

Annual Report

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FIERA MILANO

This document contains a faithful translation into English of the original report in Italian Relazione Finanziaria Annuale 2023.

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 2023 shall prevail upon the English version.

Annual Report

FIERA MILANO SpA

Registered office

Piazzale Carlo Magno, 1 - Milan

VAT No. 13194800150

Contact

sustainability@fieramilano.it

Website

www.fieramilano.it

April 2024

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FIERA MILANO

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Letter to Stakeholders

Dear Stakeholders,

2023 was a challenging yet intense year for Fiera Milano, which affirmed the Group's full relaunch and established the groundwork for a new, sustainable phase of growth. The outcomes attained in 2023, surpassing expectations, affirm that the period of crisis associated with the pandemic is now in the past, and the Group is poised for a new chapter of growth.

With a revenue of Euro 284 million, having organised 73 exhibitions, hosted over 130 congresses, and welcomed more than 3 million visitors, we have not only shown our resilience following the challenging years of the pandemic but also underscored Fiera Milano's pivotal role in driving business for companies. This is evidenced by the significant resurgence of exhibitors and visitors.

Although the short-term macroeconomic outlook continues to be marked by elements of uncertainty, the Group remains fully confident in its financial forecasts for the current year, buoyed by the exceptional results achieved in 2023 and the positive feedback regarding the expected performance of the events scheduled for 2024. The projections anticipate an EBITDA of between Euro 65-75 million by 31 December 2024. The forthcoming launch of the new 2024-2027 Strategic Plan, set to be unveiled to the financial community on 8 April 2024, will provide an opportunity to detail the medium-to long-term strategy, outline growth prospects, and present the Group's development plans for the next four years.

Results exceeded expectations with strong improvements

In 2023, our Group achieved revenues of Euro 283.8 million, representing a 29% increase compared to the previous year and surpassing the figures from 2019. This confirms that Fiera Milano has exceeded pre-pandemic levels, outperforming expectations for the Italian market. The EBITDA for 2023, at Euro 97.1 million, represented a 66% increase from 2022 and also exceeded the latest forecast, which projected an EBITDA of between Euro 85 million and Euro 90 million. The Net Profit reached Euro 45.5 million, a significant turnaround from the loss reported in 2022. With a net financial position showing net cash of approximately Euro 80 million, significantly exceeding the Euro 55-60 million range projected in the latest forecasts, the Group positively views the prospect of reinstating dividend payments to shareholders after four years.

Double-digit growth in revenues for activities in Italy, which account for 83% of the business. Key events in the fashion industry, such as Milano Unica, MIDO, Milano Fashion & Jewels, MICAM Milano, Mipel, TheOneMilano, and Lineapelle, feature prominently in our 2023 portfolio. The Salone del Mobile reaffirmed its status as an international reference point in design. A standout feature was the launch of MIBA - Milan International Building Alliance, which encompasses four concurrent events focused on construction: Sicurezza, SBE, GEE, and Made. This pioneering initiative has proven its industrial worth by encouraging interaction between exhibitors and visitors, and by linking complementary production ecosystems of all sizes, from small enterprises to large corporations, thereby creating value for entire supply chains. Among the standout events that were directly organised, HOST emerged as the global benchmark for the catering and hospitality industry. As the unrivalled leader in the food service sector, it attracted professionals from across the globe. Alongside HOST, Miart, the international fair for modern and contemporary art, also garnered significant attention. The 2023 edition of TUTTOFOOD as a hosted exhibition, an international point of reference for the agri-food sector, concluded with more than 83 thousand industry visitors. In June, Fiera Milano hosted ITMA, the world's premier exhibition for textile and garment technology, reaffirming its capacity to draw major international exhibitions. In the B2C sector, notable achievements include the triumphs of Milano Games Week & Cartoomics, EICMA, the premier global motorcycle exhibition, boasting a record attendance of more than 560,000 visitors, and Artigiano in Fiera, which nearly reached the milestone of 1 million attendees.

In the international arena, the Investec Cape Town Art Fair (ICTAF), a premier exhibition within the African contemporary art sphere, marked its 10th anniversary in 2023. It hosted approximately 100 exhibitors and welcomed around 23,000 visitors. During the second quarter of 2023, activity also restarted in China,

where 22 exhibitions were held. The second edition of FIND, Asia's benchmark for design and furniture, was held in Singapore. Additionally, Fiera Milano and IFEMA Madrid have enhanced the international reach of "Fruit Attraction" in Brazil, which is Europe's benchmark professional exhibition for the fruit and vegetable industry, thereby strengthening their worldwide presence. In total, four exhibitions have been organised in Brazil.

The Congresses operating segment delivered outstanding results, with revenues increasing by 8.5%. In 2023, it hosted 132 congress events, 23 of which were of international significance. These included prominent gatherings such as the European Respiratory Society (ERS), the European Alliance of Associations for Rheumatology (EULAR), the European Association of Urology (EAU), the European Committee for Treatment and Research in Multiple Sclerosis (ECTRIMS), and the European Renal Association (ERA) Congress.

Services, both physical and digital, are also growing. To enhance its presence in the market for bespoke, high-value physical services, Fiera Milano has introduced "Erigo - Building Ideas", a specialised brand created in collaboration with Allestitimenti Benfenati. Simultaneously, the Group stepped up its dedication to digital transformation by investing in the enhancement of the Allianz-MiCo data and telecommunications infrastructure. This project seeks to enhance the capabilities of the Allianz-MiCo venue by outfitting it with sophisticated technical and data transmission facilities, thereby establishing it as a leader in Europe for delivering high-definition audio and video services.



Sustainability increasingly at the centre

We are driven by the belief that sustainability is the catalyst for ongoing enhancement, ensuring enduring outcomes and bolstering our financial success, reputation, workforce well-being, and the fulfilment of our environmental and social objectives. To enhance the governance of corporate sustainability with increasing efficiency, Fiera Milano established the Sustainability Committee in 2023. This internal committee of the Board of Directors is wholly devoted to shaping the Group's strategic guidelines for sustainability over the long term.

2023 was also the year in which we concentrated our energies and efforts on enhancing our environmental sustainability profile, prioritising the reduction of CO2 emissions from our events. We have devised a decarbonisation strategy aimed at cutting our Scope 1 and Scope 2 CO2 emissions by 60% by 2027. This will be achieved through the enlargement of the photovoltaic installation on top of the Rho exhibition site – one of the most extensive rooftop systems in Europe – and by shifting our electricity procurement towards renewable sources. The incorporation of sustainability into the business model also extends to the remuneration of senior management. To give the sustainability journey a more tangible form, Fiera Milano has developed a new three-year incentive scheme for 2023-2025, known as the Long Term Incentive Plan (LTI). Notably, 20% of this plan is tied to the achievement of sustainability objectives. In a final testament to our dedication, we have been recognised as one of the top 100 most sustainable companies in Italy through the Sustainability Award, an initiative spearheaded by ELITE (Borsa Italiana) and Kon Group. We are particularly proud to have received the TOP ESG award, which is bestowed upon the Italian company with the highest ESG (Environmental, Social, Governance) score among all contenders with an annual turnover below Euro 250 million.

The value of people

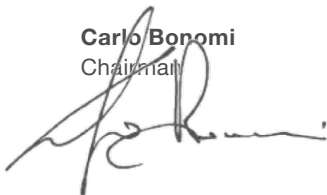
Ensuring that everyone at Fiera Milano can fully express their potential daily and feel valued for their unique qualities is an essential aspect of corporate management for a company like ours that places the individual at the heart of its operations. Fiera Milano is focusing its efforts in this direction, with tangible results: incoming turnover rose from 13.4% in 2022 to 17.9% in 2023, underscoring Fiera Milano's dedication to attracting and developing new talent, thus promoting ongoing enhancement of the company's expertise. In 2023, the company welcomed 114 new employees, with 54% of them being under the age of 30 and 62% being female. This underscores the Group's dedication to fostering gender equality by implementing recruitment policies that actively support the inclusion and advancement of women in the workplace.

The new strategic plan and future prospects

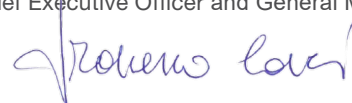
Despite the challenges posed by the broader macroeconomic environment, we face the future with optimism, confident that Fiera Milano, Italy's premier exhibition and congress venue and one of the foremost globally, will remain an essential platform for the development and internationalisation of the nation's economy. It serves as a strategic instrument of industrial policy, creating value for businesses, individuals, and the country. The revised Strategic Plan for 2024-2027 will outline a fresh path for growth, with the objective of solidifying our leading status within the industry even further.

We would like to extend our heartfelt thanks to all Shareholders and Stakeholders for their ongoing trust in our business model and strategies. We extend our heartfelt thanks to our employees, whose creativity, skill, and professionalism have been indispensable in realising the impressive accomplishments showcased here, reaffirming their pivotal contribution to our ongoing success.

Carlo Bonomi
Chairman



Francesco Conci
Chief Executive Officer and General Manager



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 level of service

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 held on the ramparts of Port Venezia, Milan, before transferring in 1923 to a permanent site in the area now occupied by fieramilanocity.

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

An intensive process of internationalisation began when a joint venture was signed with Deutsche Messe, the proprietor of the Hannover exhibition site, targeting regions beyond Europe.

1920

1946

1997

2000

2002

2005

2008

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

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 site in Rho on the outskirts of Milan was inaugurated; the site has 345 thousand square metres of exhibition space. Some of the pavilions of the downtown site continued in use.

MiCo - Milano Congressi opens its doors: the largest and most modern congress centre in Europe with capacity for 18,000 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 has initiated the digital transformation of its exhibition sites, aiming to enhance the quality of services for visitors, exhibitors, and organisers through an improved 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 exhibition and congress business has enabled the Group to once again play its role as an industrial policy instrument at the service of companies.

2011

2015

2019

2021

2022

2023

The Milan World Expo, for which Fiera Milano served as the Official Operations Partner, was a resounding success. The Fiera Milano Group offered services in setup, logistics, and facilities management to the Expo 2015 organisers as well as to several of the participating countries.

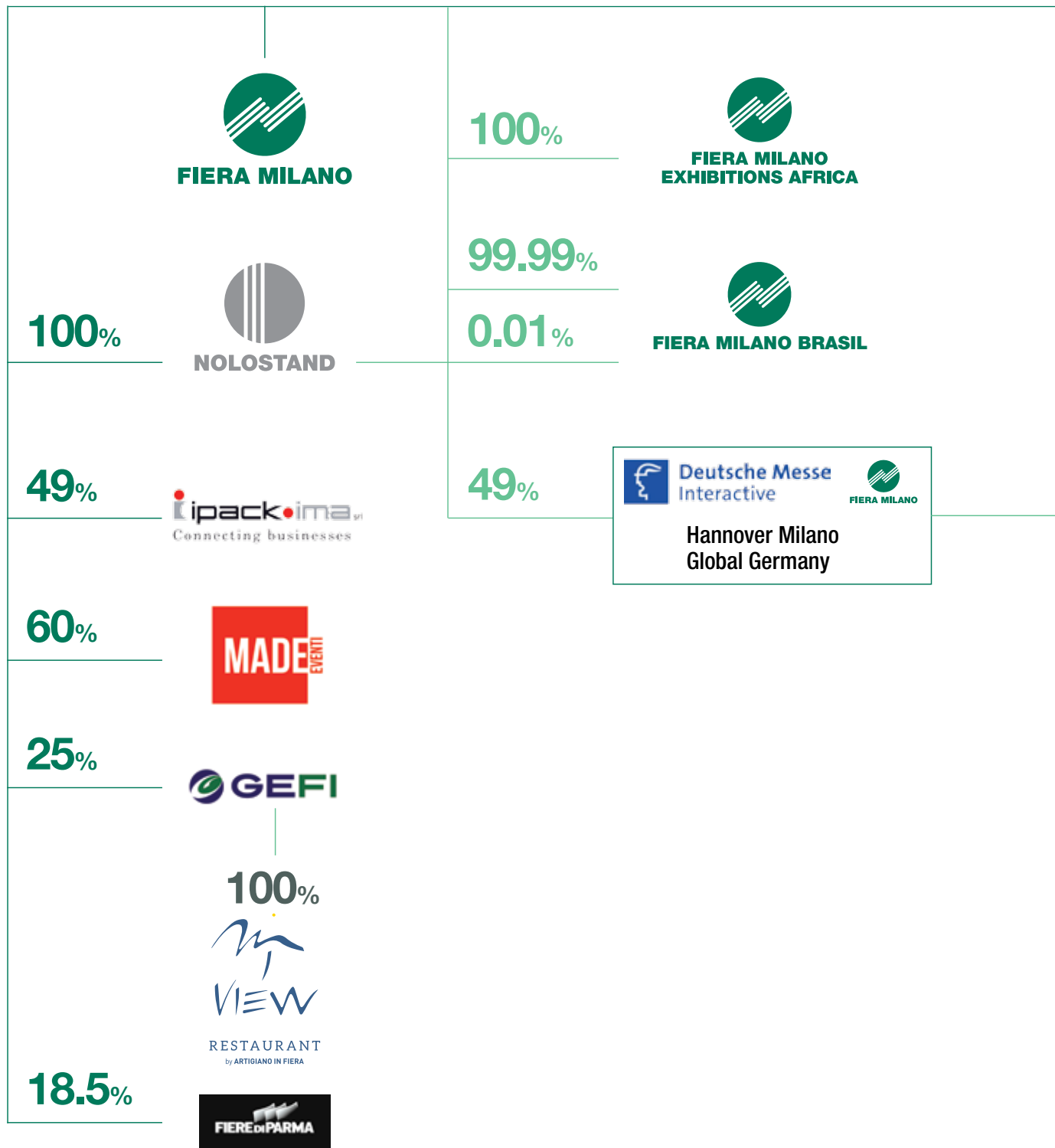
The Group presented its 2021-2025 strategic plan: CONN.E.C.T. 2025 (Connections, Exhibitions, Community, Transformation). The aim of the plan is to conform and strengthen Fiera Milano's role as a strategic partner supporting companies in their processes of innovation, growth and internationalisation.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

The Allianz MiCo in the city did not just host exhibitions; for the first time, it was the venue for the Fencing World Cup. This nine-day event featured competitors from 158 countries and received extensive media coverage.

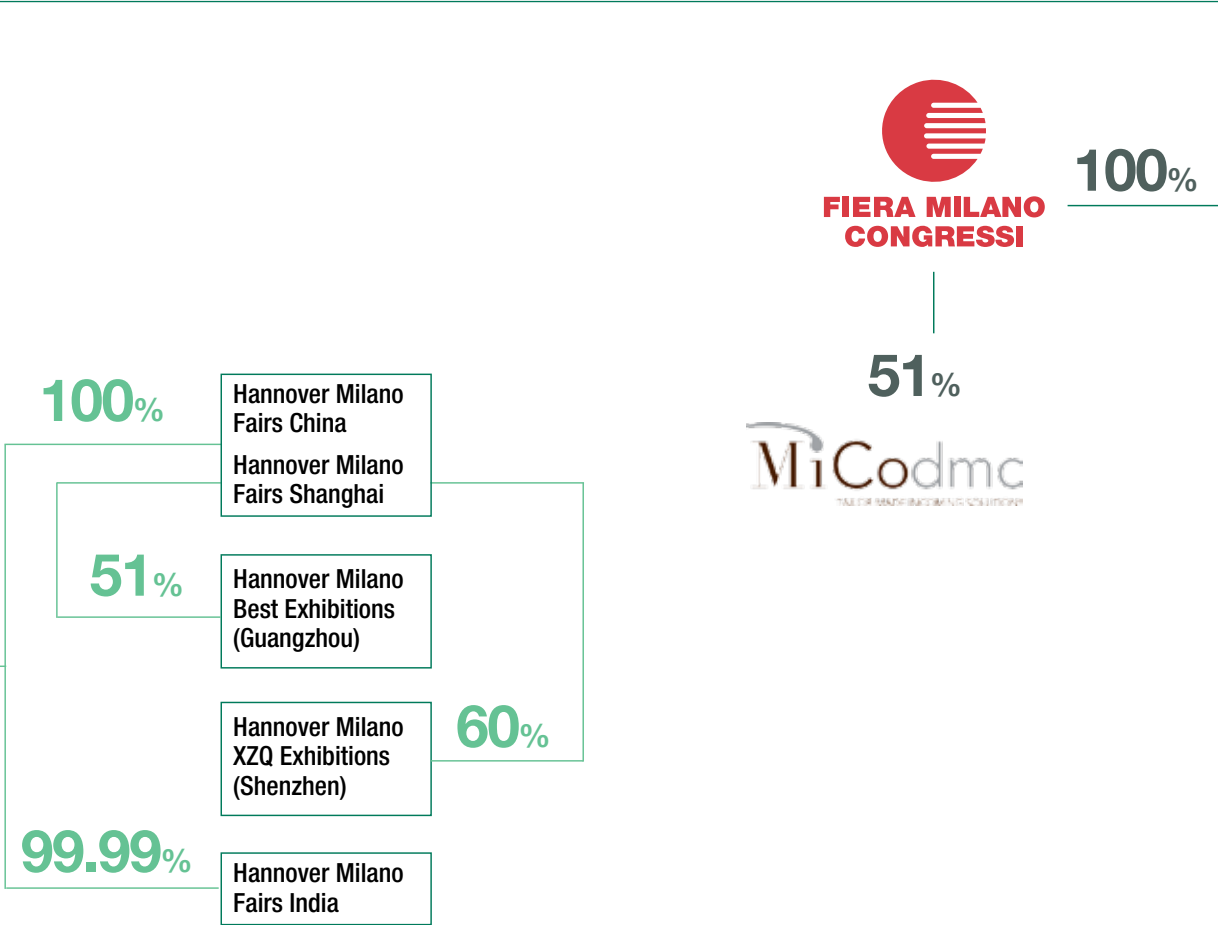
Group structure

Italian Exhibitions Business

Foreign Exhibitions Business



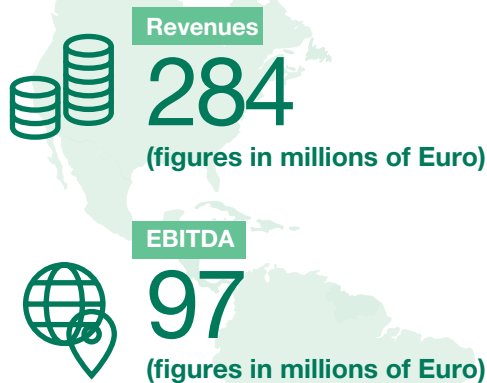
Congresses





Highlights 2023

Performance



Business

Number of exhibitions and congress events

73

Of which abroad

29

Number of exhibitors

35,985

Of which abroad

9,310

Exhibition spaces

Net floorspace occupancy

1,882,180 m²

of which abroad

501,240 m²

Gross exhibition capacity

399,000 m²

Of which

345,000 m²

In the areas around exhibition sites

fieramilano

54,000 m²

In the areas around exhibition sites

fieramilanocity

Human resources

Number of employees in the Group

713

of which abroad

91

Presence of women in the Group

59%

Of which

24%

Managers

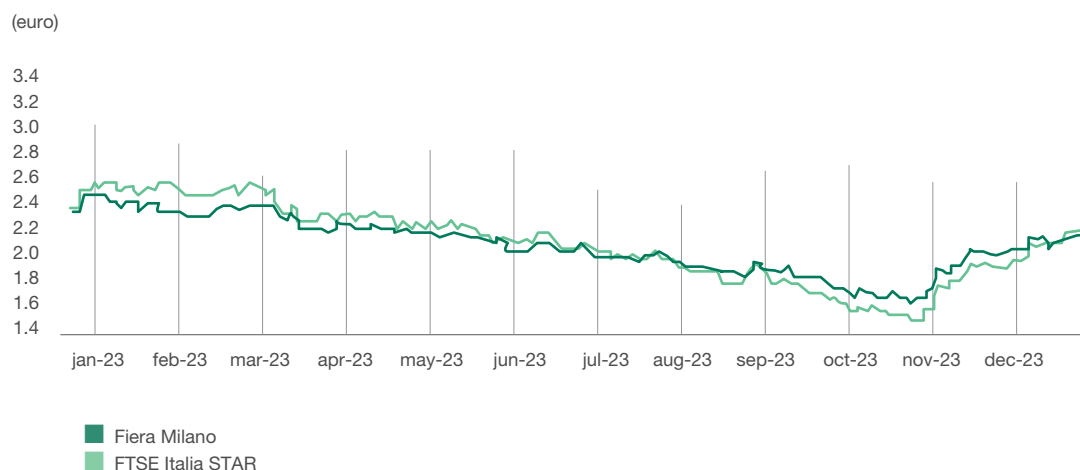
52%

Managers

The stock market performance of the Fiera Milano share

Fiera Milano SpA has been listed in the STAR segment of Borsa Italiana'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 graph below shows the performance of Fiera Milano's share price in 2023 on Euronext Milan, compared to the FTSE Italia STAR index.

Performance of the Fiera Milano share compared to the FTSE Italia STAR (Rebased on Fiera Milano)



Listing and capitalisation from 30/12/2022 to 29/12/2023

	PRICES (EURO)			
	AS AT 30.12.2022	MAX	MIN	AS AT 29.12.2023
Fiera Milano	2.90	3.17	1.81	2.76

	CAPITALISATION (MILLIONS OF EURO)			
	AS AT 30.12.2022	MAX	MIN	AS AT 29.12.2023
Fiera Milano	209	228	130	199



Corporate Bodies and Independent Auditor

Board of Directors

Carlo Bonomi	Chairman*
Francesco Conci	Chief Executive Officer
Michaela Castelli	Director*
Regina De Albertis	Director*
Paola Annamaria Petrone	Director*
Monica Poggio	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 and the Corporate Governance Code of Borsa Italiana.

Control and Risk Committee

Michaela Castelli
Paola Annamaria Petrone
Ferruccio Resta

Appointments and Remuneration Committee

Agostino Santoni
Regina De Albertis
Monica Poggio

Sustainability Committee

Ferruccio Resta
Michaela Castelli
Elena Vasco

Board of Statutory Auditors

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

Financial reporting officer Italian Law 262/2005

Massimo De Tullio

Supervisory Board, Legislative Decree 231/01

Enrico Maria Giarda
Luigi Bricocoli
Alessandra Agrusti

The Board of Directors was appointed by the Shareholders' Meeting of 27 April 2023. The Directors' mandates will expire at the Shareholders' Meeting to approve the Financial Statements at 31 December 2025.

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 company's legal representative. He is also vested with all powers over Fiera Milano's institutional external relations.

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

Independent auditors

PWC SpA

The mandate, given by the Shareholders' Meeting of 27 April 2023, is for the financial years 2023-2031.

Ordinary and Extraordinary Shareholders' Meeting Call



FIERA MILANO

FIERA MILANO SpA
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 and Extraordinary Shareholders' Meeting Call

The Shareholders' Meeting of Fiera Milano S.p.A. (hereinafter, the "**Company**") is convened in a single call for **23 April 2024, at 3:00 p.m.**, to discuss and pass resolutions pertaining to and resulting from the following matters

Agenda

Ordinary session

1. Financial statements as at 31 December 2023:
 - 1.1 approval of the Financial Statements as at 31 December 2023, 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 2023 and the 2023 Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016;
 - 1.2 allocation of the results for the financial year.
2. Report on the Remuneration Policy and 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.
3. Appointment of the Board of Statutory Auditors:
 - 3.1 appointment of Standing Statutory Auditors and Substitute Statutory Auditors;
 - 3.2 appointment of the Chairman;
 - 3.3 determination of remuneration.
4. 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 27 April 2023.

Extraordinary Session

1. Amendment to articles 4.1, 10.1, 10.2, 12, 15.1, 17.2, 17.7 and 18.1 of the Articles of Association.
2. Amendment to Art. 12 of the Articles of Association, by inserting the new paragraph 12.4 (designated representative).

Pursuant to Art. 30, paragraph 203 of Decree-Law No. 215 of 30 December 2023 (the so-called Decreto Milleproroghe), as amended by Conversion Law No. 18 of 23 February 2024, which extended until 30 April 2024, among other things, the provisions set forth in Art. 106, paragraph 7 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 776,010 treasury shares, equal to 1.08% of the share capital.

Entitlement to participate in the Shareholders' Meeting.

Pursuant to the law and Article 12 of the Articles of Association, the right to participate in the Shareholders' Meeting and exercise the right to vote is certified by a notification to the Company, made by the authorised intermediary in accordance with its accounting records. The intermediary does this on behalf of the person entitled to vote, based on evidence recorded at the end of the accounting day of the seventh trading day before the date set for the Shareholders' Meeting (i.e. 12 April 2024, 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 notification from the intermediary mentioned above must reach the Company by close of business on the third trading day before the date of the Shareholders' Meeting (i.e. by 18 April 2024).

Participation and voting rights are unaffected if the Company receives notification after this deadline, provided that it takes place before the beginning of the Shareholders' Meeting. 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 Decree-Law No. 215 of 30 December 2023 (the "Decreto Milleproroghe"), as amended by Conversion Law No. 18 of 23 February 2024, which extended until 30 April 2024, among others, the provisions set forth in Article 106, paragraph 7 of Decree-Law No. 18 of 17 March 2020, among others, **the Company has established that participation in the Shareholders' Meeting shall take place, exclusively, through the company Computershare SpA – with registered office in Milan, via Lorenzo Mascheroni 19 – designated for this purpose as Designated Representative pursuant to Article 135-undecies of Legislative Decree 58/98 (hereinafter, the "TUF"), as participation in person or by proxy to third parties is not allowed.**

The proxy to the Designated Representative pursuant to Article 135-undecies must be issued by signing the proxy form "*Proxy Form and Voting Instructions to Computershare S.p.A. as Designated Representative*", available as of 14 March 2024 (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 Article 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 19 April 2024). 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 19 April 2024).

It should also be noted that the Designated Representative may also be granted proxies or sub-delegations pursuant to Article 135-novies of the Consolidated Finance Act, as an exception to Article 135-undecies, paragraph 4, of the Consolidated Finance Act, exclusively by means of the "Proxy or Sub-delegation Form", available as of 14 March 2024 (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 Article 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 clarification or information at 02467 76815/14 or at the email address ufficiomi@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. 24 March 2024) and, in compliance@@ with the provisions of Article 126-bis of the Consolidated Finance Act and Article 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 Article 125-ter, paragraph 1 of the Consolidated Finance Act. A request to add 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 pursuant to a project or report prepared by them.

Presentation of individual proposals for 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 8 April 2024 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/Governance/Shareholders' Meeting” section” and the authorised storage mechanism www.emarketstorage.com, by 10 April 2024.

Appointment of the Board of Statutory Auditors.

With reference to item three on the agenda, it is recalled that, pursuant to Article 20.2 of the Articles of Association, auditors 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 29 March 2024), 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 Affairs Office) their proposals for appointment to the office of Auditor, 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 2 April 2024).

Together with the lists, pursuant to Article 20.2 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 Legislative Decree 58/98 and the Corporate Governance Code in force.

In accordance with the provisions of Consob communication No. DEM/9017893 of 26 February 2009, shareholders who intend to submit minority lists are recommended to file, together with the list and the other documentation indicated above, also a declaration certifying the absence of affiliations, including indirect ones, pursuant to Article 147-ter, paragraph 3, of the Consolidated Finance Act and Article 144 quinquies of the Issuers' Regulation with the shareholder holding a controlling interest or relative majority.

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

In the event that only one list has been filed within the twenty-fifth day preceding the Shareholders' Meeting, or only lists submitted by Shareholders who, pursuant to the combined provisions of Articles 144-*quinquies* and 144-*sexies*, paragraph 4, of the Issuers' Regulations, are related to each other, the deadline for the submission of lists will be extended by a further three calendar days (i.e. until Tuesday 1 April 2024) and the latter may be presented by Shareholders who, alone or together with other Shareholders, represent at least 1.25% of the share capital with voting rights at the Ordinary Shareholders' Meeting.

At least twenty-one days before the date scheduled for the Shareholders' Meeting (i.e. by 2 April 2024), 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/Governance/Shareholders' Meeting” section and on the authorised storage mechanism www.emarketstorage.com.

For further information on the appointment of the Board of Statutory Auditors, please refer to the illustrative report prepared by the Board of Directors pursuant to Article 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.

Holders of voting rights can submit questions on agenda items even before the Shareholders' Meeting, under the provisions of Article 127-ter of the TUF, sending the questions via email to fieramilano@legalmail.it or by registered letter with return receipt to the operational and administrative offices of the Company (Investor Relations Office).

Such questions must be received by the Company by the end of the seventh trading day prior to the date set for the Shareholders' Meeting (i.e. 12 April 2024). The answers to the questions received will be published on the Company's website www.fieramilano.it, in the "*Investors/Governance/Shareholders' Meeting*" section, by the morning of the second trading day prior to the date of the Shareholders' Meeting (i.e. 19 April 2024), with the right for the Company to provide a unified response 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 14 March 2024. 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. 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), 14 March 2024

The Chairperson of the Board of Directors

Carlo Bonomi



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Summary of results and significant events during the year

The year 2023 signalled the full recovery of exhibition and congress activities from the pandemic, both in Italy and internationally. The recorded figures for both visitors and exhibitors were very positive, and the high quality of the exhibition offerings was especially appreciated by international buyers.

In January, Fiera Milano organised HOMI - Il salone degli stili di vita, the exhibition dedicated to lifestyle, tableware and decoration. The exhibition hosted over 500 brands, 40% foreign, from 28 countries. In partial concurrence, PTE - Promotion Trade Exhibition took place, an event dedicated to the world of advertising materials, which brought together more than 110 companies and brands from 12 countries.

February saw the return of fashion industry exhibitions. In detail, Fiera Milano hosted Milano Unica, with 475 exhibiting companies, MIDO, the international eyewear fair, which welcomed more than 945 exhibitors from more than 150 countries, a range of exhibitions relating to the fashion accessory sector, HOMI Fashion&Jewels (accessories, jewellery and bijoux), MICAM Milano (footwear), Mipel (leather goods) and TheOneMilano, the international outerwear and haute-à-porter show, which together saw the participation of more than 1,430 exhibiting companies and more than 48,000 attendees (+25% compared to previous editions). In addition, Fiera Milano hosted Lineapelle, the international exhibition of leather, accessories, components, fabrics, synthetics and models, with 995 exhibitors from 42 countries, more than 38% from abroad and over 22,000 trade visitors. In February, Fiera Milano organised BIT - Borsa Internazionale del Turismo. The exhibition brought 210 Italian and foreign exhibitors to the Allianz MiCo spaces.

This was followed by MyPlant & Garden and Filo. Myplant & Garden, an international horticultural-floricultural event, transformed the Fiera Milano pavilions into a 45,000 sqm maxi-garden, with 650 brands on display, 22% foreign. Filo, staged in the Allianz MiCo spaces, is the only international exhibition dedicated to yarn excellence.

The month of April saw the return of the Salone del Mobile and Euroluca to its traditional position on the exhibition calendar, with more than 169,115 square metres of net exhibition space occupied and 307,418 visitors. Also in the month of April, two events dedicated respectively to the fashion sector and the art world were held: Yes Sposaitalia Collezioni, a fashion-forward exhibition for weddings, grooms, ceremonies and accessories, which brought together 200 brands from the sector, and Miart, Milan's international modern and contemporary art fair, which hosted more than 169 galleries from 27 countries around the world.

May saw the TUTTOFOOD exhibition, the international benchmark for the agri-food sector, which closed its 2023 edition with over 83 thousand trade visitors, 20% of whom were foreign visitors from 132 countries. The Rho exhibition site then hosted Made in Steel, the international biennial exhibition dedicated to the steel supply chain, which attracted more than 18 thousand visitors and 285 exhibiting companies; Issa Pulier, Italy's most important professional cleaning exhibition, which attracted more than 20 thousand visitors; and Lamiera, the international event dedicated to sheet metal working and related technologies, with 400 companies, 27% of which from abroad, welcomed 19 thousand professional operators.

In June, the world's largest exhibition for textile and clothing technologies, ITMA 2023, took place. With 1,660 exhibitors, from 47 countries, and more than 110 thousand visitors, the event occupied 122,295 square metres of gross exhibition space.

Finally, the summer season closed in July with Milano Unica and its 560 exhibiting companies. In this edition, too, the project dedicated to sustainability was given a great deal of attention, with the aim of emphasising the link between the aesthetics of fashion and the excellence of production, and the objective of creating quality fabrics that respect the environment.

Exhibition activity resumed in September with the biennial exhibitions Vitrum and Plast. Vitrum, the international exhibition for glass processing machines, brought 218 companies to the fair and was also a major player in the city with Milan Glass Week; Plast, which took place for the first time in September, concluded a successful event with 970 exhibitors and 38,000 industry visitors. This was followed by the fashion exhibitions, which with over

3,500 brands present at fieramilano (Rho) affirmed their leadership in the sector. In detail, Homi Fashion&jewels announced a naming change to become Milano Fashion&Jewels to emphasise an even stronger link with the city; MICAM Milan, Mipel, The One Milan, Lineapelle, and Simac Tanning Tech are international exhibitions showcasing machinery and technology for the leather goods and tanning industry. These events, plus Filo with its 80 exhibitors at the Allianz Mico, all have a strong international profile.

In October, HOST, the significant biennial exhibition hosted by Fiera Milano and dedicated to the catering and hospitality industry, reaffirmed its position as the premier event in the out-of-home sector, drawing professional visitors globally. Once again, it proved to be the quintessential gathering, achieving record figures across all performance metrics.

In November, the launch of MIBA - Milan International Building Alliance was particularly significant. This event featured four simultaneous exhibitions, each focusing on different aspects of the construction industry: GEE, a company specialising in vertical and horizontal mobility solutions, participated for the first time alongside MADE Expo, SICUREZZA, and Smart Building Expo. The latter events have a history of being held concurrently. MIBA concluded with the attendance of more than 80,000 operators in total.

In the latter part of the year, with regard to public events, it is worth mentioning the success of Milano Games Week & Cartoomics, which attracted over 120,000 comics and video game enthusiasts. Additionally, EICMA, the world championship for two-wheeled vehicles, concluded with an unprecedented number of visitors: over 560,000.

Among the key international exhibitions of 2023 was the Investec Cape Town Art Fair (ICTAF), the premier contemporary art fair in Africa, now celebrating its tenth edition. It hosted approximately 100 exhibitors and attracted around 23,000 visitors. In June, the twenty-fourth edition of Exposec - Feira Internacional de Segurança took place in Brazil, the only event in Brazil that brings together the latest technologies, products and services for the Security sector. With 12,365 square metres, the exhibition welcomed 50 thousand visitors and 190 exhibitors.

During the second quarter of 2023, business also resumed in China, where 22 exhibitions were held throughout the year. Among the most important: Let China, Gitf, International Fastener Show China, Chengdu International Industry Fair, Industrial Automation Shenzhen and Laserfair Shenzhen.

Also on the foreign front, in the third quarter in China, Domotex Asia/China Floor (leading exhibition for the flooring sector, Shanghai), CDMS Chengdu Motorshow (b2b and b2c automotive event for public and operators, Chengdu) MWCS - Metalworking CNC and Machine Tool Show (Shanghai) and IAS - INDUSTRIAL AUTOMATION SHOW (Shanghai) were organised. In Brazil, the Ecoenergy congress dedicated to renewable energy took place, while Singapore hosted the second edition of FIND, Asia's leading event for the design and furniture industry, with more than 300 brands and 50 international speakers including architects, interior designers, retailers, opinion leaders, and emerging young talent. This event offers exceptional opportunities for global furniture brands and is considered a true design hub. In the final quarter of the year, CeMAT Asia Shanghai and PTC Asia Shanghai were once again held in China.

The congress sector achieved outstanding results, hosting 132 congress events throughout the year, including 55 that featured an accompanying exhibition area. This performance surpassed pre-Covid levels and outpaced market predictions. Noteworthy are the EAU (European Association of Urology) international congress, corporate conventions, including the Allianz Bank Convention, as well as the new Padel Trend Expo event, the first Italian event with a dual B2B and B2C matrix entirely dedicated to padel. In May, Allianz MiCo hosted three major business events at a national level: Salone del Risparmio, Italy's largest event dedicated to the asset management sector, with 8,000 square metres of exhibition area and more than 150 brands present, Packaging Premiere & PCD Milan, an event dedicated to the world of luxury and beauty packaging, which hosted more than 7,800 visitors, and Netcomm Forum, the reference event for national digital retail, which brought together 300 exhibitors over 22 thousand square metres. EULAR, the rheumatology congress, was held in the same month. In June, the 60th edition of ERA Congress, the largest annual nephrology congress in Europe, took place. Congress activities continued in the third quarter with three medical-scientific congresses (25th ESCV Congress, ERS international congress 2023 and CICON 2023 - 7th International Cancer Immunotherapy Conference) and two congresses with annexed exhibition area: MCE Hydrogen HUB and BRICO DAY. Added to these was the World Fencing Championship in July, nine days of competition that saw 158 countries taking part with excellent media coverage. Other notable congresses were: ECTRIMS, the European Committee for Treatment and Research in Multiple Sclerosis, is the premier European event dedicated to Multiple Sclerosis. It is followed by the ESICM Congress, organised by the European Society of Intensive Care Medicine, and the 33rd conference of the European Wound Management Association, known as EWMA.

The Group's main economic and financial data are shown in the next table. 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 31/12/23	Full year 31/12/22
Revenues from sales and services	283,829	220,285
EBITDA (a)	97,138	58,403
EBIT	44,824	9,219
Net profit/(loss) (continuing operations)	28,969	(5,760)
Net profit/(loss) (discontinued operations)	16,500	-
Net profit/(loss)	45,469	(5,760)
- Attributable to the shareholders of the controlling entity	45,468	(5,599)
- Attributable to non-controlling interests	1	(161)
Net capital employed (b)	462,801	473,157
covered by:		
Equity attributable to the Group	147,896	105,660
Equity attributable to non-controlling interests	535	533
Net financial debt/(cash) before IFRS 16 effects	(80,858)	(29,783)
Total net financial debt/(cash)	314,370	366,964
Investments (continuing operations ad assets held for sale)	11,368	3,976
Employees (no. of permanent employees at year end)	713	674

(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.

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

Exhibition activities in Italy

On 9 March 2023, the Board of Directors of Fiera Milano SpA announced that it had approved the finalisation of the strategic transaction with Fiere di Parma SpA concerning a partnership aimed at creating a common European exhibition platform in the agri-food sector. Please note that the Operation was carried out at the closing date on 28 March 2023 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 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 exhibition 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 can optimise their positioning by offering strategic and permanent support to the Made in Italy agri-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 concerning the "Tuttofood powered by Cibus" event, which will continue to be held at the Rho exhibition site and managed by Fiera Milano.

Sustainability

Governance

To ensure ever greater efficiency in the management of corporate sustainability and to continue along the path of integrating sustainability principles and actions into the company's strategy in an increasingly comprehensive way, Fiera Milano, at the Board of Directors' meeting of 27 April 2023, established the Board's "Sustainability Committee". The Committee performs an investigative, advisory and proposal function to the Board of Directors in the area of environmental, social and governance (ESG) sustainability with respect to the Group's positioning, objectives, processes and specific initiatives. As of today, the Sustainability Committee has already begun to outline a new Sustainability Plan for Fiera Milano.

Environment

Thanks to the partnership between the Fondazione Fiera Milano and A2A, the creation of Fair-Renew has enabled Fiera Milano to enhance its environmental dedication. This initiative has transformed the roofs of the Rho exhibition site into a facility that generates clean energy. Between 2021 and 2022, Fair-Renew inaugurated a vast photovoltaic facility with a capacity of 8.2 MWp, outfitted with roughly 26,000 solar panels. This initiative now fulfils approximately 20% of Fiera Milano's energy requirements, positioning itself as an emblem of environmentally sustainable advancement.

In response to the challenge posed by escalating energy prices, an ambitious expansion of the solar panel system was undertaken in the first half of 2023. This extension project made use of every available space, from the roofs of the pavilions to the new Cargo 2 warehouse and the multi-storey car parks. The year 2023 signalled the commencement of the second phase in our journey towards sustainability, with an additional 3.9 MWp of power capacity. This expansion has enabled us to extend green energy provision to pavilions 2-4, the roof of the Cargo 2 warehouse, and the PM1 and PM2 car parks.

Looking ahead with resolve, the third phase of expansion will come to fruition in 2024, courtesy of the ongoing support from Fondazione Fiera Milano and A2A, adding an additional 3.9 MWp. This expansion will increase the total capacity to around 17 MWp, reinforcing Fiera Milano's position as the guardian of one of the largest rooftop photovoltaic installations in Europe.

The project is part of the Group's broader 2030 Decarbonisation Plan.

Social engagement

For the third 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 and presented on 14 June at the ESG Business Conference acknowledging 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 placed second in the "Top 5 extra 100" ranking, the sample that includes all the companies listed above the top 100 by capitalisation.

Fiera Milano was also recognised with two major awards promoted by UFI, The Global Association of the Exhibition Industry, reserved for the best sustainability initiatives that promote sustainable development in the exhibition industry at a global level. For the second year in a row, the innovative proposal for sustainable furnishings made from recycled carpets, developed by Fiera Milano – Nolostand in partnership with Montecolino S.p.A., was recognised by the UFI – Sustainable Development Award 2023 ("Best Stakeholder Engagement Programme"). A circular economy initiative that confirms Fiera Milano's role as a promoter of sustainable business development along the entire value chain. For the first time, the company was also recognised by the Operations & Services Award ("Successful examples of operational measures to reduce the carbon footprint of trade fairs and events") for its project to measure the carbon footprint of its events using the Life Cycle Assessment (LCA) method.

Finally, during the third quarter, Fiera Milano was recognised by ELITE (Borsa Italiana), Kon Group, Forbes, Azimut and ALTIS with the "Sustainability Award Top ESG Score". The Group achieved the highest ESG (Environment, Social, Governance) score of all participating Italian companies with a turnover of less than Euro 250 million, demonstrating a remarkable performance in the environmental and social pillars, as well as good sustainability governance and a strong focus on the circular economy, combating climate change and supporting local communities.

Other information

On 27 April 2023, the Ordinary Shareholders' Meeting of the Controlling Entity took place, which approved the financial statements for the year ending 31 December 2022 and resolved to carry forward net loss for the year of Euro 5,479,657.11. 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, and the approval of an Incentive Plan pursuant to *114-bis* of Legislative Decree 58/1998. Lastly, the same Shareholders' Meeting approved the authorisation to purchase and dispose of treasury shares in accordance with articles 2357 and 2357-*ter* of the Italian Civil Code, the appointment of the new Board of Directors, which will remain in office for the years 2023-2025 and the appointment of PWC SpA to audit the accounts of the Fiera Milano Group for the period 2023-2031.

On 9 November 2023, the Board of Directors of Fiera Milano, following the authorisation granted at the Shareholders' Meeting on 27 April 2023, resolved to commence a share buyback programme. This programme involves the acquisition of up to 350,000 shares, with the objective of expanding the portfolio of treasury shares. These shares are intended to fulfil the requirements of current and prospective share-based incentive schemes for the company's directors and/or employees. The repurchase programme concluded on 30 November 2023, with a total of 588,099 shares acquired at an average cost of Euro 2.65 per share, amounting to a total value of Euro 1,556 million. As of 31 December 2023, the Company possessed 776,010 treasury shares, representing 1.08% of the issued share capital.

Macroeconomic framework

Macroeconomic trends

In 2023, GDP grew by 3.1%¹ worldwide. Growth was 1.6% in advanced economies and 4.1% in emerging and developing markets. This represents a slowdown compared to 2022, when GDP increased by 3.5% globally and 2.6% in advanced economies. The global recovery remains slow and uneven and economic activity is still below target. The GDP of the Eurozone grew by a mere 0.5%², with forecasts having been revised downwards from earlier predictions, in the wake of economic stagnation at the close of 2023. In 2023, growth was constrained by the diminishing purchasing power of households, the intensification of monetary policies required to curb inflation, the gradual reduction of fiscal support, and extreme weather occurrences.

In the Eurozone, inflation fell faster than expected: The momentum was primarily driven by declining energy costs; however, as economic activity decelerated, the reduction in inflationary pressures extended to a broader range of goods and services. In the short term, however, the cessation of support measures to address the energy crisis and the heightened transportation costs due to attacks on cargo ships navigating the Red Sea trade routes may exert additional pressure on prices, albeit with a limited impact on inflation. Should the crisis in the Red Sea persist, there is a risk of bottlenecks emerging within the supply chain. This could constrain production and lead to increased prices.

German GDP dropped by 0.3% in 2023. Household spending was impacted by a decrease in purchasing power, while investment in construction and sectors with high energy demands faced constraints due to elevated costs (including borrowing) and a scarcity of labour, leading to bottlenecks. Inflation in 2023 is estimated at 6%, with a forecast of 2.8% in 2024.

Italian GDP grew by 0.6% in 2023. Private consumption decelerated, as did investment, which suffered due to increasing financing costs and the gradual withdrawal of tax incentives for refurbishments. After falling by 0.3% in the second quarter, GDP rebounded in the third and fourth quarters. It is anticipated that GDP will increase by 0.7% in 2024. Inflation in 2023 is estimated at 5.9% and in 2024 at 2%.

2023 was a poor year for industrial production in Italy, ending with a 2.5% decrease³. According to ISTAT, the trend was negative for nearly every month; however, in December, the production index rose by 1.1% compared to November, despite being 2.1% below the level of the previous year. This is the lowest figure in four years; in 2020, a drop of 11.5% was recorded due to the pandemic and factory closures. In 2023, the most substantial decreases were observed in the wood, paper, and printing sector, which declined by 13%, while the textiles, clothing, and leather industries saw a 6% drop. Analysts appear optimistic due to the modest recovery in December, to the extent that they believe they have moved past the nadir of the production cycle. However, they do not anticipate a substantial recovery, at least not in the first half of 2024.

In 2023, global trade⁴ is anticipated to expand by 0.8%, although this forecast was revised downward in the autumn of 2023. Global trade experienced a significant decline in the fourth quarter of 2022, as a result of the impact of tight monetary policies implemented in the US, Europe, and other regions worldwide. The decline in energy prices and the lifting of China's pandemic-related restrictions had fuelled hopes for an economic rebound, but such a recovery failed to materialise. China's progress was hindered by the state of its real estate market. Additionally, although diminishing, persistent inflation, the conflict in Ukraine, and the ongoing tensions between Israel and its adversaries have overshadowed the prospects for recovery in 2023 and the outlook for 2024.

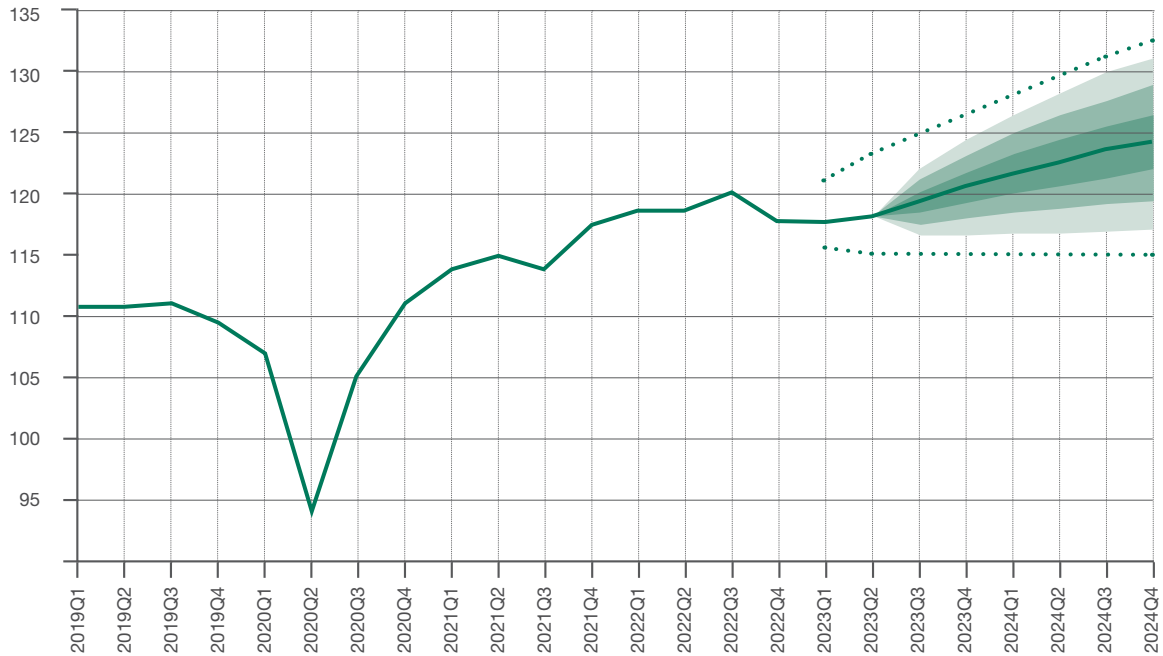
¹ IMF; World Economic Outlook Update, January 2024

² European Economic Forecast Winter 2024

³ ISTAT

⁴ WTO, October 2022

Volume of global trade 2019-2024



Source: WTO, October 2023

Exhibition sector

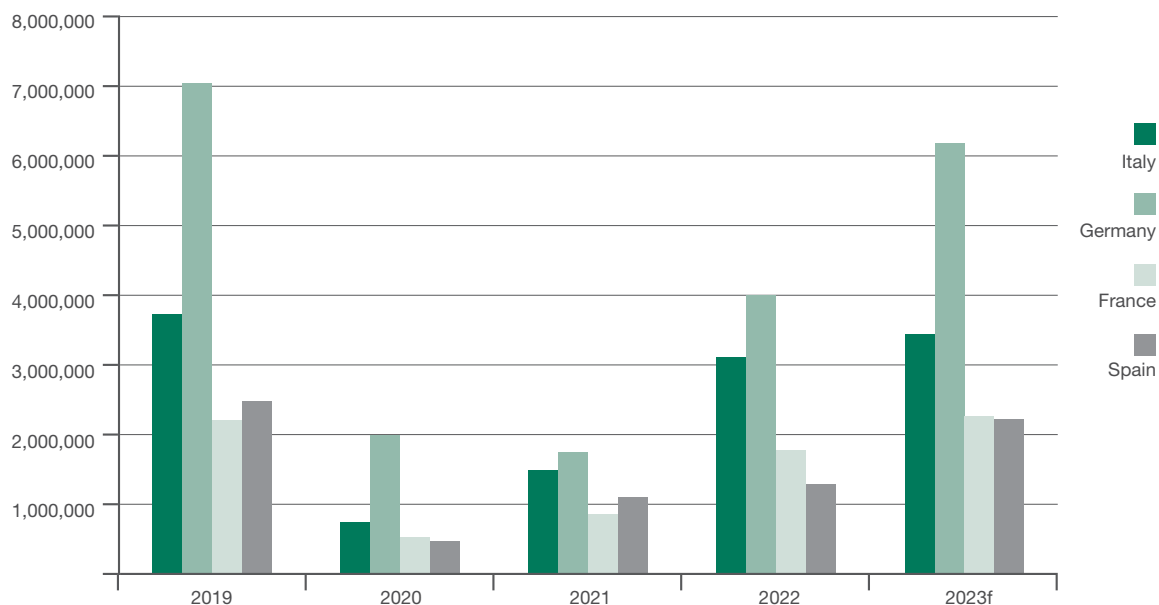
According to UFI⁵, 2023 signalled a resurgence in business across all continents, with the turnover generated nearing the levels reached in 2019. Operating profits are also experiencing a resurgence, with half of the companies worldwide reporting an increase and a quarter reporting stability in 2023 compared to 2019.

