, receiving on behalf of the latter everything that the exhibitors pay the organiser. After receiving the cash, Fiera Milano SpA, depending on the contractual agreements, retrocedes to the organiser what is its due and keeps the payment for the space rented out in the exhibition venues and for the services provided. This also allows Fiera Milano SpA to receive its payments in advance, as it does the organisers. Therefore, within Fiera Milano Group, the companies that benefit from this favourable cash management cycle are the companies that organise exhibitions and the Parent Company.

The exposure of the Group to different types of risk is described below.

34.1 Credit risk

Credit risk is represented by the Group's exposure to potential losses from the non-fulfilment of obligations agreed by counterparties. Credit risk is adequately monitored, as is that pertaining to the cash management that characterises the business of the Group. Fiera Milano hosts and organises exhibitions that are leaders in their sector and, therefore, the loyalty of exhibitors is high. For the controlling shareholder Fiera Milano SpA, the current system means that all receipts from exhibitors flow into the Fiera Milano SpA accounts and that the latter retrocedes to its clients/organisers the amounts due to them.

With regard to MADE eventi Srl e Ipack Ima Srl, part of the services provided to exhibitors is invoiced and collected on behalf of the individual Group companies by Fiera Milano SpA. Nevertheless, these companies carry out standard solvency assessments of potential customers and the relevant departments constantly monitor outstanding amounts so that any appropriate measures for debt recovery are implemented.

Three different categories of credit risk have been identified: organisers, exhibitors and other receivables.

The first risk category is represented by the exhibition **organisers**; the receivables included in this category are considered to represent the lowest risk as the Parent Company Fiera Milano SpA manages the cash flows of almost all of the exhibitions at its two sites.

The second risk category is the **exhibitors**; the receivables from this category are considered medium risk as exhibitors have to make payment before the end of the exhibition.

The third risk category is **other receivables**, which mainly comprises exhibition-related activities (stand-fitting, congresses, promotions, internet services) and activities that are not exhibition related (sponsorship, advertising, etc.). These receivables are payable under normal payment conditions.

The Company sometimes uses specific guarantees as a further means of counteracting credit risk.

The categories of credit risk at 31 December 2021 and at 31 December 2022 and the breakdown of past due amounts are shown in the following tables:

Class	FY 31/12/2021 Receivables	Due	Breakdown of late payments (days)				Provision	
			Overdue	0-90	91-180	181-270		>270
Organisers	4,817	3,437	2,892	1,476	-	-	1,416	1,512
Exhibitors	6,183	4,223	2,555	1,234	80	311	930	595
Other	10,136	7,431	3,635	2,487	-	-	1,148	930
Total	21,136	15,091	9,082	5,197	80	311	3,494	3,037

Class	FY 31/12/2022 Receivables	Due	Breakdown of late payments (days)				Provision	
			Overdue	0-90	91-180	181-270		>270
Organisers	5,156	1,582	3,574	3,327	-	7	240	-
Exhibitors	5,610	3,143	2,836	1,937	232	61	606	369
Other	13,272	9,165	5,011	4,257	71	21	662	904
Total	24,038	13,890	11,421	9,521	303	89	1,508	1,273

The provision for doubtful receivables is calculated on their presumed recoverability, using internal assessments supported by those of external legal consultants.

Changes in the provision for doubtful receivables at 31 December 2021 and 31 December 2022 by risk category are shown in the following tables:

(€'000)					
Class	Balance at 31/12/2020 Provision	Provisions	Utilisation	Other changes	Balance at 31/12/2021 Provision
Organisers	3,506	-	1,994	-	1,512
Exhibitors	767	-	172	-	595
Other	1,412	2	483	(1)	930
Total	5,685	2	2,649	(1)	3,037

(€'000)					
Class	Balance at 31/12/2021 Provision	Provisions	Utilisation	Other changes	Balance at 31/12/2022 Provision
Organisers	1,512	-	1,512	-	-
Exhibitors	595	69	295	-	369
Other	930	-	26	-	904
Total	3,037	69	1,833	-	1,273

34.2 Liquidity risk

The Group implements measures to ensure that it has adequate levels of working capital and liquidity; any drop in business volumes, caused both by the seasonal and cyclic nature of the exhibition business, can have an impact on economic performance and the ability to generate cash flows.

As of 31 December 2022, net financial debt, not including the IFRS 16 lease liability, amounted to Euro -29,783 thousand, a positive change of Euro 17,559 thousand compared to the 31 December 2021 figure.

The aim of the Group's risk management, also in the presence of financial debt, is to guarantee an adequate level of liquidity, minimising the related costs and maintaining a balance between the duration and composition of debt.

In February 2021, two five-year loans were entered into, with 24 months of pre-amortisation for a total of Euro 75 million. Ninety per cent of the amount disbursed is covered by SACE's guarantee under the 'Garanzia Italia' programme pursuant to Art. 1 of Italian Legislative Decree No. 23/2020, converted, with amendments, into Italian Law No. 40/2020 (the so-called 'Liquidity Decree'). In particular, a loan was entered into with a pool of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit) for Euro 55 million and a loan with Cassa Depositi e Prestiti for Euro 20 million, subject to the biannual calculation of financial covenants starting from 30 June 2021.

The Parent Company obtained a Euro 7 million loan from SIMEST on 28 April 2021, granted within the framework of the section of the Fund 394/8, pursuant to Article 91, paragraphs 1 and 2, of Decree Law 104 of 14 August 2020, converted, with amendments, by Law 126 of 13 October 2020, and article 6, paragraph 3, no. 1 of Decree Law 137 of 28 October 2020. The loan matures on 31 December 2027, with the pre-amortisation period ending on 31 December 2023.

In May 2021, a 5-year loan of Euro 5 million was taken out with Banca Carige, with a 12-month pre-amortisation period, guaranteed 90% by SACE under the above-mentioned "Italy guarantee" programme.

On 29 April, the loan with Banca Bper in the amount of Euro 10 million, taken out in 2021, was repaid.

On 27 September 2021, Made eventi Srl took out a loan with Banca Monte dei Paschi di Siena for Euro 2 million, maturing on 30 September 2024 and with a 12-month pre-amortisation period, 80% guaranteed by SACE as part of the "Garanzia Italia" programme mentioned above.

The Group has Euro 114.4 million in bank deposits and cash on account, compared to total bank borrowings of EUR 88.1 million, for which repayment schedules extend to 2027. In addition, the Group benefits from Euro 53.5 million in short-term loan facilities. Finally, the 2023-2026 financial projections show that the Group's recurring activities will generate additional positive cash flows, which will further strengthen the Company's financial position and ensure it complies with the covenants agreed with lenders, while maintaining an appropriate financial balance at all times.

The tables below give the breakdown of financial liabilities by maturity and an estimate of related interest expense due to maturity at 31 December 2021 and 31 December 2022.

Financial liabilities

(€'000)	Balance at 31/12/2021	3 mths	6 mths	12 mths	18 mths	24 mths	3 years	5 years	>5 years
Current and non-current bank borrowings	99,096		312	875	13,649	14,899	33,774	33,838	1,750
Current and non-current interest payable		180	209	399	376	326	453	197	7
Other current and non-current financial liabilities	9,994	9,560		434					
Current interest payable		18							
Financial liabilities related to the right-of-use of assets current and non-current	411,944	14,299	8,978	18,101	18,334	18,582	37,176	76,340	220,134
Current and non-current interest payable		2,683	2,620	5,061	4,813	4,563	8,368	13,683	15,602
Trade payables	50,569	50,569							
Total	571,603	77,309	12,119	24,870	37,172	38,370	79,771	124,058	237,493

Financial liabilities

(€'000)	Balance at 31/12/2022	3 mths	6 mths	12 mths	18 mths	24 mths	3 years	5 years	>5 years
Current and non-current bank borrowings	88,116	6,862	6,862	13,675	14,550	14,300	31,867		
Current and non-current interest payable		565	537	922	725	540	529		
Other current and non-current financial liabilities	2,301	130		488				1,683	
Current interest payable		1						317	
Financial liabilities related to the right-of-use of assets current and non-current	396,747	9,350	9,745	19,890	20,061	19,793	40,410	84,085	193,413
Current and non-current interest payable		2,719	2,651	5,090	4,809	4,530	8,213	12,936	11,552
Trade payables	50,317	50,317							
Total	537,481	69,944	19,795	40,065	40,145	39,163	81,019	99,021	204,965

34.3 Market risk

The Group reserves the right to use appropriate hedging instruments if market risks become significant.

a) Interest rate risk

The Group has access to credit lines at competitive rates and is able to manage interest rate fluctuations. Moreover, the Group constantly monitors market conditions in order to intervene promptly should conditions change.

Notes 18 and 25 give the composition of bank borrowings.

The tables below give interest rate sensitivity analyses that show the financial expenses and income that a +/-0.5% change in interest rates would have had on equity and on the income statement for 2021 and 2022.

(€'000)	Total at 31/12/21	Balance* (debt)	Income (expense)	Rate	+0.5%	(0,5)%
Current accounts	148,233	75,653	15	0.02%	393	(363)
Current an non-current loans to joint venture	2,479	1,988	25	1.26%	35	15
Current account with the controlling shareholder	(9,560)	(11,132)	(83)	0.75%	(139)	(28)
Current and non-current bank borrowings**	(99,097)	(82,080)	(1,389)	1.69%	(1,798)	(977)
Current and non-current financial liabilities related to the right-of-use of assets	(411,944)	(434,258)	(11,836)	2.73%	(14,027)	(9,684)

* average for the financial year
** excluding Derivatives

(€'000)	Total at 31/12/22	Balance* (debt)	Income (expense)	Rate	+0.5%	(0,5)%
Current accounts	81,954	118,493	153	0.13%	745	(439)
Cash investments	30,652	10,677	226	2.12%	279	173
Current an non-current loans to joint venture	703	1,396	18	1.29%	25	11
Current account with the controlling shareholder	(130)	(302)	(3)	0.87%	(4)	(1)
Current and non-current bank borrowings	(88,116)	(92,024)	(1,803)	1.96%	(2,264)	(1,344)
Other current and non-current financial liabilities	(1,683)	(140)	(7)	5.00%	(8)	(6)
Financial liabilities related to the right-of-use of assets	(396,747)	(410,662)	(11,280)	2.75%	(13,353)	(9,246)

* average for the financial year

b) Exchange rate risk

The Group operates in different markets worldwide and, therefore, is exposed to market risks from fluctuations in exchange rates.

As in the previous financial year, this risk remained relatively insignificant despite the Group presence in international markets. Exchange rate risk relating to foreign operations is limited as the business in each country has costs and revenues that are in the same currency.

c) Risk of changes in raw material prices

This risk factor applies to Group companies, with regard to commodities and raw materials such as electricity, wood (used for stand panels) and polymers (used for graphics, signage and carpeting). In this regard, the Group applies policies for the advance procurement of some materials (e.g. panels for stands) or fixed price procurement for other commodities (electricity and gas). In addition, in early 2023 work began to upgrade the photovoltaic system installed in the Rho exhibition site with the aim, between 2023 and 2024, of increasing the share of energy needs from this source from the current 20% to 25-30%.

Exposure to this risk factor is described in the section on the Risk of an increase in the price of raw materials/commodities in the Board of Directors' Management Report.

35) Disclosure on guarantees given, undertakings and other contingent liabilities**Guarantees given**

These totalled Euro 4,633 thousand and the breakdown was as follows:

- Euro 3,186 thousand for the guarantee issued in favour of SIMEST SpA to guarantee the obligations undertaken with the loan contract requested by the Parent Company from the resources of the Fund referred to in Law 394/81;
- Euro 924 thousand for the guarantee given by the Parent Company to PGIM Real Estate Luxembourg S.A. on behalf of the subsidiary Nolostand SpA for the obligations under the lease agreement for a warehouse;
- Euro 501 thousand for the surety issued to the Tax Authority on behalf of the Parent Company La Fabbrica del Libro SpA liquidated on 10 November 2019 to guarantee the request for VAT refund for tax year 2019;
- Euro 22 thousand for guarantees given against lease agreements of the subsidiary MADE eventi Srl.

Contingent liabilities

There are several pending legal disputes, for which the legal consultant has estimated a potential liability of Euro 275 thousand.

INCOME STATEMENT

36) Revenues from sales and services

This item totalled Euro 220,285 thousand (Euro 122,302 thousand at 31 December 2021).

The breakdown of revenues was as follows:

Revenues from sales and services	(€'000)		
	2022	2021	Change
Facility fee for use of exhibition area	71,277	23,818	47,459
Rental of stands, fittings and equipment	65,568	34,910	30,658
Fees exhibitors area	30,706	33,668	(2,962)
Revenues from exhibition and congress organisation services	14,186	6,031	8,155
Catering and canteen services	10,036	4,046	5,990
Exhibition site services	8,109	5,831	2,278
Advertising space and services	5,533	3,046	2,487
Miscellaneous fees and royalties	3,828	3,504	324
Supplementary exhibition services	3,459	2,262	1,197
Ticket office sales	2,509	1,658	851
Access surveillance and customer care services	1,987	981	1,006
Telephone and internet services	1,626	1,159	467
Multimedia and on-line catalogue services	824	448	376
Administrative services	436	322	114
Editorial product sales	201	618	-417
Total	220,285	122,302	97,983

The increase in revenues is mainly linked to the resumption of trade fairs and conferences. The 2021 comparative figures, on the other hand, were affected by the cancellation of in-person events during the first six months of the year due to the Covid-19 pandemic. A key driver for this positive change was the strong performance of annual and multi-annual exhibitions, including the holding of Gastech, an international energy industry event which took place in Milan for the first time. This effect was partially offset by the fact that Host, a biennial event directly organised by the Group only in odd years, was missing from the trade fair calendar. In the congress business, international congresses were held, including: the World of Coffee, ESA - the Congress of the European Society of Anaesthesiology, ECE - the Congress of the European Society of Endocrinology and EAS - the Congress of the European Atherosclerosis Society, EADV - the European Academy of Dermatology and Venereology and ESCRS - the European Society of Cataract and Refractive Surgeons.

The item Revenues from sales and services included Euro 10,190 thousand (Euro 4.706 thousand at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

37) Cost of materials

This item totalled Euro 4,078 thousand (Euro 1,705 thousand at 31 December 2021).

The breakdown of this entry was as follows:

Cost of materials		(€'000)	
	2022	2021	Change
Subsidiary materials and consumables	3,934	1,632	2,302
Printed materials, forms and stationery	96	54	42
Raw materials	48	2	46
Finished goods and packaging	-	17	(17)
Total	4,078	1,705	2,373

Cost of materials included Euro 4 thousand (zero at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

38) Costs of services

This item totalled Euro 110,159 thousand (Euro 71,204 thousand at 31 December 2021).

The breakdown of this entry was as follows:

Cost of services		(€'000)	
	2022	2021	Change
Equipment hire	21,940	12,859	9,081
Stands and equipment for exhibitions	17,685	7,984	9,701
Energy costs	7,483	6,201	1,282
Maintenance	7,458	6,871	587
Security and gate services	5,891	3,900	1,991
Cleaning and waste disposal	5,849	3,372	2,477
Initiatives promotional to the events	5,356	2,167	3,189
IT services	4,455	3,747	708
Technical, legal, commercial and administrative advice	4,395	3,692	703
Advertising	3,762	3,232	530
Catering services	3,298	1,696	1,602
Insurance	3,181	1,833	1,348
Telephone and internet expenses	2,175	1,914	261
Professional services and various collaborations	2,159	1,260	899
Conference and congress services	2,116	1,759	357
Technical assistance and ancillary services	1,845	857	988
Commissions and fees	1,842	572	1,270
Technical, legal, commercial and administrative services	1,634	1,439	195
Change in suspended costs for future exhibitions	734	830	(96)
Transport	730	1,670	(940)
Ticketing	586	272	314
Remuneration of Statutory Auditors	241	265	(24)
Other costs	5,400	2,822	2,578
Uses of provisions	(56)	(10)	(46)
Total	110,159	71,204	38,955

The item “Cost of services” mainly included costs for managing the exhibition sites during the setting up, running, and dismantling of exhibitions and congresses.

The increase is mainly related to the trend in revenues.

Costs of services included Euro 3,007 thousand (Euro 1,375 thousand at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

39) Cost for use of third-party assets

This item totalled Euro 1,246 thousand (Euro 516 thousand at 31 December 2021) and the breakdown was as follows:

Cost of use of third-party assets				(€'000)
	2022	2021	Change	
Other rent payable	860	347	513	
Vehicle hire - service	237	135	102	
Expenses for exhibition sites	100	3	97	
Office equipment and photocopier hire	49	31	18	
Total	1,246	516	730	

The item “Variable fees” is mainly attributable to the licence to use exhibition trademarks.

Cost for use of third-party assets included Euro 77 thousand (zero at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

40) Personnel Costs

This item totalled Euro 44,413 thousand (Euro 40,720 thousand at 31 December 2021) and the breakdown was as follows:

Personnel costs				(€'000)
	2022	2021	Change	
Salaries	31,434	26,290	5,144	
Social Security payments	9,662	8,571	1,091	
Redundancy incentives	1,934	177	1,757	
Defined contribution plan charges	1,658	1,574	84	
Other expenses	1,224	1,771	(547)	
Directors' remuneration	738	805	(67)	
External and temporary employees	673	86	587	
Defined benefit plan charges	232	296	(64)	
Seconded employees from subsidiaries	-	6	(6)	
Change in suspended costs for future exhibitions	(1,172)	1,306	(2,478)	
Uses of provisions	(1,970)	(162)	(1,808)	
Total	44,413	40,720	3,693	

Wages and salaries and the social security contributions related to them, increased - mainly due to the presence in the first semester of 2021 of the benefit deriving from the activation of the Wage Integration Fund (FIS) as well as variable pay components.

The item “Other expenses” includes Euro 309 thousand as costs relating to the “Medium-term Incentive Plan” approved by the Fiera Milano SpA Shareholders’ Meeting of 28 April 2021. This plan is an incentive to management to achieve the Company’s strategic objectives and align the interests of beneficiaries to those of shareholders. The Plan envisages the assignment to beneficiaries of a certain number of ordinary shares on achieving specific predefined performance objectives for 2021-2022 period.

Personnel costs did not include related-party transactions (Euro 4 thousand at 31 December 2021).

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

Breakdown of personnel by category

	2022	2021	Change
Managers	33	31	2
Middle managers and white collar workers	654	668	(14)
<i>of which equity accounted companies:</i>			
<i>Managers</i>	5	4	1
<i>Middle managers and white collar workers</i>	75	77	(2)
Total personnel	687	699	(12)

41) Other operating expenses

This item totalled Euro 3,931 thousand (Euro 2,843 thousand at 31 December 2021) and the breakdown was as follows:

Other operating expenses

	2022	2021	Change
Other taxes and duties	2,632	1,718	914
Doubtful receivables	1,708	233	1,475
Contributions and donations	641	562	79
Other expenses	341	370	(29)
Copyright royalties (SIAE)	292	136	156
Gifts and promotional merchandise	20	49	(29)
Capital losses from tangible asset	15	8	7
Uses of provisions	(1,718)	(233)	(1,485)
Total	3,931	2,843	1,088

The increase in the item “Non-income taxes and taxes” mainly refers to the increase in the variable portion of the waste tax parameterized to higher collection volumes related to the resumption of exhibition activities.

Other operating expenses included Euro 362 thousand (Euro 298 thousand at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

42) Other income

This item totalled Euro 4,135 thousand (Euro 73,146 thousand at 31 December 2021) and the breakdown was as follows:

(€'000)			
	2022	2021	Change
Other recovered costs	1,064	918	146
Contributions to income	934	63,326	(62,392)
Office rent and expenses	577	498	79
Recovery of expenses for seconded employees	485	427	58
Insurance indemnities	125	36	89
Capital gains on non-current assets	-	67	(67)
Other income	950	7,874	(6,924)
Total	4,135	73,146	(69,011)

The decrease mainly refers to the presence of in the previous year of Euro 61,490 thousand in non-recurring public grants received as a result of the Covid-19 public health crisis, as well as Euro 5,500 thousand in non-recurring income from the temporary rent reductions for the Rho and Milan exhibition sites granted by the parent company Fondazione Fiera Milano during 2021, which was included in the item "Other income".

Other income included Euro 959 thousand (Euro 6,269 thousand at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

43) Results of associates and joint ventures

This entry totalled Euro 466 thousand (Euro 1,207 thousand at 31 December 2021) and referred to the following joint ventures:

- Hannover Milano Global Germany GmH for Euro -1,131 thousand (Euro 1,586 thousand at 31 December 2021);
- Ipack Ima Srl for Euro 1,103 thousand (Euro -255 thousand at 31 December 2021);
- MiCo DMC Srl for Euro 331 thousand (Euro -124 thousand at 31 December 2021).
- Ge.Fi. SpA for Euro 163 thousand.

44) Provisions for doubtful receivables and other provisions

This item totalled Euro 2,656 thousand (Euro 5,925 thousand at 31 December 2021).

Changes in these provisions are shown in the following table:

(€'000)			
	2022	2021	Change
Reorganisation of personnel	2,229	5,584	(3,355)
Other disputes	500	-	500
Provisions for doubtful receivables	69	2	67
Disputes with personnel	-	339	(339)
Write-back of provisions	(142)	-	(142)
Total	2,656	5,925	(3,269)

Notes 13, 21 and 30 provide further details on changes in the provision for doubtful receivables and provisions for risks for the year.

45) Depreciation and Amortisation

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

This item totalled Euro 43,246 thousand (Euro 42,017 thousand at 31 December 2021).

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

Amortisation of intangible assets

This item totalled Euro 4,662 thousand (Euro 3,195 thousand at 31 December 2021).

The increase mainly relates to the amortisation of the new digital data management systems implemented from the end of the 2021 financial year.

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

46) Adjustments to asset values

This item totalled Euro 1,276 thousand (Euro 22 thousand at 31 December 2021).

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

Adjustments to asset values

	2022	2021	Change
Impairment of exhibition trademarks and publications	1,276	-	1,276
Write-downs of Property, Plant and Equipment	-	22	(22)
Total	1,276	22	1,254

(€'000)

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

47) Financial income and similar

This item totalled Euro 1,600 thousand (Euro 1,028 thousand at 31 December 2021), broken down as follows:

Financial income and similar

	2022	2021	Change
Exchange rate gains	855	203	652
Interest income on bank deposits	379	48	331
Interest income from cautionary deposits related to the rent of the exhibition site	130	1	129
Interest income on receivables from the controlling shareholder	21	-	21
Other financial income from joint venture	20	26	(6)
Fair value measurement of financial assets	-	720	(720)
Other financial income	195	30	165
Total	1,600	1,028	572

(€'000)

Financial income and similar included Euro 171 thousand (Euro 27 thousand at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

48) Financial expenses and similar

This item totalled Euro 14,524 thousand (Euro 14,420 thousand at 31 December 2021), broken down as follows:

Financial expenses and similar

	2022	2021	Change
Interests on financial leasing with the controlling shareholder	10,845	11,632	(787)
Interest payable on bank accounts	1,803	1,399	404
Fair value measurement of financial assets	733	-	733
Exchange rate losses	436	289	147
Interest on financial leasing	435	340	95
Charges on discounting defined benefit plans	95	35	60
Interest payable on the current account with the controlling shareholder Fondazione Fiera Milano	4	83	(79)
Other financial expenses	173	642	(469)
Total	14,524	14,420	104

The change is mainly due to the financial expenses incurred due to an increase in interest rates and the fair value measurement of financial assets, the effects of which were partially offset by lower financial expenses on leased assets resulting from the application of IFRS 16 and the presence in the previous year of administrative penalty charges.

Financial expenses and similar included Euro 10,849 thousand (Euro 11,715 thousand at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

49) Income Taxes

Income taxes came to Euro 2,055 thousand (Euro -24,365 thousand at 31 December 2021).

Income tax

	2022	2021	Change
Current income tax	(960)	(6,001)	5,041
Deferred income tax	3,015	(18,364)	21,379
Total	2,055	(24,365)	26,420

The changes mainly refer to the presence during the previous year of benefits resulting from the effects of the tax realignment of goodwill and exhibition trademarks provided for by Article 110 of Decree Law 104/20 as amended by Article 1, paragraph 83 of Law 178 of 30 December 2020 (2021 Budget Law).

The breakdown of current taxes at 31 December 2022 was as follows:

Current income tax

	2022	2021	Change
Current income tax (IRAP)	504	770	(266)
Alternative tax realignment	-	1,982	(1,982)
Other current income tax	13	(8)	21
Expenses from tax consolidation	1,505	5	1,500
Income from tax consolidation	(2,982)	(8,750)	5,768
Total	(960)	(6,001)	5,041

Income from tax consolidation reflects the income recognised by Fondazione Fiera Milano for the contribution of the IRES tax loss accrued in the current year. This will be paid after it has been offset against the IRES taxable income in the tax consolidation and based on the assessment of its recoverability within the time horizon of the plans.

Tax consolidation charges refer to the tax liability towards Fondazione Fiera Milano per l'Ires teorica corrispondente all'imponibile positivo che è stato trasferito in capo alla consolidante al netto dell'utilizzo delle proprie perdite fiscali preesistenti all'avvio del consolidato nonché dell'ACE.

Deferred tax assets and liabilities are broken down by type in the table below:

Deferred income taxes

	31/12/21	Recognised in the Income Statement	Recognised in equity	Other	Exchange rate effect	(€'000) 31/12/22
Deferred tax assets						
Excess amortisation, depreciation and write-downs	1,116	(287)	-	-	-	829
Provisions for risks and charges	1,465	(112)	-	-	-	1,353
Doubtful receivables	672	(407)	-	-	-	265
Assets tax realignment	8,147	(308)	-	-	-	7,839
Tax losses carried forward	3,255	(2,368)	-	-	394	1,281
Other temporary differences	1,341	82	(251)	-	-	1,172
Total	15,996	(3,400)	(251)	-	394	12,739
Deferred tax liabilities						
Goodwill amortisation and deferred taxes on acquisition of intangible assets	5,133	(401)	-	-	55	4,787
Other temporary differences	495	16	-	-	-	511
Total	5,628	(385)	-	-	55	5,298
<i>Net deferred income taxes</i>	<i>10,368</i>	<i>(3,015)</i>	<i>(251)</i>	<i>-</i>	<i>339</i>	<i>7,441</i>
<i>of which: Deferred tax assets</i>	<i>14,011</i>					<i>11,174</i>
<i>Deferred tax liabilities</i>	<i>3,643</i>					<i>3,733</i>

Deferred taxes for the year totalled Euro 3,015 thousand and represent the reversal of the deferred tax assets (Euro 3,400 thousand) and the reversal of the deferred tax liabilities (Euro -385 thousand).

The change in deferred tax assets is due to (i) the release of deferred tax assets recognised in previous years into the provision for doubtful receivables to be deducted only once utilised, and (ii) the release of deferred tax assets arising from the tax realignment of goodwill and exhibition trademarks.

The carrying amount of the deferred tax assets relating to Fiera Milano Brasil Ltda was reduced by Euro 2,445 thousand for reasons of future recoverability, and the provision for deferred tax liabilities was reduced from EUR 398 thousand to zero in relation to the write-down of exhibition trademarks.

Reconciliation of theoretical and effective corporation tax charge (IRES)

	(€'000)
Consolidated profit/(loss) before income tax	(3,705)
Percentage applicable for corporation income tax (IRES)	24.0%
Theoretical IRES tax charge (corporation income tax)	(889)
Difference between theoretical and effective tax charges:	
Tax realignment goodwill and exhibition trademarks	265
Foreign fiscal treatments	2,061
Other	84
Effective IRES tax charge	1,521

Reconciliation of theoretical and effective corporation tax charge (IRAP)		(€'000)
EBIT		9,219
IRAP tax irrelevant costs		45,327
Consolidated taxable base for purposes of IRAP		54,546
Statutory rate applicable for corporation income tax (IRAP)		3.9%
Theoretical IRAP tax charge (corporation income tax)		2,127
Difference between theoretical and effective tax charges:		
Tax wedge effects		(1,631)
Tax realignment goodwill and exhibition trademarks		43
Non-deductible provisions		(5)
Effective IRAP tax charge		534

The item 'Income taxes' included Euro -1,477 thousand (Euro -8,745 thousand at 31 December 2021) for related-party transactions. For more details, see note 53 on these transactions.

50) Profit/(loss) from assets held for sale

Profit/(loss) from assets held for sale was nil (profit of Euro 4,600 thousand at 31 December 2021). For more details, see Note 1.7 'Disclosure of Assets Held for Sale'.

51) Net profit (loss) for the year attributable to shareholders of the controlling entity

At 31 December 2022, the Group recorded a loss of Euro 5,599 thousand compared to a profit of Euro 44,359 thousand at 31 December 2021.

52) Earnings per share

In 2022 earnings per share was Euro -0.0782 compared to Euro 0.6192 for the year ended 31 December 2021, calculated by dividing the net profit (loss) by the weighted average number of Fiera Milano SpA shares outstanding during the year.

	2022	2021
Profit/(loss) (€'000)	(5,599)	44,359
Average no. of shares in circulation ('000)	71,626	71,644
Basic earnings/(losses) per issued share (€)	(0.0782)	0.6192
Earnings/(losses) per fully diluted no. of shares (€)	(0.0782)	0.6192

The value used as the numerator to calculate basic and profit (loss) and diluted profit (loss) per share was Euro -5,599 thousand at 31 December 2022 (Euro 44,359 thousand at 31 December 2021).

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

('000)	2022	2021
Weighted average no. of shares used for calculation of EPS	71,626	71,644
+ Potential no. of shares issued without payment	-	-
Weighted average no. of shares used to calculate diluted EPS	71,626	71,644

During the year, there were no instruments issued, including contingently issuable shares, which could dilute the basic earnings per share in the future, and no transactions involving ordinary shares or potential ordinary shares have been concluded after the end of the year.

53) Related-party transactions

Transactions carried out by companies that are part of the Group and with other related parties are normally carried out at market conditions.

As part of its corporate governance, on 16 June 2021, Fiera Milano SpA approved the revision of the procedure on related-party transactions, which became effective as from 1 July 2021, as described in the section on "Corporate governance and ownership structure" of the annual financial statements, to which reference is made.

The commercial relations between the companies of Fiera Milano Group concern the organisation and management of exhibitions and other events managed by the Group. Fiera Milano SpA provides administrative services to some subsidiaries in order to optimise the use of personnel and professional competences and also provides communication services to subsidiaries to ensure a uniform Group image.

As consolidated companies, all Italian subsidiaries (with the exception of MADE eventi Srl) have also submitted to the "national tax consolidation" regime for IRES purposes, which has a mandatory duration of three financial years.

Opting into tax consolidation allows the Fiera Milano Group an undoubted economic and financial advantage, in particular as it allows it to immediately utilise the Group's tax losses made during the applicable financial years to offset the income of the consolidated companies, thus immediately realising tax savings from the utilisation of such losses.

Internal legal relations between the companies participating in the tax consolidation are governed by regulations, which also provide for a uniform procedure for the proper fulfilment of tax obligations and related responsibilities of the participating companies.

In the Statement of Financial Position, the Statement of Comprehensive Income and the Statement of Cash Flows, the amounts for related-party positions or transactions, if material, are shown separately. Given the total amount of statement of financial position and income statement items, Fiera Milano Group has decided that Euro 2 million is the material threshold above which separate disclosure must be made in the Statement of Financial Position and Euro 1 million is that for separate disclosure in the Income Statement.

Detailed information on related-party transactions is provided below and is divided between Related-party Transactions with the Controlling Shareholder Fondazione Fiera Milano, Transactions with Related-party transactions with associates and joint ventures and Transactions with other related parties.

Related-party transactions with the controlling shareholder Fondazione Fiera Milano

Recurring related-party transactions are summarised below.

I Real estate lease agreements with Fiera Milano SpA

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

On 18 January 2003, Fiera Milano SpA signed a lease agreement with Fondazione Fiera Milano for the Rho exhibition site. The same agreement established the terms of the lease for the Milan City site, giving an effective date of 1 January 2006 in the contracts for both exhibition areas.

Initially, cancellation of the contracts had to be notified 18 months prior to the expiry of the contracts on 31 December 2014. On 31 March 2014, new rental agreements for the Rho and Milan exhibition sites were signed. The new rental agreements are for nine years effective from 1 July 2014 (following the agreed early termination of the existing lease agreements due to expire on 31 December 2014) and are automatically renewable for a further nine years.

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

For the Milan City exhibition site, the parties, with the 2014 renewal, initially agreed to maintain the rent of Euro 2,850 thousand per annum, annually adjusted for 100% of the change in the ISTAT consumer price index. Subsequently, on 8 May 2019, Fiera Milano reached an agreement amending rent, which, with effect from 1 June 2019, provided for a reduction of Euro 1,500 thousand a year and the exclusion of some of the Milan exhibition site, mainly used as parking areas. For this reduction, starting from 1 June 2019, Fiera Milano will make an annual lease payment of Euro 1,413 thousand, index-linked 100% to changes in the ISTAT index, in four quarterly instalments, to Fondazione Fiera Milano.

According to the terms described above, the amendment to the lease agreement constitutes a substantial change of a Transaction of Greater Importance between related parties. Therefore, the transaction was approved on 8 May 2019 - pursuant to Art. 9.1 of the Related Parties Procedure - by the Company's Board of Directors, subject to obtaining the Control, Risks and Sustainability Committee's favourable reasoned opinion on 7 May 2019. Under the provisions of prevailing law, an Information Document drawn up in accordance with Art. 10.2 of the Related Parties Procedure and Consob Regulation No. 17221/2010 has been filed and made available to the public at the registered office and at Fiera Milano's operational and administrative offices, on the website and on the authorised storage mechanism. With particular regard to the procedure above, please note that Fiera Milano is a smaller listed company and, as such, benefits from the exemption granted pursuant to Art. 10, paragraph 1, of Consob Regulation 17221/2010.

