



FIERA MILANO

Half-year Financial Report

at 30 June 2023

(First half of FY2023)

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

This document contains a faithful translation in English of the original report in Italian "*Relazione finanziaria semestrale al 30 giugno 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 semestrale al 30 giugno 2023* shall prevail upon the English version.

Fiera Milano SpA

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

Rho (Milan), 26 July 2023

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Corporate Bodies and Independent Auditor

BOARD OF DIRECTORS

Carlo Bonomi	Chairman ^o
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*

^o Independent director pursuant to art. 148, paragraph 3 of Legislative Decree 58 of 24 February 1998.

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

CONTROL 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	Presidente
Piero Antonio Capitini	Sindaco effettivo
Daniele Federico Monarca	Sindaco effettivo
Livia Amidani Aliberti	Sindaco supplente
Simone Bruno	Sindaco supplente

FINANCIAL REPORTING OFFICER

Massimo De Tullio

SUPERVISORY BOARD, LEGISLATIVE DECREE 231/01

Enrico Maria Giarda
Luigi Bricocoli
Basilio Postiglione

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.

Business model

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

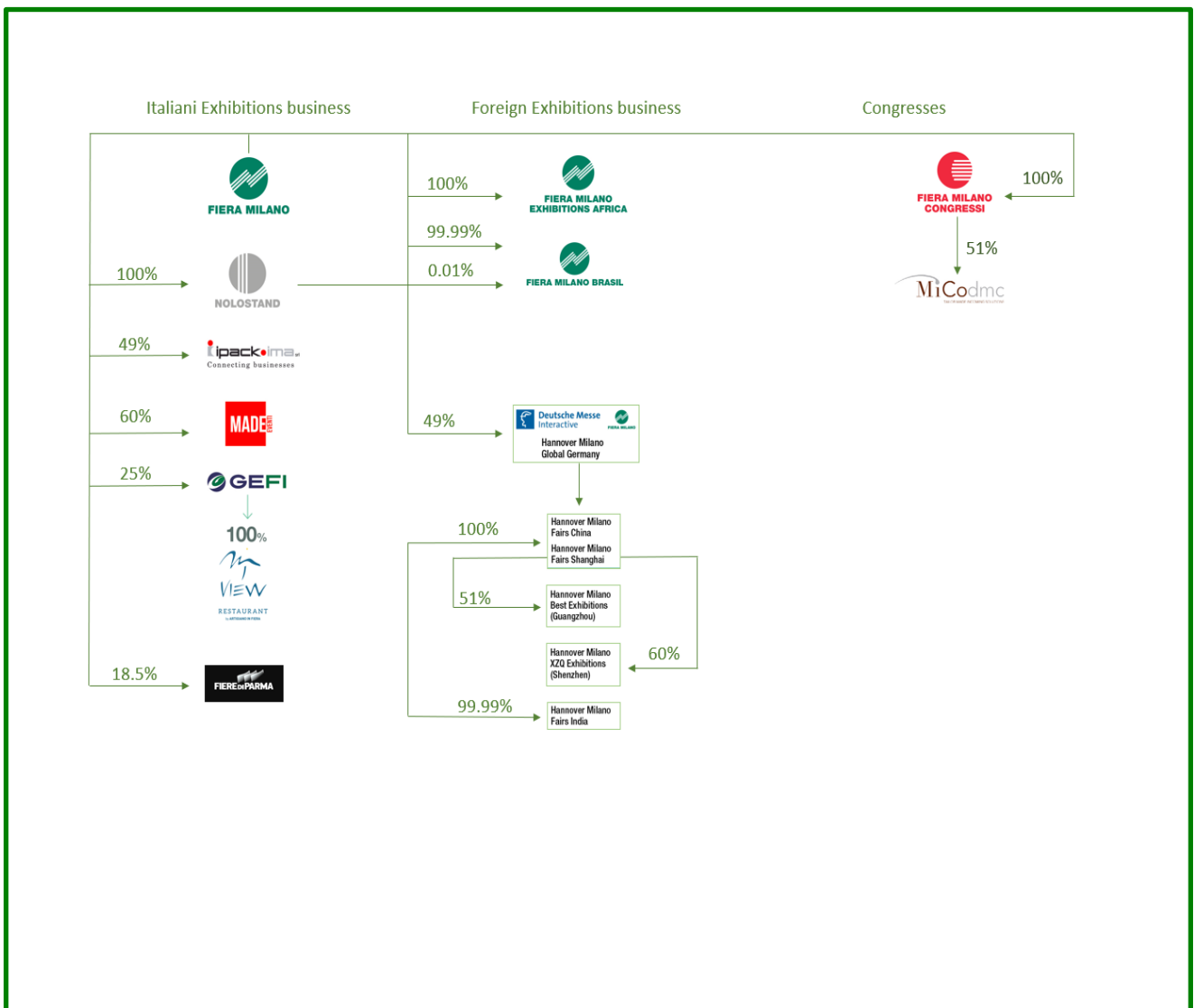
Under the current management approach, the operating segments have been re-defined as follows:

- **Italian Exhibitions Business:** organisation and hosting of exhibitions and other events in Italy: through the use, promotion and offer of furnished exhibition spaces; through the provision of stand-fitting, technical and site services associated with exhibition and congress business; and through the provision of project support and ancillary services; the production of content and provision of advertising and digital services, as well as the organisation of conferences and training courses. Specifically, this segment includes all activities associated with exhibitions (including end services for exhibitors and visitors) that are:
 - directly organised by the Group or in partnership with third-parties;
 - organised by third parties, through the hiring out of spaces and services.

- **Foreign Exhibitions Business:** this segment covers all activities for the organisation of exhibitions and other events abroad through the use, promotion and offer of furnished exhibition spaces, project support, and ancillary services. It covers all activities associated with exhibitions (including end services for exhibitors and visitors) that are directly organised by the Group or in partnership with third-parties or acting as agents.

- **Congresses:** this segment covers the organisation of congresses and events and destination management services.

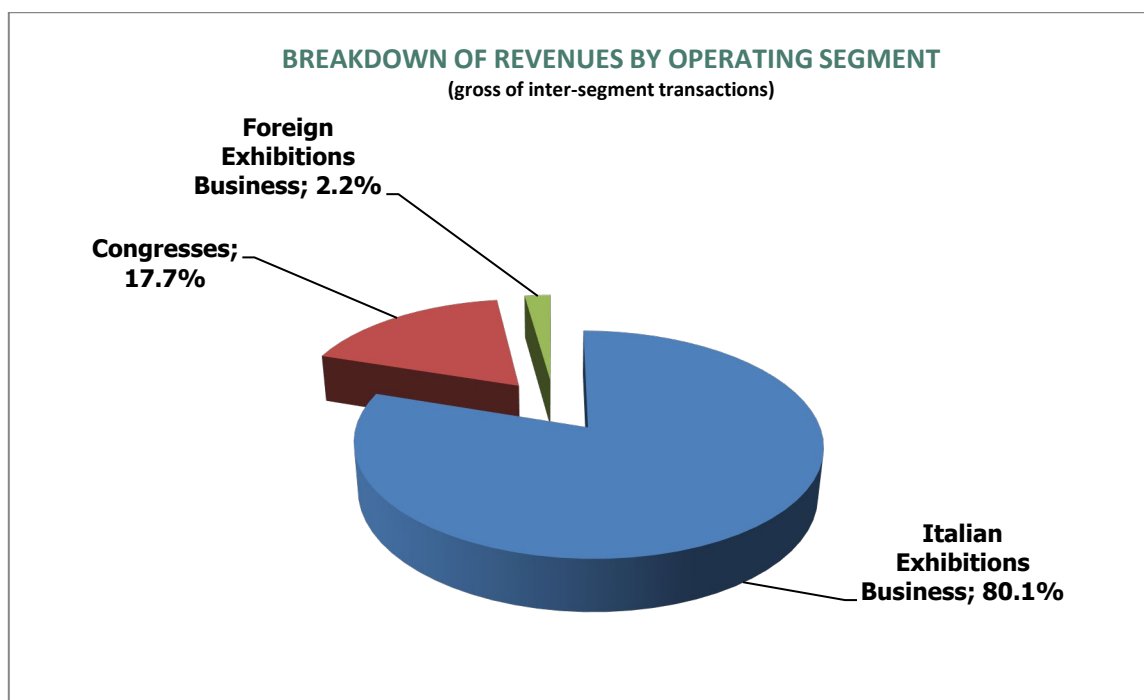
Group structure



Highlights of the first half of 2022

PERFORMANCE

Consolidated revenues: Euro 132 million.



BUSINESS

Number of exhibitions held:
58, of which 9 abroad.

Number of exhibitors:
15,875, of which 2,610 abroad

EXHIBITION SPACE

Net exhibition space occupied:
790,620 square metres
of which 88,840 square metres abroad.

Total gross exhibition space:
399,000 square metres

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

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

Interim report on operations

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

The table below gives the key figures of the Group for the period under review and the comparative data for the same period of the previous financial year, as well as those for the financial year to 31 December 2022.

Fiera Milano Group Summary of key figures

Full year at 31/12/22		1st Half at 30/06/23	1st Half at 30/06/22
	(Amounts in € '000)		
220,285	Revenues from sales and services	132,213	116,187
58,403	EBITDA (a)	41,599	39,521
9,219	EBIT	16,154	15,760
(5,760)	Net profit/(loss) of the period from continuing operations	9,235	5,274
-	Net profit/(loss) of the period from discontinued operations	16,500	-
(5,760)	Net profit/(loss)	25,735	5,274
(5,599)	- Attributable to the shareholders of the controlling entity	25,866	5,363
(161)	- Attributable to non-controlling interests	(131)	(89)
473,157	Net capital employed (b)	474,618	476,216
	covered by:		
105,660	Equity attributable to the Group	130,130	116,142
533	Equity attributable to non-controlling interests	403	598
(29,783)	Net financial debt/(cash) before IFRS 16 effects	(63,801)	(55,588)
366,964	Total net financial debt/(cash)	344,085	359,476
3,976	Investments (continuing operations and assets held for sale)	2,587	1,749
674	Employees (no. of permanent employees at end of period)	707	664

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

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

In the first six months of 2023, a total of 32 exhibitions were held, occupying 738,300 square metres of exhibition space.

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 394 exhibiting companies, MIDO, the international eyewear fair, which welcomed more than 1,000 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 1,800 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 1,161 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 more than 1,000 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 to its traditional position on the exhibition calendar, with more than 169,000 square meters 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 participating 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 83,000 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 18,000 visitors and 317 exhibiting companies; Issa Pulier, Italy's most important professional cleaning exhibition, which attracted more than 20,000 visitors; and Lamiera, the international event dedicated to sheet metal working and related technologies, which attracted more than 19,000 professionals and around 400 companies.

Finally, 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 110,000 visitors, the event occupied 122,295 square meters of exhibition space.

Congress Activities

Excellent results for the Congress operating sector, which, with 26 congress events, with an adjoining exhibition area held in the first half of 2023, returned to pre-Covid levels ahead of market forecasts.

The first half of 2023 saw 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. There were more than 90 exhibitors, 6 state-of-the-art courts, one conference area and 18,000 square metres. In March and April, the Allianz MiCo congress centre also hosted the 13th edition of Esxence, the world's leading perfumery event, with around 300 brands from 30 countries.

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 22,000 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.

Activities abroad

In February, the Investec Cape Town Art Fair (ICTAF) was held in South Africa, the most important contemporary art fair in Africa, now in its tenth edition, which hosted around 100 exhibiting companies and 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 meters, the exhibition welcomed 50,000 visitors and 190 exhibitors.

During the second quarter of 2023, activity also restarted in China, where 7 exhibitions were held. Among the most important: Let China, Gitf, International Fastener Show China, Laserfair Shenzhen.

Other information

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

On 9 March 2023, the Board of Directors of Fiera Milano, following the press releases of 25 January 2022, 20 May 2022, 13 October 2022, 2 March 2023 and 7 March 2023, announced that it had agreed to finalise the strategic transaction with Fiere di Parma SpA concerning a partnership aimed at creating a common European exhibition platform in the agri-food sector. 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 agro-food industry and the Italian system in general.

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

On 27 April 2023, the Ordinary Shareholders' Meeting of the Parent Company 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.

Sustainability

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.

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

The table below gives greater detail of the **Consolidated Income Statement** for the first half of 2023.

Consolidated Income Statement

Full year at 31/12/22			1st Half at 30/06/23		1st Half at 30/06/22	
	%	(Amounts in €'000)		%		%
220,285	100	Revenues from sales and services	132,213	100	116,187	100
4,078	1.9	Cost of materials	1,604	1.2	1,922	1.7
110,159	50.0	Cost of services	63,708	48.2	51,277	44.1
1,246	0.6	Costs for use of third party assets	395	0.3	585	0.5
44,413	20.2	Personnel expenses	24,739	18.7	22,569	19.4
3,931	1.8	Other operating expenses	2,452	1.9	2,241	1.9
163,827	74.4	Total operating costs	92,898	70.3	78,594	67.6
4,135	1.9	Other income	1,763	1.3	1,503	1.3
466	0.2	Results of equity-accounted companies	580	0.4	425	0.4
2,656	1.2	Allowance for doubtful accounts and other provisions	59	0.0	-	-
58,403	26.5	Operating result before adjustments to non-current asset values (EBITDA)	41,599	31.5	39,521	34.0
47,908	21.7	Depreciation and amortisation	25,445	19.2	23,761	20.5
1,276	0.6	Adjustments to asset values	-	-	-	-
9,219	4.2	Operating result (EBIT)	16,154	12.2	15,760	13.6
(12,924)	(5.9)	Financial income/(expenses)	(5,053)	(3.8)	(6,877)	(5.9)
-	-	Valuation of financial assets	-	-	-	-
(3,705)	(1.7)	Profit/(loss) before income tax	11,101	8.4	8,883	7.6
2,055	0.9	Income tax	1,866	1.4	3,609	3.1
(5,760)	(2.6)	Profit/(loss) from continuing operations	9,235	7.0	5,274	4.5
-	-	Profit/(loss) from discontinued operations	16,500	12.5	-	-
(5,760)	(2.6)	Profit/(loss):	25,735	19.5	5,274	4.5
(5,599)	(2.5)	- attributable to the shareholders of the controlling entity	25,866	19.6	5,363	4.6
(161)	(0.1)	- attributable to non-controlling interests	(131)	(0.1)	(89)	(0.1)

Revenues from sales and services totalled Euro 132,213 thousand, an increase of approximately Euro 16,026 thousand compared to the figure for the same half of the previous financial year (Euro 116,187 thousand).

The change in revenue is mainly linked to the good overall performance of the annual events, the multi-year events with the presence of ITMA 2023, the world's largest trade fair for textile and garment technologies, and the conference activity with the holding at Allianz MiCo of the EAU International Congress, the largest European urology event, EULAR, the congress dedicated to rheumatic diseases, and the ERA Congress, the largest annual nephrology congress in Europe. The increase in revenues was determined both by the larger exhibition areas occupied and by the significant penetration of the services provided.

Below are the performance numbers for exhibition space in Italy and abroad and the changes in terms of square metres compared to the previous six months:

- **Annual exhibitions organised by the Group in Italy** (+7,230 sqm): the increase is mainly attributable to the presence in the first half of this year of the HOMI (+5,055 sqm) and HOMI Fashion&Jewels (+3,230 sqm) exhibitions;
- **Annual exhibitions organised by third parties in Italy** (+1,200 sqm): The increase was mainly due to the combined effect of the various exhibitions held in the half year under review: Mido (+9,475 sqm), Milano Unica (+5,670 sqm), LineaPelle (+5,385 sqm), My Plant & Garden (+1,720 sqm) and Salone del Mobile (-20,885 sqm);
- **Congresses with related exhibition areas:** these had an increase in rented space of +21,535 square metres;
- **Annual exhibitions organised by the Group in Italy** (-52,880 sqm): the decrease is attributable to the absence of the Transpotec & Logitec exhibition in the current half year;
- **Annual exhibitions organised by third parties in Italy** (-14,610 sqm): the decrease was mainly due to the absence of the Mostra Convegno Expocomfort exhibition (-77,740 sqm) and EuroCucina (-29,095 sqm) events held in the last half year and the presence during the period under review of Tuttofood (+59,660 sqm) and Euroluce (+35,390 sqm);
- **Multi-annual exhibitions organised by the Group in Italy** (-11,960 sqm): the decrease is attributable to the absence of Print4all in the half year under review;
- **Multi-annual exhibitions organised by third parties in Italy** (+61,105 sqm): the increase is mainly attributable to the presence of ITMA in the half-year under review (+122,295 square meters) and the absence of Ipack-Ima (-52,475 square meters);
- **Annual exhibitions of the Group abroad** (+74,250 square metres): the change is mainly related to the restart of exhibition activities in China following the Covid-19 pandemic.

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

Fiera Milano Group Summary operating figures	1st Half 2023		1st Half 2022	
	Total	of which organised by the Group	Total	of which organised by the Group
Number of exhibitions:	32	15	31	12
Italy	23	6	28	9
. annual	16	6	17	7
. biennial	6	-	7	1
. multi-annual	1	-	4	1
Foreign countries	9	9	3	3
. annual	9	9	3	3
. biennial	-	-	-	-
. multi-annual	-	-	-	-
Number of congresses with related exhibition space - Italy	26	-	19	-
Net sq.metres of exhibition space:	790,620	153,910	704,750	137,270
Italy	701,780	65,070	690,160	122,680
. annual (a)	433,720	65,070	403,755	57,840
. biennial	145,765	-	213,255	52,880
. multi-annual	122,295	-	73,150	11,960
(a) of which congresses with related exhibition space	52,320	-	30,785	-
Foreign countries	88,840	88,840	14,590	14,590
. annual	88,840	88,840	14,590	14,590
. biennial	-	-	-	-
. multi-annual	-	-	-	-
Number of exhibitors:	15,875	3,965	11,965	1,915
Italy	13,265	1,355	11,660	1,610
. annual (b)	9,160	1,355	8,060	1,210
. biennial	2,445	-	2,295	220
. multi-annual	1,660	-	1,305	180
(b) of which congresses with related exhibition space	2,510	-	1,990	-
Foreign countries	2,610	2,610	305	305
. annual	2,610	2,610	305	305
. biennial	-	-	-	-
. multi-annual	-	-	-	-

EBITDA for the half-year was Euro 41,599 thousand compared to a figure of Euro 39,521 thousand in the same period of the previous financial year, an increase of Euro 2,078 thousand. The change reflects the aforementioned trend in revenues.

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.