In the principal exhibition nations across Europe, there was a noticeable uptick in activity in 2023. However, this progress was tempered by various influences, including the global geopolitical climate, the economic conditions within individual countries, and the rising costs of goods and services. This latter category encompasses expenses associated with travel, such as airfares, which have a bearing on the industry's performance. Key metrics for gauging exhibition success—such as the amount of space leased, the tally of exhibitors, and visitor numbers—have all been affected by these factors. Following the resurgence in 2022, exhibition activity in Italy has seen growth, yet the total area leased at international exhibitions remains slightly below the record high achieved in 2019. The estimated number of visitors in 2023 has increased compared to 2022, partly due to the resurgence of Chinese operators who, since early 2023, have been able to cross national borders without the restrictions previously in place.

For Germany it was the first year after the pandemic with a full exhibition calendar: In fact, in the first quarter of 2022, restrictions were still in place that prevented the holding of exhibitions; suffice it to say that 110 exhibitions were held in the first quarter of 2023 compared to 18 in the same period in 2022. German activity remains below the 2019 threshold, yet it demonstrates a considerable advance compared to the previous year. There has also been a recovery in France and Spain, although, as with the other European countries examined, the level of activity for 2023 has not yet been attained.

⁵ Ufi- The Global Association of the Exhibition Industry - Global Barometer, February 2024

Square metres rented out at international exhibitions



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

Conference and events sector

The perception of value generated by face-to-face encounters is greater now than before the pandemic: this was shown by 61% of the respondents in a survey of event organisers⁶. 30% of the respondents showed no preference and only 9% thought that the value generated by face-to-face was less.

Global DMC Partners⁷ (a network of Destination Management Companies) carried out a survey among meeting planners worldwide, revealing that nearly half of the participants (46%) hosted events with a consistent number of attendees, 36% experienced a rise in attendance compared to previous years (with half of these noting increases of 11 to 25%), and a mere 18% reported a decline in attendance from past events.

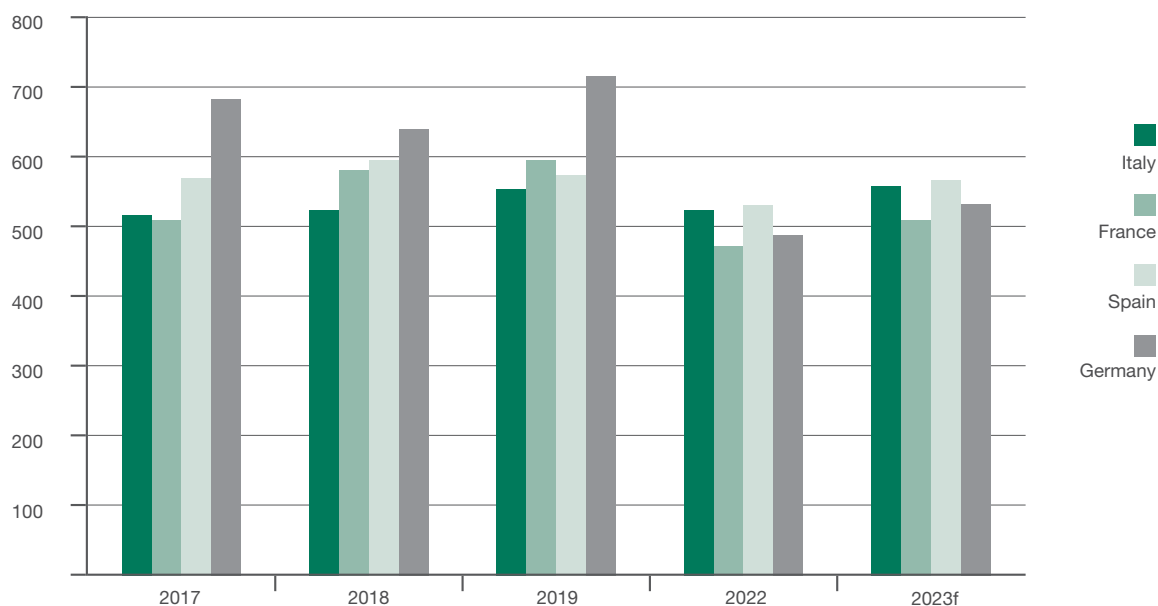
The budget for organising events in 2023 has remained stable for most meeting planners, with just under 40% reporting an increase in their available funds for the year. However, just under 20% have had to reduce their budgets, primarily due to a widespread rise in costs, leading some to reallocate their resources differently. The escalating prices of goods and services, which encompass airfares, represent one of the most significant hurdles confronting the industry. This issue was highlighted by 76% of participants, alongside the concern over the availability of space, noted by 51%, and the delays in obtaining approval from decision-makers, mentioned by 35%.

ICCA has recommenced its survey of international congresses that involve travel, for the year 2022, following a two-year hiatus due to the pandemic. This pause particularly impacted a sector that inherently depends on travel across various countries and continents. Drawing on the available data and the emerging trends, it is projected that by 2023, international touring congresses will experience a resurgence in activity, nearing the levels attained in 2019 for the majority of the countries examined.

⁶ Northstar Meeting Group Cvent, Meeting Industry Pulse Survey, 2024

⁷ Global DMC Partners – 2023 Q2/Q3 Meetings & Events Pulse Survey

ICCA CONGRESSES PER SEGMENT 2017-2023



Source: Fondazione Fiera Milano Research processing of ICCA data

Forecasts and emerging trends

According to UFI⁸, the exhibition industry is expected to maintain its positive trajectory in 2024, building on the progress made in 2023. Company projections indicate that there will be widespread growth throughout the sector. In this edition of the survey, a range of phenomena with a wider reach beyond the exhibition sector have once again come into the spotlight for industry stakeholders. The challenges most acutely perceived by Ufi's respondents pertain to the condition of the national economy (22% of responses, a significant increase from 14% in the June 2023 survey), economic trends on a global scale (mentioned by 17% of respondents, up from 12% in the previous survey), and geopolitical issues (12%). The escalating costs of goods and services, inflationary pressures, international instability, and conflicts have so significantly influenced the survey results that issues previously deemed more pertinent have now been mentioned less frequently. Challenges in internal management, the effects of digitalisation, and competition from alternative media forms were the three most frequently discussed topics in June 2023. These issues are deemed significant by 10%, 6%, and 4% of the survey participants, respectively.

Among the digital challenges that the exhibition industry is currently grappling with, and will continue to confront in the near future, UFI has chosen to concentrate on generative artificial intelligence. This refers to the application of AI in the creation of new content, including text, images, music, and audio-visual material: 91% of respondents believe it will have an impact on the exhibition industry, and some operators say they already use it for certain functions, such as sales, marketing and customer relations (37%) and research and development (35%).

The meetings industry more generally is also questioning the use of artificial intelligence: a survey conducted by MPI⁹ among its member meeting planners shows that 22% of respondents use AI regularly but 48% have never used it; 30% believe it can help provide meaningful experiences and 50% look positively at the use of AI while only 19% have a totally negative perception of it.

In the meetings industry, 2024 is anticipated to be a positive year¹⁰: 28% of the interviewed meeting planners claim to have already reached or exceeded the number of participants in 2019, while 42% expect to reach this target in 2024. Individuals who have not fully recovered identify costs (47%), health concerns of participants (41%), and safety concerns of participants (40%) as the primary reasons for their lack of recovery. 42% of respondents plan to organise more meetings for an internal audience and 48% expect these meetings to have more participants than in the past. The demand for in-house meetings is driven by the adoption of hybrid working models, which lead to a scattered workforce and the subsequent necessity to convene employees for training and team-building activities.

⁸ Ufi- The Global Association of the Exhibition Industry - Global Barometer, February 2024

⁹ MPI Meeting Outlook 2023 Fall Edition

¹⁰ 2024 Global Meetings and Events Forecast, American Express

Income and financial performance for the year ended 31 December 2023

Economic performance

The Consolidated Income Statement is shown below.

Consolidated Income Statement

(Amounts in € '000)	2023		2022	
		%		%
Revenues from sales and services	283,829	100	220,285	100
Cost of materials	3,773	1.3	4,078	1.9
Cost of services	134,460	47.4	110,159	50.0
Costs for use of third party assets	653	0.2	1,246	0.6
Personnel expenses	52,233	18.4	44,413	20.2
Other operating expenses	4,969	1.8	3,931	1.8
Total operating costs	196,088	69.1	163,827	74.4
Other income	5,397	1.9	4,135	1.9
<i>Results of equity-accounted companies</i>	6,933	2.4	466	0.2
Allowance for doubtful accounts and other provisions	2,933	1.0	2,656	1.2
Operating result before adjustments to non-current asset values (EBITDA)	97,138	34.2	58,403	26.5
Depreciation and amortisation	51,499	18.1	47,908	21.7
Adjustments to asset values	815	0.3	1,276	0.6
Operating result (EBIT)	44,824	15.8	9,219	4.2
Financial income/(expenses)	(8,819)	(3.1)	(12,924)	(5.9)
Profit/(loss) before income tax	36,005	12.7	(3,705)	(1.7)
Income tax	7,036	2.5	2,055	0.9
Profit/(loss) from continuing operations	28,969	10.2	(5,760)	(2.6)
Profit/(loss) from discontinued operations	16,500	5.8	-	-
Profit/(loss):	45,469	16.0	(5,760)	(2.6)
- attributable to the shareholders of the controlling entity	45,468	16.0	(5,599)	(2.5)
- attributable to non-controlling interests	1	0.0	(161)	(0.1)

Revenues from sales and services amounted to Euro 283,829 thousand, an increase of Euro 63,544 thousand on the Euro 220,285 thousand recorded in 2022. The improvement is largely due to a revised exhibition schedule featuring the biennial Host event, which is organised directly, along with the occurrence of the multi-year ITMA and Plast exhibitions. All of these events have yielded far superior outcomes compared to their previous editions. This impact was partly mitigated by the lack of the multi-year Innovation Alliance and the biennial Mostra Convegno Expocomfort exhibitions. The rise in revenue was further propelled by the strong collective performance of the annual fashion industry exhibitions, namely Milano Unica, LineaPelle, The Micam, and HOMI Fashion & Jewels. In addition, the good performance of congress activities contributed to this with the holding at the Allianz MiCo of the EAU International Congress, Europe's largest urology event, the EULAR Congress, the congress dedicated to

rheumatic diseases, the ERA Congress, Europe's largest annual nephrology congress, and the ERS - European Respiratory Society. The excellent revenue trend is generally attributable to both the larger exhibition areas occupied and the significant penetration of the services provided.

EBITDA was Euro 97,138 thousand compared to Euro 58,403 thousand in 2022. The positive change of Euro 38,735 thousand was due to the better performance of the exhibitions held during the year combined with the more favourable mix of events on the calendar and the results accounted for using the equity method mainly related to the *joint venture* with the partner Deutsche Messe AG in relation to activities in China, and the associated company Fiere di Parma. This effect was partially offset by higher operating costs, mainly due to the increase in electricity prices as well as the higher personnel costs resulting from the company reorganisation.

The **EBIT** amounted to Euro 44,824 thousand and compared to a value of Euro 9,219 thousand in 2022, showing an increase of Euro 35,605 thousand. The positive change reflects the trend in EBITDA, partially offset by higher depreciation and amortisation related to right of use assets, mainly as a result of the ISTAT adjustment.

Net financial expenses came to Euro 8,819 thousand compared to expenses of Euro 12,924 thousand in 2022. The increase of Euro 4,105 thousand was primarily due to effective treasury management concerning cash investments, along with the enhancement of the *fair value* of ESG mutual fund shares.

Profit before tax amounted to Euro 36,005 thousand compared to Euro -3,705 thousand in 2022.

Income Taxes amounted to Euro 7,036 thousand (Euro 2,055 thousand in 2022).

Profit/(loss) for the year from continuing operations amounted to a profit of Euro 28,969 thousand (loss of Euro 5,760 thousand in 2022).

The **net result from discontinued operations** reflects a balance of Euro 16,500 thousand, primarily due to the increased valuations resulting from the contribution of the "Tuttofood" exhibition business unit, in relation to the acquisition of an 18.5% stake in Fiere di Parma, which had no value as of 31 December 2022.

At 31 December 2023 a **profit** of Euro 45,469 thousand was recorded, compared to a net loss of Euro 5,760 thousand the previous year. It is important to note that the net result encompasses the capital gains realised from the contribution of the "Tuttofood" exhibition division.

Net profit is **attributable** as follows:

- Euro 45,468 thousand to **shareholders of the parent** (Euro -5,599 thousand in 2022);
- Euro 1 thousand to **non-controlling interests** (Euro -161 thousand in 2022).

Equity and financial performance

The table below shows the Restated Consolidated Balance Sheet.

Reclassified Consolidated Statement of Financial Position

(Amounts in € '000)	31/12/23	31/12/22
Goodwill	95,036	95,036
Intangible assets with a finite useful life	12,241	15,195
Right-of-use assets	362,002	367,482
Tangible fixed assets	11,467	5,003
Other non-current financial assets	1,059	2,386
Other non-current assets	90,400	74,270
A Non-current assets	572,205	559,372
Inventory and contracts in progress	2,258	3,144
Trade and other receivables	40,567	33,404
B Current assets	42,825	36,548
Trade payables	65,274	50,317
Payments received on account	39,841	29,869
Tax liabilities	2,866	2,606
Provisions for risks and charges and other current liabilities	33,015	26,166
C Current liabilities	140,996	108,958
D Net working capital (B - C)	(98,171)	(72,410)
E Gross capital employed (A + D)	474,034	486,962
Employee benefit provisions	7,453	7,763
Provisions for risks and charges and other non-current liabilities	3,780	4,233
F Non-current liabilities	11,233	11,996
G NET CAPITAL EMPLOYED continuing operations (E - F)	462,801	474,966
H NET CAPITAL EMPLOYED assets held for sale	-	(1,809)
TOTAL NET CAPITAL EMPLOYED (G + H)	462,801	473,157
covered by:		
Equity attributable to the Group	147,896	105,660
Equity attributable to non-controlling interests	535	533
I Total equity	148,431	106,193
Cash & cash equivalents	(99,843)	(81,971)
Current financial (assets)/liabilities	43,286	41,337
Non-current financial (assets)/liabilities	370,927	409,407
Net financial debt of continuing operations	314,370	368,773
Net financial debt of assets held for sale	-	(1,809)
L Net financial debt (TOTAL)	314,370	366,964
EQUITY AND NET FINANCIAL DEBT (I + L)	462,801	473,157

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

Total **net capital employed** at 31 December 2023 amounted to Euro 462,801, decreasing by Euro 10,356 thousand compared to the figure at 31 December 2022 (Euro 473,157 thousand).

At **31 December 2023**, non-current assets totalled Euro 572,205 thousand compared to Euro 559,372 thousand at 31 December 2022. The decrease of Euro 12,833 thousand relates to the balance between investments for Euro 11,368 thousand, rights of use for Euro 39,056 thousand, depreciation and amortisation for Euro 51,499 thousand, impairment of exhibition trademarks and assets under development for Euro -815, valuations of equity investments through equity for Euro 21,111 thousand, security deposits for Euro 2,360 thousand, receivables for tax consolidation for Euro -6,312 thousand, hedges on loans for Euro -1,327 thousand, deferred tax assets for Euro -891 thousand, exchange differences for Euro -131 thousand, and other changes for Euro -87 thousand.

Net working capital, which is the balance between current assets and current liabilities, went from a negative Euro -72,410 thousand at 31 December 2022 to a negative Euro -98,171 thousand at 31 December 2023. The change is primarily attributable to the rise in amounts owed to suppliers and event organisers, stemming from the altered schedule of exhibitions, as well as the growth in prepayments for events scheduled to take place in the upcoming financial year. The Fiera Milano Group structurally works with a negative working capital due to the favourable cash flow cycle that characterises exhibitions, which require customers to pay a portion of the participation price in advance. This effect was partially offset by the increase in trade receivables.

The **Net Financial Debt** reduced from Euro 366,964 thousand as of 31 December 2022 to Euro 314,370 thousand as of 31 December 2023. As regards the **Net financial position** not including IFRS 16 *lease liabilities*, the Group's net cash at 31 December 2023 amounted to Euro 80,858 thousand, compared to net cash of Euro 29,783 thousand at 31 December 2022. The improvement is a result of the positive *cash flow* generated by the year's operating activities, as well as the higher advance payments received for exhibitions taking place in the following months. The repayment of loans in the amount of around Euro 29 thousand thousand in the year under review should be noted.

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 Controlling Entity and those presented in the Consolidated Financial Statements:

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

	Full year 2023		Full year 2022	
	Equity	Profit/(loss) for the year	Equity	Profit/(loss) for the year
(Amounts in € '000)				
PARENT COMPANY EQUITY AND PROFIT/(LOSS)	134,211	37,866	99,204	(5,480)
Equity and profit/(loss) of consolidated companies	65,572	11,155	41,221	2,990
Intragroup dividends	-	(4,000)	-	(6,000)
Elimination of carrying value of consolidated investments	(87,281)	-	(69,713)	-
Goodwill arising from acquisitions	6,070	-	6,070	-
Write-down of investments, net of tax effect	28,026	436	27,590	1,744
Elimination of write-downs of intergroup loans and financing	1,009	-	1,009	976
Elimination of intragroup margins	824	12	812	10
Minor consolidation adjustments, net of tax effect	-	-	-	-
TOTAL EQUITY	148,431	45,469	106,193	(5,760)
of which attributable to non-controlling interests	535	1	533	(161)
GROUP EQUITY AND PROFIT/(LOSS)	147,896	45,468	105,660	(5,599)

Investments

In the financial year ended at 31 December 2023, investments totalled Euro 11,368 thousand and break down as follows:

Investments

(€'000)	Full year to 31/12/23	Full year to 31/12/22
Intangible fixed assets	2,807	2,557
Tangible fixed assets	8,561	1,419
Total investments in non-current assets	11,368	3,976

Investments in intangible assets amounted to Euro 2,807 thousand, mainly related to the Controlling Entity and included the following:

- Euro 876 thousand for activities still in progress related to the development of new corporate information systems.
- Euro 1,929 thousand for purchases of software and licences made as part of digital transformation projects.

Investments in tangible fixed assets totalled Euro 8,561 thousand and mainly concern:

- Euro 1,863 thousand of purchases of furniture and goods to be hired out at exhibitions;
- plant and machinery for Euro 335 thousand relating to the Controlling Entity, as well as improvements to the Congress Centre for Euro 692 thousand;
- Euro 5,095 thousand for activities still in progress mainly related to the development of network infrastructure.

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 geographic area are given in the following table.

Summary of data by operating segment and by geographic area

(Amounts in € '000)	2023		2022	
Revenues from sales and services				
- By operating segment:		%		%
. Italian Exhibitions Business	241,315	82.6	176,808	77.3
. Foreign Exhibitions Business	3,893	1.3	8,697	3.8
. Congresses	46,982	16.1	43,310	18.9
Total revenues gross of adjustments for inter-segment transactions	292,190	100.0	228,815	100.0
. Adjustments for inter-segment transactions	(8,361)		(8,530)	
Total revenues net of adjustments for inter-segment transactions	283,829		220,285	
- By geographic area:				
. Italy	279,941	98.6	211,588	96.1
. Foreign countries	3,888	1.4	8,697	3.9
Total	283,829	100.0	220,285	100.0
EBITDA		%		%
- By operating segment:		on revenues		on revenues
. Italian Exhibitions Business	79,684	33.0	44,549	25.2
. Foreign Exhibitions Business	4,015	103.1	330	3.8
. Congresses	13,439	28.6	13,524	31.2
. Adjustments	-		-	
Total	97,138	34.2	58,403	26.5
- By geographic area:				
. Italy	93,113	33.3	58,063	27.4
. Foreign countries	4,025	103.5	340	3.9
Total	97,138	34.2	58,403	26.5
EBIT		%		%
- By operating segment:		on revenues		on revenues
. Italian Exhibitions Business	33,593	13.9	2,968	1.7
. Foreign Exhibitions Business	3,921	100.7	(1,213)	(13.9)
. Congresses	7,310	15.6	7,464	17.2
. Adjustments	-		-	
Total	44,824	15.8	9,219	4.2
- By geographic area:				
. Italy	40,893	14.6	10,422	4.9
. Foreign countries	3,931	101.1	(1,203)	(13.8)
Total	44,824	15.8	9,219	4.2
Employees				
(no. of permanent employees at the end of the period)				
- By operating segment:		%		%
. Italian Exhibitions Business	574	80.5	545	80.9
. Foreign Exhibitions Business	91	12.8	83	12.3
. Congresses	48	6.7	46	6.8
Total	713	100.0	674	100.0
- By geographic area:				
. Italy	622	87.2	591	87.7
. Foreign countries	91	12.8	83	12.3
Total	713	100.0	674	100.0

Revenues from sales and services for the year ending 31 December 2023 before elimination of transactions among the business segments of the Group were Euro 292,190 thousand, of which 83% was generated by Italian Exhibitions Business, 1% by Foreign Exhibitions Business and 16% by the Congress segment.

- Revenues from the **Italian Exhibitions Business** amounted to Euro 241,315 thousand, increasing by Euro 64,507 thousand over 2022 (Euro 176,808 thousand). The improvement is largely due to a revised exhibition schedule featuring the biennial Host event, which is organised directly, along with the occurrence of the multi-year ITMA and Plast exhibitions. All of these events have yielded far superior outcomes compared to their previous editions. This impact was partly mitigated by the lack of the multi-year Innovation Alliance and the biennial Mostra Convegno Expocomfort exhibitions. The rise in revenue was further propelled by the strong collective performance of the annual fashion industry exhibitions, including Milano Unica, LineaPelle, The Micam, and HOMI Fashion & Jewels. The excellent revenue trend is generally attributable to both the larger exhibition areas occupied and the significant penetration of the services provided.
- Revenues from the **Foreign Exhibitions Business** amounted to Euro 3,893 thousand, decreasing by Euro 4,804 thousand over the previous year (Euro 8,697 thousand). The decrease was mainly due to the Brazilian exhibition calendar, which included biennial exhibitions in the previous year: The subpar performance of Fesqua, ReaTech, and Ebrats was somewhat mitigated by the successful Exopsec event and the ICTAF 2023 contemporary art exhibition, which was organised by our South African subsidiary.
- **Revenues from Congresses** amounted to Euro 46,982 thousand, going up by Euro 3,672 thousand over the previous year (Euro 43,310 thousand). The change can be attributed mainly to the presence of important congresses, including: ERS - European Respiratory Society, EULAR - European League Against Rheumatism, EAU - European Association of Urology, ECTRIMS - European Committee for Treatment and Research in Multiple Sclerosis, and ERA - European Renal Association Congress have all been represented at corporate conventions, including the Allianz Bank Convention, as well as at new sporting events (Fencing and Padel) and fashion events. This impact was somewhat mitigated by the lack of events from 2022, such as those of the EADV - European Academy of Dermatology and Venereology, the ESCRS - European Society of Cataract and Refractive Surgeons, the ESHRE - European Society of Human Reproduction and Embryology, and the World of Coffee.

EBITDA was equal to Euro 97,138 thousand, increasing by Euro 38,735 thousand compared to the previous year (Euro 58,403), and breaks down by operating segment as follows:

- **Italian Exhibitions Business:** this segment recorded EBITDA of Euro 79,684 thousand compared to Euro 44,549 at 31 December 2022. EBITDA increased by Euro 35,135 thousand and reflected the revenue trend. The positive change was partly due to the results from our associate, Fiere di Parma, which were accounted for using the equity method. This effect was partially offset by higher operating costs, mainly due to the increase in electricity prices and the higher personnel costs resulting from the company reorganisation.
- **Foreign Exhibitions Business:** this segment recorded EBITDA of Euro 4,015 thousand compared to Euro 330 thousand at 31 December 2022. The change of Euro 3,685 thousand was mainly related to the result of the *joint venture* held under joint control with partner Deutsche MESSE AG, in connection with exhibitions in China. This effect was partially offset by the absence of biennial exhibitions held in Brazil: Fesqua and Fisp.
- **Congresses:** EBITDA totalled Euro 13,439 thousand, compared to Euro 13,524 thousand for the year ending 31 December 2022, indicating a reduction of Euro 85 thousand. Although this decrease mirrors the positive trend associated with rising revenues, it is more than compensated for by the heightened expenses in exhibition site charges, energy tariffs, and security costs.

Total **EBIT** was equal to Euro 44,824 thousand compared to Euro 9,219 thousand in the previous year, and breaks down by operating segment as follows:

- **Italian Exhibitions Business:** this segment recorded EBIT of Euro 33,593 thousand compared to Euro 2,968 thousand at 31 December 2022. The change is mainly attributable to the trend in EBITDA.
- **Foreign Exhibitions Business:** this segment recorded EBIT of Euro 3,921 thousand compared to Euro -1,213 thousand at 31 December 2022. The change was mainly due to the EBITDA trend.
- **Congresses:** this segment recorded EBIT of Euro 7,310 thousand compared to Euro 7,464 thousand at 31 December 2022. The decrease is mainly attributable to the trend in EBITDA.

Lastly, as regards **Employees** at the end of the year, the Group's 713 employees were deployed in the following four sectors as follows: 80% in the Italian Exhibitions Business, 13% in the Foreign Exhibitions Business and 7% in Congresses.

Operational Data

The table below gives the figures for exhibitions held in the year ended 31 December 2023, at the **fieramilano**, **fieramilanocity** and foreign sites, compared with data from the previous year. More specifically, the table shows the net square metres of exhibition space occupied and the number of participating exhibitors. The events are classified according to how frequently they are held - annual, biennial or multi-annual and figures for exhibitions directly organised by the Group are also given for each of the periods (*the figures have been rounded off to make them easier to read and compare*).

Fiera Milano Group Summary operating figures

	Full year to 31/12/23		Full year to 31/12/22	
	Total	Organised by the Group	Total	Organised by the Group
Number of exhibitions:	73	43	64	27
Italy	44	14	50	13
. annual	29	9	33	10
. biennial	13	5	12	2
. multi-annual	2	-	5	1
Foreign countries	29	29	14	14
. annual	26	26	8	8
. biennial	3	3	6	6
. multi-annual	-	-	-	-
Number of congresses with related exhibition space	55	-	51	-
Net sq.metres of exhibition space:	1,882,180	806,990	1,414,545	369,625
Italy	1,380,940	305,750	1,239,615	194,695
. annual (a)	895,755	115,620	864,910	102,985
. biennial	314,245	190,130	254,080	63,155
. multi-annual	170,940	-	120,625	28,555
(a) of which congresses with related exhibition space	88,870	-	90,765	-
Foreign countries	501,240	501,240	174,930	174,930
. annual	478,970	478,970	142,810	142,810
. biennial	22,270	22,270	32,120	32,120
. multi-annual	-	-	-	-
Number of exhibitors:	35,985	14,470	23,875	4,800
Italy	26,675	5,160	21,715	2,640
. annual (b)	18,410	2,100	16,630	1,920
. biennial	5,635	3,060	3,255	315
. multi-annual	2,630	-	1,830	405
(b) of which congresses with related exhibition space	5,135	-	4,870	-
Foreign countries	9,310	9,310	2,160	2,160
. annual	9,075	9,075	1,530	1,530
. biennial	235	235	630	630
. multi-annual	-	-	-	-

The table shows that in 2023, the percentage of total square metres of exhibition space covered by annual exhibitions was approximately 73%. In terms of net exhibition floor space, annual exhibitions covered 1,374,725 square metres, an increase of 367,005 square metres compared to the previous year. The increase mostly regarded annual exhibitions organised abroad (+336,160 square metres, corresponding to approximately 92%). The biennial exhibitions reached 336,515 net square metres of exhibition space, an increase over 2022 of 50,315 square metres. The positive shift is largely attributable to the “biennial odd-year” hosted exhibition, Host. The total contribution of events held abroad compared to 2022 was reflected in a positive change of 326,310 net square metres, due to the complete post-pandemic restart of annual exhibitions in China.

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 31/12/23	Full year to 31/12/22	Full year to 31/12/23	Full year to 31/12/22
Annual exhibition:				
Directly organised				
- Bit	16,165	15,610	210	200
- HOMI	16,010	10,955	280	225
- HOMI Fashion&Jewels (I semester)	12,630	9,400	460	365
- HOMI Fashion&Jewels (II semester)	12,850	9,870	425	370
- Miart	8,930	8,145	190	170
- Milan Games Week	33,930	30,000	210	205
- Promotion Trade Exhibition	2,925	3,520	90	85
- Salone del Franchising	3,770	-	110	-
- Sposaltalia	8,410	7,445	125	90
- Chibimart estate	a)	2,765	a)	75
- HOMI indipendet	a)	5,275	a)	135
Total annual exhibitions directly organised	115,620	102,985	2,100	1,920
Hosted				
- Artigiano in Fiera	49,715	44,015	1,305	985
- Eicma Moto	119,600	98,415	705	525
- Fa la cosa giusta	6,110	12,000	415	500
- Filo (I semester)	1,385	1,810	70	90
- Filo (II semester)	2,780	2,505	115	80
- LineaPelle (I semester)	44,020	38,635	995	950
- LineaPelle (II semester)	47,570	43,900	1,125	980
- Mido	37,980	28,505	945	655
- Milano Auto Classica	24,105	24,150	340	305
- Milano Unica (Autumn)	29,075	25,045	560	460
- Milano Unica (Spring)	24,520	18,850	475	385
- Mipel (March)	4,420	3,200	155	110
- Mipel (September)	4,440	4,160	185	160
- My Plant & Garden	25,360	23,640	585	565
- I Saloni	171,075	204,240	1,115	1,140
- Simac Tanning-Tech	14,565	13,530	270	250
- The Micam (Autumn)	35,880	37,125	810	785
- The Micam (Spring)	35,100	30,165	745	630
- The ONE Milano (February)	3,710	3,715	70	65
- Viscom	9,855	8,490	190	160
- Enci Winner	a)	2,720	a)	45
- Smau	a)	2,125	a)	5
- The One Milano (September)	a)	220	a)	10
Total annual exhibitions hosted	691,265	671,160	11,175	9,840
Total annual exhibitions	806,885	774,145	13,275	11,760

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	Net sq. metres of exhibition space		Number of exhibitors	
	Full year to 31/12/23	Full year to 31/12/22	Full year to 31/12/23	Full year to 31/12/22
Biennial exhibitions				
Directly organised				
- Global Elevator Exhibition*	7,040	-	105	-
- Host	128,350	-	1,950	-
- Made Expo	32,545	-	645	-
- Sicurezza	17,260	-	260	-
- Smart Building Expo	4,935	-	100	-
- Transpotec & Logitec	-	52,880	-	220
- NME	-	10,275	-	95
Total biennial exhibitions directly organised	190,130	63,155	3,060	315
Hosted				
- Expoferroviaria	7,245	-	220	-
- ISSA Pulire*	13,980	-	295	-
- Lamiera	18,395	18,990	290	250
- Made in Steel	16,380	-	285	-
- Tuttofood powered by Cibus**	59,660	-	1,300	-
- Vitrum	8,455	-	185	-
- It's Elettrica	-	4,000	-	d)
- Mostra Convegno Expocomfort	-	77,740	-	1,330
- Sime	-	28,600	-	425
- Venditalia	-	14,015	-	265
- Xylexpo	-	18,995	-	240
- Bimu	-	28,585	-	430
Total biennial exhibitions hosted	124,115	190,925	2,575	2,940
Total biennial exhibitions	314,245	254,080	5,635	3,255
Multi-annual exhibitions				
Directly organised				
- Print4all	-	11,960	-	180
- Expodetergo	-	16,595	-	225
Total multi-annual exhibitions directly organised	-	28,555	-	405
Hosted				
- ITMA	121,950	-	1,660	-
- Plast	48,990	-	970	-
- Gastech	-	30,880	-	300
- Greenplast	-	5,140	-	145
- Intralogistica	-	3,575	-	85
- Ipack-Ima	-	52,475	-	895
Total multi-annual exhibitions hosted	170,940	92,070	2,630	1,425
Total multi-annual exhibitions	170,940	120,625	2,630	1,830
TOTAL EXHIBITIONS	1,292,070	1,148,850	21,540	16,845
- Congresses with related exhibition space	88,870	90,765	5,135	4,870
TOTAL	1,380,940	1,239,615	26,675	21,715

* The exhibition was held for the first time.

** In 2023 the exhibition went from directly organized to hosted.

a) The exhibition did not take place.

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 501,240 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 31/12/23	Full year to 31/12/22	Full year to 31/12/23	Full year to 31/12/22
Annual exhibition:				
Annual exhibitions in China				
- CeMAT Asia Shanghai	39,410	a)	855	a)
- Chinafloor Domotex Shanghai °	69,800	23,735	1,380	485
- China International Fastener Show °	15,255	a)	755	a)
- China International Stainless Steel Industry Exhibition °	2,990	a)	50	a)
- Chengdu International Industry Fair °	13,590	a)	405	a)
- Comvac Asia	10,625	a)	295	a)
- E-Pack Tech Shanghai	455	a)	20	a)
- GITF International Tour Guangzhou	6,110	a)	70	a)
- Heavy Machinery Asia	2,000	a)	70	a)
- Industrial Automation Shanghai °	33,810	a)	655	a)
- Industrial Automation Shenzhen °	11,630	a)	370	a)
- Industrial Automation Robotic Show South China °	3,800	a)	60	a)
- International Cold Chain Exhibition °	595	a)	35	a)
- ISEE & CEFE Beijing/Hangzhou °	9,230	7,345	150	250
- Laser Fair Shenzhen	7,460	a)	210	a)
- Let China Guangzhou	14,895	8,595	470	265
- Metal + Metallurgy	405	a)	15	a)
- Metalworking and CNC Mach. Tool Shanghai °	34,565	a)	605	a)
- Motor Show Chengdu °	91,085	83,875	95	90
- PTC Asia Shanghai	44,380	a)	1,760	a)
- Wuhan Motor Show °	38,335	a)	70	a)
- ZZILE Zhengzhou	5,500	-	140	-
Total annual exhibition in China	455,925	123,550	8,535	1,090
Annual exhibitions in South Africa				
- Cape Town Art Fair	3,855	3,330	100	90
Total annual exhibitions in South Africa	3,855	3,330	100	90
Annual exhibitions in Singapore				
- FIND - Design Fair Asia	4,470	2,500	170	80
Total annual exhibitions in Singapore	4,470	2,500	170	80
Annual exhibitions in Brasil				
- Exposec	12,430	10,990	205	200
- Reatech	2,290	2,170	65	55
- Ecoenergy	b)	270	c)	15
Total annual exhibitions in Brasil	14,720	13,430	270	270
Total annual exhibitions	478,970	142,810	9,075	1,530
Biennial exhibition in China				
- China Commercial Vehicle Show °	20,000	-	160	-
Totale biennial exhibition in China	20,000	-	160	-
Biennial in Brasil				
- Tubotech	1,240	925	40	25
- Wire South America	1,030	1,575	35	45
- Ebrats	-	1,340	-	40
- Fesqua	-	11,490	-	220
- Fisp	-	16,790	-	300
Total biennial exhibitions in Brasil	2,270	32,120	75	630
Total biennial exhibitions	22,270	32,120	235	630
TOTAL EXHIBITIONS	501,240	174,930	9,310	2,160

° Fiera Milano Group acts as a trading partner.

a) The exhibition did not take place.

b) The exhibition became a congress.

Fiera Milano Group personnel

Headcount and turnover

At 31 December 2023, the Group had 713 permanent employees compared to 674 at 31 December 2022.

Permanent employees at year end

(units)	31/12/23			31/12/22		
	Total	Italy	Abroad	Total	Italy	Abroad
Fully consolidated companies:						
Executives	24	23	1	30	29	1
Managers and White collar workers (including Journalists)	585	558	27	561	537	24
Total	609	581	28	591	566	25
Equity-accounted companies (a):						
Executives	5	2	3	5	2	3
White collar workers	99	39	60	78	23	55
Total	104	41	63	83	25	58
TOTAL	713	622	91	674	591	83

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

In the financial year 2023, there was a net increase of 39 employees compared to 2022. This was primarily attributed to the bolstering of the Italian organisational framework through the conversion of fixed-term contracts into permanent positions, as well as the expansion of the business following the acquisition of an 18.5% share in Fiere di Parma's equity.

In 2023, a net total of 120 individuals were recruited, with 104 of these appointments occurring within Italy. This significant intake was largely attributed to workforce turnover resulting from resignations and early retirements. Additionally, there was a concerted effort to bolster the sales, marketing, and digital departments, coupled with the progressive integration of junior staff who were initially engaged through training programmes. The remaining 16 resources in the foreign area mainly refer to the replacement of staff who resigned.

There were 81 net departures, excluding intercompany transfers, of which 73 occurred within the Italian companies. These were predominantly due to voluntary resignations and mutual terminations, along with a number of retirements. In the international context, there were 8 departures, mainly attributable to staff turnover.

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 28.9% compared to 22.1% 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. The number of staff on fixed-term contracts increased from 24 on 31 December 2022 to 30 in 2023. This rise is primarily attributable to the initiation of the stabilisation process for resources that were previously in internships, in accordance with procedures established before the Covid pandemic.

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, the Carlo Cattaneo University - LIUC of Castellanza and the University of Insubria in Varese, Università Sapienza di Roma, Artwood Academy and Fondazione ITS Rosario Messina hosted 94 internships in 2023 (68 set up in 2023, 26 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 exhibition 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 2023, personnel with technical roles in the Company safety training.

Training

Fiera Milano has consistently invested in training, acknowledging that the development of skills and competencies is crucial for enhancing the motivation and satisfaction of all employees, thereby supporting the company's growth.

The training plan was designed and implemented to support employees in their development and training journey during their tenure with the company. All employees should be included, regardless of gender, age, length of service, and company rank.

The training programmes provided by the Group align with the company's strategic priorities and the various business sectors, as well as with the growth and skill enhancement requirements of the diverse teams. The training plan meets the mandatory requirements set out by the applicable laws, including Occupational Health and Safety and Compliance matters, and addresses needs related to specific subjects or execution programmes.

Cross-disciplinary training initiatives were conducted on subjects including *Project Management*, which aimed to elucidate the key knowledge areas, processes, and techniques vital for overseeing projects at both introductory and advanced levels. Additionally, *Public Speaking* training was provided, designed to equip individuals with both theoretical and practical resources to adeptly handle personal communication across various settings. Furthermore, proficiency in the English language, which is crucial due to the Group's significant international presence, was emphasised, with a particular focus on developing fluency in presentations, dialogues, and business scenarios.

Additionally, in 2023, an Internal Training Plan was implemented with the objective of establishing a structured training process. This is designed to ensure that all employees possess the essential skills considered crucial for the company's day-to-day operations. The courses were conducted by top performers, chosen for their expertise in the subject matter. This approach enhanced the sense of belonging and motivation while also reducing financial expenses. This initiative facilitated not only the transfer of skills but also the exchange of values and corporate culture.

In detail, the courses offered covered the following macro-topics: Excel, Effective Presentation Skills and PowerPoint, Finance for Non-Financial Professionals, *Personal Branding on LinkedIn*, Understanding Payroll, and The Services and Organisation of Fiera Milano Events.

Fiera Milano anticipates placing a special emphasis on *knowledge sharing* and the *upskilling* of staff, with the goal of fostering business growth. This will be achieved through the establishment of a “School of Trades”, conceived in partnership with the Fondazione Fiera Milano. The “School of Trades” training initiative aims to both enhance and sustain the expertise of Fiera Milano's workforce, especially those with advanced skills and extensive experience. It ensures the ongoing development of these competencies and facilitates their transfer to newcomers.

During 2023, the initial stages of the project commenced, specifically the analysis of knowledge and the design of content. The initial phase of analysis was focused on mapping and organising the core knowledge, skills, and key experiences of the Group by conducting interviews with essential stakeholders and professionals. The professional figures targeted, who will be the focus of the initial pilot, have thus been identified. The design and structuring phase for the content of each course is currently in progress, with the aim of defining detailed content, curricula, and organisational logistics.

The training initiatives at the overseas subsidiaries align with the Group's approach, focusing on the strategic imperatives of the individual companies and their respective business sectors. These are integrated with the advancement and enhancement of skills required by the various teams. The training plan not only fulfils the compulsory stipulations of pertinent legislation, including occupational health and safety, but it also caters to the project's specific needs or execution programmes. These necessitate prompt refresher training (for instance, in *Digital Workplace*) and encompass change management as well as the so-called '*hard*' requirements, such as language proficiency and expertise in systems and software. The training plan ensures the participation of all employees, irrespective of their age, tenure, or job role.

A total of 630 people were involved in training over the course of the year, with 68 courses amounting to a total of 7,327 training hours invested.

Main risk factors affecting the Group

Risk management in the Fiera Milano Group

Fiera Milano uses a Group-level integrated risk management model based on *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 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.

The organisational and procedural supervision of the ERM process is guaranteed by the Risk Management department, which is responsible for the correct operation of the overall process to manage company risks and operates based on the ERM Policy, which governs the roles and responsibilities for identifying, measuring, managing, monitoring and reporting the corporate risks of the Fiera Milano Group.

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 instability of 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 exhibitions, 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.

After a 2022 characterised by high energy and food commodity prices, exacerbated by the Russian-Ukrainian conflict, 2023 saw an overall downwards stabilisation of the cost of energy and a decline in inflation; The resurgence of the Israeli-Palestinian conflict in October 2023 shifted attention once again to supply chains and the risks to trade flows, as the Suez Canal saw a significant decrease in transits following attacks by the Yemeni Houthi group. Italy's GDP, which experienced a modest growth of 0.2% at the end of 2023, buoyed by the services and construction sectors, is underpinned by increasing confidence and a decline in inflation in the first quarter of 2024. Industry seems close to ending the downturn, but inflation rates are likely to remain high for longer than expected, as the slow deceleration of prices could lead to a delay in interest rate cuts.

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 exhibition activity each year according to data from the Italian Exhibition and Trade Fair Association (AEFI). 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. The exhibition market in Italy remains a mature market with high barriers to entry, increasingly polarised around the major players: the market share of the top 5 – FM, IEG, Bologna, Verona and FLAE – according to STAX data is permanently above 50%, with peaks in recent years of 78% (in 2021); these players seek growth opportunities through partnerships and international expansion.

In this context, the Group is dedicated to following strategic directions based on four key principles: The current strategy of the management is centred on (i) creating new exhibitions, (ii) drawing internationally significant events to the Milan exhibition site by forming partnerships with top industry players, (iii) strengthening and broadening the congress offering by capitalising on available space and forging strategic alliances, and (iv) improving both traditional services, such as setups and catering, and digital services.

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 current strategy of the management, which involves (i) creating new exhibitions, (ii) drawing internationally significant events to the Milan exhibition site by forming partnerships with major players, (iii) strengthening and broadening the congress segment through the optimisation of available space and the formation of alliances, and (iv) improving both traditional (e.g., setups, catering) and digital services, is expected to lead to increased stability in revenue and profit margins annually and across alternating 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. However, the company is committed to developing a business line for “off-site” orders, also exploiting the potential of the “Erigo” network agreement with Allestitimenti Benfenati.

Risks relating to market demands for sustainability requirements

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 large Anglo-Saxon exhibitors, with a high focus on ESG issues, may prefer other exhibition and congress companies. Additionally, the sustainability of the infrastructure within the host city, such as hotels, is particularly pertinent in the context of congresses.

To mitigate this risk factor, the Group has established a set of sustainability objectives that encompass a range of initiatives, many of which have already been accomplished or are currently underway.

First and foremost, there is an ISO certification plan that currently sees (i) the controlling entity Fiera Milano, already certified ISO 9001 - Quality, ISO 20121 - Sustainable Event Management System and ISO 45001 - Health and Safety, with the objective of obtaining ISO 14001 - Environment, ISO 37001 - Anti-corruption and ISO 37001 - Gender Equality certification by the end of 2024 (ii) the subsidiary Nolostand, operating in the stand fittings business, adopting an integrated management system (IMS) that includes ISO 9001 - Quality, ISO 14001 - Environment, ISO 45001 - Health and Safety, ISO 20121 - Sustainable Event Management System certifications (iii) the subsidiary Fiera Milano Congressi, which manages the congress business, having obtained ISO 20121 - Sustainable Event Management System and ISO 14001 - Environment certification by 2023.

In 2022, Fiera Milano received a sustainability rating from Sustainalytics, achieving a score that positioned the company within the second-highest category, "Low Risk". Additionally, the company conducted a carbon footprint analysis using the Life Cycle Assessment (LCA) method for the Group's exhibitions.

Commodity price risk (energy)

The pressures on commodity and energy prices, which intensified during the initial stage of the conflict in Ukraine and then gradually stabilised over the course of 2023, are expected to resurface due to the Israeli-Palestinian conflict. This is a consequence of the significant decrease in trade through the Suez Canal, which has been affected by attacks from the Yemeni Houthi group. This risk factor also applies to Group companies, mainly with regard to commodities and raw materials such as electricity, and secondly with regard to wood (used for stand panels) and polymers (used for graphics, signage, fabrics and carpeting);

Even in a more favourable environment than in 2022, the Group's energy price risk remains significant; in this context, the company adopts a hedging strategy for the MWh price, which involves capitalising on the most advantageous fluctuations in energy prices by adjusting the hedge ratio accordingly. Furthermore, as a measure to mitigate risk, efforts commenced at the start of 2023 to enhance the photovoltaic facility located in the Rho exhibition site. Originally, this plant had a capacity of 8.2 MWh, which had been augmented to 13.8 MWh by the close of 2023. These works will be completed during 2024 and will reach a capacity of 17 Mwh, covering approximately 30% of the exhibition site's total energy needs.

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 and entered into framework agreements with suppliers at prices set for the short term. On the revenue side, the company amended its price lists with the aim of preserving the margins on its orders.

2. Operational risks related to processes and organisation

Climate change - impact of acute physical risks on assets

A growing awareness at international level of the consequences of climate change, with a broad-ranging impact expected on ecosystems, the economy, human health and well-being, calls for companies to also assess their potential impacts and the related adaptation actions (in the case of risks incurred) and mitigation actions (in the case of risks generated).

As part of the framework 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 likened to extreme weather conditions (TCFD Physical/Acute classification), such as flooding, hail, hurricanes, etc..

Extreme weather events 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. In previous years, the Group conducted an analysis of the potential impact of extreme natural events on the infrastructure, which showed an overall low exposure to the aforementioned risks.

To manage the repercussions of incidents like those mentioned, the Group has recently implemented a *Business Continuity Management* framework. This includes a *Crisis Management Plan* and a series of business continuity procedures that outline the operational responses to be enacted during crises, including situations involving asset unavailability.

As regards maintenance, work was carried out on the exhibition structures, such as (i) re-roofing of the pavilions, in preparation for the installation of photovoltaic panels, with improvement of the thermal seal and reduction of water infiltration (ii) renovation of the downpipes and eaves of the halls (iii) installation of a sensor monitoring system of the elastic behaviour of the steel structures of the web.

The Group also has adequate insurance cover (*Property Damage and Business Interruption*) as part of the Group *All Risks Property* policy.

Risks from terrorist attacks and social unrest

The exhibition and congress sites managed by Fiera Milano Group are considered a target at risk of potential terrorist attacks or social unrest, given the high number of people that may be present at peak exhibitions and the consequent media attention that events of this nature would attract. The possible negative repercussions include damage to structures, people and the consequent inability to continue operating.

The likelihood of social unrest has risen due to the outbreak of conflict between Israel and Hamas in early October 2023, which has also led to subsequent protests and disturbances.

Regarding *risk mitigation* measures, the Group has long maintained an effective security system for managing access; in particular, following the instructions of and in cooperation with the competent authorities, it has increased the level of security and access control in the exhibition areas by introducing airport-style security checks (baggage scanners and metal detectors for people at the access points), preventative clearance measures conducted in all areas in collaboration with the law enforcement agencies, and protection of the pedestrian areas using road blocks and new jerseys to prevent vehicle access.

Additionally, within the insurance framework, the Group's third-party liability policy encompasses a provision for coverage against damages arising from acts of terrorism. Similarly, the "all risks - property" policy includes a safeguard for damages due to terrorism, as well as a section on Indirect Damage - *Business Interruption*, which compensates for the loss of profits following a claim related to such incidents.

Risks related to the launch and repositioning of exhibitions and the loss of key events

Despite the considerable number of events organised and hosted in the Rho exhibition site, 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, Linea Pelle). 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.

Additionally, the Group's leadership pursues a strategy to cultivate new exhibitions, such as the Next Mobility Exhibition and the Global Elevator Exhibition, and to attract internationally recognised events, including GASTECH, CPPI, and ITMA, to the Milan exhibition site by forming partnerships with prominent organisers.

Furthermore, with regard to the weak situation seen in the recent past in terms of the reference markets - or of some segments - there appears to be a need to reposition several own exhibitions (e.g.: HOMI January and MADE EXPO), for which actions such as changes in format, changes of dates and/or location, *spin-offs* or insertion of new product sectors have been implemented, in whole or in part, with consequent greater exposure to the risk of under-performance of these events with related repercussions on the expected results, both in the short and medium-long term. This risk is mitigated through the engagement of new skills in the Business Unit teams and by creating cross-functional teams, with specific skills in the businesses in question, able to provide support to the business units in developing repositioning projects, by analysing competitive scenarios and market trends.