On 30 July 2021, an agreement was signed by which the Parent Company sublet the Internal Hub (pavilions 3 and 4) to Fiera Milano Congressi.

On 15 December 2022, Fondazione Fiera Milano (as lessor of the exhibition site in Rho, Milan) and the Parent Company (as lessee of the infrastructural assets owned by Fondazione Fiera Milano) supplemented the agreement for the lease of exhibition spaces by adding a real estate complex owned by Fondazione Fiera Milano, namely the warehouse in Rho, Milan, to the contract properties. This warehouse, which is intended to optimise the structural organisation for the fair stand activities of Nolostand – a Fiera Milano Group company specialising in the trade fair stand business – will be subleased to the latter by Fiera Milano from 1 January 2023. As a result, the rent under the Contract has been recalculated upwards to Euro 450 thousand per year. The amendments to the contract qualify as a Related-Party Transaction, as they constitute a Transaction of Greater Importance between related parties.

To ensure that market conditions were applied, the parties prepared the rental agreements using valuations made for Fiera Milano SpA by an independent expert.

With effect from the second quarter of 2020, in light of the serious impact of Covid-19, Fondazione Fiera Milano granted a temporary amendment to the terms of payment of the rentals under both Lease Agreements for the years 2020, 2021 and 2022 so that payment is made quarterly in arrears rather than quarterly in advance.

II Real estate lease agreement with Fiera Milano Congressi SpA

On 24 January 2000, Fondazione Fiera Milano signed a contract with Fiera Milano Congressi SpA, valid until 31 December 2012, relating to the availability of part of former Pavilion 17 in the Milan City site. On 15 March 2005, this contract was updated to reflect the expansion of the congress centre activities. The new agreement between the controlling shareholder Fondazione Fiera Milano and Fiera Milano Congressi SpA was valid until 30 June 2011 and renewable until 30 June 2017. Fondazione Fiera Milano, in a letter dated 9 February 2016, chose not to cancel the contract by 30 June 2016 and, therefore, the contract was automatically renewed until 30 June 2023.

Under the existing contract, Fiera Milano Congressi SpA pays an annual fixed rent equal to Euro 350 thousand (revalued annually by ISTAT) plus a variable fee of 5% on the excess of revenues with respect to a minimum threshold of turnover generated on the leased area.

Concerning the lease of pavilions 5 and 6 within the Milan City site, on 18 May 2009, Fondazione Fiera Milano signed a preliminary contract with Fiera Milano Congressi SpA to build the new congress centre that was inaugurated in May 2011 and that together with the congress areas of Pavilion 17 was called MiCo – Milano Congressi. The final lease agreement of the area called ‘South Wing’ (former pavilions 5 and 6) started on 1 May 2011, with a term of nine years, and is automatically renewable for a further nine years unless terminated by one of the parties. The annual fixed rent is Euro 3,000 thousand with a variable component of 5% of revenues realised by Fiera Milano Congressi SpA in the centre that exceeded the revenue targets for the periods of the 2011–2014 industrial plan only. The rent is adjusted annually by an amount equal to 100% of the change in the ISTAT index for the previous year. Under the contract there was a reduction in the full rent for the first four years of the contract. In particular, the rent for the first year of the lease was agreed to be Euro 750 thousand and to increase this amount by Euro 750 thousand in the following three years until the full quota of the rent was reached, equal to Euro 3,000 thousand. Once the full quota of the fixed rent was reached, no variable component of rent has been payable since 2015.

On 30 July 2021, an agreement was signed by which the Parent Company sublet the Internal Hub (pavilions 3 and 4) to Fiera Milano Congressi for congress purposes. This Agreement will have a duration of six years from 1 September 2021 and will be automatically renewed for another six years unless cancelled with notification sent to the other party by registered letter at least 18 months before the expiry of each contractual deadline.

In light of the emergency situation related to the Covid-19 Pandemic, which, due to force majeure, led to the suspension of activities in the conference sector for a prolonged period of time, the parties have agreed to extend to the end of 2021 and 2022 the deferred payment of the quarterly instalments of the rents provided for in the Lease Contracts already agreed for 2020.

III Settlement of Group VAT

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

IV Group tax consolidation with the controlling shareholder Fondazione Fiera Milano

In 2016, Fiera Milano SpA and some of the Italian subsidiaries did not renew the option to participate in the tax consolidation of Fiera Milano SpA and opted instead to participate in the tax consolidation of Fondazione Fiera Milano acting as the consolidating entity. This option was renewed for the three years 2022, 2023 and 2024.

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

V Contract for supply of services

Fiera Milano SpA has an annual contract with Fondazione Fiera Milano for the reciprocal supply of services, which arise from or are necessary for the exercise of their respective activities. The contract is renewed annually unless cancelled by a written agreement between the parties.

Two types of services are provided under the contract: (i) services of a general nature, which fall within the range of activities of the entity providing them, supplied to the buyer on a continuous and systematic basis; (ii) specific services, or services provided on request and relating to specific activities to be agreed from time to time between the buyer and the supplier, also based on appropriate offers/estimates. The service supply contract is governed by market conditions.

VI Licence contracts for use of the Fiera Milano trademark

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

The symbolic consideration paid by Fiera Milano SpA to Fondazione Fiera Milano is Euro 1.00. As its corporate purpose includes development of the exhibition sector, Fondazione Fiera Milano decided to retain ownership of the Fiera Milano trademark and did not include it in the ‘Exhibition Management Business’ unit transferred to the Parent Company in 2001, but envisaging that Fiera Milano would use the trademark for an extended period of time and without incurring costs for its use.

This licence is renewed year after year until 31 December 2032.

VII Current account between Fiera Milano SpA and Fondazione Fiera Milano

On 24 June 2016, effective from 1 July 2016, a new contract for the current account was agreed. The contract expires on 31 December of each year and is automatically renewed unless one of the parties cancels by the 30 September preceding the date of expiry.

Under the existing contract, by mutual consent the parties agreed to cancel the previous current account before replacing it with a new current account.

The parties use the account to settle receipts and payments under the contracts existing between them and, in particular, the rental payments for the exhibition sites and the services provided by each party to the other.

The fixed rate was equal to the 1-month Euribor plus a spread of 0.75%.

Credits for invoices issued by the parties accrue interest 60 days from the end of the month in which the invoice is issued although the interest is not be collected and remains unavailable until the current account is closed, except for invoices that are overdue by more than 180 days, which are always payable immediately.

Invoices for the rent of the exhibition sites are part of the agreement but carry interest and are payable under the leases’ specific terms. The balance of any invoices overdue by at least 180 days, together with the balance of the invoices for the leases on the exhibition sites that are due under the terms of the relevant contracts, represent the collectable balance.

Credits that are not due for repayment are not included in the current account.

The party for which the credit or debit balance exceeds Euro 5,000 thousand has the right to request payment or to arrange payment. Where a request for payment of the balance has been made, the amount must be settled within 15 working days of the request.

The current account is closed and all interest paid every quarter.

VIII “Corporate Think Tank” investment plan

Fondazione Fiera Milano, as part of the plan for the competitiveness and sustainability of exhibition and congress sites, signed an agreement with Fiera Milano SpA and Fiera Milano Congressi SpA through which it undertakes to support important investment projects. The parties developed their cooperation by establishing a ‘Corporate Think Tank’ for the joint analysis, comparison, and assessment of how investments are made.

IX Real estate sublease agreements

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

Related-party transactions with associates and joint ventures

On 21 February 2016, Fiera Milano SpA and Ipack-Ima Srl, a company in joint venture with UCIMA, signed an annual financing agreement for a maximum of Euro 3,000 thousand that is automatically renewed; the interest rate on the financing is 1.50%. At 31 December 2022, the financing had not been used for an amount equal to Euro 700 thousand.

Ipack-Ima Srl also has commercial relations with the Group for the two multi-year exhibitions (Ipack-Ima and Meat-Tech) organised by the Company and uses the centralised management of some administrative and technical services.

On 4 December 2018, the governance agreements was amended concerning MiCo DMC Srl with the partner AIM Group International Spa defining more sharing in the activity’s management choices. When applying IFRS 11 these agreements qualify the company as a joint venture and, starting from 31 December 2018, determine the measurement of the shareholding with the equity method in place of line-by-line consolidation.

Relations with the Group are associated with the remainder of the ten-year loan granted by the controlling entity Fiera Milano Congressi Spa on 18 May 2015 for the nominal sum of Euro 70 thousand at a rate of 3% and with the provision of destination management logistics services.

Transactions with other related parties

The main items are:

- liabilities and assets in respect of Ge.Fi. SpA, an associate of the Parent Company following the acquisition of 25% of the share capital on 23 November 2022. The economic relations between the related parties concerned the running of the Artigiano in Fiera event;
- liabilities in respect of Federlegno Arredo Eventi SpA and Federlegno Arredo following the transfer of employees from MADE eventi Srl during 2019. In view of this transfer, the Company recorded a payable corresponding to the payments accrued by employees;
- revenues and operating expenses for Fiera Parking SpA, a company wholly owned by Fondazione Fiera Milano. On 5 July 2018 Fiera Milano SpA signed a contract with Fiera Parking SpA to entrust the management of the carparks to the **fieramilanocity** central exhibition service. The contract is for seven years, starting from 1 September 2018.

Transactions with related parties that are not consolidated are shown in the following table.

Related party entries in the Statement of Financial Position and Income Statement in the financial year to 31 December 2022

(€'000)

	Increments of Right-of-use assets	Non-current financial assets	Trade and other non-current receivables	Trade and other current receivables	Inventories	Current financial assets	Assets held for sale	Non-current Financial liabilities related to the right-of-use of assets	Advances	Current financial liabilities related to the right-of-use of assets	Other Current financial liabilities	Other current liabilities	Revenues from sales and services	Cost of materials	Cost of services	Cost of use of third-party assets	Other operating expenses	Other income	Financial income and similar	Financial expenses and similar	Income tax	
Controlling shareholder and other Group companies																						
Fondazione Fiera Milano	15,338		33,240	3,404				345,348		48,295	130	78	596		121		234	462	151	10,849	(1,477)	
Companies associates and joint venture																						
Ipack Ima Srl				20		703			18			18	5,675		188			333	18			
MiCo DMC Srl		71		40	148		65					536	14	4	1,913	77		134	2			
Ge.Fi.SpA				2,051								3,567	3,850		32			7				
Hannover Milano Fairs Shanghai LTD									10				31									
Hannover Milano Fairs China LTD															4							
Hannover Milano Fairs India LTD															6							
Other related parties																						
Fair renew Srl												76			743			18				
Federlegno Arredo												37										
Federlegno Arredo Eventi SpA												40										
Fiera Parking SpA				35									24				128	5				
Total related parties transactions	15,338	71	33,240	5,550	148	703	65	345,348	28	48,295	130	4,352	10,190	4	3,007	77	362	959	171	10,849	(1,477)	
Total reported	-	2,386	33,424	33,404	3,144	36,420	2,672	346,858	29,869	49,889	618	20,723	220,285	4,078	110,159	1,246	3,931	4,135	1,600	14,524	2,055	
% Rel. party transactions/Total reported	-	3%	99%	17%	5%	2%	2%	100%	-	97%	21%	21%	5%	-	3%	6%	9%	23%	11%	75%	(72%)	

Information on the remuneration paid to the Administrative and Control Bodies, General Managers and Executives with strategic responsibilities at 31 December 2022 is given in the table included in the section 'Other information'.

Statement of related party cash flow

	2022	2021*
		(€'000)
Cash flow from operating activities		
Revenues and income	11,149	10,954
<i>of which non recurring transactions</i>	-	5,500
Costs and expenses	(3,450)	(1,375)
Financial income	171	27
Financial expenses on leased assets (IFRS 16)	(10,845)	(11,632)
Financial expenses	(4)	(83)
Losses/income from tax consolidation	1,477	8,745
Changes in trade and other receivables	(2,703)	(4,036)
Changes in inventories	(123)	70
Change in advances	(1,311)	568
Change in other current liabilities	268	3,631
Total from continuing operations	(5,371)	6,869
Total from assets held for sale	(65)	(236)
Cash flow from investment activities		
Investments in non-current activities		
. Tangible and intangible	-	-
. Other non-current assets	-	-
Total from continuing operations	-	-
Total from assets held for sale	-	-
Cash flow from financing activities		
Change in current financial assets	1,705	(1,088)
Change in current financial liabilities	(9,430)	8,247
Change in current financial liabilities related to the right-of-use of assets	(29,219)	(36,693)
Total from continuing operations	(36,944)	(29,534)
Total from assets held for sale	-	-
Cash Flow for the year from continuing operations	(42,315)	(22,665)
Cash Flow for the year from assets held for sale	(65)	(236)

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5 following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

The table below shows cash flow from related party transactions:

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities
FY to 31.12.22:			
Total	30,650	(15,059)	(79,855)
Related party transactions	(5,436)	-	(36,944)
FY to 31.12.21:			
Total	113,172	(4,513)	19,150
Related party transactions	6,633	-	(29,534)

54) Other information

Material non-recurring events and transactions

During the year, there were no significant non-recurring transactions or events as defined in the Consob Communication of 28 July 2006. The amount referring to the previous year and separately recognised under Other income refers to the Euro 10,000 thousand contribution paid by SIMEST out of the Integrated Promotion Fund as compensation for fixed costs not covered by profits, as well as Euro 51,490 thousand in contributions for the EBITDA reductions caused by the Covid-19 pandemic in the years 2020 and 2021. In addition, the Parent Company Fondazione Fiera Milano granted a temporary reduction in the rents of the Rho and Milan exhibition centres for the year 2021 of Euro 5,500 thousand.

Transactions relating to atypical and/or unusual operations

In compliance with the Consob Communication of 28 July 2006, it is stated that no unusual and/or atypical operations were carried out by the Group in 2022 as defined in the aforementioned Communication.

Information required pursuant to Italian Law 124/2017

Pursuant to Law 124/2017 there are no contributions to report.

Significant events after the end of the reporting period

On 28 February 2023, Fiera Milano SpA closed out the buyback of treasury shares, purchasing 410,000 shares at an average price of Euro 3.02 for a total value of Euro 1,241,132. The Company holds 683,758 treasury shares, representing 0.95% of share capital.

On 9 March 2023, the Board of Directors of Fiera Milano SpA, following the press releases of 25 January 2022, 20 May 2022 and 13 October 2022, announced that it had agreed to finalise the strategic transaction with Fiere di Parma SpA concerning a partnership aimed at creating a common European exhibition platform in the agri-food sector. As a reminder, the Operation will be carried out through the subscription of a capital increase of Fiere di Parma reserved to Fiera Milano to be paid through the contribution of Fiera Milano's business unit related to the exhibition "Tuttofood", a leading exhibition event in the agri-food sector organised in Milan at the Rho exhibition site for a value of Euro 16.5 million. The Parties have agreed that, upon closing of the transaction, Fiera Milano will initially hold 18.5% of the share capital of Fiere di Parma.

It also bears reminding that the transaction will see the Parties create a new multi-hub trade fair platform: (i) in Milan, 'Tuttofood powered by Cibus' will take on an international focus, bringing together audiences from all major agri-food producing countries and thus competing with other leading European exhibitions, while also continuing to support the local supply chain; and (ii) in Parma, 'Cibus' will become an iconic event for authentic Italian produce, including regional delicacies. Thanks to the synergies built between Fiera Milano and Fiere di Parma, the two exhibitions will be able to optimise their positioning by offering strategic and permanent support to the Made in Italy agro-food industry and the Italian system in general.

With this transaction, Fiera Milano will also participate in the governance of Fiere di Parma by supporting private shareholders (i.e. Crédit Agricole Italia SpA and Unione Parmense degli Industriali) and public shareholders (i.e. the Municipality and Province of Parma, Parma Chamber of Commerce, and the Emilia-Romagna Region) in enhancing the execution of the exhibition business plan. The transaction will also see Fiera Milano provide services to Fiere di Parma in relation to the "Tuttofood powered by Cibus" event, which will continue to be held at the Rho exhibition site and will be managed by Fiera Milano.

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

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

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

The total remuneration of this category of executives was Euro 2,542 thousand in the period to 31 June 2022 (Euro 2,932 thousand at 31 June 2021) and the breakdown was as follows:

Remuneration (€'000)	2022		
	Directors	Statutory Auditors	Others
Short-term benefits	579	166	1,168
Post-employment benefits	-	-	80
Other non current benefits	-	-	-
Staff-leaving indemnities	-	-	240
Cost related "Medium-term Incentive Plan"	-	-	309
Total	579	166	1,797

Remuneration (€'000)	2021		
	Directors	Statutory Auditors	Others
Short-term benefits	612	164	1,341
Post-employment benefits	-	-	79
Other non current benefits	-	-	-
Staff-leaving indemnities	-	-	-
Cost related "Medium-term Incentive Plan"	-	-	736
Total	612	164	2,156

At 31 June 2022, the outstanding amount payable to this category was Euro 568 thousand (Euro 641 thousand at 31 June 2021).

Information under Article 149-duodecies of the Consob Issuers' Regulation

The fees paid for services provided by the independent auditors in 2022 are shown in the table on the following page.

Service provided	Company providing the service	Client	(€'000) Fees for financial year 2022
Auditing	EY SpA	Parent Company - Fiera Milano SpA	215
Auditing	EY SpA	Subsidiaries	118
Auditing	Network EY	Subsidiaries	33
Other services ⁽¹⁾	EY SpA	Parent Company - Fiera Milano SpA	29
Other services ⁽²⁾	EY SpA	Parent Company - Fiera Milano SpA	20
		Total	415

⁽¹⁾ Agreed procedures

⁽²⁾ Limited review of non-financial statement

Rho (Milan), 15 March 2023

On behalf of the Board of Directors
The Chairman
Carlo Bonomi

Attachment 1

List of companies included in the consolidation area and other investments at 31 December 2022

Company name and registered office	Main activity	Shareholding %					Shareholding of Group companies %
		Share capital (000) (*)	Group total	Directly held by Fiera Milano	Indirectly held through other Group companies		
A) Parent Company							
Fiera Milano SpA Milan, p.le Carlo Magno 1	Organisation and hosting of exhibitions in Italy	42,445					
B) Fully consolidated companies							
Fiera Milano Congressi SpA Milan, p.le Carlo Magno 1	Management of congresses	2,000	100	100		100	Fiera Milano SpA
Nolostand SpA Milan, p.le Carlo Magno 1	Stand fitting services	7,500	100	100		100	Fiera Milano SpA
MADE eventi Srl Rho (Milano), strada Statale del Sempione n. 28	Organisation of exhibitions in Italy	10,000	60	60		60	Fiera Milano SpA
Fiera Milano Publicações e Eventos Ltda São Paulo Brasil, na Avenida Angélica, 2491, 20° andar, conjuntos 203 e 204	Organisation of exhibitions outside of Italy	R \$ 97,981	100	99.99	0.01	99.99	Fiera Milano SpA
Fiera Milano Exhibitions Africa Pty Ltd Cape Town, The Terraces, Steenberg Office Park, Tokai	Organisation of exhibitions outside of Italy	ZAR 0,6	100	100		100	Fiera Milano SpA
C) List of jointly controlled companies equity-accounted							
Hannover Milano Global Germany GmbH Hannover Germany, MesseGelaende	Organisation of exhibitions outside of Italy	25	49	49		49	Fiera Milano SpA
Hannover Milano Fairs Shanghai Co. Ltd Shanghai China, Pudong Office Tower	Organisation of exhibitions outside of Italy	USD 500	49		100	100	Hannover Milano Global Germany GmbH
Hannover Milano Fairs China Ltd Hong Kong China, Golden Gate Building	Organisation of exhibitions outside of Italy	HKD 10	49		100	100	Hannover Milano Global Germany GmbH
Hannover Milano Fairs India Pvt Ltd East Mumbai, Andheri	Organisation of exhibitions outside of Italy	INR 274,640	48.99		99.99	99.99	Hannover Milano Global Germany GmbH
Hannover Milano Best exhibitions Co., Ltd Guangzhou China, West Tower, Poly World Trade Center	Organisation of exhibitions outside of Italy	RMB 1,000	24.99		51	51	Hannover Milano Fairs Shanghai Co. Ltd
Hannover Milano XZQ Exhibitions Co., Ltd Shenzhen China	Organisation of exhibitions outside of Italy	RMB 100	29.40		60	60	Hannover Milano Fairs Shanghai Co. Ltd
Ipack Ima Srl Rho, S.S. del Sempione km 28	Organisation of exhibitions in Italy	20	49	49		49	Fiera Milano SpA
Mico DMC S.r.l. Milan, p.le Carlo Magno 1	Management of congresses	10	51		51	51	Fiera Milano Congressi SpA
Ge.Fi. SpA Milan, v.le Acheille Papa 30	Organisation of exhibitions in Italy	1,000	25	25		25	Fiera Milano SpA
Mi-View Srl Milan, v.le Acheille Papa 30	Organisation of exhibitions in Italy	10	25		25	100	Ge.Fi. SpA
D) List of companies accounted at cost							
Comitato Golden Card Cinisello Balsamo, viale Fulvio Testi 128	Other activities	3	33.33	33.33		33.33	Fiera Milano SpA

(*) Euro or other currencies as specifically indicated

Declaration relating to the Consolidated Financial Statements in accordance with Article 154-bis, paragraph 5, Legislative Decree 58 of 24 February 1998

1. The undersigned, Carlo Bonomi, as Chairman of the Board of Directors, and Andrea Maldi, as Financial Reporting Officer of Fiera Milano SpA, having noted the provisions of Art. 154-bis, paragraphs 3 and 4, Legislative Decree 58 of 24 February 1998, attest to:
 - the appropriateness in relation to the characteristics of the business and
 - the effective application of administrative and accounting procedures for preparation of the consolidated financial statements at 31 December 2022.

2. It is also declared that:
 - 2.1 the Consolidated Financial Statements at 31 December 2022:
 - have been prepared in accordance with applicable international accounting standards recognised by the European Union in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - correspond to the results contained in the accounting records and documents;
 - provide a true and correct representation of the capital, economic and financial situation of the Issuer and all the companies included in the consolidation.
 - 2.2 the report on operations includes a reliable analysis of the performance and results of operations and the situation of the Issuer and of the entities included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Rho (Milan), 15 March 2023

Signed
Chief Executive Officer
Luca Palermo

Signed
**Financial Reporting Officer responsible for drafting
of corporate accounting documents**
Andrea Maldi

Independent Auditor's Report



Fiera Milano S.p.A.

Consolidated financial statements as at December 31, 2022

**Independent auditor's report pursuant to article 14 of
Legislative Decree n. 39, dated 27 January 2010, and article
10 of EU Regulation n. 537/2014**



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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014 (Translation from the original Italian text)

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Fiera Milano Group (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Fiera Milano S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 605158 - P.IVA 00691231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10631 del 16/7/1997

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Key Audit Matter	Audit Response
<p>Valuation of goodwill and intangible assets with finite useful life</p>	
<p>At December 31, 2022 the carrying amount of goodwill and intangible assets with finite useful life was euro 95.0 million and euro 15.2 million, respectively, which were allocated to the Group's Cash Generating Units (CGUs).</p>	<p>Our audit procedures in response to this key audit matter included, among others:</p>
<p>Goodwill is tested for impairment at least annually at the end of the reporting period, or more often, if there is any indication of impairment. Intangible assets with finite useful life, which are being depreciated, are tested for impairment only when there is an indication of impairment. The processes and methodologies to estimate and determine the recoverable amount of the CGUs, in terms of value in use, are based on complex assumptions that, due to their nature, imply the use of judgement by directors, in particular with reference to the normalized cash flows used to estimate terminal value, and the discount rate and long term growth rates applied.</p>	<p>(i) understanding of the procedure adopted by the Company regarding the valuation of goodwill and intangible assets with finite useful life, taking into account the impairment test procedure approved by the Board of Directors on 20 February 2023;</p> <p>(ii) verification of the perimeter of the CGUs and of the allocation of the respective book values;</p> <p>(iii) reviewing of the report prepared by the external experts who supported management in performing the impairment test, including the valuation of their competence, capabilities and objectivity;</p> <p>(iv) assessing the significant assumptions underlying future cash flow projections, including the determination of the weighted average cost of capital, the discount rate and the long-term growth rates used in estimating the terminal value, and performing sensitivity analyses;</p> <p>(v) assessing the variances between actual results and the previous forecasts as assumed by the group;</p> <p>(vi) testing the mathematical accuracy of the impairment test calculation;</p> <p>(vii) verifying the consistency of the forecast of future cash flows of the CGUs, used for the impairment test, with the 2023-2026 economics and financials projections approved by the Board of Directors of the Parent Company on 20 February 2023.</p>
<p>Considering the materiality of the carrying amount of such assets and the level of judgement and complexity of the assumptions used in estimating the recoverable amount of goodwill and intangible assets with finite useful life, we have determined that this area constitutes a key audit matter.</p>	<p>In performing our audit procedures we also involved our valuation specialists who assisted us in the assessment of assumptions and methodologies utilized by the group, and performed independent calculations and sensitivity analyses of key assumptions. Lastly, we assessed the adequacy of the disclosures made in the notes to the financial statements relating to evaluation of goodwill and intangible assets with finite useful life.</p>
<p>The Company included disclosures related to the nature and the key assumptions used for impairment test in note 1.6 "Use of estimates", note 6 "Goodwill" and note 7 "Intangible assets with a finite useful life".</p>	



Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Fiera Milano S.p.A. or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required



to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Fiera Milano S.p.A., in the general meeting held on 29 April 2014, engaged us to perform the audits of the consolidated financial statements for each of the years ending 31 December 2014 to 31 December 2022.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.



Building a better
working world

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Fiera Milano S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at December 31, 2022 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2022 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information included in the explanatory notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Fiera Milano S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Group Fiera Milano as at December 31, 2022, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements of Fiera Milano Group as at December 31, 2022 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of Fiera Milano Group as at December 31, 2022 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.



Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated 30 December 2016

The Directors of Fiera Milano S.p.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated 30 December 2016. We have verified that non-financial information have been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated 30 December 2016, such non-financial information are subject to a separate compliance report signed by us.

Milan, March 27, 2023

EY S.p.A.

Signed by: Giuseppe Savoca, Auditor

As disclosed by the Directors, the accompanying consolidated financial statements of Fiera Milano S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Fiera Milano SpA Financial Statements at 31 December 2022

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Fiera Milano SpA Statement of Financial Position

notes	(euro)	31/12/22	31/12/21*
ASSETS			
Non-current assets			
2	Property, plant and equipment	1,416,569	1,656,463
3	Right-of-use assets	330,745,902	351,419,062
48	<i>of which from related parties</i>	330,103,362	351,048,055
	Investments in non-core property	-	-
4	Goodwill	76,090,614	76,090,614
5	Intangible assets with a finite useful life	14,151,300	16,130,560
6	Investments	55,433,071	43,751,084
7	Financial leasing receivables	11,010,573	11,766,712
48	<i>of which from related parties</i>	11,010,573	11,766,712
8	Other financial assets	4,251,082	3,335,966
48	<i>of which from related parties</i>	1,935,963	3,335,966
9	Trade and other receivables	32,851,720	29,939,674
48	<i>of which from related parties</i>	32,744,519	29,839,825
10	Deferred tax assets	10,400,508	11,475,927
	Total	536,351,339	545,566,062
Current assets			
11	Trade and other receivables	22,972,932	24,647,178
48	<i>of which from related parties</i>	5,747,789	6,903,832
12-48	Inventories	2,097,528	1,801,679
	Contracts in progress	-	-
13-48	Financial leasing receivables	868,509	812,608
14	Financial assets	36,763,681	9,113,149
48	<i>of which from related parties</i>	1,606,051	3,315,367
15	Cash and cash equivalents	74,893,745	135,947,987
	Total	137,596,395	172,322,601
1.6-48	Assets held for sale		
	Assets held for sale	2,671,716	128,970
	Total assets	676,619,450	718,017,633
EQUITY AND LIABILITIES			
16	Equity		
	Share capital	42,182,202	42,283,624
	Share premium reserve	8,129,321	8,557,350
	Revaluation reserve	-	-
	Other reserves	11,849,229	9,155,019
	Retained earnings	42,523,494	5,514,662
	Profit/(loss) for the year	(5,479,657)	36,621,672
	Total	99,204,589	102,132,327
Non-current liabilities			
	Bonds in issue	-	-
17	Bank borrowings	60,116,140	96,229,544
18	Financial liabilities related to the right-of-use of assets	325,595,352	345,544,284
48	<i>of which from related parties</i>	325,113,982	345,340,114
19	Other financial liabilities	1,683,049	-
20	Provision for risks and charges	500,000	72,399
21	Employee benefit provisions	5,398,755	6,520,932
	Deferred tax liabilities	-	-
22	Other liabilities	-	655,180
	Total	393,293,296	449,022,339
Current liabilities			
	Bonds in issue	-	-
23	Bank borrowings	26,250,001	937,549
24	Trade-payables	29,201,837	29,784,512
25-48	Advances	24,616,666	27,624,075
26	Financial liabilities related to the right-of-use of assets	44,282,125	35,689,215
48	<i>of which from related parties</i>	44,115,030	35,519,206
27	Other financial liabilities	21,982,063	30,216,112
48	<i>of which from related parties</i>	21,982,063	30,216,112
28	Provision for risks and charges	4,425,091	5,390,227
29	Tax liabilities	2,043,944	3,509,717
30	Other liabilities	28,648,122	33,582,590
48	<i>of which from related parties</i>	14,523,617	16,721,710
	Total	181,449,849	166,733,997
1.6	Liabilities held for sale		
	Liabilities held for sale	2,671,716	128,970
	Total liabilities	676,619,450	718,017,633

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5, following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

Fiera Milano SpA Statement of Comprehensive Income

notes	(euro)	2022	2021*
34	Revenues from sales and services	172,488,115	98,994,947
48	<i>of which with related parties</i>	10,750,550	7,422,697
	Total revenues	172,488,115	98,994,947
35-48	Cost of materials	221,260	224,776
36	Cost of services	91,366,471	62,706,702
48	<i>of which with related parties</i>	36,127,964	19,287,477
37-48	Cost of use of third-party assets	1,176,747	599,733
38-48	Personnel costs	37,791,394	33,680,745
39-48	Other operating expenses	3,663,278	3,097,591
	Total operating expenses	134,219,150	100,309,547
40	Other income	5,954,297	63,595,351
48	<i>of which with related parties</i>	4,029,995	9,044,764
49	<i>of which non-recurring transactions</i>	-	55,822,314
41	Provisions for doubtful receivables and other provisions	2,577,846	5,448,788
	Earnings before interest, taxes, depreciation, and amortization (EBITDA)	41,645,416	56,831,963
42	Depreciation of property, plant and equipment and right-of-use assets	35,512,213	35,124,378
	Depreciation of property investments	-	-
42	Amortisation of intangible assets	4,396,312	2,874,931
	Adjustments to asset values	-	-
	Earnings before interest and taxes (EBIT)	1,736,891	18,832,654
43	Financial income and similar	6,702,679	2,717,719
48	<i>of which with related parties</i>	6,239,131	1,970,545
44	Financial expenses and similar	13,050,341	12,601,144
48	<i>of which with related parties</i>	10,361,559	11,012,529
45	Valuation of financial assets	(2,720,090)	(644,000)
	Profit/(loss) before tax	(7,330,861)	8,305,229
46	Income tax	(1,851,204)	(23,716,631)
48	<i>of which with related parties</i>	(2,994,487)	(8,474,612)
	Profit/(loss) from continuing operations	(5,479,657)	32,021,860
1.6-48	Profit/(loss) from discontinued operations	-	4,599,812
47	Profit/(loss) for the year	(5,479,657)	36,621,672
16	Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss		
	Revaluation of defined benefit schemes	509,421	(62,297)
	Tax effects	122,261	(13,512)
	Other comprehensive income/(loss) net of related tax effects	387,160	(48,785)
	Total comprehensive income/(loss) for the year	(5,092,497)	36,572,887

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5, following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

Fiera Milano SpA Statement of Cash Flows

notes	(euro)	2022	2021*
	Initial Cash from continuing operations	135,947,987	16,932,819
	Initial Cash from assets held for sale	48,098	539,352
	Cash flow from operating activities		
15	Net cash arising from operations	30,650,029	98,541,810
48	<i>of which with related parties</i>	(27,948,534)	(2,359,148)
31	Interest paid	(1,983,048)	(1,078,103)
31	Interest paid on financial liabilities related to the right-of-use of assets	(10,163,089)	(10,898,157)
31	Interest received	395,531	866,193
46	Income taxes paid	(829,266)	(671,724)
	Total from continuing operations	18,070,157	86,760,019
1.6-48	Total from assets held for sale	1,760,613	(491,254)
	Cash flow from investing activities		
2	Investments in tangible assets	(346,715)	(253,562)
2	Write-downs of tangible assets	(5,149)	34,049
5	Investments in intangible assets	(2,551,011)	(4,678,265)
5	Write-downs of intangible assets	135,000	-
6	Investments in Joint Ventures	(11,750,000)	-
6	Subsidiary company share capital transactions	-	(858,489)
43	Dividends received	6,000,000	1,905,578
	Total from continuing operations	(8,517,875)	(3,850,689)
	Total from assets held for sale		
	Cash flow from financing activities		
16	Equity	(529,451)	-
7	Non-current financial leasing receivables	756,139	(11,766,712)
48	<i>of which with related parties</i>	756,139	(11,766,712)
8	Non-current financial assets	424,003	1,741,366
48	<i>of which with related parties</i>	1,400,003	(3,335,966)
13-48	Current financial leasing receivables	(55,901)	(812,608)
14	Current financial assets	(28,046,063)	(6,761,730)
48	<i>of which with related parties</i>	1,709,316	(97,755)
26	Current financial liabilities related to the right-of-use of assets	(26,173,717)	(20,252,073)
48	<i>of which with related parties</i>	(26,007,949)	(20,007,596)
17	Non-current financial liabilities	(9,931,930)	96,159,125
23-27	Current financial liabilities	(7,049,604)	(24,174,546)
48	<i>of which with related parties</i>	(8,234,049)	22,827,515
	Total from continuing operations	(70,606,524)	34,132,822
	Total from assets held for sale	-	-
	Net cash flow from continuing operations	(61,054,242)	117,042,152
	Net cash flow from assets held for sale	1,760,613	(491,254)
	Net cash flow from merging operations	-	1,973,016
	Net cash for the year from continuing operations	74,893,745	135,947,987
	Net cash for the year from assets held for sale	1,808,711	48,098
	Net cash at the end of the year	76,702,456	135,996,085

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5, following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

Fiera Milano SpA Statement of Changes in Equity

(euro)		Share premium reserve	Other reserves	Retained earnings	Profit/(loss) for the financial year	Total
note 16	Share Capital					
Balance at 31 december 2020	42,283,624	8,557,350	8,489,028	30,594,454	(24,755,604)	65,168,852
Loss for the year covered by:						
- retained earnings	-	-	-	(24,755,604)	24,755,604	-
<i>Azioni proprie</i>						
Fair value stock grant	-	-	736,410	-	-	736,410
Hedging reserve	-	-	(70,419)	-	-	(70,419)
Merger loss adjustment - principle of continuity of values of the consolidated statement	-	-	-	(64,686)	-	(64,686)
Total comprehensive income/(loss) for the financial year at 31.12.21	-	-	-	(259,502)	36,621,672	36,362,170
Balance at 31 december 2021	42,283,624	8,557,350	9,155,019	5,514,662	36,621,672	102,132,327
Loss for the year covered by:						
- retained earnings	-	-	-	36,621,672	(36,621,672)	-
treasury shares	(101,422)	(428,029)				(529,451)
Fair value stock grant	-	-	308,672	-	-	308,672
Hedging reserve	-	-	2,385,538	-	-	2,385,538
Total comprehensive income/(loss) for the financial year at 31.12.22	-	-	-	387,160	(5,479,657)	(5,092,497)
Balance at 31 december 2022	42,182,202	8,129,321	11,849,229	42,523,494	(5,479,657)	99,204,589

Notes to the financial statements

On 15 March 2023, the Board of Directors approved the Financial Statements of Fiera Milano SpA at 31 December 2022 and authorised their publication.