EBIT was Euro 16,154 thousand compared to a figure of Euro 15,760 thousand in the first half of 2022. The increase of Euro 394 thousand mainly reflects the trend in EBITDA, partially offset by higher depreciation and amortisation on right-of-use assets due to the monetary revaluation.

Profit/(loss) before income tax is Euro 11,101 thousand compared to Euro 8,883 thousand in the first half of 2022. The positive change in EBIT is mainly the result of the improvement in financial management for cash uses.

Income taxes for the half-year period of Euro 1,866 thousand were recognised by applying the estimated annual average tax rate (tax rate method) to the pre-tax profit of the individual consolidated companies.

The profit/(loss) for the year of continuing operations totalled Euro 9,235 thousand (Euro 5,274 thousand in the first half of 2022), while the **net result for the period of discontinued operations** totalled Euro 16,500 thousand and related to the higher values arising from the contribution of the business unit related to the 'Tuttofood' exhibition in connection with the acquisition of 18.5% of Fiere di Parma (value of zero in the first half of 2022).

Net profit (loss) for the half-year of Euro 25,735 thousand (Euro 5,274 thousand in the first half of 2022) is Euro 25,866 thousand attributable to the **Shareholders of the Parent Company** (Euro 5,363 thousand in the first half of 2022) and for Euro -131 thousand it is attributable to **minority interests** (Euro -89 thousand in the first half of 2022).

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

Reclassified Consolidated Statement of Financial Position		
(Amounts in €'000)	30/06/23	31/12/22
Goodwill	95,036	95,036
Intangible assets with a finite useful life	13,615	15,195
Right-of-use assets	375,294	367,482
Tangible fixed assets	5,836	5,003
Other non-current financial assets	1,924	2,386
Other non-current assets	92,255	74,270
A Non-current assets	583,960	559,372
Inventory and contracts in progress	5,120	3,144
Trade and other receivables	57,652	33,404
Other assets	-	-
B Current assets	62,772	36,548
Trade payables	52,393	50,317
Advances	61,801	29,869
Tax liabilities	2,480	2,606
Provisions for risks and charges and other current liabilities	44,139	26,166
C Current liabilities	160,813	108,958
D Net working capital (B - C)	(98,041)	(72,410)
E Gross capital employed (A + D)	485,919	486,962
Employee benefit provisions	7,498	7,763
Provisions for risks and charges and other non-current liabilities	3,803	4,233
F Non-current liabilities	11,301	11,996
G NET CAPITAL EMPLOYED continuing operations (E - F)	474,618	474,966
H NET CAPITAL EMPLOYED assets held for sale	-	(1,809)
TOTAL NET CAPITAL EMPLOYED (G + H)	474,618	473,157
covered by:		
Equity attributable to the Group	130,130	105,660
Equity attributable to non-controlling interests	403	533
I Total equity	130,533	106,193
Cash & cash equivalents	(130,796)	(112,623)
Current financial (assets)/liabilities	76,250	71,989
Non-current financial (assets)/liabilities	398,631	409,407
Net financial debt continuing operations	344,085	368,773
Net financial debt assets held for sale	-	(1,809)
L Net financial debt (TOTAL)	344,085	366,964
EQUITY AND NET FINANCIAL DEBT (I + L)	474,618	473,157

At 30 June 2023, non-current assets totalled Euro 583,960 thousand compared to Euro 559,372 thousand at 31 December 2022. The increase of Euro 24,588 thousand relates to the balance between: Increases in rights of use on leased assets of Euro 29,923 thousand, capital expenditures of Euro 2,587 thousand, depreciation and amortisation of Euro 25,445 thousand, changes in equity accounted investments*of Euro 16,453 thousand, security deposits of Euro 2,356 thousand, decrease in tax consolidation receivables of Euro 808 thousand, decrease in hedging derivatives on loans of Euro 462 thousand, exchange rate differences of Euro -1 thousand and other movements of Euro -15 thousand.

Net working capital went from Euro -72,410 thousand at 31 December 2022 to Euro -98,041 thousand at 30 June 2023.

The Euro 25,631 thousand decrease in this figure was due to the following:

- (a) increase in **Current assets** of Euro 26,224 thousand, due to the increase in the item "Trade and other receivables" of Euro 24,248 thousand and the increase in the item "Inventories and contracts in progress" of Euro 1,976 thousand. The change is mainly related to receivables from customers of the Parent Company and the subsidiary Fiera Milano Congressi;
- (b) increase in **Current Liabilities** of Euro 51,855 thousand, due to the:
 - increase in the item "Advances" for Euro 31,932 thousand as the balance between increases for advances invoiced to customers for exhibitions to be held in subsequent periods (in particular Host) and decreases for exhibitions to be held in the first half of 2023 (in particular Plast and the Salone del Mobile);
 - increase in the item "Provisions for risks and charges and other current liabilities" by Euro 17,973 thousand related mainly to higher payables to Organisers;
 - increase in "Trade payables" of Euro 2,076 thousand in correspondence with the higher volume of business due to the changed exhibition calendar;
 - decrease in the item "Tax payables" of Euro 126 thousand.

At 30 June 2023, **non-current liabilities** totalled Euro 11,301 thousand compared to Euro 11,996 thousand at 31 December 2022.

Equity attributable to the Group at 30 June 2023 was Euro 130,130 thousand compared to Euro 105,660 thousand at 31 December 2022, an increase of Euro 24,470 thousand due to the following: net profit (loss) for the period of Euro 25,866 thousand, purchase of treasury shares for Euro 711 thousand, stock grant reserve of Euro -166 thousand, reserve for financial hedging transactions of Euro -464 thousand, other comprehensive income of Euro 87 thousand and exchange rate gains of Euro -142 thousand.

Equity attributable to non-controlling interests amounted to Euro 403 thousand at 30 June 2023 compared to Euro 533 thousand at 31 December 2022, with a decrease of Euro 130 thousand attributable to the net profit (loss) for the period of Euro -131 thousand and Euro 1 thousand to other components of the comprehensive income statement.

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

Group Net Financial Debt			
(Amounts in € '000)	30/06/23	31/12/22	change
A. Cash	59,961	81,971	(22,010)
B. Cash and equivalents	70,835	30,652	40,183
C. Other current financial assets	6,068	5,768	300
- C.1 of which Other current financial assets to the controlling shareholder	120	-	120
- C.2 of which Other current financial assets to joint venture	706	703	3
D. Liquidity (A+B+C)	136,864	118,391	18,473
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	520	618	(98)
- E.1 of which Current financial debt to the controlling shareholder	-	130	(130)
F. Current portion of non-current debt	26,875	27,250	(375)
G. Current financial indebtedness (E+F)	27,395	27,868	(473)
H. Net current financial indebtedness (G-D)	(109,469)	(90,523)	(18,946)
I. Non-current financial debt	45,668	62,549	(16,881)
J. Debt instruments	-	-	-
K. Non-current other payables	-	-	-
L. Non-current financial indebtedness (I+J+K)	45,668	62,549	(16,881)
Net financial debt from continuing operations (H+L)	(63,801)	(27,974)	(35,827)
Net financial debt from assets held for sale	-	(1,809)	1,809
M. Total financial indebtedness before IFRS 16 effects	(63,801)	(29,783)	(34,018)
N. Current financial liabilities related to the right of use of assets	54,923	49,889	5,034
- N.1 of which current financial liabilities related to the right-of-use assets to the controlling shareholder	53,344	48,295	5,049
O. Non-current financial liabilities related to the right of use of assets	352,963	346,858	6,105
- O.1 of which non-current financial liabilities related to the right-of-use assets to the controlling shareholder	352,146	345,348	6,798
P. Current financial assets related to the right of use of assets	-	-	-
IFRS 16 financial effects	407,886	396,747	11,139
Q. Total net financial debt (M+N+O-P)	344,085	366,964	(22,879)

The **Group's financial debt** not including IFRS 16 lease liability at 30 June 2023 showed net cash of Euro 63,801 thousand compared to net cash of Euro 29,783 thousand at 31 December 2022, thereby recording an increase of Euro 34,018 thousand.

The improvement is due to the positive cash flow generated by the operating activity for the half-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 16,500 thousand in the half-year under review should be noted.

The net financial indebtedness including the IFRS 16 lease liability amounted to Euro 344,085 thousand (Euro 366,964 thousand at 31 December 2022).

Business performance by operating segment and by geographic area

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

Summary of data by operating segment and by geographic area

(Amounts in € '000)	1st Half at 30/06/23		1st Half at 30/06/22	
Revenues from sales and services				
- By operating segment:		%		%
. Italian Exhibitions business	110,169	80.1	100,768	83.1
. Foreign Exhibitions business	2,992	2.2	2,405	2.0
. Congresses	24,412	17.7	18,048	14.9
Total revenues gross of adjustments for inter-segment transactions	137,573	100.0	121,221	100.0
. Adjustments for inter-segment transactions	(5,360)		(5,034)	
Total revenues net of adjustments for inter-segment transactions	132,213		116,187	
- By geographic area:				
. Italy	129,221	97.7	113,782	97.9
. Foreign countries	2,992	2.3	2,405	2.1
Total	132,213	100.0	116,187	100.0
EBITDA		%		%
- By operating segment:		on revenues		on revenues
. Italian Exhibitions business	33,276	30.2	35,195	34.9
. Foreign Exhibitions business	361	12.1	(675)	(28.1)
. Congresses	7,962	32.6	5,001	27.7
. Adjustments for inter-segment transactions	-		-	
Total	41,599	31.5	39,521	34.0
- By geographic area:				
. Italy	41,227	31.9	40,186	35.3
. Foreign countries	372	12.4	(665)	(27.7)
Total	41,599	31.5	39,521	34.0
EBIT		%		%
- By operating segment:		on revenues		on revenues
. Italian Exhibitions business	11,027	10.0	14,587	14.5
. Foreign Exhibitions business	309	10.3	(805)	(33.5)
. Congresses	4,818	19.7	1,978	11.0
. Adjustments for inter-segment transactions	-		-	
Total	16,154	12.2	15,760	13.6
- By geographic area:				
. Italy	15,834	12.3	16,555	14.5
. Foreign countries	320	10.7	(795)	(33.1)
Total	16,154	12.2	15,760	13.6
Employees				
(no. of permanent employees at the end of the period)				
- By operating segment:		%		%
. Italian Exhibitions business	574	81.2	539	81.2
. Foreign Exhibitions business	86	12.2	86	13.0
. Congresses	47	6.6	39	5.8
Total	707	100.0	664	100.0
- By geographic area:				
. Italy	621	87.8	578	87.0
. Foreign countries	86	12.2	86	13.0
Total	707	100.0	664	100.0

Revenues from sales and services at 30 June 2023 before elimination of transactions among the business segments of the Group were Euro 137,573 thousand, of which 80% was generated by Italian Exhibitions Business, 2% by Foreign Exhibitions Business and 18% by the Congress segment.

- Revenues from the **Italian Exhibitions Business** were Euro 110,169 thousand, an increase of approximately Euro 9,401 thousand compared to the figure for the same half of the previous year (Euro 100,768 thousand). The increase is due to the good overall performance of annual exhibitions and multi-year exhibitions due to the presence of ITMA 2023, the world's largest exhibition for textile and clothing technologies.
- Revenues from the **Foreign Exhibitions Business** amounted to Euro 2,992 thousand, increasing by Euro 587 thousand over the same half of the previous year (Euro 2,405 thousand). The increase is due to the presence of the Exposec event in Brazil and the ICTAF 2023 contemporary art exhibition organised by the South African subsidiary.
- Revenues from **Congresses** amounted to Euro 24,412 thousand, increasing by Euro 6,364 thousand over the same half of the previous year (Euro 18,048 thousand). The increase is mainly due to the presence of major congresses including: EULAR - European Alliance of Associations for Rheumatology, EAU - European Association of Urology and ERA - European Renal Association Congress, at corporate conventions, including the Allianz Bank Convention as well as at the new Padel event.

The breakdown by segment of the **EBITDA** of Euro 41,599 thousand, which compared to Euro 39,521 thousand in the same period of the previous financial year, was as follows:

- **Italian Exhibitions Business:** recorded an EBITDA of Euro 33,276 thousand compared to Euro 35,195 thousand in the same period of the previous financial year. The change is mainly due to higher operating costs, the increase in electricity prices and the higher personnel costs resulting from the company reorganisation, which more than offset the positive impact generated by the trend in revenues.
- **Foreign Exhibitions Business:** EBITDA of Euro 361 thousand compared to Euro -675 thousand in the same period of the previous financial year. The increase is mainly due to the result of the joint venture held jointly with the partner Deutsche MESSE AG, which in the same period of 2022, did not hold any exhibitions in China.
- **Congresses:** EBITDA was Euro 7,962 thousand, compared to Euro 5,001 thousand in the same half of 2022. The change in the half-year was mainly attributable to the already highlighted trend in revenues.

The **EBIT** of the three operating segments totalled Euro 16,154 thousand compared to Euro 15,760 thousand in the same period of the previous year.

The breakdown by geographic area in the first half shows revenues from foreign activities of Euro 2,992 thousand compared to Euro 2,405 thousand in the same period of the previous year. EBITDA was Euro 372 thousand, compared to the figure for the first half of the previous year (Euro -665 million) whilst EBIT was Euro 320 thousand compared to an EBIT of Euro -795 thousand for the same period of the previous year.

Exhibitions organised by the Group in Italy and abroad occupied total net exhibition space of 153,910 square metres, which equated to 19% of the total exhibition space occupied.

In Italy, 23 events and 26 events related to conferences with an exhibition area took place in the two exhibition sites **fieramilano** and **fieramilanocity** during the half-year.

Exhibitions in Italy occupied net exhibition space totalling 701,780 square metres compared to 690,160 square metres in the first half of the previous year. The number of exhibitors rose from 11,660 in the first half of 2022 to 13,265 in the first half of 2023.

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

Italian exhibition portfolio

	Net sq. metres of exhibition space		Number of exhibitors	
	1st Half to 30/06/23	1st Half to 30/06/22	1st Half to 30/06/23	1st Half to 30/06/22
Annual Exhibitions:				
<u>Directly organised</u>				
- Bit	16,165	15,610	210	200
- Chibimart estate	a)	2,765	a)	75
- Miart	8,930	8,145	190	170
- SposaItalia	8,410	7,445	125	90
- HOMI	16,010	10,955	280	225
- HOMI Fashion&Jewels (1st semester)	12,630	9,400	460	365
- Promotion Trade Exhibition	2,925	3,520	90	85
Total annual exhibitions directly organised	65,070	57,840	1,355	1,210
<u>Hosted</u>				
- LineaPelle (1st semester)	44,020	38,635	995	950
- Mido	37,980	28,505	945	655
- Milano Unica (Spring)	24,520	18,850	475	385
- Mipel (March)	4,420	3,200	155	110
- My Plant & garden	25,360	23,640	585	565
- Fa la cosa giusta	6,110	12,000	415	500
- Salone del mobile/ Complemento d'arredo	133,725	154,610	840	910
- Filo (1st semester)*	1,385	-	70	-
- The Micam (Spring)	35,100	30,165	745	630
- The ONE Milano (February)	3,710	3,715	70	65
Total annual exhibitions hosted	316,330	315,130	5,295	4,860
Total annual exhibitions	381,400	372,970	6,650	6,070

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	Net sq. metres of exhibition space		Number of exhibitors	
	1st Half to 30/06/23	1st Half to 30/06/22	1st Half to 30/06/23	1st Half to 30/06/22
Biennial exhibitions				
<u>Directly organised</u>				
- Transpotec & Logitec	-	52,880	-	220
Total biennial exhibitions directly organised	-	52,880	-	220
<u>Hosted</u>				
- Eurocucina	-	29,095	-	80
- Euroluce	35,390	-	250	-
- ISSA Pulire	13,980	-	295	-
- Lamiera	18,395	18,990	290	250
- Made in Steel	16,380	-	285	-
- Mostra Convegno Expocomfort	-	77,740	-	1,330
- Venditalia	-	14,015	-	265
- Salone del Bagno	-	17,980	-	125
- Tuttofood*	59,660	-	1,300	-
- Workplace 3.0	1,960	2,555	25	25
Total biennial exhibitions hosted	145,765	160,375	2,445	2,075
Total biennial exhibitions	145,765	213,255	2,445	2,295
Multi-annual exhibitions				
<u>Directly organised</u>				
- Print4all	-	11,960	-	180
Total multi-annual exhibitions directly organised	-	11,960	-	180
<u>Hosted</u>				
- Intralogistica	-	3,575	-	85
- Ipack-Ima	-	52,475	-	895
- ITMA	122,295	-	1,660	-
- Greenplast	-	5,140	-	145
Total multi-annual exhibitions hosted	122,295	61,190	1,660	1,125
Total multi-annual exhibitions	122,295	73,150	1,660	1,305
TOTAL EXHIBITIONS	649,460	659,375	10,755	9,670
- Congresses with related exhibition space	52,320	30,785	2,510	1,990
TOTAL	701,780	690,160	13,265	11,660

* From 2023, the exhibition has become hosted having been transferred with the business unit to Fiere di Parma.

a) The exhibition did not take place.

In the first half of the year, 9 exhibitions were held in foreign exhibition sites and the net exhibition space occupied totalled 88,840 square metres compared to 14,590 square metres in the same period of the previous financial year. The number of exhibitors went from 305 in the first half of 2022 to 2,610 in the first half of 2023.

Details of exhibitions held abroad in the first half of 2023 are given in the following table (figures have been rounded so as to facilitate reading and comparison of the figures).

Foreign Exhibition portfolio

	Net sq. metres of exhibition space		Number of exhibitors	
	1st Half to 30/06/23	1st Half to 30/06/22	1st Half to 30/06/23	1st Half to 30/06/22
Annual Exhibitions:				
<u>Exhibitions in China</u>				
- China International Fastener Show °	15,655	a)	755	a)
- Chengdu International Industry Fair °	13,590	a)	405	a)
- GITF International Tour Guangzhou	6,110	a)	70	a)
- Industrial Automation Shenzhen °	11,110	a)	350	a)
- Industrial Automation Robotic Show South China °	3,800	a)	60	a)
- Laser Fair Shenzhen	7,460	a)	210	a)
- Let China Guangzhou	14,895	b)	470	b)
Total Exhibitions in China	72,620	-	2,320	-
<u>Exhibitions in South Africa</u>				
- Cape Town Art Fair	3,855	3,330	100	90
Total Exhibitions in South Africa	3,855	3,330	100	90
<u>Exhibitions in Brazil</u>				
- Exposec	12,365	10,990	190	200
- Ecoenergy	b)	270	b)	15
Total Exhibitions in Brazil	12,365	11,260	190	215
Total Annual Exhibitions	88,840	14,590	2,610	305
TOTAL EXHIBITIONS	88,840	14,590	2,610	305

° The exhibition was organised in partnership.

a) The exhibition did not take place.

b) The exhibition was held/will be held in subsequent quarters.