Dependence on suppliers

Fiera Milano makes intensive use of its service provider operations, so much so that the Group's ability to host and organise exhibitions and congresses depends on the regular operation of the suppliers involved in the main processes (cleaning, carpet laying, equipment, logistics, maintenance, energy, surveillance, etc.). For some of these product categories, for technical and management reasons, the current supplier is the only one contracted (security, logistics), so that an accidental failure of one of these operators would entail a risk of loss of profit due to the interruption, even temporary, of the exhibition activity, as the Group would not be able to replace the supplier immediately, with repercussions also of a reputational nature.

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. Additionally, the group has recently established a *Business Continuity Management* framework, which includes a *Crisis Management Plan* and a suite of business continuity procedures. These procedures dictate the operational responses to be enacted during crisis situations, encompassing scenarios that involve the unavailability of critical suppliers.

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

Cyber risk

Cyber 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. It should be noted that the recent Russian-Ukrainian conflict has led to the introduction of highly sophisticated cyber-offensive tools to support cyber-intelligence and cyber-warfare activities, which has further exacerbated the risk in question.

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

- (i) policies and procedures in the field of IT Security;
- (ii) data protection — file auditing/protection solutions;
- (iii) email protection - solutions for protecting company emails;
- (iv) endpoint detect & response – solutions for external threat detection and autonomous endpoint response capability;
- (v) network protection - means to ensure the infrastructure security of the perimeter network (IDS, IPS, DNS & Web Filtering, Application Control);
- (vi) web application firewall — solutions for the protection of the Group's applications and websites;

- (vii) IAM/PAM – solutions for identity governance and for managing privileged user access.
- (viii) carrying out vulnerability assessment and penetration testing activities.

Regarding infrastructure and network security, a new Data Centre managed by an external service provider became operational at the start of 2023. It introduced disaster recovery measures and enhanced the management of backup data (Golden Copy).

In addition, a SOC - Security Control Centre service, operated by a service provider, was set up to analyse and manage security incidents with related containment and resolution measures; At the beginning of 2023, a Cyber Threat Intelligence service came online, offering an additional 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).

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 relies significantly on the professional input of its senior management and highly specialised personnel, who are primarily assigned to the Group's Business Units (such as Exhibition Directors) and operational activities. Consequently, the Group faces the risk of being unable to attract and retain individuals with the necessary qualifications to perform these activities, or the risk that existing professional relationships with key individuals or specialised staff may be discontinued.

To manage the potential critical issues arising from this risk factor, the Group has put in place a series of actions. In April 2023, a medium- and long-term LTI incentive plan called "performance shares 2023-2025" was approved at the shareholders' meeting, in the form of mixed cash/performance shares, targeted at the directors of group companies, as well as executives with strategic

responsibilities and other employees of the Company and its Subsidiaries, as well as other staff members, are integral to reaching performance goals, which in turn enhances their motivation and strengthens their loyalty to the Group as beneficiaries of the Plan.

Additionally, a range of HR initiatives were implemented, such as the "School of Trades" training programme, designed to identify and catalogue the company's key knowledge and skills, and to initiate a process for the distribution and sharing of this expertise. Another initiative is the "Sales Incentive" scheme, which offers more competitive rewards in line with market standards, with the objective of boosting individual sales performance and sustaining a high degree of engagement.

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) potentially with a medium/high level of risk of being exposed to undeclared working practices.

Nevertheless, the probability of the Group engaging with suppliers who have issues with irregular employment is considered to be low, owing to the extensive organisational, contractual, and procedural safeguards that have been put in place. The Group has established and enforced controls at two points: (i) during the initial phase of supplier engagement, where suppliers undergo a thorough assessment of their reputation and economic-technical capabilities for inclusion in the Group's supplier register, and (ii) on-site, through the physical monitoring of access and the oversight of service delivery as per contractual agreements.

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 Group's procedural framework also comprises:

- i) procedure for granting accreditation and controlling access to exhibition sites
- ii) Purchasing and supplier qualification procedure
- iii) personnel search, selection and recruitment procedure.

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) technical regulations for exhibition sites (iii) general regulations for exhibitions (iv) 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 media exposure.

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 and in the phase of executing the contracted services.

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, the Whistleblowing Policy, updated with the provisions of Legislative Decree 24/23, which transposed EU Directive 2019/1937, provides 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.

3. Legal and 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) 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 exhibitions within the Fiera Milano-managed exhibition sites. 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), pavilions 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.

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)

During their operations, the group's companies acquire, gather, retain, and process the personal data of their employees, associates, clients, partners, and suppliers. Consequently, group companies face the potential risk that the procedures and measures put in place for personal data protection may prove to be insufficient, or that the necessary privacy safeguards are not correctly applied across the different areas of activity. These circumstances may result in the identification of breaches of the duties stipulated in, among other regulations, the General Data Protection Regulation (GDPR) - Regulation (EU) 2016/679. Consequently, this could lead to the imposition of the penalties outlined within the regulation, which include maximum fines of either Euro 10 to 20 million or 4% of the total annual worldwide turnover of the preceding financial year, whichever is greater. At the procedural level, Fiera Milano has adopted a policy on the protection of personal data, which regulates the organisation of roles, tasks and responsibilities in relation to data protection, a procedure for managing and notifying data breaches and measures for carrying out DPIAs (Data Protection Impact Assessments), in collaboration with the DPO (Data Protection Officer). Activities to map the processing of personal data and update the records of the processing of personal data, as well as the privacy policy models, are also carried out periodically.

4. Financial and reporting risks

For details, reference is made to the section on financial assets and liabilities 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 2023 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

There were no significant events after the end of the year.

Business outlook

During 2024, the Fiera Milano Group is set to continue its recovery to pre-Covid levels of performance and will undertake additional development initiatives, capitalising on the following enabling factors: enhancing and expanding the portfolio of exhibitions and congresses, as well as establishing agreements with strategic partners, developing the services sector, and hastening the pace of international operations.

Despite the macroeconomic outlook for the short term remaining uncertain, the outstanding results attained in 2023—which affirm a firmly entrenched post-pandemic recovery—and given the stability of the exhibition portfolio for 2024, the Group fully trusts the financial forecasts for the current year that were previously disclosed to the market. These projections anticipate an EBITDA of between Euro 65-75 million as of 31 December 2024.

The unveiling of the new Strategic Plan for 2024-2027, set to be presented to the financial community on 8 April 2024, will provide an occasion to outline the medium- to long-term strategy, growth projections, and the Group's development endeavours for the forthcoming four years.

Income and financial performance of Fiera Milano SpA

Economic performance

Fiera Milano SpA Income Statement

	2023		2022	
		%		%
(Amounts in € '000)				
Revenues from sales and services	232,630	100.0	172,488	100.0
Cost of materials	290	0.1	221	0.1
Cost of services	113,479	48.8	91,367	53.0
Costs for use of third party assets	770	0.3	1,177	0.7
Personnel expenses	42,910	18.4	37,791	21.9
Other operating expenses	4,730	2.0	3,663	2.1
Total operating costs	162,179	69.7	134,219	77.8
Other income	6,417	2.8	5,954	3.5
Allowance for doubtful accounts and other provisions	2,216	1.0	2,578	1.5
Operating result before adjustments to non-current asset values (EBITDA)	74,652	32.1	41,645	24.1
Depreciation and amortisation	43,038	18.5	39,909	23.1
Adjustments to asset values	815	0.4	-	-
Operating result (EBIT)	30,799	13.2	1,736	1.0
Financial income/(expenses)	(4,164)	(1.8)	(6,347)	(3.7)
Valuation of financial assets	-	-	(2,720)	(1.6)
Profit/(loss) before income tax	26,635	11.4	(7,331)	(4.3)
Income tax	5,269	2.3	(1,851)	(1.1)
Profit/(loss) from continuing operations	21,366	9.2	(5,480)	(3.2)
Profit/(loss) from discontinued operations	16,500	7.1	-	-
Profit/(loss)	37,866	16.3	(5,480)	(3.2)

Revenues from sales and services amounted to Euro 232,630 thousand, an increase of Euro 60,142 thousand on the Euro 172,488 thousand recorded in 2022. The increase in revenue is primarily due to the varied exhibition schedule, which included the biennial event Host organised directly in the year under review. Additionally, the multi-year exhibitions ITMA and Plast were held, both of which yielded results that significantly surpassed those of their previous editions. This impact was partly mitigated by the lack of the multi-year Innovation Alliance and the biennial Mostra Convegno Expocomfort exhibitions. The rise in revenue was also driven by the strong performance of the annual fashion industry exhibitions (Milano Unica, LineaPelle, The Micam, and HOMI Fashion & Jewels), as well as by the expansion of the exhibition spaces utilised and the considerable uptake of services offered.

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

EBITDA amounted to Euro 74,652 thousand compared to Euro 41,645 thousand as at 31 December 2022, showing an increase of Euro 33,007 thousand. The increase is due to the better performance of the exhibitions held during the year combined with the more favourable mix of events on the calendar. This effect was partially offset by higher overhead and operating costs, mainly due to the increase in electricity prices and the higher one-off personnel costs resulting from the company reorganisation.

EBIT was equal to Euro 30,799 thousand compared to Euro -1,736 thousand at 31 December 2022, marking an increase of Euro 29,063 thousand. The positive change mainly reflects the trend in EBITDA. This effect was partially offset by higher depreciation on right-of-use assets as a result of the ISTAT adjustment as well as value adjustments made on the G! Come Giocare trademark and intangible assets under development due to an unfinished project.

Net financial expenses amounted to Euro 4,164 thousand compared to net expenses of Euro 6,347 thousand at 31 December 2022. The favourable increase of Euro 2,183 thousand was primarily due to treasury management associated with cash investments, as well as an enhancement in the *fair value* of ESG mutual fund shares. This impact was partly mitigated by reduced dividends distributed by the subsidiary, Fiera Milano Congressi SpA.

The entry "Valuation of financial assets" displays a nil value, in contrast to the Euro -2,720 thousand recorded as of 31 December 2022.

Profit before tax amounted to Euro 26,635 thousand compared to Euro -7,331 thousand in 2022.

Profit/(loss) from continuing operations amounted to a profit of Euro 21,366 thousand (loss of Euro 5,480 thousand in 2022).

The net result from discontinued operations totalled Euro 16,500 thousand, attributable primarily to the increased value resulting from the transfer of the "Tuttofood" exhibition business unit, in relation to the acquisition of an 18.5% stake in Fiere di Parma SpA.

As of 31 December 2023, the net profit totalled Euro 37,866 thousand, in contrast to a loss of Euro 5,480 thousand in the preceding year. It is important to highlight that this net result encompasses the capital gain realised from the transfer of the "Tuttofood" exhibition business unit.

Equity and financial performance

Fiera Milano SpA Reclassified Statement of Financial Position

(Amounts in €'000)	31/12/23	31/12/22
Goodwill	76,091	76,091
Intangible assets with a finite useful life	11,287	14,151
Right-of-use assets	318,780	330,746
Tangible fixed assets	6,624	1,417
Other non-current assets	110,423	98,683
Other non-current financial assets	14,365	15,262
Non-current assets	537,570	536,350
Inventories	1,626	2,098
Trade and other receivables	27,683	22,973
Current assets	29,309	25,071
Trade payables	43,398	29,202
Pre-payments	32,027	24,617
Tax liabilities	2,431	2,044
Provisions for risks and charges and other current liabilities	41,928	33,074
Current liabilities	119,784	88,937
Net working capital (B - C)	(90,475)	(63,866)
Gross capital employed (A + D)	447,095	472,484
Employee benefit provisions	4,822	5,399
Provisions for risks and charges and other non-current liabilities	384	500
Non-current liabilities	5,206	5,899
NET CAPITAL EMPLOYED continuing operations (E - F)	441,889	466,585
NET CAPITAL EMPLOYED asset held for sale	-	(1,809)
TOTAL NET CAPITAL EMPLOYED (G + H)	441,889	464,776
covered by:		
Equity	134,211	99,204
Cash & cash equivalents	(95,329)	(74,894)
Current financial (assets)/liabilities	57,012	54,881
Non-current financial (assets)/liabilities	345,995	387,394
Net financial debt of continuing operations	307,678	367,381
Net financial debt of asset held for sale	-	(1,809)
Net financial position (TOTAL)	307,678	365,572
EQUITY AND NET FINANCIAL POSITION (I + L)	441,889	464,776

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 441,889 thousand at 31 December 2023, a decrease of Euro 22,887 thousand compared to the figure at 31 December 2022.

At 31 December 2023, **non-current assets** totalled Euro 537,570 thousand compared to Euro 536,350 thousand at 31 December 2022. The Euro 1,220 thousand increase primarily pertains to the "Other non-current assets" line item, subsequent to the acquisition of an 18.5% interest in the share capital of Fiere di Parma SpA. This impact was largely counterbalanced by the reduction in receivables from the Controlling Entity due to tax consolidation, as well as by the decline in the "Right-of-Use Assets" line item.

Net working capital, which is the balance of current assets and current liabilities, changed from a negative figure of Euro -63,866 thousand at 31 December 2022 to a negative figure of Euro -90,475 thousand at 31 December 2023. The change is primarily due to the rise in trade payables and amounts owed to organisers, which stems from the varying schedule of exhibitions, as well as the growth in advance payments for events scheduled to take place in the upcoming financial year.

Fiera Milano SpA structurally works with a negative working capital due to the favourable *cash flow* cycle that characterises exhibitions, 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 134,211 thousand, an increase of Euro 35,007 thousand compared to 31 December 2022. The change is mainly attributable to profit/(loss) for the year.

The **Net Financial Debt** reduced from Euro 365,572 thousand as of 31 December 2022 to Euro 307,678 thousand as of 31 December 2023. **Financial debt** not including IFRS 16 *lease liabilities* shows net cash of Euro 55,121 thousand, compared to net cash of Euro 3,436 thousand at 31 December 2022. The improvement is mainly due to the positive *cash flow* generated by operating activities for the year, mainly as a result of pre-payments collected for the exhibition taking place in the following months. The repayment of loans in the amount of around Euro 29 thousand thousand in the year under review should be noted.

Investments: In the financial year ended at 31 December 2023, investments totalled Euro 26,940 thousand and break down as follows:

Investments

(€'000)	Full year at 31/12/23	Full year at 31/12/22
Intangible fixed assets	2,806	2,550
Tangible fixed assets	5,810	348
Financial fixed assets	18,324	11,750
Total investments in non-current assets	26,940	14,648

Investments in intangible fixed assets totalled Euro 2,806 thousand and mainly concern:

- Euro 1,929 thousand for purchases related to the implementation of digital projects and purchases of software and licences, as well as software licences with time-limited user rights;
- Euro 877 thousand for activities still in progress related to the development of new digital systems.

Investments in intangible fixed assets totalled Euro 5,810 thousand and mainly concern: Euro 715 thousand for facilities at the Rho exhibition centre, equipment and furnishings to support exhibition activities and electronic machines, and Euro 5,095 thousand mainly refer to activities still in progress related to the development of the network infrastructure.

Investments in financial fixed assets totalled Euro 18,324 thousand and were associated with the purchase of an 18.5% stake in Fiere di Parma SpA, as well as a capital transaction involving Fiera Milano Brasil Publicações e Eventos Ltda.

As regards related-party transactions with Group companies, reference is made to Note 49 in the Notes to the Financial Statements of Fiera Milano SpA.

Fiera Milano SpA personnel

Headcount and turnover

The Company had 464 permanent employees at 31 December 2023 and the breakdown compared to the previous financial year was as follows:

Permanent employees at year end

(units)	31/12/23	31/12/22
Executives	19	25
Managers and White collar workers	445	452
Total	464	477

Compared to the previous year, the number of employees on permanent contracts fell by 13, partly due to an organisational restructuring that involved transferring the contracts of employees from one operational area to the subsidiary Nolostand.

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 27.6% in 2023 compared to 20.9% in 2022.

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. The number of employees on fixed-term contracts rose from 14 in 2022 to 22 in 2023, largely as a result of the ongoing stabilisation process – which had been established before the Covid period – aimed at securing permanent positions for individuals who were previously interns.

Current contracts

National and Supplementary Collective Employment Agreements

Fiera Milano SpA applies 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.

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. Social and family-oriented institutions were also introduced.

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 2023; 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 among 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.

The employment contract for senior managers is regulated by the National Collective Labour Agreement (CCNL) for Executives of the Tertiary, Distribution and Services sectors.

Equal Opportunities and Non-Discrimination

For Fiera Milano, diversity of gender, culture and origin is a value. Owing to the distinctive contributions of every employee, we can foster a unified, vibrant, and inventive work environment that is well-equipped to tackle the identified challenges. Ensuring that everyone can realise their potential daily and feel valued for their unique attributes is an essential aspect of *corporate* management for a company like Fiera Milano, which places the individual at the heart of its operations.

In 2022, the company introduced 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.

The *Diversity & Inclusion Manager* is responsible for investigating, crafting, and implementing pioneering strategies to foster Diversity & Inclusion within the Fiera Milano Group. This role involves a thorough assessment and revision of current guidelines, procedures, and practices to guarantee the removal of barriers to gender equality and inclusivity. The manager is also tasked with establishing clear objectives and targets in the realm of Diversity & Inclusion for the Sustainability Plan. These targets are to be progressively allocated to the Group's managers, aligning with the annual *Performance and Leadership Management* process and the incentive schemes.

The *Diversity & Inclusion Manager* also aims to promote and foster an inclusive culture by: i) organising and leading awareness and training programmes for employees; ii) gathering and assessing suggestions from colleagues, presenting them to the management team, and turning them into tangible projects and initiatives; iii) forging partnerships with organisations and associations that can support the Group's development, while simultaneously engaging with the market to pinpoint exemplary practices to emulate.

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 among its employees as required by Italian Legislative Decree 198 of 11 April 2006.

In 2023, female employees numbered 272 representing 60% of total employees, broken down as follows:

Composition	Female presence	Male presence	Total
Executives	4	15	19
Managers	46	47	93
White collars workers	222	130	352
Total	272	192	464

In 2023, a project for analysis and development was initiated, targeting the achievement of Gender Equality Certification. This prestigious recognition is awarded to companies that satisfy the qualitative and quantitative standards established by the UNI/PdR 125:2021 Reference Practice.

Safety

For Fiera Milano SpA, employee safety is a priority in which we must make significant investment. In 2023, personnel with technical roles in the Company safety training.

Training

As regards the 2023 training programme of Fiera Milano SpA, reference is made to the section "Training" in the chapter "Fiera Milano Group personnel".

Proposals for the Shareholders' Meeting

Ordinary Session

Shareholders' Meeting of Fiera Milano S.p.A. (hereinafter, "Fiera Milano" or the "Company"), convened for 23 April 2024 at 3 pm in a single call.

(Report pursuant to Article 125-ter, paragraph 1, of Italian 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 2023:

1.1 approval of the Financial Statements as at 31 December 2023, 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 2023 and the 2023 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 2023, which we submit to your attention, close with a net profit of Euro 37,865,916.95, which allows us to offer you the distribution of a dividend, before any withholding taxes by law, of Euro 0.14 for each of the common shares outstanding on the date of payment of the dividend, with the exception of the Company's treasury shares.

As of today, the Company holds 776,010 treasury shares, equal to 1.08% of the share capital.

In addition, we present (i) the Consolidated Financial Statements of the Fiera Milano Group as at 31 December 2023, which, although not subject to approval by the Shareholders' Meeting, are complementary to the information provided with the Financial Statements of Fiera Milano, and (ii) the Consolidated Disclosure of Non-Financial Information pursuant to Legislative Decree No. 254/2016 of the Company.

Given the above, we submit the following for your approval

proposed resolution

1.1 Approval of the Financial Statements as at 31 December 2023, 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 2023 and the 2023 Consolidated Non-Financial Statement 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 2023,

resolves

to approve the Financial Statements for the year ended 31 December 2023, consisting of 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 net profit of Euro 37,865,916.95 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 the result 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 2023,

resolves

to approve the proposal made by the Board of Directors to:

- distribute a gross ordinary dividend of EUR 0.14 per eligible ordinary share from the amount of the profit for the financial year 2023;*
- retaining the remaining profit for the year, net of the aforementioned distribution;*
- establish that the payment of the dividend takes place for each ordinary share entitled on 2 May 2024 (“payment date”), with a release of coupon No. 10 on 29 April 2024 (“ex date”), in accordance with the Italian Stock Exchange calendar, and record date of 30 April 2024.”*

2. Report on the Remuneration Policy and 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 13 March 2024, approved, in compliance with current legal provisions, the Report on Remuneration Policy and Remuneration Paid (hereinafter, the “**Report**”) prepared under Article 123-ter of Italian Legislative Decree 58/1998 (hereinafter, the “**Consolidated Law on Finance**”), which will be made available to the public within the terms of the law.

Pursuant to paragraph 3-ter of Article 123-ter of the TUF, the Shareholders' Meeting is asked to vote, by binding resolution, in favour or against, Section One of the Report and, pursuant to paragraph 6 of the same provision, by non-binding resolution, in favour or against, Section Two of the Report.

Concerning the preceding, the Directors, therefore, submit for your examination the Report mentioned above, Section One of which illustrates 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 (“top management” in the definition adopted by the *Corporate Governance Code*).

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 in detail 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 individual merit, in order to adequately value each person's contribution to the Group.

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 and on the authorised storage mechanism www.emarketstorage.com

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 Statutory Auditors:

3.1 appointment of Standing Statutory Auditors and Substitute Statutory Auditors;

3.2 appointment of the Chairman;

3.3 determination of remuneration.

Dear Shareholders,

The Shareholders' Meeting of 28 April 2021 conferred the mandate of the Board of Statutory Auditors. It will expire with the Shareholders' Meeting convened to approve the Financial Statements for the year ending 31 December 2023.

We therefore invite you to appoint, pursuant to Article 2364, paragraph 1, point 2) of the Italian Civil Code, the appointment of the new supervisory body in compliance with current legal and regulatory provisions, as well as the provisions of the Articles of Association, made available on the Company's website www.fieramilano.it in the Investors/Governance/Articles of Association section.

To take the necessary resolutions, we remind you that:

- pursuant to Article 2400, paragraph 1 of the Italian Civil Code, the term of office of the supervisory body is equal to three financial years and, therefore, the newly appointed Board of Statutory Auditors will remain in office until the date of the Shareholders' Meeting convened to approve the Financial Statements as at 31 December 2026;
- pursuant to Article 2400, last paragraph of the Italian Civil Code, at the time of the appointment of the members of the Board of Statutory Auditors and before accepting the appointment, the administrative and control positions held by each of them at other companies are announced to the Shareholders' Meeting;
- pursuant to Article 148, paragraph 3 of Legislative Decree 58/1998, the following persons may not be elected as statutory auditors and, where elected, they shall be disqualified from office: a) persons who are in the conditions referred to in Article 2382 of the Italian Civil Code; b) spouses, relatives and the like up to the fourth degree of kinship of the directors of the company, spouses, relatives and the like up to the fourth degree of kinship of the directors of the companies it controls, the companies it is controlled by and those subject to common control; c) persons who are linked to the company, the companies it controls, the companies it is controlled by and those subject to common control or to directors of the company or persons referred to in paragraph b) by self-employment or employee relationships or by other relationships of an economic or professional nature that might compromise their independence;
- pursuant to Article 148, paragraph 4, of Legislative Decree No. 58/1998, statutory auditors must meet the good repute requirements prescribed by the regulation adopted pursuant to Article 17, paragraph 3 of the Law of 23 August 1988, No. 400 by the Minister of Justice;
- under Article 20.1 of the Articles of Association:
 - i. the Board of Statutory Auditors is composed of three standing statutory auditor and two substitute statutory auditors;
 - ii. outgoing Statutory Auditors can be re-elected;
 - iii. the Statutory Auditors must meet the requirements of good repute, professionalism and independence provided for by current legal and regulatory provisions and, in any case, they must be chosen from among people who can be qualified as independent also on the basis of the criteria established with reference to the directors by the *Corporate Governance* Code of Borsa Italiana S.p.A.;
 - iv. the composition of the Board of Statutory Auditors must ensure that the least represented gender belongs to a number of effective Statutory Auditors at least equal to what is required by laws and regulations in force at the time;¹¹
 - v. persons who hold the same office in more than four Italian companies with shares listed on regulated markets in Italy or in other European Union countries or in companies issuing financial instruments that are widely distributed among the public pursuant to current legislation may not be appointed as Standing Statutory Auditor, and if elected shall forfeit their office;

¹¹ Pursuant to Article 148 paragraph 1-bis of Legislative Decree No. 58/1998, at least two-fifths of the standing statutory auditor members of the Board of Statutory Auditors must belong to the least represented gender. Therefore, at least one of the three statutory auditors of the Fiera Milano Board of Statutory Auditors must belong to the least represented gender.

The Board of Statutory Auditors is appointed from lists of candidates submitted by Shareholders who, in compliance with the Articles of Association, current legal provisions and Consob Executive Order No. 92 of 31 January 2024, represent a total of at least 2.5% of share capital.

Regarding the appointment procedure through list voting, please note that:

- the lists presented by shareholders must consist of two sections: one for the appointment of Standing Statutory Auditors and the other for Substitute Statutory Auditors;
- lists must be composed of candidates belonging to both genders (so that a number of candidates belonging to the lesser represented gender is 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) and must contain a number of candidates not exceeding the number of members to be elected, listed by a sequential number;
- each candidate may only appear on one list, failing which they will be ineligible.
- the presentation of the lists of candidates to join the Board of Directors and their eventual appointment must take place in compliance with the provisions of Article 20.1 of the Articles of Association and current legal provisions. Lists submitted without complying with the above provisions will be considered as not submitted;
- pursuant to the provisions of Article 148, paragraph 2-bis, of Legislative Decree No. 58/1998 and Article 20.2 of the Articles of Association, the chairmanship of the Board of Statutory Auditors shall go to the first candidate of the list that came out second by number of votes and that is not connected, not even indirectly, in accordance with the provisions of the laws and regulations in force, with the shareholders who submitted, contributed to submitting, or voted for the list that came out first by number of votes;
- the lists containing the proposed appointments must be deposited 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 Affairs Office*), at least twenty-five days prior to the date set for the Shareholders' Meeting on single call (i.e. by 29 March 2024) 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. 2 April 2024) before the date set for the Shareholders' Meeting;
 - iii. declarations by which the individual candidates accept, under their own responsibility, the candidacy and certify the non-existence of causes of ineligibility and incompatibility – also with reference to the limit on the accumulation of offices – and the existence of the requirements prescribed by current legislation for assuming the office, including the requirements of honourableness set forth in Article 148, paragraph 4 of Legislative Decree 58/98, as well as the requirements of independence set forth in Article 148, paragraph 3 of Legislative Decree 58/98 and the *Corporate Governance Code*;
 - iv. curriculum vitae outlining the personal and professional characteristics of each candidate, with a list of directorships and auditing positions held, including in the past, 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 and in accordance with the provisions of the CONSOB communication No. DEM/9017893 of 26 February 2009.
- the lists will be published by the Company at least twenty-one days before the date scheduled for the Shareholders' Meeting (i.e. 2 April 2024), 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**);

- pursuant to Article 144-*sexies*, paragraph 5, of the Issuers' Regulation, in the event that, at the end of the twenty-fifth day preceding the shareholders' meeting, only one list has been filed for the appointment of the members of the Board of Statutory Auditors, or only lists submitted by shareholders who, pursuant to Article 144-*sexies*, paragraph 4, of the Issuers' Regulation, are connected to each other pursuant to Article 144-*quinquies* of the Issuers' Regulation, lists may be submitted until the third day following the expiry of the aforementioned deadline (i.e. until Tuesday 1 April 2024) and the shareholding in the share capital required for the submission of lists is reduced to half (1.25% of the share capital).
- If only one list is submitted or if no list is submitted, the Shareholders' Meeting shall appoint the Board of Statutory Auditors pursuant to and with the majorities prescribed by law, ensuring gender balance.

Finally, we would like to point out that, in accordance with the application criteria set out in Standard Q.1.5. of the Rules of Conduct of the Board of Statutory Auditors of Listed Companies approved on 21 December 2023 by the National Council of Chartered Accountants and Accounting Experts, *“taking into account its own experience and the results of the self-appraisal, it is good practice for the outgoing board to express to the shareholders, with a view to renewal its guidance on the professional profiles and skills that appropriately complement the qualitative composition of the board, as well as the time commitment required to carry out the task and the remuneration appropriate to attract persons of adequate standing, without neglecting the provisions of Law No. 49 of 21 April 2023.”*

For the purposes of submitting lists, we therefore invite you to consider the *“Guidelines to shareholders on the renewal of the Board of Statutory Auditors of Fiera Milano SpA for the three-year period 2024-2026”* drawn up by the outgoing Board of Statutory Auditors and made available to the public on 28 February 2024 on the Company's website www.fieramilano.it (in the section *“Investors/Governance/Shareholders' Meetings”*) and on the authorised storage mechanism www.emarketstorage.com.

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 Standing Statutory Auditors and the annual remuneration due to the Chairman of the Board of Statutory Auditors, including all taxes and contributions payable by the Company; It should be noted that the Statutory Auditors are in any event responsible for reimbursing the expenses incurred in the exercise of their functions. On this point, it is recommended that Shareholders submit proposals on the determination of remuneration together with the presentation of the lists and, in any event, within the deadline for the submission of individual proposals for resolution (i.e. 8 April 2024).

The Shareholders are therefore invited, besides presenting the lists to appoint the Statutory Auditors, to formulate proposals for resolutions on the items under item 3.3 on the Agenda, based on the following:

proposed resolution

3.1 Appointment of Standing Statutory Auditors and Substitute Statutory Auditors

Shareholders are invited to submit and vote on lists to appoint members of the Board of Statutory Auditors under Article 20.2 of the Articles of Association.

3.2 Appointment of the Chairman.

If no lists are submitted, that is, a single list is submitted, shareholders are invited to appoint the Chairman of the Board of Statutory Auditors, submitting a proposal for resolution.

3.3 Determination of remuneration.

Shareholders are invited to determine the maximum total amount of annual remuneration, including any tax and contribution charged to the Company, due to each Standing Statutory Auditor and the Chairman of the Board of Statutory Auditors.

4. 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 27 April 2023.

(Report pursuant to Article 73 and Annex 3A of the Regulation on Issuers)

Dear Shareholders,

Firstly, we remind you that with a resolution dated 27 April 2023, 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 9 November 2023, the Board of Directors resolved to initiate the treasury share purchase programme, which was concluded on 30 November 2023, and, as of today, Fiera Milano holds 776,010 treasury shares, equal to 1.08% of the share capital.

Since the term of validity of the above authorisation will expire on 27 October 2023, to avoid having to call a shareholders' meeting close to said expiry date, for the reasons stated 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. subject to revocation of the existing authorisation for the portion not carried out.

The purchase of ordinary shares of the Company will take place 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 treasury 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 Italian 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 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 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 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 27 April 2023;*
- 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), 14 March 2024

On behalf of the Board of Directors
The Chairman
Carlo Bonomi

Proposals for the Shareholders' Meeting

Extraordinary Session

Shareholders' Meeting of Fiera Milano S.p.A. (hereinafter, "Fiera Milano" or the "Company"), convened for 23 April 2024 at 3 pm in a single call.

(Report pursuant to Art. 125-ter, paragraph 1, of Legislative Decree No. 58 of 24 February 1998 as amended)

1. Amendment to articles 4.1, 10.1, 10.2, 12, 15.1, 17.2, 17.7 and 18.1 of the Articles of Association.

Dear Shareholders,

At the meeting of 13 March 2024, the Board of Directors resolved to convene, at the same time as the Ordinary Shareholders' Meeting, also the Extraordinary Shareholders' Meeting, in order to bring to the attention of the latter some changes considered appropriate to allow for easier management of the Company, always in compliance with stringent governance requirements.

Specifically:

- **in Art. 4.1**, changes are proposed to the purpose of the Company. It should be noted that these changes are made solely for a better specification of the Company's activities and do not constitute a significant change in Fiera Milano's core business. In particular, the following activities were outlined: (i) the management of infrastructures, including network infrastructures, within the managed exhibition sites; (ii) the provision of technological services, even if not related to the organisation of fairs, exhibitions, congresses, conferences and round tables, of any other event, even if not predominantly related to traditional activities; (iii) the provision of logistical services, even if not related to the organisation of fairs, exhibitions, congresses, conferences and round tables, of any other event, even if not predominantly related to traditional activities.
- In **Art. 10.1**, it is proposed to remove the provision relating to the participation in the shareholders' meeting by means of telecommunications and the exercise of the right to vote electronically, in order to reposition this provision within **Art. 12** ("Right to attend the Shareholders' Meeting") as a new **paragraph 12.3**, specifying, also, that the notice of call may provide that the Shareholders' Meeting is held exclusively by means of telecommunications, without indication of the physical place where the meeting is held;
- in **Art. 10.2**, it is proposed to provide that *"the Shareholders' Meeting, both ordinary and extraordinary, is held in a single call"*, except for exceptions that may be established by the Board of Directors at the time of the call;
- for **Art. 15.1**, the proposed amendment concerns only the removal of the method for convening the meeting of the Board of Directors by registered letter, telegram or fax, in line with the most modern means of communication;

- **Art. 17.2** changes are proposed to the powers that are not delegable and are reserved to the exclusive competence of the Board of Directors. Specifically:
 - (i) the approval of the budget, as a non-delegable power by the Board of Directors, is repositioned to letter b) together with the approval of the strategic lines and guidelines, of the industrial and financial plans, for the consistency of the negotiation of strategic powers;
 - (ii) letter c) eliminates the provision for the transfer of movable property to other companies in the Group among the non-delegable powers;
 - (iii) in letter e) a limit of Euro 5 million is proposed, as a non-delegable power, for the establishment of mortgages, encumbrances or other security rights of any kind on all or on significant parts of the Company's bonds, properties or assets. This limit is also provided for in letter f) for the granting of bank guarantees to third parties by the Company;
 - (iv) letter g) provides for the entering into of loan agreements without consideration as a delegable power;
 - (v) letter i) also includes recruitment, promotion, transfer, exercise of disciplinary power and dismissal, determination of tasks, classification, fixed and variable remuneration, and any agreements attached and/or ancillary to the employment relationship for Managers with a gross annual salary exceeding Euro 250,000.00 (two hundred and fifty thousand);
 - (vi) in letter j), in addition to the already present provision of competence in the matter of appointment, the provision of competence in the matter of dismissal of the General Manager and of the Executives with Strategic Responsibilities (*i.e.* Top Management (pursuant to the *Corporate Governance Code*) in accordance with the *Corporate Governance Code*;
 - (vii) in letter n), with a view to aligning with the provisions of the *Corporate Governance Code*, it is expected that the appointment and dismissal of the head of the Internal Audit function will take place after the favourable opinion of the Control and Risk Committee, rather than on the proposal of the Chief Executive Officer, after the opinion of the Board of Statutory Auditors and independent directors;
- **Art. 17.7** changes propose to provide, in line with the *Corporate Governance Code*, that the Remuneration and Nomination Committee is composed of only non-executive directors (as well as mostly independent); Furthermore, a clarification has been made about the term *Controllo Interno* in Italian, which remains Internal Audit in English;
- in order to make the wording of **Art. 18.1** consistent, it is proposed to delete the independence requirements for the appointment of the Chairperson by the Board of Directors (*cf.* original text), so that the requirements for the appointment of the Chairperson by the Board of Directors are in line with the requirements for the appointment by the shareholders' meeting, which already currently do not provide for independence.

Below is the text comparing the modified articles¹²:

¹² The parts of the original text deleted in the proposed text are crossed out and in bold; the parts proposed to be added to the proposed text are highlighted in bold.

ORIGINAL TEXT	PROPOSED TEXT
Article 4 Purpose	
<p>4.1 The object of the Company is:</p> <p>(i) Management of exhibition sites owned by the Company or by third parties, and of exhibitions, as well as the performance of any other ancillary and/or related activity, including related rental and partial sub-rental of all related services; (ii) Supply of services for the organisation of exhibitions, shows, congresses, conferences, round tables and auxiliary and related events, such as – merely by way of example – marketing, promotion, and administrative services, information-technology support, organisational consultancy, logistics and organisation, advertising support and public relations, and, in general, any other service concerning or consequent to the organisation of the aforementioned events, also via creation, acquisition or lease aimed at managing: Internet domains and/or sites, satellite or cable TV channels, information-technology supports and, in any case, of any instrument developed using new technologies; and</p> <p>(iii) Management of press publications (excluding daily newspapers), publication of catalogues, periodical programmes, notices and printed items related and connected to the exhibitions and activities indicated in the previous point; and</p> <p>(iv) The activity of buying, selling, brokerage, production and in any case management of advertising and advertising space of any type and on any medium;</p> <p>(v) Creation, management, sale and distribution, both in Italy and abroad, directly and/or indirectly, on own account and/or on behalf of third parties, of digital products and solutions with a view to building commercial relationships;</p> <p>(vi) Strategic and operational consultancy also in the field of digital communication, carried out merely as an example and not exhaustive, through the organisation of training events (meetings, conferences, seminars and round tables) in Italy and abroad; design, organisation and management of training courses; advice and assistance.</p>	<p>4.1 The object of the Company is:</p> <p>(i) Management of exhibition sites including related infrastructures, including networks, owned by the Company or by third parties, and of exhibitions and events, as well as the performance of any other ancillary and/or related activity, including related rental and partial sub-rental of all related services;</p> <p>(ii) Supply of services for the organisation of exhibitions, shows, congresses, conferences, round tables and auxiliary and related events; any other event, such as – merely by way of example – marketing, promotion, and administrative services, information-technology support, organisational consultancy, logistics and organisation, advertising support and public relations, and, in general, any other service concerning or consequent to the organisation of the aforementioned events, also via creation, acquisition or lease aimed at managing: Internet domains and/or sites, satellite or cable TV channels, information-technology supports and, in any case, of any instrument developed using new technologies; and</p> <p>(iii) The provision of technological services, even if not related to the organisation of fairs, exhibitions, congresses, conferences and round tables, of any other event, even if not predominantly related to traditional activities;</p> <p>(iv) The provision of logistical services, even if not related to the organisation of fairs, exhibitions, congresses, conferences and round tables, of any other event, even if not predominantly related to traditional activities;</p> <p>(iii) (v) Management of press publications (excluding daily newspapers), publication of catalogues, periodical programmes, notices and printed items related and connected to the exhibitions and activities indicated in the previous point; and</p> <p>(iv) (vi) the activity of buying, selling, brokerage, production and in any case management of advertising and advertising space of any type and on any medium;</p> <p>(v) (viii) Creation, management, sale and distribution, both in Italy and abroad, directly and/or indirectly, on own account and/or on behalf of third parties, of digital products and solutions with a view to building commercial relationships;</p> <p>(vi) (viii) Strategic and operational consultancy also in the field of digital communication, carried out merely as an example and not exhaustive, through the organisation of training events (meetings, conferences, seminars and round tables) in Italy and abroad; design, organisation and management of training courses; advice and assistance.</p>

ORIGINAL TEXT	PROPOSED TEXT
Article 10 Convening the Shareholders' Meeting	
<p>10.1 The Shareholders' Meeting represents all shareholders, and its decisions, taken in accordance with the law and these Articles of Association, are mandatory and binding on all shareholders, including those who did not attend, abstained or dissented.</p> <p>Shareholders' Meetings, both ordinary and extraordinary, of the Company are called also in a place other than the registered office as long as it is in Italy or in another European Union member state, by means of a notice to be published, within the terms of the law, on the Company's website as well as with the other methods provided for by Consob with its own regulations. The Shareholders' Meeting may also be convened by the Board of Directors at the request of many shareholders who represent at least the twentieth of the share capital or, after notification to the Chairperson of the Board of Directors, by the Board of Statutory Auditors or by at least two members of the Board of Directors.</p> <p>Where provided for in the notice of meeting, and in the manner specified therein, participation in the meeting by means of telecommunications and/or the exercise of voting rights by electronic means is permitted, in accordance with applicable laws and regulations.</p> <p>The Ordinary Shareholders' Meeting must be convened at least once a year, within one hundred and twenty days from the end of the financial year; when the legal conditions are met, it may be convened within one hundred and eighty days from the end of the financial year.</p>	<p>10.1 The Shareholders' Meeting represents all shareholders, and its decisions, taken in accordance with the law and these Articles of Association, are mandatory and binding on all shareholders, including those who did not attend, abstained or dissented.</p> <p>Shareholders' Meetings, both ordinary and extraordinary, of the Company are called also in a place other than the registered office as long as it is in Italy or in another European Union member state, by means of a notice to be published, within the terms of the law, on the Company's website as well as with the other methods provided for by Consob with its own regulations. The Shareholders' Meeting may also be convened by the Board of Directors at the request of many shareholders who represent at least the twentieth of the share capital or, after notification to the Chairperson of the Board of Directors, by the Board of Statutory Auditors or by at least two members of the Board of Directors.</p> <p>Where provided for in the notice of meeting, and in the manner specified therein, participation in the meeting by means of telecommunications and/or the exercise of voting rights by electronic means is permitted, in accordance with applicable laws and regulations.</p> <p>The Ordinary Shareholders' Meeting must be convened at least once a year, within one hundred and twenty days from the end of the financial year; when the legal conditions are met, it may be convened within one hundred and eighty days from the end of the financial year.</p>
<p>10.2 The notice of call must state the date, time and place of the meeting as well as the list of items to be discussed and other information required by the applicable laws and regulations. The same notice may also indicate the date, time and place for the second call and, if necessary, for the third call if the first and second call are cancelled.</p>	<p>10.2 The Shareholders' Meeting, both ordinary and extraordinary, is held in a single call, unless otherwise provided by the notice of call. The notice of call must state the date, time and place of the meeting as well as the list of items to be discussed and other information required by the applicable laws and regulations. The same notice may also indicate the date, time and place for the second call and, if necessary, for the third call if the first and second call are cancelled.</p>

ORIGINAL TEXT

PROPOSED TEXT

Article 12***Right to participate in the Shareholders' Meeting***

12.1 The right to participate in the Shareholders' Meeting is governed by law, the Articles of Association and the provisions contained in the notice of call.

12.2 For the entitlement to participate in the Shareholders' Meeting, the provisions of the law shall be observed. Those who have the right to vote may be represented by written proxy within the limits of the law; a proxy that may be notified by certified email or in compliance with the procedures established by specific regulation by the Ministry of Justice, according to the forms that will be indicated in the notice of call. The related documents are kept at the Company. It is up to the Chairperson of the meeting to verify the regularity of the proxies, and, in general, the right to participate.

12.1 The right to participate in the Shareholders' Meeting is governed by law, the Articles of Association and the provisions contained in the notice of call.

12.2 For the entitlement to participate in the Shareholders' Meeting, the provisions of the law shall be observed. Those who have the right to vote may be represented by written proxy within the limits of the law; a proxy that may be notified by certified email or in compliance with the procedures established by specific regulation by the Ministry of Justice, according to the forms that will be indicated in the notice of call. The related documents are kept at the Company. It is up to the Chairperson of the meeting to verify the regularity of the proxies, and, in general, the right to participate.

12.3 Pursuant to Art. 2370, paragraph 4 of the Italian Civil Code, participation in the Shareholders' Meeting may also take place by means of telecommunication, and/or the exercise of electronic voting within the limits of what may be provided by the notice of call and in the manner permitted by the Chairperson of the Shareholders' Meeting. In the notice of call, it may be established that the Shareholders' Meeting be held exclusively by means of telecommunications, omitting the indication of the physical place where the meeting is held.

Article 15***Convening the Board of Directors and its resolutions***

15.1 The Board of Directors is convened at the place indicated in the notice of call, including at a place other than the registered office, provided that it is in Italy or a country of the European Union, whenever this is deemed necessary by the Chairperson, or if a written request is made by at least a third of the directors or the Board of Statutory Auditors or, including individually, by each member of the Board of Statutory Auditors.

The call is made at least 5 (five) days before the meeting and, in cases of urgency, at least 24 (twenty-four) hours before that meeting, by sending a registered letter, telegram or fax or email message confirming receipt to each Director and Standing Statutory Auditor.

In the absence of convening formalities, the Board is in any event validly constituted if all the directors and all the Standing Statutory Auditors are present.

The call is made at least 5 (five) days before the meeting and, in cases of urgency, at least 24 (twenty-four) hours before that meeting, by sending a **registered letter, telegram or fax or** email message confirming receipt to each Director and Standing Statutory Auditor.

ORIGINAL TEXT	PROPOSED TEXT
Article 17 Powers, functions and compensation of the Board of Directors	
<p>17.2 Besides attributions that, by law, cannot be delegated, and those under the previous paragraph 17.1, the Board of Directors also has exclusive competence for:</p> <p>(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;</p> <p>(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;</p> <p>(c) the spin-off of property and movable assets to other companies, both those in the process of being established and those already established;</p> <p>(d) any form of loan taken out by the Company exceeding the limit of 30% of equity;</p> <p>(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;</p> <p>(f) budget approval;</p> <p>(g) bank guarantees to third parties granted by the Company;</p> <p>(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;</p> <p>(i) the conferment of appointments, consultancy, services not provided within budget limits, as supplemented and amended during the year, exceeding Euro 250,000.00;</p> <p>(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;</p> <p>(k) the appointment or termination of the position of Financial Reporting Officer in accordance with the provisions of Art. 22;</p> <p>(l) the appointment of the Supervisory Committee;</p> <p>(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;</p> <p>(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;</p> <p>The Board of Directors must ensure that the Financial Reporting Officer has adequate powers and means to perform the tasks assigned to them by law, as well as that the administrative and accounting procedures are effectively complied with.</p>	<p>17.2 Besides attributions that, by law, cannot be delegated, and those under the previous paragraph 17.1, the Board of Directors also has exclusive competence for:</p> <p>(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;</p> <p>(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 and the budget;</p> <p>(c) the <i>spin-off</i> of property and movable assets to other companies, both those in the process of being established and those already established;</p> <p>(d) any form of loan taken out by the Company exceeding the limit of 30% of equity;</p> <p>(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, exceeding Euro 5,000,000.00 (five million);</p> <p>(f) budget approval;</p> <p>(g) (f) bank guarantees to third parties granted by the Company, exceeding Euro 5,000,000.00 (five million);</p> <p>(h) (g) the conclusion of contracts relating to immovable property, with the sole exception of (i) leases of immovable property concluded for the purpose of conducting the Company's business for periods not exceeding six years; and; (ii) of real estate leases in favour of employees of the Company, provided that they are included in the approved budget and that they do not exceed four years and (iii) loan agreements without consideration;</p> <p>(i) (h) 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);</p> <p>(i) the recruitment, promotion, transfer, exercise of disciplinary power and dismissal, determination of tasks, classification, fixed and variable remuneration, and any agreements attached and/or ancillary to the employment relationship for Managers with a gross annual salary exceeding EUR 250,000.00 (two hundred and fifty thousand);</p> <p>(j) (j) the appointment and revocation 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 – and revocation of Executives with strategic responsibilities (qualifying as "Top Management" pursuant to the <i>Corporate Governance</i> Code of Listed Companies issued by Borsa Italiana S.p.A.) - upon the proposal of the Chief Executive Officer if appointed or of the Chairperson, and the determination of the related powers;</p> <p>(k) the appointment or termination of the position of Financial Reporting Officer in accordance with the provisions of Art. 22;</p> <p>(l) the appointment of the Supervisory Committee;</p> <p>(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;</p> <p>(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 Internal Audit, after the opinion of the Control and Risk Committee;</p> <p>The Board of Directors must ensure that the Financial Reporting Officer has adequate powers and means to perform the tasks assigned to them by law, as well as that the administrative and accounting procedures are effectively complied with.</p>

ORIGINAL TEXT	PROPOSED TEXT
<p>17.7 The Board of Directors sets up at least one committee for appointments and remuneration, composed mostly of independent directors chaired by an independent director, as well as a control and risk committee, composed of only independent directors and chaired by one of them. These committees will be advisory and/or proactive in nature, in accordance with the provisions of current legislation and the Code of <i>Corporate Governance</i> of Listed Companies issued by Borsa Italiana S.p.A.</p>	<p>17.7 The Board of Directors sets up from among its members at least one appointment and remuneration committee, composed of directors of only non-executive directors, the majority of whom shall be independent, and chaired by an independent director, as well as a control and risk committee, composed only of independent directors and chaired by one of them. These committees will be advisory and/or proactive in nature, in accordance with the provisions of current legislation and the Code of <i>Corporate Governance</i> of Listed Companies issued by Borsa Italiana S.p.A.</p>
<p>The Board of Directors, and for it its Chairperson, is the direct point of contact for the internal audit function, which reports directly to the Board itself, within the scope of the role and duties assigned to it by the applicable regulations. The Chief Executive Officer provides, at least quarterly, to the Board of Directors with adequate information on the general performance of management and its foreseeable evolution, as well as, on the exercise of their respective powers, on the most significant transactions, due to their size or characteristics, carried out by the Company and its subsidiaries.</p>	<p>The Board of Directors, and for that reason its Chairperson, is the direct contact person of the Internal Audit function, which reports directly to the same Board, within the scope of the role and tasks assigned to it by the applicable legislation. The Chief Executive Officer provides, at least quarterly, to the Board of Directors with adequate information on the general performance of management and its foreseeable evolution, as well as, on the exercise of their respective powers, on the most significant transactions, due to their size or characteristics, carried out by the Company and its subsidiaries.</p>
<p>Article 18</p>	<p>Article 18</p>
<p>Chairperson and Deputy Chairperson</p>	<p>Chairperson and Deputy Chairperson</p>
<p>18.1 The Board of Directors – if the Shareholders' Meeting has not already done so – elects the Chairperson of the Company from among the directors who meet the independence requirements set out in these Articles of Association. In addition to the powers due to them by law, the Chairperson of the Board of Directors convenes and sets the agenda of the Board, in accordance with the provisions of the previous article 16.1, encourages internal discussion, promotes the actual operation of the <i>corporate governance</i> system, ensuring the balance of powers the Chief Executive Officer if appointed. In any event, the Chairperson is required to convene the Board of Directors when requested by at least a third of the members of the Board of Directors, the Board of Statutory Auditors or even by each Standing Statutory Auditor individually. In setting the agenda, the Chairperson is obliged to include proposals to add to the agenda, which must also contain proposals for resolutions to be taken, if any, made by the persons who, in addition to the Chairperson, have the right to request the convening of the Board under these Articles of Association. The Chairperson of the Board of Directors coordinates the work of the Board and ensures that adequate information regarding items on the agenda of meetings is provided to all members. To this end, the Chairperson assures that:</p> <p>(a) Directors are provided well in advance with documentation supporting the Board's resolutions or, at least, an initial briefing on the matters to be discussed;</p> <p>(b) the documentation supporting the resolutions, particularly that rendered to the non-executive members, is adequate in quantity and quality with respect to the items on the agenda.</p>	<p>18.1 The Board of Directors – if the Shareholders' Meeting has not already done so – elects the Chairperson of the Company from among the directors who meet the independence requirements set out in these Articles of Association. In addition to the powers due to them by law, the Chairperson of the Board of Directors convenes and sets the agenda of the Board, in accordance with the provisions of the previous article 16.1, encourages internal discussion, promotes the actual operation of the <i>corporate governance</i> system, ensuring the balance of powers the Chief Executive Officer if appointed. In any event, the Chairperson is required to convene the Board of Directors when requested by at least a third of the members of the Board of Directors, the Board of Statutory Auditors or even by each Standing Statutory Auditor individually. In setting the agenda, the Chairperson is obliged to include proposals to add to the agenda, which must also contain proposals for resolutions to be taken, if any, made by the persons who, in addition to the Chairperson, have the right to request the convening of the Board under these Articles of Association. The Chairperson of the Board of Directors coordinates the work of the Board and ensures that adequate information regarding items on the agenda of meetings is provided to all members. To this end, the Chairperson assures that:</p> <p>(a) Directors are provided well in advance with documentation supporting the Board's resolutions or, at least, an initial briefing on the matters to be discussed;</p> <p>(b) the documentation supporting the resolutions, particularly that rendered to the non-executive members, is adequate in quantity and quality with respect to the items on the agenda.</p>
<p>The Chairperson is the direct contact person on behalf of the Board of the internal control bodies and the internal committees of the Board of Directors. To this end, they, in addition to possessing the characteristics required of independent directors, must have the specific skills necessary to fulfil the duties assigned to them. Should the Chairperson cease to hold office for any reason during their term of office, the Board shall replace them without delay in accordance with the provisions of these Articles of Association.</p>	<p>The Chairperson is the direct contact person on behalf of the Board of the internal control bodies and the internal committees of the Board of Directors. To this end they, in addition to possessing the characteristics required of independent directors, must have the specific skills necessary to fulfil the duties assigned to them. Should the Chairperson cease to hold office for any reason during their term of office, the Board shall replace them without delay in accordance with the provisions of these Articles of Association.</p>

The proposed statutory changes do not entail the right of withdrawal in accordance with the law and the Articles of Association.