Fiera Milano SpA, as Parent Company, has also prepared Consolidated Financial Statements at 31 December 2022.

Fiera Milano SpA is active in all the key areas of the exhibition industry, including through its subsidiaries, and is one of the largest integrated exhibition companies worldwide.

The Company business consists of hosting exhibitions, fairs and other events, promoting and making available equipped exhibition spaces, as well as offering project support and ancillary services. This includes the business of staging exhibitions (and providing final services to exhibitors and visitors).

The business of the Company has dual seasonality: (i) a greater concentration of exhibitions in the period from January – June; (ii) exhibitions that have a multi-annual frequency.

1) Accounting standards and criteria used to prepare the financial statements

1.1 Standards used to prepare the Financial Statements

The Financial Statements were prepared under IAS and IFRS accounting standards in force at 31 December 2022, issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, with the related interpretative documents, and Article 9 of Italian Legislative Decree 38/2005.

The accounting standards used to prepare the present Financial Statements are the same as those used to prepare the Financial Statements at 31 December 2021, except for those applicable from 1 January 2022 described below.

Given the capital and financial position for the 2022 financial year, the 2023-2026 financial forecasts, approved by the Board of Directors on 20 February 2023, confirming the medium-term forecast already included in the CONN.E.C.T. 2025 Strategic Plan by having adjusted them according to the new macroeconomic environment of increased energy costs and interest rates, and taking into account the forecasts for working capital performance and the financial and capital position, the Financial Statements were drawn up with a view to business continuity.

The Financial Statements are prepared in Euros and all figures are rounded to the nearest thousand Euros unless otherwise indicated. The Financial Statements provide comparative information for the previous year.

In 2022, no atypical and/or unusual transactions took place.

The risks and uncertainties to which the business and the Company are exposed are described in the Interim Report on Operations in the section on Risk factors affecting the Group, in note 32 of the Illustrative Notes and in section 1.5 on the use of estimates.

These Financial Statements are audited by the auditing firm EY SpA.

Russia-Ukraine Conflict

Russia's invasion of Ukraine and the sanctions imposed at the EU level caused shockwaves to the Italian and European economic fabric, which had already suffered the destructive effects of the Covid-19 pandemic and was just beginning to painstakingly emerge from the prolonged crisis. The Russia-Ukraine war has also aggravated the issue of the rising costs of energy, gas and oil. These price increases had already begun before the outbreak of war, but the war extended the escalating costs to other sectors of the economy.

In light of the above, and following the approval of the 2023 Budget on 15 December 2022, the Board of Directors updated its 2023 EBITDA target to enable its projections to better reflect the changed macroeconomic scenario compared to the situation when it published its forecasts in the CONN.E.C.T. 2025 strategic plan, back in February 2021. While business recovered more quickly than market forecasts, this new target for 2023 is nevertheless considered reasonable in light of the uncertainty that still persists due to changing energy costs and ongoing geopolitical tensions.

Particularly regarding energy prices, the Company has implemented specific risk mitigation plans aimed at improving the energy efficiency of its exhibition halls, while also considering expanding the photovoltaic system installed on the roofs of the Rho exhibition site.

Climate and environmental impacts

Also following recent observations of the European Securities and Markets Authority (ESMA) on the importance of climate change aspects, and regulatory developments at EU level, the Company has launched its first qualitative assessments on the potential physical and transitional risks deriving from climate change. In particular, as part of the framework designed according to the TCFD (Task Force on Climate-Related Financial Disclosure) guidelines – which defines two macro-classes of climate change risks: (i) physical risks (acute/chronic) and (ii) transitional risks (regulatory/market/technological/reputational) – the most applicable risk scenario for the Company's activities is considered to be that linked to extreme weather conditions (TCFD Physical/Acute classification). Extreme weather events and natural disasters expose the Company to asset and infrastructure damage (e.g. the Rho exhibition site), which could potentially undermine the proper running of exhibition events, forcing the Company to suspend or interrupt its activities, with negative repercussions for the Group's finances and assets as well as for its reputation.

Based on these considerations, we can conclude that the Company is not particularly exposed to *physical* climate change risks in the short term. Therefore, the Company does not generally foresee any significant short-term financial impacts of climate risks on its operations and/or the valuation of its assets and liabilities.

1.2 New accounting standards, interpretations and amendments adopted

For the first time, the Company has adopted some accounting standards and amendments that are applicable to financial periods beginning on or after 1 January 2022.

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 following new standards and amendments have been in effect since 1 January 2022:

- Reference to the Conceptual Framework - Amendments to IFRS 3.
- Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16.
- Onerous Contracts – Costs of Fulfilling a Contract - Amendments to IAS 37.
- IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter.
- IFRS 9 Financial Instruments - “Fees in the ‘10 per cent’ test for derecognition of financial liabilities”: The amendment clarifies which fees are to be included when applying the 10% test provided for in paragraph B3.3.6 of IFRS 9 to assess whether to derecognise a financial liability.
- IAS 41 Agriculture - Taxation in fair value measurements.

These amendments, which are limited in scope, introduced minor modifications and clarifications and did not have an impact on the Company.

The standards and interpretations already issued but not yet in force at the date on which the Financial Statements have been prepared are illustrated below. The Company intends to adopt these standards and interpretations, if applicable, once they come into force.

- **IFRS 17 Insurance Contracts**

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new comprehensive standard setting out principles for the recognition, measurement, presentation and disclosure of insurance contracts. When IFRS 17 comes into force, it will replace IFRS 4 Insurance Contracts, which was issued in 2005. IFRS 17 applies to all types of insurance contracts (e.g. life, non-life, direct insurance, reinsurance) regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts among insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the General Model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach);
- A simplified approach (premium allocation approach) mainly for short-duration contracts.

IFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures being required. Earlier application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

- **Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement;
- that a right to defer must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that an entity will exercise its deferral right;
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on its current position.

- **Amendments to IAS 8: Definition of Accounting Estimates**

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company.

- **Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 “Making Materiality Judgements”, which provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their ‘material’ accounting policies; furthermore, they add guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for

annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the IFRS Practice Statement 2 provide non-mandatory guidance on the application of the definition of “material” to accounting policy information, an effective date for these amendments was not necessary

The Company is currently evaluating the impact of the amendments to determine the impact they will have on the accounting policy disclosures.

- **Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

In May 2021, the IASB issued amendments to IAS 12 narrowing the scope of the initial recognition exception under IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments apply to transactions that occur on or after the beginning of the comparative period presented. In addition, at the beginning of the comparative period presented, deferred tax assets (where there is sufficient taxable profit) and deferred tax liabilities must be recognised for all deductible and taxable temporary differences associated with leasing and restoration amounts.

The Company is currently evaluating the impacts of these changes.

1.3 Form and content of the Consolidated 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 by separately disclosing Assets, Liabilities and Shareholders' Equity. Assets and Liabilities are further classified as current, non-current and available-for-sale.
- The Statement of Comprehensive Income is shown as a single statement in a continuous format and items are analysed by nature since this approach provides reliable information that is more relevant than classification by function.
- The Statement of Cash Flows is presented using the indirect method.
- The Statement of Changes in Equity is presented with separate entries for comprehensive income and transactions with shareholders.

1.4 Summary of accounting standards and measurement criteria

Business combination

Business combinations are accounted for by applying the purchase method in accordance with IFRS 3 Business Combinations, revised in 2008. Under this method, the amount transferred in a business combination is measured at fair value, determined as the sum of fair values of the assets transferred and the liabilities assumed by the Company at the acquisition date and the equity instruments issued in exchange for control of the acquired entity. All other costs associated with the transaction are recognised in the Statement of Comprehensive Income when they are incurred and classified under administrative expenses.

Contingent consideration, which is included as part of the transfer price, is measured at its acquisition-date fair value. Subsequent changes in fair value are recognised in profit and loss.

The identifiable assets acquired and the liabilities assumed are measured at fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceed the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

The Company uses all information available to it and, for more material business combinations, the support of external appraisals to measure the fair value of business combinations.

Business combinations achieved in stages

When a business combination is achieved in stages (step acquisition), the Company's previously held interest in the acquiree's assets and liabilities are measured at fair value at the date that it acquires control and any resulting adjustments are recognised in profit or loss. As a consequence, previously held investments are recognised as though they were sold and reacquired on the date on which control was acquired.

Business combination under common control

Business combinations under common control (i. e. between entities controlled by the same party or parties) are excluded from the scope of IFRS 3 - Business Combinations. In the absence of a standard that deals specifically with this type of transaction, adoption of the most suitable treatment must be guided by the general scope of IAS 8, i. e. providing a reliable and truthful representation of the transaction and applying the principle of substance over form.

Under OPI 1 (Assirevi Preliminary Opinions on IFRS) on the "Accounting treatment of business combinations under common control in the separate and in the consolidated financial statements", economic substance refers to the generation of value added which results in a significant change in cash inflows from the net assets transferred before and after the transaction. Should it be impossible to estimate a significant increase in future cash inflows from the assets transferred, the choice of how the transaction is accounted should be governed by prudence, which results in the application of the accounting principle of value continuity. This principle entails recognition in the financial statements of values equal to those that would have existed if the net assets involved in the combination had always been combined. Therefore, the net assets must be recognised at their carrying amounts in the relevant accounts before the transaction or, if available, at the values in the Consolidated Financial Statements of the controlling shareholder Fiera Milano SpA. Where the transfer values are higher than the historic values, the excess must be eliminated by a downward adjustment to the equity of the acquirer, charged to a specific reserve.

Tangible fixed assets

Property, plant and equipment

Property, plant and equipment are recognised at purchase or production cost, including directly attributable expenses, adjusted for depreciation and accumulated impairment losses.

Tangible assets are systematically depreciated each year on a straight-line basis, using economic/technical rates determined by the residual useful life of the assets.

Routine maintenance costs are charged to the income statement when they are incurred.

The replacement costs of identifiable components of complex assets are allocated to the assets and depreciated over their useful lives. The residual carrying amount of the components being replaced is recognised in the income statement.

Improvements to third party assets are recognised in property, plant and equipment based on the nature of the cost incurred; the depreciation period corresponds to the lesser of the residual useful life of the tangible asset and the residual period of the lease.

The following depreciation rates were applied, with no changes compared to the previous year:

- Office furniture and machinery 12%
- Exhibition furniture and equipment 27%
- Sundry machinery and equipment 15%
- Electronic equipment 20%
- Plant and machinery 10%
- Telecommunication systems 20%
- Furnishings 12%

If there is any indication of impairment, the tangible assets are impairment tested using the procedure illustrated in the paragraph “Impairment of assets”.

Intangible fixed assets

An intangible asset is recognised only if it is identifiable and controllable, if it is expected to generate future economic benefits, and if its cost can be reliably measured.

Goodwill and intangible assets with an indefinite useful life

Goodwill arising from *business combinations* is initially recognised at cost on the acquisition date, as indicated in the paragraph above on *Business Combinations* and, for *impairment test* purposes, allocated to a *cash generating unit* or group of *cash generating units* which benefit from the synergies permitted by the acquisition that generated the goodwill. After initial recognition, goodwill is measured at cost less any impairment loss stemming from the impairment tests (see the paragraph “Impairment of assets”). An intangible asset is considered to have an indefinite useful life when no limit can be foreseen to the period during which the asset can generate cash inflows. Intangible assets with an indefinite useful life and goodwill are not subject to amortisation.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are measured at purchase or production cost, including any contingent costs, and systematically amortised on a straight-line basis over their estimated useful life. If there is any indication of impairment, they are impairment tested using the procedure illustrated in the paragraph “Impairment of assets”.

Industrial patents, intellectual property rights, licences and concessions are amortised over a period of three years from the year they were acquired.

Exhibition trademarks are amortised on the basis of a useful life of between ten and twenty years, estimated on the competitive dynamics of the industry and a comparison of the practices adopted by leading Italian and foreign competitors.

Research costs are recognised in the income statement at the time they are incurred. In compliance with IAS 38, development costs relating to specific projects, including the launch of new exhibitions, are capitalised when it is probable that the generation of future economic benefits is reasonably certain and when their costs can be reliably measured and amortised in the period when the expected future benefits are realised for the same project. The carrying amount of costs is reviewed annually at the end of the reporting period or more often if there are any particular reasons for doing so, to analyse the fair value and ascertain any indication of impairment.

Impairment of assets

Goodwill and other intangible assets with an indefinite life are systematically tested for impairment at the end of the reporting period, or more often if impairment indicators emerge.

Tangible and intangible assets with a finite useful life that are depreciated or amortised are tested for impairment only when there are indications of impairment.

The recoverability of carrying amounts is measured as the lower of the carrying amount and the higher of the fair value less costs to sell and the value in use of the asset. The net sale price is the amount obtainable from an asset's sale in a transaction between willing and able third parties, less costs to sell. In the absence of binding agreements, prices listed on an active market, or the best information available considering recent transactions involving identical or similar assets in the same business sector, are used as reference. The value in use is calculated by discounting, at an appropriate rate expressing the weighted average cost of capital of a company with a similar risk profile and debt profile, the expected cash flows from use of the asset (or group of assets, i. e. cash generating units) and its disposal at the end of its useful life.

If subsequently there is an indication that an impairment loss, other than for goodwill, may have decreased or no longer exists, the carrying amount of the asset is adjusted to the new estimate of the recoverable value. However, this value may not exceed the value which would have been recognised if there had been no impairment. Reversal of impairment, other than goodwill, is recognised in the income statement.

Leased assets

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, determining its terms and conditions of use and, though not explained, its upkeep over time.

The adoption of IFRS 16 has significantly affected the figure of the Lessee; it is no longer required to distinguish between an operating and finance lease, as the distinction between the two types is superseded by the distinction between lease and service concession arrangements. So in the case of leasing, a single accounting model independent of the characteristics of the contract will be applied, regardless.

The most significant Rights Of Use which are determined in the Company as a result of the application of IFRS 16 do not generate independent cash flows and therefore the check of their recoverable amount is carried out exclusively within the “Italian Exhibitions Business” CGU.

Control and identifiability of an asset

Two material elements are considered to determine whether an asset in question is leased or part of a service concession arrangement: control and identifiability of the asset.

With regard to control this concerns the management by the lessee on the use and obtaining of economic benefits deriving from the use of the property, identified, subject to the contract.

On the other hand, identifiability exists whenever an asset can be uniquely identified, provided that there is no right of substitution for the duration of the contract in favour of the lessor, who would be allowed to continue to have control of the asset.

The Company as lessee

The Company adopts a single recognition and measurement model for all leases, except for short-term leases and leases of low value. The Company recognises the liabilities relating to the lease payments and the right-of-use asset, which is the asset underlying the contract.

i) Right-of-Use Assets

The Company recognises the right-of-use assets at the inception date of the lease (i.e., the date on which the underlying asset is available for use). The right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasuring of lease liabilities. The cost of right-of-use assets includes the amount of the lease liabilities recognised, the initial direct costs incurred and the lease payments made at the commencement date or before commencement less any awards granted. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

- Capital properties 1-12 years old
- Car fleet 1-4 years old

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

Right-of-use assets are subject to impairment. Please refer to paragraph 1.5 ‘Use of estimates’.

ii) Lease liabilities

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not yet paid at that date. Payments due include fixed payments (including in-substance fixed payments) less any lease awards to be received, variable lease payments that depend on an index or rate, and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that this option will be exercised by the Company and payments of penalties for terminating the lease if the lease term reflects the Company exercising an option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognised as an expense in the period (unless they were incurred to produce inventories) in which the event or condition giving rise to the payment occurs.

In calculating the present value of the payments due, the Company uses the incremental borrowing rate at the commencement date if the implicit interest rate cannot be easily determined. After the commencement date, the lease liability amount increases to account for interest on the lease liability and decreases to account for payments made. In addition, the carrying amount of lease liabilities is restated in the event of any changes to the lease or for the revision of the contractual terms for the change in payments; it is also restated if there are changes in the valuation of the option to purchase the underlying asset or changes in future payments resulting from a change in the index or rate used to determine such payments.

iii) short-term leases or leases of low value

The Company applies the exemption for the recognition of short-term leases relating to machinery and equipment (i.e. leases that have a duration of 12 months or less from the inception date and do not contain a purchase option). The Company has also applied the exemption for leases relating to low-value assets with reference to lease contracts for office equipment whose value is considered low. Short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

The Company as lessor

Lease contracts that essentially leave the Company with all the risks and benefits associated with ownership of the asset are classified as operating leases. Income from operating leases must be recognised on a straight-line basis over the lease term, and are included as revenue in the income statement due to their operating nature. Initial negotiation costs are added to the carrying amount of the leased asset and recognised over the term of the contract on the same basis as lease income. Unplanned leases are recognised as revenue in the period in which they are accrued.

Financial assets

IFRS 9 requires that if specific options are not exercised, financial instruments are classified according to the following criteria:

- Business Model defined by the entity for financial instruments management, and
- characteristics of the contractual cash flows of the financial instruments.

IFRS 9 envisages three asset categories:

- assets held to collect the contractual cash flows (or Hold to Collect; HTC), measured at amortised cost;
- assets held to collect the contractual cash flows and to be sold (or Hold to Collect and Sell; HTCS), designated at fair value through profit or loss (FVTPL) or through other comprehensive income (FVOCI);
- other financial assets designated at fair value through profit or loss. This residual category can include all business models other than those mentioned above.

The financial assets are initially recognised at fair value, normally represented by the transaction price, plus any accessory charges on the purchase.

The amortised cost criterion offers the best representation in the financial statements for financial assets comprising debt securities and receivables, in that it allows the interest to be spread over the holding period, in compliance with accrual accounting.

Subsequent measurement after initial recognition is at amortised cost or fair value, and these methods are applied according to the category of the financial instrument concerned.

With regard to the classification of financial liabilities, IFRS 9 envisages a general rule by which the entity measures the financial liabilities at amortised cost using the effective interest method (as previously under IAS 39). As for assets and liabilities measured at fair value, any changes in value are recognised in the income statement, thus contributing to the determination of the operating result. However, if such changes are caused by a change in credit risk, the changes in recognised in shareholders' equity.

Assets classed as held to maturity are recognised among current financial assets if the maturity is less than twelve months, or as non-current if greater. They are subsequently measured at amortised cost. The latter is calculated using the effective interest method, taking into account any purchase discounts or premiums and spreading them over the entire period up to maturity, less any impairment.

Loans and receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the Company measures the realisable value of these receivables taking account of estimated future cash flows.

Available-for-sale assets are recognised as non-current assets, unless they are to be divested within twelve months from the end of the reporting period, and are measured at fair value. Profits or losses from fair value measurement are recognised in other comprehensive income and aggregated in a specific equity reserve until they are sold, recovered or otherwise derecognised.

Equity investments

After initial recognition, investments in subsidiaries and associates are measured at cost less any impairment loss stemming from the annual impairment tests.

Equity investments fall under the scope of application of the IFRS 9 classification and measurement criteria for equity investments, excluding interests in subsidiaries, associates and joint ventures and companies under their control which are instead classed as equity instruments under IAS 32. In this residual category, the investments are designated at *fair value* through other comprehensive income.

Inventories

Inventories are measured at the lower of purchase cost and net estimated and consumables. The Company's inventories consist mainly of outstanding costs relating to activities in future years.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank demand deposits and cash investments with an original maturity of not more than three months. The definition of cash and cash equivalents in the Statement of Cash Flows is the same as that for the Statement of Financial Position.

Assets and liabilities held for sale

This category includes assets and liabilities, or groups of assets and liabilities, for disposal (discontinued operations), where the carrying amount will be recovered primarily through a sale rather than through continued use. For this to occur, the following conditions must be met:

- the assets (or disposal groups) must be available for immediate sale in their present condition;
- the sale must be highly probable, i. e. the Company must be committed to a programme for their disposal; activities to identify a buyer must have been initiated; and completion of the sale must be scheduled to take place within one year of the date of classification in this category.

Assets held for sale are measured at the lower of their net carrying amount and their fair value less costs to sell.

If an asset that is depreciated or amortised is reclassified to this item, the depreciation or amortisation process is discontinued at the time of reclassification.

In compliance with IFRS 5, figures for discontinued operations are presented as follows:

- in two specific items of the Statement of Financial Position: Assets held for sale and Liabilities held for sale;
- in a specific item of the Income Statement: Profit/(loss) from discontinued operations.

Equity

Treasury shares

The nominal value of treasury shares is deducted from share capital and any amount in excess of nominal value is deducted from the share premium reserve.

Under IAS/IFRS regarding the acquisition of treasury shares, the nominal value of the shares is deducted from share capital while the difference between the nominal value and the acquisition value is deducted from the share premium reserve. Regarding the sale of treasury shares, the share capital and the share premium reserve are reconstituted by the same amounts as the reductions applied when the shares were acquired while any gains/losses from the sale is recognised in equity, under other reserves, with no impact on the income statement. The shares taken as reference for the calculation of gains/losses on disposal are selected using the FIFO method.

Stock Grant

According to the contents of IFRS 2 - Share-based payments, the total amount of the current value of the stock grants (fair value) at the assignment date is recorded in full in the statement of income among the personnel costs for the period between the allocation date and their maturity date and is recognised against the equity reserve.

The fair value of the stock grants is calculated at their allocation date, reflecting the market conditions existing at the date in question.

In the case of a set 'maturity period' in which some conditions must be met (attaining targets) so that the assignees become holders of the right, the cost for remuneration, determined on the basis of the current value of the shares at the allocation date, is recorded under personnel costs based on a straight-line method over the period between the allocation date and the maturity date.

In case of assigning shares free of charge (so-called stock grant) at the end of the maturity period, the corresponding increase in equity is recorded.

Costs of capital transactions

Costs directly attributable to capital transactions are recognised as a direct reduction of equity.

Trade payables, tax payables, advances and other liabilities

Payables, advances and other liabilities are initially recognised at fair value. After that, they are measured at amortised cost. Payables are derecognised when the underlying financial obligations have been discharged.

If they have a due date exceeding twelve months, the liabilities are discounted to present value using an interest rate reflecting market assessments of the time value of money and specific risks connected with the liability concerned. Discounted interest is classified in financial expenses.

Derivative instruments

A derivative is a financial instrument or other form of contract with the following characteristics: (i) its value changes in response to the change in an interest rate, the price of a financial instrument, a commodity price, a foreign exchange rate, a price or rates index, a credit rating, or another pre-established underlying variable; (ii) it requires no net initial investment or, if initial investment is required, is smaller than would be required for a contract from which a similar response to changes in market factors would be expected; (iii) it is settled at a future date. Derivatives are classified as financial instruments and therefore adjusted to fair value at the end of each year. The effects of fair value adjustments are recognised in the income statement as financial income/expenses.

Provisions for risks and charges

Provisions for risks and charges are allocated when the Company must meet a present obligation (legal or implicit) stemming from a past event, the amount of which can be reliably estimated and for settlement of which an outflow of resources is probable. If expectations of resource outflow go beyond the next financial year, the obligation is recognised at its present value through discounting of future cash flows at a rate that also considers the time value of money and the liability's risk.

Risks for which manifestation of a liability is only possible, not probable, are shown in the paragraph 'Disclosure on guarantees given, undertakings and other contingent liabilities', and no provisions are allocated for these.

Debts to banks and other financial liabilities

Financial payables are initially recognised at cost, represented by the fair value of the funds received net of accessory charges incurred in acquiring the loan. After initial recognition, borrowings are measured at amortised cost, calculated using the effective interest rate method. Amortised cost is calculated by taking into account issuance costs and any discount or premium envisaged at the time of settlement.

Employee benefits

Employee benefits paid out upon or after termination of the employment relationship consist mainly of employee severance indemnities (trattamento di fine rapporto or TFR), which are governed by Article 2120 of the Italian Civil Code.

In compliance with IAS 19, employee severance indemnities are considered a defined benefit plan, i.e. a plan consisting of benefits provided post-employment, which constitutes a future obligation for which the Company assumes actuarial risks and related investments. As required by IAS 19, the Company uses the projected unit credit method to determine the present value of its defined benefit obligations and the related current service costs. This calculation requires the application of objective and mutually compatible actuarial assumptions concerning demographic variables (mortality rate, employee turnover) and financial variables (discount rate, future increases in salary levels). Fiera Milano SpA recognises the change in actuarial gains and losses (remeasurement) in other comprehensive income.

Following the pension reform, as of 1 January 2007, accrued employee severance indemnities are allocated to pension funds or to the treasury fund set up at INPS (national social security institute). Employees were free to choose the destination of their severance indemnities until 30 June 2007.

In that regard, the allocation of accrued employee severance indemnities to pension funds or to INPS means that a portion of these indemnities will be classified as a defined contribution plan in that the company's obligation is solely the payment of contributions either to the pension fund or to INPS. The liability related to the past severance indemnities continues to represent a defined benefit plan to be measured according to actuarial assumptions.

Employee termination benefits not included in the employee severance indemnities (TFR) are recognised as liabilities and employee expenses when the enterprise is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date or provides termination benefits as a result of an incentive to voluntary redundancy. The benefits owed to employees for termination of their employment do not give any future economic benefits to the enterprise and are therefore recognised immediately as a cost.

Revenue recognition

Revenues are recognised when contractual obligations are fully satisfied and the customer acquires control of the assets transferred. They are recognised at the *fair value* of the consideration received or receivable, taking into account any trade discounts and quantity-based reductions granted.

Revenue from the provision of services is recognised when the service is provided. In compliance with paragraph 31 et seq. of IFRS 15, services relating to exhibitions and congresses are considered to be transferred to the customer during the exhibitions and events, as this is the period in which most of the related costs are incurred. Likewise, such revenues are recognised during the exhibition or event as the funds used and costs incurred are also spread over the exhibition/event duration.

When it is probable that an exhibition's total costs will exceed its total revenues, the expected loss is recognised as a cost in a specific provision.

Operating costs

Costs are recognised when they relate to goods and services sold or used in the financial year or on an accrual accounting basis when their future usefulness cannot be precisely identified.

Personnel expenses include both the fixed and variable remuneration of Directors taking account of the effective period of service.

Costs that are not eligible to be recognised in assets are recognised in the income statement in the period in which they are incurred.

Other income

This item has a residual nature and includes revenues from grants and subsidies.

Financial income and expenses

Financial income and expenses are recognised in the accounts based on timing that considers the effective return/expense of the asset/liability concerned.

Taxes

Income taxes are recognised according to estimated taxable income in compliance with current tax rates and regulations. Income taxes are recognised in the income statement, except those relating to items charged or credited directly in equity, the tax effect of which is recognised in equity.

Deferred taxes are measured according to the taxable temporary differences existing between the carrying amounts of assets and liabilities and their tax base and are classified among non-current assets and liabilities.

Deferred tax assets are recognised to the extent that there is likely to be sufficient future taxable income against which the positive balance can be utilised. The carrying amount of deferred tax assets is subject to review at the end of each reporting period.

Deferred tax assets and liabilities are measured according to the tax rates expected to be applied in the period when the deferrals materialise, considering the tax rates in force or those that are scheduled to come into force subsequently.

Current and deferred tax assets and liabilities are offset when there is a legal right to offsetting.

Note 46 provides further information on the tax consolidation.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the current exchange rate in force on the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in force at the end of the reporting period. Foreign exchange differences generated by the extinction of monetary items or their translation at different exchange rates from those at which they were translated at the time of initial recognition in the period or in previous periods are recognised in the income statement. Exchange rate differences are recognised in financial income and expenses.

Dividends

Dividend income is recognised when the shareholders' right to receive payment has been established. This is normally the date of the Annual Shareholders' Meeting that approves the dividend distribution.

1.5 Use of estimates

Preparation of the financial statements and related notes using IFRS requires estimates and assumptions to be made that affect the amounts of assets and liabilities in the Statement of Financial Position and disclosures concerning contingent assets and liabilities at the end of the reporting period. Actual results may differ from these estimates. Estimates are used for provisions for doubtful accounts, depreciation and amortisation, employee benefits, taxes, and other provisions and reserves, as well as any impairment of assets. Estimates and assumptions are reviewed regularly and the effects of any change are immediately recognised in profit or loss.

The most significant estimates used in preparing the Financial Statements are given below as these require a high degree of subjective opinions, assumptions and forecasts:

- *Goodwill* is systematically tested for *impairment* at least annually, or more often if impairment indicators emerge. The impairment test calls for a discretionary estimate of the values in use of the cash-generating unit to which the goodwill is attributed, in turn based on the estimate of future cash flows of the CGU and their discounting at a specified discount rate.

The recoverability of carrying amounts is measured as the lower of the carrying amount and the higher of the fair value less costs to sell and the value in use of the asset. The net selling price is the price that would be received to sell an asset in an orderly transaction between market participants less costs to sell; in the absence of a binding agreement, reference is made to similar transactions on an active market or it is determined according to IFRS 13 Fair Value Measurement. The value in use is the present value of the future cash flows expected to be derived from the asset (or cash-generating unit), discounted using a weighted average cost of capital of an entity having a similar risk profile and level of indebtedness, and from its ultimate disposal at the end of its useful life.

The plans used to carry out the impairment tests are based on certain expectations and assumptions of future performance that by their very nature are subject to uncertainties. Therefore, results could differ from estimates.

These assumptions are also subject to the medium- and long-term consequences of the health emergency linked to the Covid-19 pandemic and the effects of the Russian-Ukrainian conflict, with particular reference to the timing of a return to pre-pandemic performance levels. Therefore, results could differ from estimates.

The Directors will continually assess the plan regarding the effective realisation of the initiatives and forecasts and the effects on the Company's financial and economic performance.

- *Intangible assets with a finite useful life* are tested for *impairment* when there are internal or external indications that an asset is impaired; this test requires an estimate of the value in use of the cash-generating unit to which the asset belongs, which itself is based on an estimate of the cash flows the cash-generating unit is expected to generate and discounting them to their net present value using an appropriate discount rate.

- *Deferred tax assets* are recognised against tax losses carried forward and other timing differences to the extent of the likely existence of future taxable profit against which these tax losses carried forward and those due to timing differences may be used. 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, as well as the plans of companies participating in the tax consolidation.
- *Provisions for risks and charges* are subject to discretionary estimates using the best available information at the date of these Financial Statements and based on historic and future data regarding the likely outcome of legal disputes or events, for which assessment of the risk profiles and likely financial impact is uncertain and complex and could result in an adjustment to the estimates.

Reference should be made to the specific paragraph in the notes to the Financial Statements for the use of estimates on financial risks. Measurement of the provision for risks refers to the best information available at the end of the reporting period.

1.6 Disclosure of assets held for sale

On 9 March 2023, following the press releases of 25 January 2022, 20 May 2022 and 13 October 2022, the Company's Board of Directors announced that it had agreed to finalise the strategic transaction with Fiere di Parma SpA concerning a partnership aimed at creating a common European exhibition platform in the agri-food sector. Under the agreement, Fiera Milano SpA will transfer its business unit dedicated to the "Tuttofood" exhibition – the number one agro-food exhibition at the Rho exhibition site. From 31 December 2022, this has therefore been classified as Assets held for sale. To execute the transaction, Fiera Milano SpA will subscribe to a capital increase in Fiere di Parma, bringing its investment up to 18.5% of share capital upon completion of the transaction.