Information on related-party transactions

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

Group personnel

At 30 June 2023, Group employees totalled 707. The breakdown compared to 31 December 2022 was as follows:

Permanent employees at period end

31/12/22 (units)			30/06/23			30/06/22		
Total	Italy	Foreign countries	Total	Italy	Foreign countries	Total	Italy	Foreign countries
Fully consolidated companies:								
30	29	1	26	25	1	28	27	1
561	537	24	585	557	28	563	536	27
591	566	25	611	582	29	591	563	28
Equity-accounted companies (a):								
5	2	3	5	2	3	5	2	3
78	23	55	91	37	54	68	13	55
83	25	58	96	39	57	73	15	58
674	591	83	707	621	86	664	578	86

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

Compared to 31 December 2022, permanent employees increased by 33 net units. The increase is related to the acquisition of 18.5% of Fiere di Parma and the strengthening of some areas mainly to cover the positions that remained open following the company reorganisation carried out by the Parent Company in previous periods.

Main risk factors affecting the Group

Risk management in the Fiera Milano Group

Fiera Milano uses an 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.

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

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

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

1. Risks related to external and strategic factors

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

The Group's financial results are dependent on the investments planned by its customers at 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.

The first half of 2023 saw a sharp drop in energy prices and a subsequent slowdown in inflation, which fell in a few months from 9.1% to 3% in the US and from 10.6% to 5.5% in the eurozone. However, while in the US the magnitude of the decline is such as to suggest the end of the FED's restrictive rate policy, in Europe the figure is still far from the 2% per year target, so changes in the ECB's bullish policy are not expected in the short term, with consequent fears about the impacts of high rates in terms of GDP growth. China saw growth of 5.5% in the half-year, but still below expectations, influenced by the difficulties of the real estate sector.

In Italy, inflation in June 2023 stood at 6.4%, down but still at high levels, while the forecasts (ISTAT) for June 2023 GDP are +1.2%, a slight improvement compared to those outlined for Italy by the EU Commission in February 2023 (+0.8%), thanks mainly to the boost in domestic demand.

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 calendar for 2023 looks healthy, with +14% more international events and +10% more national events than in 2022. The exhibition market remains a mature market, with high barriers to entry and investment concentrated towards the biggest events with the highest international appeal. Fiera Milano is facing an increased level of competition in the exhibition sector, with particular reference to the European and national context, worsened in recent years by repositioning in the exhibition calendar and consequent overlaps between competing events, brought about by the pandemic. The exhibition market in Italy is increasingly polarised by the major players. The market share of the top 5 – Fiera Milano, IEG, Bologna, Verona and FLAE – based on data from the consulting firm AMR, went from 51% in 2017 to 74% in 2021.

The first half of 2023 saw the return of Chinese buyers and, on average, good performance of exhibitions (-15% in terms of square meters compared to 2019) and excellent congresses (substantially in line with pre-Covid). The absence of Russian buyers, except in isolated cases (e.g.

MICAM) was offset by an increase in visitors from other geographical areas such as India, South Korea, Japan and the Middle East (e.g. the Arab Emirates).

Against this backdrop, the Group is committed to delivering on the strategic lines set out in the CONNECT 2021-2025 Plan, which focuses on the following four strategic lines: (i) enhancement of traditional and digital services (ii) expansion of own exhibitions (iii) consolidation of the congress business (iv) exploitation of the potential of exhibition facilities, also through actions such as partnerships with leading international operators (Informa and DMG) and possible consolidation operations with other national exhibition/congress operators.

Cyclical nature and seasonality of the exhibition and congress industry

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

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

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

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

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

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

For Nolostand SpA, this risk factor is ingrained in the organisational operating model the Group has selected and adopted for Nolostand SpA, whose operations are nearly entirely captive in relation to the exhibition and congress business developed by the Group. However, the company is committed to developing a business line for "off-site" orders, also exploiting the potential of the "Erigo" network agreement with Allestitenti 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 exhibition and congress companies with better or higher profile credentials compared to that of Fiera Milano. The issue of the sustainability of the structures of the host location (city) is also important, especially in the context of congresses.

With a view to managing this risk factor, the Group has defined a framework of sustainability objectives integrated into the CONN.E.C.T. Plan 2021-2025. This framework includes initiatives on various fronts, including (i) calculation of the carbon footprint (LCA - Life Cycle Assessment method) for Group exhibitions (ii) the assignment of a sustainability rating by Sustainalytics, obtained in 2022 with a score that placed Fiera Milano in the second best rating class "Low Risk" (iii) a Group ISO

certification plan for sustainable event management, quality, health and safety, environment and anti-corruption.

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

The parent company Fiera Milano SpA, already certified ISO 9001 - Quality and ISO 20121 - Sustainable Event Management System, achieved in the first half of 2023 the ISO 45001 - Health and Safety certification and aims to achieve by the end of 2023 the ISO 14001 - Environment and in 2024 the ISO 37001 - Anti-Corruption certification.

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

Finally, activities are underway to allow the company Fiera Milano Congressi, which manages the congress business, to obtain ISO 20121 – Sustainable Event Management System and ISO 14001 – Environmental Management System certifications by the end of 2023.

Commodity price risk (energy)

The pressure on commodity prices in 2022, also as a result of the outbreak of the Russia-Ukraine conflict, and especially on energy prices (gas, oil, electricity), eased in the first half of 2023, so much so that the price of gas fell from its highs of Euro 300 per MWh in August 2022 to around Euro 30 at the end of June 2023. This development was due to several factors, including: (i) European countries being able to compensate for lower supplies from Russia by increasing imports from other countries (e.g. the United States); (ii) the positive impact of a particularly mild winter - at the end of the 2023 winter season, European gas storage was around twice as full as at the end of the 2022 winter season; (iii) the slow recovery of the Chinese economy and therefore lower demand for liquefied natural gas for the Asian country.

Even in a more favourable environment than in 2022, the Group's energy price risk remains significant, with electricity costs fixed at pre-crisis prices throughout 2022, but subject to market fluctuations from 2023. In this respect, the Company has met most of its energy needs in the first half of 2023 and part of the second half of 2023 at fixed costs, taking into account the favourable trend in energy prices recorded on the market since February. The underlying hedging strategy is to seize the most favourable energy price opportunities by composing the hedge ratio accordingly. In addition, as a risk mitigation measure, work will begin in early 2023 to upgrade the photovoltaic system installed at the Rho site, with the aim of completing it by the end of 2023, which will increase the share of energy needs met by this source from the current 20% to 28-30%.

For other raw materials, such as wood (used for stand panels) and polymers (used for graphics, signage and carpeting), the Group has put in place advance procurement policies for certain materials 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

Risks associated with 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.

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

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

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 events 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, maintenance, 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. In addition, where possible, for the most important operations services, the suppliers contracted for the Rho site and the MICO Congress Centre are different.

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 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 cyber risk.

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) e-mail protection - solutions for protecting company e-mails;
- (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.

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

Also implemented in 2022 was an SOC – Security Control Center service, managed by a service provider, with the aim of analysing and managing security incidents and the related containment and resolution measures. At the beginning of 2023, the Cyber Threat Intelligence service came online, offering 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 depends, to a significant degree, on the professional contribution of certain key personnel and highly specialised individuals, specifically (i) the members of top management and (ii) the exhibition directors who are responsible for the organisation of the events, by virtue of their specialist professional expertise; the Group is therefore exposed to the risk of not being able to retain or attract suitable personnel with the necessary skills and expertise to conduct its activities and support the Group's strategies, or of the current professional relationships ending as a result of these key figures leaving the organisation.

To manage the potential critical issues arising from this risk factor, the Group has put in place a series of actions. In April 2023, the Shareholders' Meeting approved a medium and long-term LTI incentive plan "Performance Shares 2023-2025" in the form of mixed cash/performance shares for the benefit of executive directors, executives with strategic responsibilities and selected employees of the Group, subject to the achievement of performance targets, in order to increase their motivation and loyalty to the company.

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

Employee commitment, engagement and satisfaction

This is the risk of a decline in employee motivation and a reduced sense of belonging to the Group during the pandemic as a result of the prolonged suspension of exhibition and congress activities in previous years, with consequent fears of loss of income and/or employment.

In general, the risk can be linked to a lack of attention by top management to achieving and maintaining a satisfactory level of wellbeing for the company's population.

To address this situation, the Group's management launched an engagement survey of its workforce in recent years, which revealed a series of areas of focus. During 2022, the Group developed an HR Plan that envisages a series of actions, including the design of individual development plans and total reward policies, aimed at boosting the professional growth and motivation of people, and the "Sales" population incentive system has also been revised.

During 2022, Agile Working was regulated, with the signing of an ad hoc trade union agreement, and by the end of 2023, the CIA - Supplementary Company Contract is also expected to be renewed.

Risks associated with undeclared labour

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

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

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

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

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

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

Risks related to business ethics and integrity in the supply chain

There is a potential risk that the lack of transparency and integrity in the supplier base (e.g. corruption, money laundering, infiltration of organised crime), may have repercussions on operations and compromise the Group's reputation, also in consideration of its significant media exposure.

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

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

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

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

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

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

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

Administrative liability of entities pursuant to Legislative Decree 231/01

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

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

During 2022, the 231 Model (pursuant to Legislative Decree 231/2001) was updated to take into account the regulatory changes that occurred, most recently on the subject of “stolen goods, money laundering and self-laundering” (Legislative Decree 195/2021) and “the fight against fraud and the falsification of means of payment other than cash” (Legislative Decree 184/2021).

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

Compliance risk regarding data protection (privacy)

As part of their activities, the Company and the Group Companies process personal data, relating to natural persons (e.g. employees, customers, suppliers, etc.) and are each, therefore, required to comply with the provisions of Regulation (EU) 2016/679 (“GDPR”), and any other applicable national and/or EU provisions on personal data protection, including the provisions of the Data Protection Authority, such as those issued in 2021 relating to the guidelines for cookies and other tracking tools. The Company, along with the other Group Companies, is therefore exposed to the risk that the procedures implemented and the measures adopted to protect personal data prove to be inadequate and/or that greater supervision of such issues is required in order to avoid sanctions, which provide for maximum fines of Euro 10 million to Euro 20 million or 4% of the previous year's total annual turnover, whichever is higher. 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 (Privacy Representatives, Privacy Designates, Data Processors, Focal Points), 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 risks

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

Key data of the companies of the Group

Key data of the companies of the Group data compliant with IAS/IFRS

Fully consolidated companies	1st Half at 30/06/23	1st Half at 30/06/22
	(€ '000)	(€ '000)
Fiera Milano SpA		
Revenues from sales and services	107,171	98,978
EBITDA	31,961	33,100
Employees	491	473
Net financial debt (cash)	338,868	338,463
Nolostand SpA		
Revenues from sales and services	21,180	17,127
EBITDA	1,316	996
Employees	43	40
Net financial debt (cash)	44	(1,054)
Fiera Milano Congressi SpA		
Revenues from sales and services	24,412	18,047
EBITDA	7,724	5,034
Employees	38	39
Net financial debt (cash)	20,519	23,154
MADE eventi Srl		
Revenues from sales and services	8	-
EBITDA	(324)	(220)
Employees	10	11
Net financial debt (cash)	98	535
Fiera Milano Brasil Ltda		
Revenues from sales and services	2,206	1,707
EBITDA	205	50
Employees	26	25
Net financial debt (cash)	(744)	1,924

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**Key data of the companies of the Group
data compliant with IAS/IFRS**

	1st Half at 30/06/23	1st Half at 30/06/22
	(€ '000)	(€ '000)
Fiera Milano Exhibitions Africa Pty Ltd		
Revenues from sales and services	786	699
EBITDA	137	136
Employees	3	3
Net financial debt (cash)	(561)	(682)

List of jointly controlled companies equity-accounted	1st Half at 30/06/23	1st Half at 30/06/22
	(€ '000)	(€ '000)
Hannover Milano Global Germany GmbH		
Revenues from sales and services	13,591	1,550
EBITDA	883	(2,253)
Employees	117	119
Net financial debt (cash)	(26,200)	(16,276)

Ipack Ima Srl		
Revenues from sales and services	-	14,961
EBITDA	(209)	3,944
Employees	14	15
Net financial debt (cash)	184	(1,748)

MiCo Dmc Srl		
Revenues from sales and services	11,991	3,593
EBITDA	689	(75)
Employees	17	16
Net financial debt (cash)	(2,876)	(2,338)

Ge.Fi. SpA		
Revenues from sales and services	295	-
EBITDA	(1,781)	-
Employees	31	-
Net financial debt (cash)	621	-

Mi-View Srl		
Revenues from sales and services	823	-
EBITDA	(200)	-
Employees	10	-
Net financial debt (cash)	960	-

Fiere di Parma SpA		
Revenues from sales and services	-	-
EBITDA	-	-
Employees	65	-
Net financial debt (cash)	-	-

Significant events after the end of the reporting period

There were no significant events after the end of the reporting period.

Business outlook

During 2023, the Fiera Milano Group will continue to execute the CONN.EC.T.2025 strategic plan, the implementation of which is on schedule, by leveraging the completion of the technological and digital transformation, the greater penetration of services and the strengthening of the exhibition and congress portfolio, also by making agreements with strategic partners and the launch of new exhibition concepts.

Although the macroeconomic scenario expected for 2023 still involves factors of uncertainty, the results achieved in the first half of the year, which confirm a consolidated post-pandemic recovery, lead the Group to believe that it can improve on previous estimates by forecasting the achievement of a result at the upper end of the Euro 70-80 million EBITDA target at 31 December 2023.

Interim Condensed Consolidated Financial Statements at 30 June 2023

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

Consolidated Statement of Financial Position

notes	(€ '000)	30/06/23	31/12/22
ASSETS			
Non-current assets			
4	Property, plant and equipment	5,836	5,003
4	Right-of-use assets	375,294	367,482
38	<i>of which from related parties</i>	373,007	364,503
	Investments in non-core property	-	-
5	Goodwill	95,036	95,036
5	Intangible assets with a finite useful life	13,615	15,195
2-6	Investment in an associate and a joint venture	46,050	29,640
6	Other investments	32	32
9-38	Other financial assets	1,924	2,386
6	Trade and other receivables	34,972	33,424
38	<i>of which from related parties</i>	32,432	33,240
6	Deferred tax assets	11,201	11,174
	Total	583,960	559,372
Current assets			
7	Trade and other receivables	57,652	33,404
38	<i>of which from related parties</i>	8,174	5,550
8-38	Inventories	5,120	3,144
	Contracts in progress	-	-
9-38	Financial assets	76,903	36,420
10	Cash and cash equivalents	59,961	81,971
	Total	199,636	154,939
1.5	Assets held for sale	-	2,672
	Assets held for sale	-	2,672
	Total assets	783,596	716,983
EQUITY AND LIABILITIES			
11	Equity		
	Share capital	42,042	42,182
	Share premium reserve	9,257	9,828
	Revaluation reserve	-	-
	Other reserves	4,526	5,298
	Retained earnings	48,439	53,951
	Profit/(loss) for the period	25,866	(5,599)
	Total Group equity	130,130	105,660
	Equity attributable to non-controlling interests	403	533
	Total equity	130,533	106,193
Non-current liabilities			
	Bonds in issue	-	-
12	Bank borrowings	43,942	60,866
13	Financial liabilities related to the right-of-use of assets	352,963	346,858
38	<i>of which from related parties</i>	352,146	345,348
13	Other financial liabilities	1,726	1,683
14	Provision for risks and charges	500	500
15	Employee benefit provisions	7,498	7,763
18	Deferred tax liabilities	3,303	3,733
	Other liabilities	-	-
	Total	409,932	421,403
Current liabilities			
	Bonds in issue	-	-
12	Bank borrowings	26,875	27,250
16	Trade payables	52,393	50,317
17-38	Advances	61,801	29,869
13	Financial liabilities related to the right-of-use of assets	54,923	49,889
38	<i>of which from related parties</i>	53,344	48,295
13-38	Other financial liabilities	520	618
14	Provision for risks and charges	3,255	5,443
18	Tax liabilities	2,480	2,606
19	Other liabilities	40,884	20,723
38	<i>of which from related parties</i>	13,018	4,352
	Total	243,131	186,715
1.5	Liabilities held for sale	-	2,672
	Liabilities held for sale	-	2,672
	Total equity and liabilities	783,596	716,983

Consolidated Statement of Income

notes	(€ '000)	1st Half at 30/06/23	1st Half at 30/06/22
23	Revenues from sales and services	132,213	116,187
38	<i>of which with related parties</i>	4,541	6,106
	Total revenues	132,213	116,187
24	Cost of materials	1,604	1,922
25	Cost of services	63,708	51,277
38	<i>of which with related parties</i>	3,232	1,132
26-38	Cost of use of third-party assets	395	585
27	Personnel expenses	24,739	22,569
28-38	Other operating expenses	2,452	2,241
	Total operating expenses	92,898	78,594
29-38	Other income	1,763	1,503
30	Results of equity accounted associates and joint ventures	580	425
31	Provisions for doubtful receivables and other provisions	59	-
	Earnings before interest, taxes, depreciation, and amortization (EBITDA)	41,599	39,521
32	Depreciation of property, plant and equipment and right-of-use assets	23,175	21,564
	Depreciation of property investments	-	-
32	Amortisation of intangible assets	2,270	2,197
	Adjustments to asset values	-	-
	Earnings before interest and taxes (EBIT)	16,154	15,760
33-38	Financial income and similar	2,327	882
33	Financial expenses and similar	7,380	7,759
38	<i>of which with related parties</i>	5,588	5,736
	Profit/(loss) before tax	11,101	8,883
34	Income tax	1,866	3,609
38	<i>of which with related parties</i>	1,796	3,504
	Profit/(loss) for the period from continuing operations	9,235	5,274
35	Profit/(loss) for the period from discontinued operations	16,500	-
36	Profit/(loss) for the period	25,735	5,274
	Profit/(loss) attributable to:		
	The shareholders of the controlling entity	25,866	5,363
	Non-controlling interests	(131)	(89)
37	Earnings/(losses) per share (€)	0.3628	0.0749
		0.3628	0.0749