Given the above, we submit the following for your approval

proposed resolution

“The Shareholders’ Meeting of Fiera Milano S.p.A., having taken note of the proposed amendments to Article 4.1, 10.1, 10.2, 12, 15.1, 17.2, 17.7 and 18.1 of the Articles of Association,

resolves

- *to amend Article 4.1, 10.1, 10.2, 12, 15.1, 17.2, 17.7 and 18.1 of the articles of association as set out in the text contained in the Explanatory Report of the Directors.*
- *to give a mandate to Chief Executive Officer and the Chairperson, separately from each other, to provide, also through attorneys, for what is required, necessary or useful for the implementation of the resolutions referred to above, as well as to fulfil the formalities necessary for the resolutions to be registered in the company register, with the right to introduce any non-substantial changes, corrections or additions that are appropriate for the purpose or required by the competent authorities, also at the time of registration and, in general, to provide for everything necessary for the full implementation of the resolutions, with any and all powers necessary or appropriate for this purpose, none excluded or excepted.*

2. Amendment to Art. 12 of the Articles of Association, by inserting the new paragraph 12.4 (designated representative).

Dear Shareholders,

In addition to the above amendments, the Board of Directors has also decided to submit to the Shareholders’ Meeting an additional proposal to amend Art. 12 of the Articles of Association, concerning the procedures for holding the Shareholders’ Meeting.

In particular, in line with the recent legislation on the subject, starting from the “Cura Italia Decree” and up to the recent “Capital Law” (currently being published), it is proposed to add to Art. 12 “Right to participate in the Shareholders’ Meeting”) a new **paragraph 12.4**, in order to allow – where this is permitted by law and provided for in the notice of call – that attendance at the Shareholders’ Meeting and the exercise of voting rights also take place exclusively through the representative appointed by the company pursuant to Art. 135-*undecies* of Legislative Decree 58/1998, to whom proxies or sub-delegations may also be conferred pursuant to Article 135-*novies* of Legislative Decree 58/1998.

Below is the comparative text of the amended article¹³:

¹³ The parts of the original text deleted in the proposed text are crossed out and in bold; the parts proposed to be added to the proposed text are highlighted in bold.

ORIGINAL TEXT

PROPOSED TEXT

Article 12**Right to participate in the Shareholders' Meeting**

12.1 The right to participate in the Shareholders' Meeting is governed by law, the Articles of Association and the provisions contained in the notice of call.

12.2 For the entitlement to participate in the Shareholders' Meeting, the provisions of the law shall be observed. Those who have the right to vote may be represented by written proxy within the limits of the law; a proxy that may be notified by certified email or in compliance with the procedures established by specific regulation by the Ministry of Justice, according to the forms that will be indicated in the notice of call. The related documents are kept at the Company. It is up to the Chairperson of the meeting to verify the regularity of the proxies, and, in general, the right to participate.

12.1 The right to participate in the Shareholders' Meeting is governed by law, the Articles of Association and the provisions contained in the notice of call.

12.2 For the entitlement to participate in the Shareholders' Meeting, the provisions of the law shall be observed. Those who have the right to vote may be represented by written proxy within the limits of the law; a proxy that may be notified by certified email or in compliance with the procedures established by specific regulation by the Ministry of Justice, according to the forms that will be indicated in the notice of call. The related documents are kept at the Company. It is up to the Chairperson of the meeting to verify the regularity of the proxies, and, in general, the right to participate.

12.3 Pursuant to Art. 2370, paragraph 4 of the Italian Civil Code, participation in the Shareholders' Meeting may also take place by means of telecommunication, and/or the exercise of electronic voting within the limits of what may be provided by the notice of call and in the manner permitted by the Chairperson of the Shareholders' Meeting. In the notice of call, it may be established that the Shareholders' Meeting be held exclusively by means of telecommunications, omitting the indication of the physical place where the meeting is held.

12.4 Where permitted by law, the notice of call may provide that attendance of the Shareholders' Meeting and the exercise of voting rights must take place exclusively through the representative designated by the company pursuant to Article 135-undecies of Legislative Decree No. 58/1998, to whom proxies or sub-delegations may also be conferred pursuant to Article 135-novies of Legislative Decree No. 58/1998.

The proposed statutory changes do not entail the right of withdrawal in accordance with the law and the Articles of Association.

Given the above, we submit the following for your approval

proposed resolution

"The Shareholders' Meeting of Fiera Milano S.p.A., having taken note of the proposed amendment to Article 12 of the Articles of Association, by inserting the new paragraph 12.4 (designated representative)

resolves

- *to amend Article 12 of the Articles of Association, introducing a new paragraph 12.4, as set out in the text contained in the Explanatory Report of the Directors;*
- *to give a mandate to Chief Executive Officer and the Chairperson, separately from each other, to provide, also through attorneys, for what is required, necessary or useful for the implementation of the resolutions referred to above, as well as to fulfil the formalities necessary for the resolutions to be registered in the company register, with the right to introduce any non-substantial changes, corrections or additions that are appropriate for the purpose or required by the competent authorities, also at the time of registration and, in general, to provide for everything necessary for the full implementation of the resolutions, with any and all powers necessary or appropriate for this purpose, none excluded or excepted.*

Rho (Milan), 14 March 2024

On behalf of the Board of Directors

The Chairman

Carlo Bonomi

Fiera Milano Group Consolidated Financial Statements at 31 December 2023

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Consolidated statement of financial position

notes	(€ '000)	31/12/23	31/12/22
ASSETS			
Non-current assets			
4	Property, plant and equipment	11,467	5,003
5	Right-of-use assets	362,002	367,482
53	<i>of which from related parties</i>	351,823	364,503
6	Goodwill	95,036	95,036
7	Intangible assets with a finite useful life	12,241	15,195
8	Investment in an associate and a joint venture	50,591	29,640
9	Other investments	32	32
10-53	Other financial assets	1,059	2,386
11	Trade and other receivables	29,472	33,424
53	<i>of which from related parties</i>	26,927	33,240
12	Deferred tax assets	10,305	11,174
	Total	572,205	559,372
Current assets			
13	Trade and other receivables	40,567	33,404
53	<i>of which from related parties</i>	7,859	5,550
14-53	Inventories	2,258	3,144
15	Financial assets	39,657	36,420
53	<i>of which from related parties</i>	3,316	703
16	Cash and cash equivalents	99,843	81,971
	Total	182,325	154,939
Assets held for sale			
1.7-53	Assets held for sale	-	2,672
	Total assets	754,530	716,983

Consolidated statement of financial position

notes	(€ '000)	31/12/23	31/12/22
EQUITY AND LIABILITIES			
17	Equity		
	Share capital	41,987	42,182
	Share premium reserve	9,347	9,828
	Other reserves	2,701	5,257
	Retained earnings	48,393	53,992
	Profit/(loss)	45,468	(5,599)
	Total Group equity	147,896	105,660
	Equity attributable to non-controlling interests	535	533
	Total equity	148,431	106,193
Non-current liabilities			
18	Bank borrowings	30,630	60,866
19	Financial liabilities related to the right-of-use of assets	340,297	346,858
53	<i>of which from related parties</i>	331,756	345,348
20	Other financial liabilities	-	1,683
21	Provision for risks and charges	-	500
22	Employee benefit provisions	7,453	7,763
23	Deferred tax liabilities	3,396	3,733
24	Other liabilities	384	-
	Total	382,160	421,403
Current liabilities			
25	Bank borrowings	27,500	27,250
26	Trade payables	65,274	50,317
27-53	Advances	39,841	29,869
28	Financial liabilities related to the right-of-use of assets	54,931	49,889
53	<i>of which from related parties</i>	53,201	48,295
29-53	Other financial liabilities	512	618
30	Provision for risks and charges	4,788	5,443
31	Tax liabilities	2,866	2,606
32	Other liabilities	28,227	20,723
53	<i>of which from related parties</i>	7,142	4,352
	Total	223,939	186,715
Liabilities held for sale			
1.7	Liabilities held for sale	-	2,672
	Total liabilities	754,530	716,983

Consolidated statement of profit or loss

notes	(€ '000)	2023	2022
36	Revenues from sales and services	283,829	220,285
53	<i>of which with related parties</i>	7,743	10,190
	Total revenues	283,829	220,285
37	Cost of materials	3,773	4,078
38	Cost of services	134,460	110,159
53	<i>of which with related parties</i>	6,615	3,007
39-53	Cost of use of third-party assets	653	1,246
40	Personnel costs	52,233	44,413
41-53	Other operating expenses	4,969	3,931
	Total operating expenses	196,088	163,827
42	Other income	5,397	4,135
53	<i>of which with related parties</i>	1,193	959
43	Share of profit of an associate and a joint venture	6,933	466
44	Provisions for doubtful receivables and other provisions	2,933	2,656
	Earnings before interest, taxes, depreciation, and amortization (EBITDA)	97,138	58,403
45	Depreciation of property, plant and equipment and right-of-use assets	46,558	43,246
45	Amortisation of intangible assets	4,941	4,662
46	Adjustments to asset values	815	1,276
	Earnings before interest and taxes (EBIT)	44,824	9,219
47-53	Financial income and similar	5,582	1,600
48	Financial expenses and similar	14,401	14,524
53	<i>of which with related parties</i>	10,898	10,849
	Profit/(loss) before tax	36,005	(3,705)
49	Income tax	7,036	2,055
53	<i>of which with related parties</i>	5,497	(1,477)
	Profit/(loss) from continuing operations	28,969	(5,760)
1.7-50	Profit/(loss) from discontinued operations	16,500	-
	Profit/(loss)	45,469	(5,760)
51	Profit/(loss) attributable to:		
	Shareholders of the controlling entity	45,468	(5,599)
	Non-controlling interests	1	(161)
52	Earnings/(losses) per share (€)		
	Basic	0,6374	(0.0782)
	Diluted	0,6374	(0.0782)

Consolidated statement of comprehensive Income

notes	(€ '000)	2023	2022
17	Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss		
	Remeasurement profit/(loss) on defined benefit plans	(183)	1,048
	Tax effects	44	(251)
17	Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss		
	Profit/(loss) on cash flow hedges	(1,329)	2,385
	Tax effects	(236)	-
	Exchange differences on translation of foreign operations	(107)	(9)
2	Other comprehensive income/(loss) of equity accounted associates and joint ventures		
	Remeasurement profit/(loss) on defined benefit plans	(10)	34
	Tax effects	2	(8)
	Exchange differences on translation of foreign operations	(160)	(10)
	Other comprehensive income/(loss) net of related tax effects	(1,979)	3,189
	Total comprehensive income/(loss)	43,490	(2,571)
	Total comprehensive income/(loss) attributable to:		
	Shareholders of the controlling entity	43,488	(2,433)
	Non-controlling interests	2	(138)

Consolidated statement of cash flows

notes	(€ '000)	2023	2022
	Result from continuing operations	28,969	(5,760)
	Result from discontinued operations	16,500	-
	<i>Adjustments:</i>		
43	Share of profit of an associate an a joint venture	(6,933)	(466)
50	Gain on disposal of a business branch	(16,500)	-
45	Depreciation and amortisation of assets	51,499	47,908
46	Depreciation of assets	815	1,276
47	Finance income	(5,582)	(1,600)
48	Finance costs	3,402	3,244
48	Finance costs related to the Right-of-Use of assets	10,999	11,280
40	Share-based payment expense	(576)	309
40	Accruals for employee	208	232
44	Risks provision	2,679	2,798
49	tax expenses	7,036	2,055
	Net cash arising from operations	92,516	61,276
	Cash flow from operating activities		
11-13	Trade and other receivables	(8,962)	(3,201)
14	Inventories	886	136
22	Employee benefit provisions	(705)	(948)
26	Trade payables	10,008	(252)
27	Pre-payments	9,972	(6,017)
12-23	Change in deferred tax	16	(337)
31	Tax liabilities	673	(230)
21-24-30-32	Risks provisions and other payables (excluding organisers)	5,384	2,152
32	Payables to Organisers	2,203	(4,913)
30	Use of risk provisions	(3,279)	(3,223)
33	Interest paid	(2,845)	(2,070)
33	Interest paid on financial liabilities related to the right-of-use of assets	(10,999)	(11,280)
33	Interest received	4,316	393
49	Income taxes paid	(1,628)	(960)
	Total from continuing operations	97,556	30,526
1.7-53	Total from assets held for sale	(1,809)	1,761
53	<i>of which from related parties</i>	<i>(6,240)</i>	<i>(5,436)</i>
	Cash flow from investing activities		
4	Investments in tangible assets	(3,525)	(887)
7	Investments in intangible assets	(2,805)	(2,422)
2	<i>Investment in an associate and a joint venture</i>	<i>642</i>	<i>(11,750)</i>
	Total from continuing operations	(5,688)	(15,059)
	Total from assets held for sale	-	-
	Cash flow from financing activities		
17	Equity	(676)	(530)
18-20	Repayment of long-term borrowings	(2,743)	(13,223)
19-28	Non-Current financial liabilities related to the right-of-use of assets	(40,594)	(32,176)
53	<i>of which from related parties</i>	<i>(38,708)</i>	<i>(29,219)</i>
15	Current financial assets	(1,973)	(27,008)
53	<i>of which from related parties</i>	<i>(2,615)</i>	<i>1,705</i>
25-29	Repayment of short-term borrowings	(27,937)	(8,555)
53	<i>of which from related parties</i>	<i>(130)</i>	<i>(9,430)</i>
17	Total translation differences	(73)	(254)
	Total from continuing operations	(73,996)	(81,746)
	Total from assets held for sale	-	-
	Net cash flow from continuing operations	17,872	(66,279)
	Net cash flow from assets held for sale	(1,809)	1,761
	Net cash at the beginning of the year from continuing operations	81,971	148,250
	Net cash at the beginning of the year from assets held for sale	1,809	48
	Net cash at year end from continuing operations	99,843	81,971
1.7	Net cash at year end from assets held for sale	-	1,809
	Net cash at year end	99,843	83,780

Consolidated Statement of Changes in Equity

(€'000)										
note 17	Share capital	Share premium reserve	Other reserves	Retained earnings	Profit/(loss)	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 2021	42,284	10,256	1,782	9,633	44,359	108,314	949	(278)	671	108,985
Allocation of earnings at 31.12.21:	-	-	-	44,359	(44,359)	-	(278)	278	-	-
Treasury shares	(102)	(428)	-	-	-	(530)	-	-	-	(530)
Stock grant reserve	-	-	309	-	-	309	-	-	-	309
Profit/(loss)	-	-	-	-	(5,599)	(5,599)	-	(161)	(161)	(5,760)
Remeasurement on defined benefit plans	-	-	800	-	-	800	23	-	23	823
Foreign currency translation reserve	-	-	(19)	-	-	(19)	-	-	-	(19)
Fair value reserve of financial assets at FVOCI	-	-	2,385	-	-	2,385	-	-	-	2,385
<i>Total comprehensive income</i>	-	-	3,166	-	(5,599)	(2,433)	23	(161)	(138)	(2,571)
Balance at 31 December 2022	42,182	9,828	5,257	53,992	(5,599)	105,660	694	(161)	533	106,193
Allocation of earnings at 31.12.22:	-	-	-	(5,599)	5,599	-	(161)	161	-	-
Treasury shares	(195)	(481)	-	-	-	(676)	-	-	-	(676)
Stock grant reserve	-	-	(576)	-	-	(576)	-	-	-	(576)
Profit/(loss)	-	-	-	-	45,468	45,468	-	1	1	45,469
Remeasurement on defined benefit plans	-	-	(148)	-	-	(148)	1	-	1	(147)
Foreign currency translation reserve	-	-	(267)	-	-	(267)	-	-	-	(267)
Fair value reserve of financial assets at FVOCI	-	-	(1,565)	-	-	(1,565)	-	-	-	(1,565)
<i>Total comprehensive income</i>	-	-	(1,980)	-	45,468	43,488	1	1	2	43,490
Balance at 31 December 2023	41,987	9,347	2,701	48,393	45,468	147,896	534	1	535	148,431

Notes to the consolidated financial statements

On 13 March 2024, the Board of Directors approved the Fiera Milano Group Consolidated Financial Statements at 31 December 2023 and authorised their publication.

Fiera Milano SpA (the “Parent Company”), and its subsidiaries constitute the “Group”. Fiera Milano is a corporation (SpA) organized according to the legal system of the Italian Republic. The registered address of the Parent Company is Piazzale Carlo Magno n.1, Milan, Italy. The duration of Fiera Milano SpA is set, as provided by its Statute, until 31 December 2050 and can be extended by resolutions of the Shareholders meeting.

The Group operates in Rho, Milan and abroad mainly in the so-called BRICS countries.

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 2023, 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 2022, except for those applicable from 1 January 2023 described below.

Given the capital and financial position for 2023, the 2024-2027 financial forecasts, approved by the Board of Directors on 22 February 2024, 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 2023, 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 PwC SpA.

Russia-Ukraine conflict and Israel-Palestine conflict

2024 will be an election year in Europe, the USA, India and other nations. World balances will also depend on their outcome. Possible victories of populist movements could push governments to tighten trade, foreign investment and immigration. The Russian invasion of Ukraine and the conflict in the Middle East triggered by the Hamas terrorist attack are part of a conflicting and unstable global geopolitical scene, which poses new challenges to Europe and the West, also in terms of security. In particular, the war provoked by Russia against Ukraine has had strong repercussions on energy markets, foodstuffs and on trade flows in the Suez Canal as a result of attacks by the Yemeni Houthi group, and the current stalemate at the front is expected to continue into 2024.

As regards energy prices in particular, considering their relevance in the production system of its services, the Group has implemented specific *risk mitigation* plans aimed at improving the energy efficiency of the exhibition halls, also by 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 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 likened to extreme weather conditions (TCFD Physical/Acute classification), such as flooding, hail, hurricanes, etc..

Extreme weather events 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. In previous years, the Group conducted an analysis of the potential impact of extreme natural events on the infrastructure, which showed an overall low exposure to the aforementioned risks.

To manage the repercussions of incidents like those mentioned, the Group has recently implemented a *Business Continuity Management* framework. This includes a *Crisis Management Plan* and a series of business continuity procedures that outline the operational responses to be enacted during crises, including situations involving asset unavailability.

As regards maintenance, work was carried out on the exhibition structures, such as (i) re-roofing of the exhibition halls, in preparation for the installation of photovoltaic panels, with improvement of the thermal seal and reduction of water infiltration (ii) renovation of the downpipes and eaves of the halls (iii) installation of a sensor monitoring system of the elastic behaviour of the steel structures of the web.

The Group also has adequate insurance cover (*Property Damage and Business Interruption*) as part of the Group *All Risks Property* policy.

1.2 New accounting standard adopted, interpretations and amendments

As of 1 January 2023, the Group has implemented certain changes to the accounting standards adopted in previous years.

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 2023:

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 changes have not had 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, guidance has been added on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual reporting periods beginning on or after 1 January 2023. 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 changes do not have a material impact on the disclosures and accounting policies adopted by the Group.

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.

These changes have not had a material impact on the Group.

Insurance Contracts - IFRS 17

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. It replaces IFRS 4 Insurance Contracts, issued in 2005, which allowed different accounting policies to be applied to insurance contracts based on locally applied accounting standards. IFRS 17 introduces a uniform valuation model for insurance contracts, which includes requirements on the measurement of fulfilment cash flows, current discount rates and profit recognition during the hedging period.

IFRS 17 applies to insurance contracts, including reinsurance contracts issued by an entity even if they are not issued by insurance companies, or to all contracts issued by companies within the scope of IFRS 17.

'Insurance contracts' are defined as a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

Insurance risk is defined as: risk, other than a financial risk, transferred from the holder of a contract to the issuer.

On 9 December 2021, the IASB published an amendment to IFRS 17, already adopted by Regulation (EU) 2021/2036, which regards the requirements for transition to IFRS 17 and enables insurance undertakings to provide more effective disclosures to investors on the first-time application of IFRS 17. The only aspects impacted by the amendment are those related to the transition to the new standard, while every other aspect of IFRS 17 (Initial Application of IFRS 17 and IFRS 9 - Comparative information) remains unchanged.

IFRS 17, which takes account of this amendment, is effective for annual reporting periods beginning on or after 1 January 2023.

The new standard has had no significant impact on the Group.

International Tax Reform - Amendments to IAS 12

The Pillar Two rules, set out in the OECD Global Minimum Tax Directive, aim to ensure that large multinational groups (typically with revenues in excess of Euro 750 million) pay a minimum amount of tax on income from each jurisdiction in which they operate. This would be achieved by applying a top-up tax system that determines the total amount of tax due on excess profit in each jurisdiction at a minimum rate of 15%. The amendments introduce a temporary exception for entities to the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two rules and also provide for additional disclosure requirements in relation to the entity's exposure to Pillar Two income taxes.

This amendment is not applicable to the Group.

The standards and interpretations already issued or adopted, 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.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1

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 1 January 2024 and must be applied retrospectively. The amendments are not expected to have a material impact on the Group.

Lease Liability in a sale and leaseback- Amendments to IFRS 16

The European Commission has implemented the Amendments to IFRS 16 - Leases, published by the IASB on 22 September 2022. The main change in the subsequent measurement of the financial liability concerns the determination of 'lease payments' and 'revised lease payments' in such a way that, following a leaseback, the seller-lessee does not recognise any gain or loss related to the right of use it holds. The purpose of the amendment is to avoid the recognition of gains and losses, related to the right of use accounted for, following events that lead to a revaluation of the debt (e.g. change of the lease agreement or its duration). Gains and losses arising from the partial or total termination of a lease continue to be recognised for the portion of the right of use that has been terminated.

The amendments are applicable as from 1 January 2024 with the possibility of early application. The amendments are not expected to have a material impact on the Group.

Lack of exchangeability - amending IAS 21 The Effects of Changes in Foreign Exchange Rates

The Amendments introduce requirements to specify when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it determines that a currency is not exchangeable into another currency.

The Amendments are applicable for annual reporting periods beginning on 1 January 2025 and early application is permitted. The amendments are not expected to have a material impact on the Group.

Supplier Finance Arrangements - amending IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: additional disclosures

The amendments concern some specific qualitative and quantitative disclosures to be provided in connection with supplier finance arrangements. The Amendments also provide guidance on the characteristics of supplier finance arrangements.

The Amendments are effective for annual reporting periods beginning on or after 1 January 2024, with permission for early application, and are not expected to have a material impact on the Group.

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, associated companies and companies under joint control or subject to significant influence.

The Consolidated Financial Statements are based on the financial statements at 31 December 2023 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.

The scope of consolidation includes, as of 28 March 2023, the 18.5% stake in the share capital of Fiere di Parma acquired through the contribution of the Fiera Milano business unit related to the 'Tuttofood' exhibition. The value of Euro 16.5 million was recognised in Profit/(loss) for the period of discontinued operations, as more fully described in Section 1.7 Disclosure on discontinued operations and 2 Disclosure on associates and *joint ventures*.

Attachment 1 lists the consolidated companies.

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*.

Associated companies

An associated company is an enterprise over which the Group exercises significant influence, understood as the power to participate in determining its financial and management decisions without having control or joint control. Investments in associated companies are valued using the equity method.

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 2023 and 2022 financial statements of foreign companies are shown in the table below:

	average 2023	average 2022	31/12/23	31/12/22
South African rand	19.9551	17.2086	20.3477	18.0986
Brazilian reals	5.401	5.4407	5.3618	5.6402

Source: Bank of Italy

1.5 Summary of accounting standards and measurement criteria

Business combinations

Business combinations are accounted for using 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 the statement of comprehensive income.

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 the statement of comprehensive income. 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 revaluation 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 brands 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 *fair value* net of the sales cost is the amount that would be obtained from the sale of 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 agreement is, or contains, a lease if the agreement conveys the right to control the use of an identified asset for a period of time in exchange for a consideration, determining its terms and conditions of use and, though not explained, its upkeep over time.

Assets acquired through lease agreements are recognised under "Rights of Use" for an amount equal to the value of the financial liability determined on the basis of the present value of discounted future payments using the incremental borrowing rate for each agreement. The debt is gradually reduced in accordance with the principal repayment schedule included in the contractually agreed-upon instalments, while the interest is recognised in profit and loss and classified under financial expenses.

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

In determining whether the asset in question is a lease or a service agreement, two substantial elements are taken into account: the 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.

i) 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 and financial liabilities

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.

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.

Current liabilities include payments on account received for exhibition activities that will be completed more than twelve months after the reporting date, as this classification reflects the normal duration of the exhibition operating cycle.

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.

Investments

Investments fall under the scope of application of the IFRS 9 classification and measurement criteria for 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 profit or loss.

Investments in associates identified as *joint ventures* over which the consolidating company exercises significant influence, 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 associated companies.

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 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 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.

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.

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 (revaluation) in

the statement of 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 costs 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 *fair value* net of the sales cost is the amount that would be obtained from the sale of 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. These uncertainties are fuelled by a conflicting and unstable global geopolitical framework, which poses new challenges to Europe and the West, including in terms of security. 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 Information on discontinued operations

On 9 March 2023, the Board of Directors of Fiera Milano SpA approved the finalisation of the strategic transaction with Fiere di Parma SpA concerning a *partnership* aimed at creating a common European exhibition platform in the agri-food sector. The transaction was carried out at the closing date, on 28 March 2023, through the subscription of a capital increase of Fiere di Parma reserved for Fiera Milano, paid through the contribution of Fiera Milano's SpA's business unit related to the exhibition 'Tuttofood', a leading exhibition event in the agri-food sector, for a value of Euro 16,500 thousand, equal to 18.5% of the share capital of Fiera di Parma SpA transferred to Fiera Milano SpA.

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', discontinued operations were represented by setting out in a single line of the income statement, under the item 'Profit/(loss) 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'. These items, recognised in the financial statements at 31 December 2022, were reduced to zero with the contribution of the business unit, which result in a capital gain of Euro 16,500 thousand recognised in profit or loss.

Assets held for sale, recognised in the balance sheet, and discontinued operations, recognised in the income statement are shown below:

Statement of profit or loss from assets held for sale

(€ '000)	2023	2022
Revenues from sales and services	-	-
<i>of which with related parties</i>	-	-
Totale ricavi	-	-
Cost of materials	-	-
Cost of services	-	-
<i>of which with related parties</i>	-	-
Cost of use of third-party assets	-	-
Personnel costs	-	-
Other operating expenses	-	-
Total operating expenses	-	-
Profit/(loss) from discontinued operations	16,500	-

Statement of financial position from assets held for sale

(€ '000)	31/12/23	31/12/22
ASSETS		
Intangible assets with a finite useful life	-	6
Inventories	-	857
<i>of which with related parties</i>	-	65
Cash and cash equivalents	-	1,809
Total assets held for sale	-	2,672
LIABILITIES		
Employee benefit provisions	-	2
Advances	-	2,650
Other liabilities	-	20
<i>of which with related parties</i>	-	889
Total liabilities held for sale	-	2,672
Net assets held for sale	-	-

2) Disclosure on associates and joint ventures

Associates

The Group holds a 25% stake in the share capital of Ge.Fi. SpA, a leading Italian player in the organisation of events 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 investment is recognised in the consolidated statement of financial position using the equity method, with the Group's interest in profit for 2023 amounting to Euro 559 thousand.

Ge.Fi SpA distributed dividends for Euro 1,142 thousand, of which Euro 385 thousand pertaining to the Group.

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

	(€ '000)	
Ge.Fi.SpA	31/12/23	31/12/22
Current assets	11,284	11,157
Non-current assets	12,225	13,050
Current liabilities	10,938	9,164
Non-current liabilities	2,760	2,727
Net financial debt/(cash)	(3,570)	25
Equity	13,381	12,291
Equity holders of the Parent	3,345	3,073
Goodwill	8,840	10,516
Book value of the Associate	12,185	13,589

	(€ '000)	
Ge.Fi.SpA	2023	2022
Total revenues and other income	20,472	16,636
Total operating costs	(15,758)	(14,333)
Depreciation and amortisation	(1,273)	(1,312)
Interest income	16	47
Interest payable	(334)	(240)
Profit/(loss) before tax	3,123	798
Income tax	887	148
Profit/(loss)	2,236	650
Group profit/(loss)	559	163

The Group holds 18.5% in Fiere di Parma SpA, a leading company in the organisation of exhibitions in the Italian food business, with the two events 'Tuttofood' hosted by Fiera Milano at its Rho site and 'Cibus' organised at its Parma site.

The investment, taking into account shareholder agreements, as an associated company is accounted for in the consolidated financial statements using the equity method and the share of the result for the year 2023 is Euro 1,498 thousand.

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

	(€ '000)
Fiere di Parma SpA	31/12/23
Current assets	11,897
Non-current assets	65,387
Current liabilities	20,063
Non-current liabilities	2,113
Net financial debt/(cash)	(14,855)
Equity	69,963
Equity attributable to non-controlling interests	400
Equity holders of the Parent	12,869
Goodwill	5,129
Book value of the Associate	17,998

	(€ '000)
Fiere di Parma SpA	2023
Total revenues and other income	49,249
Total operating costs	(35,632)
Depreciation and amortisation	(4,498)
Interest income	376
Interest payable	(139)
Profit/(loss) before tax	9,356
Income tax	1,114
Profit/(loss)	8,242
Profit/(loss) attributable to non-controlling interests	(146)
Profit/(loss) attributable to the shareholders of the controlling entity	8,096
Group profit/(loss)	1,498

Associates had no contingent liabilities or commitments at 31 December 2023.

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:

	(€ '000)	
Hannover Milano Global Germany GmbH	31/12/23	31/12/22
Current assets	3,548	3,994
Non-current assets	8,482	8,494
Current liabilities	16,350	22,199
Net financial debt/(cash)	(27,104)	(21,412)
Equity	22,784	11,701
Book value of the joint venture	16,871	5,836
Carrying amount of the joint venture	16,871	5,836

	(€ '000)	
Hannover Milano Global Germany GmbH	2023	2022
Total revenues and other income	51,788	6,068
Total operating costs	(37,834)	(9,706)
Depreciation and amortisation	(28)	(36)
Interest income	328	269
Interest payable	(9)	(1)
Profit/(loss) before tax	14,245	(3,406)
Income tax	2,694	(637)
Profit/(loss)	11,551	(2,769)
Profit/(loss) attributable to non-controlling interests	(311)	(1)
Profit/(loss) attributable to the shareholders of the controlling entity	11,240	(2,770)
Group profit/(loss)	4,519	(1,131)

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:

	(€ '000)	
Ipack Ima Srl	31/12/23	31/12/22
Current assets	2,407	1,137
Non-current assets	4,456	3,992
Current liabilities	1,771	1,681
Non-current liabilities	502	131
Net financial debt/(cash)	670	(1,311)
Equity	3,920	4,628
Book value of the joint venture	1,921	2,268

	(€ '000)	
Ipack Ima Srl	2023	2022
Total revenues and other income	282	14,971
Total operating costs	(852)	(11,502)
Depreciation and amortisation	(297)	(299)
Interest payable	(60)	(20)
Profit/(loss) before tax	(927)	3,150
Income tax	(225)	894
Profit/(loss)	(702)	2,256
Group profit/(loss)	(344)	1,105
Result attributable to the Group	-344	1,105

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 December 2018 the value of the investment is consolidated at equity.

Mico DMS Srl distributed dividends for Euro 700 thousand, of which Euro 357 thousand pertaining to the Group.

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

	(€ '000)	
MiCo DMC Srl	31/12/23	31/12/22
Current assets	5,168	4,305
Non-current assets	217	195
Current liabilities	4,813	5,818
Non-current liabilities	216	183
Net financial debt/(cash)	(1,346)	(2,535)
Equity	1,702	1,034
Book value of the joint venture	868	527

	(€ '000)	
MiCo DMC Srl	2023	2022
Total revenues and other income	26,498	14,000
Total operating costs	(24,452)	(13,039)
Depreciation and amortisation	(74)	(13)
Interest payable	(35)	(34)
Profit/(loss) before tax	1,937	914
Income tax	563	265
Profit/(loss)	1,374	649
Group profit/(loss)	701	331

At 31 December 2023 and at 31 December 2022, there were no contingent liabilities or material obligations relating to the investment of the Parent Company in the *joint ventures*.

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 at Fiera Milano SpA, Nolostand SpA, Ipack Ima Srl, MADE eventi Srl, Ge.Fi. SpA and Fiere di Parma SpA 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 organisation 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, MADE eventi Srl, Ge.Fi. SpA and Fiere di Parma SpA.

- **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 2022 and 31 December 2023.

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
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
of which from Italy					10,422
<i>of which from foreign activities</i>					(1,203)
<i>Financial income and similar</i>					1,600
<i>Financial expenses and similar</i>					14,524
Profit/(loss) before income tax					(3,705)
Income tax					2,055
Profit/(loss) from continuing operations					(5,760)
Profit/(loss) from discontinued operations					-
Profit/(loss)					(5,760)
Profit/(loss) attributable to non-controlling interests					(161)
<i>Group profit/(loss)</i>					(5,599)
<i>Operating costs</i>					-
Profit/(loss)					-5,760
Equity 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
Total	20,400	16,424	47,908	41,028

Income Statement to 31/12/23

(€'000)	Italian Exhibitions Business	Foreign Exhibitions Business	Congresses	Adjustments	Consolidated
Revenues from sales and services to third-parties	235,958	3,888	43,983	-	283,829
Revenues from intersegment sales and services	5,357	5	2,999	(8,361)	-
Total revenues	241,315	3,893	46,982	(8,361)	283,829
<i>of which from Italy</i>					279,941
<i>of which from foreign activities</i>					3,888
Cost of materials	3,688	9	76	-	3,773
Cost of services	108,751	3,032	31,938	(9,261)	134,460
Cost for use of third-party assets	827	136	31	(341)	653
Personnel expenses	47,797	1,208	3,344	(116)	52,233
Other operating expenses	4,806	55	304	(196)	4,969
Total operating expenses	165,869	4,440	35,693	(9,914)	196,088
Other income	5,200	41	1,709	(1,553)	5,397
Profit/(loss) of equity accounted companies	1,713	4,519	701	-	6,933
Allowance for doubtful accounts and other provisions	2,675	(2)	260	-	2,933
EBITDA	79,684	4,015	13,439	-	97,138
<i>of which from Italy</i>					93,113
<i>of which from foreign activities</i>					4,025
Depreciation of property, plant and equipment and right-of-use assets	40,372	85	6,101	-	46,558
Amortisation of intangible assets	4,904	9	28	-	4,941
Adjustments to asset values	815	-	-	-	815
EBIT	33,593	3,921	7,310	-	44,824
of which from Italy					40,893
<i>of which from foreign activities</i>					3,931
<i>Financial income and similar</i>					5,582
Financial expenses and similar					14,401
Profit/(loss) before income tax					36,005
Income tax					7,036
Profit/(loss) from continuing operations					28,969
Profit/(loss) from discontinued operations					16,500
Revenues					16,500
Operating expenses					-
<i>Profit/(loss)</i>					45,469
<i>Profit/(loss) attributable to non-controlling interests</i>					1
Group profit/(loss)					45,468
Equity attributable to non-controlling interests					1
Group profit/(loss)					45,468

Statement of Financial Position Data at 31/12/23

(€'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	47,148	36,590	45,276	39,262
Foreign Exhibitions Business	31	-	94	56
Congresses	3,245	2,466	6,129	5,145
Total	50,424	39,056	51,499	44,463

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 31/12/21	Changes during the financial year					Balance at 31/12/22
		Incr.	Decr.	Depr.	Currency translation differences	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

Property, plant and equipment

(thousands of euro)

	Balance at 31/12/22	Changes during the financial year					Balance at 31/12/23
		Incr.	Decr.	Depr.	Currency translation differences	Other	
Plant and machinery							
. historic cost	19,217	335	-	-	-	(164)	19,388
. depreciation	18,351	-	-	253	-	(164)	18,440
Net	866	335	-	253	-	-	948
Industrial and commercial equipment							
. historic cost	33,385	2,148	538	-	-	-	34,995
. depreciation	32,647	-	538	526	-	-	32,635
Net	738	2,148	-	526	-	-	2,360
Other assets							
. historic cost	55,576	983	10	-	(42)	(20)	56,487
. depreciation	52,177	-	5	1,316	(46)	(19)	53,423
Net	3,399	983	5	1,316	4	(1)	3,064
Contracts in progress and pre-payments							
. historic cost	-	5,095	-	-	-	-	5,095
Net	-	5,095	-	-	-	-	5,095
Total property, plant and equipment							
. historic cost	108,178	8,561	548	-	(42)	(184)	115,965
. depreciation	103,175	-	543	2,095	(46)	(183)	104,498
Net	5,003	8,561	5	2,095	4	(1)	11,467

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

Plant and machinery

This item totalled Euro 948 thousand, net of depreciation for the year of Euro 253 thousand, and was mainly for electrical, heating, alarm and audiovisual systems.

The increase of Euro 335 thousand refers to Parent Company investments in plant and machinery for the Rho exhibition site.

Industrial and commercial equipment

This item totalled Euro 2,360 thousand, net of depreciation for the year of Euro 526 thousand, and was mainly for equipment and furnishings related to the exhibition business.

Increases amounted to Euro 2,148 thousand and mainly refer to investments by the company Nolostand SpA for the purchase of exhibition equipment and assets to be rented during events and by the Parent Company for the purchase of furniture and equipment for holding events at the Rho exhibition site.

Other assets

This item totalled Euro 3,064 thousand net of depreciation for the year of Euro 1,316 thousand; Euro 1,998 thousand was for improvements to the assets of Fondazione Fiera Milano and Euro 1,066 thousand was for furniture, furnishings, minor equipment, vehicles and electronic equipment.

The Euro 983 thousand increase breaks down as follows:

- Euro 692 thousand pertaining to Fiera Milano Congressi SpA, mainly referring to the upgrades of the assets leased by Fondazione Fiera Milano to the company;
- Euro 180 thousand pertaining to the Parent Company, referring to Euro 141 thousand mainly in investments for the year to renew electronic machinery and Euro 39 thousand for improvements to third-party assets;
- Euro 111 thousand pertaining to minor investments.

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

Tangible fixed assets under construction

This item amounted to Euro 5,095 thousand and mainly refers to the activity related to the development of the Parent Company's network infrastructure. The activity, as soon as completed, will be reclassified under the corresponding fixed assets item and the amortisation will begin to run.

5) Rights of use of assets

The breakdown and changes in the last two financial years are given below:

	Balance at 31/12/21	Changes during the financial year			Currency translation differences	Balance at 31/12/22
		Incr.	Decr.	Depr.		
Right-of-use assets (€'000)						
Leased property						
. historic cost	507,509	15,991	978	-	106	522,604
. depreciation	115,203	-	476	40,882	10	155,594
Net	392,306	15,991	502	40,882	96	367,010
Leased corporate fleet						
. historic cost	593	433	356	-	-	670
. depreciation	387	-	336	146	-	198
Net	206	433	20	146	-	472
Total Right-of-use assets						
. historic cost	508,102	16,424	1,334	-	106	523,274
. depreciation	115,590	-	812	41,028	10	155,792
Net	392,512	16,424	522	41,028	96	367,482

Right-of-use assets

(thousands of euro)

	Balance at 31/12/22	Changes during the financial year			Currency translation differences	Balance at 31/12/23
		Incr.	Decr.	Depr.		
Leased property						
. historic cost	522,604	38,396	-	-	16	561,016
. depreciation	155,594	-	-	44,224	8	199,827
Net	367,010	38,396	-	44,224	8	361,189
Leased corporate fleet						
. historic cost	670	660	237	-	-	1,094
. depreciation	198	-	156	239	-	281
Net	472	660	81	239	-	813
Total Right-of-use assets						
. historic cost	523,274	39,056	237	-	16	562,110
. depreciation	155,792	-	156	44,463	8	200,108
Net	367,482	39,056	81	44,463	8	362,002

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

Right-of-use properties

This item amounted to Euro 361,189 thousand net of depreciation for the year of Euro 44,224 thousand and refers to the recognition of the right of use of property leases, following the application of IFRS 16. The increase of euro 38,396 thousand mainly refers for Euro 26,619 thousand to the ISTAT adjustment of rents for the Rho exhibition site and the MiCo Sud congress centre, for Euro 7,297 thousand to the renewal of the lease agreement for an equipment warehouse and for Euro 3,403 thousand to the lease agreement signed on 15 December 2022 with Fondazione Fiera Milano for the new warehouse located in the Rho exhibition centre, in the area known as "Cargo 2".

Right-of-use vehicles

The item totalled Euro 813 thousand, less depreciation for the year of Euro 239 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 upgrading of the company car fleet.

The item Right-of-use assets includes increases of Euro 30,022 thousand regarding related-party transactions (Euro 15,338 thousand at 31 December 2022). 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 31/12/21	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
Total Goodwill						
. historic cost	111,633	-	-	-	-	111,633
. amortisation	16,597	-	-	-	-	16,597
Net	95,036	-	-	-	-	95,036

Goodwill

(thousands of euro)

	Balance at 31/12/22	Changes during the financial year				Balance at 31/12/23
		Incr.	Decr.	Acquired business	Currency translation differences	
Goodwill						
. historic cost	111,633	-	-	-	-	111,633
. amortisation	16,597	-	-	-	-	16,597
Net	95,036	-	-	-	-	95,036
Total 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 and South Africa) 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 December 2023 is four financial years (2024-2027).

Cash flow projections beyond the time horizons of the 2024-2027 plan for economic/financial projections approved by the Board of Directors on 22 February 2024 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 exhibition 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. For the Italian CGUs, a growth factor of less than zero in real terms was assumed, taking into account in the growth rate the adjustment of sales tariffs included in the last two years of the plan, amounting to 1.5%, against an expected inflation rate in the EU area of 2% in the medium to long term. For foreign CGUs, on the other hand, a growth factor of zero in real terms was assumed, and thus equal to the expected inflation rate in the medium to long term in the specific reference currency area.

The WACC (*Weighted Average Cost of Capital*) used for activities in Italy includes: (i) a *risk free* rate of 4.33%; (ii) a *Market Risk Premium* of 6.4%; (iii) a *levered beta* at the sector average of 0.869; (iv) a specific risk premium that varied in the different CGUs; (v) a cost of debt equal to 3.98%; (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 dimension and 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 8.90%.

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% 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 2024-2027 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 31/12/21	Changes during the financial year						Balance at 31/12/22	
		Incr.	Decr.	Depr.	Impair- ment	Currency translation differences	Other		Reclassifi- cation
Trademarks and publishing titles									
. historic cost	24,666	-	-	-	3,316	529	-	-	21,879
. amortisation	15,826	-	-	1,053	2,040	331	(1)	-	15,169
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	47,358	1,604	-	-	-	24	-	1,115	50,101
. amortisation	40,655	-	-	3,295	-	23	-	-	43,973
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	79,973	2,557	-	-	3,316	553	(135)	-	79,632
. amortisation	61,462	-	-	4,662	2,040	354	(1)	-	64,437
Net	18,511	2,557	-	4,662	1,276	199	(134)	-	15,195

Intangible assets with a finite useful life

(€'000)

	Balance at 31/12/22	Movements during the period							Balance at 31/12/23
		Incr.	Decr.	Depr.	Impair- ment	Currency translation differences	Other	Reclassifi- cation	
Trademarks and publishing titles									
. historic cost	21,879	-	21	-	465	(42)	7	-	21,358
. amortisation	15,169	-	15	836	-	(42)	1	-	15,949
Net	6,710	-	6	836	465	-	6	-	5,409
Concessions, licenses and similar rights									
. historic cost	5,652	947	252	-	-	1	-	-	6,348
. amortisation	5,295	-	252	354	-	-	-	-	5,399
Net	357	947	-	354	-	1	-	-	949
Industrial patents and intellectual property rights									
. historic cost	50,101	984	-	-	-	12	-	1,511	52,587
. amortisation	43,973	-	-	3,751	-	16	1	-	47,719
Net	6,128	984	-	3,751	-	(4)	-	-	4,868
Intangible fixed assets under construction									
. historic cost	2,000	876	-	-	350	-	-	(1,511)	1,015
Net	2,000	876	-	-	-	-	-	(1,511)	1,015
Total intangible assets with a finite useful life									
. historic cost	79,632	2,807	273	-	815	(29)	7	-	81,300
. amortisation	64,437	-	267	4,941	-	(26)	2	-	69,059
Net	15,195	2,807	6	4,941	815	(3)	5	-	12,241

Trademarks

This item amounted to Euro 5,409 thousand and consisted of the following exhibition trademarks:

- Milan Games Weekend Euro 1,394 thousand;
- MADE expo Euro 992 thousand;
- Promotion Trade Exhibition Euro 856 thousand;
- Host Euro 796 thousand;
- Mipap Milano Prêt-à-Porter Euro 748 thousand;
- Transpotec & Logitec Euro 211 thousand;
- Cartoomics Euro 177 thousand;
- Milan Franchising Show Euro 127 thousand;
- Miart Euro 54 thousand;
- BtoBIO Expo Euro 49 thousand;
- Fruit&Veg Innovation Euro 5 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 2023, indications of impairment emerged, resulting in adjustments of Euro 465 thousand, referring to the 'G! Come Giocare' brand, due to the fact that the event is no longer scheduled.

Amortisation amounted to Euro 836 thousand.

Concessions, licences and similar rights

The item was Euro 949 thousand, net of amortisation for the year of Euro 354 thousand. The increase of Euro 947 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 4,868 thousand, net of amortisation for the year of Euro 3,751 thousand. The increase of Euro 984 thousand and Euro 1,511 thousand in reclassifications from assets under development mainly refer to costs associated with the implementation of digital projects and software purchases of the Parent Company.

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

Intangible fixed assets under construction

This item totalled Euro 1,015 thousand and refers to costs incurred by the Parent Company 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.

Value adjustments of Euro 350 thousand relate to a digital project that, after careful evaluation, was abandoned during the year.

8) Investments in associates and joint ventures

This item amounted to Euro 50,591 thousand (Euro 29,640 thousand at 31 December 2022) and refers to:

- Euro 17,998 thousand for the 18.5% investment in Fiere di Parma SpA;
- Euro 12,185 thousand for the 25% investment in Ge.Fi. SpA;
- Euro 16,871 thousand for the 49% shareholding in Hannover Milano Global Germany GmbH;
- Euro 2,624 thousand for the 49% shareholding in Ipack-Ima Srl;
- Euro 913 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

	Changes during the financial year							Balance at 31/12/23
	Balance at 31/12/22	Results	Dividend distribution	Acquisitions	Depreciations	Currency translation differences	Other	
Fiere di Parma SpA	-	1,498	-	16,500	-	-	-	17,998
Ge.Fi. SpA	13,587	559	285	-	1,676	-	-	12,185
Hannover Milano Global Germany GmbH	12,512	4,519	-	-	-	(160)	-	16,871
Ipack-Ima Srl	2,969	(344)	-	-	-	-	(1)	2,624
MiCo DMC Srl	572	701	357	-	-	-	(3)	913
Total	29,640	6,933	642	16,500	1,676	(160)	(4)	50,591

At the end of the year, the investments of the companies consolidated at equity were tested for impairment, with the assistance of a qualified independent expert, with a positive outcome.

The discounted cash flow method is used for impairment, based on the 2024-2027 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 Ipack Ima Srl alone, despite having a projection with the same time horizon (2024-2027), it was deemed appropriate to calculate the recoverable value by respecting the three-year cycle of the reference event (next edition in 2025), thus including the 2024-2026 flows in the calculation and excluding the 2027 financial year.

For the investment in Ipack Ima Srl, the average for the period 2024-2027 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. For Italian investments, a growth factor of 1.5% was assumed against an expected medium- to long-term inflation rate of 2%. For foreign investments, on the other hand, a growth rate of zero in real terms was assumed, thus setting the nominal growth rate at a value equal to the level of inflation expected in the medium to long term in the specific monetary reference area.

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:

- Ipack-Ima Srl 8.90%
- MiCo DMC Srl 8.90%
- Fiere di Parma SpA 8.90%
- Ge.Fi SpA 9.65%
- Hannover Milano Global Germany GmbH 7.67%

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 also showed positive results in sensitivity analyses.

Lastly, the "breaking point" was also calculated. This is the permanent reduction of financial flows, compared to 2024-2027 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 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.