The transaction will see the Parties create a new multi-hub trade fair platform. In Milan, 'Tuttofood powered by Cibus' will take on an international focus, bringing together audiences from all major agri-food producing countries and thus competing with other leading European exhibitions, while also continuing to support the local supply chain. In Parma, 'Cibus' will become an iconic event for authentic Italian produce, including regional delicacies. Thanks to the synergies between Fiera Milano SpA and Fiere di Parma, the two exhibitions will be able to optimise their positioning by offering strategic and permanent support to the Made in Italy agro-food industry and the Italian system in general.

Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", the assets held for sale were represented by setting out in a single line of the income statement, under the item "Net result from discontinued operations", whereas in the consolidated statement of financial position they are presented in the lines "Assets held for sale" and "Liabilities held for sale".

The recognition of assets held for sale in the income statement and in the statement of financial position are detailed below:

Statement of profit or loss from discontinued operations

(euro)	2022	2021
Revenues from sales and services	-	7,913,463
<i>of which with related parties</i>	-	20,500
Total revenues	-	7,913,463
Cost of materials	-	16,825
Cost of services	-	3,599,500
<i>of which with related parties</i>	-	760,518
Cost of use of third-party assets	-	1,261
Personnel costs	-	769,777
Other operating expenses	-	98,504
Total operating expenses	-	4,485,867
Profit/(loss) from discontinued operations	-	3,427,596

At 31 December 2021, the profit/(loss) for the year from discontinued operations was Euro 4,599,812 and referred to the transfer of the 'Tuttofood' related business unit for Euro 3,427,596 and the transfer of the publications related business unit for Euro 1,172,216.

Statement of financial position from assets held for sale

(euro)	31/12/22	31/12/21
ASSETS		
Intangible assets with a finite useful life	5,922	6,962
Inventories	857,083	73,910
<i>of which with related parties</i>	64,778	-
Cash and cash equivalents	1,808,711	48,098
Total assets held for sale	2,671,716	128,970
LIABILITIES		
Employee benefit provisions	2,317	2,140
Advances	2,649,758	106,211
Other liabilities	19,641	20,619
Total liabilities held for sale	2,671,716	128,970
Net assets held for sale	-	-

The cash flows related to assets held for sale are as follows:

Cash flow from assets held for sale

(euro)	31/12/22	31/12/21
Cash flow from operating activities	1,760,613	(491,254)
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Net cash flow from assets held for sale	1,760,613	(491,254)

Notes to the financial statements

STATEMENT OF FINANCIAL POSITION

ASSETS

Non-current assets

2) Property, plant and equipment

The breakdown and changes in the last two financial years are given below:

Property, plant and equipment

(€'000)

	Balance at 31/12/20	Changes during the financial year							Balance at 31/12/21
		Extraordinary transactions effects	Incr.	Decr.	Depr.	Impairment	Reclassification	Other changes	
Plant and machinery									
. historic cost	16,274	65	90	-	-	-	-	(43)	16,386
. depreciation	15,669	64	-	-	139	-	-	-	15,872
Net	647	1	90	-	139	-	-	(43)	514
Industrial and commercial equipment									
. historic cost	12,897	-	47	7	-	-	-	-	12,937
. depreciation	12,763	-	-	7	81	-	-	-	12,837
Net	134	-	47	-	81	-	-	-	100
Other assets									
. historic cost	28,089	850	117	20	-	-	-	358	29,394
. depreciation	26,771	844	-	19	408	-	-	348	28,352
Net	1,318	6	117	1	408	-	-	10	1,042
Total property, plant and equipment									
. historic cost	57,260	915	254	27	-	-	-	315	58,717
. depreciation	55,203	908	-	26	628	-	-	348	57,061
Net	2,057	7	254	1	628	-	-	(33)	1,656

Property, plant and equipment

(€'000)

	Balance at 31/12/21	Extraordinary transactions effects	Changes during the financial year						Balance at 31/12/22
			Incr.	Decr.	Depr.	Impairment	Reclassification	Other changes	
Plant and machinery									
. historic cost	16,386	-	125	-	-	-	-	-	16,511
. depreciation	15,872	-	-	-	118	-	-	-	15,990
Net	514	-	125	-	118	-	-	-	521
Industrial and commercial equipment									
. historic cost	12,937	-	68	-	-	-	-	-	13,005
. depreciation	12,837	-	-	-	54	-	-	-	12,891
Net	100	-	68	-	54	-	-	-	114
Other assets									
. historic cost	29,394	-	155	6,231	-	-	-	-	23,318
. depreciation	28,352	-	-	6,221	405	-	-	-	22,536
Net	1,042	-	155	10	405	-	-	-	782
Total property, plant and equipment									
. historic cost	58,717	-	348	6,231	-	-	-	-	52,834
. depreciation	57,061	-	-	6,221	577	-	-	-	51,417
Net	1,656	-	348	10	577	-	-	-	1,417

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

Plant and machinery

This item totalled Euro 521 thousand, net of depreciation for the year of Euro 118 thousand, and was for costs relating to electrical, heating, alarm and audiovisual systems.

The total increases amounting to Euro 125 thousand referred to plant and machinery for the Rho exhibition site.

Industrial and commercial equipment

This item totalled Euro 114 thousand, net of depreciation for the year of Euro 54 thousand, and was mainly for equipment and furnishings related to the exhibition business.

The total increases amounting to Euro 68 thousand referred to the purchase of furniture and equipment related to exhibition activities at the Rho exhibition site.

Other assets

This item totalled Euro 782 thousand net of depreciation for the year of Euro 405 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 net increase of Euro 155 thousand referred to Euro 117 thousand in digital investments and Euro 38 thousand for improvements to third-party assets;

The decreases refer to the disposal of largely obsolete electronic equipment.

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 last two financial years are given below:

Right-of-use assets

(€'000)

	Balance at 31/12/20	Changes during the financial year							Balance at 31/12/21
		Extraordinary transactions effects	Incr.	Decr.	Depr.	Impairment	Reclassification	Other changes	
Leased property									
. historic cost	468,513	274	197	16,737	-	-	-	-	452,247
. depreciation	69,834	160	-	3,377	34,362	-	-	-	100,979
Net	398,679	114	197	13,360	34,362	-	-	-	351,268
Leased corporate fleet									
. historic cost	353	13	162	65	-	-	-	-	463
. depreciation	214	6	-	42	134	-	-	-	312
Net	139	7	162	23	134	-	-	-	151
Total Right-of-use assets									
. historic cost	468,866	287	359	16,802	-	-	-	-	452,710
. depreciation	70,048	166	-	3,419	34,496	-	-	-	101,291
Net	398,818	121	359	13,383	34,496	-	-	-	351,419

Right-of-use assets

(€'000)

	Balance at 31/12/21	Changes during the financial year							Balance at 31/12/22
		Extraordinary transactions effects	Incr.	Decr.	Depr.	Impairment	Reclassification	Other changes	
Leased property									
. historic cost	452,247	-	13,850	319	-	-	-	-	465,778
. depreciation	100,979	-	-	319	34,820	-	-	-	135,480
Net	351,268	-	13,850	-	34,820	-	-	-	330,298
Leased corporate fleet									
. historic cost	463	-	433	318	-	-	-	-	578
. depreciation	312	-	-	297	115	-	-	-	130
Net	151	-	433	21	115	-	-	-	448
Total Right-of-use assets									
. historic cost	452,710	-	14,283	637	-	-	-	-	466,356
. depreciation	101,291	-	-	616	34,935	-	-	-	135,610
Net	351,419	-	14,283	21	34,935	-	-	-	330,746

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

Right-of-use properties

The item totalled Euro 330,298 thousand, less depreciation for the year of Euro 34,820 thousand, and refers to the recognition of leases of right-of-use property deriving from the application of the new IFRS 16. The increase of Euro 13,850 thousand mainly refers to the monetary revaluation of the lease agreement for the exhibition sites.

Right-of-use vehicles

The item totalled Euro 448 thousand, less depreciation for the year of Euro 115 thousand, and refers to the recognition of leases of right-of-use vehicles deriving from the application of IFRS 16. The changes relate to the updating of the company car fleet.

The item Right-of-use assets includes increases of Euro 13,822 thousand relating to related-party transactions (zero at 31 December 2021). For more details, see note 48 on these transactions.

4) Goodwill

The breakdown and changes in the last two financial years are given below:

Goodwill (€'000)

	Changes during the financial year						Balance at 31/12/21
	Balance at 31/12/20	Extraordinary transactions effects	Incr.	Decr.	Impairment	Reclassification	
Goodwill							
. historic cost	82,933	5,947	-	-	-	-	88,880
. depreciation	12,789	-	-	-	-	-	12,789
Net	70,144	5,947	-	-	-	-	76,091
Total							
. historic cost	82,933	5,947	-	-	-	-	88,880
. depreciation	12,789	-	-	-	-	-	12,789
Net	70,144	5,947	-	-	-	-	76,091

Goodwill (€'000)

	Changes during the financial year						Balance at 31/12/22
	Balance at 31/12/21	Extraordinary transactions effects	Incr.	Decr.	Impairment	Reclassification	
Goodwill							
. historic cost	88,880	-	-	-	-	-	88,880
. depreciation	12,789	-	-	-	-	-	12,789
Net	76,091	-	-	-	-	-	76,091
Total							
. historic cost	88,880	-	-	-	-	-	88,880
. depreciation	12,789	-	-	-	-	-	12,789
Net	76,091	-	-	-	-	-	76,091

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

Goodwill

This item totalled Euro 76,091 thousand.

Goodwill of Euro 29,841 thousand was initially recognised in the Statement of Financial Position following the contribution by Fondazione Fiera Milano of the exhibition entity on 17 December 2001.

In 2011, it increased by Euro 40,350 thousand as a result of the merger by incorporation of the 100% owned subsidiary, Rassegne SpA, into the controlling shareholder Fiera Milano SpA and by Euro 80 thousand for goodwill relating to acquisition of the Information Communication Technology business unit.

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

In 2021, goodwill increased again by Euro 5,947 thousand in relation to the merger of the wholly-owned subsidiary Fiera Milano Media SpA into the Parent Company Fiera Milano SpA.

As described in section 1 “Accounting principles and criteria used to prepare the Financial Statements”, goodwill is not amortised but is subject to impairment tests at the end of each reporting period or more frequently if there are any indications of impairment, with the assistance of a qualified independent expert. Paragraph 1.5 ‘Use of estimates’ gives details of the methods used for the impairment tests in 2022.

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

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

In order to avoid using arbitrary allocation criteria for the impairment tests, goodwill was allocated based on appropriate groupings that are in line with Segment Reporting and reflect the Group’s strategic vision, organisation and governance. More specifically, at Fiera Milano SpA, the “Italian Exhibitions Business” group of CGUs was identified and encompasses all of the activities relating to exhibitions held in the Exhibition Sites of fieramilano and fieramilanocity, which were allocated goodwill totalling Euro 76,091 thousand.

The cash flows of Fiera Milano SpA for this grouping of CGUs achieved a positive result in both the impairment test and sensitivity analyses.

The cash flow projections beyond the time horizons of the 2023-2026 plan for economic/financial projections approved by the Board of Directors on 20 February 2023 were made using the average gross operating profit for the last two years of financial forecasts and reconstructing a normalised cash flow to neutralise the seasonal variations inherent in the business without considering changes in working capital but including maintenance and replacement investments.

Note that the terminal value is measured as a perpetual annuity obtained by capitalising the average net cash flows, as specified above, using a weighted average cost of capital (WACC-Weighted Average Cost of Capital) discount rate of 8.83% and taking into account a growth factor of 2% in line with the forecast medium/long-term inflation rate.

The WACC incorporates a cost of risk capital of 10.46% and a cost of debt of 5.18%, with a debt equal to 25% of invested capital (the sector target). The individual parameters were determined by making the widest reference to publicly available sources. A net tax rate was applied to net tax cash flows.

The cost of capital incorporates a risk-free rate of 3.89%, a market risk premium of 6.0% and a levered beta of 0.93, in line with the average for the sector. It also incorporates a specific risk coefficient to cover execution risk relating to the forecast cash flows.

Sensitivity analyses were carried out by varying the WACC (+0.5%) and the forecast operating cash flows (-10%), as well as the base rate used to calculate the terminal value. In particular, the WACC sensitivity analysis was carried out by increasing the discount rate by 0.5% while leaving unchanged the cash flows over the four-year terminal period and the terminal normalised cash flow. Cash flow sensitivity was tested by applying a 10%

reduction, on a straight-line basis, to cash flows in the four-year terminal period and to normalised terminal cash flow, while leaving the WACC unchanged. Terminal value sensitivity was tested by leaving unchanged the WACC and the cash flows in the four-years terminal period, while using the average for all four years – rather than for the last two – to calculate normalised terminal flow. All sensitivity analyses carried out gave positive results.

Lastly, the “breaking point” was also calculated. This is the permanent reduction of financial flows, compared to 2023-2026 projections, which should occur in the grouping of “Italian Exhibitions Business” CGUs, making a write-down of intangibles necessary. Both of these latter analyses also gave positive indications as to the recognised value of goodwill.

A test was also performed on the values that emerged following the application of IFRS16 (with the definition of consistent cash flows), confirming the results achieved.

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

5) Intangible assets with a finite useful life

The breakdown and changes in the last two financial years are given below:

Intangible assets with a finite useful life

(€'000)

	Balance at 31/12/20	Changes during the financial year						Balance at 31/12/21
		Incr.	Decr.	Depr.	Impair- ment	Reclassifi- cation	Other changes	
Industrial patents and intellectual property rights								
. historic cost	40,999	2,169	-	-	-	3,762	-	46,930
. amortisation	38,677	-	-	1,634	-	-	-	40,311
Net	2,322	2,169	-	1,634	-	3,762	-	6,619
Concessions, licenses and similar rights								
. historic cost	4,825	280	-	-	-	-	-	5,105
. amortisation	4,247	-	-	388	-	-	-	4,635
Net	578	280	-	388	-	-	-	470
Trademarks								
. historic cost	27,963	-	21	-	-	-	-	27,942
. amortisation	20,557	-	14	853	-	-	-	21,396
Net	7,406	-	7	853	-	-	-	6,546
Intangible fixed assets under construction								
. historic cost	4,028	2,230	-	-	-	(3,762)	-	2,496
Net	4,028	2,230	-	-	-	(3,762)	-	2,496
Total intangible assets with a finite useful life								
. historic cost	77,815	4,679	21	-	-	-	-	82,473
. amortisation	63,481	-	14	2,875	-	-	-	66,342
Net	14,334	4,679	7	2,875	-	-	-	16,131

Intangible assets with a finite useful life

(€'000)

	Balance at 31/12/21	Changes during the financial year						Balance at 31/12/22
		Incr.	Decr.	Depr.	Impair- ment	Reclassifi- cation	Other changes	
Industrial patents and intellectual property rights								
. historic cost	46,930	1,597	-	-	-	1,115	-	49,642
. amortisation	40,311	-	-	3,248	-	-	-	43,559
Net	6,619	1,597	-	3,248	-	1,115	-	6,083
Concessions, licenses and similar rights								
. historic cost	5,105	199	-	-	-	-	-	5,304
. amortisation	4,635	-	-	314	-	-	-	4,949
Net	470	199	-	314	-	-	-	355
Trademarks								
. historic cost	27,942	-	-	-	-	-	-	27,942
. amortisation	21,396	-	-	833	-	-	-	22,229
Net	6,546	-	-	833	-	-	-	5,713
Intangible fixed assets under construction								
. historic cost	2,496	754	-	-	-	(1,115)	(135)	2,000
Net	2,496	754	-	-	-	(1,115)	(135)	2,000
Total intangible assets with a finite useful life								
. historic cost	82,473	2,550	-	-	-	-	(135)	84,888
. amortisation	66,342	-	-	4,395	-	-	-	70,737
Net	16,131	2,550	-	4,395	-	-	(135)	14,151

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

Industrial patents and intellectual property rights

This item was Euro 6,083 thousand, net of amortisation for the year of Euro 3,248 thousand. The net increase of Euro 1,597 thousand and the Euro 1,115 thousand in reclassifications from assets under development refer to costs associated with the implementation of digital projects and software purchases.

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

Concessions, licences and similar rights

The item was Euro 355 thousand, net of amortisation for the year of Euro 314 thousand. The overall increase of Euro 199 thousand refers to the purchase of software licences with rights of use limited in time.

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

Trademarks

This item totalled Euro 5,713 thousand net of amortisation for the year of Euro 833 thousand, with breakdown as follows:

- Milan Games Week Euro 1.644 thousand;
- Host Euro 963 thousand;
- Promotion Trade Exhibition Euro 926 thousand;
- Mipap Milano Prêt-à-Porter Euro 905 thousand;
- G! Come Giocare Euro 493 thousand;
- Transpotec & Logitec Euro 254 thousand;
- Cartoomics Euro 209 thousand;
- Salone Franchising Milano Euro 134 thousand;
- Miart Euro 66 thousand;
- La Campionaria Euro 57 thousand;
- BtoBio Expo Euro 55 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 2,000 thousand and refers to costs incurred for the development of new digital systems. The activity, as soon as completed, will be reclassified under the corresponding fixed assets item and the amortisation will begin to run.

6) Equity investments

The breakdown and changes in the financial year are given below:

Investments

	% held 31/12/22	Book value 31/12/21	Changes during the financial year					Book value 31/12/22
			Incr.	Decr.	Reclassi- fication	Revalua- tions	Write- downs	
Equity investments in subsidiaries companies								
Fiera Milano Congressi SpA	100%	12,200	-	-	-	-	-	12,200
MADE eventi Srl	60%	2,574	-	-	-	-	-	2,574
Nolostand SpA	100%	13,390	-	-	-	-	-	13,390
Fiera Milano Brasil Publicações e Eventos Ltda	99.99%	1,744	-	-	-	-	1,744	-
Fiera Milano Exhibitions Africa Pty Ltd	100%	415	-	-	-	-	-	415
Total		30,323	-	-	-	-	1,744	28,579
Equity investments in associates companies								
Ge.Fi SpA	25%	-	13,426	-	-	-	-	13,423
Total		-	13,426	-	-	-	-	13,426
Equity investments in joint-ventures								
Hannover Milano Global Germany GmbH	49%	10,989	-	-	-	-	-	10,989
Ipack Ima Srl	49%	2,407	-	-	-	-	-	2,407
Total		13,396	-	-	-	-	-	13,396
Other Investments								
Comitato Golden Card	33.33%	32	-	-	-	-	-	32
Total		32	-	-	-	-	-	32
Total equity investments		43,751	13,426	-	-	-	1,744	55,433

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

The changes in Equity investments are described below:

On 23 November 2022, a 25% stake in Ge.Fi SpA, Italy's leading organiser of trade fairs and exhibitions, was acquired. The acquisition price was Euro 11,750 thousand cash and Euro 1,676 thousand payable following the approval of the 2025 financial statements of Ge.Fi., based on the achievement of specific objectives established in the Business Plan. The Operation aims to consolidate relations between Fiera Milano and Ge.Fi., exploiting the potential to be had from integrating key skills in the organizational field, digital services and catering.

At the end of the year, the investments were tested for impairment, by a qualified independent expert, the result of which showed value adjustments of Euro 1,744 thousand to be made to the investment of Fiera Milano Brasil Publicações e Eventos Ltda.

The discounted cash flow method is used for impairment, based on the 2023-2026 financial forecasts approved by the respective Boards of Directors. Cash flow projections beyond the time horizons of the plan have been made using the average gross operating profit for the last two years of financial forecasts and reconstructing a normalised cash flow without considering changes in working capital but including maintenance and replacement investments. For the investment in Ipack Ima Srl, the average for the period 2023-2025 was used to account for the fact that the exhibition is held once every three years.

The terminal value is measured as a perpetual annuity obtained by capitalising the normalised cash flow, using a discount rate calculated by reference country for the various investments. Zero growth in real terms was assumed, considering only the level of medium/long-term inflation forecast in the specific monetary area of reference.

The WACC (Weighted Average Cost of Capital) used in the measurements is different for each investment on the basis of: (i) the different risk free rate (assumed to be equal to the yield on 10-year government bond of the investment's country of reference); (ii) the different specific risk coefficient covering execution risk relating to the forecast cash flows. This risk factor reflects the figures deriving from historic deviations between forecast and final figures, as well as forward-looking assessments of business initiatives; (iii) the different cost of debt based on the expected inflation rate in the individual reference monetary areas of each investment.

A summary of the results is given below:

• Fiera Milano SpA	8.83%
• Fiera Milano Congressi SpA	8.83%
• Ipack-Ima Srl	8.83%
• Nolostand SpA	8.83%
• MADE eventi Srl	8.83%
• Fiera Milano Brasil Publicações e Eventos Ltda	15.41%
• Fiera Milano Exhibitions Africa Pty Ltd	13.94%
• Hannover Milano Global Germany GmbH	7.21%

Sensitivity analyses were carried out by varying the WACC (+0.5%) and the forecast operating cash flows (-10%), as well as the base rate used to calculate the terminal value. In particular, the WACC *sensitivity analysis was carried out* by increasing the discount rate by 0.5% while leaving unchanged the cash flows over the four-year terminal period and the terminal normalised cash flow. *Cash flow sensitivity was tested by applying a 10% reduction, on a straight-line basis, to cash flows in the four-year terminal period and to normalised terminal cash flow, while leaving the WACC unchanged.* Terminal value sensitivity was tested by leaving unchanged the WACC and the cash flows in the four-years terminal period, while using the average for all four years – rather than for the last two – to calculate normalised terminal flow. All investments whose values held up following impairment testing also showed positive results following sensitivity testing, with the sole exception of the investment in MADE Eventi Srl. It was found that this investment would need to be written down by Euro 121 thousand if WACC were to increase by 0.5%, by Euro 369 thousand if all cash flows were to decrease linearly by 10%, and by Euro 1,824 thousand if the terminal value were to be calculated based on the average of all four years of the terminal period.

Lastly, the “breaking point” was also calculated. This is the permanent reduction of financial flows, compared to 2023-2026 projections, which should occur in each company, making a write-down of the investment necessary. The results of this last analysis differ among investees. In some cases, the values of equity investments do risk impairment, even in the face of drastic and irreversible deterioration in the economic environment; in other cases there is a lower margin of safety.

7) Financial receivables from leased assets

This item totalled Euro 11,011 thousand (Euro 11,767 thousand at 31 December 2021), broken down as follows:

Financial leasing receivables		(€'000)	
	31/12/22	31/12/21	Change
Financial leasing receivables	11,011	11,767	(756)
Total	11,011	11,767	(756)

The item refers to the medium-long term portion of the financial receivable deriving from the application of IFRS 16 for the sublease to the subsidiary Fiera Milano Congressi SpA, of **the fieramilanocity** district.

The entire item refers to related-party transactions (Euro 11,767 thousand at 31 December 2021). For more details, see note 48 on these transactions.

8) Other financial assets

This item totalled Euro 4,251 thousand (Euro 3,336 thousand at 31 December 2021), broken down as follows:

Other financial assets		(€'000)	
	31/12/22	31/12/21	Change
Derivatives	2,315	-	2,315
Loans to Subsidiaries	2,912	3,336	(424)
Provision for doubtful loans	976	-	976
Total	4,251	3,336	915

The item includes:

- Euro 2,315 thousand for the financial hedge measured at fair value using the pricing models given by the issuing bank;
- the loan to the subsidiary Fiera Milano Brasil Publicações e Eventos Ltda. The applied rate is 2.30%. At the end of the year, the loan was adjusted by Euro 976 thousand through the impairment provision in order to bring the nominal value back to the presumed realisable value.

Other financial liabilities included Euro 1.936 thousand (Euro 3.336 thousand at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

9) Trade and other receivables

This item totalled Euro 32,852 thousand (Euro 29,940 thousand at 31 December 2021), of which Euro 107 thousand due beyond five years, with breakdown as follows:

Trade and other receivables		(€'000)	
	31/12/22	31/12/21	Change
Other receivables from the controlling shareholder	10,412	10,544	(132)
Receivables from the controlling shareholder for tax consolidation	22,333	19,296	3,037
Other guarantee deposits	107	100	7
Total	32,852	29,940	2,912

The item includes:

- Other receivables from the Parent Company of Euro 10,412 thousand (Euro 10,544 thousand at 31 December 2021). This 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 change refers to the reclassification of the short-term portion of the receivable for the right of reimbursement from Fondazione Fiera Milano of the guarantee deposit paid under the two previous lease agreements.
- receivables from the controlling shareholder for tax consolidation for Euro 22,333 thousand (Euro 19,296 at 31 December 2021) refer to the remuneration of tax losses for 2020, 2021 and 2022 carried over to the tax consolidation with Fondazione Fiera Milano and recognised against the assessment of recoverability, within the time horizon of the approved plans;
- other guarantee deposits totalling Euro 107 thousand (Euro 100 thousand at 31 December 2021).

The entry for trade and other receivables also included Euro 32,745 thousand of related-party transactions (Euro 29,840 thousand at 31 December 2021). For more details, see note 48 on these transactions.

10) Deferred tax assets

This item totalled Euro 10,401 thousand (Euro 11,476 at 31 December 2021) 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 46 to the Income Statement.

Current assets

11) Trade and other receivables

Trade and other receivables

	31/12/22	31/12/21	Change
Trade receivables	15,227	14,466	761
Trade receivables from subsidiaries	971	3,608	(2,637)
Trade receivables from associates and joint venture	2,107	1,734	373
Trade receivables from related parties	3	28	(25)
Group VAT receivables to controlling shareholder	159	170	(11)
Other receivables	1,240	2,026	(786)
Other receivables from the controlling shareholder	2,401	1,262	1,139
Prepaid expenses	758	1,251	(493)
Prepaid expenses from the controlling shareholder	107	102	5
Total	22,973	24,647	(1,674)

This item totalled Euro 22,973 thousand (Euro 24,647 thousand at 31 December 2021), with breakdown as follows:

- trade receivables of Euro 15,227 thousand (Euro 14,466 thousand at 31 December 2021) net of the provision for doubtful receivables of Euro 767 thousand. These represent receivables from organisers, exhibitors, and others for services relating to the Exhibition site's availability and the provision of services related to the exhibitions.

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

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

	31/12/21	Provisions	Utilisation and other changes	31/12/22
Provision for doubtful receivables	2,504	69	1,806	767

- other receivables from the controlling shareholder of Euro 971 thousand (Euro 3,608 thousand at 31 December 2021). 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.

The year-to-year change is due to subsidiary-organised events being differently distributed across the exhibition calendar. In particular, the decrease relates mainly to the collection of payables relating to the Made Expo event organised by MADE Eventi Srl.

- Other receivables of Euro 1,240 thousand (Euro 2,026 thousand at 31 December 2021). This item consisted of receivables from employees for Euro 51 thousand, receivables for tax advances on employee severance indemnities for Euro 362 thousand, advances to suppliers for Euro 333 thousand, receivables from social security institutions for Euro 97 thousand, IRES receivables for Euro 28 thousand, other tax receivables for Euro 10 thousand, a receivable for participation in the training plan related to the "Fondo Nuove Competenze" (New Skills Fund) for Euro 203 thousand and other short-term receivables for Euro 156 thousand.

- Other receivables from the Parent Company of Euro 2,401 thousand (Euro 1,262 thousand at 31 December 2021). The change mainly refers to the higher receivables relating to the investment projects coordinated and directed by Fiera Milano SpA, but where the cost was borne by parent company Fondazione Fiera Milano as part of the plan for the competitiveness and sustainability of exhibition facilities.
- Prepayments for Euro 758 thousand (Euro 1,251 thousand at 31 December 2021). These refer to insurance premiums and other accruals and costs incurred by year end but pertaining to the following year.

The entry for trade and other receivables also included Euro 5,748 thousand of related-party transactions (Euro 6,904 thousand at 31 December 2021). For more details, see note 48 on these transactions.

12) Inventories

This item includes deferred costs for Euro 2,098 thousand (Euro 1,802 thousand at 31 December 2021) for events to be held after 31 December 2022.

Inventories

	31/12/22	31/12/21	Change
Host	961	148	813
Issa Pulire	248	-	248
Sicurezza	202	12	190
Bit	143	56	87
Print4all	80	354	(274)
Transpotec & Logitec	76	655	(579)
Expodetergo International	-	405	(405)
Other	388	172	216
Total	2,098	1,802	296

The change over the previous year is mainly due to the biennial or multiannual frequency of some exhibitions.

Personnel expenses directly attributable to the exhibitions are recognised in profit or loss at the time the event takes place and are consequently included in inventories for a value of Euro 1,469 thousand.

Inventories included Euro 136 thousand (Euro 26 thousand at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

13) Financial receivables from leased assets

This item totalled Euro 869 thousand (Euro 813 thousand at 31 December 2021), broken down as follows:

Financial leasing receivables

	31/12/22	31/12/21	Change
Financial leasing receivables	869	813	56
Total	869	813	56

The item refers to the short-term portion of the financial receivable deriving from the application of IFRS 16 for the sublease to the subsidiary Fiera Milano Congressi SpA, of the **fieramilanocity** district.

The entire item refers to related-party transactions (Euro 813 thousand at 31 December 2021). For more details, see note 48 on these transactions.

14) Financial assets

This item totalled Euro 36,764 thousand (Euro 9,113 thousand at 31 December 2021), broken down as follows:

Financial assets		(€'000)	
	31/12/22	31/12/21	Change
Time deposit	30,093	-	30,093
Mutual investment funds ESG	5,065	5,798	(733)
Current financing from subsidiaries and joint venture	1,606	3,315	(1,709)
Total	36,764	9,113	27,651

The item includes:

- Euro 30,093 thousand for the time deposits in Banca Sistema (Euro 20,071 thousand) and Banca Nazionale del Lavoro (Euro 10,022 thousand). These amounts include interest accrued;
- for Euro 5,065 thousand, units of mutual investment funds, measured at fair value. The fair value is measured on the basis of the market value of the security at 31 December 2022 inclusive of commissions.
- for Euro 1,606 thousand, the loan granted to the subsidiary MADE eventi Srl (Euro 903 thousand) and the loan granted to the joint venture Ipack Ima Srl (Euro 703 thousand). The rate applied at 1.30% was amended from 1 October 2022 to a rate of 1.50%.

Other financial liabilities included Euro 1,606 thousand (Euro 3,315 thousand at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

15) Cash and cash equivalents

This item totalled Euro 74,894 thousand (Euro 135,948 thousand at 31 December 2021) and referred almost entirely to cash in bank.

Cash and cash equivalents		(€'000)	
	31/12/22	31/12/21	Change
Bank and postal accounts	74,885	135,937	(61,052)
Cheques	-	-	-
Cash and cash equivalents	9	11	(2)
Total	74,894	135,948	(61,054)

The item "Bank and postal deposits" of Euro 74,855 thousand (Euro 135,937 thousand at 31 December 2021) is posted net of the cash disbursements anticipated for the transfer of the "Tuttofood" related business unit, amounting to Euro 1,809 thousand (Euro 48 thousand as of 31 December 2021). For more details, see Note 1.6 'Disclosure of Assets Held for Sale'.

The balance for the previous year included public grants received during the second half of the year to cope with the suspension of trade fair activities following the Covid-19 emergency.

The cash flows, with comparative data at 31 December 2021, are shown in the Statement of Cash Flows.

1.6) Assets held for sale

This item amounted to Euro 2,672 thousand (Euro 129 thousand at 31 December 2021) and refers to the contribution of the "Tuttofood" related business unit. For more details, see Note 1.6 'Disclosure of Assets Held for Sale'.

Assets held for sale also includes Euro 65 thousand (zero at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

EQUITY AND LIABILITIES

16) Equity

The breakdown of equity was as follows:

Equity	31/12/22	31/12/21	Change
Share capital	42,182	42,284	(102)
<i>of which treasury shares</i>	<i>(263)</i>	<i>(161)</i>	<i>(102)</i>
Share premium reserve	8,129	8,557	(428)
<i>of which treasury shares</i>	<i>(2,700)</i>	<i>(2,272)</i>	<i>(428)</i>
Other reserves	11,849	9,155	2,694
Retained profits/(losses)	42,524	5,515	37,009
Profit/(loss) for the year	(5,480)	36,622	(42,102)
Total	99,204	102,133	(2,929)

(€'000)

Following the realignment of the discrepancies between the carrying amount and the tax values of goodwill and trademarks as reported in the financial statements, in accordance with article 110 of Legislative Decree 104/20 (as amended by art. 1 c. 83 of Law 178 of 30 December 2020, the 2021 Budget Law), Euro 64,087 thousand of share capital and existing reserves was restricted and held over for tax upon distribution, corresponding to the higher amount subject to realignment net of the 3% substitute tax.

The amounts and changes in the items compared to 31 December 2021 were as follows:

Share capital

At 31 June 2022, this item was Euro 42,182 thousand (Euro 42,284 thousand at 31 December 2021), net of treasury shares for Euro 263 thousand. The fully paid-up "Share capital" was made up of 71,917,829 ordinary shares, with no restrictions on the distribution of dividends or repayment of share capital, except as legally provided for treasury shares.

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

	Number of shares at 31 December 2021	Free grant of ordinary shares allocated to the Directors	Number of shares at 31 December 2022
Ordinary shares in issue	71,917,829		71,917,829
Treasury shares	273,758	171,901	445,659
Total shares outstanding	71,644,071		71,472,170

Under IAS/IFRS accounting principles, when treasury shares are acquired, the nominal value of the shares acquired is deducted from equity while the difference between acquisition value and the nominal value is recognised directly in the share premium reserve.

On 31 July 2015, the Extraordinary Shareholders' Meeting of the Company, at the same time as it approved the share capital increase, approved the elimination of the nominal value of the shares comprising the share capital. Therefore, since that date the nominal value is calculated by dividing the share capital by the number of shares outstanding. At 31 December 2022, this gave an implicit nominal value of Euro 0.59 per share.