Consolidated Statement of comprehensive Income

notes	(€ '000)	1st Half at 30/06/23	1st Half at 30/06/22
11	Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss for the period		
	Revaluation of defined benefit schemes	95	1,069
	Tax effects	(24)	(257)
11	Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss of the period		
	Currency translation differences of foreign subsidiaries	(136)	(34)
2	Other comprehensive income/(loss) of equity accounted associates and joint ventures that will not be reclassified subsequently to profit or loss for the period		
	Revaluation of defined benefit schemes	26	32
	Tax effects	(9)	(8)
	Currency translation differences of foreign subsidiaries	(6)	59
	Other comprehensive income/(loss) for the period net of related tax effects	(54)	861
	Total comprehensive income/(loss) for the period	25,681	6,135
	Total comprehensive income/(loss) for the period attributable to:		
	The shareholders of the controlling entity	25,811	6,208
	Non-controlling interests	(130)	(73)

Consolidated Cash Flows

notes	(€ '000)	1st Half at 30/06/23	1st Half at 30/06/22
	Net cash at beginning of the period from continuing operations	81,971	148,298
	Net cash at beginning of the period from assets held for sale	1,809	-
	Cash flow from operating activities		
10	Net cash arising from operations	64,189	28,598
38	<i>of which from related parties</i>	<i>7,121</i>	<i>8,307</i>
	Interest paid	(1,295)	(471)
20	Interest paid on financial liabilities related to the right-of-use of assets	(5,619)	(5,790)
38	<i>of which from related parties</i>	<i>(5,575)</i>	<i>(5,733)</i>
	Interest received	1,402	21
	Income taxes paid	(1,338)	(959)
	Total from continuing operations	57,339	21,399
	Total from assets held for sale	-1,809	-
	Cash flow from investing activities		
4	Investments in tangible assets	(1,887)	(188)
5	Investments in intangible assets	(687)	(1,561)
6	Investment in joint venture	642	-
	Total from continuing operations	(1,932)	(1,749)
	Total from assets held for sale	-	-
	Cash flow from financing activities		
11	Equity	(711)	-
12-13	Repayment of non-current borrowings	(15,629)	(9,398)
9	Increase of current financial assets	(41,708)	1,238
12-13	Repayment of current financial liabilities related to the right-of-use of assets	(18,784)	(12,622)
38	<i>of which from related parties</i>	<i>(18,076)</i>	<i>(11,265)</i>
12-13	Repayment of current borrowings	(505)	(10,027)
38	<i>of which from related parties</i>	<i>(130)</i>	<i>(9,560)</i>
	Total from continuing operations	(77,337)	(30,809)
	Total from assets held for sale	-	-
11	Total translation differences	(80)	(181)
	Net cash for the period from continuing operations	(21,930)	(11,159)
	Net cash for the period from assets held for sale	(1,809)	-
	Net cash at the end of the period	59,961	136,958

Net cash arising from operations

	(€ '000)	1st Half at 30/06/23	1st Half at 30/06/22
	Result of continuing operations	9,235	5,274
	<i>Adjustments for:</i>		
	Profit from equity accounted investments	(580)	(425)
	Depreciation and Amortisation	25,445	23,761
	Financial income and expenses	(134)	708
	Financial expenses related to the right-of-use of assets (IFRS 16)	5,619	5,790
	Personnel costs "Performance Shares Plan"	(166)	168
	Net change in employee provisions	(161)	(524)
	Changes in deferred taxes	(489)	(377)
	Inventories	(1,976)	(614)
	Trade and other receivables	(25,797)	(3,131)
	Trade payables	2,076	2,419
	Pre-payments	31,932	(6,189)
	Tax payables	1,212	(1,508)
	Provisions for risks and charges and other liabilities (excluding payables to Organisers)	2,310	1,000
	Payables to Organisers	15,663	2,246
	Total	64,189	28,598

Consolidated Statement of Changes in Equity

(€'000)

	Share capital	Share premium reserve	Other reserves	Retained profits/(losses)	Profit/(loss) for the period	Total Group equity	Capital and reserves attributable to non-controlling interests	Profit/(loss) for the financial period attributable to non-controlling interests	Total non-controlling interests	Total equity
Balance at 31 December 2021	42,284	10,256	2,623	8,792	44,359	108,314	949	(278)	671	108,985
Allocation of earnings at 31.12.21:	-	-	-	44,359	(44,359)	-	(278)	278	-	-
use of reserves	-	-	-	-	-	-	-	-	-	-
<i>dividend distribution</i>	-	-	-	-	-	-	-	-	-	-
<i>Fair value stock grant</i>	-	-	168	-	-	168	-	-	-	168
Remeasurement of defined benefit plans	-	-	-	820	-	820	16	-	16	836
Other variations	-	-	1,452	-	-	1,452	-	-	-	1,452
Total comprehensive income for the period	-	-	25	-	5,363	5,388	-	(89)	(89)	5,299
Balance at 30 June 2022	42,284	10,256	4,268	53,971	5,363	116,142	687	(89)	598	116,740
	Share capital	Share premium reserve	Other reserves	Retained profits/(losses)	Profit/(loss) for the period	Total Group equity	Capital and reserves attributable to non-controlling interests	Profit/(loss) for the financial period attributable to non-controlling interests	Total non-controlling interests	Total equity
Balance at 31 December 2022	42,182	9,828	5,298	53,951	(5,599)	105,660	694	(161)	533	106,193
Allocation of earnings at 31.12.22:	-	-	-	(5,599)	5,599	-	(161)	161	-	-
use of reserves	-	-	-	-	-	-	-	-	-	-
<i>dividend distribution</i>	-	-	-	-	-	-	-	-	-	-
Treasury shares	(140)	(571)	-	-	-	(711)	-	-	-	-
<i>Fair value stock grant</i>	-	-	(166)	-	-	(166)	-	-	-	166
Remeasurement of defined benefit plans	-	-	-	87	-	87	1	-	1	88
Other variations	-	-	(464)	-	-	(464)	-	-	-	(464)
Total comprehensive income for the period	-	-	-142	-	25,866	25,724	-	(131)	-	25,724
Balance at 30 June 2023	42,042	9,257	4,526	48,439	25,866	130,130	534	(131)	403	130,533

Illustrative Notes to the Interim Condensed Consolidated Financial Statements

The Fiera Milano Group Interim Condensed Consolidated Financial Statements at 30 June 2023 were approved and their publication authorised by the Board of Directors on 26 July 2023.

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

The Group business consists of hosting exhibitions, fairs and other events, promoting and making available equipped exhibition spaces, as well as offering support for projects and related services. This includes the business of staging exhibitions (and providing final services to exhibitors and visitors).

The business of the Group has dual seasonality: (i) a greater concentration of exhibitions in the period from January – June; (ii) exhibitions that have a multi-annual frequency.

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

1) Accounting standards and consolidation criteria

Standards used to prepare the Financial Statements

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all the information required in the preparation of the annual consolidated financial statements. For this reason, it is necessary to read the interim condensed consolidated financial statements together with the consolidated financial statements as at 31 December 2022.

Given the capital and financial position for the first six months of 2023, the 2023-2026 financial forecasts, approved by the Board of Directors on 20 February 2023, confirming the medium-long term forecast already included in the CONN.E.C.T. 2025 Strategic Plan approved on 22 February 2021, 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 Interim Condensed Financial Statements were drawn up with a view to business continuity.

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

No atypical and/or unusual transactions took place in the first half of 2023.

The risks and uncertainties to which the business is exposed are described in the Interim Report on Operations in the section on Risk factors affecting the Group, in note 21 of the Illustrative Notes and in section 1.4 on the use of estimates.

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

1.1 New accounting standards, interpretations and amendments adopted

The accounting standards used to prepare these Interim Condensed Consolidated Financial Statements conform to those used to prepare the Consolidated Financial Statements for the financial year to 31 December 2022, except for new standards and amendments applicable from 1 January 2023. 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 main changes in the period are as follows:

- in December 2021, the International Accounting Standards Board (IASB) issued the initial application of IFRS 17 and IFRS 9 - Comparative Information (amendment to IFRS 17). The

amendment is a transition option relating to comparative information on financial assets presented in the first-time application of IFRS 17. The amendment is intended to help insurers avoid temporary accounting mismatches between the financial assets and liabilities of insurance contracts, and thus to improve the usefulness of comparative information for users of financial statements. IFRS 17, which takes account of this amendment, is effective for financial years beginning on or after 1 January 2023.

- on 23 May 2023, the International Accounting Standards Board (IASB) approved amendments to IAS 12 - Income Taxes. The amendments offer companies a temporary solution that simplifies the accounting for deferred taxes resulting from the OECD international tax reform. Companies may immediately benefit from the temporary exception, but are required to provide the information to investors for annual financial years beginning on or after 1 January 2023. These disclosures will be in addition to those already required by IAS 12.

These amendments introduced changes and clarifications that had no impact on the Group.

1.2 Form and content of the Consolidated Financial Statements

Notwithstanding the provisions of IAS 34 – Interim Financial Reporting the present Interim Condensed Consolidated Financial Statements give detailed, and not just summary, tables in order to provide a better and more complete view of the financial results for the first half of the year to 30 June 2023 and of the same period of the previous year. The Illustrative Notes meet the information requirements of IAS 34 and include data considered useful for a fuller understanding of the Interim Condensed Consolidated Financial Statements.

1.3 Scope and principles of consolidation

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

The present Interim Condensed Consolidated Financial Statements have been prepared on the basis of the six-monthly situation at 30 June 2023 approved by the Boards of Directors of the companies included in the area of consolidation and prepared according to Group accounting policies using IAS/IFRS.

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. Euro 16.5 million was recognised in the Net Profit/(loss) for the period of assets held for sale.

Attachment 1 gives the list of consolidated companies.

Translation of accounts prepared in currencies other than the Euro

The exchange rates used to translate the 2023 and 2022 half-year financial statements of foreign companies into Euro were as follows:

	average 1st Half 2023	average 1st Half 2022	30/06/2023	30/06/2022
South African rand	19.6792	16.8485	20.5785	17.0143
Brazilian reals	5.4827	5.5565	5.2788	5.4229

Source: Bank of Italy

1.4 Use of estimates

Preparation of interim financial statements and related notes under IFRS require estimates and assumptions to be made that affect the figures for assets and liabilities in the financial statements and information regarding the potential assets and liabilities at the date the half-year financial statements are prepared. Actual results may differ from these estimates. Estimates are used for provisions for

doubtful accounts, depreciation and amortisation, employee benefits, taxes, and other provisions and reserves, as well as any impairment of assets. Estimates and assumptions are reviewed regularly and the effects of any change are immediately recognised in profit or loss.

The most significant estimates used in preparing the Financial Statements are given below as these require a high degree of subjective opinions, assumptions and forecasts:

- *Goodwill* is systematically tested for *impairment* at least annually, or more often if impairment indicators emerge. The impairment test calls for a discretionary estimate of the values in use of the cash-generating unit to which the goodwill is attributed, in turn based on the estimate of future cash flows of the CGU and their discounting at a specified discount rate.

The recoverability of carrying amounts is measured as the lower of the carrying amount and the higher of the fair value less costs to sell and the value in use of the asset. The net selling price is the price that would be received to sell an asset in an orderly transaction between market participants less costs to sell; in the absence of a binding agreement, reference is made to similar transactions on an active market or it is determined according to IFRS 13 Fair Value Measurement. The value in use is the present value of the future cash flows expected to be derived from the asset (or cash-generating unit), discounted using a weighted average cost of capital of an entity having a similar risk profile and level of indebtedness, and from its ultimate disposal at the end of its useful life.

The plans used to carry out the impairment tests are based on certain expectations and assumptions of future performance that by their very nature are subject to uncertainties. Therefore, results could differ from estimates.

These assumptions are also subject to the medium- and long-term consequences of the health emergency linked to the Covid-19 pandemic and the effects of the Russian-Ukrainian conflict, with particular reference to the timing of a return to pre-pandemic performance levels. Therefore, results could differ from estimates. The plan will be continually assessed by the Directors regarding the effective realisation of the initiatives and forecasts and the effects on the financial and economic performance of the Group.

- *Intangible assets with a finite useful life* are tested for *impairment* when there are internal or external indications that an asset is impaired; this test requires an estimate of the value in use of the cash-generating unit to which the asset belongs, which itself is based on an estimate of the cash flows the cash-generating unit is expected to generate and discounting them to their net present value using an appropriate discount rate.
- *Deferred tax assets* are recognised against tax losses carried forward and other timing differences to the extent of the likely existence of future taxable profit against which these tax losses carried forward and those due to timing differences may be used. Management must use its judgement in estimating the amount of deferred tax assets to be recognised. The business plan of the Company is used to calculate the likelihood that these deferred tax assets will be used.
- *Provisions for risks and charges* are subject to discretionary estimates using the best available information at the date of these Financial Statements and based on historic and future data regarding the likely outcome of legal disputes or events, for which assessment of the risk profiles and likely financial impact is uncertain and complex and could result in an adjustment to the estimates.

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

- *Share-based Payments*. According to the contents of IFRS 2 - Share-based Payments, the total amount of the current value of the stock grants (fair value) at the assignment date is recorded in full in the statement of income among the personnel costs for the period between the allocation date and their maturity date and is recognised against the equity reserve. The fair value of the stock grants is calculated at their allocation date, reflecting the market conditions existing at the date in question.

In the case of a set 'maturity period' in which some conditions must be met (attaining targets) so that the assignees become holders of the right, the cost for remuneration, determined on the basis of the current value of the shares at the allocation date, is recorded under personnel costs based on a straight-line method over the period between the allocation date and the maturity date.

In case of assigning shares free of charge (so-called stock grant) at the end of the maturity period, the corresponding increase in equity is recorded.

- *Taxes* are calculated for each individual consolidated company, by applying to the profit/(loss) before tax for the period the tax rate which would apply to the expected annual results. If the estimated effective tax rate does not give credible results, the income taxes are calculated by applying the tax rate and enacted regulations in the countries in which the Group operates to the estimated taxable income for the period.

1.5 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 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 SpA's business unit related to the exhibition "Tuttofood", a leading exhibition event in the agri-food sector, for a value of Euro 16.5 million. The Parties have agreed that Fiera Milano will hold 18.5% of the share capital of Fiere di Parma.

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 "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 valued in the financial statements as at 31 December 2022 were eliminated with the transfer of the business unit which, as regards the income statement, resulted in a capital gain of Euro 16.5 million.

The recognition of assets held for sale in the income statement and in the statement of financial position are detailed below:

Statement of profit or loss from assets held for sale

(€ '000)	1st Half at 30/06/23	1st Half at 30/06/22
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)	30/06/23	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. S.p.A., a leading Italian player in the organisation of trade fairs and exhibitions, including Artigiano in Fiera, hosted annually by Fiera Milano at its Rho venue.

Ge.Fi. SpA holds a 100% stake in Mi-View Srl, which manages the restaurant of the same name located at the World Join Center in Milan.

The investment is recognised in the consolidated statement of financial position using the equity method, with the Group's interest in the result for the 2023 half-year amounting to Euro -522 thousand.

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

	(€'000)	
Ge.Fi. SpA	30/06/23	31/12/22
Current assets	4,149	11,157
Non-current assets	12,535	13,050
Current liabilities	3,281	9,164
Non-current liabilities	2,694	2,727
Net financial debt/(cash)	1,581	25
Equity	9,128	12,291
Total Group equity	2,282	3,073
Goodwill	10,516	10,516
Book value of the joint venture	12,798	13,589

	(€'000)	
Ge.Fi. SpA	1st Half at 30/06/23	
Total revenues and other income	1,061	
Total operating costs	(3,042)	
Depreciation and amortisation and write-downs	(591)	
Interest income	4	
Interest payable	(180)	
Profit/(loss) before tax	(2,748)	
Income tax	(659)	
Profit/(loss) for the period	(2,089)	
Group profit/(loss)	(522)	

The Group holds an 18.5% stake in Fiere di Parma SpA, an associate accounted for using the equity method.

	(€'000)	
Fiere di Parma SpA	30/06/23	
Current assets	27,292	
Non-current assets	66,013	
Current liabilities	25,983	
Non-current liabilities	1,589	
Net financial debt/(cash)	(1,100)	
Equity	66,833	
Total Group equity	12,364	
Goodwill	5,109	
Book value of the joint venture	17,473	

	(€'000)	
Fiere di Parma SpA	1st Half at 30/06/23	
Total revenues and other income	27,525	
Total operating costs	(19,157)	
Depreciation and amortisation and write-downs	(2,429)	
Interest income	163	
Interest payable	(26)	
Profit/(loss) before tax	6,076	
Income tax	819	
Profit/(loss) for the period	5,257	
Group profit/(loss)	973	

Associates have no contingent liabilities or commitments as at 30 June 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 calculated on the results generated by the various exhibitions. For the six-month period under review, the share was 40.21% (40.207% as at 30 June 2022).

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

	(€'000)	
Hannover Milano Global Germany GmbH	30/06/23	31/12/22
Current assets	4,257	3,994
Non-current assets	8,486	8,494
Current liabilities	26,925	22,199
Non-current liabilities	-	-
Net financial debt/(cash)	(26,200)	(21,412)
Equity	12,018	11,701
Book value of the joint venture	5,811	5,836

	(€'000)	
Hannover Milano Global Germany GmbH	1st Half at 30/06/23	1st Half at 30/06/22
Total revenues and other income	13,962	1,588
Total operating costs	(13,080)	(3,844)
Depreciation and amortisation and write-downs	(14)	(19)
Interest income	91	175
Interest payable	(8)	-
Profit/(loss) before tax	951	(2,100)
Income tax	493	138
Profit/(loss) for the period	458	(2,238)
Non-controlling interests	(413)	96
Profit/(loss) for the period	45	(2,142)
Group profit/(loss)	18	(861)

The Group has a 49% shareholding in Ipack-Ima Srl, a company jointly controlled with UCIMA (Union of Italian Automatic Machine manufacturers for packing and packaging) that is equity accounted.

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

	(€'000)	
Ipack Ima Srl	30/06/23	31/12/22
Current assets	2,123	1,137
Non-current assets	4,465	4,580
Current liabilities	1,401	1,314
Non-current liabilities	638	192
Net financial debt/(cash)	183	(1,311)
Equity	4,366	5,522
Book value of the joint venture	2,139	2,706

	(€'000)	
Ipack Ima Srl	1st Half at 30/06/23	1st Half at 30/06/22
Total revenues and other income	120	14,970
Total operating costs	(329)	(11,025)
Depreciation and amortisation and write-downs	(110)	(112)
Interest payable	(16)	(14)
Profit/(loss) before tax	(335)	3,819
Income tax	(76)	1,126
Profit/(loss) for the period	(259)	2,693
Group profit/(loss)	(127)	1,319

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

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

	(€'000)	
MiCo DMC Srl	30/06/23	31/12/22
Current assets	9,705	4,305
Non-current assets	214	377
Current liabilities	11,802	5,735
Non-current liabilities	195	183
Net financial debt/(cash)	(2,876)	(2,535)
Equity	798	1,299
Book value of the joint venture	407	662

	(€'000)	
MiCo DMC Srl	1st Half at 30/06/23	1st Half at 30/06/22
Total revenues and other income	11,992	3,593
Total operating costs	(11,304)	(3,668)
Depreciation and amortisation and write-downs	(8)	(6)
Interest payable	(21)	(17)
Profit/(loss) before tax	659	(98)
Income tax	193	(33)
Profit/(loss) for the period	466	(65)
Group profit/(loss)	238	(33)

At 30 June 2023 and at 30 June 2022, there were no material potential liabilities or obligations relating to the shareholding of the controlling shareholders in 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 by 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 5 on Cash Generating Units.