Further details are provided in Note 2 'Disclosure on associates and *joint ventures*'.

9) Other investments

This item amounted to Euro 32 thousand (Euro 32 thousand at 31 December 2022). It constitutes the membership fee for the Golden Card Committee.

10) Other financial assets

This item totalled Euro 1,059 thousand (Euro 2,386 thousand at 31 December 2022), broken down as follows:

Other financial assets

	31/12/23	31/12/22	Change
Derivatives	986	2,315	(1,329)
Long term financing to joint venture	73	71	2
Total	1,059	2,386	(1,327)

(€'000)

The item includes Euro 986 thousand for the *cash flow hedge* measured at *fair value* and calculated using the pricing models given by the issuing bank.

The derivative is related to the hedging of the variable interest rate of certain loans through a fixed rate. The hedging relationship is effective insofar as the ratio of the changes in the expected cash flows of the hedged item to the opposing changes in the hedging instrument is between 80%-125%.

Other financial liabilities included Euro 73 thousand (Euro 71 thousand at 31 December 2022) for related-party transactions. For more details, see note 53 on these transactions.

11) Trade and other receivables

This item totalled Euro 29,472 thousand (Euro 33,424 thousand at 31 December 2022), broken down as follows:

Trade and other receivables

	31/12/23	31/12/22	Change
Receivables from the controlling shareholder for tax consolidation	16,515	22,828	(6,313)
Other receivables from the controlling shareholder	10,412	10,412	-
Other guarantee deposits	2,545	184	2,361
Total	29,472	33,424	(3,952)

(€'000)

These include:

- other receivables from the Controlling Entity of Euro 10,412 thousand (Euro 10,412 thousand at 31 December 2022). 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;
- receivables from the Controlling Entity for tax consolidation amounting to Euro 16,515 thousand (Euro 22,828 thousand at 31 December 2022). This item refers to the remuneration of the tax losses of the financial years 2020 and 2021 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; The decrease is due to the offsetting in the item of the tax consolidation liability arising from the positive taxable income generated in the 2023 financial year and the financial settlement of receivables corresponding to losses used in the context of tax consolidation for the 2022 financial year;
- other guarantee deposits totalling Euro 2,545 thousand (Euro 184 thousand at 31 December 2022).

The item Trade and other receivables also included Euro 26,927 thousand of related-party transactions (Euro 33,240 thousand at 31 December 2022). For more details, see note 53 on these transactions.

12) Deferred tax assets

This item totalled Euro 10,305 thousand (Euro 11,174 thousand at 31 December 2022) 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

	31/12/23	31/12/22	Change
Trade receivables	27,150	24,038	3,112
Receivables from the controlling shareholder	4,963	3,285	1,678
<i>Trade receivables from associates and joint venture</i>	2,733	2,110	623
Trade receivables from associates	36	35	1
Other receivables	4,237	2,745	1,492
Prepaid expenses from the controlling shareholder	127	119	8
<i>Prepaid expenses from joint venture</i>	-	1	(1)
Accrued income and prepaid expenses	1,321	1,071	250
Total	40,567	33,404	7,163

This item totalled Euro 40,567 thousand (Euro 33,404 thousand at 31 December 2022).

The main types of receivables are described below.

Trade receivables come to Euro 27,150 thousand (Euro 24,038 thousand at 31 December 2022) net of the provision for doubtful receivables of Euro 1,132 thousand. These represent receivables from organisers, exhibitors, and others for services relating to the exhibition and congress site's availability and the provision of services. The change is due to the increase in invoices mainly relating to outstanding receivables for future events.

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 were found to be unrecoverable in the financial year under review.

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

Provision for doubtful receivables

	31/12/22	Provisions	Utilisation and other changes	31/12/23
Provision for doubtful receivables	1,273	254	(395)	1,132

Other receivables from the Parent Company of Euro 4,963 thousand (Euro 3,285 thousand at 31 December 2022) are broken down as follows:

- Euro 488 thousand (Euro 768 thousand at 31 December 2022) for Group VAT receivables from the Controlling Entity;
- Other receivables from the Controlling Entity of Euro 4,475 thousand (Euro 2,517 thousand at 31 December 2022).

The change mainly refers to higher receivables related to the company Fiera Milano Congressi mainly related to the amount recharged to the Controlling Entity Fondazione Fiera Milano SpA for maintenance and refurbishment costs of the site, and to higher receivables related to investment projects coordinated and directed by Fiera Milano SpA, for which the Controlling Entity Fondazione Fiera Milano SpA took responsibility as part of the plan for the competitiveness and sustainability of the exhibition facilities.

Trade receivables from associates and *joint ventures* of Euro 2,733 thousand (Euro 2,110 thousand at 31 December 2022).

Other receivables totalled Euro 4,237 thousand (Euro 2,745 thousand at 31 December 2022), comprising:

- Euro 1,065 thousand (Euro 858 thousand at 31 December 2022) for advances to suppliers;
- other tax receivables for Euro 1,105 thousand (Euro 416 thousand at 31 December 2022);
- Euro 24 thousand (Euro 369 thousand at 31 December 2022) of receivables for tax credits on employee severance indemnities;
- receivables from employees for Euro 75 thousand (Euro 64 thousand at 31 December 2022);
- Inail advances and receivables for Euro 182 thousand (Euro 116 thousand at 31 December 2022);
- other receivables for Euro 1,786 thousand (Euro 922 thousand at 31 December 2022).

Accrued income and deferred charges amounting to Euro 1,321 thousand (Euro 1,071 thousand at 31 December 2022) referred to insurance premiums and other costs accruing to future years.

The item Trade and other receivables also included Euro 7,859 thousand of related-party transactions (Euro 5,550 thousand at 31 December 2022). For more details, see note 53 on these transactions.

14) Inventories

This item totalled Euro 2,258 thousand (Euro 3,144 thousand at 31 December 2022), broken down as follows:

Inventories	31/12/23	31/12/22	Change
Deferred costs	2,258	3,144	(886)
Total	2,258	3,144	(886)

(€'000)

Deferred costs referred to exhibitions and congresses to be held after 31 December 2023.

The table below gives a breakdown by exhibition:

Exhibitions and congresses	31/12/23	31/12/22	Change
Print4all	402	80	322
Milano Home	286	63	223
Transpotec & Logitec	194	76	118
Fisp	190	-	190
Bit	155	143	12
Host	152	961	(809)
Miart	121	-	121
Exposec	117	-	117
Made Expo	64	860	(796)
Sicurezza	23	202	(179)
Issa Pulire	1	248	(247)
Congresses	223	94	129
Other exhibitions	330	417	(87)
Total	2,258	3,144	(886)

(€'000)

The change over the previous year is mainly due to the biennial or multiannual frequency of some exhibitions.

Personnel costs 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 646 thousand.

Inventories included Euro 138 thousand (Euro 148 thousand at 31 December 2022) for related-party transactions. For more details, see note 53 on these transactions.

15) Financial assets

This item totalled Euro 39,657 thousand (Euro 36,420 thousand at 31 December 2022), broken down as follows:

Financial assets	31/12/23	31/12/22	Change
Time Deposit	30,840	30,652	188
Mutual investment funds ESG	5,501	5,065	436
Short term financing to joint venture	1,719	703	1,016
Financing to controlling shareholder	1,597	-	1,597
Total	39,657	36,420	3,237

(€'000)

This item includes the following items of the Parent Company:

- 30,401 thousand for time deposits including accrued interest signed with Banca Nazionale del Lavoro (Euro 15,260 thousand), Banca Intesa Sanpaolo (Euro 5,050 thousand), Crédit Agricole Italia (Euro 5,054 thousand) and Monte dei Paschi di Siena (Euro 5,037 thousand);
- Euro 5,501 thousand for units of ESG 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 2023 inclusive of commissions.
- Euro 1,719 thousand for the loan granted to the *joint venture* company Ipack Ima Srl. The interest rate is periodically updated in line with financial market trends. The rate applied at 31 December 2023 was 4.50%. The average rate for the year was 3.60%;
- Euro 1,597 thousand for the current account held with Fondazione Fiera Milano; The applied rate was equal to the 1-month Euribor plus a spread of 0.75%.

In addition, Euro 439 thousand refers to time deposits made with Banco do Brasil S/A and Banco Santander by Fiera Milano Brasil Ltda.

Financial assets include Euro 3,316 thousand (Euro 703 thousand at 31 December 2022). For more details, see note 53 on these transactions.

16) Cash and cash equivalents

This item amounted to Euro 99,843 thousand (Euro 81,971 thousand at 31 December 2022) and consisted of bank deposits for Euro 79,764 thousand, time deposits of less than three months for Euro 20,067 thousand, and cash on hand.

The cash flows, with comparative data at 31 December 2022, are shown in the Consolidated Statement of Cash Flows.

1.7) Assets held for sale

This item was zero (Euro 2,672 thousand at 31 December 2022).

Assets held for sale do not include transactions with related parties (Euro 65 thousand at 31 December 2022).

EQUITY AND LIABILITIES

17) Equity

The breakdown of consolidated equity was as follows:

Equity	31/12/23	31/12/22	Change
	(€'000)		
Share capital	41,987	42,182	(195)
<i>of which treasury shares</i>	(458)	(263)	(195)
Share premium reserve	9,347	9,828	(481)
<i>of which treasury shares</i>	(3,181)	(2,700)	(481)
<i>Other reserves</i>	2,701	5,257	(2,556)
Legal reserve	8,489	8,489	-
Foreign currency translation reserve	(6,817)	(6,551)	(266)
Fair value reserve of financial assets at FVOCI	749	2,315	(1,566)
Remeasurement on defined benefit plans	(189)	(41)	(148)
Stock grant reserve	469	1,045	(576)
Retained earnings	48,393	53,992	(5,599)
Profit/(loss)	45,468	(5,599)	51,067
Group equity	147,896	105,660	42,236
Capital and reserves attributable to non-controlling interests	534	694	(160)
Profit/(loss) attributable to non-controlling interests	1	(161)	162
Equity attributable to non-controlling interests	535	533	2
Total	148,431	106,193	42,238

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 2023, this item was Euro 41,987 thousand (Euro 42,182 thousand at 31 December 2022), net of treasury shares for Euro 458 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 2022	Change			Number of shares at 31 December 2023
		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	445,659	-	588,099	(257,748)	776,010
Total shares outstanding	71,644,071	-	-	-	71,141,819

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 2023, this gave an implicit nominal value of Euro 0.59 per share.

On 9 November 2023, the Parent Company announced the start of its share buyback programme, in execution of the authorisation granted by the Ordinary Shareholders' Meeting of 27 April 2023. 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. The buyback programme was completed on 30 November 2023, reaching 588,099 shares purchased at an average price of Euro 2.65 per share for a value of Euro 1,556 thousand.

The decrease in treasury shares of 257,748 relates to the payment of *stock grants* awarded under the "Performance Shares Plan" open to the management for the period 2021-2022. At 31 December 2023, the Parent Company held 776,010 treasury shares, equal to 1.08% of the share capital.

Share premium reserve

This item amounted to Euro 9,347 thousand (Euro 9,828 thousand at 31 December 2022) net of treasury share reserves of Euro 3,180 thousand. The Euro 481 thousand decrease refers to the purchase of treasury shares.

Other reserves

This item totalled Euro 2,701 thousand (Euro 5,257 thousand at 31 December 2022), with breakdown as follows:

- Euro 8,489 thousand from the Parent Company's legal reserve (Euro 8,489 thousand at 31 December 2022);
- Euro -6,817 thousand (Euro -6,551 thousand at 31 December 2022) from the currency translation reserve;
- Euro 749 thousand from the Reserve for financial hedging transactions (Euro 2,315 thousand at 31 December 2022).
- Euro -189 thousand from the Reserve for the revaluation of defined benefit plans net of tax effects (Euro -41 thousand at 31 December 2022);
- Euro 469 thousand from the Reserve for the stock grant reserve in relation to the estimated cost of the 'Performance Shares Plan' included in the management incentives plan for the 2023-2025 period (Euro 1,045 thousand at 31 December 2022).

Retained earnings

This entry was Euro 48,393 thousand (Euro 53,992 thousand at 31 December 2022).

The Euro 5,599 thousand decrease mainly refers to the allocation of the result for the previous financial year.

Profit/(loss)

The year ending 31 December 2023 recorded a Group profit of Euro 45,468 thousand (compared to a loss of Euro 5,599 thousand at 31 December 2022).

Capital and reserves attributable to non-controlling interests

This item totalled Euro 534 thousand (Euro 694 thousand at 31 December 2022).

Changes in the period under review were as follows:

- a decrease of Euro 161 thousand for the allocation of the 'Profit/loss of the previous financial year';
- an increase of Euro 1 thousand for the revaluation of defined benefit plans, net of the tax effect.

Net profit (loss) - non-controlling interests

The net profit attributable to non-controlling interests of Made eventi Srl was Euro 1 thousand (Euro -161 thousand at 31 December 2022).

LIABILITIES

Non-current liabilities

18) Bank borrowings

Bank borrowings

	31/12/23	31/12/22	Change
Bank loans	30,630	60,866	(30,236)
Total	30,630	60,866	(30,236)

(€ '000)

Long-term bank borrowings amounted to Euro 30,630 thousand (Euro 60,866 thousand at 31 December 2022).

refer to the following loans attributable to the Parent Company:

- Euro 18,604 thousand (Euro 36,867 thousand at 31 December 2022), for the portion of the loan underwritten on 17 February 2021 by a syndicate 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 2023.
- Euro 6,776 thousand (Euro 13,437 thousand at 31 December 2022) for the non-current portion of the loan underwritten on 22 February 2021 by Cassa Depositi e Prestiti, 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 2023. 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 5,250 thousand (Euro 7,000 thousand at 31 December 2022) for the non-current 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.

The change from the previous year was due to the reclassification in bank payables classified as current liabilities of the short-term portion of loans, the early repayment of the loan underwritten on 19 May 2021 by Banca Carige (Euro 2,812 thousand at 31 December 2022) and the reclassification in current bank payables of the short-term portion of Euro 750 thousand of loans of MADE eventi Srl.

For more details, see note 34.2 Liquidity risk.

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

This item totalled Euro 340,297 thousand (Euro 346,858 thousand at 31 December 2022), broken down as follows:

Financial liabilities related to the right-of-use of assets			
	31/12/23	31/12/22	Change
Financial liabilities related to the right-of-use of assets	340,297	346,858	(6,561)
Total	340,297	346,858	(6,561)

It refers to the short-term portion of the lease *liability*. The liability refers to the obligation to make payments under lease agreements for properties and hire cars, deriving from the application of IFRS 16.

The item Financial liabilities related to the right-of-use of assets includes related-party transactions of Euro 331,756 thousand (Euro 345,348 at 31 December 2022). For more details, see note 53 on these transactions.

20) Other financial liabilities

This item was equal to zero (Euro 1,683 thousand at 31 December 2022) and is broken down as follows:

Other financial liabilities			
	31/12/23	31/12/22	Change
Earn out consideration	-	1,683	(1,683)
Total	-	1,683	(1,683)

The payable, related to the forward price component on the purchase of the investment in Ge.Fi. SpA, recognised due to the achievement of specific targets set out in the *Business Plan*, was written off against the value of the investment following the update of the economic and financial projections for the period 2024/2027.

For further details, please refer to Note 2.

21) Provision for risks and charges

This item was equal to zero (Euro 500 thousand at 31 December 2022) and is broken down as follows:

Provision for risks and charges				(thousands of euro)
	31/12/22	Provisions	Write-back of provisions	31/12/2023
Other provisions for risks and charges	500	-	500	-
Total	500	-	500	-

The decrease refers to the release of the risk provision set up in the previous year for a proceeding to ascertain compliance with data protection regulations, which ended without sanctions being imposed.

22) Employee benefit provisions

This item totalled Euro 7,453 thousand (Euro 7,763 thousand at 31 December 2022).

Provisions for defined benefit plans, calculated using actuarial methods, were for employee severance indemnities that had accrued at 31 December 2023 and with breakdown as follows:

Employee benefit provisions

	31/12/22	Actuarial evaluation	Indemnities and advances paid	Transfers to/ from Joint Ventures	(€'000) 31/12/23
Defined benefit plans	7,763	678	987	(1)	7,453
Total	7,763	678	987	(1)	7,453

Actuarial evaluation

	(€'000)
Personnel costs:	
- indemnities related to defined benefit plans	208
Financial expenses:	
- actualisation charges	287
Other comprehensive income	
- Remeasurement of defined benefit plans	183
Total	678

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:

Economic and financial assumption for calculation of severance indemnity provisions

	31/12/23	31/12/22
Annual technical discount rate	3.10%	3.70%
Annual inflation rate	2.50%	2.50%
Annual rate of increase in total employees' salary	3.00%	3.00%
Annual rate of increase in severance indemnity provisions	3.38%	3.38%

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.

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%	7,453	7,317	7,596
Annual rate of increase in total employees' salary	+/- 0.5%	7,453	7,409	7,503
Economic and financial assumptions				
Life expectancy	+/- 1 year	7,453	7,491	7,417

23) Deferred tax liabilities

Deferred tax liabilities

(€ '000)

	31/12/23	31/12/22	Change
Deferred tax liabilities	3,396	3,733	(337)
<i>of which from:</i>			
<i>IRES deferred tax provision</i>	2,905	3,242	(337)
<i>IRAP deferred tax provision</i>	491	491	-
Total	3,396	3,733	(337)

This item totalled Euro 3,396 thousand (Euro 3,733 thousand at 31 December 2022) and is the net balance of deferred tax assets and deferred tax liabilities for each company included in the area of consolidation.

An analysis of the changes in deferred tax liabilities is given in Note 49 to the Income Statement.

24) Other liabilities

This item totalled Euro 384 thousand (zero at 31 December 2022), with breakdown as follows:

Other liabilities

(€ '000)

	31/12/2023	31/12/2022	Change
Other payables	384	-	384
Total	384	-	384

The item refers to the quantification of the cash component of the "Performance Shares Plan" for management for the period 2023-2025.

Current liabilities

25) Bank borrowings

This item totalled Euro 27,500 thousand (Euro 27,250 thousand at 31 December 2022), broken down as follows:

Bank borrowings

	31/12/23	31/12/22	Change
Bank loans	27,500	27,250	250
Total	27,500	27,250	250

(€ '000)

It refers to the short-term portions of the bank loans, attributable to the Parent Company, described in note 18 above:

- Euro 18,333 thousand (Euro 18,333 thousand at 31 December 2022), for the loan underwritten on 17 February 2021 by a syndicate of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit);
- Euro 6,667 thousand (Euro 6,667 thousand at 31 December 2022), for the loan underwritten on 22 February 2021 by Cassa Depositi e Presiti;
- Euro 1,750 thousand (zero balance at 31 December 2022), for the loan underwritten on 28 April 2021 by Simest.
The loan underwritten on 19 May 2021 by Banca Carige (Euro 1,250 thousand at 31 December 2022) was repaid in advance.

In addition, with reference to the Group, the item includes Euro 750 thousand (Euro 1,000 thousand at 31 December 2022), the residual short-term portion of the loan granted on 27 September 2021 by Banca Monte dei Paschi di Siena to MADE eventi Srl, maturing on 30 September 2024. 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').

26) Trade payables

This item totalled Euro 65,274 thousand (Euro 50,317 thousand at 31 December 2022). Trade payables were mainly to Italian suppliers for the acquisition of services required to carry out the exhibitions and congresses that are the typical business of the Group. The change is mainly due to the higher business volume related to the more favourable exhibition calendar in Q4 2023 due to the presence of the directly organised biennial event Host.

27) Advances

This item totalled Euro 39,841 thousand (Euro 29,869 thousand at 31 December 2022).

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

	31/12/23	31/12/22	Change
Mostra Convegno Expocomfort	6,713	613	6,100
Mido	4,135	2,093	2,042
I Saloni	3,194	3,111	83
Milano Home	2,921	2,469	452
Milano Unica	2,889	2,028	861
Lineapelle - A new point of view	1,720	1,290	430
Transpotec & Logitec	1,440	-	1,440
Quick&More	1,308	-	1,308
Fisp	1,215	-	1,215
Milano Fashion&Jewels	1,102	428	674
Promotion Trade Exhibitions	810	585	225
Exposec	805	532	273
Myplant & garden	774	271	503
Micam	672	691	(19)
Bit	626	268	358
Host	602	6,347	(5,745)
Cape Town Art Fair	585	-	585
CPhI Worldwide	568	-	568
Simei	431	-	431
Tuttofood	334	-	334
Miart	329	97	232
Venditalia	302	2	300
Si Sposaltalia	270	275	(5)
Ipack-Ima	226	18	208
Xylexpo	171	-	171
Bimu	111	-	111
Made Expo	3	317	(314)
Plast	-	1,200	(1,200)
Issa Pulire	-	902	(902)
Sicurezza	-	468	(468)
Itma	-	451	(451)
Made in Steel	-	216	(216)
Gee	-	196	(196)
Lamiera	-	178	(178)
The One	-	112	(112)
Euroshop	-	105	(105)
Congresses	4,870	4,125	745
Other exhibitions	715	481	234
Total	39,841	29,869	9,972

Advances included Euro 708 thousand (Euro 28 thousand at 31 December 2022) 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 54,931 thousand (Euro 49,889 thousand at 31 December 2022), broken down as follows:

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

(€ '000)

	31/12/23	31/12/22	Change
Financial liabilities related to the right-of-use of assets	54,931	49,889	5,042
Total	54,931	49,889	5,042

It refers to the short-term portion of the lease liability. This liability refers to the obligation to make all payments under lease agreements for buildings and hire cars, deriving from the application of IFRS 16. The lease term is understood as the non-cancellable period of the lease, plus extension option, when there is a reasonable certainty of exercising that option. Currently, all payables arising from property agreements are calculated taking into account the extension option. The increase is mainly due to the ISTAT adjustment of the lease agreement for the exhibition sites and congress centres, as well as the lease of the warehouse located in Rho, in the area known as 'Cargo 2', which has been sublet to the subsidiary Nolostand SpA.

Cash outflows during the year, corresponding to paid lease instalments, amounted to Euro 51,593,000.

The item Financial liabilities related to the right-of-use of assets includes related-party transactions of Euro 53,201 thousand (Euro 48,295 at 31 December 2022). For more details, see note 53 on these transactions.

29) Other financial liabilities

This item totalled Euro 512 thousand (Euro 618 thousand at 31 December 2022), broken down as follows:

Other financial liabilities

(€ '000)

	31/12/23	31/12/22	Change
Other financial payables	512	488	24
Financial payables to the controlling shareholder	-	130	(130)
Total	512	618	(106)

The change in the item 'Financial payables to the Controlling Entity' is due to the existing current account with Fondazione Fiera Milano, which in the period under review has a credit balance, recognised under financial assets.

Other financial payables refer to the payable for the acquisition of the remaining non-controlling interests of Fiera Milano Brasil Ltda.

The item Other financial liabilities does not include related-party transactions (Euro 130 thousand at 31 December 2022).

30) Provisions for risks and charges

This item totalled Euro 4,788 thousand (Euro 5,443 thousand at 31 December 2022), broken down as follows:

Provisions for risks and charges

(€ '000)

	31/12/22	Provisions	Write-back of provisions	Utilisation	Currency translation differences	Other	31/12/23
Other provisions for risks and charges	5,443	3,388	209	3,279	29	(584)	4,788
Total	5,443	3,388	209	3,279	29	(584)	4,788

The item mostly refers to 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 2,866 thousand (Euro 2,606 thousand at 31 December 2022), broken down as follows:

Tax liabilities

	31/12/23	31/12/22	Change
Income tax payable for employees (IRPEF)	1,319	1,233	86
Income tax payable on profits	1,285	497	788
Income tax payable for temporary employees and project workers (IRPEF)	164	117	47
Other tax liabilities	98	759	(661)
Total	2,866	2,606	260

The change mainly refers to the increase in current IRAP taxes for the year, net of advances paid. This effect was partially offset by the decrease in the item 'Other tax payables' due to the settlement of the portion of the substitute tax liability that arose from the tax realignment of goodwill and trademarks.

32) Other liabilities

This item totalled Euro 28,227 thousand (Euro 20,723 thousand at 31 December 2022), broken down as follows:

Other liabilities

	31/12/23	31/12/22	Change
Payables to employees	10,155	7,568	2,587
Payables to exhibition organisers and others	7,839	5,672	2,167
Payables to exhibition organisers in associates and joint venture	3,578	3,540	38
Payables to pension and social security entities	2,214	2,074	140
Trade payables to associates and joint venture	1,748	574	1,174
Group VAT payables	1,523	-	1,523
Payables to the associates	180	-	180
Payables to directors and statutory auditors	95	98	(3)
Payables to the controlling shareholder	85	73	12
Payables to related parties	-	153	(153)
Other payables	347	573	(226)
Deferred income to associates and joint venture	22	7	15
Deferred income to the controlling shareholder	5	5	-
Deferred income to associates	1	-	1
Other accrued liabilities	436	386	50
Total	28,227	20,723	7,504

The main changes from the previous year are described below:

- an increase in the amounts payable to organisers and others, mainly referring to collections made on behalf of exhibition organisers;
- an increase in payables to personnel, mainly attributable to higher costs incurred for the variable portion of salaries.

Other liabilities include Euro 7,142 thousand (Euro 4,352 thousand at 31 December 2022) 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)	31/12/23	31/12/22	Change
A. Cash	79,776	81,971	(2,195)
B. Chash and equivalents	20,067	-	20,067
C. Other current financial assets	39,657	36,420	3,237
- C.1 of which Other current financial assets to the controlling shareholder	1,597	-	1,597
- C.2 of which Other current financial assets to joint venture	1,719	703	1,016
D. Liquidity (A+B+C)	139,500	118,391	21,109
E. Current financial debt	512	618	(106)
- E.1 of which Current financial debt to the controlling shareholder	-	130	(130)
F. Current portion of non-current debt	27,500	27,250	250
G. Current financial indebtedness (E+F)	28,012	27,868	144
H. Net current financial indebtedness (G-D)	(111,488)	(90,523)	(20,965)
I. Non-current financial debt	30,630	62,549	(31,919)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I+J+K)	30,630	62,549	(31,919)
Net financial debt from continuing operations (H+L)	(80,858)	(27,974)	(52,884)
Net financial debt from assets held for sale	-	(1,809)	1,809
M. Total financial indebtedness before IFRS 16 effects	(80,858)	(29,783)	(51,075)
N. Current financial liabilities related to the right of use of assets	54,931	49,889	5,042
- N.1 of which current financial liabilities related to the right-of-use assets to the controlling shareholder	53,201	48,295	4,906
O. Non-current financial liabilities related to the right of use of assets	340,297	346,858	(6,561)
- O.1 of which non-current financial liabilities related to the right-of-use assets to the controlling shareholder	331,756	345,348	(13,592)
P. Current financial assets related to the right of use of assets	-	-	-
IFRS 16 financial effects	395,228	396,747	(1,519)
Q. Total net financial debt (M+N+O-P)	314,370	366,964	(52,594)

As regards the Net financial position not including IFRS 16 *lease liabilities*, the Group's net cash at 31 December 2023 amounted to Euro 80,858 thousand, compared to net financial debt of Euro 29,783 thousand at 31 December 2022. The improvement is due to the positive *cash flow* generated by the operating activity for the period, in addition to pre-payments collected for the exhibition taking place in the following months.

The table below shows the breakdown, compiled in accordance with updated ESMA Recommendation no. 32-382-1138 of 4 March 2021, for the year 2023 and for the year 2022.

Group Net Financial Debt

(Amounts in € '000)	31/12/23	31/12/22	Change
A. Cash	79,776	81,971	(2,195)
B. Chash and equivalents	20,067	-	20,067
C. Other current financial assets	39,657	36,420	3,237
- C.1 of which Other current financial assets to the controlling shareholder	1,597	-	1,597
- C.2 of which Other current financial assets to joint venture	1,719	703	1,016
D. Liquidity (A+B+C)	139,500	118,391	21,109
E. Current financial debt	55,443	50,507	4,936
- E.1 of which Current financial debt to the controlling shareholder	53,201	48,425	4,776
F. Current portion of non-current debt	27,500	27,250	250
G. Current financial indebtedness (E+F)	82,943	77,757	5,186
H. Net current financial indebtedness (G-D)	(56,557)	(40,634)	(15,923)
I. Non-current financial debt	370,927	409,407	(38,480)
- I.1 of which Non-current financial debt to the controlling shareholder	331,756	345,348	(13,592)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I+J+K)	370,927	409,407	(38,480)
Net financial debt from continuing operations (H+L)	314,370	368,773	(54,403)
Net financial debt from assets held for sale	-	(1,809)	1,809
M. Total financial indebtedness	314,370	366,964	(52,594)

Additional information on the financial instruments of the Group is given below to enable a better assessment of:

- the importance of the financial instruments to the Statement of Financial Position and Income Statement;
- 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 2023 and 31 December 2022 are shown in the following table.

Risk class

(€'000)	Notes	FY 31/12/23	FY 31/12/22	Liquidity risk	Interest rate risk	Credit risk
NON-CURRENT ASSETS						
Other financial assets	10	1,059	2,386	X	X	X
Trade and other receivables	11	29,472	33,424			X
CURRENT ASSETS						
Trade and other receivables	13	40,567	33,404			X
Financial assets	15	39,657	36,420	X	X	X
Cash and cash equivalents	16	99,843	81,971			
Cash and cash equivalents held for sale	1.7	-	1,809			
NON-CURRENT LIABILITIES						
Bank borrowings	18	30,630	60,866	X	X	
Financial liabilities related to the right-of-use of assets	19	340,297	346,858	X	X	
Other financial liabilities	20	-	1,683		X	
CURRENT LIABILITIES						
Bank borrowings	25	27,500	27,250	X	X	
Trade payables	26	65,274	50,317	X		
Financial liabilities related to the right-of-use of assets	28	54,931	49,889	X	X	
Other financial liabilities	29	512	618	X	X	
Other current liabilities	32	28,227	20,723	X		
Other current liabilities held for sale	1.7	-	20	X		

Significance of financial instruments

Financial instruments and their relative significance, as regards the Statement of Financial Position and Income Statement at 31 December 2022 and 31 December 2023, are shown in the following tables.

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	Income Statement
NON-CURRENT ASSETS								
Other financial assets	10	2,386	-	-	2,315	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)
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	-

Financial assets and liabilities shown in the accounts

(€'000)	Notes	FY 31/12/23	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	Income Statement
NON-CURRENT ASSETS								
Other financial assets	10	1,059	-	-	986	73	1,059	1,363
Trade and other receivables	11	29,472	-	-	-	29,472	29,472	520
CURRENT ASSETS								
Trade and other receivables	13	40,567	-	-	-	40,567	40,567	254
Financial assets	15	39,657	37,938	-	-	1,719	39,657	2,326
Cash and cash equivalents	16	99,843	-	-	-	-	99,843	1,247
NON-CURRENT LIABILITIES								
Bank borrowings	18	30,630	-	30,630	-	-	30,630	(3,052)
Financial liabilities related to the right-of-use of assets	19	340,297	-	340,297	-	-	340,297	(10,999)
CURRENT LIABILITIES								
Bank borrowings	25	27,500	-	27,500	-	-	27,500	-
Trade payables	26	65,274	-	65,274	-	-	65,274	-
Financial liabilities related to the right-of-use of assets	28	54,931	-	54,931	-	-	54,931	-
Other financial liabilities	29	512	-	512	-	-	512	-
Other current liabilities	32	28,227	-	28,227	-	-	28,227	-

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:

Change in liabilities from financing activities

	31/12/22	Increase	Repayment of borrowings	Interests on Profit and Loss	Non-monetary changes	(€'000)
						31/12/23
Bank borrowings	60,866	-	(2,743)		(27,493)	30,630
Financial liabilities related to the right-of-use of assets	346,858	-	(6,561)		-	340,297
Other financial liabilities	1,683	-	-		(1,683)	-
Total change in non-current financial payables	409,407	-	(9,304)	-	(29,176)	370,927
Bank loans	27,250	-	(27,250)	3,402	27,500	27,500
Financial liabilities related to the right-of-use of assets	49,889	39,056	(34,033)	10,999	19	54,931
Current financial debt with the controlling shareholder	130	-	(130)	13	-	-
Current payables for acquisition of shareholdings	488	-	-		24	512
Total change in current financial payables	77,757	39,056	(61,413)	14,414	27,543	82,943
Total liabilities from financing activities	487,164	39,056	(70,717)	14,414	(1,633)	453,870

34) Financial and market risk management

The main financial instruments used by the Group are bank borrowings, short-term demand deposits and current financial liabilities with the controlling entity 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 organises exhibitions, and also rents exhibition space to organisers, carries out administrative and cash management services for most of 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 site 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 2022 and at 31 December 2023 and the breakdown of past due amounts are shown in the following tables:

(€'000)	FY 31/12/2022 Receivables	Due	analysis of past due amounts					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

(€'000)	FY 31/12/2023 Receivables	Due	analysis of past due amounts					Provision
			Overdue	0-90	91-180	181-270	>270	
Organisers	3,276	2,581	695	460	-	-	235	-
Exhibitors	9,172	6,356	3,107	2,337	115	353	302	291
Other	14,702	7,882	7,661	7,041	131	14	475	841
Total	27,150	16,819	11,463	9,838	246	367	1,012	1,132

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 2022 and 31 December 2023 by risk category are shown in the following tables:

(€'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

(€'000)					
Class	Balance at 31/12/2022 Provision	Provisions	Utilisation	Other changes	Balance at 31/12/2023 Provision
Organisers	-	-	-	-	-
Exhibitors	369	85	163	-	291
Other	904	169	232	-	841
Total	1,273	254	395	-	1,132

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 2023, financial resources, not including the IFRS 16 lease liability, amounted to Euro 80,858 thousand, a positive change of Euro 51,075 thousand compared to the 31 December 2022 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, the Parent Company took out two, five-year loans, with 24 months of pre-amortisation for a total of Euro 75 million, with an outstanding debt of Euro 50 million at 31 December 2023, both covered 90% by SACE's guarantee under the 'Garanzia Italia' programme pursuant to Article 1 of Italian Legislative Decree no. 23/2020, converted, with amendments, into Law no. 40/2020 'Liquidity Decree'. In particular, a loan was entered into with a syndicate 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.

On 28 April 2021, the Parent Company obtained a Euro 7 million loan from SIMEST, 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.

On 31 March, the loan with Banca Carige in the amount of Euro 5 million, taken out in May 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 99.8 million** in bank deposits and cash on account, compared to total bank borrowings of Euro 58.1 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 2024-2027 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 2022 and 31 December 2023.

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

Financial liabilities

(€'000)	Balance at 31/12/2023	3 mths	6 mths	12 mths	18 mths	24 mths	3 years	5 years	>5 years
Current and non-current bank borrowings	58,130	6,547	7,423	13,720	13,470	13,470	1,750	1,750	
Current and non-current interest payable		522	465	725	457	205	17	7	
Other current and non-current financial liabilities	512			512					
Financial liabilities related to the right-of-use of assets current and non-current	395,228	23,037	10,522	21,372	21,674	21,976	44,828	92,982	158,837
Current and non-current interest payable		2,576	2,502	4,782	4,485	4,183	7,447	11,118	7,301
Trade payables	65,274	65,274							
Total	519,144	97,956	20,912	41,111	40,086	39,834	54,042	105,857	166,138

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.

As a further *risk mitigation* tool, the interest rate variability on the most significant bank loan, still open for Euro 37 million, underwritten by a syndicate of leading banks, is covered by an IRS Interest Rate Swap. In addition, other bank loans are regulated by a fixed interest rate. With regard to the composition of payables to the banking system, reference is made to Notes 18 and 25, which report a decrease in outstanding debts due to repayments of principal.

Financial liabilities related to the right-of-use of assets, shown in notes 19 and 28, are not affected by the variability of interest rates but are fixed at the time the contract is signed. In fact, they represent the accounting effects of the application of IFRS 16, which requires the present value of future lease payments to be presented as a financial liability until the expiry of the contracts to which they refer. The value of the payable is mainly related to future rentals of the exhibition and congress venues leased by the Controlling Entity Fondazione Fiera Milano, described in Note 53. These rental payments are subject to the ISTAT adjustments provided for in the contract.

The tables below give interest rate sensitivity analyses that show the financial expenses and income that a change in the interest rate would have had on equity and on the income statement for 2022 and 2023. A range of plus or minus 0.5 points is considered, which is unchanged from the 2022 projection, as this reflects the financing structure characterised by a limited interest rate variability.

(€'000)	Total at 31/12/22	Balance * (debt)	Income (expense)	Rate	+0.5%	(0,5)%
Cash at banks	81,954	118,493	153	0.13%	745	(439)
Short-term deposit	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

(€'000)	Total at 31/12/23	Balance * (debt)	Income (expense)	Rate	+0.5%	(0,5)%
Cash at banks	79,764	67,371	1,247	1.85%	1,583	910
Short-term deposit	50,906	54,772	1,833	3.35%	2,109	1,561
Current an non-current loans to joint venture	1,792	1,261	47	3.73%	53	41
Current receivable with the controlling shareholder	1,597	518	22	4.25%	25	19
Current loans with the controlling shareholder	-	(377)	(13)	3.45%	(15)	(11)
Current and non-current bank borrowings	(58,130)	(74,856)	(3,037)	4.06%	(3,413)	(2,665)
Derivative instruments	986	n.a.	1,363	n.a.	n.a.	n.a.
Other current and non-current financial liabilities	(512)	-	-	-	-	-
Financial liabilities related to the right-of-use of assets	(395,228)	(405,864)	(10,999)	2.71%	(13,029)	(8,971)

*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. The exchange rate risk is substantially limited as each country incurs costs in the same currency in which it earns its revenues.

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 has put in place advance procurement policies for certain materials and entered into framework agreements with suppliers at prices set for the short term (for wood and polymers) or has hedging strategies on the Mhw price that envisage taking advantage of the most favourable opportunities in energy prices, modulating the hedge ratio (electricity and gas) accordingly. In addition, work had already begun in early 2023 to upgrade the photovoltaic system installed at the Rho exhibition site with the aim, by 2024, of increasing the share of energy needs up to 30%.

Exposure to this risk factor is described in the section on the Risk of changes in raw material prices in the Board of Directors' Management Report.

35) Disclosure on guarantees given, undertakings and other contingent liabilities**Guarantees given**

These totalled Euro 4,727 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 112 thousand for the guarantee given by the Parent Company in favour of Fabbrica Immobiliare Società di Gestione e Risparmio SpA to guarantee the rented property relating to the Rome operational headquarters;
- Euro 4 thousand for guarantees given against lease agreements of the subsidiary MADE eventi Srl.

Contingent liabilities

It should be noted that there are no contingent liabilities.

INCOME STATEMENT

36) Revenues from sales and services

This item totalled Euro 283,829 thousand (Euro 220,285 thousand at 31 December 2022).

The breakdown of revenues was as follows:

Revenues from sales and services

	2023	2022	Change
			(€'000)
Rental of stands, fittings and equipment	82,980	65,568	17,412
Facility fee for use of exhibition area	70,330	71,277	(947)
Fees exhibitors area	65,537	30,706	34,831
Revenues from exhibition and congress organisation services	14,014	13,923	91
Catering and canteen services	12,929	10,036	2,893
Exhibition site services	8,646	8,109	537
Supplementary exhibition services	7,117	3,459	3,658
Miscellaneous fees and royalties	6,828	3,828	3,000
Advertising space and services	6,351	5,533	818
Ticket office sales	3,075	2,509	566
Telephone and internet services	1,986	1,626	360
Access surveillance and customer care services	1,725	1,987	(262)
Editorial product sales	1,107	201	906
Administrative services	666	436	230
Multimedia and on-line catalogue services	273	824	(551)
Conferences organisation	265	263	2
Total	283,829	220,285	63,544

The improvement is largely due to a revised exhibition schedule featuring the biennial Host event, which is organised directly, along with the occurrence of the multi-year ITMA and Plast exhibitions. All of these events have yielded far superior outcomes compared to their previous editions. This effect was partially offset by the absence of the multi-year Innovation Alliance and the biennial Mostra Convegno Expocomfort.

The rise in revenue was further propelled by the strong collective performance of the annual fashion industry events, including Milano Unica, LineaPelle, The Micam, and HOMI Fashion & Jewels.

In addition, the good performance of congress activities contributed to this with the holding at the Allianz MiCo of the EAU International Congress, Europe's largest urology event, the EULAR Congress, the congress dedicated to rheumatic diseases, the ERA Congress, Europe's largest annual nephrology congress, and the ERS - European Respiratory Society.

The excellent revenue trend is generally attributable to both the larger exhibition areas occupied and the significant penetration of the services provided.

The item Revenues from sales and services included Euro 7,743 thousand (Euro 10,190 thousand at 31 December 2022) for related-party transactions. For more details, see note 53 on these transactions.

37) Cost of materials

This item totalled Euro 3,773 thousand (Euro 4,078 thousand at 31 December 2022).

The breakdown of this entry was as follows:

Cost of materials

	2023	2022	Change
Subsidiary materials and consumables	3,203	3,934	(731)
Raw materials	464	48	416
Printed materials, forms and stationery	105	96	9
Finished goods and packaging	1	-	1
Total	3,773	4,078	(305)

The cost of materials does not include related-party transactions (Euro 4 thousand at 31 December 2022).

38) Costs of services

This item totalled Euro 134,460 thousand (Euro 110,159 thousand at 31 December 2022).

The breakdown of this entry was as follows:

Cost of services

	2023	2022	Change
Equipment hire	26,970	21,940	5,030
Stands and equipment for exhibitions	21,243	17,685	3,558
Energy costs	13,652	7,483	6,169
Maintenance	8,972	7,458	1,514
Initiatives promotional to the events	8,040	5,356	2,684
Security and gate services	7,392	5,891	1,501
Cleaning and waste disposal	6,512	5,849	663
Advertising	5,457	3,762	1,695
Technical, legal, commercial and administrative advice	5,060	4,395	665
Catering services	4,779	3,298	1,481
IT services	3,831	4,455	(624)
Conference and congress services	2,513	2,116	397
Professional services and various collaborations	2,506	2,159	347
Technical assistance and ancillary services	2,369	1,845	524
Commissions and fees	1,986	1,842	144
Insurance	1,946	3,181	(1,235)
Telephone and internet expenses	1,895	2,175	(280)
Technical, legal, commercial and administrative services	1,626	1,650	(24)
Transport	1,077	730	347
Ticketing	362	586	(224)
Remuneration of Statutory Auditors	231	225	6
Other costs	6,223	5,400	823
Change in suspended costs for future exhibitions	(127)	734	(861)
Uses of provisions	(55)	(56)	1
Total	134,460	110,159	24,301

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 related to the larger volume of business as well as higher operating costs, mainly due to higher electricity prices.

The item 'Other' mainly includes costs of services to employees for travel and transfers, training and catering.

The item Costs of services includes Euro 6,615 thousand (Euro 3,007 thousand at 31 December 2022) 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 653 thousand (Euro 1,246 thousand at 31 December 2022) and the breakdown was as follows:

Cost of use of third-party assets

	(€'000)		
	2023	2022	Change
Other rent payable	266	860	(594)
Vehicle hire - service	239	237	2
Expenses for exhibition sites	92	100	(8)
Office equipment and photocopier hire	40	34	6
Lease of company division	16	15	1
Total	653	1,246	(593)

The decrease in the item "Other rents payable" mainly refers to the license to use exhibition trademarks in the previous year.

The cost of use of third-party assets included Euro 50 thousand (Euro 77 thousand at 31 December 2022) for related-party transactions. For more details, see note 53 on these transactions.

40) Personnel Costs

This item totalled Euro 52,233 thousand (Euro 44,413 thousand at 31 December 2022) and the breakdown was as follows:

Personnel costs

	(€'000)		
	2023	2022	Change
Salaries	33,267	31,434	1,833
Social Security payments	10,217	9,662	555
Redundancy incentives	4,489	1,934	2,555
Defined contribution plan charges	1,894	1,658	236
Change in suspended costs for future exhibitions	1,021	(1,172)	2,193
Directors' remuneration	968	738	230
External and temporary employees	823	673	150
Defined benefit plan charges	208	232	(24)
Other expenses	1,542	1,224	318
Uses of provisions	(2,196)	(1,970)	(226)
Total	52,233	44,413	7,820

Personnel costs increased mainly due to higher one-off costs not covered by the provision for the variable portion of salaries, as well as the recognition in the income statement of costs suspended in previous years directly attributable to the biennial and multi-year events held in the year under review.

The item 'Other costs' includes Euro 853 thousand as costs relating to the 'Medium-term Incentive Plan' approved by the Fiera Milano SpA Shareholders' Meeting of 27 April 2023. This plan is an incentive to management to achieve the Parent Company's strategic objectives and align the interests of beneficiaries to those of shareholders. The Plan has a mixed format whereby the beneficiaries receive 40% *cash* and 60% of a certain number of ordinary shares for achieving specific and predetermined 'performance targets', relating to the 2023-2025 period.

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

Breakdown of personnel by category

	2023	2022	Change
Managers	32	33	(1)
Middle managers and white collar workers	689	654	35
<i>of which equity accounted companies:</i>			
<i>Managers</i>	5	5	-
<i>Middle managers and white collar workers</i>	91	75	16
Total personnel	721	687	34

41) Other operating expenses

This item totalled Euro 4,969 thousand (Euro 3,931 thousand at 31 December 2022) and the breakdown was as follows:

Other operating expenses

	2023	2022	Change
Other taxes and duties	3,050	2,632	418
Contributions and donations	583	641	(58)
Copyright royalties (SIAE)	425	292	133
Doubtful receivables	390	1,708	(1,318)
Gifts and promotional merchandise	32	20	12
Capital losses from tangible asset	4	15	(11)
Other expenses	880	341	539
Uses of provisions	(395)	(1,718)	1,323
Total	4,969	3,931	1,038

The increase in the item "Non-income tax and tax" 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.

The increase in the item 'Other Costs' is mainly attributable to expenses arising from the settlement of legal disputes with suppliers.

Other operating expenses included Euro 254 thousand (Euro 362 thousand at 31 December 2022) for related-party transactions. For more details, see note 53 on these transactions.

42) Other income

This item totalled Euro 5,397 thousand (Euro 4,135 thousand at 31 December 2022) and the breakdown was as follows:

Other income		(€'000)	
	2023	2022	Change
Contributions to income	1,711	934	777
Other recovered costs	1,170	1,064	106
Office rent and expenses	661	577	84
Recovery of expenses for seconded employees	482	485	(3)
Insurance indemnities	103	125	(22)
Capital gains on non-current assets	1	-	1
Other income	1,269	950	319
Total	5,397	4,135	1,262

Other income included Euro 1,193 thousand (Euro 959 thousand at 31 December 2022) for related-party transactions. For more details, see note 53 on these transactions.

43) Results of associates and joint ventures

This item amounted to Euro 6,933 thousand (Euro 466 thousand at 31 December 2022) and refers to the following companies:

- Hannover Milano Global Germany GmH for Euro 4,519 thousand (Euro -1,131 thousand at 31 December 2022);
- Fiere di Parma for Euro 1,498 thousand;
- MiCo DMC Srl for Euro 701 thousand (Euro -331 thousand at 31 December 2022);
- Ge.Fi. SpA for Euro 559 thousand (Euro 163 thousand at 31 December 2022);
- Ipack Ima Srl for Euro -344 thousand (Euro 1,103 thousand at 31 December 2022);

44) Provisions for doubtful receivables and other provisions

This item totalled Euro 2,933 thousand (Euro 2,656 thousand at 31 December 2022).

Changes in these provisions are shown in the following table:

Provisions for doubtful receivables and other provisions		(€'000)	
	2023	2022	Change
Staff reorganisation	3,343	2,229	1,114
Provisions for doubtful receivables	254	69	185
Other disputes	45	500	(455)
Write-back of provisions	(709)	(142)	(567)
Total	2,933	2,656	277

Provisions for corporate reorganisation refer to the efficiency project started in the previous year and still underway.

Notes 13 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 46,558 thousand (Euro 43,246 thousand at 31 December 2022).

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 4,941 thousand (Euro 4,662 thousand at 31 December 2022).

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 815 thousand (Euro 1,276 thousand at 31 December 2022).

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

Adjustments to asset values

	2023	2022	Change
Impairment of exhibition trademarks and intangible assets	815	1,276	(461)
Total	815	1,276	(461)

(€'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 5,582 thousand (Euro 1,600 thousand at 31 December 2022), broken down as follows:

Financial income and similar

	2023	2022	Change
Interest income on bank deposits	3,080	379	2,701
Derivative income	1,363	161	1,202
Interest income from cautionary deposits related to the rent of the exhibition site	520	130	390
Fair value measurement of financial assets	437	-	437
Exchange rate gains	74	855	(781)
Other financial income from joint venture	47	20	27
Interest income on receivables from the controlling shareholder	22	21	1
Other financial income	39	34	5
Total	5,582	1,600	3,982

(€'000)

The increase is mainly attributable to higher income from cash investments, income from derivatives set up to hedge interest expense recognised in the item "Financial expenses and similar" referring to the variable-rate loan taken out with a syndicate of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit), as well as the improvement in the *fair value* of units of ESG mutual funds.

Financial income and similar included Euro 589 thousand (Euro 171 thousand at 31 December 2022) for related-party transactions. For more details, see note 53 on these transactions.

48) Financial expenses and similar

This item totalled Euro 14,401 thousand (Euro 14,524 thousand at 31 December 2022), broken down as follows:

Financial expenses and similar

	2023	2022	Change
Interests on financial leasing with the controlling shareholder	10,885	10,845	40
Interest payable on bank accounts	3,052	1,803	1,249
Charges on discounting defined benefit plans	287	95	192
Interest on financial leasing	114	435	(321)
Interest payable on the current account with the controlling shareholder Fondazione Fiera Milano	13	4	9
Exchange rate losses	6	436	(430)
Fair value measurement of financial assets	-	733	(733)
Other financial expenses	44	173	(129)
Total	14,401	14,524	(123)

The change is mainly due to financial expenses in connection with the increase in interest rates affecting the variable-rate loan signed with a syndicate of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit). This effect was partially offset by the improvement in the *fair value* of units of ESG mutual funds, as well as lower financial expenses on leased assets, referring to the *lease liability* resulting from the application of IFRS 16.

It should be noted that the higher interest expense on the syndicate loan are offset by financial hedging derivatives recognised under 'Financial expenses and similar'.