On 13 October 2022, the Company announced the start of its share buyback programme, in execution of the authorisation granted by the Ordinary Shareholders' Meeting of 22 April 2022. The aim of the programme is to increase the portfolio of treasury shares to be used to service existing and future share incentive plans for the Company's directors and/or employees.

At 31 December 2022, 171,901 treasury shares had been acquired at an average unit price of EUR 3.08 for a value of EUR 529 thousand. At 31 December 2022, the Company held 445,659 treasury shares, amounting to 0.62% of the share capital.

Share premium reserve

This item amounted to Euro 8,129 thousand (Euro 8,557 thousand at 31 December 2021) net of treasury share reserves of Euro 2,700 thousand. The Euro 428 thousand decrease refers to the purchase of treasury shares.

Other reserves

Other reserves totalled Euro 11,849 thousand (Euro 9,155 thousand at 31 December 2021), broken down as follows:

- Euro 8,489 thousand (Euro 8,489 thousand at 31 December 2021) for the legal reserve;
- Euro 1,045 thousand (Euro 736 thousand at 31 December 2021) 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 2,315 thousand (Euro -70 thousand at 31 December 2021) from the reserve for financial hedging operations.

Retained earnings

This entry was Euro 42,524 thousand (Euro 5,515 thousand at 31 December 2021). The change of 37,009 thousand euros is due to the increase of Euro 36,622 thousand, that follows the shareholders' resolution of 22 April 2022 in which it was decided to carry forward the profit for 2021, to the increase of Euro 387 thousand relating to the remeasurement of defined benefit plans net of tax effects.

Profit/(loss) for the year

For the year ending 31 December 2022, a loss of Euro 5,480 thousand was recognised, compared to a profit of Euro 36,622 at 31 December 2021.

The table below gives a breakdown of equity and shows the possible uses and amounts available for distribution for each component, as well as any use made in previous financial years.

Equity available and equity available for distribution

(€'000)

	Balance	Possible uses	Summary of uses in the three previous financial years	
			Amount available	to cover losses
Share capital	42,182			
<i>of which treasury shares</i>	(263)			
Capital reserves:				
Share-premium reserve	8,129	A,B,C	8,129	-
Other reserves (legal reserve)	8,489	B	-	-
Other reserves (stock grant reserve)	1,045	-	-	-
Other reserves (hedging reserve)	2,315	-	-	-
Reserves for earnings:				
Retained earnings	42,524	A,B,C	42,524	24,756
Profit (loss) for the year	(5,480)	-		
Total	99,204		50,653	24,756
Amount unavailable for distribution			-	
Remainder available for distribution			50,653	

Key

- A: for capital increase
- B: to cover losses
- C: for distribution to shareholders

LIABILITIES

Non-current liabilities

17) Bank borrowings

This item totalled Euro 60,116 thousand (Euro 96,229 thousand at 31 December 2021).

Bank borrowings

	31/12/22	31/12/21	Change
Bank loans	60,116	96,229	(36,113)
Total	60,116	96,229	(36,113)

(€ '000)

Medium-long term bank borrowings concern the following loans:

- Euro 36,867 thousand, for the portion of the loan underwritten on 17 February 2021 by a *pool* of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit) maturing on 31 December 2025 and with a 24-month pre-amortisation period. This loan is remunerated at a variable interest rate with financial coverage (Interest Rate Swap) and is subject to the measurement of financial covenants on a half-yearly basis. The covenants agreed under the loan were met at 31 December 2022.
- Euro 13,437 thousand, for the portion of the loan underwritten on 22 February 2021 by Casa Depositi Presiti, maturing on 31 December 2025 and with a 24-month pre-amortisation period. This loan is remunerated at a fixed interest rate and is subject to the measurement on a half-yearly basis of financial covenants. The covenants agreed under the loan were met at 31 December 2022.

The above loans are backed by a 90% guarantee issued by SACE, the Italian export credit agency, as part of the "Guarantee Italy" programme in accordance with article 1 of Italian Law Decree 23/2020, ratified with amendments by Law 40/2020 (called the 'Liquidity Decree').

- Euro 7,000 thousand, for the portion of the loan underwritten on 28 April 2021 by Simest, maturing on 31 December 2027 and with a 36-month pre-amortisation period. This loan bears interest at a fixed rate. The loan was granted within the scope of the availability of the section of the Fund 394/8, pursuant to Article 91, paragraphs 1 and 2, of Decree-Law 14 August 2020, n.104, converted, with amendments, by Law 126 of 13 October 2020, and Article 6, paragraph 3, no. 1, of Decree Law 137 of 28 October 2020;
- Euro 2,812 thousand, for the non-current portion of the Euro 5,000 thousand loan underwritten on 19 May 2021 by Banca Carige maturing on 31 March 2026 and with a 12-month pre-amortisation period. This loan bears interest at a variable rate.

The change from the previous year is mainly due to the debt repayments on the medium/long-term portions of certain loans, as well as the early repayment of the Euro 10,000 thousand loan taken out with Banca Bper on 22 October 2021.

For more details, see note 32.2 "Liquidity risk".

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

This item totalled Euro 325,595 thousand (Euro 345,544 thousand at 31 December 2021), broken down as follows:

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

(€ '000)

	31/12/22	31/12/21	Change
Financial liabilities related to the right-of-use of assets	325,595	345,544	(19,949)
Total	325,595	345,544	(19,949)

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

The item Financial liabilities related to the right-of-use assets includes related-party transactions of Euro 325,114 thousand (zero at Euro 345,340 thousand at 31 December 2021). For more details, see note 48 on these transactions.

19) Other financial liabilities

This item totalled Euro 1,683 thousand (zero at 31 December 2021), with breakdown as follows:

Other financial liabilities

(€ '000)

	31/12/22	31/12/21	Change
Em out associates	1,683	-	1,683
Total	1,683	-	1,683

The item displays the present value of the forward price payable on the equity investment acquired during the year, which has been recognised on the assumption that the specific objectives set forth in the *Business Plan* will be achieved and which will be paid following the approval of the 2025 financial statements of Ge.Fi.

This value was determined on the acquisition date and has been discounted at a borrowing rate of 5.18% based on current market conditions.

For further details, please refer to Note 6 to the Statement of Financial Position.

20) Provisions for risks and charges

Provisions for risks and charges

(€'000)

	31/12/21	Provisions	Utilisation	Write-back of provisions	Reclassifications	31/12/22
Other provisions for risks and charges	72	500	-	72	-	500
Total	72	500	-	72	-	500

This item totalled Euro 500 thousand (Euro 72 thousand at 31 December 2021). The item refers to various provisions for risks set up for outlays calculated on the basis of the presumed outcome of the risks.

21) Employee benefit provisions

This item totalled Euro 5,399 thousand (Euro 6,521 thousand at 31 December 2021).

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

Employee benefit provisions

	31/12/21	Actuarial evaluation	Indemnities and advances paid	Other movements	(€'000) 31/12/22
Defined benefit plans	6,521	(397)	775	50	5,399
Total	6,521	(397)	775	50	5,399

Actuarial evaluation

	(€'000)
Personnel costs:	
- indemnities related to defined benefit plans	47
Financial expenses:	
- actualisation charges	65
Other comprehensive income:	
- Remeasurement of defined benefit plans	(509)
Total	(397)

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

The main hypotheses/assumptions used in the actuarial calculations for the defined benefit plans were as follows:

Demographic assumptions

Mortality rate	Based on the ISTAT 2011 mortality tables by gender to which has applied a 20% falling mortality connected
Probability of disability	Based on the disability tables used in the INPS 2010 forecast model
Probability of termination of employment	Based on the probable employee turnover rate equal to 9,00% per annum of the companies being valued
Retirement probability	Assumption that the basic requirements needed to receive the compulsory general insurance (<i>Assicurazione Generale Obbligatoria</i>) were met
Probability of early retirement	Assumption of 3% per annum and an average amount of 70% of the staff-leaving indemnities of all the companies valued.

Economic and financial assumption for calculation of severance indemnity provisions

	31/12/22	31/12/21
Annual technical discount rate	3.70%	1.00%
Annual inflation rate	2.50%	1.75%
Annual rate of increase in severance indemnity provisions	3.38%	2.81%

The discount rate was calculated with reference to the Eurozone Iboxx Corporate AA index for a period equal to or greater than 10 years.

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

Economic and financial assumptions

(Euro '000)

	Range	Base figure (excluding the CEO's termination benefit)	Increase in assumptions	Decrease in assumptions
Annual technical discount rate	+/- 0.5%	5,399	5,252	5,554
Annual rate of increase in total employees salary	+/- 0.5%	5,399	5,426	5,372
Economic and financial assumptions				
Life expectancy	+/- 1 year	5,399	5,372	5,426

22) Other liabilities

This item was zero (Euro 655 thousand at 31 December 2021). The change refers to the medium-/long-term share of the debt relating to the substitute tax that arose as a result of the tax realignment of goodwill and exhibition trademarks, which has been classified under current tax payables.

Current liabilities

23) Bank borrowings

This item totalled Euro 26.250 thousand (Euro 938 thousand at 31 December 2021), broken down as follows:

Bank borrowings

(€ '000)

	31/12/22	31/12/21	Change
Bank loans	26,250	938	25,312
Total	26,250	938	25,312

Bank borrowings refer to the short-term portions of the bank loans described in note 17 above.

In particular, Euro 18,333 thousand refer to the loan taken out on 17 February 2021 with a pool of leading credit institutions (Intesa Sanpaolo, Banco BPM and Unicredit), Euro 6,667 thousand refer to the loan taken out on 22 February 2021 with Cassa Depositi e Presitti and Euro 1,250 thousand (Euro 938 thousand at 31 December 2021) refer to the loan taken out on 19 May 2021 with Banca Carige.

24) Trade payables

This item totalled Euro 29,202 thousand (Euro 29,785 thousand at 31 December 2021). Trade payables were mainly to Italian suppliers, most of which were for the purchase of services required to mount the exhibitions that are the Company's core business.

25) Advances

This item totalled Euro 24,617 thousand (Euro 27,624 thousand at 31 December 2021) and represent advances invoiced to customers for events to be held after 31 December 2022. Recognition as revenue is deferred until the exhibition is held.

The table below gives a breakdown by exhibition.

Advances

	31/12/22	31/12/21	Change
			(€'000)
Host	6,347	1,615	4,732
Salone del mobile/complemento d'arredo	2,564	2,160	404
Homi	2,469	3,235	(766)
Mido	2,093	1,690	403
Milano Unica	2,028	869	1,159
Lineapelle - A new point of view	1,290	1,070	220
Plast	1,200	1,014	186
Issa Pulire	902	-	902
Micam	691	1,679	(988)
Mostra Convegno Expoconfort	613	6,510	(5,897)
Promotion Trade Exhibition	585	411	174
Euroluce	547	-	547
Sicurezza	468	-	468
Itma	451	-	451
Homi Fashion&Jewels	428	167	261
Si Sposaltalia	275	190	85
Myplant & Garden	271	580	(309)
Bit	268	130	138
Made in Steel	216	-	216
Gee	196	-	196
Lamiera	178	251	(73)
The One Milano	112	137	(25)
Euroshop	105	-	105
Transpotec & Logitec	-	1,897	(1,897)
Ipack-Ima	-	1,339	(1,339)
Print4all	-	444	(444)
Expodetergo International	-	417	(417)
Eurocucina	-	415	(415)
Venditalia	-	407	(407)
Sime	-	306	(306)
Salone Internazionale del Bagno	-	261	(261)
Greenplast	-	101	(101)
Miart	-	61	(61)
Other	320	268	52
Total	24,617	27,624	(3,007)

The change over the previous year is mainly due to the biennial or multiannual frequency of some exhibitions.

Advances included Euro 84 thousand (Euro 1,339 thousand at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

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

This item totalled Euro 44,282 thousand (Euro 35,689 thousand at 31 December 2021), broken down as follows:

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

(€ '000)

	31/12/22	31/12/21	Change
Financial liabilities related to the right-of-use of assets	44,282	35,689	8,593
Total	44,282	35,689	8,593

It refers to the short-term portion of the lease liability. The liability refers to the obligation to make the payments provided for by the lease contracts for properties and cars deriving from the application of IFRS 16. The increase relates mainly to the presence in the previous year's temporary rent reduction for the Rho and Milan exhibition hubs, as well as to the monetary revaluation of the lease for the exhibition sites.

The item Financial payables related to right-of-use assets includes related-party transactions of Euro 44,115 thousand (Euro 35,519 at 31 December 2021). For more details, see note 48 on these transactions.

27) Other financial liabilities

This item totalled Euro 21,982 thousand (Euro 30,216 thousand at 31 December 2021), broken down as follows:

Other financial liabilities

(€'000)

	31/12/22	31/12/21	Change
Financial payables to the controlling shareholder	130	9,560	(9,430)
Financial payables to the subsidiaries	21,852	20,656	1,196
Total	21,982	30,216	(8,234)

The item 'Financial payables to the controlling shareholder' refers to the balance in the correspondent current account held with Fondazione Fiera Milano. The applied rate was equal to the 1-month Euribor plus a spread of 0.75%. The change compared to the previous year is mainly attributable to the regulation of the rent.

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

- Fiera Milano Congressi SpA for Euro 15,692 thousand;
- Nolostand SpA for Euro 6,160 thousand.

These current accounts originate from the cash pooling contracts signed on 22 November 2018 and show daily balances subject to offsetting among the companies. The applied rate was equal to the 1-month Euribor plus a spread of 0.75%.

The entire item refers to related-party transactions (Euro 30,216 thousand at 31 December 2021). For more details, see note 48 on these transactions.

28) Provisions for risks and charges

Provisions for risks and charges

	31/12/21	Provisions	Utilisation	Write-back of provisions	Reclassifications	(€'000) 31/12/22
Other provisions for risks and charges	5,390	2,081	3,046	-	-	4,425
Total	5,390	2,081	3,046	-	-	4,425

This item amounts to Euro 4,425 thousand (Euro 5,390 thousand at 31 December 2021) and mainly concerns risks related to the estimation of probable liabilities regarding the corporate reorganization, calculated on the basis of the expected outcome of the same both through internal assessments and with the support of external legal advisors.

29) Tax payables

This item totalled Euro 2,044 thousand (Euro 3,510 thousand at 31 December 2021).

Tax liabilities

	31/12/22	31/12/21	(€'000) Change
Income tax payable for employees (IRPEF)	1,042	1,751	(709)
Income tax payable for temporary employees and project workers (IRPEF)	104	116	(12)
Income tax payable in the financial year	190	829	(639)
Other tax liabilities	708	814	(106)
Total	2,044	3,510	(1,466)

The change is mainly attributable to the repayment of the debt arising from the suspension in 2020 of withholding and Irap payments after exercising the option granted as part as the government measures adopted for the Covid-19 health emergency.

30) Other liabilities

This item totalled Euro 28,648 thousand (Euro 33,583 thousand at 31 December 2021).

Other liabilities

	31/12/22	31/12/21	Change
			(€'000)
Trade payables to subsidiaries	10,253	11,517	(1,264)
Trade payables to associates and joint venture	525	275	250
Trade payables to related parties	76	59	17
Payables to exhibition organisers and others	5,599	10,841	(5,242)
Payables to exhibition organisers of subsidiaries	26	1,482	(1,456)
Payables to exhibition organisers in associates and in joint venture	3,541	3,270	271
Payables to pension and social security entities	1,741	2,320	(579)
Payables to directors and statutory auditors	47	56	(9)
Payables to employees	6,539	3,459	3,080
Other payables	81	45	36
Other payables to the controlling shareholder	68	102	(34)
Deferred income	117	140	(23)
Deferred income to the controlling shareholder	5	-	5
Deferred income to subsidiaries	21	15	6
Deferred income in joint venture	8	2	6
Deferred income to related parties	1	-	1
Total	28,648	33,583	(4,935)

The main changes from the previous year are described below:

- a decrease in trade payables due to Subsidiaries, mainly attributable to the transaction dynamics referred to in the installation services contract in place with Nolostand SpA;
- a decrease in the amounts payable to organisers and others, mainly referring to collections made on behalf of exhibition organisers;
- an increase in the amounts payable to personnel, mainly attributable to an increase in variable pay components, as well as amounts relating to settlements reached but not yet paid out in relation to business reorganisation.

Other liabilities included Euro 14,524 thousand (Euro 16,722 thousand at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

31) Financial assets and financial liabilities

At 31 December 2022, the Company had net financial debt including the IFRS 16 *lease liability* of Euro 365,572 thousand (net debt of Euro 362,694 thousand at 31 December 2021), as detailed in the table below. Where applicable, each item indicates the portion referring to related parties.

Financial debt

(€'000)	31/12/22	31/12/21	Change
A. Cash	74,894	135,948	(61,054)
B. Chash and equivalents	30,093	-	30,093
C. Other current financial assets	6,671	9,113	(2,442)
- C.1 of which Other current financial assets to subsidiaries and joint ventures	1,606	3,315	(1,709)
D. Liquidity (A+B+C)	111,658	145,061	(33,403)
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	21,982	30,216	(8,234)
- E.1 of which Current financial debt to the controlling shareholder and subsidiaries	21,982	30,216	(8,234)
F. Current portion of non-current debt	26,250	938	25,312
G. Current financial indebtedness (E+F)	48,232	31,154	17,078
H. Net current financial indebtedness (G-D)	(63,426)	(113,907)	50,481
I. Non-current financial debt (excluding current portion and debt instruments)	61,799	96,229	(34,430)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I+J+K)	61,799	96,229	(34,430)
Net financial debt from continuing operations (H+L)	(1,627)	(17,678)	16,051
Net financial debt from assets held for sale	(1,809)	(48)	(1,761)
M. Total financial indebtedness before IFRS 16 effects	(3,436)	(17,726)	14,290
N. Current financial liabilities related to the right of use of assets	44,282	35,689	8,593
- N.1 of which current financial liabilities related to the right-of-use assets to the controlling shareholder	44,115	35,519	8,596
O. Non-current financial liabilities related to the right of use of assets	325,595	345,544	(19,949)
- O.1 of which non-current financial liabilities related to the right-of-use assets to the controlling shareholder	325,114	345,340	(20,226)
P. Current financial assets related to the right of use of assets	869	813	56
- P.1 of which current financial assets related to the right-of-use assets to the controlling shareholder	869	813	56
IFRS 16 financial effects	369,008	380,420	(11,412)
Q. Total net financial debt (M+N+O-P)	365,572	362,694	2,878

Financial debt not including IFRS 16 lease liabilities shows net cash of Euro 3,436 thousand, compared to net cash of Euro 17,726 thousand at 31 December 2021.

The decrease of Euro 14,290 thousand was mainly due to the payment of consideration for the acquisition of a 25% stake in Ge.Fi SpA on 23 November, as well as investments in digital systems. There was also a decrease in cash flows from operations, which was partially offset by dividends received from Subsidiaries.

The net cash of assets held for sale, which amounted to Euro 1,809 thousand (Euro 48 thousand at 31 December 2021), referred to the cash disbursement anticipated for the transfer of the "Tuttofood" related business unit. For more details, see Note 1.6 "Disclosure of Assets Held for Sale".

Additional information on the financial instruments of the Company is given below to enable a better assessment of:

- a) the importance of the financial instruments to the Statement of Financial Position and Income Statement;
- b) the extent and type of risks deriving from the financial instruments to which the Company was exposed during the current and previous financial years and the relevant risk management procedures.

Classes of financial instruments

The items in the Statement of Financial Position and the types of risk related to financial instruments at 31 December 2022 and 31 December 2021 are shown in the following table:

Risk class

(€'000)	Notes	Balance at 31/12/22	Balance at 31/12/21	Liquidity risk	Interest rate risk	Credit risk
NON-CURRENT ASSETS						
Financial leasing receivables	7	11,011	11,767	X		X
Other financial assets	8	4,251	3,336	X	X	X
Trade and other receivables	9	32,852	29,940			X
CURRENT ASSETS						
Trade and other receivables	11	22,973	24,647			X
Financial leasing receivables	13	869	813	X		X
Financial assets	14	36,764	9,113	X		X
Cash and cash equivalents	15	74,894	135,948			
Cash and cash equivalents held for sale	1.6	1,809	48			
NON-CURRENT LIABILITIES						
Bank borrowings	17	60,116	96,229	X	X	
Financial liabilities related to the right-of-use of assets	18	325,595	345,544	X	X	
Other financial liabilities	19	1,683	-		X	
Other liabilities	22	-	655			
CURRENT LIABILITIES						
Bank borrowings	23	26,250	938	X	X	
Trade payables	24	29,202	29,785	X		
Financial liabilities related to the right-of-use of assets	26	44,282	35,689	X	X	
Other financial liabilities	27	21,982	30,216	X	X	
Other liabilities	30	28,648	33,583	X		
Other liabilities held for sale	1.6	20	21	X		

Significance of financial instruments

Financial instruments and their relative significance, as regards the Statement of Financial Position and Income Statement at 31 December 2021 and 31 December 2022, are shown in the following tables:

Financial assets and liabilities shown in the accounts

(€'000)	Notes	FY 31/12/21	Assets measured at fair value through profit & loss (FVPTL)	Liabilities measured at amortised cost (HTC)	Assets measured at fair value through OCI reserve (FVOCI)	Assets measured at amortised cost (HTC)	Fair value	Impact on Income Statement
NON-CURRENT ASSETS								
Financial leasing receivables	7	11,767	-	-	-	11,767	11,767	-
Other financial assets	8	3,336	-	-	-	3,336	3,336	26
Trade and other receivables	9	29,940	-	-	-	10,644	29,940	1
CURRENT ASSETS								
Trade and other receivables	11	24,647	-	-	-	24,647	24,647	14
Financial leasing receivables	13	813	-	-	-	813	813	-
Financial assets	14	9,113	5,798	-	-	3,315	3,315	759
Cash and cash equivalents	15	135,948	-	-	-	-	135,948	1
Cash and cash equivalents held for sale	1.6	48	-	-	-	-	48	-
NON-CURRENT LIABILITIES								
Bank borrowings	17	96,229	-	-	-	-	96,229	(1,446)
Financial liabilities related to the right-of-use of assets	18	345,544	-	345,544	-	-	345,544	(10,898)
Other financial liabilities	19	-	-	-	-	-	-	-
Other liabilities	22	655	-	-	-	-	655	(1,982)
CURRENT LIABILITIES								
Bank borrowings	23	938	-	938	-	-	938	(85)
Trade payables	24	29,785	-	29,785	-	-	29,785	-
Financial liabilities related to the right-of-use of assets	26	35,689	-	35,689	-	-	35,689	-
Other financial liabilities	27	30,216	-	30,216	-	-	30,216	(124)
Other liabilities	30	33,583	-	33,583	-	-	33,583	-
Other liabilities held for sale	1.6	21	-	21	-	-	21	-

Financial assets and liabilities shown in the accounts

(€'000)	Notes	FY 31/12/22	Assets measured at fair value through profit & loss (FVPTL)	Liabilities measured at amortised cost (HTC)	Assets measured at fair value through OCI reserve (FVOCI)	Assets measured at amortised cost (HTC)	Fair value	Impact on Income Statement
NON-CURRENT ASSETS								
Financial leasing receivables	7	11,011	-	-	-	11,011	11,011	-
Other financial assets	8	4,251	-	-	2,315	1,936	4,251	149
Trade and other receivables	9	32,852	-	-	-	10,519	32,852	132
CURRENT ASSETS								
Trade and other receivables	11	22,973	-	-	-	22,973	22,973	(20)
Financial leasing receivables	13	869	-	-	-	869	869	-
Financial assets	14	36,764	35,158	-	-	1,606	36,764	(549)
Cash and cash equivalents	15	74,894	-	-	-	-	74,894	96
Cash and cash equivalents held for sale	1.6	1,809	-	-	-	-	1,809	-
NON-CURRENT LIABILITIES								
Bank borrowings	17	60,116	-	-	-	-	60,116	(1,758)
Financial liabilities related to the right-of-use of assets	18	325,595	-	325,595	-	-	325,595	(10,163)
Other financial liabilities	19	1,683	-	1,683	-	-	1,683	(7)
Other liabilities	22	-	-	-	-	-	-	-
CURRENT LIABILITIES								
Bank borrowings	23	26,250	-	26,250	-	-	26,250	-
Trade payables	24	29,202	-	29,202	-	-	29,202	-
Financial liabilities related to the right-of-use of assets	26	44,282	-	44,282	-	-	44,282	-
Other financial liabilities	27	21,982	-	21,982	-	-	21,982	(212)
Other liabilities	30	28,648	-	28,648	-	-	28,648	-
Other liabilities held for sale	1.6	20	-	20	-	-	20	-

As shown in the above tables, the carrying amount of financial assets and liabilities is a reasonable approximation of their fair value; financial instruments include guarantee deposits under lease agreements and borrowings and non-current instruments. The financial instruments are classifiable under Level 3 of the fair value hierarchy of IFRS 13.

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

Changes in liabilities from financing activities

(€'000)

	31/12/21	Changes in financial flows		exchange rate effect	31/12/22
		Increase	Decrease		
Bank borrowings	96,229	-	9,932	(26,181)	60,116
Financial liabilities related to the right-of-use of assets	345,544	-	-	(19,949)	325,595
Other financial liabilities	-	-	-	1,683	1,683
Total change in non-current financial payables	441,773	-	9,932	(44,447)	387,394
Bank borrowings	938	-	799	26,111	26,250
Financial liabilities related to the right-of-use of assets	35,689	-	26,173	34,766	44,282
Current financial debt with the controlling shareholder	9,560	-	9,430	-	130
Current financial debt with the subsidiaries	20,656	1,196	-	-	21,852
Total change in current financial payables	66,843	1,196	36,402	60,877	92,514
Total liabilities from financing activities	508,616	1,196	46,334	16,430	479,908

32) Financial and market risk management

The main financial instruments of the Fiera Milano SpA are bank borrowings, short-term demand deposits and current financial payables from the controlling shareholder Fondazione Fiera Milano.

The Company has a favourable cash management cycle from the business of renting exhibition space to organisers and offering administrative and cash management services, receiving on behalf of the organisers everything that the exhibitors pay the organiser. After collection and based on the contractual agreements, Fiera Milano SpA transfers back to the organiser what is its due and keeps the payment for the spaces rented at the Exhibition sites and for the services provided. Suppliers of goods and services are paid under the normal payment terms used. This system allows the Company to collect its payments in advance, generating negative working capital which, in turn, leads to a cash surplus.

The Company is exposed to the following main types of risk.

32.1 Credit risk

Credit risk is represented by Fiera Milano SpA's exposure to potential losses from the non-fulfilment of obligations undertaken by counterparties. Credit risk is adequately monitored, also in relation to the cash management cycle that characterises the Company business. Fiera Milano SpA hosts and organises exhibitions that are leaders in their sector and, therefore, the loyalty of exhibitors is very high. The current system means that all amounts collected from exhibitors flow into Fiera Milano SpA accounts, which then pays the amounts due to its customers/organisers.

Three different categories of credit risk have been identified: organisers, exhibitors and other receivables.

The first risk category is represented by the exhibition **organisers**; the receivables included in this category are considered to represent the lowest risk as the Company manages the cash flows of all the exhibitions at its two Sites.

The second risk category is the **exhibitors**; the receivables from this category are considered medium risk as exhibitors normally have to make payment before the end of the exhibition.

The third risk category is **other receivables**, which mainly comprises exhibition-related activities (stand-fitting, congresses, promotions, internet services) and activities that are not exhibition related (sponsorship, advertising, etc.). These receivables are payable under normal payment conditions.

Specific guarantees can be used as a further means of mitigating credit risk.

The categories of credit risk at 31 December 2021 and at 31 December 2022 and the breakdown of past due amounts are shown in the following tables:

Class	FY 31/12/21 Receivables	Due	Overdue	Breakdown of late payments (days)				Provision
				0-90	91-180	181-270	>270	
Organisers	4,845	3,465	2,892	1,476	-	-	1,416	1,512
Exhibitors	5,358	3,611	2,342	1,189	79	144	930	595
Other	4,263	3,031	1,629	887	11	-	734	397
Total	14,466	10,107	6,863	3,552	90	144	3,080	2,504

Class	FY 31/12/22 Receivables	Due	Overdue	Breakdown of late payments (days)				Provision
				0-90	91-180	181-270	>270	
Organisers	5,156	1,582	3,574	3,327	-	7	240	-
Exhibitors	4,662	2,789	2,243	1,344	232	61	606	370
Other	5,409	5,028	778	547	50	2	161	397
Total	15,227	9,399	6,595	5,218	282	70	1,007	767

The provision for doubtful receivables is calculated on their presumed recoverability, using internal assessments supported by those of external legal consultants.

Changes in the provision for doubtful receivables at 31 December 2021 and 31 December 2022 by risk category are shown in the following tables:

Class	FY 31/12/20 Provision	Extraordinary transactions effects	Provisions	Utilisation	FY 31/12/21 Provision
Organisers	3,506	6	-	2,000	1,512
Exhibitors	767	-	-	172	595
Other	552	280	-	435	397
Total	4,825	286	-	2,607	2,504

Class	FY 31/12/21 Provision	Provisions	Utilisation	FY 31/12/22 Provision
Organisers	1,512	-	1,512	-
Exhibitors	595	69	294	370
Other	397	-	-	397
Total	2,504	69	1,806	767

32.2 Liquidity risk

The Company has in place measures to ensure that it has adequate levels of working capital and liquidity, any drop in business volumes, caused both by the seasonal and cyclic nature of the exhibition business, can have an impact on economic performance and the ability to generate cash flows.

In this respect, note the performance of net financial indebtedness, not including the IFRS 16 lease liability, which at 31 December 2022 recorded cash of Euro 3,435 thousand, down Euro 14,291 thousand compared to the figure at 31 December 2021.

The aim of the Company's risk management, also in the presence of financial debt, is to guarantee an adequate level of liquidity, minimising the related costs and maintaining a balance between the duration and composition of debt.

In February 2021, two five-year loans were entered into, with 24 months of pre-amortisation for a total of Euro 75 million. Ninety per cent of the amount disbursed is covered by SACE's guarantee under the 'Garanzia Italia' programme pursuant to Art. 1 of Italian Legislative Decree No. 23/2020, converted, with amendments, into Italian Law No. 40/2020 (the so-called 'Liquidity Decree'). In particular, a loan was entered into with a pool of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit) for Euro 55 million and a loan with Cassa Depositi e Prestiti for Euro 20 million, subject to the biannual calculation of financial covenants starting from 30 June 2021.

In April 2021, a loan for Euro 7 million was taken out with SIMEST, granted within the framework of the section of FUnD 394/8, pursuant to Article 91, paragraphs 1 and 2, of Decree Law 104 of 14 August 2020, converted, with amendments, by Law 126 of 13 October 2020, and Article 6, paragraph 3, no. 1 of Decree Law 137 of 28 October 2020. The loan matures on 31 December 2027, with a 36-month pre-amortisation period.

In May 2021, a 5-year loan of Euro 5 million was taken out with Banca Carige, with a 12-month pre-amortisation period, guaranteed 90% by SACE under the above-mentioned "Italy guarantee" programme. Euro 0.9 million in instalments were repaid during 2022.

In April 2022, the loan with Banca Bper in the amount of Euro 10 million, taken out in 2021, was repaid.

The Company has Euro 106.8 million in bank deposits and cash on account, compared to total bank borrowings of EUR 86.3 million, for which repayment schedules extend to 2027. In addition, the Company benefits from Euro 53.5 million in short-term loan facilities. Finally, the 2023-2026 financial projections show that the Group's recurring activities will generate additional positive cash flows, which will further strengthen the Company's financial position and ensure it complies with the covenants agreed with lenders, while maintaining an appropriate financial balance at all times.

The following tables give the breakdown of financial liabilities by maturity and an estimate of related interest expense due to maturity at 31 December 2021 and 31 December 2022.

Financial liabilities

(€'000)	FY at 31/12/21	3 mths	6 mths	12 mths	18 mths	24 mths	3 years	5 years	>5 years
Current and non-current bank borrowings*	97,097		312	625	13,149	14,399	33,024	33,838	1,750
Current and non-current interest payable		175	204	389	368	321	449	197	7
Current and non-current Financial liabilities related to the right-of-use of assets	381,233	12,034	7,843	15,811	16,015	16,234	33,134	69,069	211,093
Current and non-current interest payable		2,484	2,429	4,702	4,486	4,270	7,873	13,002	15,331
Other current financial liabilities	30,216	30,216							
Current interest payable		56							
Trade payables	29,785	29,785							
Total	538,331	74,750	10,788	21,527	34,018	35,224	74,480	116,106	228,181

* excluding Derivatives

Financial liabilities

(€'000)	FY at 31/12/22	3 mths	6 mths	12 mths	18 mths	24 mths	3 years	5 years	>5 years
Current and non-current bank borrowings	86,366	6,612	6,612	13,175	14,050	14,050	31,867		
Current and non-current interest payable		561	533	917	722	539	222		
Current and non-current Financial liabilities related to the right-of-use of assets	369,877	19,017	8,364	16,902	17,140	17,379	35,481	73,839	181,755
Current and non-current interest payable		2,366	2,310	4,448	4,217	3,983	7,252	11,554	10,636
Other current financial liabilities	23,665	21,982						1,683	
Current interest payable		147							
Trade payables	29,202	29,202							
Total	509,110	79,887	17,819	35,442	36,129	35,951	74,822	87,076	192,391

32.3 Market risk

The Company reserves the right to use appropriate hedging instruments if market risks become significant.

a) Interest rate risk

The Company has access to credit lines at competitive rates and is therefore also able to manage interest rate fluctuations. Moreover, the Company constantly monitors market conditions so as to intervene promptly should conditions change.

Notes 17 and 23 give the composition of bank borrowings.