Consequently, based on the management approach, the operating segments were defined as follows:

- **Italian Exhibitions Business:** this segment covers all activities for the organisation and hosting of exhibitions and other events in Italy through the use, promotion and offer of furnished exhibition spaces; 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. It covers all activities associated with exhibitions (including end services for exhibitors and visitors) that are directly organised by the Group or in partnership with third parties or acting as agents.

These activities are carried out by:

- Hannover Milano Global Germany GmbH, a joint venture with Deutsche Messe AG of Hannover, which operates in China through two subsidiaries, Hannover Milano Fairs China Ltd, and Hannover Milano Fairs Shanghai Co. Ltd and its subsidiaries Hannover Milano Best Exhibitions Co. Ltd of which 51% is held and Hannover Milano XZQ Exhibitions of which 60% is held. In addition, it is active through the subsidiary Hannover Milano Fairs India Pvt Ltd;
 - 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 data by segment for the first half to 30 June 2023 and the same period to 30 June 2022.

Income Statement 1st Half to 30/06/23

(€'000)	Italian Exhibitions Business	Foreign Exhibitions Business	Congress	Adjustments	Consolidated
Revenues from sales and services to third-parties	107,307	2,992	21,914	-	132,213
Revenues from intersegment sales and services	2,862	-	2,498	(5,360)	-
Total revenues	110,169	2,992	24,412	(5,360)	132,213
<i>of which from Italy</i>					129,221
<i>of which from foreign activities</i>					2,992
Cost of materials	1,564	2	38	-	1,604
Cost of services	51,769	1,937	15,633	(5,631)	63,708
Cost for use of third-party assets	490	113	26	(234)	395
Personnel expenses	22,590	563	1,606	(20)	24,739
Other operating expenses	2,437	35	173	(193)	2,452
Total operating expenses	78,850	2,650	17,476	(6,078)	92,898
Other income	1,687	6	788	(718)	1,763
Profit/(loss) of equity accounted companies	324	18	238	-	580
Allowance for doubtful accounts and other provisions	54	5	-	-	59
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	33,276	361	7,962	-	41,599
<i>of which from Italy</i>					41,227
<i>of which from foreign activities</i>					372
Depreciation of property, plant and equipment and right-of-use assets	19,998	47	3,130	-	23,175
Depreciation of property investments					
Amortisation of intangible assets	2,251	5	14	-	2,270
Adjustments to asset values					
Earnings before interest and taxes (EBIT)	11,027	309	4,818	-	16,154
<i>of which from Italy</i>					15,834
<i>of which from foreign activities</i>					320
Financial income and similar					2,327
Financial expenses and similar					7,380
Valuation of financial assets					
Profit/(loss) before income tax					11,101
Income tax					1,866
Profit/(loss) from continuing operations					9,235
Profit/(loss) from discontinued operations					16,500
<i>Revenues</i>					
<i>Operating expenses</i>					
Profit/(loss) for the period					25,735
Profit/(loss) attributable to non-controlling interests					(131)
Group profit/(loss)					25,866

The table below gives investments by operating segment:

Statement of Financial Position Data at 30/06/23

(€'000)	Investments increase	<i>of which related to Right-of-use assets</i>
Italian Exhibitions Business	29,918	27,751
Foreign Exhibitions Business	27	-
Congresses	2,565	2,172
Adjustments	-	-
Total	32,510	29,923

Income Statement 1st Half to 30/06/22

(€'000)	Italian Exhibitions Business	Foreign Exhibitions Business	Congress	Adjustments	Consolidated
Revenues from sales and services to third-parties	98,834	2,405	14,948	-	116,187
Revenues from intersegment sales and services	1,934	-	3,100	(5,034)	-
Total revenues	100,768	2,405	18,048	(5,034)	116,187
<i>of which from Italy</i>					113,782
<i>of which from foreign activities</i>					2,405
Cost of materials	1,903	5	15	(1)	1,922
Cost of services	43,437	1,575	11,819	(5,554)	51,277
Cost for use of third-party assets	563	121	14	(113)	585
Personnel expenses	20,511	496	1,584	(22)	22,569
Other operating expenses	2,059	22	160	-	2,241
Total operating expenses	68,473	2,219	13,592	(5,690)	78,594
Other income	1,581	-	578	(656)	1,503
Profit/(loss) of equity accounted companies	1,319	(861)	(33)	-	425
Allowance for doubtful accounts and other provisions	-	-	-	-	-
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	35,195	(675)	5,001	-	39,521
<i>of which from Italy</i>					40,186
<i>of which from foreign activities</i>					(665)
Depreciation of property, plant and equipment and right-of-use assets	18,517	43	3,004	-	21,564
Depreciation of property investments					
Amortisation of intangible assets	2,091	87	19	-	2,197
Adjustments to asset values					
Earnings before interest and taxes (EBIT)	14,587	(805)	1,978	-	15,760
<i>of which from Italy</i>					16,565
<i>of which from foreign activities</i>					(795)
Financial income and similar					882
Financial expenses and similar					7,759
Valuation of financial assets					
Profit/(loss) before income tax					8,883
Income tax					3,609
Profit/(loss) from continuing operations					5,274
Profit/(loss) from discontinued operations					-
<i>Revenues</i>					
<i>Operating expenses</i>					
Profit/(loss) for the period					5,274
Profit/(loss) attributable to non-controlling interests					(89)
Group profit/(loss)					5,363

The table below gives investments by operating segment:

Statement of Financial Position Data at 31/12/22

(€'000)	Investments increase	<i>of which related to Right-of-use assets</i>
Italian Exhibitions Business	17,746	14,401
Foreign Exhibitions Business	51	13
Congresses	2,603	2,010
Adjustments	-	-
Total	20,400	16,424

Notes to the Interim Condensed Consolidated Financial Statements

STATEMENT OF FINANCIAL POSITION

ASSETS

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

	(€'000)						Balance at 30/06/23
	Balance at 31/12/22	Incr.	Decr.	Changes during the period		Other movements	
				Depr.	Currency translation differences		
Property, plant and equipment							
. historic cost	108,178	1,889	340	-	(43)	-	109,684
. depreciation	103,175	-	338	1,056	(45)	-	103,848
Total	5,003	1,889	2	1,056	2	-	5,836
Right-of-use assets							
. historic cost	523,351	29,923	98	-	21	-	553,197
. depreciation	155,869	-	98	22,119	13	-	177,903
Total	367,482	29,923	-	22,119	8	-	375,294

Property, plant and equipment

The item amounts to Euro 5,836 thousand net of depreciation for the period for Euro 1,056 thousand. The increases for the half-year amounting to Euro 1,889 thousand are detailed below:

- investments by Fiera Milano Congressi SpA for Euro 393 thousand referring mainly to costs for improvements on assets owned by Fondazione Fiera Milano;
- investments by Fiera Milano SpA of Euro 297 thousand, of which Euro 226 thousand related to plant and machinery, Euro 38 thousand to the purchase of exhibition equipment and Euro 33 thousand to the purchase of electronic machines;
- investments by Nolostand SpA for Euro 1,172 thousand for goods for the Milano Unica exhibition and stand elements and equipment;
- investments by Fiera Milano Brasil of Euro 27 thousand mainly related to the purchase of electronic machines.

Right-of-use assets

The item amounted to Euro 375,294 thousand net of amortisation for the period of Euro 22,119 thousand and refers to the recognition of the right of use of leased assets arising from the application of IFRS 16. The increase of Euro 29,923 thousand mainly refers for Euro 26,406 thousand to the monetary revaluation of rents for the Rho exhibition site and the MiCo Sud congress centre and for Euro 3,403 thousand to the warehouse located at the Rho exhibition site, in the area called "Cargo 2", following the lease agreement signed with Fondazione Fiera Milano on 15 December 2022.

The item Right-of-use assets includes increases of Euro 29,809 thousand relating to related-party transactions (Euro 15,338 thousand at 31 December 2022). For more details, see note 38 on these transactions.

5) Goodwill and intangible assets with a finite useful life

	(€'000)						Balance at 30/06/23
	Balance at 31/12/22	Incr.	Decr.	Depr.	Currency translation differences	Reclassification	
Goodwill							
. Historic cost	111,633	-	-	-	-	-	111,633
. Amortisation	16,597	-	-	-	-	-	16,597
Total	95,036	-	-	-	-	-	95,036
Intangible assets with a finite useful life							
. Historic cost	76,692	698	26	-	(19)	-	77,345
. Amortisation	61,497	-	15	2,270	(22)	-	63,730
Total	15,195	698	11	2,270	3	-	13,615

Goodwill

As described in the section 1.4 Use of estimates, goodwill is subject to annual impairment tests at the end of each reporting period or more frequently if there are any indications of impairment, with the assistance of a qualified independent expert.

Goodwill is allocated to the different cash generating units (CGUs) or group of CGUs that gave rise to the goodwill.

To identify 'the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets' (IAS 36 – Impairment of Assets), each different Group reportable segment was designated a CGU.

In the new reportable segment 'Italian Exhibitions Business', the CGUs correspond to individual exhibitions and include the activities carried out by the Parent Company Fiera Milano SpA, by Nolostand SpA and MADE eventi Srl.

In the reportable segment 'Foreign Exhibitions Business', the situation is different in countries where the Group holds its own exhibitions (such as Brazil 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 exhibitions organised or hosted by Fiera Milano SpA and MADE Eventi Srl, including the set-up services provided by Nolostand SpA. The goodwill of Fiera Milano SpA (Euro 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.

In conjunction with the half-yearly financial report, Fiera Milano carries out a systematic search for any impairment indicators, confirming the results achieved of the test carried out in the last financial statements.

The performance in the first half of 2023 and the updated forecast for the full year 2023 is overall better than the budget.

The recurring analysis of the performance of the CGUs in the first half of the year compared to the forecast with intangibles entered in the financial statements was also positive.

Finally, the update of the WACC as at 30 June 2023 showed a reduction in the discount rate applicable to equal cash flows compared to the rate calculated as at 31 December 2022, so there are no indicators of impairment in this respect either.

Intangible assets with a finite useful life

This item amounted to Euro 13,615 thousand net of amortisation for the period of Euro 2,270 thousand. Increases in the first half of the year of Euro 698 thousand are attributable to the Parent Company and mainly refer to fixed-term user licences related to cyber security.

Intangible assets with a finite useful life included the following trademarks totalling Euro 6,296 thousand (Euro 6,710 thousand at 31 December 2022):

- Exhibition trademarks:
 - Milan Games Weekend Euro 1,521 thousand;
 - MADE expo Euro 1,024 thousand;
 - Promotion Trade Exhibition Euro 891 thousand;
 - Host Euro 880 thousand;
 - Mipap Milano Prêt-à-Porter Euro 827 thousand;
 - G! Come Giocare Euro 479 thousand;
 - Transpotec & Logitec Euro 233 thousand;
 - Cartoomics Euro 193 thousand;
 - Milan Franchising Show Euro 130 thousand;
 - Miart Euro 60 thousand;
 - BtoBIO Expo Euro 52 thousand;
 - Fruit&Veg Innovation Euro 6 thousand.

On the other hand, there were no indications of impairment that led to the execution of a specific test on individual brands.

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

	Balance at		Changes during the period					Balance at	
	31/12/22	Increase	Decrease	Results associates and joint ventures	Results from discontinued operations	Other movements	Dividend distribution	Currency translation differences	30/06/23
Investment in an associate and a joint venture	29,640	-	-	580	16,500	15	642	(43)	46,050
Other investments	32	-	-	-	-	-	-	-	32
Trade and other receivables	33,424	2,356	808	-	-	-	-	-	34,972
Deferred tax assets	11,174	59	32	-	-	-	-	-	11,201
Total	74,270	2,415	840	580	16,500	15	642	(43)	92,255

The entry for equity accounted investments was Euro 46,050 thousand (Euro 29,640 thousand at 31 December 2022) and was:

- Euro 17,473 thousand for the 18.5% equity investment in Fiere di Parma SpA;
- Euro 12,798 thousand for the 25% equity investment in Ge.Fi. SpA;
- Euro 12,485 thousand for the 49% shareholding in Hannover Milano Global Germany GmbH;
- Euro 2,842 thousand for the 49% shareholding in Ipack-Ima Srl;
- Euro 452 thousand for the 51% shareholding in MiCo DMC Srl.

The breakdown of the result is shown in Note 30 "Profit/(loss) of Associates and Joint Ventures" and Note 1.5 'Net Profit/(Loss) for the Period from Discontinued Operations'.

For more details on carrying amounts, please refer to Note 1.5 "Disclosure on discontinued operations" and Note 2 "Disclosure on associates and joint ventures".

Trade and other receivables amounting to Euro 34,972 thousand (Euro 33,424 thousand as at 31 December 2022) mainly refer to the Parent Company and include:

- Other receivables from the Parent Company 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 exhibition and congress 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 in the amount of Euro 22,020 thousand (Euro 22,828 thousand as at 31 December 2022). They refer to the balance of credit items for the contribution of tax losses for the year prior to the tax consolidation with Fondazione Fiera Milano. These receivables were recognised against the assessment of the recoverability of losses within the time horizon of the approved plans. The decrease represents the theoretical IRES liability corresponding to the positive taxable income generated in the half-year under review;
- other guarantee deposits totalling Euro 2,540 thousand (Euro 184 thousand at 31 December 2022). They mainly refer to security deposits, required by the supplying companies, to protect against volatile energy prices.

The entry for trade and other receivables also included Euro 32,432 thousand of related-party transactions (Euro 33,240 thousand at 31 December 2022). For more details, see note 38 on these transactions.

The Deferred tax assets item, equal to Euro 11,201 thousand (Euro 11,174 thousand at 31 December 2022), represents the balance of deferred taxes offset at the level of individual companies subject to consolidation.

7) Trade and other receivables

Trade and other receivables		(€'000)		
	30/06/23	31/12/22	change	
Trade receivables	45,042	24,038	21,004	
Trade receivables from associates and joint venture	4,982	2,110	2,872	
Trade receivables from the controlling shareholder	3,125	3,285	(160)	
Trade receivables from other related companies	33	35	(2)	
Other receivables	2,511	2,745	(234)	
Prepaid expenses from the controlling shareholder	22	119	(97)	
Prepaid expenses from <i>joint venture</i>	12	1	11	
Accrued income and prepaid expenses	1,925	1,071	854	
Total	57,652	33,404	24,248	

This item amounted to Euro 57,652 thousand (Euro 33,404 thousand at 31 December 2022).

Trade receivables come to Euro 45,042 thousand (Euro 24,038 thousand at 31 December 2022) net of the provision for doubtful receivables of Euro 1,011 thousand. These represent receivables from organisers, exhibitors, and others for services relating to the availability of the exhibition spaces and the provision of services related to the exhibitions and congresses. The increase mainly relates to the invoicing of major exhibitions planned for the second half of the year.

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

	31/12/22	Provisions	Utilisation and other changes	Currency translation differences	30/06/23
Provision for doubtful receivables	1,273	29	291	-	1,011

Trade receivables from associates and joint ventures in the amount of Euro 4,892 thousand (Euro 2,110 thousand as of 31 December 2022) refer to the use of exhibition areas in connection with the Tuttofood exhibition, organised by Fiere di Parma SpA.

Other receivables from the Parent Company of Euro 3,125 thousand (Euro 3,285 thousand at 31 December 2022) are broken down as follows:

- Euro 509 thousand (Euro 768 thousand at 31 December 2022) for Group VAT receivables;
- Other receivables of Euro 2,616 thousand (Euro 2,517 thousand at 31 December 2022).

Other receivables totalled Euro 2,511 thousand (Euro 2,745 thousand at 31 December 2022), comprising:

- Euro 1,415 thousand (Euro 858 thousand at 31 December 2022) for advances to suppliers;
- other tax receivables for Euro 447 thousand (Euro 416 thousand at 31 December 2022);
- VAT receivables for Euro 69 thousand (Euro 5 thousand at 31 December 2022);
- Euro 212 thousand (Euro 369 thousand at 31 December 2022) of receivables for tax credits on employee severance indemnities;
- receivables from employees for Euro 55 thousand (Euro 64 thousand at 31 December 2022);
- Inail advances and receivables for Euro 151 thousand (Euro 116 thousand at 31 December 2022);
- other receivables for Euro 162 thousand (Euro 917 thousand at 31 December 2022).

The entry for trade and other receivables also included Euro 8,174 thousand of related-party transactions (Euro 5,550 thousand at 31 December 2022). For more details, see note 38 on these transactions.

8) Inventories

Inventories	30/06/23	31/12/22	(€'000) change
Suspended costs for future exhibitions	5,120	3,144	1,976
Total	5,120	3,144	1,976

Changes in suspended costs for future exhibitions was due to the net effect of the release of costs linked to exhibitions held in the first half of the year and increases in costs for exhibitions to be held after 30 June 2023.

The breakdown of deferred costs by exhibition was as follows:

Exhibition	30/06/23	31/12/22	(€'000) change
Made Expo	1,664	860	804
Host	1,499	961	538
Sicurezza	405	202	203
Gee	229	-	229
Print4all	198	80	118
Fisp	94	-	94
Issa Pulire	-	248	(248)
Bit	-	143	(143)
Transpotec & Logitec	-	76	(76)
Congresses and other exhibitions	1,031	574	457
Total	5,120	3,144	1,976

Inventories included Euro 26 thousand (Euro 148 thousand at 31 December 2022) for related-party transactions. For more details, see note 38 on these transactions.

9) Financial assets

Financial assets					(€'000)
	31/12/22	Increases	Decreases	Reclassification	30/06/23
Derivatives	2,315	-	462	-	1,853
Long terms financing to joint venture	71	-	-	-	71
Total Non-current other financial assets	2,386	-	462	-	1,924
Time Deposit	30,652	40,183	-	-	70,835
Mutual investment funds ESG	5,065	177	-	-	5,242
Financial assets to the controlling shareholder	-	120	-	-	120
Short term financing to joint venture	703	3	-	-	706
Total Current financial assets	36,420	40,483	-	-	76,903
Total	38,806	40,483	462	-	78,827

This entry included the following financial assets:

non-current

- Euro 1,853 thousand for the financial hedge measured at fair value using the pricing models given by the issuing bank;
- Euro 71 thousand for the loan granted to the joint venture company MiCo DMC Srl.