Financial expenses and similar included Euro 10,898 thousand (Euro 10,849 thousand at 31 December 2022) for related-party transactions. For more details, see note 53 on these transactions.

49) Income tax

Income tax came to Euro 7,036 thousand (Euro -2,055 thousand at 31 December 2022).

Income tax

	2023	2022	Change
Current income tax	6,712	(959)	7,671
Deferred income tax	324	3,014	(2,690)
Total	7,036	2,055	4,981

The change is attributable to the tax burden mainly related to the increase in taxable income generated during the year.

The breakdown of current taxes at 31 December 2023 was as follows:

Current income tax

	(€'000)		
	2023	2022	Change
Other current income tax	21	13	8
Current income tax (IRAP)	1,194	505	689
Income from tax consolidation	(121)	(2,982)	2,861
Expenses from tax consolidation	5,618	1,505	4,113
Total	6,712	(959)	7,671

Expenses from tax consolidation refer to the tax liability towards Fondazione Fiera Milano for the theoretical IRES corresponding to the positive taxable amount that was transferred to the consolidating entity net of the use of its pre-existing tax losses prior to consolidation as well as the Allowance for Economic Growth (ACE) benefit.

Deferred tax assets and liabilities are broken down by type in the table below:

Deferred income taxes

	(€'000)				
	31/12/22	Recognised in the Income Statement	Recognised in equity	Exchange rate effect	31/12/23
Deferred tax assets					
Excess amortisation, depreciation and write-downs	829	(330)	-	-	499
Provisions for risks and charges	1,353	(159)	-	-	1,194
Doubtful receivables	265	(42)	-	-	223
Assets tax realignment	7,839	(369)	-	-	7,470
Tax losses carried forward	1,281	(361)	-	-	920
Other temporary differences	1,172	508	10	18	1,708
Total	12,739	(753)	10	18	12,014
Deferred tax liabilities					
Goodwill amortisation and deferred taxes on acquisition of intangible assets	4,787	10	-	-	4,797
Other temporary differences	511	(439)	236	-	308
Total	5,298	(429)	236	-	5,105
Net deferred taxes	7,441	(324)	-226	18	6,909
<i>of which: Deferred tax assets</i>	<i>11,174</i>				<i>10,305</i>
<i>Deferred tax liabilities</i>	<i>3,733</i>				<i>3,396</i>

Deferred taxes for the year totalled Euro 324 thousand and represent the release of deferred tax assets (Euro 753 thousand) and deferred tax liabilities (Euro -429 thousand).

The change in deferred tax assets is mainly due to the release of deferred taxes recognised following the tax realignment of goodwill and exhibition trademarks, as well as releases of deferred tax assets recognised in previous years for allocations to provisions for risks with their deduction deferred to the time of their use. This effect was partially offset by the recognition of deferred tax assets mainly corresponding to the value adjustment made for the GI! Come Giocare trademark.

Reconciliation of theoretical and effective corporation tax charge (IRES)

	(€'000)
Consolidated profit/(loss) before income tax	52,505
Percentage applicable for corporation income tax (IRES)	24.0%
Theoretical IRES tax charge (corporation income tax)	12,601
Difference between theoretical and effective tax charges:	
Capital gain in tax neutrality	(3,960)
Tax realignment goodwill and exhibition trademarks	318
Results of investments accounted for using the equity method	(1,553)
ACE benefit	(1,103)
Foreign fiscal treatments	(138)
Other	(382)
Effective IRES tax charge	5,783

Reconciliation of theoretical and effective corporation tax charge (IRAP)

	(€'000)
EBIT	44,824
IRAP tax irrelevant costs	52,233
Consolidated taxable base for purposes of IRAP	97,057
Statutory rate applicable for corporation income tax (IRAP)	3.9%
Theoretical IRAP tax charge (corporation income tax)	3,785
Difference between theoretical and effective tax charges:	
Tax wedge effects	(1,811)
Tax realignment goodwill and exhibition trademarks	52
Results of investments accounted for using the equity method	(263)
State aid - IRAP overpayment	(567)
Non-deductible provisions	57
Effective IRAP tax charge	1,253

The item 'Income tax' included Euro -5,497 thousand (Euro -1,477 thousand at 31 December 2022) for related-party transactions. For more details, see note 53 on these transactions.

50) Profit/(loss) from discontinued operations

Profit for the year from discontinued operations was equal to Euro 16,500 thousand (balance of zero at 31 December 2022). For more details, see Note 1.7 'Disclosure of Assets Held for Sale'.

51) Net profit/(loss) attributable to shareholders of the Controlling Entity

Group profit at 31 December 2023 was Euro 45,468 thousand compared to a loss of Euro 5,599 thousand at 31 December 2022.

52) Earnings per share

In 2023 earnings per share came to Euro 0.6374 compared to Euro -0.0782 for the year ended 31 December 2022, calculated by dividing the net profit (loss) by the weighted average number of Fiera Milano SpA shares outstanding during the year.

	2023	2022
Profit/(loss) (€'000)	45,468	(5,599)
Average no. of shares in circulation ('000)	71,329	71,626
Basic earnings/(losses) per issued share (€)	0.6374	(0.0782)
Earnings/(losses) per fully diluted no. of shares (€)	0.6374	(0.0782)

The value used as the numerator to calculate basic and profit (loss) and diluted profit (loss) per share was Euro 45,468 thousand at 31 December 2023 (Euro -5,599 thousand at 31 December 2022). The earnings per share, calculated on the profit from continuing operations, came to Euro 0,4061.

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)	2023	2022
Weighted average no. of shares used for calculation of EPS	71,329	71,626
+ Potential no. of shares issued without payment	-	-
Weighted average no. of shares used to calculate diluted EPS	71,329	71,626

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 the corporate governance actions undertaken, Fiera Milano SpA has adopted a procedure on related party transactions, most recently updated on 13 December 2023, which identifies the rules and controls aimed at ensuring the transparency and substantive and procedural fairness of related party transactions carried out directly by Fiera Milano or through its subsidiaries; as illustrated in the document 'Report on Corporate Governance and Ownership Structures' available on the website www.fieramilano.it under the section 'Investors/ Governance/Related Parties Procedure'.

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 refers to 'Transactions with the Controlling Entity Fondazione Fiera Milano', 'Transactions with affiliated companies', 'Transactions with associates and joint ventures'.

Relations with the parent company Fondazione Ente Autonomo Fiera Internazionale di Milano

Recurring related-party transactions are summarised below.

I. Property 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 entered into a lease agreement with Fondazione Ente Autonomo Fiera Internazionale di Milano (hereinafter, 'Fondazione Fiera Milano') concerning 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 sites.

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.

With regard to the rental agreement for the Rho Exhibition Site, the rent was set at Euro 38,800 thousand per year, updated annually based on 100% of the change in the ISTAT consumer price index for blue- and white-collar families. For 2023, the revalued rent is Euro 44,253 thousand.

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. For 2023, the revalued rent is Euro 1,576 thousand.

It should be noted that the monetary revaluation recorded on the ISTAT change at December 2022, for the year 2023 only with reference to this maturity date, was agreed upon in the maximum incremental amount of 7% following a specific resolution of Fondazione Fiera Milano.

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, including a property complex owned by Fondazione Fiera Milano, namely the warehouse in Rho, Milan, to the Rho Exhibition Site contract properties. This warehouse, which is intended to optimise the structural organisation for the fair stand activities of Nolostand SpA – a Fiera Milano Group company specialising in the exhibition stand business – was subleased to the latter by Fiera Milano from 1 January 2023. As a result, the rent increased by Euro 450 thousand per year.

To ensure that market conditions were applied, the parties prepared the rental agreements using valuations made for Fiera Milano SpA by an independent expert.

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, relating to the availability of part of former Pavilion 17 inside the Milan City site. On 15 March 2005, this contract was updated to take into account the integration of the congress spaces (halls 1 and 2), as a result of which the leased congress area was renamed the 'North Wing'. The new agreement between Fondazione Fiera Milano and Fiera Milano Congressi SpA stipulated that the congress area, called the 'North Wing', would expire on 30 June 2011, automatically renewable six years at a time unless terminated by either party. The contract currently runs until 30 June 2029.

Under the existing agreement, Fiera Milano Congressi SpA pays a fixed annual amount of Euro 350 thousand (revalued annually by ISTAT). For 2023, the revalued rent is Euro 478 thousand.

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 contract currently runs until 30 April 2029. The annual rent paid is Euro 3,000 thousand updated annually by 100% of the change in the ISTAT index. For 2023, the revalued rent is equal to Euro 3,580 thousand.

On 1 May 2011, the lease agreement for the office building was signed. The contract, with a term of six years from 1 July 2011, is currently valid until 30 June 2029, unless terminated by either party. The annual rent paid is Euro 150 thousand updated annually by 100% of the change in the ISTAT index. For 2023, the revalued rent is Euro 180 thousand.

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 SpA for congress purposes. This Contract 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, at least 18 months before the expiry of each contractual deadline.

It should be noted that the monetary revaluation recorded on the ISTAT change at December 2022, for the year 2023 only with reference to this maturity date, was agreed upon in the maximum incremental amount of 7% following a specific resolution of Fondazione Fiera Milano.

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 agreement with Fiera Milano SpA

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.

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 SpA 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 Srl, whose share capital is held by A2A Rinnovabili SpA (60%), a company of the A2A Group, and by Fondazione Fiera Milano (40%). On 23 February 2023, a supplementary agreement was signed to extend the lease to additional exhibition space roofing.

Transactions with affiliated companies

Transactions with affiliated companies are part of the normal business activity and are carried out at market conditions.

The main items are:

- relations with Fiera Parking SpA, a company wholly owned by Fondazione Fiera Milano. On 5 July 2018 Fiera Milano SpA signed a contract with Fiera Parking SpA to entrust the management of the carparks to the fieramilanocity central exhibition service. The contract is for seven years, starting from 1 September 2018.
- relations with Fair renew S.r.l., relating to the contract signed by the Parent Company on 14 March 2019, as subsequently integrated on 27 April 2023, concerning the provision to Fair renew S.r.l. of the roofing of the Rho-Pero exhibition areas for the construction and installation of a photovoltaic system and the purchase by Fiera Milano of the electricity produced by the same system.

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, with an interest rate currently at 4.50%. At 31 December 2023, the financing had not been used for an amount equal to Euro 1,700 thousand.

Ipack Ima Srl also has business relations with the Group in connection with the preparation of the multi-annual organised Ipack Ima event, and with a view to centralised management provides certain 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.

On 22 May, the Group's share of the dividend paid by the associate Ge.Fi. SpA was collected in the amount of Euro 285 thousand. The existing economic relations concern the management of the Artigiano in Fiera exhibition.

With reference to the company Fiere di Parma SpA, in which the Group has held an 18.5% stake since 28 March 2023, it is specified that the financial and economic relations relate to the management of the biennial exhibition Tuttofood, held in May 2023. The service agreement in force between the parties regulates relations concerning the management of the areas and services provided during the event "Tuttofood powered by Cibus" that will continue to be held by Fiere di Parma SpA at the Rho exhibition site. The transaction will also see Fiera Milano provide services to Fiere di Parma concerning the 'Tuttofood powered by Cibus' event, which will continue to be held at the Rho exhibition site and managed by Fiera Milano.

Related party entries in the Statement of Financial Position and Income Statement in the financial year to 31 December 2023

(€'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	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 liabilities	Revenues from sales and services	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	30,022	-	26,927	5,090	-	1,597	331,756	-	53,201	1,613	630	169	-	254	642	542	10,898	5,497	
Fiera Parking SpA	-	-	-	33	-	-	-	-	-	1	-	-	-	-	4	-	-	-	
Fair renew Srl	-	-	-	3	-	-	-	-	-	179	-	1,242	-	-	23	-	-	-	
Companies associates and joint venture																			
MiCo DMC Srl	-	73	-	59	135	-	-	1	-	1,360	15	4,372	50	-	193	1	-	-	
Ipack Ima Srl	-	-	-	17	-	1,719	-	253	-	70	10	68	-	-	293	46	-	-	
Ge.Fi.SpA	-	-	-	2,598	-	-	-	-	-	3,562	4,649	54	-	-	1	-	-	-	
Mi-View Srl	-	-	-	25	3	-	-	-	-	186	1	432	-	-	27	-	-	-	
Fiere di Parma SpA	-	-	-	7	-	-	-	424	-	74	1,699	181	-	-	10	-	-	-	
Hannover Milano Fairs Shangai LTD	-	-	-	27	-	-	-	30	-	-	739	-	-	-	-	-	-	-	
Hannover Milano Fairs China LTD	-	-	-	-	-	-	-	-	-	97	-	97	-	-	-	-	-	-	
Total related parties transactions	30,022	73	26,927	7,859	138	3,316	331,756	708	53,201	7,142	7,743	6,615	50	254	1,193	589	10,898	5,497	
Total reported	-	1,059	29,472	40,567	2,258	59,724	340,297	39,841	54,931	28,227	280,829	134,460	653	4,969	5,397	5,582	14,401	7,036	
% Rel. party transactions/Total reported	-	7%	91%	19%	6%	6%	97%	2%	97%	25%	3%	5%	8%	5%	22%	11%	76%	78%	

Information on the remuneration paid to the Administrative and Control Bodies, General Managers and Executives with strategic responsibilities at 31 December 2023 is given in the table included in the section 'Other information'.

Statement of related party cash flow

(€'000)

	2023	2022
Cash flow from operating activities		
Revenues and income	8,936	11,149
Costs and expenses	(6,919)	(3,450)
Financial income	589	171
Financial expenses on leased assets (IFRS 16)	(10,885)	(10,845)
Financial expenses	(13)	(4)
Losses/income from tax consolidation	(5,497)	1,477
Changes in trade and other receivables	4,004	(2,703)
Changes in inventories	10	(123)
Change in advances	680	(1,311)
Change in other current liabilities	2,790	268
Total from continuing operations	(6,305)	(5,371)
Total from assets held for sale	65	(65)
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	(2,615)	1,705
Change in current financial liabilities	(130)	(9,430)
Change in current financial liabilities related to the right-of-use of assets	(38,708)	(29,219)
Total from continuing operations	(41,453)	(36,944)
Total from assets held for sale	-	-
Cash Flow for the year from continuing operations	(47,758)	(42,315)
Cash Flow for the year from assets held for sale	65	(65)

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 31.12.23:			
Total	95,747	(5,688)	(73,996)
Related party transactions	(6,240)	-	(41,453)
FY to 31.12.22:			
Total	32,287	(15,059)	(81,746)
Related party transactions	(5,436)	-	(36,944)

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.

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 2023 as defined in the aforementioned Communication.

Disclosure required pursuant to Italian Law 124/2017

Pursuant to Law 124/2017 there are no contributions to report. 'Operating grants' included in the item 'Other income' refer to the recognition of the tax credit on advertising investments in newspapers, periodicals and on local television and radio stations pursuant to Article 57-*bis* of Decree-Law no. 50 of 24 April 2017.

Significant events after the end of the reporting period

There were no significant events after the end of the year.

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, the General Manager and Deputy General Manager of the Parent Company.

The total remuneration of this category of executives was Euro 4,183 thousand in the period to 31 December 2023 (Euro 2,542 thousand at 31 December 2022) and the breakdown was as follows:

Remuneration

(€'000)

	2023		
	Directors	Statutory Auditors	Others
Short-term benefits	780	160	929
Post-employment benefits	-	-	61
Other non current benefits	-	-	-
Staff-leaving indemnities	-	-	1,400
Cost related "Medium-term Incentive Plan"	-	-	853
Total	780	160	3,243

The notional cost of the "Medium-Term Incentive Plan" includes the value of *stock grants* allocated for Eur 469 thousand and the cash portion for Euro 384 thousand.

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

At 31 December 2023, the outstanding amount payable to this category was Euro 394 thousand (Euro 568 thousand at 31 December 2022).

Information under Article 149-duodecies of the Consob Issuers' Regulation

The fees paid for services provided by the independent auditors in 2023 are shown in the table on the following page.

(€'000)

Service provided	Company providing the service	Client	Fees for financial year 2023
Auditing	PWC SpA	Parent Company - Fiera Milano SpA	224
Auditing	PWC SpA	Subsidiaries	105
Auditing	Network PWC	Subsidiaries	53
Other services (*)	PWC SpA	Parent Company - Fiera Milano SpA	10
Other services (**)	PWC SpA	Parent Company - Fiera Milano SpA	19
		Total	411

(*) Agreed procedures

(**) Limited review of non-financial statement

Rho (Milan), 13 March 2024

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 2023

Company name and registered office	Main activity	Share capital (000) ^(*)	Group total	Shareholding %		Shareholding of Group companies %
				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 (Milan), strada Statale del Sempione n. 28	Organisation of exhibitions in Italy	10	60	60	60	Fiera Milano SpA
Fiera Milano Brasil Publicações e Eventos Ltda São Paulo, Avenida Angélica, n° 2491, Conjunto 204, Bairro Consolação	Organisation of exhibitions outside of Italy	R \$ 113,465	100	99.99	0.01	Fiera Milano SpA
Fiera Milano Exhibitions Africa Pty Ltd Cape Town, 4th Floor, Brewster Building - 77 Hout Street	Organisation of exhibitions outside of Italy	ZAR 0.6	100	100	100	Fiera Milano SpA
C) List of associated 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 Ltd Shanghai China, Pudong Office Tower	Organisation of exhibitions outside of Italy	USD 500	49		100	Hannover Milano Global Germany GmbH
Hannover Milano Fairs China Ltd Hong Kong China, Golden Gate Building	Organisation of exhibitions outside of Italy	HKD 10	49		100	Hannover Milano Global Germany GmbH
Hannover Milano Fairs India Pvt. Ltd East Mumbai, Andheri	Organisation of exhibitions outside of Italy	INR 274,640	48.99		99.99	Hannover Milano Global Germany GmbH
Hannover Milano Best Exhibitions Co., Ltd Guangzhou China, West Tower, Poly World Trade Center	Organisation of exhibitions outside of Italy	RMB 1,000	24.99		51	Hannover Milano Fairs Shanghai Co. Ltd
Hannover Milano XZQ Exhibitions Co., Ltd Shenzhen China	Organisation of exhibitions outside of Italy	RMB 100	29.40		60	Hannover Milano Fairs Shanghai Co. Ltd
Ipack Ima Srl Rho, S.S. del Sempione km.28	Organisation of exhibitions in Italy	20	49	49	49	Fiera Milano SpA
MiCo DMC Srl Milan, p.le Carlo Magno 1	Management of congresses	10	51		51	Fiera Milano Congressi SpA
Ge.Fi. SpA Milan, v.le Achille Papa 30	Organisation of exhibitions in Italy	1,000	25	25	25	Fiera Milano SpA
Mi-View Srl Milan, v.le Achille Papa 30	Organisation of exhibitions in Italy	10	25		25	Ge.Fi.SpA
Fiere di Parma SpA Parma, v.le delle Esposizioni 393/a	Organisation of exhibitions in Italy	31,167	18.5	18.5	18.5	Fiera Milano SpA
Organisation of exhibitions in Italy						
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, Francesco Conci, as Chief Executive Officer, and Massimo De Tullio, as Financial Reporting Officer of Fiera Milano SpA, having noted the provisions of Article 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 2023.

2. It is also declared that:
 - 2.1 the Consolidated Financial Statements at 31 December 2023:
 - 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), 13 March 2024

Signed

Chief Executive Officer

Francesco Conci

Signed

Financial Reporting Officer

Massimo De Tullio



Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of Fiera Milano SpA

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 of 31 December 2023, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

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 this report. We are independent of Fiera Milano SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. 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 judgement, 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.

PricewaterhouseCoopers SpA

Sede legale: Milano 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: Ancona 60131 Via Sandro Totti 1 Tel. 071 2132311 - Bari 70122 Via Abate Gimma 72 Tel. 080 5640211 - Bergamo 24121 Largo Belotti 5 Tel. 035 229691 - Bologna 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - Brescia 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - Catania 95129 Corso Italia 302 Tel. 095 7532311 - Firenze 50121 Viale Gramsci 15 Tel. 055 2482811 - Genova 16121 Piazza Piccapietra 9 Tel. 010 29041 - Napoli 80121 Via dei Mille 16 Tel. 081 36181 - Padova 35138 Via Vicenza 4 Tel. 049 873481 - Palermo 90141 Via Marchese Ugo 60 Tel. 091 349737 - Parma 43121 Viale Tanara 20/A Tel. 0521 275911 - Pescara 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - Roma 00154 Largo Fochetti 29 Tel. 06 570251 - Torino 10122 Corso Palestro 10 Tel. 011 556771 - Trento 38122 Viale della Costituzione 33 Tel. 0461 237004 - Treviso 31100 Viale Felissent 90 Tel. 0422 696911 - Trieste 34125 Via Cesare Battisti 18 Tel. 040 3480781 - Udine 33100 Via Poscolle 43 Tel. 0432 25789 - Varese 21100 Via Albuzzo 43 Tel. 0332 285039 - Verona 37135 Via Francia 21/C Tel. 045 8263001 - Vicenza 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Key Audit Matters

Auditing procedures performed in response to key audit matters

First year of appointment

On April 27, 2023, the shareholders' meeting of Fiera Milano SpA appointed PricewaterhouseCoopers SpA as auditor of the consolidated financial statements for the years from 2023 to 2031.

Understanding the Company and the Group has been a key aspect deserving particular attention during the first year of audit.

We conducted multiple meetings with Group management with a particular focus on the understanding of the context. We understood the principles and accounting criteria adopted by the Group and obtained evidence to support the significant matters related to the consolidated financial statements as of and for the year ended 31 December 2023. We have reviewed the working papers of the previous auditor relating to the audit of the consolidated financial statements as of and for the year ended 31 December 2022, examining in depth the audit methodology adopted, the materiality thresholds applied, the accounting principles and criteria adopted by the Group and the results emerging from the audit work.

Evaluation of the recoverability of the value of goodwill

Note 6 to the consolidated financial statements "Goodwill"

The goodwill recorded in the consolidated financial statements as at 31 December 2023, generated from business combinations carried out in previous years, amounts to Euro 95,036 thousand and represents 12.6% of total assets.

Group directors, in compliance with the International Accounting Standard IAS 36 "Impairment of assets", have verified the recoverability of goodwill through the impairment test as of 31 December 2023.

The approach used for determining the recoverable amount of Cash Generating Units and groupings of Cash Generating Units (hereinafter CGU) to which goodwill is allocated, was the value in use, determined as the present value of the cash flows expected in the 2024-2027 plan prepared by directors and of the terminal

The audit activities included, among others, the following procedures:

- understanding and evaluating the methodology adopted by the Group in relation to the assessment of goodwill, taking into account the impairment test procedure approved by the Board of Directors on 22 February 2024;
- understanding and evaluating the Group's internal control system safeguarding the process of verifying the recoverability of goodwill;
- analysis of the considerations made by directors regarding the perimeter of the identified CGUs and verification of the correct allocation of assets and liabilities attributable to the CGUs, including goodwill, used for comparison with the related value in use;



value. The recoverable amount of each CGU was compared with the assets and liabilities recorded in the financial statements as of 31 December 2023 attributable to them, including goodwill.

From the impairment test as of 31 December 2023, no impairment losses have emerged.

The assessment of the recoverability of goodwill is considered a key audit matter due to the significance of the amounts recorded in the financial statements and the complexity of the estimates embedded in the assessment of recoverable value.

- verification of the methodology used to perform the impairment test and of the mathematical accuracy of the model used;
- verification of the reasonableness of the main assumptions adopted for the estimate of future cash flows and for the determination of terminal value;
- analysis of the expert's report who assisted the directors within the impairment test exercise, as well as the evaluation of his competence, capability and objectivity;
- verification of consistency of the expected cash flows of the CGUs used in the impairment test with the data from the 2024-2027 plan approved by the Parent Company's Board of Directors as well as the consistency with IAS 36;
- verification of the sensitivity analyses carried out by directors with reference to the impact on the recoverability of goodwill in case of changes in the relevant assumptions of cash flows or the discount rate used.

These procedures were carried out engaging experts within the PwC network in Italy.

We examined the completeness and adequacy of the disclosure presented in the notes to the consolidated financial statements.

Evaluation of the recoverability of investments in associated companies and joint ventures

*Note 8 to the consolidated financial statements
"Investments in associates and joint ventures"*

The Investments in associates and joint ventures recorded in the consolidated financial statements as of 31 December 2023 amount to Euro 50,591 thousand and represent 6.7% of the total assets.

On an annual basis, the directors verify the

The audit activities have included, among others, the following procedures:

- understanding and evaluating the methodology adopted by the Group in relation to the valuation of investments



presence of indicators that the investments held may have decreased in value and, where necessary, verifies the recoverability of the value through impairment test as of 31 December 2023 as prescribed by the international accounting standard IAS 36 "Impairment of assets".

The recoverable amount of the investments was determined through the value in use, calculated by discounting the future cash flows forecasted in the 2024-2027 plan.

The recoverable amount of each investment was compared with the carrying amount of the investment itself.

Based on the activities carried out, Group Management has not identified any impairment loss in the value of investments as of 31 December 2023.

The evaluation of the recoverability of the investments in associates and joint ventures is considered a key audit matter due to the significance of the amounts recorded in the financial statements and the complexity of the estimations embedded in the assessment of their recoverable amount.

- in associates and joint ventures, taking into account the impairment test procedure approved by the Board of Directors on 22 February 2024;
- understanding and evaluating the Group's internal control system safeguarding the process of verifying the recoverability of the value of investments in associates and joint ventures;
- verification of the methodology used for the preparation of the impairment test and the mathematical correctness of the model;
- verification of the reasonableness of the main assumptions adopted for the formulation of cash flow forecasts and for the determination of the terminal value;
- analysis of the expert's report who assisted Group management in the impairment test exercise, as well as the evaluation of his competence, capacity and objectivity;
- verification of consistency of the expected cash flows of the subsidiary companies used in the impairment test with the data of the plans approved by the respective Boards of Directors of the subsidiary companies and the consistency with what is provided by IAS 36;
- verification of the sensitivity analyses carried out by directors with reference to the impact on the recoverability of investments in associates and joint ventures in case of changes in the relevant assumptions of cash flows or the discount rate used.

Those procedures were carried out with the involvement of experts within the PwC Italy network.

We examined the completeness and adequacy of the disclosure presented in the notes of the consolidated financial statements.



Other Matters

The Group's consolidated financial statements for the year ended 31 December 2022, have been audited by another auditor who, on 27 March 2023, expressed an unmodified opinion on such financial statements.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated 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, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Fiera Milano SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we 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 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 evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the 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 consolidated financial statements or, if such disclosures are inadequate, to modify 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 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 obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities 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 on the consolidated financial statements.

We 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 identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 27 April 2023, the shareholders of Fiera Milano SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years from 31 December 2023 to 31 December 2031.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.



We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Fiera Milano SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the “Commission Delegated Regulation”) to the consolidated financial statements as of 31 December 2023, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2023 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission 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 in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Fiera Milano SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Fiera Milano Group as of 31 December 2023, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements of the Fiera Milano Group as of 31 December 2023 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of Fiera Milano Group as of 31 December 2023 and are prepared in compliance



with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree No. 254 of 30 December 2016

The directors of Fiera Milano SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree No. 254 of 30 December 2016.

We have verified that the directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Milan, 28 March 2024

PricewaterhouseCoopers SpA

Signed by

Andrea Martinelli
(Partner)

The accompanying consolidated financial statements of Fiera Milano SpA 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 2023

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Fiera Milano SpA Statement of Financial Position

notes	(euro)	31/12/23	31/12/22
ASSETS			
Non-current assets			
2-49	Property, plant and equipment	6,623,955	1,416,569
3	Right-of-use assets	318,780,139	330,745,902
49	<i>of which from related parties</i>	317,038,395	330,103,362
4	Goodwill	76,090,614	76,090,614
5	Intangible assets with a finite useful life	11,286,832	14,151,300
6	Investments	72,080,994	55,433,071
7	Financial leasing receivables	13,379,110	11,010,573
49	<i>of which from related parties</i>	13,379,110	11,010,573
8-49	Other financial assets	986,058	4,251,082
9	Trade and other receivables	28,641,397	32,851,720
49	<i>of which from related parties</i>	26,429,696	32,744,519
10	Deferred tax assets	9,701,065	10,400,508
	Total	537,570,164	536,351,339
Current assets			
11	Trade and other receivables	27,683,072	22,972,932
49	<i>of which from related parties</i>	7,248,588	5,747,789
12-49	Inventories	1,625,759	2,097,528
13-49	Financial leasing receivables	1,531,954	868,509
14	Financial assets	40,129,475	36,763,681
49	<i>of which from related parties</i>	4,226,651	1,606,051
15	Cash and cash equivalents	95,329,397	74,893,745
	Total	166,299,657	137,596,395
Assets held for sale			
1.6-49	Assets held for sale	-	2,671,716
	Total assets	703,869,821	676,619,450
EQUITY AND LIABILITIES			
16	Equity		
	Share capital	41,987,295	42,182,202
	Share premium reserve	7,648,376	8,129,321
	Other reserves	9,573,688	11,757,487
	Retained earnings	37,135,579	42,615,236
	Profit/(loss)	37,865,917	(5,479,657)
	Total	134,210,855	99,204,589
Non-current liabilities			
17	Bank borrowings	30,630,189	60,116,140
18	Financial liabilities related to the right-of-use of assets	315,365,168	325,595,352
49	<i>of which from related parties</i>	313,929,039	325,113,982
19	Other financial liabilities	-	1,683,049
20	Provision for risks and charges	-	500,000
21	Employee benefit provisions	4,822,317	5,398,755
22	Other liabilities	383,883	-
	Total	351,201,557	393,293,296
Current liabilities			
23	Bank borrowings	26,750,001	26,250,001
24	Trade-payables	43,398,465	29,201,837
25-49	Advances	32,026,933	24,616,666
26	Financial liabilities related to the right-of-use of assets	48,965,786	44,282,125
49	<i>of which from related parties</i>	48,630,754	44,115,030
27	Other financial liabilities	22,957,194	21,982,063
49	<i>of which from related parties</i>	22,957,194	21,982,063
28	Provision for risks and charges	4,233,700	4,425,091
29	Tax liabilities	2,431,207	2,043,944
30	Other liabilities	37,694,123	28,648,122
49	<i>of which from related parties</i>	19,870,840	14,523,617
	Total	218,457,409	181,449,849
Liabilities held for sale			
1.6	Liabilities held for sale	-	2,671,716
	Total liabilities	703,869,821	676,619,450

Fiera Milano SpA Statement of Comprehensive Income

notes	(euro)	2023	2022
34	Revenues from sales and services	232,630,034	172,488,115
49	<i>of which with related parties</i>	10,572,060	10,750,550
	Total revenues	232,630,034	172,488,115
35-49	Cost of materials	290,437	221,260
36	Cost of services	113,479,403	91,366,471
49	<i>of which with related parties</i>	44,328,954	36,127,964
37-49	Cost of use of third-party assets	769,650	1,176,747
38-49	Personnel costs	42,909,801	37,791,394
39-49	Other operating expenses	4,730,223	3,663,278
	Total operating expenses	162,179,514	134,219,150
40	Other income	6,416,982	5,954,297
49	<i>of which with related parties</i>	4,494,464	4,029,995
41	Provisions for doubtful receivables and other provisions	2,215,673	2,577,846
	Earnings before interest, taxes, depreciation, and amortization (EBITDA)	74,651,829	41,645,416
42	Depreciation of property, plant and equipment and right-of-use assets	38,183,207	35,512,213
42	Amortisation of intangible assets	4,854,698	4,396,312
43	Adjustments to asset values	815,499	-
	Earnings before interest and taxes (EBIT)	30,798,425	1,736,891
44	Financial income and similar	9,737,883	6,702,679
49	<i>of which with related parties</i>	4,911,400	6,239,131
45	Financial expenses and similar	13,901,507	13,050,341
49	<i>of which with related parties</i>	10,596,242	10,361,559
46	Valuation of financial assets	-	(2,720,090)
	Profit/(loss) before tax	26,634,801	(7,330,861)
47	Income tax	5,268,884	(1,851,204)
49	<i>of which with related parties</i>	3,982,227	(2,994,487)
	Profit/(loss) from continuing operations	21,365,917	(5,479,657)
1.6	Profit/(loss) from discontinued operations	16,500,000	-
48	Profit/(loss)	37,865,917	(5,479,657)
16	Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss		
	Remeasurement profit/(loss) on defined benefit plans	(55,137)	509,421
	Tax effects	13,233	(122,261)
16	Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss		
	Profit/(loss) on cash flow hedges	(1,329,061)	2,385,538
	Tax effects	(236,654)	-
	Total other comprehensive income/(loss) net of related tax effects	(1,607,619)	2,772,698
	Total comprehensive income/(loss)	36,258,298	(2,706,959)

Fiera Milano SpA Statement of Cash Flows

notes	(euro)	2023	2022
	Result from continuing operations	21,365,917	(5,479,657)
	Result from discontinued operations	16,500,000	-
	<i>adjustments:</i>		
1.6	Gain on disposal of a business branch	(16,500,000)	-
41	Provisions for doubtful receivables and other provisions	2,215,673	2,577,846
42	Depreciation and amortisation of assets	43,037,905	39,907,485
43	Depreciation of assets	815,499	-
46	Valuation of financial assets	-	2,720,090
44	Financial income	(9,737,883)	(6,702,679)
45	Finance costs	4,140,363	2,887,252
45	Finance costs related to the Right-of-Use of assets	9,761,144	10,163,089
38	Share-based payment expense	(576,180)	308,672
38	Accruals for employee	40,377	46,872
47	Income tax	5,268,884	(1,851,204)
	Total from continuing operations	76,331,699	44,577,766
	Cash flow from operating activities		
9-11	Trade and other receivables	(4,601,138)	2,243,576
12	Inventories	471,769	(295,849)
21	Employee benefit provisions	(671,952)	(659,628)
24	Trade payables	9,247,143	(582,674)
25	Pre-payments	7,410,267	(3,007,409)
29	Tax liabilities	610,080	(826,632)
20-22-28-30	Risks provisions and other payables (excluding organisers)	7,101,583	767,591
30	Payables to Organisers	2,328,301	(6,357,239)
28	Use of risk provisions	(2,787,970)	(3,046,806)
31	Interest paid	(2,829,641)	(1,983,048)
31	Interest paid on financial liabilities related to the right-of-use of assets	(9,761,144)	(10,163,089)
31	Interest received	8,439,408	6,395,531
47	Income taxes paid	(1,033,452)	(829,266)
	Total from continuing operations	90,254,953	26,232,824
1.6-49	Total from assets held for sale	(1,808,711)	1,760,613
49	<i>of which with related parties</i>	<i>(32,124,667)</i>	<i>(28,013,312)</i>
	Cash flow from investing activities		
2-49	Investments in tangible assets	(860,639)	(346,715)
2	Write-downs of tangible assets	4,947	9,785
5	Investments in intangible assets	(2,805,729)	(2,551,011)
5	Write-downs of intangible assets	-	135,000
6	Investments in Joint Ventures	-	(11,750,000)
6	Subsidiary company share capital transactions	(1,824,000)	-
44	Dividends received	4,285,377	6,000,000
	Total from continuing operations	(1,200,044)	(8,502,941)
	Total from assets held for sale	-	-
	Cash flow from financing activities		
16	Equity	(675,852)	(529,451)
7-13	Non current and current financial leasing receivables	1,780,208	700,238
49	<i>of which with related parties</i>	<i>(3,031,982)</i>	<i>700,238</i>
8-49	Non current financial assets	1,935,963	424,003
14	Current financial assets	(6,352,696)	(33,343,384)
49	<i>of which with related parties</i>	<i>(2,620,600)</i>	<i>1,709,316</i>
17	Repayment of long-term borrowings	(2,819,472)	(36,036,013)
26	Non-Current financial liabilities related to the right-of-use of assets	(35,978,366)	(26,173,717)
49	<i>of which with related parties</i>	<i>(31,180,620)</i>	<i>(26,007,949)</i>
23-27	Repayment of short-term borrowings	(26,509,042)	16,174,199
49	<i>of which with related parties</i>	<i>975,131</i>	<i>(8,234,049)</i>
	Total from continuing operations	(68,619,257)	(78,784,125)
	Total from assets held for sale	-	-
	Net cash flow from continuing operations	20,435,652	(61,054,242)
	Net cash flow from assets held for sale	(1,808,711)	1,760,613
	Net cash at the beginning of the year from continuing operations	74,893,745	135,947,987
	Net cash at the beginning of the year from assets held for sale	1,808,711	48,098
	Net cash at year end from continuing operations	95,329,397	74,893,745
	Net cash at year end from assets held for sale	-	1,808,711
	Net cash at year end	95,329,397	76,702,456

Fiera Milano SpA Statement of Changes in Equity

(euro)

note 16	Share capital	Share premium reserve	Other reserves	Retained earnings	Profit/(loss)	Total Equity
Balance at 31 december 2021	42,283,624	8,557,350	8,676,117	5,993,564	36,621,672	102,132,327
Allocation of earnings at 31.12.21:						-
- retained earnings	-	-	-	36,621,672	(36,621,672)	-
Treasury shares	(101,422)	(428,029)	-	-	-	(529,451)
Stock grant reserve	-	-	308,672	-	-	308,672
Profit/(loss)	-	-	-	-	(5,479,657)	(5,479,657)
Fair value reserve of financial assets at FVOCI	-	-	2,385,538	-	-	2,385,538
Remeasurement on defined benefit plans	-	-	387,160	-	-	387,160
<i>Total comprehensive income</i>	-	-	2,772,698	-	(5,479,657)	(2,706,959)
Balance at 31 december 2022	42,182,202	8,129,321	11,757,487	42,615,236	(5,479,657)	99,204,589
Allocation of earnings at 31.12.22:						-
- retained earnings	-	-	-	(5,479,657)	5,479,657	-
Treasury shares	(194,907)	(480,945)	-	-	-	(675,852)
Stock grant reserve	-	-	(576,180)	-	-	(576,180)
Profit/(loss)	-	-	-	-	37,865,917	37,865,917
Fair value reserve of financial assets at FVOCI	-	-	(1,565,715)	-	-	(1,565,715)
Remeasurement on defined benefit plans	-	-	(41,904)	-	-	(41,904)
<i>Total comprehensive income</i>	-	-	(1,607,619)	-	37,865,917	36,258,298
Balance at 31 december 2023	41,987,295	7,648,376	9,573,688	37,135,579	37,865,917	134,210,855

Notes to the financial statements

On 13 March 2024, the Board of Directors approved the Financial Statements of Fiera Milano SpA at 31 December 2023 and authorised their publication.

Fiera Milano SpA, as Parent Company, has also prepared Consolidated Financial Statements at 31 December 2023.

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 2023, 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 2022, except for those applicable from 1 January 2023 described below.

Given the capital and financial position for the 2023 financial year, the 2024-2027 financial forecasts, approved by the Board of Directors on 22 February 2024, 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 2023, 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 PwC SpA.

Russia-Ukraine conflict and Israel-Palestine conflict

2024 will be an election year in Europe, the USA, India and other nations. World balances will also depend on their outcome. Possible victories of populist movements could push governments to tighten trade, foreign investment and immigration. The Russian invasion of Ukraine and the conflict in the Middle East triggered by the Hamas terrorist attack are part of a conflicting and unstable global geopolitical scene, which poses new challenges to

Europe and the West, also in terms of security. In particular, the war provoked by Russia against Ukraine has had strong repercussions on energy markets, foodstuffs and on trade flows in the Suez Canal as a result of attacks by the Yemeni Houthi group, and the current stalemate at the front is expected to continue into 2024.

As regards energy prices in particular, considering their relevance in the production system of its services, the Company has implemented specific *risk mitigation* plans aimed at improving the energy efficiency of the pavilions, also by expanding the photovoltaic system installed on the roofs of the Rho 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, within the *framework* of the TCFD - *Task Force on Climate-Related Financial Disclosure* guidelines, which envisage two macro-classes of risks connected to climate change, referable to (i) physical risks (acute/chronic) and (ii) transition risks (regulatory/market/technological/reputational), it is deemed that the risk scenario most applicable to the Company's activities is that of extreme weather phenomena (TCFD *Physical/Acute* classification) such as floods, hail, hurricanes, etc. Extreme meteorological events expose the Company to the risk of damage to assets and infrastructures (e.g. the Rho exhibition site), which could jeopardise the proper performance of exhibitions, forcing the Company to suspend or interrupt its activities, with negative consequences in financial terms and for its reputation.

In previous years, the Company conducted an analysis of the potential impact of extreme natural events on the infrastructure, which showed an overall low exposure to the aforementioned risks.

To manage the repercussions of incidents like those mentioned, the Company has recently implemented a *Business Continuity Management* framework. This includes a *Crisis Management Plan* and a series of business continuity procedures that outline the operational responses to be enacted during crises, including situations involving asset unavailability.

As regards maintenance, work was carried out on the exhibition structures, such as (i) *re-roofing of the exhibition halls, in preparation for the installation of photovoltaic panels, with improvement of the thermal seal and reduction of water infiltration* (ii) renovation of the downpipes and eaves of the halls (iii) installation of a sensor monitoring system of the elastic behaviour of the steel structures of the web.

The Company also has adequate insurance cover (*Property Damage and Business Interruption*) as part of the Group *All Risks Property* policy.

1.2 New accounting standards adopted, interpretations and amendments

As of 1 January 2023, the Company has implemented certain changes to the accounting policies adopted in previous years.

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 amendments are effective from 1 January 2023:

- 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.

These changes have not had material impacts 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, guidance has been added on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual reporting periods beginning on or after 1 January 2023. 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 changes do not have a material impact on the disclosures and accounting policies adopted by the Company.

Insurance Contracts - IFRS 17

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. It replaces IFRS 4 Insurance Contracts, issued in 2005, which allowed different accounting policies to be applied to insurance contracts based on locally applied accounting standards.

IFRS 17 introduces a uniform valuation model for insurance contracts, which includes requirements on the measurement of fulfilment cash flows, current discount rates and profit recognition during the hedging period.

IFRS 17 applies to insurance contracts, including reinsurance contracts issued by an entity even if they are not issued by insurance companies, or to all contracts issued by companies within the scope of IFRS 17.

'Insurance contracts' are defined as a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insurance risk is defined as: risk, other than a financial risk, transferred from the holder of a contract to the issuer.

On 9 December 2021, the IASB published an amendment to IFRS 17, already adopted by Regulation (EU) 2021/2036, which regards the requirements for transition to IFRS 17 and enables insurance undertakings to provide more effective disclosures to investors on the first-time application of IFRS 17. The only aspects impacted by the amendment are those related to the transition to the new standard, while every other aspect of IFRS 17 (Initial Application of IFRS 17 and IFRS 9 - Comparative information) remains unchanged. IFRS 17, which takes account of this amendment, is effective for annual reporting periods beginning on or after 1 January 2023.

The new standard has had no material impact on the Company.

- 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.

These changes have not had material impacts on the Company.

International Tax Reform - Amendments to IAS 12

The Pillar Two rules, set out in the OECD Global Minimum Tax Directive, aim to ensure that large multinational groups (typically with revenues in excess of Euro 750 million) pay a minimum amount of tax on income from each jurisdiction in which they operate. This would be achieved by applying a top-up tax system that determines the total amount of tax due on excess profit in each jurisdiction at a minimum rate of 15%.

The amendments introduce a temporary exception for entities to the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two rules and also provide for additional disclosure requirements in relation to the entity's exposure to Pillar Two income taxes.

This amendment is not applicable to the Company.

The standards and interpretations already issued or adopted 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.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1

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 1 January 2024 and must be applied retrospectively. The amendments are not expected to have a material impact on the Company.

Lease Liability in a sale and leaseback- Amendments to IFRS 16

The European Commission has implemented the Amendments to IFRS 16 - Leases, published by the IASB on 22 September 2022. The main change in the subsequent measurement of the financial liability concerns the determination of 'lease payments' and '*revised lease payments*' in such a way that, following a leaseback, the seller-lessee does not recognise any gain or loss related to the right of use it holds.

The purpose of the amendment is to avoid the recognition of gains and losses, related to the right of use accounted for, following events that lead to a revaluation of the debt (e.g. change of the lease agreement or its duration). Gains and losses arising from the partial or total termination of a lease continue to be recognised for the portion of the right of use that has been terminated.

The amendments are applicable as from 1 January 2024 with the possibility of early application. The amendments are not expected to have a material impact on the Company.

Lack of exchangeability - amending IAS 21 The Effects of Changes in Foreign Exchange Rates

The amendments introduce requirements to specify when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it determines that a currency is not exchangeable into another currency.

The amendments are applicable for annual reporting periods beginning on 1 January 2025 and early application is permitted. The amendments will not have a material impact on the Company.

Supplier Finance Arrangements - amending IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: additional disclosures

The amendments concern some specific qualitative and quantitative disclosures to be provided in connection with supplier finance arrangements. The Amendments also provide guidance on the characteristics of supplier finance arrangements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with permission for early application, and are not expected to have a material impact on the Company.

1.3 Form and content of the Financial Statements

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

- the Statement of Financial Position is presented 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 combinations

Business combinations are accounted for using 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 the statement of comprehensive income.

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:

- Plant and machinery 10%
- Furnishings 12%
- Office furniture and machinery 12%
- Various equipment 15%
- Telecommunication systems 20%
- Electronic equipment 20%
- Exhibition furniture and equipment 27%

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 useful 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 *fair value* net of the sales costs 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 agreement is, or contains, a lease if the agreement conveys the right to control the use of an identified asset for a period of time in exchange for a consideration, determining its terms and conditions of use and, though not explained, its upkeep over time.

Assets acquired through lease agreements are recognised under 'Right-of-use assets' for an amount equal to the value of the financial liability determined on the basis of the present value of discounted future payments using the *incremental borrowing* rate for each agreement. The debt is gradually reduced in accordance with the principal repayment schedule included in the contractually agreed-upon instalments, while the interest is recognised in profit and loss and classified under financial expenses.

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

In determining whether the asset in question is a lease or a service agreement, two substantial elements are taken into account: the 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. The carrying amount of lease obligations is re-determined in the event of any changes or for the revision of contractual terms for the modification of payments, and is also re-determined in the event of changes in the valuation of the option to purchase the underlying asset or for changes in future payments resulting from a change in the benchmark 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 and financial liabilities

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 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.

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.

Current liabilities include payments on account received for exhibition activities that will be completed more than twelve months after the reporting date, as this classification reflects the normal duration of the exhibition operating cycle.

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.

Investments

After initial recognition, investments in subsidiaries and associates are measured at cost less any impairment loss stemming from the annual *impairment tests*.

Investments fall under the scope of application of the IFRS 9 classification and measurement criteria for 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 profit or loss.

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.

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.

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 (revaluation) 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 costs 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 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.

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 *fair value* 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. These uncertainties are fuelled by a conflicting and unstable global geopolitical framework, which poses new challenges to Europe and the West, including in terms of security. 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 Information on discontinued operations

On 9 March 2023, the Board of Directors of Fiera Milano SpA approved the finalisation of the strategic transaction with Fiere di Parma SpA concerning a *partnership* aimed at creating a common European exhibition platform in the agri-food sector. The transaction was carried out at the closing date on 28 March 2023, 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, for a value of Euro 16,500 thousand, equal to 18.5% of the share capital of Fiere di Parma SpA.

The transaction will see the Parties create a new multi-hub exhibition 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 SpA, 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', discontinued operations 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". These items, recognised in the financial statements at 31 December 2022, were reduced to zero with the contribution of the business unit, which result in a capital gain of Euro 16,500 thousand recognised in profit or loss.

The income statement with discontinued operations and the statement of financial position with assets held for sale are illustrated below:

Statement of profit or loss from discontinued operations

(euro)	2023	2022
Revenues from sales and services	-	-
Total revenues	-	-
Cost of materials	-	-
Cost of services	-	-
Cost of use of third-party assets	-	-
Personnel costs	-	-
Other operating expenses	-	-
Total operating expenses	-	-
Profit/(loss) from discontinued operations	16,500,000	-

Statement of financial position from assets held for sale

(euro)	31/12/23	31/12/22
ASSETS		
Intangible assets with a finite useful life	-	5,922
Inventories	-	857,083
<i>of which with related parties</i>	-	64,778
Cash and cash equivalents	-	1,808,711
Total assets held for sale	-	2,671,716
LIABILITIES		
Employee benefit provisions	-	2,317
Advances	-	2,649,758
Other liabilities	-	19,641
Total liabilities held for sale	-	2,671,716
Net assets held for sale	-	-

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 31/12/21	Changes during the financial year					Balance at 31/12/22
		Incr.	Decr.	Depr. Impairment	Reclassifi- cation	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

Property, plant and equipment

(€'000)

	Balance at 31/12/22	Changes during the financial year					Other changes	Balance at 31/12/23
		Incr.	Decr.	Depr.	Impairment	Reclassifi- cation		
Plant and machinery								
. historic cost	16,511	335	-	-	-	-	(164)	16,682
. depreciation	15,990	-	-	133	-	-	(164)	15,959
Net	521	335	-	133	-	-	-	723
Industrial and commercial equipment								
. historic cost	13,005	200	-	-	-	-	-	13,205
. depreciation	12,891	-	-	41	-	-	-	12,932
Net	114	200	-	41	-	-	-	273
Other assets								
. historic cost	23,318	180	8	-	-	-	(5)	23,485
. depreciation	22,536	-	3	424	-	-	(5)	22,952
Net	782	180	5	424	-	-	-	533
Intangible fixed assets under construction								
. historic cost	-	5,095	-	-	-	-	-	5,095
Net	-	5,095	-	-	-	-	-	5,095
Total property, plant and equipment								
. historic cost	52,834	5,810	8	-	-	-	(169)	58,467
. depreciation	51,417	-	3	598	-	-	(169)	51,843
Net	1,417	5,810	5	598	-	-	-	6,624

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

Plant and machinery

This item totalled Euro 723 thousand, net of depreciation for the year of Euro 133 thousand, and was for costs relating to electrical, heating, alarm and audiovisual systems.

The increases amounting to Euro 335 thousand referred to plant and machinery for the Rho exhibition site.

Industrial and commercial equipment

This item totalled Euro 273 thousand, net of depreciation for the year of Euro 41 thousand, and was mainly for equipment and furnishings related to the exhibition business.

The increases amounting to Euro 200 thousand referred to the purchase of furniture and equipment related to exhibition activities at the Rho exhibition site.