The tables below give interest rate sensitivity analyses that show the effects that a +/-0.5% change in interest rates would have had on equity and on the income statement for 2021 and 2022.

(€'000)	Balance at 31/12/21	Balance* (debt)	Income (expense)	Rate	0.5%	-0.5%
Current accounts	135,985	70,342	1	0.00%	352	(352)
Current and non-current financial receivables from subsidiaries and joint venture	6,651	4,425	64	1.44%	86	41
Current and non-current financial leasing receivables	12,850	5,119	-	0.66%	26	(26)
Current and non-current bank borrowings**	(97,097)	(81,559)	(1,380)	1.69%	(1,786)	(971)
Current and non-current financial liabilities related to the right-of-use of assets	(381,233)	(401,327)	(10,898)	2.72%	(12,923)	(8,909)
Current account with the controlling shareholder	(9,560)	(11,132)	(83)	0.75%	(139)	(28)
Current account with the subsidiaries	(20,656)	(5,482)	(41)	0.75%	(69)	(14)

* average for the financial year
** excluding Derivatives

(€'000)	Balance at 31/12/22	Balance* (debt)	Income (expense)	Rate	0.5%	-0.5%
Current accounts	76,693	109,550	96	0.09%	646	(449)
Cash investments	30,093	10,055	155	1.54%	205	104
Current and non-current financial receivables from subsidiaries and joint venture	3,542	5,484	106	1.92%	133	78
Current and non-current financial leasing receivables	11,880	12,553	-	0.00%	63	(63)
Current and non-current bank borrowings	(86,366)	(90,024)	(1,758)	1.95%	(2,206)	(1,305)
Current and non-current financial liabilities related to the right-of-use of assets	(369,877)	(381,705)	(10,163)	2.66%	(12,062)	(8,244)
Non-current other financial liabilities	(1,683)	(140)	(7)	5.00%	(8)	(6)
Current account with the controlling shareholder	(130)	(302)	(3)	0.87%	(4)	(1)
Current account with the subsidiaries	(21,852)	(17,687)	(209)	1.18%	(297)	(120)

* average for the financial year

b) Exchange rate risk

This risk is insignificant as in the year ending 31 December 2022 the Company's business was primarily in the domestic market and no loans were obtained in foreign currencies.

c) Risk of changes in raw material prices

This risk factor concerns commodities and raw materials such as electricity, wood (used for stand panels) and polymers (used for graphics, signage and carpeting).

In this regard, the Company has put in place policies for the advance procurement of some materials (e.g. panels for stands) or fixed price procurement for other commodities (electricity). In addition, in early 2023 work began to upgrade the photovoltaic system installed in the Rho exhibition site with the aim, between 2023 and 2024, of increasing the share of energy needs from this source from the current 20% to 25-30%.

Exposure to this risk factor is described in the section "Risk of an increase in the price of raw materials/commodities" in the part of the report on the main risk factors to which the Group is exposed.

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

Guarantees given

This item totalled Euro 4,611 thousand (Euro 4,874 thousand at 31 December 2021) and the breakdown was as follows:

- Euro 3,186 thousand for the guarantee issued in favour of SIMEST SpA to guarantee the obligations undertaken with the loan contract requested by the Company from the resources of the Fund referred to in Law 394/81;
- Euro 924 thousand for the guarantee given to PGIM Real Estate Luxembourg S.A. on behalf of the subsidiary Nolostand SpA for the obligations under the lease agreement for a warehouse;
- Euro 501 thousand for the surety issued to the Tax Authority on behalf of the company La Fabbrica del Libro SpA liquidated on 10 November 2019 to guarantee the request for VAT refund for tax year 2019.

Contingent liabilities

There are several pending legal disputes, for which the legal consultant has estimated a potential liability of Euro 275 thousand.

INCOME STATEMENT

34) Revenues from sales and services

This item totalled Euro 172,488 thousand (Euro 98,995 thousand at 31 December 2021).

The breakdown of revenues was as follows:

Revenues from sales and services	(€'000)		
	2022	2021	Change
Facility fee for use of exhibition area	71,277	25,160	46,117
Rentals of stands, fittings, and equipment	45,313	20,788	24,525
Fees exhibitors area	22,423	30,033	(7,610)
Catering and canteen services	7,222	3,456	3,766
Exhibition site services	6,880	5,158	1,722
Advertising space and services	5,139	3,160	1,979
Miscellaneous fees and royalties	3,542	3,420	122
Supplementary exhibition services	3,185	2,156	1,029
Ticket office sales	2,451	1,658	793
Access surveillance and customer care services	1,405	752	653
Facility fees for use of conference centre	1,472	1,051	421
Multimedia and on-line catalogue services	824	484	340
Telephone and internet services	726	780	(54)
Administrative services	435	326	109
Revenues from publishing products	194	613	(419)
Total	172,488	98,995	73,493

The increase in revenues is mainly attributable to the resumption of trade fairs. The 2021 comparative figures, on the other hand, were affected by the cancellation of in-person events during the first six months of the year due to the Covid-19 pandemic. A key driver for this change was the strong performance of annual and multi-annual exhibitions, including the holding of Gastech, an international energy industry event which took place in Milan for the first time. This effect was partially offset by the fact that Host, a biennial event directly organised by the Group only in odd years, was missing from the trade fair calendar.

The item Revenues from sales and services included Euro 10,751 thousand (Euro 7,423 thousand at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

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

35) Cost of materials

This item totalled Euro 221 thousand (Euro 225 thousand at 31 December 2021).

The breakdown of this entry was as follows:

Cost of materials		(€'000)	
	2022	2021	Change
Subsidiary materials and consumables	145	183	(38)
Printed materials, forms and stationery	76	42	34
Total	221	225	(4)

Cost of materials included Euro 4 thousand (zero at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

36) Costs of services

This item totalled Euro 91,366 thousand (Euro 62,707 thousand at 31 December 2021).

The breakdown of this entry was as follows:

Cost of services		(€'000)	
	2022	2021	Change
Stands and equipment for exhibitions	35,333	19,648	15,685
Maintenance	5,738	5,446	292
Energy costs	5,540	5,605	(65)
Cost of marketing projects for exhibitions	4,550	1,901	2,649
IT services	4,425	3,718	707
Equipment hire	4,203	1,376	2,827
Cleaning and waste disposal	3,988	2,585	1,403
Security and gate services	3,814	3,067	747
Advertising	3,658	2,582	1,076
Technical, legal, commercial and administrative advice	3,179	3,089	90
Catering services	2,698	1,365	1,333
Insurance	2,691	1,594	1,097
Conference and congress services	1,723	1,394	329
Telephone and internet expenses	1,448	1,389	59
Technical, legal, commercial and administrative services	1,393	1,205	188
Other professional and collaborative services	985	764	221
Commissions and fees	901	563	338
Technical assistance and ancillary services	861	687	174
Ticketing	578	293	285
Transport	255	1,427	(1,172)
Remuneration of statutory auditors	135	150	(15)
Change in suspended costs for future exhibitions	(557)	878	(1,435)
Other	3,882	1,991	1,891
Use of provisions	(55)	(10)	(45)
Total	91,366	62,707	28,659

The item “Cost of services” mainly included costs for managing the exhibition sites during the setting up, running, and dismantling of exhibitions and congresses. The increase is mainly related to the trend in revenues.

Costs of services included Euro 36,128 thousand (Euro 19,287 thousand at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

37) Cost for use of third-party assets

This item totalled Euro 1,177 thousand (Euro 600 thousand at 31 December 2021) and the breakdown was as follows:

Cost of use of third-party assets

	2022	2021	Change
Other rental expenses	802	290	512
Vehicle hire - service	256	164	92
Rent and expenses for exhibition sites	99	138	(39)
Office equipment and photocopier hire	20	8	12
Total	1,177	600	577

(€'000)

The increase in the item “Variable fees” is mainly attributable to the licence to use exhibition trademarks.

Costs for use of third-party assets included Euro 183 thousand (Euro 155 thousand at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

38) Personnel Costs

This item totalled Euro 37,791 thousand (Euro 33,681 thousand at 31 December 2021) and the breakdown was as follows:

Personnel costs

	2022	2021	Change
Salaries	26,350	22,432	3,918
Social Security payments	8,110	7,052	1,058
Redundancy incentives	1,864	177	1,687
Defined contribution plans charges	1,578	1,492	86
External and temporary employees	613	80	533
Directors' remuneration	604	669	(65)
Defined benefit plan charges	47	85	(38)
Seconded employees from subsidiaries	4	-	4
Seconded employees from joint ventures	-	4	(4)
Change in suspended costs for future exhibitions	(522)	356	(878)
Other expenses	1,007	1,436	(429)
Use of provisions	(1,864)	(102)	(1,762)
Total	37,791	33,681	4,110

(€'000)

Wages and salaries and the social security contributions related to them, increased - mainly due to the presence in the first half of 2021 of the benefit deriving from the activation of the Wage Integration Fund (FIS) as well as variable pay components.

The item “Other expenses” includes Euro 309 thousand as costs relating to the “Medium-term Incentive Plan” approved by the Fiera Milano SpA Shareholders’ Meeting of 28 April 2021. This plan is an incentive to management to achieve the Company’s strategic objectives and align the interests of beneficiaries to those of shareholders. The Plan envisages the assignment to beneficiaries of a certain number of ordinary shares on achieving specific predefined performance objectives for 2021-2022 period.

Personnel costs included Euro 4 thousand (Euro 4 thousand at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

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

Breakdown of personnel by category

	2022	2021	Change
Managers	24	22	2
Middle managers and white collar workers	443	426	17
Total	467	448	19

39) Other operating expenses

This item totalled Euro 3,663 thousand (Euro 3,098 thousand at 31 December 2021) and the breakdown was as follows:

Other operating expenses

	2022	2021	Change
Other Taxes and duties	2,304	1,539	765
Provisions for bads debts reserve	1,692	232	1,460
Contributions and donations	563	486	77
Copyright royalties (SIAE)	270	122	148
Gifts and promotional merchandise	20	49	(29)
Capital losses from tangible asset	15	-	15
Other expenses	491	902	(411)
Use of provisions	(1,692)	(232)	(1,460)
Total	3,663	3,098	565

The increase in the item “Non-income taxes and taxes” mainly refers to the increase in the variable portion of the waste tax parameterized to higher collection volumes related to the resumption of exhibition activities.

Other operating expenses included Euro 528 thousand (Euro 933 thousand at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

40) Other income

This item totalled Euro 5,954 thousand (Euro 63.595 thousand at 31 December 2021) and the breakdown was as follows:

Other income	(€'000)		
	2022	2021	Change
Other recovered costs	1,155	1,633	(478)
Contributions to income	884	51,828	(50,944)
Office rent and expenses	589	585	4
Recovery of expenses for seconded employees	216	59	157
Insurance indemnities	102	36	66
Other income	3,008	9,454	(6,446)
Total	5,954	63,595	(57,641)

The decrease mainly refers to the presence of in the previous year of Euro 50,768 thousand in non-recurring public grants received as a result of the Covid-19 public health crisis, as well as Euro 5,054 thousand in non-recurring income from the temporary rent reductions for the Rho and Milan exhibition sites granted by the parent company Fondazione Fiera Milano during 2021.

Other income included Euro 4,030 thousand (Euro 9.045 thousand at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

41) Provisions for doubtful receivables and other provisions

This item totalled Euro 2,578 thousand (Euro 5.449 thousand at 31 December 2021) and the breakdown was as follows:

Provisions for doubtful receivables and other provisions	(€'000)		
	2022	2021	Change
Reorganisation of personnel	2,081	5,118	(3,037)
Other disputes	500	-	500
Provisions for doubtful receivables	69	-	69
Disputes with personnel	-	331	(331)
Write-back of provisions	(72)	-	(72)
Total	2,578	5,449	(2,871)

Notes 11, 20 and 28 to the Statement of Financial Position provide further details on changes in the provision for doubtful receivables and provisions for risks for the year.

42) Depreciation and Amortisation

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

This item totalled Euro 35,512 thousand (Euro 35,124 thousand at 31 December 2021).

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

Amortisation of intangible assets

This item totalled Euro 4,396 thousand (Euro 2,875 thousand at 31 December 2021).

The increase mainly relates to the amortisation of the new digital systems implemented from the end of the 2021 financial year.

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

43) Financial income and similar

This item totalled Euro 6,703 thousand (Euro 2,718 thousand at 31 December 2021), broken down as follows:

Financial income and similar		(€'000)	
	2022	2021	Change
Dividends from subsidiaries and joint venture	6,000	1,906	4,094
Interest income on bank accounts	251	1	250
Interest income from cautionary deposits for rent of the exhibition sites from the controlling shareholder	130	1	129
Interest income on financing to subsidiaries	88	40	48
Interest income on financing from joint venture	18	24	(6)
Exchange rate gains	1	1	-
Interest income on receivables from the controlling shareholder	3	-	3
Fair value measurement of financial assets	-	720	(720)
Other financial income	212	25	187
Total	6,703	2,718	3,985

The increase is mainly due to the higher dividends paid out by Subsidiary Fiera Milano Congressi SpA.

Financial income and similar included Euro 6,239 thousand (Euro 1,971 thousand at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

44) Financial expenses and similar

This item totalled Euro 13,050 thousand (Euro 12,601 thousand at 31 December 2021), broken down as follows:

Financial expenses and similar		(€'000)	
	2022	2021	Change
Interests on financial leasing with the controlling shareholder	10,148	10,889	(741)
Interest payable on bank accounts	1,771	1,388	383
Fair value measurement of financial assets	733	-	733
Interest payable on current account held with the subsidiaries	210	41	169
Charges on discounting defined benefit plans	65	24	41
Interests on financial leasing	15	10	5
Exchange rate losses	8	2	6
Interest payable on current account held with the controlling shareholder	4	83	(79)
Other financial expenses	96	164	(68)
Total	13,050	12,601	449

The change is mainly due to the financial expenses incurred due to an increase in interest rates and the fair value measurement of financial assets, the effects of which were partially offset by lower financial expenses on leased assets resulting from the application of IFRS 16.

Financial expenses and similar included Euro 10,362 thousand (Euro 11,013 thousand at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

45) Valuation of financial assets

Valuation of financial assets

	2022	2021	Change
Fiera Milano Brasil Publicações e Eventos Ltda	(2,720)	(458)	(2,262)
MADE eventi Srl	-	(186)	186
Total	(2,720)	(644)	(2,076)

This item totalled Euro -2,720 thousand (Euro -644 thousand at 31 December 2021). It refers to impairment adjustments, as mentioned in Notes 6 and 8 to the Statement of Financial Position.

46) Taxes on income

This item totalled Euro -1,851 thousand (Euro -23,717 thousand at 31 December 2021), broken down as follows:

Income tax

	2022	2021	Change
Current income tax	(2,804)	(5,751)	2,947
Deferred income tax	953	(17,966)	18,919
Total	(1,851)	(23,717)	21,866

The changes mainly refer to the presence during the previous year of benefits resulting from the effects of the tax realignment of goodwill and exhibition trademarks provided for by Article 110 of Decree Law 104/20 as amended by Article 1, paragraph 83 of Law 178 of 30 December 2020 (2021 Budget Law).

The analysis of current taxes is given below:

Current income tax

	2022	2021	Change
Income from tax consolidation	(3,037)	(8,695)	5,658
Current income tax (IRAP)	190	742	(552)
Tax realignment substitute tax	-	1,982	(1,982)
Other	43	220	(177)
Total	(2,804)	(5,751)	2,947

Income from tax consolidation reflects the income recognised by Fondazione Fiera Milano for the contribution of the IRES tax loss accrued in the current year. This will be paid after it has been offset against the IRES taxable income in the tax consolidation and based on the assessment of its recoverability within the time horizon of the approved plans.

Deferred tax assets and liabilities are broken down by type in the table below:

Deferred income taxes

	31/12/21	Recognised in the Income Statement	Recognised in equity	(€'000) 31/12/22
Deferred tax assets				
Tax realignment goodwill and trademarks	8,147	(308)	-	7,839
Provisions for risks and charges	1,330	(92)	-	1,238
Doubtful receivables	599	(407)	-	192
Tax losses carried forward	520	-	-	520
Excess amortisation, depreciation and write-downs	358	(13)	-	345
Other temporary differences	533	(111)	(122)	300
Total	11,487	(931)	(122)	10,434
Deferred tax liabilities				
Goodwill and other amortisation	11	22	-	33
Total	11	22	-	33
Net deferred taxes	11,476	(953)	(122)	10,401
<i>of which: Tax assets for deferred taxes</i>	<i>11,476</i>			<i>10,401</i>
<i>Deferred tax liabilities</i>	<i>-</i>			<i>-</i>

Deferred taxes for the year totalled Euro 953 thousand and represent the reversal of the deferred tax assets (Euro 931 thousand) and the reversal of the deferred tax liabilities (Euro 22 thousand).

The change in deferred tax assets is mainly due to (i) the release of deferred tax assets recognised in previous years into the provision for doubtful receivables to be deducted only once utilised, and (ii) the release of deferred tax assets arising from the tax realignment of goodwill and exhibition trademarks.

Reconciliation of theoretical and effective corporation tax charge (IRES)

	(€'000)
Profit/(loss) before income tax	(7,331)
Percentage applicable for corporation income tax (IRES)	24.0%
Theoretical IRES tax charge (corporation income tax)	(1,759)
Difference between theoretical and effective tax charges:	
Tax realignment goodwill and exhibition trademarks	265
Non-deductible write-downs of equity investments	653
Tax-free dividends	(1,368)
Other	141
Effective IRES tax charge	(2,069)

Reconciliation of theoretical and effective corporation tax charge (IRAP)

(€'000)

EBIT	1,737
Not- relevant expenses for IRAP purposes	39,601
Taxable base for purposes of IRAP	41,338
Statutory rate applicable for corporation income tax (IRAP)	3.9%
Theoretical IRAP tax charge (corporation income tax)	1,612
Difference between theoretical and effective tax charges:	
Tax realignment goodwill and exhibition trademarks	43
Tax wedge	(1,426)
Other	(12)
Effective IRAP tax charge	218

The item 'Income taxes' included Euro -2,994 thousand (Euro -8,475 thousand at 31 December 2021) for related-party transactions. For more details, see note 48 on these transactions.

1.6) Profit/(loss) from assets held for sale

Profit/(loss) from discontinued operations was zero (profit of Euro 4,600 thousand at 31 December 2021). For more details, see Note 1.6 'Disclosure of Assets Held for Sale'.

47) Profit/(loss) for the year

A loss for the year ended 31 December 2022 of Euro 5,480 thousand was recorded, compared to the profit of Euro 36,622 thousand at 31 December 2021.

48) Related-party transactions

As part of its corporate governance, Fiera Milano SpA has adopted procedures for related-party transactions as described in the Report on corporate governance and ownership structure, which forms part of the Board of Directors' Management Report in the full-year Financial Statements.

Fiera Milano SpA's related-party relationships have normally been conducted on an arm's length basis.

In the Statement of Financial Position, the Statement of Comprehensive Income and the Statement of Cash Flows, the amounts for related-party positions or transactions, if material, are shown separately. Given the total amount of statement of financial position and income statement items, Fiera Milano SpA has decided that Euro 2 million is the material threshold above which separate disclosure must be made in the Statement of Financial Position and Euro 1 million is that for separate disclosure in the Income Statement.

Detailed information on transactions is provided below and is divided between "Transactions with the Controlling Shareholder Fondazione Fiera Milano", "Transactions with Subsidiaries", "Transactions with Associates", "Transactions with Joint Ventures" and "Transactions with Other Related Parties".

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 Rho and Milan exhibition sites were signed. The new rental agreements are for nine years effective from 1 July 2014 (following the agreed early termination of the existing lease agreements due to expire on 31 December 2014) and are automatically renewable for a further nine years.

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

The parties agreed to maintain the existing rent of Euro 2,850 thousand per annum for the Milan City exhibition site, annually adjusted for 100% of the change in the ISTAT consumer price index. Subsequently, on 8 May 2019, Fiera Milano reached an agreement amending rent, which, with effect from 1 June 2019, provided for a reduction of Euro 1,500 thousand a year and the exclusion of some of the Milan exhibition site, mainly used as parking areas. For this reduction, starting from 1 June 2019, Fiera Milano will make an annual lease payment of Euro 1,413 thousand, index-linked 100% to changes in the ISTAT index, in four quarterly instalments, to Fondazione Fiera Milano.

According to the terms described above, the amendment to the lease agreement constitutes a substantial change of a Transaction of Greater Importance between related parties. Therefore, the transaction was approved on 8 May 2019 - pursuant to Art. 9.1 of the Related Parties Procedure - by the Company's Board of Directors, subject to obtaining the Control, Risks and Sustainability Committee's favourable reasoned opinion on 7 May 2019. Under the provisions of prevailing law, an Information Document drawn up in accordance with Art. 10.2 of the Related Parties Procedure and Consob Regulation No. 17221/2010 has been filed and made available to the public at the registered office and at Fiera Milano's operational and administrative offices, on the website and on the authorised storage mechanism.

To ensure that market conditions were applied, the parties prepared the rental agreements using valuations made for Fiera Milano SpA by an independent expert.

On 30 July 2021, the Company signed a contract with the Subsidiary Fiera Milano Congressi SpA for the sublease of **the fieramilanocity** district (pavillions 3 and 4) for congress and trade fair use.

On 15 December 2022, the Company supplemented the agreement for the lease of exhibition spaces with Fondazione Fiera Milano by adding a real estate complex owned by Fondazione Fiera Milano, namely the warehouse in the "Cargo 2" area of the Rho exhibition site, to the properties covered by the lease. This warehouse, which is intended to optimise the structural organisation for the fair stand activities of the subsidiary Nolostand SpA, a company specialising in the trade fair stand business, will be subleased to the latter by Fiera Milano from 1 January 2023. As a result, the rent under the contract has been recalculated upwards to Euro 450 thousand per year, payable for 2023 in four quarterly instalments in arrears.

The amendments to the contract qualify as a Related-Party Transaction, as they constitute a Transaction of Greater Importance between related parties.

The transaction was approved on 15 December 2022 - pursuant to Art. 9.1 of the Related Parties Procedure - by the Company's Board of Directors, subject to obtaining the Control, Risks and Sustainability Committee's favourable reasoned opinion on 14 December 2022. On the same date, the Information Document drafted pursuant to Article 10.2 of the Related Parties Procedure and Consob Regulation No. 17221/2010 was filed and

made available to the public at the registered office and at Fiera Milano's operational and administrative offices, on the Company's website and on the authorised storage mechanism.

With particular regard to the procedure above, please note that Fiera Milano is a smaller listed company and, as such, benefits from the exemption granted pursuant to Art. 10, paragraph 1, of Consob Regulation 17221/2010.

From 31 March 2020, in light of the serious impact of Covid-19, Fondazione Fiera Milano granted a temporary amendment to the terms of payment of the rentals under both lease agreements for the years 2020, 2021 and 2022 so that payment is made quarterly in arrears rather than quarterly in advance. In light of the current economic situation, on 12 December 2022 Fondazione Fiera Milano extended the possibility to pay rent in arrears into 2023.

II. Settlement of Group VAT

Taking advantage of the option provided by Italian Presidential Decree 633/72, on 1 January 2002 Fiera Milano SpA signed up to the procedure managed by the controlling entity Fondazione Fiera Milano for the Group settlement of VAT, effective from 1 January 2022. This mechanism makes it easier to settle any tax obligations, without the Company incurring additional costs.

III. Group tax consolidation

From 2016, Fiera Milano SpA and some of the Italian subsidiaries exercised the option to participate in the tax consolidation of Fondazione Fiera Milano acting as the consolidating entity. This option was renewed for the three years 2022, 2023 and 2024.

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.

Two types of services are provided under the contract: *(i)* services of a general nature, which fall within the range of activities of the entity providing them, supplied to the buyer on a continuous and systematic basis; *ii)* specific services, or services provided on request and relating to specific activities to be agreed from time to time between the buyer and the supplier, also based on appropriate offers/estimates. The service supply contract is governed by market conditions.

V. Licence contracts for use of the Fiera Milano trademark

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

The symbolic consideration paid by Fiera Milano SpA to Fondazione Fiera Milano is Euro 1.00. As its corporate purpose includes development of the exhibition sector, Fondazione Fiera Milano decided to retain ownership of the Fiera Milano trademark and did not include it in the 'Exhibition Management Business' unit transferred to the 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 year after year until 31 December 2032.

VI. Correspondence current account

A new contract for the correspondent current account was agreed on 24 June 2016. The contract expires on 31 December of each year and is automatically renewed unless one of the parties cancels by the 30 September preceding the date of expiry.

Under the existing contract, by mutual consent the parties agreed to cancel the previous current account before replacing it with a new current account.

The parties use the account to settle receipts and payments under the contracts existing between them and, in particular, the rental payments for the exhibition sites and the services provided by each party to the other.

The fixed rate was equal to the 1-month Euribor plus a spread of 0.75%.

Credits for invoices issued by the parties accrue interest 60 days from the end of the month in which the invoice is issued although the interest is not be collected and remains unavailable until the current account is closed, except for invoices that are overdue by more than 180 days, which are always payable immediately.

Invoices for the rent of the exhibition sites are part of the agreement but carry interest and are payable under the leases' specific terms. The balance of any invoices overdue by at least 180 days, together with the balance of the invoices for the leases on the exhibition sites that are due under the terms of the relevant contracts, represent the collectable balance.

Credits that are not due for repayment are not included in the current account.

The party for which the credit or debit balance exceeds Euro 5,000 thousand has the right to request payment or to arrange payment; Where a request for payment of the balance has been made, the amount must be settled within 15 working days of the request.

The current account is closed and all interest paid every quarter.

VII. "Corporate Think Tank" investment plan

As part of the competitiveness and sustainability plan for exhibition structures, Fondazione Fiera Milano signed an agreement with Fiera Milano SpA undertaking a commitment to support major investment plans. The parties developed their cooperation by establishing a 'Corporate Think Tank' for the joint analysis, comparison, and assessment of how investments are made.

VIII. Real estate sublease agreements

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

Relationships with Subsidiaries

Fiera Milano SpA has maintained trade relationships with its Subsidiaries concerning 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 staff services to some of its subsidiaries:

- purchases;
- legal and corporate affairs;
- administration, finance and control;
- *information Communication Technology*;
- certification;
- human resources.

The subsidiaries Fiera Milano Media SpA, Fiera Milano Congressi SpA and Nolostand SpA have agreements in place with Fiera Milano granting the right to use the name 'Fiera Milano' in their own trademarks. The contracts that expired in December 2022 were renewed on 24 November 2022 for the next three years. The contracts will automatically expire without the need for terminate them. Compensation of Euro 100 has been agreed for each of the licensing companies.

On 22 November 2018, Fiera Milano SpA signed a cash pooling agreement with Fiera Milano Congressi SpA and Nolostand SpA that shows the daily balances subject to offsetting among the companies. The applied rate was equal to the 1-month Euribor plus a spread of 0.75%. This contract renews automatically 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. Fiera Milano Congressi SpA

On 30 July 2021, Fiera Milano SpA signed a contract with the Subsidiary Fiera Milano Congressi SpA for the sublease of **the fieramilanocity** district (pavillions 3 and 4) for congress and trade fair use. The contract is for 6 years starting from 1 September 2021 and is automatically renewable for a further 6 years unless there is a cancellation to be communicated to the other party, at least 18 months before the end of each contractual expiry.

II. Nolostand SpA

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

On 22 December 2022, Fiera Milano SpA signed a contract with the subsidiary Nolostand SpA for the sublease of a real estate complex consisting of a warehouse located in Rho, Milan, in the area called "Cargo 2". The contract is for nine years and six months starting from 1 January 2023 and is automatically renewable for a further nine years unless there is a cancellation to be communicated to the other party, at least 18 months before the end of each contractual expiry.

III. MADE eventi Srl

On 17 December 2019, Fiera Milano SpA entered into a loan agreement with the subsidiary MADE eventi Srl for a maximum of Euro 600 thousand. On 6 May 2020 it was increased by a further Euro 300 thousand. The loan is renewed automatically from year to year. The rate applied at 1.30% was amended from 1 October 2022 to a rate of 1.50%. At 31 December 2022, the loan had been utilised in full.

IV. Fiera Milano Brasil Publicações e Eventos Ltda

On 11 March 2020, Fiera Milano SpA and the subsidiary Fiera Milano Brasil Publicações e Eventos Ltda signed a loan agreement for a maximum of Euro 1,000 thousand. On 2 November 2021, a further tranche of Euro 2,300 thousand was granted, bringing the total amount of the loan to Euro 3,300 thousand. On 2 December 2022, Euro 500 thousand of the loan was repaid. The applied rate is 2.30%. At the end of the year, the loan was adjusted by Euro 976 thousand through the impairment provision in order to bring the nominal value back to the presumed realisable value.

On 20 February 2023, the Board of Directors of Fiera Milano SpA resolved to convert the residual value of the loan into equity.

Relations with Associates

Fiera Milano SpA has maintained trade relationships with associates concerning the organisation and management of the Artigiano in Fiera exhibition.

On 23 November 2022, Fiera Milano SpA acquired a 25% stake in Ge.Fi SpA. Therefore, Ge.Fi SpA became a related party (an associate) on that date.

Relations with joint venture companies

Fiera Milano SpA has maintained trade relationships with its joint venture companies concerning the organisation and management of exhibitions and other events.

On 21 February 2016, Fiera Milano SpA signed a loan agreement with the *joint venture* company Ipack Ima Srl for a maximum amount of 3,000 thousand euros. The loan is tacitly renewed from year to year. On 1 October 2022, the applied rate of 1.30% was amended to 1.50%. At 31 December 2022, up to Euro 700 thousand of the loan had been utilised.

Fiera Milano SpA also has trade relations with Ipack-Ima Srl for the two multi-year exhibitions (Ipack-Ima and Meat-Tech) and provides technical and administrative services with regard to centralised management.

Relationships with other related parties

Fiera Milano SpA has relationships with associates as part of its normal management activities.

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

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

Related party entries in the Statement of Financial Position and Income Statement in the financial year to 31 December 2022

(€'000)	Increments of Right-of-use assets	Non current Financial leasing receivables	Non current Other financial assets	Non current Trade receivables and other	Trade and other current receivables	Inventories	Current Financial leasing receivables	Current financial assets	Assets held for sale	Non-current financial liabilities related to the right-of-use of assets	Advances	Current financial liabilities related to the right-of-use of assets	Other current financial liabilities	Other current liabilities	Revenues from sales and services	Cost of materials	Costs of services	Cost of use of third-party assets	Personnel expenses	Other operating expenses	Other income	Financial income and similar	Financial expenses and similar	Income tax
Controlling shareholder:																								
Fondazione Fiera Milano	13,822			32,745	2,667					325,114		44,115	130	73	452		103			213	392	133	10,152	(2,994)
Subsidiaries:																								
Fiera Milano Congressi SpA		11,011			366		869						15,692	725	707		3,692	106		187	1,122	6,000	192	
MADE eventi Srl					105			903			56			31	1				4		384	12		
Noiostand SpA					480	1							6,160	9,544	11		29,525				1,702		18	
Fiera Milano Brasil Publicações e Eventos Ltda			1,936																			76		
Fiera Milano Exhibitions Africa Pty Ltd					20										10									
Associates:																								
Ge.Fi. Srl					2,051									3,567	3,850		32				7			
Joint-ventures:																								
Ipack Irma Srl					20			703			18			16	5,675		188				270	18		
Mico DMC Srl					36	135			65					491	14	4	1,835	77			130			
Hannover Milano Fairs China Ltd																	4							
Hannover Milano Fairs India Ltd																	6							
Hannover Milano Fairs Shangai Ltd										10					31									
Other related parties:																								
Fair renew Srl														76			743				18			
Fiera Parking SpA					3									1						128	5			
Total related parties	13,822	11,011	1,936	32,745	5,748	136	869	1,606	65	325,114	84	44,115	21,982	14,526	10,751	4	36,129	182	4	527	4,030	6,239	10,363	(2,994)
Total reported		11,011	4,251	32,852	22,973	2,098	869	36,764	2,672	325,595	24,617	44,282	21,982	28,648	172,488	221	91,366	1,177	37,791	3,663	5,954	6,703	13,050	(1,851)
Related party entries/ Total reported (%)		100%	46%	99.67%	25%	6%	100%	4%	2%	99.85%	0%	99.62%	100%	51%	6%	2%	40%	15%	0.01%	14%	68%	93%	79%	162%

Information on the remuneration paid to the Administrative and Control Bodies, General Managers and Executives with strategic responsibilities at 31 December 2022 is given in the table included in the section 'Other information'.

Statement of related party cash flow

(€'000)

	2022	2021*
Cash flow from operating activities		
Revenues and income	14,781	16,467
<i>of which non recurring transactions</i>	-	5,054
Costs and expenses	(36,846)	(20,379)
Financial income	6,239	1,971
Financial expenses	(213)	(125)
Financial expenses on leased assets (IFRS 16)	(10,148)	(10,888)
Losses/income from tax consolidation	2,994	8,475
Change in trade and other receivables	(1,193)	(8,829)
Change in inventories	(110)	115
Change in advances	(1,255)	492
Change in other current liabilities	(2,198)	10,342
Total from continuing operations	(27,949)	(2,359)
Total from assets held for sale	(65)	(695)
Cash flow from investing activities		
Investments in non-current assets		
Tangible and intangible	-	-
Total from continuing operations	-	-
Total from assets held for sale	-	-
Cash flow from financing activities		
Change in non current financial leasing receivables	756	(11,767)
Change in non current financial assets	1,400	(3,336)
Change in current financial leasing receivables	(56)	(813)
Change in current financial assets	1,709	(98)
Change in current financial liabilities related to the right-of-use of assets	(26,008)	(20,008)
Change in current financial liabilities	(8,234)	22,828
Total from continuing operations	(30,432)	(13,193)
Total from assets held for sale	-	-
Cash Flow for the year from continuing operations	(58,381)	(15,552)
Cash Flow for the year from assets held for sale	(65)	(695)

* Some amounts in the financial statements as at 31 December 2021 have been restated for comparative purposes to reflect the effects of IFRS 5, following the contribution of the business unit related to the "Tuttofood" exhibition as part of the acquisition of 18.5% of Fiere di Parma.