This entry included Euro 71 thousand (Euro 71 thousand at 31 December 2022) for related- party transactions. For more details, see note 38 on these transactions.

current

- Euro 70,411 thousand for time deposits including accrued interest with Banca Sistema (Euro 25,191 thousand), Banca Nazionale del Lavoro (Euro 20,056 thousand), BPER Banca (Euro 10,033 thousand) and Credit Agricol (Euro 15,131 thousand);
- Euro 424 thousand refers to time deposits made with Banco do Brasil S/A and Banco Santander by Fiera Milano Brasil Ltda;
- for Euro 5,242 thousand, units of mutual investment funds, measured at fair value. The fair value is measured on the basis of the market value of the security at 30 June 2023 inclusive of commissions;
- Euro 120 thousand refers to the balance of the correspondent current account held by the Parent Company with Fondazione Fiera Milano. The fixed rate was equal to the 1-month Euribor plus a spread of 0.75%;
- Euro 706 thousand for the loan granted to joint venture Ipack Ima Srl. The applied rate of 3.30% was increased from the previous rate of 2.50% on 1 April 2023.

This entry included Euro 826 thousand (Euro 703 thousand at 31 December 2022) for related- party transactions. For more details, see note 38 on these transactions.

10) Cash and cash equivalents

Cash and cash equivalents totalled Euro 59,961 thousand (Euro 81,971 thousand at 31 December 2022) and was almost entirely composed of short-term bank deposits with floating rate interest. The change in financial flows compared to the half-year closing 30 June 2022, is shown in the Consolidated Statement of Cash Flows.

EQUITY AND LIABILITIES

11) Equity

Equity	(€'000)		
	30/06/23	31/12/22	change
Share capital	42,042	42,182	(140)
<i>of which treasury shares</i>	<i>(403)</i>	<i>(263)</i>	<i>(140)</i>
Share premium reserve	9,257	9,828	(571)
<i>of which treasury shares</i>	<i>(3,271)</i>	<i>(2,700)</i>	<i>(571)</i>
Other reserves	4,526	5,298	(772)
Retained profits/(losses)	48,439	53,951	(5,512)
Profit/(loss) for the period	25,866	(5,599)	31,465
Group equity	130,130	105,660	24,470
Capital and reserves attributable to non-controlling interests	534	694	(160)
Profit/(loss) attributable to non-controlling interests	(131)	(161)	30
Equity attributable to non-controlling interests	403	533	(130)
Total	130,533	106,193	24,340

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 30 June 2023, this item was Euro 42,042 thousand (Euro 42,182 thousand at 31 December 2022), net of treasury shares for Euro 403 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 30 June 2023
Ordinary shares in issue	71,917,829	-	71,917,829
Treasury shares	445,659	238,099	683,758
Total shares outstanding	71,472,170	238,099	71,234,071

Under IAS/IFRS accounting principles, when treasury shares are acquired, the nominal value of the shares acquired is deducted from equity while the difference between acquisition value and the nominal value is recognised directly in the share premium reserve. On 31 July 2015, the Extraordinary Shareholders' Meeting of the Company, at the same time as it approved the share capital increase, approved the elimination of the nominal value of the shares comprising the share capital. Therefore, since that date, the nominal value is calculated by dividing the value of the share capital by the number of shares in issue. At 30 June 2023, the implicit nominal value of the shares was Euro 0.59 per share.

At 30 June 2023, the Parent Company held 683,758 treasury shares.

Share premium reserve

The share premium reserve was Euro 9,257 thousand (Euro 9,828 thousand at 31 December 2022) net of the Euro 3,271 thousand reserve for treasury shares.

Other reserves

Other reserves totalled Euro 4,526 thousand (Euro 5,298 thousand at 31 December 2022), broken down as follows:

- Euro 8,489 thousand from the Parent Company legal reserve;
- Euro -6,696 thousand from the currency translation reserve;
- Euro 1,853 thousand as to the reserve for hedging transactions;
- Euro 880 thousand from the stock grant reserve in relation to the estimated cost of the Performance Shares Plan included in the 2021-2022 management incentives plan.

Retained earnings

This entry was Euro 48,439 thousand (Euro 53,951 thousand at 31 December 2022).

Changes in the period under review were as follows:

- a decrease of Euro 5,599 thousand for the allocation of the "Profit/loss of the previous financial year";
- an increase of Euro 87 thousand for the remeasurement of defined benefit plans, net of the tax effect.

Profit/(loss) for the period

In the half-year to 30 June 2023, the Group net profit was Euro 25,866 thousand.

In the financial year to 31 December 2022, it was a loss of Euro 5,599 thousand.

Capital and reserves attributable to non-controlling interests

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

A Euro 160 thousand decrease mainly relating to the allocation of the result for the previous financial year.

Net profit (loss) - non-controlling interests

The net loss for the half-year attributable to non-controlling interests was Euro 131 thousand. The result for the year ended 31 December 2022 was Euro -161 thousand.

LIABILITIES

12) Bank borrowings

Bank borrowings	(€'000)		
	30/06/23	31/12/22	change
Non-current bank borrowings	43,942	60,866	(16,924)
Current bank borrowings	26,875	27,250	(375)
Total	70,817	88,116	(17,299)

Bank borrowings amounted to Euro 70,817 thousand (Euro 88,116 thousand at 31 December 2022) and related to the following loans attributable to the Parent Company:

- Euro 27,532 thousand, for the non-current portion of the loan underwritten on 17 February 2021 by a pool of leading banks (Intesa Sanpaolo, Banco BPM and UniCredit) maturing on 31 December 2025 and with a 24-month pre-amortisation period. This loan is remunerated at a variable interest rate with financial coverage (Interest Rate Swap) and is subject to the measurement of financial covenants on a half-yearly basis. The current share amounts to Euro 18,333 thousand. With reference to the half-yearly measurement at 30 June 2023, the covenants have been respected;
- Euro 10,035 thousand, for the non-current portion of the loan underwritten on 22 February 2021 by Casa Depositi Presiti, maturing on 31 December 2025 and with a 24-month pre-amortisation period. This loan is remunerated at a fixed interest rate and is subject to the measurement on a half-yearly basis of financial covenants. The current portion amounts to Euro 6,667 thousand. The covenants agreed under the loan were met at 30 June 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 6,125 thousand, for the portion of the loan underwritten on 28 April 2021 by Simest, maturing on 31 December 2027 and with a 36-month pre-amortisation period. This loan bears interest at a fixed rate. The loan was granted within the scope of the availability of the section of the Fund 394/8, pursuant to Article 91, paragraphs 1 and 2, of Decree-Law 14 August 2020, n.104, converted, with amendments, by Law 126 of 13 October 2020, and Article 6, paragraph 3, no. 1, of Decree Law 137 of 28 October 2020. The current portion amounts to Euro 875 thousand.

Euro 250 thousand refer to the non-current portion of the medium-/long- term loan granted to MADE Eventi Srl, on 27 September 2021, by Banca Monte dei Paschi di Siena, maturing on 30 September 2024 and with a 12-month pre-amortisation period. This loan bears interest at a fixed rate of 0.95%. The loan is backed by a 80% guarantee issued by SACE, the Italian export credit agency, as part of the "Guarantee Italy" programme in accordance with article 1 of Italian Law Decree 23/2020, ratified with amendments by Law 40/2020 (called the 'Liquidity Decree'). The current portion amounts to Euro 1,000 thousand.

The change is mainly due to the repayment of the medium/long-term debt and some loans as well as the early repayment of the loan signed on 19 May 2021 by the Carige bank.

For more details, see note 21.2 Liquidity risk.

13) Other financial liabilities

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

Other financial liabilities	(€'000)		
	30/06/23	31/12/22	change
Non-current financial liabilities related to the right-of-use of assets	352,963	346,858	6,105
Other non current financial liabilities	1,726	1,683	43
Total non-current financial liabilities	354,689	348,541	6,148
Current financial liabilities related to the right of use of assets	54,923	49,889	5,034
Financial payables to controlling shareholder	-	130	(130)
Other current financial liabilities	520	488	32
Total current financial liabilities	55,443	50,507	4,936
Total other financial liabilities	410,132	399,048	11,084

“Financial liabilities related to the right-of-use of non-current assets” equal to Euro 352,963 thousand (Euro 346,858 thousand at 31 December 2022) refer to the medium-long term share of the lease liability. This liability represents the obligation to make the payments envisaged by the contracts for the lease of exhibition sites, warehouses and vehicles, deriving from the application of IFRS 16. The current portion amounted to Euro 54,923 thousand (Euro 49,889 thousand as at 31 December 2022). The “Forward price on associates” of Euro 1,726 thousand refers to the present value of the forward price payable on the equity investment acquired during the previous year, which has been recognised on the assumption that the specific objectives set forth in the Business Plan will be achieved and which will be paid following the approval of the 2025 financial statements of Ge.Fi. SpA. This value was determined on the acquisition date and has been discounted at a borrowing rate of 5.18% based on current market conditions.

The change in the item “Financial payables to controlling shareholder” is due to the existing correspondent current account with Fondazione Fiera Milano, which in the period under review has a credit balance due to the payment for the rental of the exhibition site.

Other financial liabilities are non-controlling interests relating to the acquisition of Fiera Milano Brasil.

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

This entry included Euro 405,490 thousand (Euro 393,773 thousand at 31 December 2022) for related- party transactions. This entry non-current portion included Euro 352,146 thousand (Euro 345,348 thousand at 31 December 2022) for related- party transactions; this entry current portion included Euro 53,344 thousand (Euro 48,425 thousand at 31 December 2022) for related- party transactions. For more details, see note 38 on these transactions.

14) Provisions for risks and charges

Provisions for risks and charges	(€'000)					
	31/12/22	Provisions	Releases of excess provisions	Utilisation	Currency translation differences	30/06/23
Non current provisions:						
Other provisions for risks and charges	500	-	-	-	-	500
Total non current provisions for risks and charges	500	-	-	-	-	500
Current provisions:						
Other provisions for risks and charges	5,443	30	-	2,218	-	3,255
Total current provisions for risks and charges	5,443	30	-	2,218	-	3,255

Other provisions for risks, non-current and current, and charges were mainly payments for disputes with suppliers and risks related to the estimate of probable liabilities related to the company reorganisation, calculated based on the presumable outcome of the same both through internal assessments and with the support of external lawyers.

Uses mainly relate to company reorganisation expenses.

15) Employee benefit provisions

Employee benefit provisions	(€'000)			
	31/12/22	Actuarial evaluation	Indemnities and advances	30/06/23
Defined benefit plans	7,763	168	433	7,498
Total	7,763	168	433	7,498
Actuarial evaluation			(€'000)	
Personnel expenses:				
- indemnities related to defined benefit plans			120	
Financial expenses:				
- actualisation charges			143	
Other comprehensive income				
- Remeasurement of defined benefit plans			(95)	
Total			168	

The main hypotheses/assumptions used in the actuarial calculations of defined benefit plans at 30 June 2023 and 31 December 2022 are given in the following tables.

Economic and financial assumption for calculation of severance indemnity provisions	30/06/23	31/12/22
Annual technical discount rate	3.70%	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 7,5% per annum of the companies being valued
Retirement probability	Assumption that the basic requirements needed to receive the compulsory general insurance (<i>Assicurazione Generale Obbligatoria</i>) were met
Probability of early retirement	Assumption of 3% per annum and an average amount of 70% of the staff-leaving indemnities of all the companies valued.

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

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

Economic and financial assumptions	Range	Base figure	(€'000)	
			Increase in assumptions	Decrease in assumptions
Annual technical discount rate	+/- 0.5%	7,498	7,295	7,714
Annual rate of increase in total employees' salary	+/- 0.5%	7,498	7,524	7,481
Economic and financial assumptions				
Life expectancy	+/- 1 year	7,498	7,537	7,462

16) Trade payables

This item totalled Euro 52,393 thousand (Euro 50,317 thousand at 31 December 2022). Trade payables were mainly to Italian suppliers for the acquisition of services required to mount the exhibitions that are the typical business of the Group.

17) Advances

This item totalled Euro 61,801 thousand (Euro 29,869 thousand at 31 December 2022).

These were mainly advances invoiced to clients for exhibitions to be held after 30 June 2023. Recognition as revenue is deferred until the exhibition is held.

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

The table below gives a breakdown by exhibition.

Advances	(€'000)		
	30/06/23	31/12/22	change
Host	29,820	6,347	23,473
Plast	5,604	1,200	4,404
Milano Unica	3,110	2,028	1,082
Sicurezza	3,038	468	2,570
Mostra Convegno Expocomfort	2,364	613	1,751
Made Expo	1,893	317	1,576
Lineapelle - A new point of view	1,233	1,290	-57
Gee	1,054	196	858
Micam	969	691	278
Mido	881	2,093	(1,212)
Homi Fashion&Jewels	870	428	442
Vitrum	646	-	646
Fisp	590	-	590
Smart Building Expo	484	-	484
Viscom	437	-	437
Myplant & garden	406	271	135
AF Artigiano in Fiera	390	-	390
Simac Tanning Tech	367	-	367
Homi	337	2,469	(2,132)
Eicma Moto	300	-	300
Ipack-Ima	191	-	191
Salone del mobile/Complemento d'arredo	-	2,564	(2,564)
Bit	-	268	(268)
EuroLuce	-	547	(547)
Euroshop	-	105	(105)
Exposec	-	532	(532)
Issa Pulire	-	902	(902)
Itma	-	451	(451)
Lamiera	-	178	(178)
Made in Steel	-	216	(216)
Promotion Trade Exhibitions	-	585	(585)
Si SposaItalia	-	275	(275)
The One	-	112	(112)
Congresses and other exhibitions	6,817	4,723	2,094
Total	61,801	29,869	31,932

This entry included Euro 30 thousand (Euro 28 thousand at 31 December 2022) for related- party transactions. For more details, see note 38 on these transactions.

18) Deferred tax liabilities and tax payables

Deferred tax liabilities and tax payables	(€'000)		
	30/06/23	31/12/22	change
Deferred tax liabilities	3,303	3,733	(430)
Current tax liabilities	2,480	2,606	(126)
Total	5,783	6,339	(556)

Deferred tax liabilities were Euro 3,303 thousand (Euro 3,733 thousand at 31 December 2022). The figure is the net balance of deferred tax assets and deferred tax liabilities for each company included in the area of consolidation.

19) Other liabilities

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

Other current liabilities	(€'000)		
	30/06/23	31/12/22	change
Payables to exhibition organisers and others	15,996	5,672	10,324
Payables to exhibition organisers in associates and joint venture	8,979	3,540	5,439
Payables to employees	7,559	7,568	(9)
Payables to pension and social security entities	2,450	2,074	376
Trade payables to associates and joint venture	1,408	574	834
Payables to the controlling shareholder for tax consolidation	988	-	988
Group VAT payables	960	-	960
Payables to the associates	366	76	290
Payables to the controlling shareholder	131	73	58
Payables to directors and statutory auditors	87	98	(11)
Payables to related parties	9	77	(68)
Other payables	565	573	(8)
Deferred income to associates and joint venture	172	7	165
Deferred income to the controlling shareholder	4	5	(1)
Deferred income to the other related companies	1	-	1
Other accrued liabilities	1,209	386	823
Total	40,884	20,723	20,161

The entry included Euro 13,018 thousand (Euro 4,352 thousand at 31 December 2022) for related-party transactions. For more details, see note 38 on these transactions.

20) Financial assets and financial liabilities

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

Group Net Financial Debt	30/06/23	31/12/22	change
(Amounts in € '000)			
A. Cash	59,961	81,971	(22,010)
B. Cash and equivalents	70,835	30,652	40,183
C. Other current financial assets	6,068	5,768	300
- C.1 of which Other current financial assets to the controlling shareholder	120	-	130
- C.2 of which Other current financial assets to other related parties	706	703	3
D. Liquidity (A+B+C)	136,864	118,391	18,473
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	520	618	(98)
- E.1 of which Current financial debt to other related parties	-	130	(130)
F. Current portion of non-current debt	26,875	27,250	(375)
G. Current financial indebtedness (E+F)	27,395	27,868	(473)
H. Net current financial indebtedness (G-D)	(109,469)	(90,523)	(18,946)
I. Non-current financial debt (excluding current portion and debt instruments)	45,668	62,549	(16,881)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I+J+K)	45,668	62,549	(16,881)
Net financial debt from continuing operations (H+L)	(63,801)	(27,974)	(35,827)
Net financial debt from assets held for sale	-	(1,809)	1,809
M. Total financial indebtedness before IFRS 16 effects	(63,801)	(29,783)	(34,018)
N. Current financial liabilities related to the right of use of assets	54,923	49,889	5,034
- N.1 of which current financial liabilities related to the right-of-use assets to the controlling shareholder	53,344	48,295	5,049
O. Non-current financial liabilities related to the right of use of assets	352,963	346,858	6,105
- O.1 of which non-current financial liabilities related to the right-of-use assets to the controlling shareholder	352,146	345,348	6,798
P. Current financial assets related to the right of use of assets	-	-	-
IFRS 16 financial effects	407,886	396,747	11,139
Q. Total net financial debt (M+N+O-P)	344,085	366,964	(22,879)

The Group's net financial debt not including IFRS 16 lease liability at 30 June 2023 had an availability of Euro 63,801 thousand compared to Euro 29,873 thousand at 31 December 2022, thereby recording an improvement of Euro 34,018 thousand.

The improvement is due to the positive cash flow generated by the operating activity for the half-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 16,500 thousand in the half-year under review should be noted.

The net financial indebtedness including the IFRS 16 lease liability amounted to Euro 344,085 thousand (Euro 366,964 thousand at 31 December 2022).

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

	Balance at 31/12/22	Changes in financial flows		Non-monetary changes	Balance at 30/06/23
		Increase	Decrease		
Non-current bank loans	60,866	-	-	6,105	66,971
Non-current financial liabilities related to the right of use of assets	346,858	-	16,924	-	329,934
Other financial liabilities	1,683	-	-	43	1,726
Total change in non-current financial payables	409,407	-	16,924	6,148	398,631
Bank loans	27,250	-	375	-	26,875
Current financial liabilities related to the right of use of assets	49,889	-	18,784	23,818	54,923
Current financial debt with the controlling shareholder	130	-	130	-	-
Current payables for acquisition of shareholdings	488	-	-	32	520
Total change in current financial payables	77,757	-	19,289	23,850	82,318
Total liabilities from financing activities	487,164	-	36,213	29,998	480,949

21) Financial and market risk management

The main financial instruments used by the Group are bank loans, current accounts and current financial payables to the controlling shareholder Fondazione Fiera Milano.