Other assets

This item totalled Euro 533 thousand net of depreciation for the year of Euro 424 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 increases, equal to Euro 180 thousand, refer to Euro 141 thousand, mainly for investments for the year to renew electronic machinery and Euro 39 thousand for improvements to third-party assets;

Tangible fixed assets under construction

This item amounted to Euro 5,095 thousand and refers for Euro 4,950 thousand to costs incurred for network infrastructure development activities and for Euro 145 thousand to work in progress at the exhibition site on the areas adjacent to the metro station. The activity, as soon as completed, will be reclassified under the corresponding fixed assets item and the amortisation will begin to run.

The item Property, Plant and Equipment includes increases of Euro 93 thousand related to transactions with related parties (balance of zero as at 31 December 2022). For more details, see note 49 on these transactions.

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 31/12/21	Changes during the financial year						Balance at 31/12/22
		Incr.	Decr.	Depr.	Impair- ment	Reclassi- fication	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

Right-of-use assets

(€'000)

	Balance at 31/12/22	Changes during the financial year						Balance at 31/12/23
		Incr.	Decr.	Depr.	Impair- ment	Reclassi- fication	Other changes	
Leased property								
. historic cost	465,778	25,177	-	-	-	-	-	490,955
. depreciation	135,480	-	-	37,387	-	-	-	172,867
Net	330,298	25,177	-	37,387	-	-	-	318,088
Leased corporate fleet								
. historic cost	578	521	181	-	-	-	-	918
. depreciation	130	-	102	198	-	-	-	226
Net	448	521	79	198	-	-	-	692
Total Right-of-use assets								
. historic cost	466,356	25,698	181	-	-	-	-	491,873
. depreciation	135,610	-	102	37,585	-	-	-	173,093
Net	330,746	25,698	79	37,585	-	-	-	318,780

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

Right-of-use properties

This item amounted to Euro 318,088 thousand net of amortisation for the year of Euro 37,387 thousand, and refers to the recognition of right-of-use leased assets arising from the application of IFRS 16. The increase of Euro 25,177 thousand mainly refers to the ISTAT adjustment of the lease agreement for the exhibition sites.

Right-of-use vehicles

The item totalled Euro 692 thousand, less depreciation for the year of Euro 198 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 upgrading and management of the company car fleet.

The item Right-of-use assets includes increases of Euro 24,234 thousand relating to related-party transactions (Euro 13,822 thousand at 31 December 2022). For more details, see note 49 on these transactions.

4) Goodwill

The breakdown and changes in the last two financial years are given below:

Goodwill

(€'000)

	Balance at 31/12/21	Changes during the financial year					Balance at 31/12/22
		Incr.	Decr.	Impairment	Reclassifica- tion	Other changes	
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

Goodwill

(€'000)

	Balance at 31/12/22	Changes during the financial year					Balance at 31/12/23
		Incr.	Decr.	Impairment	Reclassifica- tion	Other changes	
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 2023.

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 2024-2027 plan for economic/financial projections approved by the Board of Directors on 22 February 2024 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 8.90% and taking into account a growth factor of 1.5%, which is prudently below the forecast medium/long-term inflation rate equal to 2%.

The *WACC* incorporates a cost of risk capital of 10.86% and a cost of debt of 3.98%, 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 4.33%, a *market risk premium* of 6.4% and a levered beta of 0.87, in line with the average for the sector. A specific risk coefficient of 1% was also taken into account to cover the execution risk related to forecast cash flows, also considering the size of the company.

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 2024-2027 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 31/12/21	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

Intangible assets with a finite useful life

(€'000)

	Balance at 31/12/22	Changes during the financial year						Balance at 31/12/23
		Incr.	Decr.	Depr.	Impair- ment	Reclassifi- cation	Other changes	
Industrial patents and intellectual property rights								
. historic cost	49,642	982	-	-	-	1,511	(23)	52,112
. amortisation	43,559	-	-	3,718	-	-	(23)	47,254
Net	6,083	982	-	3,718	-	1,511	-	4,858
Concessions, licenses and similar rights								
. historic cost	5,304	947	-	-	-	-	(1)	6,250
. amortisation	4,949	-	-	354	-	-	(1)	5,302
Net	355	947	-	354	-	-	-	948
Trademarks								
. historic cost	27,942	-	-	-	-	-	-	27,942
. amortisation	22,229	-	-	783	465	-	-	23,477
Net	5,713	-	-	783	465	-	-	4,465
Intangible fixed assets under construction								
. historic cost	2,000	877	-	-	350	(1,511)	-	1,016
Net	2,000	877	-	-	350	(1,511)	-	1,016
Total intangible assets with a finite useful life								
. historic cost	84,888	2,806	-	-	350	-	(24)	87,320
. amortisation	70,737	-	-	4,855	465	-	(24)	76,033
Net	14,151	2,806	-	4,855	815	-	-	11,287

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

Industrial patents and intellectual property rights

This item was Euro 4,858 thousand, net of amortisation for the year of Euro 3,718 thousand. The net increase of Euro 982 thousand and the Euro 1,511 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 948 thousand, net of amortisation for the year of Euro 354 thousand. The increase of Euro 947 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 4,465 thousand net of amortisation for the year of Euro 783 thousand, with breakdown as follows:

- Milan Games Week Euro 1,394 thousand;
- Promotion Trade Exhibition Euro 856 thousand;
- Host Euro 796 thousand;
- Mipap Milano Prêt-à-Porter Euro 748 thousand;
- Transpotec & Logitec Euro 211 thousand;
- Cartoomics Euro 177 thousand;
- Salone Franchising Milano Euro 127 thousand;
- Miart Euro 54 thousand;
- BtoBio Expo Euro 49 thousand;
- La Campionaria Euro 47 thousand;
- Fruit&Veg Innovation Euro 6 thousand;

With reference to the trademarks assigned a finite useful life by Fiera Milano SpA, the external and internal sources of information specified in paragraphs 12-14 of IAS 36 were examined, for the purposes of impairment testing, and no signs of impairment were found.

The impairment losses identified by the *impairment testing* concern the G! Come Giocare trademark for Euro 465 thousand, due to the fact that the event is no longer scheduled.

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 1,016 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. Value adjustments of Euro 350 thousand relate to a digital project that, after careful evaluation, was abandoned during the year.

6) Investments

The breakdown and changes in the financial year are given below:

Investments

(thousands of euro)

Equity investments in subsidiaries companies	% held 31/12/23	Book value 31/12/22	Changes during the financial year					Book value 31/12/23
			Incr.	Decr.	Reclassification	Revaluations	Write-downs	
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%	-	1,824	-	-	-	-	1,824
Fiera Milano Exhibitions Africa Pty Ltd	100%	415	-	-	-	-	-	415
Total		28,579	1,824	-	-	-	-	30,403
Equity investments in associates companies								
Ge.Fi SpA	25%	13,426	-	1,676	-	-	-	11,750
Fiere di Parma SpA	18.50%	-	16,500	-	-	-	-	16,500
Total		13,426	16,500	1,676	-	-	-	28,250
Equity investments in joint-ventures								
Hannover Milano Global Germany GmbH	49%	10,989	-	-	-	-	-	10,989
lpack 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 Investments		55,433	18,324	1,676	-	-	-	72,081

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

The changes in investments are described below:

- On 20 February 2023, Fiera Milano SpA 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. This led to an increase in the value of the investment of Euro 1,824 thousand.
- On 9 March 2023, the Board of Directors of Fiera Milano SpA approved the finalisation of the strategic transaction with Fiere di Parma SpA concerning a partnership aimed at creating a common exhibition platform in the agri-food sector. The transaction was carried out at the closing date, on 28 March 2023, through the subscription of a capital increase of Fiere di Parma reserved for Fiera Milano, 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 16,500 thousand. The share capital held by Fiera Milano SpA in the share capital of Fiere di Parma SpA is equal to 18.5%.
- The value of the investment in Ge.Fi SpA, relative to the forward price component recognised in the year 2022, was adjusted by Euro 1,676 thousand following the updating of the economic financial projections for the period 2024-2027.

At the end of the year, the investments were tested for *impairment*, with the assistance of a qualified independent expert, with a positive outcome.

The discounted cash flow method is used for *impairment*, based on the 2024-2027 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. It should be noted that for Ipack Ima Srl alone, despite having a projection with the same time horizon (2024-2027), it was deemed appropriate to calculate the recoverable value by respecting the three-year cycle of the reference event (next edition in 2025), thus including the 2024-2026 flows in the calculation and excluding the 2027 financial year.

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. For Italian investments, a growth factor of 1.5% was assumed against an expected medium- to long-term inflation rate of 2%. For foreign investments, on the other hand, a growth rate of zero in real terms was assumed, thus setting the nominal growth rate at a value equal to the level of inflation expected in the medium to long term in the specific monetary reference area.

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	8.90%
• Fiera Milano Congressi SpA	8.90%
• Fiere di Parma SpA	8.90%
• Ge.Fi SpA	9.65%
• Ipack-Ima Srl	8.90%
• Nolostand SpA	8.90%
• MADE eventi Srl	8.90%
• Fiera Milano Brasil Publicações e Eventos Ltda	14.11%
• Fiera Milano Exhibitions Africa Pty Ltd	14.72%
• Hannover Milano Global Germany GmbH	7.67%

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, which following impairment testing confirmed their value, also showed positive results in sensitivity analyses.

Lastly, the "breaking point" was also calculated. This is the permanent reduction of financial flows, compared to 2024-2027 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 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 13,379 thousand (Euro 11,011 thousand at 31 December 2022), broken down as follows:

Financial leasing receivables

	31/12/23	31/12/22	Change
Financial leasing receivables	13,379	11,011	2,368
Total	13,379	11,011	2,368

(€'000)

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** site and the Subsidiary Nolostand SpA of a property complex comprising the warehouse situated in Rho, in the area known as 'Cargo 2'.

The entire item refers to related-party transactions (Euro 11,011 thousand at 31 December 2022). For more details, see note 49 on these transactions.

8) Other financial assets

This item totalled Euro 986 thousand (Euro 4,251 thousand at 31 December 2022), broken down as follows:

Other financial assets

	31/12/23	31/12/22	Change
Derivatives	986	2,315	(1,329)
Loans to Subsidiaries	-	2,912	(2,912)
Provision for doubtful loans	-	976	(976)
Total	986	4,251	(3,265)

(€'000)

The item includes Euro 986 thousand for the *cash flow* hedge measured at *fair value* and calculated using the pricing models given by the issuing bank.

The derivative is related to the hedging of the variable interest rate of certain loans through a fixed rate. The hedging relationship is effective insofar as the ratio of the changes in the expected cash flows of the hedged item to the opposing changes in the hedging instrument is between 80%-125%.

The item Other financial liabilities does not include related-party transactions (Euro 1,936 thousand at 31 December 2022).

9) Trade and other receivables

This item totalled Euro 28,641 thousand (Euro 32,852 thousand at 31 December 2022), of which Euro 12,623 thousand due beyond five years, with breakdown as follows:

Trade and other receivables

	31/12/23	31/12/22	Change
Other receivables from the controlling shareholder	10,412	10,412	-
Receivables from the controlling shareholder for tax consolidation	16,018	22,333	(6,315)
Other guarantee deposits	2,211	107	2,104
Total	28,641	32,852	(4,211)

(€'000)

The item includes:

- other receivables from the Controlling Entity of Euro 10,412 thousand (Euro 10,412 thousand at 31 December 2022). 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.
- Receivables from the Parent Company for tax consolidation amounting to Euro 16,018 thousand (Euro 22,333 thousand at 31 December 2022). This item refers to the remuneration of the tax losses of the financial years 2020 and 2021 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; The decrease is due to the offsetting in the item of the tax consolidation liability arising from the positive taxable income generated in the 2023 financial year and the financial settlement of receivables corresponding to losses used in the context of tax consolidation for the 2022 financial year.
- Other receivables for Euro 2,211 thousand (Euro 107 thousand at 31 December 2022). This item mainly refers to the security deposit required by the supplier company as a guarantee for the volatility of energy prices.

The item Trade and other receivables also included Euro 26,430 thousand of related-party transactions (Euro 32,745 thousand at 31 December 2022). For more details, see note 49 on these transactions.

10) Deferred tax assets

This item totalled Euro 9,701 thousand (Euro 10,401 at 31 December 2022) 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 47 to the Income Statement.

Current assets

11) Trade and other receivables

Trade and other receivables

	31/12/23	31/12/22	Change
Trade receivables	17,962	15,227	2,735
Trade receivables from subsidiaries	1,280	971	309
Trade receivables from associates and joint venture	2,705	2,107	598
Trade receivables from related parties	3	3	-
Group VAT receivables to controlling shareholder	-	159	(159)
Other receivables	1,680	1,240	440
Other receivables from the controlling shareholder	3,146	2,401	745
Prepaid expenses	792	758	34
Prepaid expenses from the controlling shareholder	115	107	8
Total	27,683	22,973	4,710

This item totalled Euro 27,683 thousand (Euro 22,973 thousand at 31 December 2022), with breakdown as follows:

- trade receivables of Euro 17,962 thousand (Euro 15,227 thousand at 31 December 2022) net of the provision for doubtful receivables of Euro 654 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 change is due to the increase in invoices mainly relating to outstanding receivables for future events.

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:

	31/12/22	Provisions	Utilisation and other changes	(€'000) 31/12/23
Provision for doubtful receivables	767	119	232	654

- Other receivables from the Controlling Entity of Euro 1,280 thousand (Euro 971 thousand at 31 December 2022). These were trade receivables and are settled at arm's length. The services provided are part of the organisation and management of exhibitions and other events at the Exhibition site.
- Other receivables of Euro 1,680 thousand (Euro 1,240 thousand at 31 December 2022). This item consisted of receivables from employees for Euro 41 thousand, receivables for tax advances on employee severance indemnities for Euro 23 thousand, advances to suppliers for Euro 619 thousand, receivables from social security institutions for Euro 154 thousand, IRES receivables for Euro 28 thousand, other tax receivables for Euro 639 thousand, which may mostly be used starting from the payment of advance tax in June 2024 and other short-term receivables for Euro 176 thousand.
- Other receivables from the Controlling Entity of Euro 3,146 thousand (Euro 2,401 thousand at 31 December 2022). 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.
- Deferred charges for Euro 792 thousand (Euro 758 thousand at 31 December 2022). These refer to insurance premiums and other accruals and costs incurred by year end but pertaining to the following year.

The item Trade and other receivables also included Euro 7,249 thousand of related-party transactions (Euro 5,748 thousand at 31 December 2022). For more details, see note 49 on these transactions.

12) Inventories

This item includes deferred costs for Euro 1,626 thousand (Euro 2,098 thousand at 31 December 2022) for events to be held after 31 December 2023.

Inventories

	31/12/22	31/12/22	(€'000) Change
Print4all	402	80	322
Milano Home	283	63	220
Transpotec & Logitec	194	76	118
Bit	155	143	12
Host	152	961	(809)
Miart	121	-	121
Sicurezza	23	202	(179)
Issa Pulire	1	248	(247)
Other	295	325	(30)
Total	1,626	2,098	(472)

The change over the previous year is mainly due to the biennial or multiannual frequency of some exhibitions.

Personnel costs 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 589 thousand.

Inventories included Euro 123 thousand (Euro 136 thousand at 31 December 2022) for related-party transactions. For more details, see note 49 on these transactions.

13) Financial receivables from leased assets

This item totalled Euro 1,532 thousand (Euro 869 thousand at 31 December 2022), broken down as follows:

Financial leasing receivables

	31/12/23	31/12/22	Change
Financial leasing receivables	1,532	869	663
Total	1,532	869	663

(€'000)

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** exhibition site and the Subsidiary Nolostand SpA of a property complex comprising the warehouse situated in Rho, in the area known as 'Cargo 2'.

The entire item refers to related-party transactions (Euro 869 thousand at 31 December 2022). For more details, see note 49 on these transactions.

14) Financial Assets

This item totalled Euro 40,129 thousand (Euro 36,764 thousand at 31 December 2022), broken down as follows:

Financial assets

	31/12/23	31/12/22	Change
Time deposit	30,402	30,093	309
Mutual investment funds ESG	5,501	5,065	436
Current financing from subsidiaries and joint venture	2,629	1,606	1,023
Financing to controlling shareholder	1,597	-	1,597
Total	40,129	36,764	3,365

(€'000)

The item includes:

- 30,402 thousand for time deposits including accrued interest signed with Banca Nazionale del Lavoro (Euro 15,261 thousand), Banca Intesa Sanpaolo (Euro 5,050 thousand), Crédit Agricole Italia (Euro 5,054 thousand) and Monte dei Paschi di Siena (Euro 5,037 thousand);
- Euro 5,501 thousand for units of ESG 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 2023 inclusive of commissions.
- for Euro 2,629 thousand, the loan granted to the subsidiary MADE eventi Srl (Euro 910 thousand) and the loan granted to the *joint venture* Ipack Ima Srl (Euro 1,719 thousand). The loans are automatically renewed from year to year and the rate applied was determined with a quarterly calendar update of 4.50% at 31 December 2023. The average rate for the year was 3.60%.
- Euro 1,597 thousand for the current account held with Fondazione Fiera Milano; The applied rate was equal to the 1-month Euribor plus a spread of 0.75%.

Other financial liabilities included Euro 4,226 thousand (Euro 1,606 thousand at 31 December 2022) for related-party transactions. For more details, see note 49 on these transactions.

15) Cash and cash equivalents

This item totalled Euro 95,329 thousand (Euro 74,894 thousand at 31 December 2022) and referred almost entirely to cash in bank.

Cash and cash equivalents

	31/12/23	31/12/22	Change
Bank and postal accounts	75,259	74,885	374
Cheques	20,067	-	20,067
Cash and cash equivalents	3	9	(6)
Total	95,329	74,894	20,435

(€'000)

Time deposits refer to time deposits of less than three months including accrued interest underwritten with Banca Nazionale del Lavoro (Euro 10,028 thousand) and Banca Sistema (Euro 10,039 thousand).

The cash flows, with comparative data at 31 December 2022, are shown in the Statement of Cash Flows.

1.6) Activities held for sale

This item was zero (Euro 2,672 thousand at 31 December 2022).

Assets held for sale do not include transactions with related parties (Euro 65 thousand at 31 December 2022).

EQUITY AND LIABILITIES

16) Equity

The breakdown of equity was as follows:

Equity

	31/12/23	31/12/22	Change
Share capital	41,987	42,182	(195)
<i>of which treasury shares</i>	<i>(458)</i>	<i>(263)</i>	<i>(195)</i>
Share premium reserve	7,648	8,129	(481)
<i>of which treasury shares</i>	<i>(3,181)</i>	<i>(2,700)</i>	<i>(481)</i>
<i>Other reserves</i>	<i>9,574</i>	<i>11,757</i>	<i>(2,183)</i>
Legal reserve	8,489	8,489	-
Stock grant reserve	469	1,045	(576)
Fair value reserve of financial assets at FVOCI	749	2,315	(1,566)
Remeasurement on defined benefit plans	(133)	(92)	(41)
Retained earnings	37,136	42,616	(5,480)
Profit/(loss)	37,866	(5,480)	43,346
Total	134,211	99,204	35,007

(€'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 2022 were as follows:

Share capital

At 31 December 2023, this item was Euro 41,987 thousand (Euro 42,182 thousand at 31 December 2022), net of treasury shares for Euro 458 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:

	Movements			Number of shares at 31 December 2023
	Number of shares at 31 December 2022	Acquisition of shares	Free grant of ordinary shares allocated to the Directors	
Ordinary shares in issue	71,917,829			71,917,829
Shares in portfolio	445,659	588,099	(257,748)	776,010
Total shares outstanding	71,472,170			71,141,819

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 2023, this gave an implicit nominal value of Euro 0.59 per share.

On 9 November 2023, the Company announced the start of its share buyback programme, in execution of the authorisation granted by the Ordinary Shareholders' Meeting of 27 April 2023. 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. The buyback programme was completed on 30 November 2023, reaching 588,099 shares purchased at an average price of Euro 2.65 per share for a value of Euro 1,556 thousand.

The decrease in treasury shares of 257,748 relates to the allocation of *stock grants* accrued under the 'Performance Shares Plan' aimed at management and covering the period 2021-2022.

At 31 December 2023, the Company held 776,010 treasury shares, or 1.08% of the share capital.

Share premium reserve

This item amounted to Euro 7,648 thousand (Euro 8,129 thousand at 31 December 2022) net of treasury share reserves of Euro 3,181 thousand. The Euro 481 thousand decrease refers to the purchase of treasury shares.

Other reserves

Other reserves totalled Euro 9,574 thousand (Euro 11,757 thousand at 31 December 2022), broken down as follows:

- Euro 8,489 thousand (Euro 8,489 thousand at 31 December 2022) for the legal reserve;
- Euro 469 thousand (Euro 1,045 thousand at 31 December 2022) from the stock grant reserve in relation to the estimated cost of the Performance Shares Plan included in the 2023-2025 management incentives plan;
- Euro 749 thousand (Euro 2,315 thousand at 31 December 2022) from the reserve for financial hedging transactions net of tax effects;
- Euro -133 thousand (Euro -92 thousand at 31 December 2022) for the revaluation of defined benefit plans net of tax effects.

Retained earnings

This entry was Euro 37,136 thousand (Euro 42,616 thousand at 31 December 2022). The change of Euro 5,480 thousand follows the shareholders' resolution of 27 April 2023 to carry forward the loss for the year 2022.

Profit/(loss)

For the year ending 31 December 2023, a profit of Euro 37,866 thousand was recognised, compared to a loss of Euro 5,480 at 31 December 2022.

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	Amount available	Summary of uses in the three previous financial years	
				to cover losses	for other reasons
Share capital	41,987				
<i>of which shares in portfolio</i>	(458)				
Capital reserves:					
Share-premium reserve	7,648	A,B,C	7,648	-	
Other reserves (legal reserve)	8,489	B	-	-	
Other reserves (stock grant reserve)	469	-	-	-	
Other reserves (Fair value reserve of financial assets at FVOCI)	749	-	-	-	
Other reserves (Remeasurement on defined benefit plans)	(133)	-	-	-	
Reserves for earnings:					
Retained earnings	37,136	A,B,C	37,136	30,236	
Profit (loss)	37,866	-	-	-	
Total	134,211		44,784	30,236	
Amount unavailable for distribution			-		
Remainder available for distribution			44,784		

Legend

A: for capital increases

B: for covering losses

C: for distribution to Shareholders

LIABILITIES

Non-current liabilities

17) Bank borrowings

This item totalled Euro 30,630 thousand (Euro 60,116 thousand at 31 December 2022).

Bank borrowings

	31/12/23	31/12/22	Change
Bank loans	30,630	60,116	(29,486)
Total	30,630	60,116	(29,486)

(€ '000)

Medium-long term bank borrowings concern the following loans:

- Euro 18,604 thousand (Euro 36,867 thousand at 31 December 2022), for the portion of the loan underwritten on 17 February 2021 by a syndicate 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 2023.
- Euro 6,776 thousand (Euro 13,437 at 31 December 2022) 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 2023.

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 5,250 thousand (Euro 7,000 thousand at 31 December 2022) for the portion of the loan underwritten on 28 April 2021 with 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.

The change from the previous year was mainly due to the reclassification in bank payables classified as current liabilities of the short-term portion of loans, and the early repayment of the loan underwritten on 19 May 2021 by Banca Carige (Euro 2,812 thousand at 31 December 2022).

For more details, see note 32.2 'Liquidity risk'.

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

This item totalled Euro 315,365 thousand (Euro 325,595 thousand at 31 December 2022), broken down as follows:

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

(€ '000)

	31/12/23	31/12/22	Change
Financial liabilities related to the right-of-use of assets	315,365	325,595	(10,230)
Total	315,365	325,595	(10,230)

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 313,929 thousand (zero at Euro 325,114 thousand at 31 December 2022). For more details, see note 49 on these transactions.

19) Other financial liabilities

This item was zero (Euro 1,683 thousand at 31 December 2022).

Other financial liabilities

(€ '000)

	31/12/23	31/12/22	Change
Earn out consideration	-	1,683	(1,683)
Total	-	1,683	(1,683)

The present value of the payable, related to the forward price component on the investment in Ge.Fi. SpA, recognised due to the achievement of specific targets set out in the *Business Plan*, was written off against the value of the investment following the update of the economic and financial projections for the period 2024-2027.

For further details, please refer to Note 6 to the Statement of Financial Position.

20) Provisions for risks and charges

This item was zero (Euro 500 thousand at 31 December 2022).

Provisions for risks and charges

(€ '000)

	31/12/22	Provisions	Utilisation	Write-back of provisions	31/12/23
Other provisions for risks and charges	500	-	-	500	-
Total	500	-	-	500	-

The decrease refers to the release of the risk provision set up in the previous year for a proceeding to ascertain compliance with data protection regulations, which ended without sanctions being imposed.

21) Employee benefit provisions

This item totalled Euro 4,822 thousand (Euro 5,399 thousand at 31 December 2022).

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

	31/12/22	Actuarial evaluation	Indemnities and advances paid	Other movements	(thousands of euro) 31/12/23
Defined benefit plans	5,399	295	671	(201)	4,822
Total	5,399	295	671	(201)	4,822

Actuarial valuation

	(thousands of euro)
Personnel costs	
- Indemnities related to defined benefit plans	40
Financial expenses:	
- actualisation charges	200
Other comprehensive income:	
- Remeasurement of defined benefit plans	55
Total	295

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 10,00% 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

	31/12/23	31/12/22
Annual technical discount rate	3.10%	3.70%
Annual inflation rate	2.50%	2.50%
Annual rate of increase in severance indemnity provisions	3.38%	3.38%

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.

(Euro '000)				
Economic and financial assumptions	Range	Base figure	Increase in assumptions	Decrease in assumptions
Annual technical discount rate	+/- 0.5%	4,822	4,734	4,914
Annual rate of increase in total employees salary	+/- 0.5%	4,822	4,846	4,798
Economic and financial assumptions				
Life expectancy	+/- 1 year	4,822	4,798	4,846

22) Other liabilities

This item totalled Euro 384 thousand (zero at 31 December 2022), with breakdown as follows:

(€ '000)			
Other liabilities	31/12/23	31/12/22	Change
Share-based plans	384	-	384
Total	384	-	384

The item refers to the quantification of the cash component of the 'Performance Shares Plan' for management for the period 2023-2025.

Current liabilities

23) Bank borrowings

This item totalled Euro 26,750 thousand (Euro 26,250 thousand at 31 December 2022), broken down as follows:

(€ '000)			
Bank borrowings	31/12/23	31/12/22	Change
Bank loans	26,750	26,250	500
Total	26,750	26,250	500

Bank borrowings refer to the short-term portions of the bank loans described in note 17 above.

In particular, Euro 18,333 thousand (Euro 18,333 thousand at 31 December 2022) refer to the loan taken out on 17 February 2021 with a syndicate of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit), Euro 6,667 thousand (Euro 6,667 thousand at 31 December 2022) refer to the loan taken out on 22 February 2021 with Cassa Depositi e Presitti and Euro 1,750 thousand (zero balance at 31 December 2022) refer to the loan taken out on 28 April 2021 with Simest.

The loan underwritten on 19 May 2021 by Banca Carige (Euro 1,250 thousand at 31 December 2022) was repaid in advance.

24) Trade payables

This item totalled Euro 43,398 thousand (Euro 29,202 thousand at 31 December 2022). 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. The change is mainly due to the higher business volume related to the more favourable exhibition calendar in Q4 2023 due to the presence of the directly organised event held every two year, on odd years.

25) Advances

This item totalled Euro 32,027 thousand (Euro 24,617 thousand at 31 December 2022) and represent advances invoiced to customers for events to be held after 31 December 2023. Recognition as revenue is deferred until the exhibition is held.

The table below gives a breakdown by exhibition.

Advances

	31/12/23	31/12/22	Change
Mostra Convegno Expocomfort	6,713	613	6,100
Mido	4,135	2,093	2,042
Milano Home	2,921	2,469	452
Milano Unica	2,889	2,028	861
I Saloni	3,194	3,111	83
Lineapelle - A new point of view	1,720	1,290	430
Transpotec & Logitec	1,440	-	1,440
Quick&More	1,308	-	1,308
Milano Fashion&Jewels	1,102	428	674
Promotion Trade Exhibition	810	585	225
Myplant & Garden	774	271	503
Micam	672	691	(19)
Bit	626	268	358
Host	602	6,347	(5,745)
CPhI Worldwide	568	-	568
Simei	431	-	431
Tuttofood	334	-	334
Miart	329	97	232
Venditalia	302	2	300
Si Sposaltalia	270	275	(5)
Ipack-Ima	226	18	208
Xylexpo	171	-	171
Bimu	111	-	111
Plast	-	1,200	(1,200)
Issa Pulire	-	902	(902)
Sicurezza	-	468	(468)
Itma	-	451	(451)
Made in Steel	-	216	(216)
Gee	-	196	(196)
Lamiera	-	178	(178)
The One Milano	-	112	(112)
Euroshop	-	105	(105)
Other	379	203	176
Total	32,027	24,617	7,410

The change over the previous year is mainly due to the biennial or multiannual frequency of some exhibitions.

Advances included Euro 618 thousand (Euro 84 thousand at 31 December 2022) for related-party transactions. For more details, see note 49 on these transactions.

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

This item totalled Euro 48,966 thousand (Euro 44,282 thousand at 31 December 2022), broken down as follows:

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

(€ '000)

	31/12/23	31/12/22	Change
Financial liabilities related to the right-of-use of assets	48,966	44,282	4,684
Total	48,966	44,282	4,684

It refers to the short-term portion of the lease liability. This liability represents the obligation to make payments under the lease agreements for buildings and hire cars, resulting from the application of IFRS 16. The increase refers to the ISTAT adjustment of the lease agreement for the exhibition sites, as well as the lease of the property complex consisting of the warehouse located in Rho, in the area known as "Cargo 2", subleased to the subsidiary Nolostand SpA.

The term of the leases is understood to be the non-cancellable period of the lease, in addition to the extension option, when there is a reasonable certainty of exercising that option. Currently, all payables arising from property agreements are calculated taking into account the extension option.

Cash outflows during the year, corresponding to paid lease instalments, amounted to Euro 45,739 thousand.

The item Financial liabilities related to the right-of-use assets includes related-party transactions of Euro 48,631 thousand (Euro 44,115 at 31 December 2022). For more details, see note 49 on these transactions.

27) Other financial liabilities

This item totalled Euro 22,957 thousand (Euro 21,982 thousand at 31 December 2022), broken down as follows:

Other financial liabilities

(€ '000)

	31/12/23	31/12/22	Change
Financial payables from the Controlling Entity	-	130	(130)
Financial payables to the subsidiaries	22,957	21,852	1,105
Total	22,957	21,982	975

The change in the item 'Financial payables to the Controlling Entity' is due to the existing current account with Fondazione Fiera Milano, which in the period under review has a credit balance, recognised under financial assets.

item 'Financial payables to the Controlling Entity' refers to the balance in the current account held with the following subsidiaries:

- Fiera Milano Congressi SpA for Euro 18,886 thousand;
- Nolostand SpA for Euro 4,071 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 21,982 thousand at 31 December 2022). For more details, see note 49 on these transactions.

28) Provisions for risks and charges

This item totalled Euro 4,234 thousand (Euro 4,425 thousand at 31 December 2022).

Provisions for risks and charges

	31/12/22	Provisions	Utilisation	Write-back of provisions	(€'000) 31/12/23
Other provisions for risks and charges	4,425	2,776	2,788	179	4,234
Total	4,425	2,776	2,788	179	4,234

The item mostly refers to 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.

29) Tax payables

This item totalled Euro 2,431 thousand (Euro 2,044 thousand at 31 December 2022).

Tax liabilities

	31/12/23	31/12/22	(€'000) Change
Income tax payable for employees (IRPEF)	1,070	1,042	28
Income tax payable for temporary employees and project workers (IRPEF)	153	104	49
Income tax payable in the financial year	1,189	190	999
Other tax liabilities	19	708	(689)
Total	2,431	2,044	387

The change mainly refers to the increase in current IRAP taxes for the year, net of advances paid. This effect was partially offset by the decrease in the item 'Other tax payables' due to the settlement of the portion of the substitute tax liability that arose from the tax realignment of goodwill and trademarks.

30) Other Liabilities

This item totalled Euro 37,694 thousand (Euro 28,648 thousand at 31 December 2022).

Other liabilities

	31/12/23	31/12/22	Change
Trade payables to subsidiaries	13,261	10,253	3,008
Trade payables to associates and joint venture	1,098	525	573
Trade payables to related parties	179	76	103
Payables to exhibition organisers and others	7,810	5,599	2,211
Payables to exhibition organisers of subsidiaries	106	26	80
Payables to exhibition organisers in associates and in joint venture	3,579	3,541	38
Payables to employees	8,037	6,539	1,498
Payables to pension and social security entities	1,754	1,741	13
Payables to the controlling shareholder for Group VAT	1,523	-	1,523
Payables to directors and statutory auditors	33	47	(14)
Other payables	55	81	(26)
Other payables to the controlling shareholder	76	68	8
Deferred income	134	117	17
Deferred income to the controlling shareholder	5	5	-
Deferred income to subsidiaries	21	21	-
Deferred income in joint venture	22	8	14
Deferred income to related parties	1	1	-
Total	37,694	28,648	9,046

The main changes from the previous year are described below:

- an increase in trade payables due to Subsidiaries, mainly attributable to the transaction dynamics referred to in the installation services contract in place with Nolostand SpA;
- an increase in the amounts payable to organisers and others, mainly referring to collections made on behalf of exhibition organisers;
- an increase in payables to personnel, mainly attributable to higher costs incurred for the variable portion of salaries.

Other liabilities included Euro 19,871 thousand (Euro 14,524 thousand at 31 December 2022) for related-party transactions. For more details, see note 49 on these transactions.

31) Financial assets and financial liabilities

At 31 December 2023, the Company had net financial debt including the IFRS 16 lease liability of Euro 307,678 thousand (net debt of Euro 365,572 thousand at 31 December 2022), as detailed in the table below. Where applicable, each item indicates the portion referring to related parties.

Financial debt

(€'000)	31/12/23	31/12/22	Change
A. Cash	75,262	74,894	368
B. Cash and equivalents	20,067	-	20,067
C. Other current financial assets	40,129	36,764	3,365
- C.1 of which Other current financial assets to subsidiaries and joint ventures	4,226	1,606	2,620
D. Liquidity (A+B+C)	135,458	111,658	23,800
E. Current financial debt	22,957	21,982	975
- E.1 of which Current financial debt to the controlling shareholder and subsidiaries	22,957	21,982	975
F. Current portion of non-current debt	26,750	26,250	500
G. Current financial indebtedness (E+F)	49,707	48,232	1,475
H. Net current financial indebtedness (G-D)	(85,751)	(63,426)	(22,325)
I. Non-current financial debt	30,630	61,799	(31,169)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I+J+K)	30,630	61,799	(31,169)
Net financial debt from continuing operations (H+L)	(55,121)	(1,627)	(53,494)
Net financial debt from assets held for sale	-	(1,809)	1,809
M. Total financial indebtedness before IFRS 16 effects	(55,121)	(3,436)	(51,685)
N. Current financial liabilities related to the right of use of assets	48,966	44,282	4,684
- N.1 of which current financial liabilities related to the right-of-use assets to the controlling shareholder	48,631	44,115	4,516
O. Non-current financial liabilities related to the right of use of assets	315,365	325,595	(10,230)
- O.1 of which non-current financial liabilities related to the right-of-use assets to the controlling shareholder	313,929	325,114	(11,185)
P. Current financial assets related to the right of use of assets	1,532	869	663
- P.1 of which current financial assets related to the right-of-use assets to the controlling shareholder	1,532	869	663
IFRS 16 financial effects	362,799	369,008	(6,209)
Q. Total net financial debt (M+N+O-P)	307,678	365,572	(57,894)

Net financial debt not including the *lease liability IFRS 16* shows net cash of Euro 55,121 thousand, compared to net cash of Euro 3,436 thousand at 31 December 2022.

The increase of 51,685 is mainly due to the positive cash flow generated by operating activities for the year, mainly as a result of pre-payments collected for the exhibition taking place in the following months.

The repayment of loans in the amount of around Euro 29,000 thousand in the year under review should be noted.

The table below shows the breakdown, compiled in accordance with updated ESMA Recommendation no. 32-382-1138 of 4 March 2021, for the year 2023 and for the year 2022.

Financial debt

(€'000)	31/12/23	31/12/22	Change
A. Cash	75,262	74,894	368
B. Cash and equivalents	20,067	-	20,067
C. Other current financial assets	41,661	37,633	4,028
- C.1 of which Other current financial assets to subsidiaries and joint ventures	5,758	2,475	3,283
D. Liquidity (A+B+C)	136,990	112,527	24,463
E. Current financial debt	71,923	66,264	5,659
- E.1 of which Current financial debt to the controlling shareholder and subsidiaries	71,588	66,097	5,491
F. Current portion of non-current debt	26,750	26,250	500
G. Current financial indebtedness (E+F)	98,673	92,514	6,159
H. Net current financial indebtedness (G-D)	(38,317)	(20,013)	(18,304)
I. Non-current financial debt	345,995	387,394	(41,399)
- I.1 of which non-current financial debt to the controlling shareholder	313,929	325,114	(11,185)
J. Debt instruments	-	-	-
L. Non-current financial indebtedness (I+J+K)	345,995	387,394	(41,399)
Net financial debt from continuing operations (H+L)	307,678	367,381	(59,703)
Net financial debt from assets held for sale	-	(1,809)	1,809
M. Total financial indebtedness before IFRS 16 effects	307,678	365,572	(57,894)

Additional information on the financial instruments of the Company is given below to enable a better assessment of:

- the importance of the financial instruments to the Statement of Financial Position and Income Statement;
- 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 2023 and 31 December 2022 are shown in the following table:

Risk class

(€'000)	Notes	Balance at 31/12/23	Balance at 31/12/22	Liquidi- ty risk	Interest rate risk	Credit risk
NON-CURRENT ASSETS						
Financial leasing receivables	7	13,379	11,011	X		X
Other financial assets	8	986	4,251	X	X	X
Trade and other receivables	9	28,641	32,852			X
CURRENT ASSETS						
Trade and other receivables	11	27,683	22,973			X
Financial leasing receivables	13	1,532	869	X		X
Financial assets	14	40,129	36,764	X	X	X
Cash and cash equivalents	15	95,329	74,894			
Cash and cash equivalents held for sale	1.6	-	1,809			
NON-CURRENT LIABILITIES						
Bank borrowings	17	30,630	60,116	X	X	
Financial liabilities related to the right-of-use of assets	18	315,365	325,595	X	X	
Other financial liabilities	19	-	1,683		X	
CURRENT LIABILITIES						
Bank borrowings	23	26,750	26,250	X	X	
Trade payables	24	43,398	29,202	X		
Financial liabilities related to the right-of-use of assets	26	48,966	44,282	X	X	
Other financial liabilities	27	22,957	21,982	X	X	
Other current liabilities	30	37,694	28,648	X		
Other current liabilities held for sale	1.6	-	20	X		

Significance of financial instruments

Financial instruments and their relative significance, as regards the Statement of Financial Position and Income Statement at 31 December 2022 and 31 December 2023, are shown in the following tables:

CFinancial 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)
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 current liabilities	30	28,648	-	28,648	-	-	28,648	-
Other current liabilities held for sale	1.6	20	-	20	-	-	20	-

Financial assets and liabilities shown in the accounts

(€'000)	Notes	FY 31/12/23	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	13,379	-	-	-	13,379	13,379	-
Other financial assets	8	986	-	-	986	-	986	1,363
Trade and other receivables	9	28,641	-	-	-	28,641	28,641	520
CURRENT ASSETS								
Trade and other receivables	11	27,683	-	-	-	27,683	27,683	(105)
Financial leasing receivables	13	1,532	-	-	-	1,532	1,532	-
Financial assets	14	40,129	35,903	-	-	4,226	40,129	2,299
Cash and cash equivalents	15	95,329	-	-	-	-	95,329	1,217
NON-CURRENT LIABILITIES								
Bank borrowings	17	30,630	-	30,630	-	-	30,630	(3,024)
Financial liabilities related to the right-of-use of assets	18	315,365	-	315,365	-	-	315,365	(9,761)
Other financial liabilities	19	-	-	-	-	-	-	-
CURRENT LIABILITIES								
Bank borrowings	23	26,750	-	26,750	-	-	26,750	-
Trade payables	24	43,398	-	43,398	-	-	43,398	-
Financial liabilities related to the right-of-use of assets	26	48,966	-	48,966	-	-	48,966	-
Other financial liabilities	27	22,957	-	22,957	-	-	22,957	(881)
Other current liabilities	30	37,694	-	37,694	-	-	37,694	-

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

	31/12/22	Increase	Repayment of borrowings	Interests on Profit and Loss	Exchange rate effect	(€'000) 31/12/23
Bank borrowings	60,116	-	(2,819)	-	(26,667)	30,630
Financial liabilities related to the right-of-use of assets	325,595	-	(10,230)	-	-	315,365
Other financial liabilities	1,683	-	-	-	(1,683)	-
Total change in non-current financial payables	387,394	-	(13,049)		(28,350)	345,995
Bank borrowings	26,250	-	(26,173)	3,246	26,673	26,750
Financial liabilities related to the right-of-use of assets	44,282	30,432	(25,748)	9,761	-	48,966
Current financial debt with the controlling shareholder	130	-	(130)	13	-	-
Current financial debt with the subsidiaries	21,852	1,105	-	881	-	22,957
Total change in current financial payables	92,514	31,537	(52,051)	13,901	26,673	98,673
Total liabilities from financing activities	479,908	31,537	(65,100)	13,901	(1,677)	444,668

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 liabilities with the controlling entity 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 2022 and at 31 December 2023 and the breakdown of past due amounts are shown in the following tables:

(€'000)		Breakdown of late payments (days)						
Class	FY 31/12/22 Receivables	Due	Overdue	0-90	91-180	181-270	>270	Provision
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

(€'000)		Breakdown of late payments (days)						
Class	FY 31/12/23 Receivables	Due	Overdue	0-90	91-180	181-270	>270	Provision
Organisers	3,276	2,581	695	460	-	-	235	-
Exhibitors	7,926	5,415	2,799	2,036	115	346	302	288
Other	6,760	4,423	2,703	2,542	6	8	147	366
Total	17,962	12,419	6,197	5,038	121	354	684	654

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 2022 and 31 December 2023 by risk category are shown in the following tables:

(€'000)		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

(€'000)		FY 31/12/22 Provision	Provisions	Utilisation	FY 31/12/23 Provision
Organisers		-	-	-	-
Exhibitors		370	87	169	288
Other		397	32	63	366
Total		767	119	232	654

32.2 Liquidity Risk

The Company has put in place measures to ensure that adequate levels of working capital and liquidity are maintained. possible contractions in business volumes, due to the seasonality that characterises the sector, may have an impact on economic results 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 2023 recorded cash of Euro 55,122 thousand, up by Euro 51,686 thousand compared to the figure at 31 December 2022.

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 syndicate 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. Euro 25 million in instalments were repaid during 2023.

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 March 2023, the loan signed in May 2021 with Banca Carige for a residual value of Euro 4.1 million was repaid in advance.

The Company has Euro 95.3 million in bank deposits and cash on account, compared to total bank borrowings of Euro 57.4 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 2024-2027 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 2022 and 31 December 2023.

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	529		
Financial liabilities related to the right-of-use of assets current and non-current	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						317	
Trade payables	29,202	29,202							
Total	509,110	79,887	17,819	35,442	36,129	35,951	75,129	87,393	192,391

Financial liabilities

(€' 000)	FY at 31/12/23	3 mths	6 mths	12 mths	18 mths	24 mths	3 years	5 years	>5 years
Current and non-current bank borrowings	57,380	6,297	7,173	13,470	13,470	13,470	1,750	1,750	
Current and non-current interest payable		520	464	724	457	205	17	7	
Financial liabilities related to the right-of-use of assets current and non-current	364,331	20,821	9,316	18,828	19,092	19,358	39,516	82,056	155,344
Current and non-current interest payable		2,423	2,356	4,514	4,247	3,973	7,114	10,806	7,291
Other current financial liabilities	22,957	22,957							
Current interest payable		265							
Trade payables	43,398	43,398							
Total	488,066	96,681	19,309	37,536	37,266	37,006	48,397	94,619	162,635

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.

As a further *risk mitigation* tool, the interest rate variability on the most significant bank loan, still open for Euro 37 million, underwritten by a syndicate of leading banks, is covered by an IRS *Interest Rate Swap*. In addition, other bank loans are regulated by a fixed interest rate. With regard to the composition of payables to the banking system, reference is made to Notes 17 and 23, which report a decrease in outstanding debts due to repayments of principal.

Financial liabilities related to the right-of-use of assets, shown in notes 18 and 26, are not affected by the variability of interest rates but are fixed at the time the contract is signed. In fact, they represent the accounting effects of the application of IFRS 16, which requires the present value of future lease payments to be presented as a financial liability until the expiry of the contracts to which they refer. The value of the payable is mainly related to future rentals of the exhibition and congress venues leased by the Controlling Entity Fondazione Fiera Milano, described in Note 49.

These rental payments are subject to the ISTAT adjustments provided for in the contract.

The tables below give interest rate sensitivity analyses that show the financial expenses and income that a change in the interest rate would have had on equity and on the income statement for 2022 and 2023. A range of plus or minus 0.5 points is considered, which is unchanged from the 2022 projection, as this reflects the financing structure characterised by a limited interest rate variability.

(€'000)	Balance at 31/12/22	Balance * (debt)	Income (expense)	Rate	0.5%	-0.5%
Cash at banks	76,693	109,550	96	0.09%	646	(449)
Short-term deposit	30,093	10,055	155	1.54%	205	104
Current and non-current loans to 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)
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

(€'000)	Balance at 31/12/23	Balance * (debt)	Income (expense)	Rate	0.5%	-0.5%
Cash at banks	75,259	61,754	1,217	1.97%	1,525	908
Short-term deposit	50,468	54,288	1,768	3.26%	2,041	1,498
Current and non-current loans to subsidiaries and joint venture	2,629	2,469	84	3.40%	96	72
Current receivable with the controlling shareholder	1,597	518	22	4.25%	25	19
Current loans with the controlling shareholder	-	(377)	(13)	3.45%	(15)	(11)
Current and non-current financial leasing receivables	14,911	15,207	-	0.00%	76	(76)
Current and non-current bank borrowings	(57,380)	(73,483)	(3,024)	4.12%	(3,395)	(2,660)
Derivative instruments	986	n.a.	1,363	n.a.	n.a.	n.a.
Financial liabilities related to the right-of-use of assets	(364,331)	(379,029)	(9,761)	2.58%	(11,674)	(7,884)
Current account with the subsidiaries	(22,957)	(22,037)	(881)	4.00%	(992)	(771)

* average for the financial year

b) Exchange rate risk

This risk is insignificant as in the year ending 31 December 2023 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 in place advance procurement policies for certain materials and entered into framework agreements with suppliers at prices set for the short term (for wood and polymers) or has hedging strategies on the Mhw price that envisage taking advantage of the most favourable opportunities in energy prices, modulating the hedge ratio (electricity and gas) accordingly. In addition, work had already begun in early 2023 to upgrade the photovoltaic system installed at the Rho exhibition site with the aim, by 2024, of increasing the share of energy needs up to 30%.

Exposure to this risk factor is described in the section on the Commodity price risk in the Board of Directors' Management Report.

33) Disclosure on guarantees given, undertakings and other contingent liabilities**Guarantees given**

This item totalled Euro 4,723 thousand (Euro 4,611 thousand at 31 December 2022) 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.
- Euro 112 thousand for the guarantee given in favour of Fabbrica Immobiliare Società di Gestione e Risparmio SpA to guarantee the rented property relating to the Rome operational headquarters;

Contingent liabilities

It should be noted that there are no contingent liabilities.

INCOME STATEMENT

34) Revenues from sales and services

This item totalled Euro 232,630 thousand (Euro 172,488 thousand at 31 December 2022).

The breakdown of revenues was as follows:

Revenues from sales and services

	2023	2022	Change
Facility fee for use of exhibition area	72,195	71,277	918
Rentals of stands, fittings, and equipment	60,210	45,313	14,897
Fees exhibitors area	56,150	22,423	33,727
Catering and canteen services	9,559	7,222	2,337
Exhibition site services	7,378	6,880	498
Supplementary exhibition services	6,871	3,185	3,686
Miscellaneous fees and royalties	6,518	3,542	2,976
Advertising space and services	6,097	5,139	958
Ticket office sales	3,004	2,451	553
Access surveillance and customer care services	1,158	1,405	(247)
Editorial product sales	1,097	194	903
Telephone and internet services	852	726	126
Administrative services	677	435	242
Facility fees for use of conference centre	580	1,472	(892)
Multimedia and on-line catalogue services	284	824	(540)
Total	232,630	172,488	60,142

The increase in revenue is primarily due to the varied exhibition schedule, which included the biennial event Host that we organised directly in the year under review. Additionally, the multi-year events ITMA and Plast were held, both of which yielded results that significantly surpassed those of their previous editions. This impact was partly mitigated by the lack of the multi-year Innovation Alliance and the biennial Mostra Convegno Expocomfort exhibitions. The rise in revenue was further propelled by the strong collective performance of the annual fashion industry events, namely Milano Unica, LineaPelle, The Micam, and HOMI Fashion & Jewels. The excellent revenue trend is generally attributable to both the larger exhibition areas occupied and the significant penetration of the services provided.

The item Revenues from sales and services included Euro 10,572 thousand (Euro 10,751 thousand at 31 December 2022) for related-party transactions. For more details, see note 49 on these transactions.

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

35) Cost of materials

This item totalled Euro 290 thousand (Euro 221 thousand at 31 December 2022).

The breakdown of this entry was as follows:

Cost of materials

	2023	2022	Change
Subsidiary materials and consumables	211	145	66
Printed materials, forms and stationery	79	76	3
Total	290	221	69

(€'000)

The item Costs of materials does not include related-party transactions (Euro 4 thousand at 31 December 2022).

36) Costs of services

This item totalled Euro 113,479 thousand (Euro 91,366 thousand at 31 December 2022).

The breakdown of this entry was as follows:

Cost of services

	2023	2022	Change
Stands and equipment for exhibitions	44,316	35,333	8,983
Energy costs	10,340	5,540	4,800
Initiatives promotional to the events	6,885	4,550	2,335
Maintenance	6,795	5,738	1,057
Advertising	4,785	3,658	1,127
Catering services	4,752	2,698	2,054
Security and gate services	4,588	3,814	774
Cleaning and waste disposal	4,457	3,988	469
Equipment hire	3,909	4,203	(294)
IT services	3,811	4,425	(614)
Technical, legal, commercial and administrative advice	3,755	3,179	576
Insurance	1,908	2,691	(783)
Conference and congress services	1,800	1,723	77
Commissions and fees	1,665	901	764
Technical, legal, commercial and administrative services	1,321	1,393	(72)
Telephone and internet expenses	1,188	1,448	(260)
Professional services and various collaborations	1,155	985	170
Technical assistance and ancillary services	895	861	34
Ticketing	419	578	(159)
Transport	399	255	144
Remuneration of statutory auditors	138	135	3
Change in suspended costs for future exhibitions	96	(557)	653
Other	4,151	3,882	269
Use of provisions	(49)	(55)	6
Total	113,479	91,366	22,113

(€'000)

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 related to the higher volume of business due to the different exhibition calendar as well as higher structural and operating costs, mainly due to higher electricity prices.

The item 'Other' mainly includes costs of services to employees for travel and transfers, training and catering.

Costs of services included Euro 44,329 thousand (Euro 36,128 thousand at 31 December 2022) for related-party transactions. For more details, see note 49 on these transactions.

37) Cost for use of third-party assets

This item totalled Euro 770 thousand (Euro 1,177 thousand at 31 December 2022) and the breakdown was as follows:

Cost of use of third-party assets				(€'000)
	2023	2022	Change	
Other rental expenses	283	802	(519)	
Vehicle hire - service	276	256	20	
Expenses for exhibition sites	181	99	82	
Office equipment and photocopier hire	30	20	10	
Total	770	1,177	(407)	

The decrease in the item "Variable rents" mainly refers to the license to use exhibition trademarks in the previous year.

The item cost of use of third-party assets included Euro 347 thousand (Euro 183 thousand at 31 December 2022) for related-party transactions. For more details, see note 49 on these transactions.

38) Personnel Costs

This item totalled Euro 42,910 thousand (Euro 37,791 thousand at 31 December 2022) and the breakdown was as follows:

Personnel costs				(€'000)
	2023	2022	Change	
Salaries	27,180	26,350	830	
Social Security payments	8,290	8,110	180	
Redundancy incentives	4,423	1,864	2,559	
Defined contribution plans charges	1,762	1,578	184	
Directors' remuneration	861	604	257	
External and temporary employees	724	613	111	
Change in suspended costs for future exhibitions	377	(522)	899	
Seconded employees from subsidiaries	78	4	74	
Defined benefit plan charges	40	47	(7)	
Other expenses	1,305	1,007	298	
Use of provisions	(2,130)	(1,864)	(266)	
Total	42,910	37,791	5,119	

Personnel costs increased mainly due to higher one-off costs not covered by the provision for the variable portion of salaries, as well as the recognition in the income statement of costs suspended in previous years directly attributable to the biennial and multi-year events held in the year under review.

The item 'Other costs' includes Euro 853 thousand as costs relating to the 'Medium-term Incentive Plan' approved by the Fiera Milano SpA Shareholders' Meeting of 27 April 2023. 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 has a mixed format whereby the beneficiaries receive 40% *cash* and 60% of a certain number of ordinary shares for achieving specific and predetermined 'performance targets', relating to the 2023-2025 period.

Personnel costs included Euro 78 thousand (Euro 4 thousand at 31 December 2022) for related-party transactions. For more details, see note 49 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

	2023	2022	Change
Managers	22	24	(2)
Middle managers and white collar workers	467	443	24
Total	489	467	22

39) Other operating expenses

This item totalled Euro 4,730 thousand (Euro 3,663 thousand at 31 December 2022) and the breakdown was as follows:

Other operating expenses

	2023	2022	Change
Other Taxes and duties	2,752	2,304	448
Contributions and donations	491	563	(72)
Copyright royalties (SIAE)	404	270	134
Doubtful receivables	232	1,692	(1,460)
Gifts and promotional merchandise	31	20	11
Capital losses from tangible asset	2	15	(13)
Other expenses	1,050	491	559
Use of provisions	(232)	(1,692)	1,460
Total	4,730	3,663	1,067

The increase in the item "Non-income tax and tax" 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.

The increase in the item 'Other Costs' is mainly attributable to expenses arising from the settlement of legal disputes with suppliers.

Other operating expenses included Euro 423 thousand (Euro 528 thousand at 31 December 2022) for related-party transactions. For more details, see note 49 on these transactions.

40) Other income

This item totalled Euro 6,417 thousand (Euro 5,954 thousand at 31 December 2022) and the breakdown was as follows:

Other income

	2023	2022	Change
Other recovered costs	1,195	1,155	40
Contributions to income	968	884	84
Office rent and expenses	730	589	141
Recovery of expenses for seconded employees	286	216	70
Insurance indemnities	88	102	(14)
Other income	3,150	3,008	142
Total	6,417	5,954	463

The item "Operating grants" refers for Euro 126 thousand to the recognition of the tax credit on advertising investments in newspapers, periodicals and on local television and radio stations pursuant to Article 57-bis of Decree-Law no. 50 of 24 April 2017.

Other income included Euro 4,494 thousand (Euro 4,030 thousand at 31 December 2022) for related-party transactions. For more details, see note 49 on these transactions.

41) Provisions for doubtful receivables and other provisions

This item totalled Euro 2,216 thousand (Euro 2,578 thousand at 31 December 2022) and the breakdown was as follows:

Provisions for doubtful receivables and other provisions

	2023	2022	Change
Staff reorganisation	2,731	2,081	650
Provisions for doubtful receivables	119	69	50
Other disputes	45	500	(455)
Write-back of provisions	(679)	(72)	(607)
Total	2,216	2,578	(362)

Provisions for corporate reorganisation refer to the efficiency project started in the previous year and still underway.

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 38,183 thousand (Euro 35,512 thousand at 31 December 2022).

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 4,855 thousand (Euro 4,396 thousand at 31 December 2022).

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

43) Adjustments to asset values

This item amounts to Euro 815 thousand (zero at 31 December 2022).

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

Adjustments to asset values

	2023	2022	Change
Impairment of exhibition trademarks	465	-	465
Impairment of intangible assets	350	-	350
Total	815	-	815

For a more detailed analysis of asset impairments, please refer to the comments in Note 5 to the Statement of Financial Position.

44) Financial income and similar

This item totalled Euro 9,738 thousand (Euro 6,703 thousand at 31 December 2022), broken down as follows:

Financial income and similar

	2023	2022	Change
Dividends from subsidiaries and joint venture	4,285	6,000	(1,715)
Interest income on bank deposits	2,985	251	2,734
Derivative income	1,363	161	1,202
Interest income from cautionary deposits for rent of the exhibition sites from the controlling shareholder	520	130	390
Fair value measurement of financial assets	437	-	437
Interest income on financing from joint venture	46	18	28
Interest income on financing to subsidiaries	38	88	(50)
Interest income on receivables from the controlling shareholder	22	3	19
Exchange rate gains	18	1	17
Other financial income	24	51	(27)
Total	9,738	6,703	3,035

The increase is mainly attributable to higher income from cash investments, income from derivatives set up to hedge interest expense recognised in the item "Financial expenses and similar" referring to the variable-rate loan taken out with a syndicate of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit), as well as the improvement in the *fair value* of units of ESG mutual funds. This impact was partly mitigated by reduced dividends distributed by the subsidiary, Fiera Milano Congressi SpA.

Financial income and similar included Euro 4,911 thousand (Euro 6,239 thousand at 31 December 2022) for related-party transactions. For more details, see note 49 on these transactions.

45) Financial expenses and similar

This item totalled Euro 13,902 thousand (Euro 13,050 thousand at 31 December 2022), broken down as follows:

Financial expenses and similar	(€'000)		
	2023	2022	Change
Interests on financial leasing with the controlling shareholder	9,702	10,148	(446)
Interest payable on bank accounts	3,038	1,771	1,267
Interest payable on current account held with the subsidiaries	881	210	671
Charges on discounting defined benefit plans	200	65	135
Interests on financial leasing	59	15	44
Interest payable on current account held with the controlling shareholder	13	4	9
Exchange rate losses	6	8	(2)
Fair value measurement of financial assets	-	733	(733)
Other financial expenses	3	96	(93)
Total	13,902	13,050	852

The change is mainly due to financial expenses in relation to the increase in interest rates affecting the variable-rate loan taken out with a syndicate of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit) and the current account held with the Subsidiaries. This effect was partially offset by the improvement in the *fair value* of units of ESG mutual funds, as well as lower financial expenses on leased assets, referring to the *lease liability* resulting from the application of IFRS 16.

It should be noted that the higher interest expense on the syndicate loan are offset by financial hedging derivatives recognised under 'Financial expenses and similar'.

Financial expenses and similar included Euro 10,596 thousand (Euro 10,362 thousand at 31 December 2022) for related-party transactions. For more details, see note 49 on these transactions.

46) Valuation of financial assets

This item was zero (Euro -2,720 thousand at 31 December 2022).

Valuation of financial assets	(€'000)		
	2023	2022	Change
Fiera Milano Brasil Publicações e Eventos Ltda	-	(2,720)	2,720
Total	-	(2,720)	2,720

47) Income tax

This item totalled Euro -5,269 thousand (Euro -1,851 thousand at 31 December 2022), broken down as follows:

Income tax	(€'000)		
	2023	2022	Change
Current income tax	4,793	(2,804)	7,597
Deferred income tax	476	953	(477)
Total	5,269	(1,851)	7,120

The change is attributable to the tax burden mainly related to the increase in taxable income generated during the year.

The analysis of current taxes is given below:

Current income tax	(€'000)		
	2023	2022	Change
Expenses (Income) from tax consolidation	3,982	(2,994)	6,976
Current income tax (IRAP)	811	190	621
Total	4,793	(2,804)	7,597

Expenses from tax consolidation refer to the tax liability towards Fondazione Fiera Milano for the theoretical IRES corresponding to the positive taxable amount that was transferred to the consolidating entity net of the use of its pre-existing tax losses prior to consolidation as well as the Allowance for Economic Growth (ACE) benefit.

Deferred tax assets and liabilities are broken down by type in the table below:

Deferred income taxes	(€'000)			
	31/12/22	Recognised in the income statement	Recognised in equity	31/12/23
Deferred tax assets				
Assets tax realignment	7,839	(369)	-	7,470
Provisions for risks and charges	1,238	(185)	-	1,053
Doubtful receivables	192	(39)	-	153
Tax losses carried forward	520	-	-	520
Excess amortisation, depreciation and write-downs	345	102	-	447
Other temporary differences	300	25	13	338
Total	10,434	(466)	13	9,981
Deferred tax liabilities				
Goodwill and other amortisation	33	10	-	43
Other temporary differences	-	-	237	237
Total	33	10	237	280
Net deferred taxes	10,401	(476)	(224)	9,701
<i>of which: Tax assets for deferred taxes</i>	<i>10,401</i>			<i>9,701</i>
<i>Deferred tax liabilities</i>	<i>-</i>			<i>-</i>

Deferred taxes for the year totalled Euro 476 thousand and represent the balance of deferred tax assets (Euro 466 thousand) and deferred tax liabilities (Euro 10 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. This effect was partially offset by the recognition of deferred tax assets mainly corresponding to the value adjustment made for the G! Come Giocare trademark.

Reconciliation of theoretical and effective corporation tax charge (IRES)		(€'000)
Profit/(loss) before income tax		43,135
Percentage applicable for corporation income tax (IRES)		24.0%
Theoretical IRES tax charge (corporation income tax)		10,352
Difference between theoretical and effective tax charges:		
Tax realignment goodwill and exhibition trademarks		318
Capital gain in tax neutrality		(3,960)
ACE benefit		(1,103)
Tax-free dividends		(977)
Other		(230)
Effective IRES tax charge		4,400

Reconciliation of theoretical and effective corporation tax charge (IRAP)		(€'000)
EBIT		30,798
Not- relevant expenses for IRAP purposes		42,966
Taxable base for purposes of IRAP		73,764
Statutory rate applicable for corporation income tax (IRAP)		3.9%
Theoretical IRAP tax charge (corporation income tax)		2,877
Difference between theoretical and effective tax charges:		
Tax realignment goodwill and exhibition trademarks		52
Tax wedge effects		(1,572)
State aid - IRAP overpayment		(567)
Other		79
Effective IRAP tax charge		869

The item 'Income tax' included Euro -3,982 thousand (Euro -2,994 thousand at 31 December 2022) for related-party transactions. For more details, see note 49 on these transactions.

1.6) Profit/(loss) for the period from discontinued operations

Profit from discontinued operations amounted to Euro 16,500 thousand (balance of zero at 31 December 2022) and refers to the higher values arising from the contribution of the 'Tuttofood' exhibition business unit, in connection with the acquisition of 18.5% of Fiere di Parma SpA.

For more details, see Note 1.6 "Disclosure of Assets Held for Sale".

48) Profit/(loss)

A profit for the year ended 31 December 2023 of Euro 37,866 thousand was recorded, compared to the loss of Euro 5,480 thousand at 31 December 2022.

49) Related-party transactions

Fiera Milano SpA's related-party relationships have normally been conducted on an arm's length basis.

As part of the corporate governance actions undertaken, Fiera Milano SpA has adopted a procedure on related party transactions, most recently updated on 13 December 2023, which identifies the rules and controls aimed at ensuring the transparency and substantive and procedural fairness of related party transactions carried out directly by Fiera Milano or through its subsidiaries; as illustrated in the document 'Report on Corporate Governance and Ownership Structures' available on the website www.fieramilano.it under the section 'Investors/ Governance/Related Parties Procedure'.

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 Entity Ente Autonomo Fiera Internazionale di Milano', 'Transactions with Subsidiaries', 'Transactions with Associates', 'Transactions with *Joint Ventures*' and 'Transactions with Consolidated Companies'.

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 entered into a lease agreement with Fondazione Ente Autonomo Fiera Internazionale di Milano (hereinafter, 'Fondazione Fiera Milano') concerning 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 sites.

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.

With regard to the rental agreement for the Rho Exhibition Site, the rent was set at Euro 38,800 thousand per year, updated annually based on 100% of the change in the ISTAT consumer price index for blue- and white-collar families. For 2023, the revalued rent is equal to Euro 44,253 thousand.

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. For 2023, the revalued rent is Euro 1,576 thousand.

It should be noted that the monetary revaluation recorded on the ISTAT change at December 2022, for the year 2023 only with reference to this maturity date, was agreed upon in the maximum incremental amount of 7% following a specific resolution of Fondazione Fiera Milano.

On 30 July 2021, the Company signed a contract with the Subsidiary Fiera Milano Congressi SpA for the sublease of the **fieramilanocity** exhibition site (pavilions 3 and 4) for congress and exhibition 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 exhibition 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.

To ensure that market conditions were applied, the parties prepared the rental agreements using valuations made for Fiera Milano SpA by an independent expert.

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. 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. Current account agreement

A new contract for the 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 subleasing 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 Srl, whose share capital is held by A2A Rinnovabili SpA (60%), a company of the A2A Group, and by Fondazione Fiera Milano (40%). On 23 February 2023, a supplementary agreement was signed to extend the lease to additional exhibition space roofing.

Relations 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 will expire in November 2025 and there is no automatic renewal when they expire. 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** exhibition site (pavillions 3 and 4) for congress and exhibition 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 known as "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 amount of Euro 600 thousand. On 6 May 2020, it was increased by an additional Euro 300 thousand. The loan is automatically renewed from year to year and the rate applied is determined with a quarterly update on a calendar basis, equal to 4.50% at 31 December 2023. The average rate for the year was 3.60%. At 31 December 2023, the loan had been utilised in full.

Relations with Associated Companies

Fiera Milano SpA has maintained trade relationships with its associated companies concerning the organisation and management of exhibitions and other events.

On 22 May 2023, Fiera Milano SpA's share of the dividend paid by the associated company Ge.Fi. SpA was collected for Euro 285 thousand. The existing economic relations concern the management of the Artigiano in Fiera exhibition.

With reference to the company Fiere di Parma SpA, in which the Company has held an 18.5% stake since 28 March 2023, it is specified that the financial and economic relations relate to the management of the biennial exhibition Tuttofood, held in May 2023. The service agreement in force between the parties regulates relations concerning the management of the areas and services provided during the event "Tuttofood powered by Cibus" that will continue to be held by Fiere di Parma SpA at the Rho exhibition site. The transaction will also see Fiera Milano provide services to Fiere di Parma concerning the 'Tuttofood powered by Cibus' event, which will continue to be held at the Rho exhibition site and managed by Fiera Milano.

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.

Fiera Milano SpA also has trade relations with Ipack Ima Srl for the preparation of the multi-year exhibition organised by Ipack Ima and provides technical and administrative services with regard to centralised management.

Fiera Milano SpA maintains relations with the company MiCo DMC srl for the provision of 'destination management' logistics services.

On 21 February 2016, Fiera Milano SpA signed a loan agreement with the *joint venture* company Ipack Ima Srl for a maximum amount of Euro 3,000 thousand. The loan is automatically renewed from year to year, and the rate applied is determined with a quarterly update on a calendar basis, equal to 4.50% at 31 December 2023. The average rate for the year was 3.60%. At 31 December 2023, up to Euro 1,700 thousand of the loan had been utilised.

Transactions with Affiliated Companies

Fiera Milano SpA has relationships with affiliated companies as part of its normal management activities.

On 14 March 2019, as subsequently supplemented on 27 April 2023, Fiera Milano SpA signed a contract for the sublease to Fair renew Srl of the roofing of the exhibition spaces in Rho-Però for the construction and installation of a photovoltaic system and for the purchase by Fiera Milano of the electricity produced by the same system.

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 2023

(€'000)	Increases of property, plant and equipment	Increases of Right-of-use assets	Non current Financial leasing receivables	Non current Trade receivables and other	Trade and other current receivables	Inventories	Current Financial leasing receivables	Current financial assets	Non-current financial liabilities related to the right-of-use of assets	Ad-vances	Current financial liabilities related to the right-of-use of assets	Other current financial liabilities	Other current liabilities	Revenues from sales and services	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		24,234		26,430	3,261			1,597	313,929		48,631		1,604	38	149			232	642	542	9,715	3,982
Subsidiaries:																						
Fiera Milano Congressi SpA			10,561		442		1,232					18,886	679	312	2,775	297	78	191	1,193	4,000	737	
MADE Eventi Srl					234		910					115	3,274	115					410	32		
Nolostand SpA	93		2,818		600		300					4,071	12,594	19	35,587					1,758		144
Fiera Milano Brasil Publicações e Eventos Ltda															5						6	
Fiera Milano Exhibitions Africa Pty Ltd					4															2		
Associates:																						
Fiere di Parma SpA					7					334			74	1,699	181					10		
Ge.Fi. Srl					2,599								3,562	4,649	54						285	
MI-VIEW SrL					25	3							186	1	427					27		
Joint-ventures:																						
Ipack Ima Srl					17		1,719			253			36	10						293	46	
Mico DMC Srl					30	120				1			743	3	3,697	50				133		
Hannover Milano Fairs China Ltd													98		97							
Hannover Milano Fairs Shangai Ltd					27					30					554							
Other related parties:																						
Fair renew Srl					2								179		1,242					22		
Fiera Parking SpA					1								1	1						4		
Total related parties	93	24,234	13,379	26,430	7,250	123	1,532	4,226	313,929	618	48,631	22,957	19,871	10,572	44,329	347	78	423	4,494	4,911	10,596	3,982
Total reported			13,379	28,641	27,683	1,626	1,532	40,129	315,365	32,027	48,966	22,957	37,694	232,630	113,479	770	42,910	4,730	6,417	9,738	13,902	5,269
Related party entries/Total reported (%)			100%	92.28%	26%	8%	100%	11%	99.54%	2%	99.32%	100%	53%	5%	39%	45%	0.18%	9%	70%	50%	76%	76%

Information on the remuneration paid to the Administrative and Control Bodies, General Managers and Executives with strategic responsibilities at 31 December 2023 is given in the table included in the section 'Other information'.

Statement of related party cash flow

(€'000)

	2023	2022
Cash flow from operating activities		
Revenues and income	15,066	14,781
Costs and expenses	(45,177)	(36,846)
Financial income	4,911	6,239
Financial expenses	(894)	(213)
Financial expenses on leased assets (IFRS 16)	(9,702)	(10,148)
Losses/income from tax consolidation	(3,982)	2,994
Change in trade and other receivables	1,694	(1,193)
Change in inventories	13	(109)
Change in advances	534	(1,255)
Change in other current liabilities	5,347	(2,198)
Total from continuing operations	(32,190)	(27,948)
Total from assets held for sale	65	(65)
Cash flow from investing activities		
Investments in non-current assets		
Tangible and intangible	93	-
Total from continuing operations	93	-
Total from assets held for sale	-	-
Cash flow from financing activities		
Change in non current and current financial leasing receivables	(3,031)	700
Change in non current financial assets	1,936	1,400
Change in current financial assets	(2,621)	1,709
Change in current financial liabilities related to the right-of-use of assets	(31,181)	(26,008)
Change in current financial liabilities	975	(8,234)
Total from continuing operations	(33,922)	(30,432)
Total from assets held for sale	-	-
Cash Flow for the year from continuing operations	(66,019)	(58,380)
Cash Flow for the year from assets held for sale	65	(65)

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 31.12.23:			
Total	88,446	(1,200)	(68,619)
Related party transactions	(32,125)	93	(33,922)
FY to 31.12.22:			
Total	27,993	(8,503)	(78,784)
Related party transactions	(28,013)	-	(30,432)

50) 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.

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 2023 as defined in the aforementioned Communication.

Disclosure required pursuant to Italian Law 124/2017

Pursuant to Law 124/2017 there are no contributions to report. 'Operating grants' included in the item 'Other income' refer to the recognition of the tax credit on advertising investments in newspapers, periodicals and on local television and radio stations pursuant to Article 57-*bis* of Decree-Law no. 50 of 24 April 2017.

Significant events after the end of the reporting period

There were no significant events after the end of the year.

Information under Article 149-*duodecies* of the Consob Issuers' Regulation

The remuneration paid for services provided by the independent auditors in 2023 are shown in the following table.

		(€'000)
Service Provider	Company providing the service	Fees for FY 2023
Auditing	PwC SpA	224
Other services (*)	PwC SpA	19
Other services (**)	PwC SpA	10
Total		253

(*) Limited review of non-financial Information

(**) 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.

Key Executives are the Directors, the Statutory Auditors, the Auditors, the General Manager and Deputy General Manager.

The total remuneration of this category of executives was Euro 4,158 thousand in the period to 31 December 2023 (Euro 2,511 thousand at 31 December 2022) and the breakdown was as follows:

Remuneration

(€'000)

	2023		
	Directors	Statutory Auditors	Other
Short-term benefits	780	135	879
Post-employment benefits	-	-	61
Other non-current benefits	-	-	-
Staff-leaving indemnities	-	-	1,450
Cost related "Medium-term Incentive Plan"	-	-	853
Total	780	135	3,243

The notional cost of the "Medium-Term Incentive Plan" includes the value of *stock grants* allocated for Eur 469 thousand and the cash portion for Euro 384 thousand.

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

At 31 December 2023, the outstanding amount payable to this category was Euro 380 thousand (Euro 559 thousand at 31 December 2022).

Rho (Milan), 13 March 2024

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 2023

(art. 2427, paragraph 1, no.5 of the Italian Civil Code)

(€'000)

Company name	Registe- red Office	Share capital	Equity		Net profit/(loss)		% held	Carrying value
			Total	Pro-quota	Total	Pro-quota		
Subsidiaries								
Fiera Milano Congressi SpA	Milan	2,000	11,613	11,613	4,876	4,876	100.00%	12,200
MADE eventi Srl	Milan	10	775	465	31	19	60.00%	2,574
Nolostand SpA	Milan	7,500	16,222	16,222	493	493	100.00%	13,390
Fiera Milano Brasil Publicações e Eventos Ltda	São Paulo Brazil	21,162	(160)	(160)	(566)	(566)	99.99%	1,824
Fiera Milano Exhibitions Africa Pty Ltd	Cape Town	-	599	599	57	57	100.00%	415
Total								30,403
Associated companies								
Ge.Fi SpA	Milan	1,000	15,857	3,964	2,796	699	25.00%	11,750
Fiere di Parma SpA	Parma	31,167	68,300	12,636	7,428	1,374	18.50%	16,500
Total								28,250
Joint ventures:								
Hannover Milano Global Germany GmbH	Hannover Germany	25	22,784	11,164	11,240	5,508	49.00%	10,989
Ipack Ima Srl	Milan	20	2,865	1,404	(859)	(421)	49.00%	2,407
Total								13,396

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

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:

MADE eventi Srl	31/12/23	31/12/22
(amounts in € '000)		
Revenues from sales and services	6,504	3
Profit/(loss)	31	(407)
Equity	775	744
Net financial debt/(cash)	(386)	596

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	31/12/23	31/12/22
(amounts in € '000)		
Revenues from sales and services	46,982	43,309
Profit/(loss)	4,876	4,476
Equity	11,613	10,815
Net financial debt/(cash)	15,004	16,874

Nolostand SpA	31/12/23	31/12/22
(amounts in € '000)		
Revenues from sales and services	41,269	33,848
Profit/(loss)	493	284
Equity	16,222	15,750
Net financial debt/(cash)	6,730	(4,573)

Fiera Milano Brasil Publicações e Eventos Ltda	31/12/23	31/12/22
(amounts in Brazilian reais '000)		
Revenues from sales and services	16,646	43,586
Profit/(loss)	(3,057)	(10,153)
Equity	(856)	(13,282)
Net financial debt/(cash)	(6,632)	12,921

Fiera Milano Exhibitions Africa Pty Ltd	31/12/23	31/12/22
(amounts in South African rand '000)		
Revenues from sales and services	16,178	11,777
Profit/(loss)	1,132	562
Equity	12,191	11,059
Net financial debt/(cash)	(13,018)	(7,676)

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:

Ge.Fi SpA	31/12/23	31/12/22
(amounts in € '000)		
Revenues from sales and services	17,860	14,630
Profit/(loss)	2,796	3,463
Equity	15,857	16,524
Net financial debt/(cash)	(4,161)	(919)

Fiere di Parma SpA*	31/12/23	31/12/22
(amounts in € '000)		
Revenues from sales and services	44,371	-
Profit/(loss)	7,428	-
Equity	69,300	-
Net financial debt/(cash)	(15,118)	-

* Company acquired on 28 March 2023

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:

Ipack Ima Srl	31/12/23	31/12/22
(amounts in € '000)		
Revenues from sales and services	-	14,961
Profit/(loss)	(859)	2,071
Equity	2,865	3,724
Net financial debt/(cash)	561	(1,311)

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

Hannover Milano Global Germany GmbH	31/12/23	31/12/22
(amounts in € '000)		
Revenues from sales and services	51,432	5,742
Profit/(loss)	11,240	(2,770)
Equity	22,784	11,701
Net financial debt/(cash)	(27,104)	(21,412)

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, Francesco Conci, as Chief Executive Officer, and Massimo De Tullio, 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 2023.

2. It is also declared that:
 - 2.1 the Financial Statements at 31 December 2023:
 - 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), 13 March 2024

Signed

Chief Executive Officer

Francesco Conci

Signed

Financial Reporting Officer

Massimo De Tullio

**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**

TO THE SHAREHOLDERS' MEETING PURSUANT TO ART. 153 Legislative Decree. 58/1998

Dear Shareholders,

During the financial year ended 31 December 2023, 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), has 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 the indications contained in the 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 Board of Statutory Auditors of Fiera - pursuant to Article 153 of Legislative Decree 58/98 and Article 2429, paragraph 2 of the Italian Civil Code - is required to report to the Shareholders' Meeting convened for the approval of the Financial Statements on the supervisory activities carried out during the financial year concerning, inter alia, the fulfilment of its duties, omissions and any reprehensible facts detected and the results of the financial year, as well as to formulate proposals concerning the Financial Statements, their approval and matters within its competence.

The Board of Statutory Auditors is currently composed of: Monica Mannino (Chairperson), Piero Antonio Capitini (Standing Statutory Auditor) and Daniele Federico Monarca (Standing Statutory Auditor).

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), remains 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 as of 31 December 2023. Its mandate will therefore expire on 23 April 2024.

On 28 February 2024, the Board of Statutory Auditors approved the document called "Guidelines to shareholders on the renewal of the Board of Statutory Auditors", containing some indications for shareholders regarding the diversity policy in the composition of the Company's supervisory body. On the same date, the aforementioned document was made available by the Company on its website and on the authorised storage mechanism www.emarketstorage.com.

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 1bis 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 according to the provisions of the Article 144-undecies¹ of the Issuers' Regulation.

The Board of Statutory Auditors carried out the periodic verification of compliance with the criteria of independence, as well as professionalism and honourableness, for its members, as provided for both by law (Article 148, paragraph 3 of the Consolidated Law on Finance) and by the principles set out in the Rules of Conduct for Boards of Statutory Auditors recommended by the National Council of Chartered Accountants, as well as by the Corporate Governance Code (Recommendations 7 and 9), noting that its members:

- do not fall into any situation of ineligibility, incompatibility and forfeiture provided for in relation to the office of Statutory Auditor by law, regulation and the Articles of Association;
- meet the requirements of good repute and professionalism prescribed by the applicable legislation and, specifically, the requirements established for members of the control bodies by Regulation issued pursuant to Article 148, paragraph 4 of Legislative Decree No. 58/1998;
- comply with the provisions relating to the limits on the accumulation of positions established by current legislation.

During the year, the Independent auditors PricewaterhouseCoopers SPA (hereinafter: the "Independent Auditor" or "PWC") for the duration of 9 financial years (2023-2031) as resolved by the Shareholders' Meeting of 27 April 2023.

It is acknowledged that the Shareholders' Meeting of 27 April 2023 appointed a Board of Directors composed of executive and non-executive directors, all with the professionalism and competence appropriate to the tasks entrusted to them.

It is hereby acknowledged that the composition of the Board of Directors in office complies with the provisions on gender diversity set out in Article 148, Paragraph 1bis 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 144, Paragraph 304 of the same law as well as in accordance with the provisions of Consob Communication No. 1/1 of 30 January 2020.

The current composition of the Board complies with the aforementioned Cumulation Limits, last verified at the Board meeting of 22 February 2024.

.....

The supervisory duties of the Board of Statutory Auditors are governed by Legislative Decree 58/1998 and Legislative Decree 39/2010. The Board of Statutory Auditors took into account the changes that occurred to Legislative Decree 39/2010 with Legislative Decree 135/2016 in implementation of Directive 2014/56/EU, and of European Regulation 537/2014.

On the supervisory activities carried out during the year, considering the indications provided by Consob with communication No. DEM 1025564 of 6 April 2001, modified and integrated with communication DEM/3021582 of 4 April 2003, and subsequently with communication No. DEM/6031329 of 7 April 2006, the Board of Statutory Auditors declares to have:

- participated in the meeting of the Shareholders' Meeting of 27 April 2023 and 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 organisational 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 and Risk Committee, the newly established 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, among other things, through: (i) the examination of the positive assessment expressed by the Board of Directors on the adequacy of the Company's organisational, administrative and accounting structure, with particular reference to the internal control and risk management system, pursuant to Article 2381, paragraph 3, of the Italian Civil Code also pursuant to Legislative Decree No. 14 of 12 January 2019, (ii) the information made available by the heads of the various corporate functions, (iii) the review of corporate documents, (iv) the analysis of the reports and Reports issued by the Internal Audit function and the monitoring of the mitigation processes introduced, (v) the analysis of the results of the work carried out by the independent auditors, having particular regard to the content of the Additional

Report issued on 28 March 2024 pursuant to Article 11 of European Regulation No. 537 of 16 April 2014, (vi) examination of the Report of the Control and Risk Committee, as well as constant participation in its work, with which the Board of Auditors, in line with what has occurred in past years, has held continuous discussions and exchanges of information, (vii) examination of the Reports prepared by the Risk & Compliance Function, aimed at representing the Group's main risks and the monitoring of the relative treatment and mitigation plans, (vii) the information obtained, as part of a continuous exchange of information set up with the Company's Legal Director to monitor ongoing litigation, which benefited from constant updates at Board meetings and, finally, (viii) the exchanges of information with the control bodies of the subsidiaries, pursuant to paragraphs 1 and 2 of Article 151 of Legislative Decree No. 58/1998;

- 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 European Regulation 537/2014;
- 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, which the Company declares to adhere to;
- verified, in relation to the periodic assessment to be carried out pursuant to Article 2 of the Corporate Governance Code (recommendation 6 and 7), 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;
examined, with the assistance of the Financial Reporting Officer, the administrative and accounting procedures relating to the preparation of the Company's financial statements, the consolidated financial statements and the half-year financial report, as well as the other periodic accounting documents;
- 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 2023, 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 25 October 2023 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.

The Board of Statutory Auditors also continued to monitor the effects and impact of the conflict between Russia and Ukraine and the more recent Israeli-Palestinian conflict 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 and Israeli-Palestinian conflicts. In particular, the tension in commodity and energy prices, which were exacerbated in the first phase of the conflict in Ukraine and gradually stabilised during 2023, risk once again causing significant impacts that are difficult to predict as a result of the sharp reduction in trade flows in the Suez Canal, as an indirect consequence of the conflict between Israel and Palestine. Moreover, although in a more favourable context than in 2022, the energy price risk is still significant for the Group, with reference to the price of electricity, which has led the company to continue its policy of hedging the Mhw price, also taking

advantage of the expansion started in 2023 of the photovoltaic plant installed in the Rho exhibition site

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 foregoing, the supervisory activity we performed during our tenure in office in the year 2023 was aimed at ascertaining, among other activities, the adequacy of the governance actions that the Board of Directors deemed appropriate to take to face the risks in question, to support and protect the company's 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 Annual Financial Report and appropriately transmitted to the market in accordance with the law.
- II. 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.
- III. 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.
- IV. The characteristics of the intragroup and related party transactions carried out by the Company and its subsidiaries in 2023, the parties involved and the related economic effects are indicated in note 53 of the consolidated financial statements and in note 49 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. The current Procedure was last updated on 13 December 2023.

In particular, it should be noted that with the update of the Procedure the Company has proceeded to modify the thresholds established for transactions of small amounts, aligning the values with the widespread practice among companies listed on the STAR segment and comparable to Fiera Milano.

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 and Risk 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.

For the aforementioned operations, the Board verified the correct application of the Procedure to the extent of its competence.

V. On 28 March 2024, the Independent Auditor issued the reports pursuant to articles 14 and 16 of Legislative Decree 39/2010 and Article 10 of European 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 2023 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 2023 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 European 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;

Certain information contained in the notes to the consolidated financial statements when extracted from the XHTML format in an XBRL instance, due to certain technical limitations, may not be reproduced identically to the corresponding information displayed in the consolidated financial statements in XHTML format.

In the Audit Report on the Consolidated Financial Statements, the Independent Auditor also stated that it has verified, to the extent of its competence, the Non-Financial Statement for the financial year 2023. The Independent Auditor also issued a Report certifying compliance, in all significant aspects, with the requirements of Legislative Decree 254/2016 and article 5

of Consob Regulation 20267/2018 and the principles and methodologies set out in the GRI Standards selected by the Company. In this Report, the Independent Auditor stated that no elements have come to its attention that would suggest that the Consolidated Non-Financial Statement has not been drawn up in compliance with the requirements of the law.

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.

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 European 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.

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 2023 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 2023 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 (PWC 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.

			(€'000)
Service provided	Company providing the service	Client	Fees for financial year 2023
Auditing	PWC SpA	Parent Company - Fiera Milano SpA	224
Auditing	PWC SpA	Subsidiaries	105
Auditing	Network PWC	Subsidiaries	53
Other services (*)	PWC SpA	Parent Company - Fiera Milano SpA	10
Other services (**)	PWC SpA	Parent Company - Fiera Milano SpA	19
Total			411

(*) 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

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, 1st paragraph, letter. e) of Legislative Decree 39/2010 (as amended by Legislative Decree 135/2016) and by Article 5, par. 4 of European Regulation No. 537/2014 regarding the prior approval of the aforementioned assignments, 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 referred to in 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 a Procedure on the conferral of appointments to the Independent Auditor”, which also has the objective of guaranteeing the fulfilment of the requirement of independence of the Independent Auditor and of regulating the aforementioned assessment 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 European 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 European 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 European 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 European 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 European Regulation No. 537/2014.

VI. 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.

VII. During the 2023 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 (STI short term incentive) 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 company's remuneration policy aims to incentivise the pursuit of the Company's sustainable success, taking into account the need to have, retain and motivate people with the expertise and professionalism required for the role held. The principles and reference guidelines for the determination and implementation of the remuneration policy incorporate and respect the values, culture and historical mission of the Company and contribute to the pursuit of the Company's long-term interests and sustainability, also through the integration

of ESG factors, fairness and equality in the roles acted as well as in the overall remuneration also with reference to gender, in a meritocratic and people-empowerment context.

In general, in order to obtain the information necessary to perform its supervisory duties, the Board of Statutory Auditors, during the financial year 2023, met twenty times (20).

From the closing date of the 2023 financial year to the date of drafting this report, the Board of Statutory Auditors met 7 times.

The activities carried out in the aforementioned meetings are documented in the relative minutes. In addition, during the financial year 2023, the Board of Statutory Auditors attended all 12 meetings of the Company's Board of Directors, 15 meetings of the Control and Risk Committee, 9 meetings of the Appointments and Remuneration Committee and in the 3 meetings of the Sustainability Committee, as well as at 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 granted powers consistent with the responsibilities assigned.

In light of the audits performed, in the absence of any critical issues detected, the Company's organisational structure appears adequate in light of the Company's purpose, size and complexity, the nature and manner of pursuing the corporate purpose, as well as the other characteristics of the Company and the timely detection of indications of crisis and loss of business continuity, so as to allow the directors to promptly adopt the most appropriate measures to detect and overcome it. 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 and Risk 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 and Compliance 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 and Risk 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 and Risk 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 and Risk 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 these activities, 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 and Risk 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 and Risk 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 Internal Audit plan is approved annually by the Board of Directors subject to the favourable opinion of the Control and Risk Committee and was reviewed and approved at the meeting of the Board of Directors on 13 March 2023.

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 the group level, makes use of additional tools to monitor its operational and compliance objectives, including a structured and periodic planning, management control and reporting system, a corporate risk management system in accordance with Enterprise Risk Management (ERM) principles, as well as the Accounting Control Model in accordance with Law 262/2005 on financial reporting. It should be noted that on a half-yearly basis, on the occasion of the approval of the draft annual financial statements and the half-yearly financial report, the results of the ERM risk assessment are reviewed by the Risk and Control Committee and the Board of Directors.

The Company has its own Model 231 which, together with the Group's Code of Ethics, is aimed at preventing the perpetration of significant offences 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 *European Regulation 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 last amended by the Board in July 2022.

In relation to the 2023 financial year, in compliance with the provisions of Article 6, Recommendation 33, letter a) 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 and Risk 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. The Board of Statutory Auditors monitored compliance with information obligations regarding information regulated, privileged or requested by the Supervisory Authorities.

In particular, the Board of Statutory Auditors monitored compliance with the "Market Abuse" and "Protection of Savings" regulations on "Internal Dealing", with particular reference to the handling of relevant and inside information and the procedure for disseminating statements and information to the public.

The Board of Statutory Auditors also monitored compliance with the Policies, Guidelines and Procedures in force in the Group, as well as compliance with the processes whose outcome is brought to the attention of the directors for the adoption of resolutions.

- 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 2023.

The Board of Directors of Fiera approved the setting up of the impairment test procedure in accordance with the requirements of international accounting standard IAS 36, independently and in advance of the approval of the financial reports.

The Board of Statutory Auditors analysed and discussed the supporting documentation also during the meetings of the Control and Risk Committee and with the Independent Auditors and, having verified the consistency with the previously adopted approaches, considers the methodology adopted by the Company to be correct.

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 22 February 2024, subject to the favourable opinion issued in this regard by the Control and Risk Committee.

The results from the impairment tests are adequately illustrated in the Notes to the Financial Statements to which reference should be made.

The Board of Statutory Auditors monitored compliance with the ESMA 32-193237008 1793 (25 October 2023) disclosure requirements with reference to the consideration of climate related matters in financial statements, and in particular for the purposes of the impairment test of assets. For a more complete description of the methodologies and assumptions applied, please refer to the relevant note in the Consolidated Financial Statements.

The Board of Statutory Auditors considers the Company's administrative-accounting system to be overall adequate and reliable in correctly representing management facts.

- 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 22 February 2024, 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 14 December 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 14 December 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 for the management of dialogue with institutional investors and with the shareholders in general" of Fiera Milano (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 Board of Directors of the Company, appointed by the Shareholders' Meeting of 27 April 2023, is currently made up of 9 directors, of which 8 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 2023, 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 22 February 2024.

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 2023. 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 22 February 2024 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 2023, there were no situations for which the members of the Board of Statutory Auditors had to make such declarations.

There were a total of twelve (12) Board of Directors' meetings during 2023.

The following committees were set up within the Board of Directors:

- Control and Risk Committee, with advisory and proposing functions, which reports to the Board of Directors at least every six months on the activities carried out and the adequacy of the internal control and risk management system; this committee is made up of three independent directors. There were a total of fifteen (15) meetings of the Control and Risk Committee during 2023. *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 nine (9) times during 2023. 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.
- Sustainability Committee, made up of three independent directors, was established on 27 April 2023 and met a total of three (3) times. This Committee carries out investigative, propositional and advisory functions in favour of the Board of Directors in the assessments and decisions relating to sustainability issues related to the exercise of the company's business. The establishment of the Committee goes in the direction of continuous improvement of the oversight of sustainability issues, given the importance that the latter have assumed in recent years and will increasingly assume over time for the Fiera Milano Group.

The Board of Statutory Auditors reports the approval by the Board of Directors, in its meeting of 13 December 2023, of the updating of the Regulations of the Board Committees with the aim of better aligning them with the provisions of the Articles of Association and the Corporate Governance Code and also of better coordinating the tasks of the committees themselves.

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 13 March 2024 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 13 March 2024, resolved to submit to the Shareholders' Meeting, and declares that it has no observations in this regard, including the proposed allocation of the profit for the 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 2023, 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 2023 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 25 October 2023 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 13 March 2024 as a separate document from the Management Report to the consolidated financial statements at 31 December 2023. In its report issued on 28 March 2024, 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 2023 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.

We remind you that with the approval of this Financial Statement, the terms of expiry of the office of the undersigned Control Body will occur; Shareholders are therefore invited - as shown on the agenda of the next shareholder's meeting - to decide on the matter.

On the basis of the above, as a summary of the supervisory activity carried out in financial year 2023, 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, 28 March 2024

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

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of Fiera Milano SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fiera Milano SpA (the Company), which comprise the statement of financial position as of 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

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 this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. 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 judgement, 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.

PricewaterhouseCoopers SpA

Sede legale: Milano 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880135 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: Ancona 60131 Via Sandro Totti 1 Tel. 071 2132311 - Bari 70122 Via Abate Ginama 72 Tel. 080 5640211 - Bergamo 24121 Largo Belotti 5 Tel. 035 229691 - Bologna 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - Brescia 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - Catania 95129 Corso Italia 302 Tel. 095 7532311 - Firenze 50121 Viale Gramsci 15 Tel. 055 2482811 - Genova 16121 Piazza Piccapietra 9 Tel. 010 29041 - Napoli 80121 Via dei Mille 16 Tel. 081 36181 - Padova 35138 Via Vicenza 4 Tel. 049 873481 - Palermo 90141 Via Marchese Ugo 60 Tel. 091 349737 - Parma 43121 Viale Tanara 20/A Tel. 0521 275911 - Pescara 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - Roma 00154 Largo Fochetti 29 Tel. 06 570251 - Torino 10122 Corso Palestro 10 Tel. 011 556771 - Trento 38122 Viale della Costituzione 33 Tel. 0461 237004 - Treviso 31100 Viale Felissent 90 Tel. 0422 696911 - Trieste 34125 Via Cesare Battisti 18 Tel. 040 3480781 - Udine 33100 Via Poscolle 43 Tel. 0432 25789 - Varese 21100 Via Albuzzi 43 Tel. 0332 285039 - Verona 37135 Via Francia 21/C Tel. 045 8263001 - Vicenza 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Key Audit Matters

Auditing procedures performed in response to key audit matters

First year of appointment

On 27 April 2023 the shareholders' meeting of Fiera Milano SpA, appointed PricewaterhouseCoopers SpA as auditor of the financial statements for the years from 2023 to 2031.

Understanding the Company and the Group has been a key aspect deserving particular attention during the first year of audit.

We conducted multiple meetings with Group management with a particular focus on the understanding of the context. We understood the principles and accounting criteria adopted by the Group and obtained evidence to support the significant matters related to the financial statements as of and for the year ended 31 December 2023.

We have reviewed the working papers of the previous auditor relating to the audit of the financial statements as of 31 December 2022, examining in depth the audit methodology adopted, the materiality thresholds applied, the accounting principles and criteria adopted by the Group and the results emerging from the audit work.

Evaluation of the recoverability of the value of goodwill

Note 4 to the financial statements "Goodwill"

The goodwill recorded in the financial statements as of 31 December 2023, generated from business combinations carried out in previous years, amounts to Euro 76,091 thousand and represents 10.8% of total assets.

Group directors, in compliance with the International Accounting Standard IAS 36 "Impairment of assets", has verified the recoverability of goodwill through the impairment test as of 31 December 2023.

The approach used for determining the recoverable amount of the group of Cash Generating Units (hereinafter CGUs) to which goodwill is allocated, was the value in use, determined as the present value of the cash flows expected in the 2024-2027 plan prepared by directors and of the terminal value. The recoverable amount the group of CGUs was

The audit activities included, among others, the following procedures:

- understanding and evaluating the methodology adopted by the Group in relation to the assessment of goodwill, taking into account the impairment test procedure approved by the Board of Directors on 22 February 2024;
- understanding and evaluating the Group's internal control system safeguarding the process of verifying the recoverability of goodwill;
- analysis of the considerations made by directors regarding the perimeter of the identified CGUs and verification of the correct allocation of assets and liabilities attributable to the CGUs, including goodwill, used for comparison with the related value in use;



compared with the assets and liabilities recorded in the financial statements as of 31 December 2023 attributable to them, including goodwill.

From the impairment test as of 31 December 2023, no impairment losses have emerged.

The assessment of the recoverability of goodwill is considered a key audit matter due to the significance of the amounts recorded in the financial statements and the complexity of the estimates embedded in the assessment of recoverable value.

- verification of the methodology used to perform the impairment test and of the mathematical accuracy of the model used;
- verification of the reasonableness of the main assumptions adopted for the estimate of future cash flows and for the determination of terminal value;
- analysis of the expert's report who assisted the directors within the impairment test exercise, as well as the evaluation of his competence, capability and objectivity;
- verification of consistency of the expected cash flows of the group of CGUs used in the impairment test with the data from the 2024-2027 plan approved by the Board of Directors as well as the consistency with IAS 36;
- verification of the sensitivity analyses carried out by directors with reference to the impact on the recoverability of goodwill in case of changes in the relevant assumptions of cash flows or the discount rate used.

These procedures were carried out engaging experts within the PwC network in Italy.

We examined the completeness and adequacy of the disclosure presented in the notes to the financial statements.

Evaluation of the recoverability of investments

Note 6 to the financial statement "Investments"

Investments recorded in the financial statements, as of 31 December 2023, accounted at cost, amounts to Euro 72,081 thousand and represents 10.2% of the total assets.

On an annual basis, the directors verify the presence of indicators that the investments held may have decreased in value and where necessary

The audit activities have included, among others, the following procedures:

- understanding and evaluating the methodology adopted by the directors in relation to the valuation of investments, taking into account the impairment test procedure approved by



verifies the recoverability of the value through impairment test as of 31 December 2023 as prescribed by the International Accounting Standard IAS 36 "Impairment of assets".

The recoverable amount of the investments has been determined through the value in use, calculated by discounting the future cash flows forecasted in the 2024-2027 plan.

The recoverable amount of each investment was compared with the carrying amount of the investment itself.

Based on the activities carried out, Group Management has not identified any impairment loss in the value of investments as of 31 December 2023.

The evaluation of the recoverability of the investments is considered a key audit matter due to the significance of the amounts recorded in the financial statements and the complexity of the estimations embedded in the assessment of their recoverable amount.

the Board of Directors on 22 February 2024;

- understanding and evaluating the entity's internal control system safeguarding the process of verifying the recoverability of the value of investments;
- verification of the methodology used for the preparation of the impairment test and the mathematical correctness of the model;
- verification of the reasonableness of the main assumptions adopted for the formulation of cash flow forecasts and for the determination of the terminal value;
- analysis of the expert's report who assisted the directors in the impairment test exercise, as well as the evaluation of his competence, capacity and objectivity;
- verification of consistency of the expected cash flows of the subsidiary companies used in the impairment test with the data of the plans approved by the Boards of Directors as well as consistency with IAS 36;
- verification of the sensitivity analyses carried out by directors with reference to the impact on the recoverability of investments in case of changes in the relevant assumptions of cash flows or the discount rate used.

Those procedures were carried out with the involvement of experts within the PwC Italy network.

We examined the completeness and adequacy of the disclosure presented in the notes of the financial statements.



Other Matters

The financial statements of Fiera Milano SpA for the year ended 31 December 2022, have been audited by another auditor who, on 27 March 2023, expressed an unmodified opinion on such financial statements.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by 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, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we 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 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 evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the 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 modify 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 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 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 identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we 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 described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 31 December 2023, the shareholders of Fiera Milano SpA in general meeting engaged us to perform the statutory audit of the Company's financial statements for the years from 31 December 2023 to 31 December 2031.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.



Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Fiera Milano SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the “Commission Delegated Regulation”) to the financial statements as of 31 December 2023, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation

In our opinion, the financial statements as of 31 December 2023 have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Fiera Milano SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Fiera Milano SpA as of 31 December 2023, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements of Fiera Milano SpA as of 31 December 2023 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Fiera Milano SpA as of 31 December 2023 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob’s Regulation implementing Legislative Decree No. 254 of 30 December 2016

The directors of Fiera Milano SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree No. 254 of 30 December 2016.
We have verified that the directors approved the non-financial statement.



Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Milano, 28 March 2024

PricewaterhouseCoopers SpA

Signed by

Andrea Martinelli
(Partner)

The accompanying financial statements of Fiera Milano SpA 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