The table below shows cash flow from related party transactions:

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities
FY to 31.12.22:			
Total	19,831	(8,518)	(70,607)
Related party transactions	(28,014)	-	(30,432)
FY to 31.12.21:			
Total	86,269	(3,851)	34,133
Related party transactions	(3,054)	-	(13,193)

49) Other information

Material non-recurring events and transactions

During the year, there were no significant non-recurring transactions defined in the Consob Resolution 15519 of 27 July 2006. The amount for the previous year, which was separately recognised under Other income, refers to contributions granted by Parent Company Fondazione Fiera Milano, namely Euro 50,768 thousand following the Covid-19 public health crisis and Euro 5,054 thousand for the temporary rent reductions for the Rho and Milan exhibition hubs.

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 2022 as defined in the aforementioned Communication.

Information required pursuant to Italian Law 124/2017

Pursuant to Law 124/2017 there are no contributions to report.

Significant events after the end of the reporting period

On 20 February 2023, the Company's Board of Directors opted to convert its existing loans with the subsidiary Fiera Milano Brasil Publicações e Eventos Ltda into equity with a view to strengthening the company's assets.

On 28 February 2023, the Company closed out its buyback of 410,000 treasury shares at an average unit price of Euro 3.02 for an equivalent value of Euro 1,241 thousand. The Company now holds 683,758 treasury shares, equal to 0.95% of share capital.

On 9 March 2023, following the press releases of 25 January 2022, 20 May 2022 and 13 October 2022, the Company's Board of Directors announced that it had agreed to finalise the strategic transaction with Fiere di Parma SpA concerning a partnership aimed at creating a common European exhibition platform in the agri-food sector. As a reminder, the Operation will be carried out through the subscription of a capital increase of Fiere di Parma reserved to Fiera Milano to be paid through the contribution of Fiera Milano SpA's business unit related to the exhibition "Tuttofood", a leading exhibition event in the agri-food sector organised in Milan at the Rho exhibition site for a value of Euro 16.5 million. The Parties have agreed that, upon closing of the transaction, the Company will initially hold 18.5% of the share capital of Fiere di Parma.

It also bears reminding that the transaction will see the Parties create a new multi-hub trade fair platform: (i) in Milan, 'Tuttofood powered by Cibus' will take on an international focus, bringing together audiences from all major agri-food producing countries and thus competing with other leading European exhibitions, while also continuing to support the local supply chain; and (ii) in Parma, 'Cibus' will become an iconic event for authentic Italian produce, including regional delicacies. Thanks to the synergies created between Fiera Milano SpA and Fiere di Parma, the exhibitions will be able to optimise their positioning by offering strategic and permanent support to the Made in Italy agro-food industry and the Italian system in general.

With this transaction, the Company will also participate in the governance of Fiere di Parma by supporting private shareholders (i.e. Crédit Agricole Italia SpA and Unione Parmense degli Industriali) and public shareholders (i.e. the Municipality and Province of Parma, Parma Chamber of Commerce, and the Emilia-Romagna Region) in enhancing the execution of the exhibition business plan. The transaction will also see Fiera Milano provide services to Fiere di Parma in relation to the "Tuttofood powered by Cibus" event, which will continue to be held at the Rho exhibition site and will be managed by Fiera Milano.

Information under Article 149-duodecies of the Consob Issuers' Regulation

The fees paid for services provided by the independent auditors in 2022 are shown in the following table.

Service Provider	Company providing the service	(€'000)
		Fees for FY 2022
Auditing	EY SpA	215
Other services ⁽¹⁾	EY SpA	20
Other services ⁽²⁾	EY SpA	29
Total		264

⁽¹⁾ Limited review of non-financial Information

⁽²⁾ Agreed audit procedures

Remuneration paid to the members of the Administrative and Control Bodies and by General Managers and Executives with strategic responsibilities

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

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

The total remuneration of this category of executives was Euro 2,511 thousand in the period to 31 December 2022 (Euro 2,888 thousand at 31 December 2021) and the breakdown was as follows:

Remuneration (€'000)	2022		
	Directors	Statutory Auditors	Other
Short-term benefits	579	135	1,168
Post-employment benefits	-	-	80
Other non-current benefits	-	-	-
Staff-leaving indemnities	-	-	240
Cost related "Medium-term Incentive Plan"	-	-	309
Total	579	135	1,797

Remuneration (€'000)	2021		
	Directors	Statutory Auditors	Other
Short-term benefits	612	120	1,341
Post-employment benefits	-	-	79
Other non-current benefits	-	-	-
Staff-leaving indemnities	-	-	-
Cost related "Medium-term Incentive Plan"	-	-	736
Total	612	120	2,156

At 31 June 2022, the outstanding amount payable to this category was Euro 559 thousand (Euro 610 thousand at 31 June 2021).

Rho (Milan), 15 March 2023

On behalf of the Board of Directors
The Chairman
Carlo Bonomi

Attachment 1

List of investments in subsidiaries, associates and joint ventures for the financial year ended 31 December 2022 (art. 2427, paragraph 1, no.5 of the Italian Civil Code)

(€'000)

Company name	Registered Office	Share capital	Equity		Net profit/(loss)		% held	Carrying value
			Total	Pro-quota	Total	Pro-quota		
Subsidiaries:								
Fiera Milano Congressi SpA	Milan	2,000	10,815	10,815	4,476	4,476	100.00%	12,200
MADE eventi Srl	Milan	10	744	446	(407)	(244)	60.00%	2,574
Nolostand SpA	Milan	7,500	15,750	15,750	284	284	100.00%	13,390
Fiera Milano Brasil Publicações e Eventos Ltda	San Paolo Brazil	17,372	(2,355)	(2,355)	(1,866)	(1,866)	99.99%	-
Fiera Milano Exhibitions Africa Pty Ltd	Cape Town	-	611	611	33	33	100.00%	415
Total								28,579
Associates:								
Ge.Fi SpA*	Milan	1,000	16,524	4,131	3,463	866	25.00%	13,426
Totale								13,426
Joint Venture:								
Hannover Milano Global GmbH	Hannover Germany	25	11,701	5,733	-2,770	-1,357	49.00%	10,989
Ipack Ima Srl	Milan	20	3,724	1,825	2,071	1,015	49.00%	2,407
Total								13,396

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

* company acquired on 23 November 2022

Attachment 2

Summary of key figures of the last financial statements of subsidiaries and associates included in the area of consolidation (Art. 2429, paragraph 4 of Italian Civil Code). Italian GAAPs:

(amounts in € '000)

MADE eventi Srl	31/12/22	31/12/21
Revenues from sales and services	3	3,717
Profit/(loss)	(407)	(1,657)
Equity	744	1,151
Net financial debt/(cash)	596	(941)

Attachment 2

Summary of key figures of the last financial statements of subsidiaries and associates included in the area of consolidation (Art. 2429, paragraph 4 of Italian Civil Code). IAS/IFRS:

Fiera Milano Congressi SpA

(amounts in € '000)

	31/12/22	31/12/21
Revenues from sales and services	43,309	22,953
Profit/(loss)	4,476	9,513
Equity	10,815	12,054
Net financial debt/(cash)	16,874	18,027

Nolostand SpA

(amounts in € '000)

	31/12/22	31/12/21
Revenues from sales and services	33,848	19,774
Profit/(loss)	284	261
Equity	15,750	15,399
Net financial debt/(cash)	(4,573)	(1,357)

Fiera Milano Brasil Publicações e Eventos Ltda

(amounts in Brazilian reais '000)

	31/12/22	31/12/21
Revenues from sales and services	43,586	764
Profit/(loss)	(10,153)	(7,303)
Equity	(13,282)	(3,020)
Net financial debt/(cash)	12,916	9,457

Fiera Milano Exhibitions Africa Pty Ltd

(amounts in South African rand '000)

	31/12/22	31/12/21
Revenues from sales and services	11,777	1,318
Profit/(loss)	562	(1,196)
Equity	11,059	10,497
Net financial debt/(cash)	(7,676)	(10,340)

Attachment 2

Summary of key figures of the last financial statements of joint ventures included in the area of consolidation (Art. 2429, paragraph 4 of Italian Civil Code). Italian GAAPs:

(amounts in € '000)

Ge.Fi SpA*	31/12/22	31/12/21
Revenues from sales and services	14,630	12,781
Profit/(loss)	3,463	6,444
Equity	16,524	15,738
Net financial debt/(cash)	(919)	(4,276)

* company acquired on 23 November 2022

Summary of key figures of the last financial statements of joint ventures included in the area of consolidation (Art. 2429, paragraph 4 of Italian Civil Code). Italian GAAPs:

(amounts in € '000)

Ipack Ima Srl	31/12/22	31/12/21
Revenues from sales and services	14,961	1,034
Profit/(loss)	2,071	(689)
Equity	3,724	1,653
Net financial debt/(cash)	(1,311)	256

Summary of key figures of the last financial statements of joint ventures included in the area of consolidation (Art. 2429, paragraph 4 of Italian Civil Code). IAS/IFRS

(amounts in € '000)

Hannover Milano Global Germany GmbH	31/12/22	31/12/21
Revenues from sales and services	5,742	31,051
Profit/(loss)	(2,770)	3,941
Equity	11,701	14,643
Net financial debt/(cash)	(21,412)	(21,617)

Declaration relating to the Financial Statements in accordance with Article 154-bis, paragraph 5, Italian Legislative Decree 58 of 24 February 1998

1. The undersigned, Carlo Bonomi, as Chairman of the Board of Directors, and Andrea Maldì, as Financial Reporting Officer of Fiera Milano SpA, having noted the provisions of Art. 154-bis, paragraphs 3 and 4, Legislative Decree 58 of 24 February 1998, attest to:
 - the appropriateness in relation to the characteristics of the business and
 - the effective application of administrative and accounting procedures for preparation of the financial statements at 31 December 2022.

2. It is also declared that:
 - 2.1 the Financial Statements at 31 December 2022:
 - have been prepared in accordance with applicable international accounting standards recognised by the European Union in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - correspond to the results contained in the accounting records and documents;
 - provide a true and correct representation of the capital, economic and financial situation of the Issuer.
 - 2.2 the report on operations includes a reliable analysis of the trend and results of operations and the situation of the Issuer, together with a description of the main risks and uncertainties to which they are exposed.

Rho (Milan), 15 March 2023

Signed
Chief Executive Officer
Luca Palermo

Signed
**Financial Reporting Officer responsible for drafting
of corporate accounting documents**
Andrea Maldì

**Report of the Board of Statutory Auditors,
at the Shareholders' Meeting pursuant to Article 153
of Legislative Decree 58/1998 and Article 2429, Paragraph 2,
of the Italian Civil Code**

**REPORT OF THE BOARD OF STATUTORY AUDITORS
FOR THE 2022 FINANCIAL YEAR**

**AT THE SHAREHOLDERS' MEETING PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE
58/1998 AND ARTICLE 2429, PARAGRAPH 2, OF THE ITALIAN CIVIL CODE**

Dear Shareholders,

During the financial year ended 31 December 2022, the Board of Statutory Auditors of Fiera Milano SpA (hereinafter the "Company" or "Fiera"), in compliance with the provisions of Article 149 of Legislative Decree 58/98 (TUF), and Article 2403 of the Italian Civil Code, carried out its supervisory activities in accordance with the law, observing the communications issued by Consob on corporate controls and the activities of the Board of Statutory Auditors (in particular, communication no. DAC/RM 97001574 of 20 February 1997 and communication no. DEM 1025564 of 6 April 2001, subsequently supplemented by communication no. DEM/3021582 of 4 April 2003 and communication no. DEM/6031329 of 7 April 2006), also taking into account the principles of conduct recommended by the National Council of Chartered Accountants and Accounting Experts and the indications contained in the new Corporate Governance Code, approved in January 2020, promoted by the Corporate Governance Committee of Borsa Italiana.

Furthermore, since the Company has adopted the traditional governance model, the Board of Statutory Auditors identifies itself with the "Internal Control and Audit Committee" which is responsible for further specific control and monitoring functions in terms of financial reporting and statutory audit, provided for by Article 19 of Legislative Decree no. 39 of 27 January 2010, as amended by Legislative Decree no. 135 of 17 July 2016.

The current Board of Statutory Auditors was appointed on 28 April 2021 by the Shareholders' Meeting of Fiera Milano S.p.A. (hereinafter, the Company), will remain in office for the three-year period 2021 - 2023, i.e. until the date of the Shareholders' Meeting called for the approval of the Financial Statements which will close on 31 December 2023.

Pursuant to Article 144-quinquiesdecies of the Issuers' Regulation, approved by Consob with resolution 11971/99 and subsequent amendments and additions, the list of offices held by the members of the Board of Statutory Auditors at the companies referred to in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code are published, if the conditions are met, by Consob on its website (www.consob.it).

The Company reports the main offices held by the members of the Board of Statutory Auditors in the Report on Corporate Governance and Ownership Structure.

The members of the Board of Statutory Auditors have complied with the limit of accumulation of offices established by Article 144-*terdecies* of the Issuers' Regulation

It is hereby acknowledged that the composition of the Board of Statutory Auditors in office complies with the provisions on gender diversity set out in Article 148, Paragraph 1*bis* of Legislative Decree no. 58/1998, as amended by Article 1, Paragraph 303 of Law no. 160 of 27 December 2019, and applied pursuant to Article 1, Paragraph 304 of the same law as well as in accordance with the provisions of Consob Communication no. 1 /20 of 30 January 2020.

The statutory auditing of the Company's accounts is carried out by the auditing firm Ernst Young SPA (hereinafter the "Independent Auditor" or "EY") for the duration of 9 financial years (2014-2022) as resolved by the Shareholders' Meeting of 29 April 2014.

With reference to the activity for which it is responsible, during the financial year in question, the Board of Statutory Auditors declares that it has:

- participated in the Shareholders' Meeting held on 22 April 2022 held by remote connection, as permitted by Article 3, paragraph 1 of Decree-Law no. 228 of 30 December 2021, converted into law on 25 February 2022, which further extended the provision set out in Article 106, paragraph 4, of Decree-Law no. 18 of 17 March 2020 converted into Law no. 27 of 24 April 2020;
- participated in the meetings of the Board of Directors, obtaining from the directors, at least quarterly, adequate information on the general management trend and its foreseeable evolution, as well as on the most significant transactions, by size and characteristics, carried out by the Company and its subsidiaries;
- acquired the elements of knowledge necessary to carry out the activity of verifying compliance with the law, the Articles of Association, the principles of correct administration and the adequacy and functioning of the organizational structure of the Company, through the acquisition of documents and information from the heads of the functions involved, as well as periodic exchanges of information with the Independent Auditor;

- participated, with its members, in the meetings of the Control, Risk and Sustainability Committee and the Appointments and Remuneration Committee;
- supervised the functioning and effectiveness of the internal control system and the adequacy of the administrative and accounting system, in particular in terms of its reliability in representing management events;
- promptly exchanged with the senior members of the Independent Auditor in charge of the statutory audit pursuant to Legislative Decree 58/1998 and Legislative Decree 39/2010, the data and information relevant for the performance of their respective duties pursuant to Article 150 of the TUF, also by examining the results of the work carried out and receiving the reports required by Article 14 of Legislative Decree 39/2010 and by Article 11 of EU Regulation 537/2014;
- examined the contents of the additional Report pursuant to Article 11 of EU Regulation 537/2014, failing to identify any aspects that need to be highlighted in this report;
- monitored the functionality of the control system on Group companies and the adequacy of the instructions given to them, also pursuant to Article 114, paragraph 2 of the TUF;
- acknowledged the preparation of the Remuneration Report pursuant to Article 123-ter of the TUF and Article 84-quater of the Issuers' Regulations, with no observations to report;
- monitored the concrete methods of implementation of the corporate governance rules adopted by the Company in compliance with the Corporate Governance Code;
- verified, in relation to the periodic assessment to be carried out pursuant to Article 4 of the new Corporate Governance Code, as part of the supervision of the methods of concrete implementation of the corporate governance rules, the correct application of the assessment criteria and procedures adopted by the Board of Directors, regarding the positive evaluation of the independence of the Directors;
- supervised the compliance of the internal procedure concerning Transactions with Related Parties with the principles indicated in the Regulations approved by Consob with resolution no. 17221 of 12 March 2010 and subsequent amendments, as well as on its observance, pursuant to Article 4, paragraph 6 of the same Regulations;

- supervised the fulfilment of the obligations related to the European legislation on Market Abuse (so-called MAR) and the processing of inside information and the procedures adopted in this regard by the Company;
- supervised the corporate disclosure process, verifying compliance by the directors with the procedural rules relating to the preparation, approval and publication of the financial statements and consolidated financial statements;
- ascertained the adequacy, in terms of the method, of the impairment process implemented in order to ascertain the possible existence of impairment of goodwill and/or other assets recognised in the financial statements;
- verified that the Directors' Management Report was compliant with current legislation, as well as consistent with the resolutions adopted by the Board of Directors and with the facts presented in the financial statements and consolidated financial statements;
- acknowledged the contents of the Consolidated Half-Year Report as at 30 June 2022, without it being necessary to express observations, and ascertained that the latter had been made public in accordance with the procedures established by law;
- acknowledged the contents of the consolidated quarterly financial reports within the deadlines set by the regulations in force;
- performed, in its role as Internal Control and Audit Committee, pursuant to Article 19, paragraph 1, of Legislative Decree 39/10, as amended by Legislative Decree 135/16, the specific information, monitoring, control and verification functions provided for therein, fulfilling the duties and tasks indicated in the aforementioned legislation;
- supervised compliance with the provisions established by Legislative Decree 254/2016, examining, among other things, the Consolidated Non-Financial Statement, also ascertaining compliance with the provisions governing its drafting pursuant to the aforementioned Decree, also in light of the guidance provided to ESMA in the 28 October 2022 paper on supervisory priorities;
- examined the draft annual financial statements and the draft consolidated financial statements, as well as the most significant economic, asset or financial transactions, including transactions with related parties or with a potential conflict of interest;

- monitored, by acquiring information from the functions concerned, civil, administrative and criminal litigation in which the Company is involved.

With regard to the COVID-19 pandemic emergency that also partially affected the 2022 financial year, the Board of Statutory Auditors continued its supervisory activity on the adoption of the necessary measures to prevent and contain infection in the workplace, in accordance with the instructions issued by the competent authorities to allow the company's business to continue.

To this end, the Board of Statutory Auditors also obtained information at meetings of the Board of Directors and the Supervisory Board.

The Board of Statutory Auditors also monitored the effects and impact of the Russia-Ukraine conflict on the performance of the Company and its business, as well as on its equity, economic and financial situation, including by reviewing the financial reports periodically issued by the Company and exchanging information with corporate officers and the Independent Auditor. It also ascertained that these impacts were correctly described and represented in the Company's annual and interim financial disclosure documents.

As appropriately stated by the Board of Directors in the Financial Report (paragraph "Risk management in the Fiera Milano Group"), the analysis of the main risk factors to which the Group is exposed shows, in summary, a reduction in the Group's overall risk profile, mainly due to the absence of the pandemic emergency that had a favourable impact on the evolution of the regulatory framework and the rescheduling of the calendar of events.

However, exposure remains high on two top risks, "instability of the macroeconomic and geopolitical environment" and "commodity prices" due to the inflationary spiral and the Russian-Ukrainian conflict. In particular, with regard to the latter, the impact of the war on the European and Italian economies and, in particular, on the trade fair sector is highlighted, given the almost total absence of Russian and Chinese buyers and visitors at exhibitions held in 2022, although this was partially offset by an increase in visits from other geographical areas such as India, South Korea, Japan and the Middle East. The continuation of the Russian-Ukrainian crisis also contributes to aggravating the phenomenon of discontinuity in global supply chains, with a consequent ongoing impact on the rising cost of raw materials, especially

gas and oil, and, as a cascade, with a significant impact on electricity costs, which were fixed at pre-crisis prices throughout 2022, but subject to market fluctuations from 2023. In this regard, the company has covered the majority of its energy needs for the first half of 2023 at a fixed cost that takes into account the favourable energy cost trend from the second half of January 2023.

Of the other top risks, some are well-established and inherent to the specificity of the industry ("competition", "dependence of Group companies on the exhibition business", "loss of key events"), while with regard to IT and cyber operational risks, major risk mitigation projects are still underway, such as the "cyber consolidation roadmap" and the network infrastructure modernisation project.

With regard to the above, to the extent of our competence, also for the current year, we will monitor the situation to ascertain the adequacy of the governance actions deemed appropriate by the Board of Directors to face the risks in question, in support of and protection of our corporate assets and business continuity.

In the course of the monitoring activity carried out by the Board of Statutory Auditors according to the methods described above, no facts emerged from which to infer non-compliance with the law and the Articles of Association or such as to justify reports to the Supervisory Authorities or mentions in this report.

The additional information required by Consob Communication no. DEM / 1025564 of 6 April 2001 and subsequent amendments is provided below.

- I. Adequate information was acquired on the most significant economic, financial and equity transactions carried out by the Company and by its subsidiaries. The main initiatives undertaken during the year are fully dealt with in the Management Report and appropriately transmitted to the market in accordance with the law.

In this context, among the significant events of the year that the Board of Statutory Auditors deems appropriate to recall, in consideration of their importance, the following should be noted:

- ✓ in general, the calendar of events in Italy saw the realisation of 50 exhibitions thanks to the resumption of in-person exhibition and congress activities throughout the year;
- ✓ June 2022 saw the return of the Salone del Mobile in its traditional version with over 2,000 exhibitors and 262,000 visitors over six days from 173 countries;
- ✓ in September 2022, Fiera Milano hosted for the first time the 50th edition of Gastech, the world's largest international event in its sector, which saw a record attendance of almost 40,000 professionals, as well as 300 CEOs and 750 exhibiting companies;
- ✓ on 23 November 2022 Fiera Milano finalised the purchase of a 25% stake in the share capital of Ge.Fi SpA, a leading Italian player in the organisation of trade fairs and exhibitions, including Artigiano in Fiera.

The transaction is part of the strategic framework of the Connect 2025 Plan, approved by the Board of Directors in 2021, which envisages, among other objectives, the consolidation of Fiera Milano's relations with the organisers of the main exhibitions it hosts; the consideration contractually agreed upon by the parties was Euro 11.75 million, which was paid at the closing in cash, in addition to an earn-out to be paid following the approval of Ge.Fi's 2025 financial statements and subject to the achievement of specific targets set out in Ge.Fi's Business Plan;

- ✓ on 22 September 2022, the first edition of FIND-Design Fair Asia was held in Singapore as part of the international activity. It is the Asian benchmark event for the design and furniture sector and hosted more than 250 brands from all over the world and about 30 Italian excellences;
- ✓ in October 2022, the company launched the first edition of NME (Next Mobility Exhibition), a biennial international event dedicated to the mobility of the future;
- ✓ On 15 December 2022, Fondazione Fiera Milano, as the lessor of the Rho exhibition centre and Fiera Milano, as the lessee, supplemented the agreement relating to the lease of the exhibition centre signed on 31 March 2014 to include a real estate complex consisting of a warehouse located in Rho, intended to favour the

optimisation of the activities of the subsidiary Nolostand Spa, to which it was subleased by Fiera Milano as of 1 January 2023. As a result of this change, the rent envisaged in the agreement will be increased, for the year 2023, by Euro 450 thousand.

- ✓ In 2022, the rating agency Sustainalytics issued an ESG rating on Fiera Milano with a score of 16.9, on a scale of zero to forty, where zero indicates the best rating and forty the worst, placing the Group in the best “low risk” rating class.
- ✓ On 13 October 2022, the company announced the start of the share buyback programme resolved by the Ordinary Shareholders' Meeting of 22 April 2022, intended to service existing and future share incentive plans reserved for directors and/or employees of the company.

As regards the main events that occurred in 2022 relating to the composition of the Corporate Bodies, the following should be noted:

- ✓ On 14 June 2022, the Board of Directors co-opted Prof. Ferruccio Resta as Director, to replace Anna Gatti, who resigned. Director Resta was recognised as meeting the independence requirements pursuant to Article 148, paragraph 3 of the TUF and pursuant to the Corporate Governance Code;
- ✓ On 13 October 2022, the Board of Directors co-opted Mr Regina De Albertis and Mr Agostino Santoni as Directors, replacing the resigning Directors Mr Angelo Meregalli and Ms Marina Natale. Both successor directors only meet the independence requirements pursuant to Article 158, paragraph 3 of the TUF.

Of the significant events that occurred subsequent to the end of the 2022 financial year, we recall:

- ✓ On 28 February 2023, the Company closed out the buyback of treasury shares, purchasing 410,000 shares at an average price of Euro 3.02 per share, for a total value of Euro 1,241,132.
- ✓ On 9 March 2023, following the press releases of 25 January 2022, 20 May 2022 and 13 October 2022, the Board of Directors resolved to finalise the strategic transaction with Fiere di Parma SpA concerning a partnership aimed at creating a common

European exhibition platform in the agri-food sector. As a reminder, the Operation is carried out through the subscription of a capital increase of Fiere di Parma reserved to Fiera Milano to be paid through the contribution of Fiera Milano's business unit related to the exhibition "Tuttofood", a leading exhibition event in the agri-food sector organised in Milan at the Rho exhibition site for a value of Euro 16.5 million. The Parties have agreed that, upon closing of the transaction, Fiera Milano will initially hold 18.5% of the share capital of Fiere di Parma.

On the basis of the information provided by the Company and the data acquired in relation to the aforementioned transactions, the Board of Statutory Auditors ascertained the compliance with the law, the Articles of Association and the principles of correct administration, ensuring that the same were not manifestly imprudent or risky, in potential conflict of interest, in contrast with the resolutions passed by the Shareholders' Meeting or such as to compromise the integrity of the company assets.

During its audits, the Board did not identify any atypical and / or unusual transactions, either with third parties, Group companies or with related parties. It is acknowledged that the information provided in the Financial Report regarding significant events and transactions and any atypical and / or unusual transactions, including those within the group and with related parties, is adequate and compliant with regulatory provisions.

- II. The characteristics of the intragroup and related party transactions carried out by the Company and its subsidiaries in 2022, the parties involved and the related economic effects are indicated in note 53 of the consolidated financial statements and in note 48 of the financial statements, to which reference is hereby made. It should be noted that the Company regularly maintains trade and financial relations with the subsidiaries, in respect of which it exercises management and coordination activities, which consist of transactions falling within the scope of ordinary management activities and concluded in line with market practices. The Board of Statutory Auditors assesses the information provided on the aforementioned transactions as overall adequate and assesses that the latter, on the basis of the data acquired, appear to be congruous and in line with the corporate interest.

Transactions with Related Parties, identified on the basis of international accounting standards and the provisions issued by Consob, are governed by an internal procedure

(hereinafter, the "Procedure"). The current Procedure was updated with a board resolution in June 2021, in order to align the document and the provisions contained therein with the changes in the reference regulatory context, and entered into force on 1 July 2021; there have been no changes during 2022.

In general, the Procedure provides rules and measures to be adopted to ensure transparency and the substantial and procedural fairness of related-party transactions carried out directly by Fiera Milano or through its subsidiaries. In particular, it identifies the Control, Risk and Sustainability Committee as the body responsible for expressing a reasoned opinion on the interest of the Company and on the substantial correctness of the related conditions regarding the performance of transactions with related parties.

In the Procedure, the Company enforces the exception granted in the Regulation that envisages, without prejudice to provisions on public disclosure, smaller listed companies – or those with balance sheet assets or revenues not exceeding Euro 500 million as shown in the most recently approved Consolidated Financial Statements - may apply the guidance and approval procedures envisaged for Minor Transactions to Transactions of Greater Importance.

For the aforementioned operations, the Board verified the correct application of the Procedure.

- III. Pursuant to Article 19 of Legislative Decree 39/2010, the Board of Statutory Auditors, as already mentioned on page 2, is also the Internal Control and Audit Committee and has carried out the prescribed supervisory activity on the statutory audit of the annual accounts and consolidated accounts.

On 27 March 2023, the Independent Auditor issued the reports pursuant to articles 14 and 16 of Legislative Decree 39/2010 and Article 10 of EU Regulation no. 537/2014, with which it certified that:

- the financial statements of the Company and the consolidated financial statements of the Group as at 31 December 2022 provide a true and fair representation of the financial position, the economic result and the cash flows for the year ended on that date in

- accordance with the international accounting standards IAS / IFRS, as well as the provisions issued in implementation of Article 9 of Legislative Decree 38/2005;
- the Management Report and the information pursuant to Article 123-*bis* of the TUF contained in the Report on Corporate Governance and Ownership Structure are consistent with the Company's financial statements and with the consolidated financial statements of the Group at 31 December 2022 and drawn up in compliance with the law;
 - the opinion on the financial statements and consolidated financial statements expressed in the aforementioned Reports is in line with that indicated in the Additional Report prepared pursuant to Article 11 of EU Regulation no. 537/2014;
 - the separate financial statements of Fiera Milano have been prepared in XHTML format in accordance with the provisions of Delegated Regulation (EU) 2019/815;
 - the Group's consolidated financial statements have been prepared in XHTML format and have been marked, together with the notes, in all significant aspects, in accordance with the provisions of Delegated Regulation (EU) 2019/815;

The aforementioned Reports of the Independent Auditor contain no observations or requests for information pursuant to Article 14, paragraph 2, letter d), nor statements issued pursuant to Article 14, paragraph 2, letters e) and f) of Legislative Decree 39/10.

On the same date, the Independent Auditor sent the additional report to the Board of Statutory Auditors in its capacity as Internal Control and Audit Committee to illustrate the results of the statutory audit, the elements inherent in the planning and execution process of the review of the related methodological choices and compliance with ethical principles, pursuant to Article 11 of EU Regulation no. 537/2014. As reported in the opinion on the Financial Statements, this does not contradict the same opinions, but reports on specific matters. It is worth mentioning here that, in addition to the so-called significant issues reported as "key aspects of the audit", in the annual and consolidated financial statements reports, no significant deficiencies emerge in the internal control system in relation to the financial reporting process which deserve to be brought to the attention of the managers of the "governance" activities.

The Independent Auditor also declared that they had verified, within the scope of their remit, the Disclosure of Non-Financial Information relating to the 2022 financial year.

It also issued a Report certifying the compliance of the Consolidated Disclosure of Non-Financial Information prepared by the Company, in all significant aspects, with the requirements of Legislative Decree 254/2016 and Article 5 of Consob Reg. 20267/2018 and with the principles and methodologies set out in the GRI Standards selected by the Company. In that Report, the Independent Auditor stated that no evidence had come to their attention to suggest that the Consolidated Disclosure of Non-Financial Information was not prepared in accordance with the requirements of the law and the Global Reporting Initiative Sustainability Reporting Standards as defined by GRI Standards.

In the same Report, the Independent Auditor issued the annual confirmation of their independence pursuant to Article 6, paragraph 2, letter a of EU Regulation 537/2014 and pursuant to paragraph 17 of ISA Italia 260.

The Board of Statutory Auditors met periodically with the Independent Auditor, also pursuant to Article 150, paragraph 3 of the TUF for the purpose of exchanging reciprocal information. In these meetings, the Independent Auditor did not reveal any acts or facts deemed reprehensible or irregularities that required the formulation of specific reports pursuant to Article 155, paragraph 2 of the TUF.

During the supervision of the 2022 financial statements, the Board of Statutory Auditors met periodically with the Independent Auditor to examine the results deriving from the verification of the regular keeping of the accounts, for the examination of the 2022 Audit Plan of Fiera Milano and the Group and its progress.

During the year, the Company and some of its subsidiaries appointed the Independent Auditor, and parties belonging to its network (EY network), to perform services other than the statutory audit.

Details of the remuneration paid during the year and the cost pertaining to the services carried out by the Independent Auditor and by parties belonging to its network for the Company and its subsidiaries, are indicated in the consolidated financial statements and in the financial statements of the Company, as required by Article 149-*duodecies* of the Issuers' Regulation, and the cost charged to the income statement.

Service provided			(€'000)
	Company providing the service	Client	Fees for financial year 2022
Auditing	EY SpA	Parent Company - Fiera Milano SpA	215
Auditing	EY SpA	Subsidiaries	118
Auditing	Network EY	Subsidiaries	33
Other services (*)	EY SpA	Parent Company - Fiera Milano SpA	29
Other services (**)	EY SpA	Parent Company - Fiera Milano SpA	20
		Total	415

(*) Agreed procedures
(**) Limited review of non-financial statement

Audit related fees include activities related to auditing the ESEF financial statements.

With reference to the data for the Parent Company, non-audit services refer to activities required for the Disclosure of Non-Financial Information, for other audit activities related to covenant compliance and for the FIND transaction.

The ratio between the cost of non-audit services and the average of the auditing services is below the limit established by the applicable legislation (70%).

The Board of Statutory Auditors, in the role of Internal Control and Audit Committee, has fulfilled the duties required by Article 19, paragraph 1, letter e) of Legislative Decree 39/2010 (as amended by Legislative Decree 135/2016) and by Article 5, paragraph 4 of EU Regulation 537/2014 regarding the prior approval of the aforementioned appointments, verifying their compatibility with current legislation and, specifically, with the provisions of Article 17 of Legislative Decree 39/2010 and subsequent amendments - as well as with the prohibitions pursuant to Article 5 of the Regulation referred to therein.