Fiera Milano Group has a favourable cash management cycle due to the financial nature of the companies that organise exhibitions and congresses. The organisers of exhibitions and congresses request an advance from their clients as confirmation of their participation at an event and the balance is usually received before the event is held or at its conclusion. Suppliers of goods and services are paid under the normal payment terms used. This generates negative working capital for the organisers, which gives a cash surplus.

Fiera Milano SpA, the Parent Company, which rents the exhibition space to the organisers, carries out administrative and cash management services for the organisers, receiving on behalf of the latter everything that the exhibitors pay the organiser. After receiving the cash, Fiera Milano SpA, depending on the contractual agreements, retrocedes to the organiser what is its due and keeps the payment for the space rented out in the exhibition venues and for the services provided. This also allows Fiera Milano SpA to receive its payments in advance, as it does the organisers. Therefore, within Fiera Milano Group, the companies that benefit from this favourable cash management cycle are the companies that organise exhibitions and the Parent Company.

The exposure of the Group to different types of risk is described below.

21.1 Credit risk

Credit risk is represented by the Group's exposure to potential losses from the non-fulfilment of obligations agreed by counterparties. Credit risk is adequately monitored, as is that pertaining to the cash management that characterises the business of the Group. Fiera Milano hosts and organises exhibitions that are leaders in their sector and, therefore, the loyalty of exhibitors is high. For the controlling shareholder Fiera Milano SpA, the current system means that all receipts from exhibitors flow into the Fiera Milano SpA accounts and that the latter retrocedes to its clients/organisers the amounts due to them.

With regard to MADE eventi Srl e Ipack Ima Srl, part of the services provided to exhibitors is invoiced and collected on behalf of the individual Group companies by Fiera Milano SpA. Nevertheless, these companies carry out standard solvency assessments of potential customers and the relevant departments constantly monitor outstanding amounts so that any appropriate measures for debt recovery are implemented.

Three different categories of credit risk have been identified: organisers, exhibitors and other receivables.

The first risk category is represented by the exhibition **organisers**; the receivables included in this category are considered to represent the lowest risk as the Parent Company Fiera Milano SpA manages the cash flows of almost all of the exhibitions at its two sites.

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.

21.2 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 30 June 2023, net financial debt, not including the IFRS 16 lease liability, amounted to Euro - 63,801 thousand, a positive change of Euro 34,018 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, two five-year loans were entered into, with 24 months of pre-amortisation for a total of Euro 75 million. Ninety per cent of the amount disbursed is covered by SACE's guarantee under the 'Garanzia Italia' programme pursuant to Art. 1 of Italian Legislative Decree No. 23/2020, converted, with amendments, into Italian Law No. 40/2020 (the so-called 'Liquidity Decree'). In particular, a loan was entered into with a pool of leading banks (Intesa Sanpaolo, Banco BPM and Unicredit) for Euro 55 million and a loan with Cassa Depositi e Prestiti for Euro 20 million, subject to the biannual calculation of financial covenants starting from 30 June 2021.

The Parent Company obtained a Euro 7 million loan from SIMEST on 28 April 2021, granted within the framework of the section of the Fund 394/8, pursuant to Article 91, paragraphs 1 and 2, of Decree Law 104 of 14 August 2020, converted, with amendments, by Law 126 of 13 October 2020, and article 6, paragraph 3, no. 1 of Decree Law 137 of 28 October 2020. The loan matures on 31 December 2027, with the pre-amortisation period ending on 31 December 2023.

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 130.9 million in bank deposits and cash on account, compared to total bank borrowings of EUR 70.8 million, for which repayment schedules extend to 2027. In addition, the Group benefits from Euro 53.5 million in short-term loan facilities. Finally, the 2023-2026 financial projections show that the Group's recurring activities will generate additional positive cash flows, which will further strengthen the Group's financial position and ensure it complies with the covenants agreed with lenders, while maintaining an appropriate financial balance at all times.

21.3 Market risk

The Group reserves the right to use appropriate hedging instruments if market risks become significant.

a) Interest rate risk

The Group has access to credit lines at competitive rates and is able to manage interest rate fluctuations. Moreover, the Group constantly monitors market conditions in order to intervene promptly should conditions change.

b) Exchange rate risk

The Group operates in different markets worldwide and, therefore, is exposed to market risks from fluctuations in exchange rates.

As in the previous financial year, this risk remained relatively insignificant despite the Group presence in international markets. 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 applies policies for the advance procurement of some materials (e.g. panels for stands) or fixed price procurement for other commodities (electricity and gas). In addition, in early 2023 work began to upgrade the photovoltaic system installed in the Rho exhibition site with the aim, between 2023 and 2024, of increasing the share of energy needs from this source from the current 20% to 25-30%.

22) 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 Conserva Holding Srl on behalf of the subsidiary NoloStand SpA for the obligations under the lease agreement for a warehouse;
- Euro 501 thousand for the surety issued to the Tax Authority on behalf of the Parent Company La Fabbrica del Libro SpA liquidated on 10 November 2019 to guarantee the request for VAT refund for tax year 2019;
- Euro 112 thousand for the guarantee given by the Parent Company in favour of Fabbrica Immobiliare SGR SpA to guarantee the rented property relating to the Rome operational headquarters of the Business International division;
- 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 during the period under review.

INCOME STATEMENT

REVENUES

23) Revenues from sales and services

The breakdown of revenues was as follows:

Revenues from sales and services	1st Half 2023	1st Half 2022	(€'000) change
Rental of stands, fittings and equipment	44,085	33,994	10,091
Sales of exhibition space	42,319	42,827	(508)
Exhibitor fees	15,692	17,063	(1,371)
Catering and canteen services	6,338	4,310	2,028
Revenues from exhibition and congress services	6,313	4,639	1,674
Exhibition site services	4,678	3,932	746
Administrative, telephone and internet services	3,948	2,065	1,883
Advertising space and services	3,125	2,464	661
Miscellaneous fees and royalties	2,839	2,000	839
Supplementary exhibition services	1,008	770	238
Access surveillance and customer care services	739	923	(184)
Administrative services related to exhibitions	443	210	233
Ticket office sales	297	490	(193)
Multimedia and on-line catalogue services	196	305	(109)
Publishing products	121	98	23
Congress organisation	72	97	(25)
Total	132,213	116,187	16,026

The change in revenues is mainly linked to the good overall performance of the annual events, the multi-year events with the presence of ITMA 2023, the world's largest trade fair for textile and garment technologies, and the conference activity with the holding at Allianz MiCo of the EAU International Congress, the largest European urology event, EULAR, the congress dedicated to rheumatic diseases, and the ERA Congress, the largest annual nephrology congress in Europe. The increase in revenues was determined both by the larger exhibition areas occupied and by the significant penetration of the services provided.

This entry included Euro 4,541 thousand (Euro 6,106 thousand at 30 June 2022) for related-party transactions. For more details, see note 38 on these transactions.

OPERATING COSTS

24) Cost of materials

The breakdown of this entry was as follows:

Cost of materials	1st Half 2023	1st Half 2022	(€'000) change
Subsidiary materials and consumables	1,512	1,838	(326)
Raw materials	53	30	23
Printed materials, forms and stationery	39	54	(15)
Total	1,604	1,922	(318)

25) Costs of services

The breakdown of this entry was as follows:

Cost of services			(€'000)
	1st Half 2023	1st Half 2022	change
Equipment hire	13,506	10,526	2,980
Stands and equipment for exhibitions	11,053	8,244	2,809
Energy costs	7,147	4,396	2,751
Maintenance	3,904	3,466	438
Security and gate services	3,336	2,909	427
Cleaning and waste disposal	3,275	2,988	287
Catering services	2,577	1,385	1,192
Collateral events connected to exhibitions	2,492	1,971	521
Advertising	2,376	2,139	237
Technical, legal, commercial and administrative services and advice	2,150	1,952	198
IT services	1,943	2,239	(296)
Professional services	1,273	1,041	232
Technical assistance and ancillary services	1,170	752	418
Insurance	1,141	1,520	(379)
Telephone and internet expenses	1,117	1,107	10
Technical, legal, commercial and administrative advice	772	694	78
Conference and congress services	514	425	89
Fees and commissions	489	649	(160)
Transport	489	313	176
Ticketing	194	388	(194)
Remuneration of Statutory Auditors	115	122	(7)
Other	3,587	2,278	1,309
Uses of provisions	(38)	(25)	(13)
Change in suspended costs for future exhibitions	(874)	(202)	(672)
Total	63,708	51,277	12,431

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

The change is mainly related to the trend in turnover and the increase in energy costs.

This entry included Euro 3,232 thousand (Euro 1,132 thousand at 30 June 2022) for related-party transactions. For more details, see note 38 on these transactions.

26) Cost for use of third-party assets

The breakdown of this entry was as follows:

Cost of use of third-party assets			(€'000)
	1st Half 2023	1st Half 2022	change
Other rental expenses	208	461	(253)
Vehicle hire - management costs	169	106	63
Office equipment and photocopier hire	11	10	1
Lease of company division	7	8	(1)
Total	395	585	(190)

This entry included Euro 6 thousand (Euro 30 thousand at 30 June 2022) for related-party transactions. For more details, see note 38 on these transactions.

27) Personnel Costs

The breakdown of this entry was as follows:

Personnel expenses			(€'000)
	1st Half 2023	1st Half 2022	change
Salaries	15,900	15,691	209
Social Security payments	5,086	4,859	227
Redundancy incentives	3,185	1,553	1,632
Defined contribution plan charges	1,020	850	170
Directors' remuneration	451	371	80
External and temporary employees	412	291	121
Defined benefit plan charges	120	88	32
Other expenses	259	616	(357)
Change in suspended personnel expenses for future exhibitions	(802)	(197)	(605)
Uses of provisions	(892)	(1,553)	661
Total	24,739	22,569	2,170

The change refers to higher personnel costs resulting from the company reorganisation.

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

Breakdown of personnel by category

	1st Half 2023	1st Half 2022	change
Managers	33	32	1
Middle managers and white collar workers	684	644	40
Total personnel	717	676	41
<i>of which equity accounted companies:</i>			
<i>Managers</i>	5	4	-
<i>Middle managers and white collar workers</i>	89	71	18

28) Other operating expenses

The breakdown of this entry was as follows:

Other operating expenses			(€'000)
	1st Half 2023	1st Half 2022	change
Other taxes	1,692	1,707	(15)
Contributions	292	285	7
Doubtful receivables	290	152	138
Copyright royalties (SIAE)	157	136	21
Gifts and promotional merchandise	30	14	16
Losses on intangible assets	1	15	(14)
Other expenses	280	85	195
Uses of provisions	(290)	(153)	(137)
Total	2,452	2,241	211

This entry included Euro 127 thousand (Euro 116 thousand at 30 June 2022) for related-party transactions. For more details, see note 38 on these transactions.

29) Other income

The breakdown of other income was as follows:

Other income	1st Half 2023	1st Half 2022	(€'000) change
Costs recovery	497	588	(91)
Office rent and expenses	310	281	29
Recovery of expenses for seconded employees	252	244	8
Contributions to income	126	54	72
Insurance indemnities	73	61	12
Other income	505	275	230
Total	1,763	1,503	260

“Other income” mainly refers to the consideration for the naming brand agreement with Allianz SpA, starting from June 2022.

This entry included Euro 513 thousand (Euro 525 thousand at 30 June 2022) for related-party transactions. For more details, see note 38 on these transactions.

30) Results of equity accounted associates and joint ventures

This entry totalled Euro 580 thousand (Euro 425 thousand at 30 June 2022) and referred to the following joint ventures:

- Deutsche Messe AG for Euro 18 thousand (Euro -861 thousand at 30 June 2022);
- Ipack Ima Srl for Euro -127 thousand (Euro 1,319 thousand at 30 June 2022);
- MiCo DMC Srl This was Euro 238 thousand (Euro -33 thousand at 30 June 2022);
- Fiere di Parma SpA for Euro 973 thousand;
- Ge.Fi. SpA for Euro -522 thousand.

31) Provisions for doubtful receivables and other provisions

Provision for doubtful receivables and other provisions	1st Half 2023	1st Half 2022	(€'000) change
Write-downs of receivables	29	-	29
Other legal disputes	30	-	30
Total	59	-	59

32) Depreciation and Amortisation

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

This was Euro 23,175 thousand (Euro 21,564 thousand at 30 June 2022).

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

Amortisation of intangible assets

This was Euro 2,270 thousand (Euro 2,197 thousand at 30 June 2022).

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

33) Financial income and expenses

Financial income and expenses	(€'000)		
	1st Half 2023	1st Half 2022	change
Interest income on bank deposits	1,143	15	1,128
related to the rent of the exhibition site	257	64	193
Fair value measurement of financial assets	177	-	177
Exchange rate gains	70	733	(663)
Other financial income joint venture	10	13	(3)
Interest income on the current account with the controlling shareholder	-	2	(2)
Other financial income	670	55	615
Total income	2,327	882	1,445
Financial expenses on leased assets with the controlling shareholder	5,575	5,733	(158)
Interest payable on bank accounts	1,535	912	623
Charges on discounting defined benefit plans	143	48	95
Financial expenses on leased assets	44	57	(13)
Interest payable on the current account with the controlling shareholder	13	3	10
Exchange rate losses	1	205	(204)
Fair value measurement of financial assets	-	708	(708)
Other financial expenses	69	93	(24)
Total expenses	7,380	7,759	(379)
Balance financial income (expenses)	(5,053)	(6,877)	1,824

The financial expenses on leased assets deriving from the application of IFRS 16.

This item includes Euro 267 thousand of financial income (Euro 79 thousand at 30 June 2022) and Euro 5,588 thousand of financial costs for related-party transactions (Euro 5,736 thousand at 30 June 2022). For more details, see note 38 on these transactions.

34) Taxes on income

Income tax	(€'000)		
	1st Half 2023	1st Half 2022	change
Current income tax	2,357	3,624	(1,267)
Deferred income tax	(491)	(15)	(476)
Total	1,866	3,609	(1,743)

Taxes for the period, amounting to Euro 1,866 thousand, mainly reflect the taxation accrued on results.

This entry included Euro 1,796 thousand (Euro 3,504 thousand at 30 June 2022) for related-party transactions. For more details, see note 38 on these transactions.

35) Profit/(loss) for the period from discontinued operations

This item amounts to Euro 16,500 thousand is related to the higher values arising from the contribution of the business unit related to the 'Tuttofood' exhibition in connection with the acquisition of 18.5% of Fiere di Parma SpA in 2023.

For more details on carrying amounts, please refer to Note 1.5 "Disclosure on discontinued operations".

36) Profit/(loss) for the period

The net profit in the first half of 2023 was Euro 25,735 thousand compared to Euro 5,274 thousand in the first half of 2022 and was attributable as follows:

- Euro 25,866 thousand (Euro 5,363 thousand at 30 June 2022) attributable to the shareholders of the controlling entity;
- A net loss of Euro -131 thousand (a net loss of Euro -89 thousand at 30 June 2022) to non-controlling interests.

37) Earnings per share

Basic earnings per share went from Euro 0.0749 in the first half of 2022 to Euro 0.3628 in the first half of 2023; the figures were calculated by dividing the net result by the weighted average number of Fiera Milano SpA shares outstanding in each period.

	1st Half 2023	1st Half 2022
Profit/(loss) (€'000)	25,866	5,363
Average no. of shares in circulation ('000)	71,290	71,644
Basic earnings/(losses) per issued share (€)	0.3628	0.0749
Earnings/(losses) per fully diluted no. of shares (€)	0.3628	0.0749

The value used as the numerator to calculate basic earnings per share and fully diluted earnings per share was net profit of Euro 25,866 thousand for the period ended 30 June 2023 (Euro 5,363 thousand for the first half of 2022).

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

('000)	1st Half 2023	1st Half 2022
Weighted average no. of shares used for calculation of EPS	71,290	71,644
+ Potential no. of shares issued without payment	-	-
Weighted average no. of shares used to calculate diluted EPS	71,290	71,644

38) Related-party transactions

Transactions carried out by companies that are part of the Group and with other related parties are normally carried out at market conditions.

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

The commercial relations between the companies of Fiera Milano Group concern the organisation and management of exhibitions and other events managed by the Group. Fiera Milano SpA provides administrative services to some subsidiaries in order to optimise the use of personnel and professional competences and also provides communication services to subsidiaries to ensure a uniform Group image.

Internal legal relations between the companies participating in the tax consolidation are governed by regulations, which also provide for a uniform procedure for the proper fulfilment of tax obligations and related responsibilities of the participating companies.

In the Statement of Financial Position, the Statement of Comprehensive Income and the Statement of Cash Flows, the amounts for related-party positions or transactions, if material, are shown separately. Given the total amount of statement of financial position and income statement items, Fiera Milano Group has decided that Euro 2 million is the material threshold above which separate disclosure must be made in the Statement of Financial Position and Euro 1 million is that for separate disclosure in the Income Statement.

Detailed information on related-party transactions is provided below and is divided between "Related-party Transactions with the Controlling Shareholder Fondazione Fiera Milano", "Related-party Transactions with associates and joint ventures" and "Transactions with other related parties and other companies related to Fondazione Fiera Milano".

Related-party transactions with the controlling shareholder Fondazione Fiera Milano

Recurring related-party transactions are summarised below.

I. Real estate lease agreements with Fiera Milano SpA

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

On 18 January 2003, Fiera Milano SpA signed a lease agreement with Fondazione Fiera Milano for the Rho exhibition site. The same agreement established the terms of the lease for the Milan City site, giving an effective date of 1 January 2006 in the contracts for both exhibition areas.

Initially, cancellation of the contracts had to be notified 18 months prior to the expiry of the contracts on 31 December 2014. On 31 March 2014, new rental agreements for the Rho and Milan exhibition sites were signed. The new rental agreements are for nine years effective from 1 July 2014 (following the agreed early termination of the existing lease agreements due to expire on 31 December 2014) and are automatically renewable for a further nine years.