The Board of Statutory Auditors reports that the evaluation process, on the occasion of the appointment of the Independent Auditor and its Network by the Company and its subsidiaries to carry out certain types of services, is governed by an "Internal procedure for the approval of the services to be assigned to the company tasked with performing the statutory audit and its network "which has the objective of guaranteeing the satisfaction of the Independent Auditor's requirement and regulating the aforementioned evaluation process.

Furthermore, the Board:

- a) verified and monitored the independence of the Independent Auditor, pursuant to articles 10, 10-bis, 10-ter, 10-quater and 17 of Legislative Decree 39/2010 and Article

- 6 of EU Regulation no. 537/2014, ascertaining compliance with the regulatory provisions in force on the subject and that the appointments for the performance of services other than auditing conferred to this company did not appear to generate potential risks for the auditor's independence and for the safeguards pursuant to Article 22-ter of Directive 2006/43/EC;
- b) examined the transparency report and the additional report drawn up by the Independent Auditor in compliance with the criteria set out in EU Regulation 537/2014, noting that, on the basis of the information acquired, no critical aspects emerged in relation to the independence of the Independent Auditor;
 - c) received confirmation in writing, pursuant to Article 6, paragraph 2, letter a) of EU Regulation 537/2014, that the Independent Auditor, in the period from 1 January 2022 until the time of issuing the declaration, did not find any situations that could have compromised its independence pursuant to articles 10 and 17 of Legislative Decree 39/2010, as well as 4 and 5 of EU Regulation 537/2014 and paragraph 17, letter b) of the ISA Italy Auditing Standards no. 260;
 - d) discussed with the Independent Auditor the risks for its independence and any measures adopted to mitigate these, pursuant to Article 6, paragraph 2, letter b) of EU Regulation no. 537/2014.
- IV. During the year, the Board did not receive any complaints pursuant to Article 2408 of the Italian Civil Code, nor complaints from shareholders or third parties.
- V. During the 2022 financial year, the Board of Statutory Auditors expressed its opinion in all those cases in which it was requested by the Board of Directors, also in compliance with the regulatory provisions that require prior consultation of the Board of Statutory Auditors.

During the year, the Board of Statutory Auditors, to the extent of its competence, examined the proposals made - after evaluation by the Appointments and Remuneration Committee - regarding the remuneration policy and its implementation.

The remuneration system, implemented on the proposal of the Appointments and Remuneration Committee, provides for the assignment of remuneration divided into a fixed component and a variable component linked to the economic results achieved at Group level and correlated to set specific objectives, together with participation in the Company's Long

Term Incentive plans, in favour of certain executives in key positions, including Strategic Executives, as illustrated in the Remuneration Report, which will be published pursuant to Article 123-ter TUF on the Company's website.

The Appointments and Remuneration Committee verified that the remuneration awarded is in line with market values.

- The Board of Statutory Auditors also approved, pursuant to Article 2386, paragraph 1 of the Italian Civil Code, the appointment by co-option to the position of independent director of the Company of Prof. Ferruccio Resta, resolved upon in the meeting of 14 June 2022 to replace Ms Anna Gatti, who resigned; approved - again pursuant to the aforementioned article - the appointments by co-option to the office of independent directors of the Company of Mr Agostino Santoni and Ms Regina De Albertis, resolved upon in the meeting of 13 October 2022 following the resignation of Mr Angelo Meregalli and Ms Marina Natale from their positions as directors of the Company.

In addition to the above, on 30 January 2023, the Board of Statutory Auditors prepared a reasoned proposal, in its capacity as the Internal Control and Audit Committee pursuant to Article 19 of Legislative Decree no. 135/2016, for the appointment of the legal audit mandate to be entrusted by the Shareholders' Meeting, in accordance with the criteria and procedures set out in Article 16 of European Regulation no. 537/2014. The assignment is for the nine-year period 2023-2031.

The Shareholders' Meeting, convened for 27 April 2023, is also called upon to decide on the remuneration of the Independent Auditor as well as on any criteria for adjusting the fees, again subject to the reasoned proposal of the Board of Statutory Auditors. Pursuant to the provisions of the aforementioned Article 16 of the European Regulation, since it is a matter of appointment of the independent auditor for a Public Interest Entity (PIE), the proposal formulated by the Board of Statutory Auditors, submitted for approval, must include at least two possible alternatives for the appointment and a reasoned preference for one of the two.

In general, in order to obtain the information necessary to perform its supervisory duties, the Board of Statutory Auditors, during the financial year 2022, met twenty-one times (21).

While the effects deriving from the pandemic event persisted, the Board of Statutory Auditors carried out a considerable part of its activities remotely, without detecting any impact on the effectiveness of the control activity.

From the closing date of the 2022 financial year to the date of drafting this report, the Board of Statutory Auditors met 9 times.

The activities carried out in the aforementioned meetings are documented in the relative minutes. In addition, during the financial year 2022, the Board of Statutory Auditors attended all 10 meetings of the Company's Board of Directors, 7 meetings of the Control, Risk and Sustainability Committee and 7 meetings of the Appointments and Remuneration Committee, as well as the only Shareholders' Meeting.

VIII. As already noted, the Board of Statutory Auditors supervised compliance with the law and the Articles of Association and compliance with the principles of correct administration, ensuring that the transactions approved and implemented by the directors were in compliance with the aforementioned rules and principles, as well as inspired by principles of economic rationality and not manifestly imprudent or risky, in conflict of interest with the Company, in contrast with the resolutions passed by the Shareholders' Meeting, or such as to compromise the integrity of the company assets. The Board believes that the governance tools and institutions adopted by the Company represent a valid safeguard for compliance with the principles of correct administration.

IX. The adequacy of the organisational structure of the Company and of the Group was supervised through gaining knowledge of the administrative structure of the Company and exchanging data and information with the heads of the various company functions, the Internal Audit function and the Independent Auditor.

The organisational structure of the Company and the Group is managed by the Chief Executive Officer and implemented through a system of internal delegations which have identified the managers responsible for the various departments and Business Units and granted powers consistent with the responsibilities assigned.

In the light of the checks carried out, in the absence of any critical issues found, the organisational structure of the Company appears adequate in consideration of the object, characteristics and size of the company.

Under the Articles of Association, the Chairman and the Chief Executive Officer are vested with the legal representation of the Company vis-à-vis third parties and in court.

The Chairman has no operational powers and is entrusted with institutional tasks of guidance and control.

- X. With reference to the supervision of the adequacy and effectiveness of the internal control and risk management system, also pursuant to the current Article 19 of Legislative Decree 39/2010, the Board held periodic meetings with the head of the Internal Audit and Risk Management function, participated in meetings with the Control, Risk and Sustainability Committee and with the Supervisory Board, provided for in accordance with the organisational model envisaged by Legislative Decree 231/2001 adopted by the Company (the "231 Model").

In particular, the Board of Statutory Auditors supervised the adequacy of the internal control and risk management systems through:

- meetings with the top management of Fiera Milano to examine the internal control and risk management system;
- periodic meetings with the Internal Audit function and the Compliance function in order to evaluate the work planning methods, based on the identification and assessment of the main risks present in the processes and organisational units;
- meetings with the Risk Manager to analyse the strategic risks of Fiera Milano and the Group;
- meetings with senior management on the organisational and management impacts of Fiera Milano's corporate activities;
- examination of the periodic reports of the Control Function in coordination with the Company's Control, Risk and Sustainability Committee;
- meetings with the Financial Reporting Officer and the Head of Planning and Control of Fiera Milano;
- meeting with the Investor Relator of Fiera Milano;

- joint meetings with the Control, Risk and Sustainability Committee and the Supervisory Board of the Company;
- discussion of the results of the work carried out by the Independent Auditor;
- regular participation in the work of the Control, Risk and Sustainability Committee, of the Appointments and Remuneration Committee of the Company and, when the topics discussed required it, joint discussion of the same with the respective committees.

The activities carried out by the internal control function during the year substantially covered the planned scope of activity. No significant critical issues emerged from this activity, but some aspects of improvement to be implemented in the near future did emerge.

The guidelines of the Company's internal control and risk management system are defined by the Board of Directors, with the assistance of the Control, Risk and Sustainability Committee. The Board of Directors also assesses its adequacy and correct functioning, at least annually, with the support of the Internal Audit function and the Control, Risks and Sustainability Committee. The Internal Audit function of the Company operates on the basis of an annual plan that defines which activities and processes to subject to risk-based checks. The plan is approved annually by the Board of Directors subject to the favourable opinion of the Control, Risk and Sustainability Committee and was reviewed and approved at the meeting of the Board of Directors on 15 March 2022.

The Board of Statutory Auditors met periodically with the Internal Audit Department to evaluate the audit plan and its results, both in the planning phase and in the analysis phase of the audits carried out and their follow-ups.

On the basis of the activity performed, the information acquired, the content of the Control Function Report, the Board of Statutory Auditors believes that there are no critical elements such as to affect the structure of the control and risk management system.

The Board of Statutory Auditors exchanged information with the supervisory bodies of the subsidiaries pursuant to Article 151 of Legislative Decree no. 58/1998, also with reference to civil and criminal administrative disputes concerning these companies.

The Company, also at group level, makes use of additional tools to monitor the operational objectives and compliance objectives, including a structured and periodic system of planning, management control and reporting, a company risk management system according to principles of Enterprise Risk Management (ERM) (approved by the Board of Directors on 15 March 2022), as well as the accounting control model according to Law 262/2005 on financial information.

The Company has its own Model 231 which, together with the Group's Code of Ethics, is aimed at preventing the perpetration of significant offenses pursuant to the decree and, consequently, the extension to the Company of the related administrative liability.

The Supervisory Boards supervised the functioning and observance of the Organisational Model - of which it assessed the suitability pursuant to Legislative Decree 231/2001 - monitoring the evolution of the relevant legislation, the implementation of staff training initiatives, as well as the observance of the Protocols by their recipients, also through checks carried out with the support of the Internal Audit function.

On the subject of internal dealing, without prejudice to the obligations relating to the regulation of market abuse, the Company has regulated the obligation to abstain from carrying out transactions on financial instruments issued by the Company and listed on regulated markets in accordance with the provisions of *EU Reg. 596/2014* on market abuse, applying the obligation to abstain only to mandatory financial documents and indicating the timing and duration of the obligation in accordance with the provisions of the aforementioned rule.

The Procedure for the internal management of Relevant Information and Inside Information and the public disclosure of Inside Information was most recently amended by the Board on 20 June 2019 in order to establish, in accordance with the recommendations contained in the CONSOB Guidelines, a register for the relevant information, the so-called "Relevant Information List", with the aim of tracing the stages leading up to the publication of inside information, identifying and monitoring those types of information that the issuer deems relevant, as it relates to data, events, projects or circumstances that may, later on, become inside information.

In relation to the 2022 financial year, in compliance with the provisions of Article 6, Recommendation 33 of the Corporate Governance Code, the Board of Directors carried out an overall assessment of the adequacy of the internal control and risk management based on the information and evidence collected, and supported by the results of the Control, Risk and Sustainability Committee's preliminary studies. This included the methods of coordination between the various parties involved in the system. The Board deemed it overall suitable for allowing, with reasonable certainty, adequate management of the main risks identified.

- XI. The Board also supervised the adequacy and reliability of the administrative-accounting system to correctly represent management events, obtaining information from the heads of the respective functions, examining company documents and analysing the results of the work carried out by the Independent Auditor. The functions established by law were jointly assigned to the Financial Reporting Officer, who was invested with adequate powers and means for exercising of the related duties. Furthermore, the Chief Executive Officer, through the Financial Reporting Officer, is responsible for implementing the "Accounting control model pursuant to Law 262/2005" with the aim of defining the guidelines to be applied within the Fiera Milano Group, with reference to the obligations deriving from Article 154-*bis* of the TUF regarding the preparation of corporate accounting documents and the related certification obligations. The preparation of the accounting and financial statements, both statutory and consolidated, is governed by the manual of the Group's accounting principles and by the other administrative-accounting procedures that are part of the Model pursuant to Law 262/2005.

As part of the Model pursuant to Law 262/2005, the procedures relating to the impairment process are also formalised in accordance with IAS 36.

The Fiera Milano Group made use of an independent external consultant to carry out the impairment test on the goodwill and intangible assets recognised in the consolidated financial statements as at 31 December 2022. Taking into account the recommendations made by the European Securities and Markets Authority ("ESMA") aimed at ensuring greater transparency of the methodologies adopted by listed companies in the context of the impairment test procedures on goodwill and intangible assets, as well as in line with the recommendations of the joint Bank of Italy-Consob-Isvap document no. 4 of 3 March 2010 and in light of the

indications provided by Consob, the compliance of the impairment test procedure with the requirements of international accounting standard IAS 36 was subject to express approval by the Board of Directors of the Company on 20 February 2023, subject to the favourable opinion issued in this regard by the Control, Risk and Sustainability Committee. The Board supervised compliance with the disclosure requirements issued by CONSOB with the attention call no. 3/22 of 19 March 2022 - Conflict in Ukraine - Call for attention of supervised issuers on financial reporting and compliance with the restrictive measures adopted by the European Union against Russia, and by ESMA with the document issued on 28 October 2022 and the impairment process (*European common enforcement priorities for 2022 annual financial reports*).

The impairment procedure, and in particular its results presented to the Board of Directors for approval, were examined by the Board of Statutory Auditors through meetings with the Independent Auditor and participation in the meeting of the Control, Risks and Sustainability Committee, which previously examined the methodology.

The Board of Statutory Auditors supervised the financial reporting process, also by obtaining information from the Company's management and assesses the Company's administrative-accounting system as overall adequate and reliable in correctly representing management events.

- XII. The Board monitored the adequacy of the instructions given by the Company to the subsidiaries pursuant to Article 114, paragraph 2 of the TUF, ascertaining, on the basis of the information provided by the Company, its suitability to provide the information necessary to fulfil the disclosure obligations established by law, without exception.
- XIII. As regards the verification of the methods of concrete implementation of the corporate governance rules, provided for by the Corporate Governance Code in the edition in force, the Board carried out this verification activity with the assistance of the Legal and Corporate Affairs Department of the Company.

At the meeting held on 20 February 2023, the entire Board of Directors was able to verify that the Company was in line with the recommendations issued by the Corporate Governance Committee in its letter of 25 January 2023. The aforementioned recommendations immediately brought to the attention of the Chairman of the Board of Directors and the

Chairman of the Board of Statutory Auditors of the Company were shared with the Board of Directors on that occasion.

The Report on Corporate Governance and Ownership Structures makes it clear that the Board of Directors has decided to implement all the recommendations of the Code.

The Board of Statutory Auditors also examined the letter of 25 January 2023 from the Chairman of the Corporate Governance Committee as well as the assessments made and the decisions taken by the Company with regard to the recommendations contained therein, without making any particular observations in this regard.

The Board of Directors, in the interest of the Company and its Shareholders, promoted dialogue with Investors and, in accordance with the provisions of the Corporate Governance Code, approved the "Policy concerning the management of dialogue with institutional investors and with the shareholders in general" (hereinafter "Engagement Policy").

The Engagement Policy has been prepared with the aim of ensuring that dialogue with investors and, in general, with the entire shareholder community takes place in compliance with good corporate practices and current legislation, including legislation on the treatment of inside information, and that it is based on the principles of accuracy, transparency, timeliness and information symmetry.

The Chairperson of the Board of Directors, assisted by the Chief Executive Officer, ensures that the Board of Directors is promptly informed of the development and main content of dialogue with institutional investors and Shareholders under this Engagement Policy.

- XIV. The Company's Board of Directors currently consists of 9 directors, 4 of whom are independent pursuant to the TUF and 4 of whom are independent pursuant to the TUF and the Corporate Governance Code. Its composition also respects the rules on gender balance. Pursuant to Article 4, Principle XIV, Recommendations 21 and 22 of the Corporate Governance Code, and on the basis of a specific questionnaire divided into different areas of investigation and with the possibility of expressing comments and proposals, despite Fiera Milano being a company with concentrated ownership, the Board also carried out a self-assessment process for the year 2022, on the size, composition (including number and role of independent directors) and on the functioning of the Board itself and its committees, the results of which were presented during the meeting held on 20 February 2023.

With regard to the procedure followed by the Board of Directors for the purpose of verifying the independence of its directors, the Board of Statutory Auditors carried out the assessments within its competence, ascertaining the correct application of the criteria and procedures for ascertaining the independence requirements pursuant to the law and the Corporate Governance Code and compliance with the composition requirements of the administrative body as a whole.

Finally, the Board assessed the suitability of the members of the Board of Statutory Auditors itself and the adequate composition of the body, with reference to the requisites of professionalism, competence, integrity and independence required by law, drafting the Report on the self-assessment of the Board of Statutory Auditors relating to 2022. The outcome of the evaluation process was positive. The self-assessment report of the Board of Statutory Auditors was presented to the Board of Directors at the Board meeting held on 20 February 2023 and was disclosed in the Report on Corporate Governance and Ownership Structure.

It also endorsed the recommendation of the Corporate Governance Code to declare its own interest or the interest of third parties in specific transactions submitted to the Board of Directors. During the financial year 2022, there were no situations for which the members of the Board of Statutory Auditors had to make such declarations.

There were a total of ten (10) Board of Directors' meetings during 2022.

The following committees were set up within the Board of Directors:

- Control, Risk and Sustainability Committee, with advisory and propositional functions, which reports to the Board of Directors at least every six months on the activity carried out and on the adequacy of the internal control and risk management system and is also responsible for supervising sustainability issues connected to the business activity and its interaction dynamics with all stakeholders; this committee is made up of three independent directors. There were a total of seven (7) meetings of the Control, Risk and Sustainability Committee during 2022. *This committee also acts as a Committee for transactions with related parties.* On the subject of related-party transactions, the Committee examined the substantive and procedural fairness of the main economic, equity and financial transactions with related parties.

- Appointments and Remuneration Committee, composed of three independent directors, met a total of seven (7) times during 2022. During these meetings, the Committee formulated its recommendations on the methodology for calculating variable remuneration, approved the draft Remuneration Report for the financial year, formulated proposals for changes in remuneration and the allocation of monetary bonuses, and examined the results of the remuneration benchmark, with reference to Executives with Strategic Responsibilities.

Please refer to the Report on Corporate Governance and Ownership Structure for further information on the Company's corporate governance, in relation to which the Board has no observations to make.

- XV. The Board of Statutory Auditors examined the Remuneration Report approved by the Board of Directors on 15 March 2023 on the proposal of the Remuneration Committee, and verified its compliance with legal and regulatory requirements.
- XVI. The Board of Statutory Auditors also examined the proposals that the Board of Directors, in the meeting of 15 March 2023, resolved to submit to the Shareholders' Meeting, and declares that it has no observations in this regard, including the proposal to carry forward the net loss for the financial year.
- XVII. Finally, the Board of Statutory Auditors carried out its checks on compliance with the law relating to the preparation of the draft financial statements and consolidated financial statements of the Group as at 31 December 2022, the respective explanatory notes and the Management Report accompanying these, directly and with the assistance of the heads of the functions and through the information obtained from the Independent Auditor. In particular, the Board of Statutory Auditors, on the basis of the controls performed and the information provided by the Independent Auditor, within the limits of its competence according to Article 149 of the TUF, acknowledges that the prospectuses of the financial statements and consolidated financial statements of Fiera Milano as at 31 December 2022 have been drawn up in compliance with the provisions of the law that regulate their formation and layout and with the International Financial Reporting Standards, issued by the International Accounting Standards Board, based on the text published in the Official Journal of the European Communities.

The financial statements and consolidated financial statements are accompanied by the required certifications, signed by the Chief Executive Officer and by the Financial Reporting Officer.

In addition, the Board of Statutory Auditors has verified that the Company has complied with its obligations under Legislative Decree 254/2016 and that, in particular, it has prepared the Consolidated Disclosure of Non-Financial Information, in accordance with the provisions of articles 3 and 4 of the same decree and the remaining applicable regulations, as well as in light of the guidance provided to ESMA in the document of 28 October 2022 on supervisory priorities; this statement is accompanied by the certification issued by the Independent Auditor as to the compliance of the information provided therein with the provisions of the aforementioned Legislative Decree with the principles and methodologies used by the company for its preparation also pursuant to the Consob rules adopted by resolution no. 20267 of 18 January 2018.

The NFS was approved by the Board of Directors on 15 March 2023 as a separate document from the Management Report to the consolidated financial statements at 31 December 2022. In its report issued on 27 March 2023, the Independent Auditor point out that no evidence has come to its attention that the NFI of the Fiera Milano Group for the financial year ending 31 December 2022 has not been prepared, in all significant aspects, in compliance with the requirements of articles 3 and 4 of Legislative Decree 254/2016 and the Global Reporting Initiative Sustainability Reporting Standards.

Furthermore, the Independent Auditor states that the conclusions expressed in this report do not extend to the information contained in the “Taxonomy” paragraph of the NFS, required by Article 8 of European Regulation 2020/852.

On the basis of the above, as a summary of the supervisory activity carried out in financial year 2022, and also taking into account the results of the activity carried out by the person in charge of the statutory audit, contained in the specific report accompanying the financial statements, the Board of Statutory Auditors did not detect any specific critical issues, omissions, reprehensible facts or irregularities and has no observations or recommendations

to make to the shareholders' meeting pursuant to Article 153 of Legislative Decree 58/1998, to the extent of its competence, with regard to the resolution proposals formulated by the Board of Directors at the Shareholders' Meeting.

Milan, 29 March 2023

Board of Statutory Auditors

Ms Monica Mannino

Chairperson

Mr Piero Antonio Capitini

Standing Statutory Auditor

Daniele Federico Monarca

Standing Statutory Auditor

Independent Auditor's Report



Fiera Milano S.p.A.

Financial statements as at December 31, 2022

**Independent auditor's report pursuant to article 14 of
Legislative Decree n. 39, dated 27 January 2010, and article
10 of EU Regulation n. 537/2014**



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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014 (Translation from the original Italian text)

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fiera Milano S.p.A. (the Company), which comprise the statement of financial position as at December 31, 2022, and the statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

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Sede Legale: Via Meravigli, 12 - 20123 Milano
Sede Secondaria: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 2.525.000,00 i.v.
Iscritta alla S.O. del Registro delle imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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Key Audit Matter	Audit Response
<p>Valuation of goodwill, intangible assets with finite useful life and investments</p> <p>At December 31, 2022 the carrying amount of goodwill, intangible assets with finite useful life and investments was euro 76.1 million, euro 14.1 million and euro 55.4 million respectively.</p> <p>Goodwill and intangible assets with finite useful life were allocated to the Cash Generating Units (CGUs).</p> <p>Goodwill is tested for impairment at least annually at the end of the reporting period, or more often, if there is any indication of impairment. Intangible assets with finite useful life, which are being depreciated, are tested for impairment only when there is an indication of impairment. The processes and methodologies to estimate and determine the recoverable amount of the CGUs, in terms of value in use, are based on complex assumptions that, due to their nature, imply the use of judgement by directors, in particular with reference to the normalized cash flows used to estimate terminal value, and the discount rate and long term growth rates applied.</p> <p>Considering the materiality of the carrying amount of such assets and the level of judgement and complexity of the assumptions used in estimating the recoverable amount of goodwill and intangible assets with finite useful life, we have determined that this area constitutes a key audit matter.</p> <p>The Company included disclosures related to the nature and the key assumptions used for impairment test in note 1.5 "Use of estimates", note 4 "Goodwill", note 5 "Intangible assets with a finite useful life" and note 6 "Investments".</p>	<p>Our audit procedures in response to this key audit matter included, among others:</p> <ul style="list-style-type: none"> (i) understanding of the procedure adopted by the group regarding the valuation of goodwill, intangible assets with finite useful life and investments, taking into account the impairment test procedure approved by the Board of Directors on 20 February 2023; (ii) reviewing of the report prepared by the external experts who supported management in performing the impairment test, including the valuation of their competence, capabilities and objectivity; (iii) assessing the significant assumptions underlying future cash flow projections, including the determination of the weighted average cost of capital, the discount rate and the long-term growth rates used in estimating the terminal value, and performing sensitivity analyses; (iv) assessing the variances between actual results and the previous forecasts as assumed by the group; (v) testing the mathematical accuracy of the impairment test calculation; (vi) verifying the consistency of the forecast of future cash flows of the CGUs, used for the impairment test, with the 2023-2026 economics and financials projections approved by the Board of Directors on 20 February 2023. <p>In performing our audit procedures we also involved our valuation specialists who assisted us in the assessment of assumptions and methodologies utilized by the group, and performed independent calculations and sensitivity analyses of key assumptions. Lastly, we assessed the adequacy of the disclosures made in the notes to the financial statements relating to evaluation of goodwill, intangible assets with finite useful life and investments.</p>



Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements



or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Fiera Milano S.p.A., in the general meeting held on 29 April 2014, engaged us to perform the audits of the financial statements for each of the years ending 31 December 2014 to 31 December 2022.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.



Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Fiera Milano S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (the "Delegated Regulation") to the financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements as at December 31, 2022 with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at December 31, 2022 have been prepared in the XHTML format in compliance with the provisions of the Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Fiera Milano S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Fiera Milano S.p.A. as at December 31, 2022, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements of Fiera Milano S.p.A. as at December 31, 2022 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of Fiera Milano S.p.A. as at December 31, 2022 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.



Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated 30 December 2016

The Directors of Fiera Milano S.p.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated 30 December 2016. We have verified that non-financial information have been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated 30 December 2016, such non-financial information are subject to a separate compliance report signed by us.

Milan, March 27, 2023

EY S.p.A.

Signed by: Giuseppe Savoca, Auditor

As disclosed by the Directors, the accompanying financial statements of Fiera Milano S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Resolutions of the ordinary Shareholders' meeting

The ordinary Shareholders' Meeting, held on April 27, 2023, resolved

1 Financial Statements at 31 December 2022

1.1 approval of the Financial Statements as of 31 December 2022, of the Report of the Board of Directors, of the Report of the Board of Statutory Auditors and the Independent Auditor's Report. Presentation of the Consolidated Financial Statements as at 31 December 2022 and the 2021 Consolidated Disclosure of Non-financial Information pursuant to Italian Legislative Decree 254/2016

resolves

to approve the Financial Statements for the year ended at 31 December 2022, comprising the statement of financial position, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the related notes to the financial statements, which shows a loss of Euro 5,479,657.11, as presented by the Board of Directors as a whole, in the individual entries and with the proposed provisions, as well as the related Report of the Board of Directors on Operations.

1.2 Allocation of results for the financial year

resolves

to approve the proposal made by the Board of Directors to carry forward the net loss for the year of Euro 5,479,657.11.

2 Report on the Remuneration Policy and on the Remuneration Paid pursuant to article 123-ter of Italian Legislative Decree 58/1998

2.1 Binding decision on the first section

resolves

to approve the contents of Section One of the Report on Remuneration Policy and Remuneration Paid prepared under Article 123-ter of Italian Legislative Decree 58/98, concerning the Company's policy on the remuneration of the members of the Board of Directors, and in particular of the Directors with special duties, of the members of the Committees and of the Group's Executives with Strategic Responsibilities, as well as the procedures used for the adoption and implementation of such policy.

2.2 non binding decision on the second section

resolves

to approve the content of Section Two of the Report on remuneration policy and payments made prepared under Article 123-ter of Italian Legislative Decree 58/98, concerning the remuneration awarded to members of the Board of Directors, Executives with Strategic Responsibilities and members of the Company's Board of Statutory Auditors.

3 Appointment of the Board of Directors:

3.1 determination of the number of members

resolves

to determine at nine the number of members of the Board of Directors.

3.2 determination of the term of office

resolves

to establish that the new Board of Directors will remain in office for three financial years, and therefore until the shareholders' meeting called to approve the financial statements as at 31 December 2025.

3.3 appointment of Directors

resolves

di nominare quali amministratori, per gli esercizi 2023, 2024 e 2025 le seguenti persone:

- 1) *Carlo Bonomi*
- 2) *Francesco Conci*
- 3) *Ferruccio Resta*
- 4) *Michaela Castelli*
- 5) *Agostino Santoni*
- 6) *Monica Poggio*
- 7) *Regina De Albertis*
- 8) *Annamaria Petrone*
- 9) *Elena Vasco*

3.4 appointment of the Chairperson

resolves

to appoint Carlo Bonomi as Chairperson of the Board of Directors.

3.5 determination of remuneration

resolves

to establish the following remuneration for the members of the new Board of Directors:

- a fixed annual remuneration due to the Chairperson of the Board of Directors equal to Euro 120,000.00 (one hundred and twenty thousand/00) pro rata temporis, without prejudice to the reimbursement of the documented expenses incurred by the same for the exercise of the function;
- a fixed annual remuneration due to each of the other Directors equal to Euro 40,000.00 (forty thousand/00), for a total of Euro 320,000.00 (three hundred and twenty thousand/00), pro rata temporis, without prejudice to the reimbursement of documented expenses incurred by the exercise of the function;
- the payment of an attendance fee of Euro 400.00 (four hundred/00) to each Director for each Board meeting in which the same has participated;

without prejudice to the competence of the Board of Directors, having heard the opinion of the Board of Statutory Auditors, to determine the remuneration for Directors vested with particular offices pursuant to art. 17.8 of the Articles of Association.

4 Approval of the Incentive Plan pursuant to Article 114-bis of Legislative Decree 58/98

resolves

- 1) to approve the Performance Shares Plan 2023-2025 drafted pursuant to Article 114-bis of Italian Legislative Decree 58/98, in the terms broadly described above and as better reported in the Information Document published pursuant to applicable regulations;
- 2) to vest the Board of Directors with the broadest powers necessary or appropriate to fully and completely implement the Performance Shares Plan 2023-2025, including but not limited to the power to: (i) identify, include or exclude Beneficiaries; (ii) determine the amount of Allocated Shares and the amount of the Bonus Allocated to each Beneficiary; (iii) define the contents of the Allocation Sheets and establish the Performance Targets; (iv) verify compliance with the conditions for the delivery of the Allocated Shares, and the Allocated Bonuses as identified in the Rules and Regulations of the Plan; (v) proceed with the actual deliveries to the Beneficiaries of the Shares and Bonuses; (vi) prepare and approve the Rules and Regulations of the Plan and to make such amendments to it as may be necessary and/or appropriate, also to adapt them to extraordinary events that have occurred; as well as (vii) draw up and/or complete any document necessary or appropriate to the Plan, perform any act, fulfilment (including market disclosure in compliance with applicable laws and regulations), formality, communication that is necessary or appropriate for the management and/or implementation of the Plan, with the power to delegate its powers, duties and responsibilities concerning the Plan's execution and implementation.

5. Appointment of the independent auditors for the period 2023 - 2031 and determination of their remuneration

resolves

to appoint the independent auditors PWC S.p.A. to audit the accounts of the Fiera Milano Group for the period 2023-2031, for a total annual fee (net of ISTAT increases, out-of-pocket expenses, VAT and supervisory fee) of Euro 382.150.00, authorising the Chairman of the Board of Directors and the Chief Executive Officer jointly and severally, also through proxies, to formalise the aforesaid appointment and, in any case, whatever is required, necessary or helpful in executing the resolution, under current regulations.

6. Authorisation for the purchase and disposal of treasury shares pursuant to articles 2357 and 2357-ter of the Italian Civil Code, subject to revocation of the resolution passed by the Shareholders' Meeting on 22 April 2022

resolves

- 1) *to revoke, for the portion not executed, the resolution authorising the purchase and disposal of treasury shares adopted by the Ordinary Shareholders' Meeting of 22 April 2022;*
- 2) *to authorise the Board of Directors, pursuant to and for Article 2357 of the Italian Civil Code et seq., to purchase the Company's treasury shares for the purposes indicated in the Board of Directors' report on the sixth item on the Agenda, for the quantity, price, terms and conditions set forth below:*
 - *the purchase may take place in one or more tranches within 18 months from this resolution;*
 - *the fee for the purchase of each share shall not be greater than the price of the last independent transaction or the price of the highest current independent offer (whichever is highest) in the trading venues where the purchase is made. It is understood that the unit price must be neither 10% lower nor higher than the reference price recorded for Fiera Milano shares on the Euronext Milan market organised and managed by Borsa Italiana S.p.A. on the trading day before each purchase transaction;*
 - *the maximum number of shares purchased may not, including shares held by the Company and its subsidiaries, exceed 5% of the shares into which the share capital is divided;*
 - *Purchases of treasury shares may be made in one or more tranches in compliance with applicable laws and regulations, including, where applicable, permitted market practices. Treasury share purchase transactions must be carried out in compliance with the conditions set out in Article 3 of the Delegated Regulation (EU) 2016/1052 and in compliance with Article 132 of Italian Legislative Decree 58/98, Article 144-bis of Consob Regulation No. 11971 of 14 May 1999, and any other applicable legislation, including EU legislation;*
- 3) *to authorise the Board of Directors, under current legal provisions, to dispose of all or part of the treasury shares purchased, with no time restrictions, even before the purchases have been exhausted; Disposals may be made, in one or more tranches, even before the purchases have been exhausted, by sale on regulated and/or non-regulated markets or off-market, by public offer, or as consideration for the purchase of participations and possibly by assignment to shareholders. The selling price must be no lower than that of the lowest purchase price. This price limit will not be applicable in the event the shares are disposed of as part of a stock option plan. If the shares are used in extraordinary transactions, including, for example but not limited to, exchange, swap, contribution or in the service of capital transactions or other corporate and/or financial transactions and/or other transactions of an extraordinary nature or in any case for any other non-cash disposition, the Board of Directors will determine the economic terms of the transaction based on the nature and characteristics of the transaction, also considering the market performance of Fiera Milano stock.*
- 4) *to grant the Board of Directors all powers necessary to carry out purchases and disposals and in any case to implement the foregoing resolutions, also through proxies, complying with any requests by the competent authorities*



FIERA MILANO