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

For the Milan City exhibition site, the parties, with the 2014 renewal, initially agreed to maintain the rent of Euro 2,850 thousand per annum, annually adjusted for 100% of the change in the ISTAT consumer price index. Subsequently, on 8 May 2019, Fiera Milano reached an agreement amending rent, which, with effect from 1 June 2019, provided for a reduction of Euro 1,500 thousand a year and

the exclusion of some of the Milan exhibition site, mainly used as parking areas. For this reduction, starting from 1 June 2019, Fiera Milano will make an annual lease payment of Euro 1,413 thousand, index-linked 100% to changes in the ISTAT index, in four quarterly instalments, to Fondazione Fiera Milano.

According to the terms described above, the amendment to the lease agreement constitutes a substantial change of a Transaction of Greater Importance between related parties. Therefore, the transaction was approved on 8 May 2019 - pursuant to Art. 9.1 of the Related Parties Procedure - by the Company's Board of Directors, subject to obtaining the Control and Risk Committee's favourable reasoned opinion on 7 May 2019. Under the provisions of prevailing law, an Information Document drawn up in accordance with Art. 10.2 of the Related Parties Procedure and Consob Regulation No. 17221/2010 has been filed and made available to the public at the registered office and at Fiera Milano's operational and administrative offices, on the website and on the authorised storage mechanism. With particular regard to the procedure above, please note that Fiera Milano is a smaller listed company and, as such, benefits from the exemption granted pursuant to Art. 10, paragraph 1, of Consob Regulation 17221/2010.

On 30 July 2021, an agreement was signed by which the Parent Company sublet the Internal Hub (pavilions 3 and 4) to Fiera Milano Congressi.

On 15 December 2022, Fondazione Fiera Milano (as lessor of the exhibition site in Rho, Milan) and the Parent Company (as lessee of the infrastructural assets owned by Fondazione Fiera Milano) supplemented the agreement for the lease of exhibition spaces by adding a real estate complex owned by Fondazione Fiera Milano, namely the warehouse in Rho, Milan, to the contract properties. This warehouse, which is intended to optimise the structural organisation for the fair stand activities of Nolostand – a Fiera Milano Group company specialising in the 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. The amendments to the contract qualify as a Related-Party Transaction, as they constitute a Transaction of Greater Importance between related parties.

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

With effect from the second quarter of 2020 Fondazione Fiera Milano granted a temporary amendment to the terms of payment of the rentals under both Lease Agreements so that payment is made quarterly in arrears rather than quarterly in advance.

II. Real estate lease agreement with Fiera Milano Congressi SpA

On 24 January 2000, Fondazione Fiera Milano signed a contract with Fiera Milano Congressi SpA, valid until 31 December 2012, relating to the availability of part of former Pavilion 17 in the Milan City site. On 15 March 2005, this contract was updated to reflect the expansion of the congress centre activities. The new agreement between the controlling shareholder Fondazione Fiera Milano and Fiera Milano Congressi SpA was valid until 30 June 2011 and renewable until 30 June 2017. Fondazione Fiera Milano, in a letter dated 9 February 2016, chose not to cancel the contract by 30 June 2016 and, therefore, the contract was automatically renewed until 30 June 2023.

Under the existing contract, Fiera Milano Congressi SpA pays an annual fixed rent equal to Euro 350 thousand (revalued annually by ISTAT) plus a variable fee of 5% on the excess of revenues with respect to a minimum threshold of turnover generated on the leased area.

Concerning the lease of pavilions 5 and 6 within the Milan City site, on 18 May 2009, Fondazione Fiera Milano signed a preliminary contract with Fiera Milano Congressi SpA to build the new congress centre that was inaugurated in May 2011 and that together with the congress areas of Pavilion 17 was called MiCo – Milano Congressi. The final lease agreement of the area called 'South Wing' (former pavilions 5 and 6) started on 1 May 2011, with a term of nine years, and is automatically renewable for a further nine years unless terminated by one of the parties. The annual fixed rent is Euro 3,000 thousand with a variable component of 5% of revenues realised by Fiera Milano Congressi SpA in the centre that exceeded the revenue targets for the periods of the 2011–2014 industrial plan only. The rent is adjusted annually by an amount equal to 100% of the change in the ISTAT index for the previous

year. Under the contract there was a reduction in the full rent for the first four years of the contract. In particular, the rent for the first year of the lease was agreed to be Euro 750 thousand and to increase this amount by Euro 750 thousand in the following three years until the full quota of the rent was reached, equal to Euro 3,000 thousand. Once the full quota of the fixed rent was reached, no variable component of rent has been payable since 2015.

On 30 July 2021, an agreement was signed by which the Parent Company sublet the Internal Hub (pavilions 3 and 4) to Fiera Milano Congressi for congress purposes. This Agreement will have a duration of six years from 1 September 2021 and will be automatically renewed for another six years unless cancelled with notification sent to the other party by registered letter at least 18 months before the expiry of each contractual deadline.

With effect from the second quarter of 2020 Fondazione Fiera Milano granted a temporary amendment to the terms of payment of the rentals under both Lease Agreements so that payment is made quarterly in arrears rather than quarterly in advance.

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.

The contract provides for the reciprocal supply of two kinds of services: i) services of a general nature, which fall within the range of activities of the entity providing them, supplied to the buyer on a continuous and systematic basis; ii) specific services, or services provided on request and relating to specific activities to be agreed from time to time between the buyer and the supplier, also on the basis of appropriate offers/estimates. The service supply contract is governed by market conditions.

VI. Licence contracts for use of the Fiera Milano trademark

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

The symbolic consideration paid by Fiera Milano SpA to Fondazione Fiera Milano is Euro 1.00. As its corporate purpose includes development of the exhibition sector, Fondazione Fiera Milano decided to

retain ownership of the Fiera Milano trademark and did not include it in the 'Exhibition Management Business' unit transferred to the Parent Company in 2001, but envisaging that Fiera Milano would use the trademark for an extended period of time and without incurring costs for its use.

This licence is renewed year after year until 31 December 2032.

VII. Current account between Fiera Milano SpA and Fondazione Fiera Milano

On 24 June 2016, effective from 1 July 2016, a new contract for the current account was agreed. The contract expires on 31 December of each year and is automatically renewed unless one of the parties cancels by the 30 September preceding the date of expiry.

The parties use the account to settle receipts and payments under the contracts existing between them and, in particular, the rental payments for the exhibition sites and the services provided by each party to the other.

The fixed rate was equal to the 1-month Euribor plus a spread of 0.75%.

Credits for invoices issued by the parties accrue interest 60 days from the end of the month in which the invoice is issued although the interest is not be collected and remains unavailable until the current account is closed, except for invoices that are overdue by more than 180 days, which are always payable immediately.

Invoices for the rent of the exhibition sites are part of the agreement but carry interest and are payable under the leases' specific terms. The balance of any invoices overdue by at least 180 days, together with the balance of the invoices for the leases on the exhibition sites that are due under the terms of the relevant contracts, represent the collectable balance.

Credits that are not due for repayment are not included in the current account.

The party for which the credit or debit balance exceeds Euro 5,000 thousand has the right to request payment or to arrange payment. Where a request for payment of the balance has been made, the amount must be settled within 15 working days of the request.

The current account is closed and all interest paid every quarter.

VIII. "Corporate Think Tank" investment plan

Fondazione Fiera Milano, as part of the plan for the competitiveness and sustainability of exhibition and congress sites, signed an agreement with Fiera Milano SpA and Fiera Milano Congressi SpA through which it undertakes to support important investment projects. The parties developed their cooperation by establishing a 'Corporate Think Tank' for the joint analysis, comparison, and assessment of how investments are made.

IX. Real estate sublease agreements

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

Related-party transactions with associates and joint ventures

On 21 February 2016, Fiera Milano SpA and Ipack-Ima Srl, a company in joint venture with UCIMA, signed an annual financing agreement for a maximum of Euro 3,000 thousand that is automatically renewed, with an interest rate currently at 3.30%. At 30 June 2023, the financing had been used for a nominal value equal to Euro 700 thousand.

Ipack-Ima Srl also has commercial relations with the Group for the two exhibitions (Ipack-Ima and Meat-Tech) organised by the Company and uses the centralised management of some administrative and technical services.

On 4 December 2018, the governance agreements was amended concerning MiCo DMC Srl with the partner AIM Group International Spa defining more sharing in the activity's management choices. When applying IFRS 11 these agreements qualify the company as a joint venture and, starting from 31 December 2018, determine the measurement of the shareholding with the equity method in place of line-by-line consolidation.

Relations with the Group are associated with the remainder of the ten-year loan granted by the controlling entity Fiera Milano Congressi SpA on 18 May 2015 for the nominal sum of Euro 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, it is specified that the financial and economic relations relate to the management of the biennial exhibition Tuttofood, which is held in May at the fieramilano Rho site, as a hosted exhibition.

Transactions with other related parties and other companies related to Fondazione Fiera Milano

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

The main transactions are:

- liabilities to Federlegno Arredo Eventi SpA and Federlegno Arredo following the transfer of employees to MADE Eventi Srl during 2019;
- relations with Fiera Parking SpA, a company wholly owned by Fondazione Fiera Milano. As of 1 September 2021, Fiera Milano SpA has taken over the existing multi-year contract with Fiera Parking SpA for the management of the car parks serving the fieramilanocity exhibition centre. The contract lasts seven years starting from 1 September 2018;
- relationships with Fair renew Srl, partially owned by Fondazione Fiera Milano, relating to the renewable energy purchase contract.

Financial, capital and economic transactions with related parties that are not consolidated are shown in the following table.

Related party entries in the Statement of Financial Position and Income Statement at 30 June 2023

(€'000)

	Increase Right-of-use assets	Non-current financial assets	Trade and other non- current receivables	Trade and other receivables	Inventories	Current financial assets	Financial liabilities related to the right-of- use of non- current assets	Advances	Financial liabilities related to the right-of-use of current 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	29,809		32,432	3,147		120	352,146		53,344	2,083	31	76		127	259	257	5,588	1,796
Fiera Parking SpA				33						1								2
Fair Renew Srl										366		660				10		
Companies associates and under joint control																		
Ipack Ima Srl				152						184	6	29	6		147		10	
MiCo DMC Srl		71		67	26	706				1,248	3	2,316			95			
Hannover Milano Fairs Shanghai Co. Ltd				250				30										
Ge.Fi. SpA																		
Fiere di Parma SpA				4,501						9,023	4,501	151						
Mi View Srl				24						13								
Other related parties																		
Federlegno Arredo Eventi SpA										9								
Total related parties transactions	29,809	71	32,432	8,174	26	826	352,146	30	53,344	13,018	4,541	3,232	6	127	513	267	5,588	1,796
Total reported	-	1,924	34,972	57,652	5,120	76,903	352,963	61,801	54,923	40,884	132,213	63,708	395	2,452	1,763	2,327	7,380	1,866
% Rel. party transactions/Total reported	-	4%	93%	14%	-	1%	100%	-	97%	32%	3%	5%	2%	5%	29%	11%	76%	96%

Information on the remuneration paid to the Administrative and Control Bodies, to the General Managers and to Executives with strategic responsibilities in the first half to 30 June 2023, is given in the table included in the section below on other information.

Statement of related party cash flow

(€'000)

	30/06/23	30/06/22
Cash flow from operating activities		
Revenues and income	5,054	6,631
Costs and expenses	(5,161)	(1,278)
Interest receivable	267	79
Interest paid on financial liabilities related to the right-of-use of assets	(5,575)	(5,733)
Interest payable	(13)	(3)
Losses/income from tax consolidation	-	-
Changes in trade and other receivables	(1,816)	3,056
Changes in inventories	122	21
Changes in advances	2	(1,339)
Change in other current liabilities	8,666	1,140
Total	1,546	2,574
Cash flow from investment activities		
Investments in non-current activities		
. Tangible and intangible	-	-
. Other non-current assets	-	-
Total	-	-
Cash flow from financing activities		
Change Current financial assets	(123)	982
Change Current financial liabilities	(130)	(9,560)
Change in financial liabilities related to the right-of-use of assets	(18,076)	(11,265)
Total	(18,329)	(19,843)
Cash Flow in the period	(16,783)	(17,269)
Cash Flow for the period from assets held for sale	(1,809)	-

The table below shows cash flow from related party transactions:

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities
FY to 30.06.23:			
Total	57,339	(1,932)	(77,337)
Related party transactions	1,546	-	(18,329)
FY to 30.06.22:			
Total	22,431	(1,749)	(31,751)
Related party transactions	2,574	-	(19,843)

39) Other information

Material non-recurring events and transactions

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

Significant events after the end of the reporting period

There were no significant events after the end of the reporting period.

Remuneration of the Administrative and Control Bodies and Executives with strategic responsibilities

Executives with strategic responsibilities are those that have the power and responsibility, both direct and indirect, for the planning, management and control of the Group activities. The Group Executives with strategic responsibilities are the Directors, the Statutory Auditors, the General Manager and Deputy General Manager of the Parent Company.

The total remuneration of this category of executives was Euro 2,413 thousand in the period to 30 June 2023 (Euro 1,578 thousand at 30 June 2022) and the breakdown was as follows:

(€'000)

Remuneration	1st Half 2023		
	Directors	Statutory Auditors	Others
Short-term benefits	355	82	426
Post-employment benefits	-	-	30
Other non current benefits	-	-	-
Staff-leaving indemnities	-	-	1,450
Performance Share Plan	-	-	70
Total	355	82	1,976

(€'000)

Remuneration	1st Half 2022		
	Directors	Statutory Auditors	Others
Short-term benefits	303	79	585
Post-employment benefits	-	-	46
Other non current benefits	-	-	-
Staff-leaving indemnities	-	-	240
Performance Share Plan	-	-	325
Total	303	79	1,196

At 30 June 2023, the outstanding amount payable to this category was Euro 673 thousand (Euro 582 thousand at 30 June 2022).

Rho (Milano), 26 July 2023

On behalf of the Board of Directors

The Chairman
Carlo Bonomi

List of companies included in the consolidation area and other investments at 30 June 2023

Company name and registered office	Main activity	Share capital (000) (*)	Shareholding %			Shareholding of Group companies	
			Group total	Directly held by Fiera Milano	Indirectly held through other Group companies	%	
A) Parent Company							
Fiera Milano SpA							
Milan, p.le Carlo Magno 1	Organisation and hosting of exhibitions in Italy	42,445					
B) Fully consolidated companies							
Fiera Milano Congressi SpA							
Milan, p.le Carlo Magno 1	Management of congresses	2,000	100	100		100	Fiera Milano SpA
Nolostand SpA							
Milan, p.le Carlo Magno 1	Stand fitting services	7,500	100	100		100	Fiera Milano SpA
MADE eventi Srl							
Rho (Milano), strada Statale del Sempione n. 28	Organisation of exhibitions in Italy	10	60	60		60	Fiera Milano SpA
Fiera Milano Publicações e Eventos Ltda							
São Paulo Brasil, na Avenida Angélica, 2491, 20º andar, conjuntos 203 e 204	Organisation of exhibitions outside of Italy	R \$ 97,981	100	99.99	0.01	99.99	Fiera Milano SpA
Fiera Milano Exhibitions Africa Pty Ltd							
Cape Town, The Terraces, Steenberg Office Park, Tokai	Organisation of exhibitions outside of Italy	ZAR 0,6	100	100		100	Fiera Milano SpA
C) List of jointly controlled companies equity-accounted							
Hannover Milano Global Germany GmbH							
Hannover Germany, Messeplaende	Organisation of exhibitions outside of Italy	25	49	49		49	Fiera Milano SpA
Hannover Milano Fairs Shanghai Co. Ltd							
Shanghai China, Pudong Office Tower	Organisation of exhibitions outside of Italy	USD 500	49		100	100	Hannover Milano Global Germany GmbH
Hannover Milano Fairs China Ltd							
Hong Kong China, Golden Gate Building	Organisation of exhibitions outside of Italy	HKD 10	49		100	100	Hannover Milano Global Germany GmbH
Hannover Milano Fairs India Pvt Ltd							
East Mumbai, Andheri	Organisation of exhibitions outside of Italy	INR 274,640	48.99		99.99	99.99	Hannover Milano Global Germany GmbH
Hannover Milano Best exhibitions Co., Ltd							
Guangzhou China, West Tower, Poly World Trade Center	Organisation of exhibitions outside of Italy	RMB 1,000	24.99		51	51	Hannover Milano Fairs Shanghai Co. Ltd
Hannover Milano XZQ Exhibitions Co., Ltd							
Shenzhen China	Organisation of exhibitions outside of Italy	RMB 100	29.40		60	60	Hannover Milano Fairs Shanghai Co. Ltd
Ipack Ima Srl							
Rho, S.S. del Sempione km 28	Organisation of exhibitions in Italy	20	49	49		49	Fiera Milano SpA
Mico DMC S.r.l.							
Milan, p.le Carlo Magno 1	Management of congresses	10	51		51	51	Fiera Milano Congressi SpA
Ge.Fi. SpA							
Milan, v.le Acheille Papa 30	Organisation of exhibitions in Italy	1,000	25	25	25	25	Fiera Milano SpA
Mi-View Srl							
Milan, v.le Acheille Papa 30	Organisation of exhibitions in Italy	10	25		25	100	
Fiere di Parma SpA							
Milan, v.le delle Esposizioni	Organisation of exhibitions in Italy	31,167	18.5	19		18.5	Fiera Milano SpA
D) List of companies accounted at cost							
			Shareholding %			Shareholding of Group companies	
Company name and registered office		Share capital (000) (*)	Group total	Directly held by Fiera Milano	Indirectly held through other Group companies	%	
Comitato Golden Card							
Cinisello Balsamo, viale Fulvio Testi 128	Other activities	3	33.33	33.33		33.33	Fiera Milano SpA

(*) Euro or other currencies as specifically indicated

Declaration relating to the Interim Condensed Consolidated Financial Statements pursuant to

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

1. The undersigned, 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 the administrative and accounting procedures for the preparation of the Interim Condensed Consolidated Financial Statements for the first half of 2023.

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

Rho (Milano), 26 July 2023

Signed
Chief Executive Officer

Francesco Conci

Signed
**Financial Reporting Officer responsible for drafting
of corporate accounting documents**

Massimo De Tullio

REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
Fiera Milano SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Fiera Milano SpA and its subsidiaries (the Fiera Milano Group) as of 30 June 2023, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cashflow statement and related notes. The directors of Fiera Milano Group are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of Review

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

Other Matters

The consolidated financial statements as of and for the year ended 31 December 2022 and the consolidated condensed interim financial statements for the period ended 30 June 2022 were audited and reviewed, respectively, by other auditors, who on 27 March 2023 expressed an unqualified opinion on the consolidated financial statements, and on 27 July 2022 expressed an unmodified conclusion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Fiera Milano Group as of 30 June 2023 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 27 July 2023

PricewaterhouseCoopers SpA

Signed by

Andrea Martinelli
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers