



FIERA MILANO: THE BOARD OF DIRECTORS APPROVES THE HALF-YEARLY FINANCIAL REPORT AT 30 JUNE 2021

The results for the first half of 2021 were affected by the absence of exhibition and congress activities in Italy due to legislation stemming from the continuing COVID-19 pandemic.

- **Revenues:** Euro 4.6 million, compared to 56.0 million in the first half of 2020
- **EBITDA:** Euro -23.0 million, compared to 10.6 million in the first half of 2020
- **EBIT:** Euro -45.3 million, compared to -11.9 million in the first half of 2020
- **Net loss:** Euro -24.6 million, compared to a loss of 12.6 million in the first half of 2020
- **Net debt,** before the effects of IFRS 16, of Euro 64.9 million compared to net debt of 23.9 million at 31 December 2020

The exhibition calendar for the second half of the year is in line with budget forecasts, although the events themselves will be held on a smaller scale than originally expected due to the uncertainties still present related to the evolution of the pandemic. As a result, the EBITDA target for the year 2021 is now expected to be in the range of Euro 23-28 million (compared to the previous Euro 35-45 million) while net debt before IFRS 16 effects is expected to be between Euro 24 and 28 million (compared to the previous Euro 0-10 million).

As at 30 June, the group had Euro 59 million in cash on hand plus undrawn credit lines of a further Euro 38 million to support the resumption of business activities.

In July, SIMEST disbursed the Euro 10 million “de minimis” grant from the “Integrated Promotion Fund”.

Milan, 28 July 2021. The Board of Directors of Fiera Milano S.p.A. (“**Fiera Milano**” and/or the “**Company**”) approved the Half-Yearly Financial Report at 30 June 2021.

Luca Palermo, Fiera Milano’s CEO and General Manager, said: *“The encouraging signs from the first in-person exhibitions give us confidence and confirm the exhibition system’s role as a cornerstone of companies’ growth strategies. Although the persistent uncertainties surrounding the pandemic are delaying the return to more normal business conditions, Fiera Milano remains firmly committed to delivering the CONN.E.C.T. 2025 strategic plan. During these months of forced inactivity, we worked closely with institutions and health authorities, third-party organisers, partners and industry associations to meticulously plan the restart of our exhibition and conference events. Our goal was to ensure that our customers can meet in complete safety and therefore get back to generating new networking and business opportunities. At the same time, we took the opportunity to expand and refine the range of solutions and services we offer, especially in the digital field. We know that we will increasingly deploy technology to develop a hybrid format, which has the undoubted advantage of offering our customers new products and services as well as a richer visitor experience. This will grow to become the industry standard in the coming years.”*



The half-year results were affected by the prolonged suspension of exhibition and congress activities in Italy, as required under Italian government regulations to contain and prevent the COVID-19 pandemic, which made it impossible to organise in-person events. Exhibitions could only be restarted from 15 June 2021 and congresses from 1 July 2021. In China, after an initial return to normality in the early months of the year, there was a further stoppage of the exhibitions business in Guangdong Province from June onwards. The scheduled exhibitions have been shifted to August.

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

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

At the same time, the Company has worked to secure adequate financial resources to ensure business continuity and to support the delivery of the strategic plan, at what is a highly unusual time due to the prolonged inability to carry on its core business. In the first half of 2021, Euro 87 million of medium/long-term loans were raised, with a maturity of no less than 5 years, most of which have a grace period of 24 months. Fiera Milano also has short-term credit lines of Euro 75 million.

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

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

On an operational note, BIT (the International Tourism Exchange) was held in Italy in May 2021. The resumption of in-person events was heralded by Sì Sposaitalia Collezioni at the end of June, followed a few days later by Milano Unica (6-7 July).

Last but not least, to speed up implementation of the CONN.E.C.T. 2025 strategic plan, some changes have been made to the company's organisational structure, including the recruitment of new managers and other external resources.



SUSTAINABILITY

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

The Company's progress on sustainability was confirmed by being awarded the IGI 2021 (Integrated Governance Index) prize, in which Fiera Milano take 1st place in the "extra 100" category. The Integrated Governance Index is based on a quantitative analysis model that measures the degree to which ESG factors are integrated into corporate strategies. Fiera Milano was also included in the 2021 ranking of 150 companies who are "Leaders in Sustainability", drawn up by Statista and Il Sole 24 Ore, which analysed over 1,500 companies.

In terms key stakeholder initiatives, the priority was protecting the health and safety of employees, suppliers and customers. In particular, the protocol for containing the spread of Coronavirus has been further bolstered to make sure that visitors, exhibitors and organisers can safely participate in exhibitions and events held in exhibition and congress centres.

Last but not least, the Company has launched an extraordinary training plan called "Fiera Milano Education", designed to boost employees' skills especially in the digital sphere. The project, which falls under the scope of the "Fondo Nuove Competenze" (New Skills Fund), is part of the wider skill transformation process set out in the CONN.E.C.T. 2025 plan. Some 50,000 hours of compulsory training will be provided during the second half of the year for all Group personnel in Italy.

Finally, it should be noted that in today's meeting the Board of Directors approved the "Policy for managing dialogue with institutional investors and with the generality of Fiera Milano S.p.A.'s shareholders" (Engagement Policy). This policy is available to the public on the Company's website www.fieramilano.it, in the Investors/Governance section, and on the authorised storage mechanism www.emarketstorage.it.

HALF-YEAR RESULTS

It should be remembered that **the Group's business has seasonal elements** due to exhibitions that are held on a biennial or multi-year basis.

Revenues from sales and services amounted to Euro 4.6 million compared to Euro 56.0 million in the first half of the previous year. The change is due to the suspension of business activities in Italy due to the COVID-19 pandemic. It should be noted that business took place under normal conditions in the first two months of the first half of 2020.

EBITDA was better than forecast, albeit negative by Euro 23.0 million, while in the first half of 2020 it was positive at Euro 10.6 million. The change is due to the aforementioned trend in



revenues, partially offset by the reduction in costs, which especially in the period under review came from the management of exhibition sites and personnel costs.

EBIT was Euro -45.3 million, while in the first half of 2020 when it was Euro -11.9 million, mirroring the trend in EBITDA.

The **net loss** was Euro 24.6 million, compared to a loss of Euro 12.6 million in the first half of 2020, benefiting from the effects of the tax realignment of goodwill. This option generated a benefit of Euro 15.9 million against a substitute tax cost of Euro 2.0 million.

PERFORMANCE BY OPERATING SEGMENT

In the first half of the year, only one event was held at the fieramilano and fieramilanocity exhibition sites (10 events and 3 congresses with related exhibition space in the first half of 2020), for a total of 5,965 net square metres of exhibition space, compared to 273,785 in the same period of 2020. The number of exhibitors went from 5,085 in the first half of 2020 to 245 in the first half of 2021. Four exhibitions (one in the first half of 2020) was held abroad, for a total of 76,790 net square metres of exhibition space (3,910 square metres in the first half of 2020) and 1,700 exhibitors (100 in the first half of 2020).

Revenues from sales and services, before inter-segment exchange eliminations, amounted to Euro 5.1 million, compared to 58.1 million in the first half of 2020.

- The **Italian Exhibitions Business** recorded revenues of Euro 2.9 million (Euro 49.4 million in the first half of 2020) due to the aforementioned suspension of the exhibitions business. Once again, it should be remembered that in the first half of 2020, business was normal until the end of February. EBITDA was Euro -20.4 million (Euro 11.9 million in the first half of 2020) while EBIT was Euro -40.1 million (Euro -7.9 million in the first half of 2020).
- The **Foreign Exhibitions Business** recorded revenues of Euro 35 thousand as compared to 1.1 million in the first half of 2020. EBITDA was Euro -0.5 million (Euro -1.0 million in the first half of 2020). EBIT was Euro -0.6 million (Euro -1.2 million in the first half of 2020).
- The **Media** segment returned revenues of Euro 0.9 million, compared to Euro 3.4 million in the first half of 2020, mainly due to the cancellation of exhibitions for the first half of 2021. EBITDA was Euro -0.8 million (Euro 0.2 million in the first half of 2020), following the trend in revenues, while EBIT was Euro -0.8 million (Euro 0.1 million in the first half of 2020).
- The **Congress** segment posted revenues of Euro 1.2 million compared to Euro 4.2 million in the first half of 2020. The decrease can be attributed to the suspension of in-person congresses due to the COVID-19 emergency. EBITDA was Euro -1.3 million (Euro -0.4 million in the first half of 2020) and reflects the trend in revenues, while EBIT was Euro -3.8 million (Euro -2.9 million in the first half of 2020).



NET FINANCIAL POSITION

Net financial position at 30 June 2021, before IFRS 16 effects, shows a net debt of Euro 64.9 million, up by Euro 41 million compared to Euro 23.9 million at 31 December 2020. The change is due to negative cash flows caused by the suspension of exhibition activities in the six months under review. A rebalancing is expected in the second half of the year due to the busy exhibition calendar.

Net financial debt, including IFRS 16 lease liabilities, amounted to Euro 501.0 million as compared to 473.4 million at 31 December 2020.

BUSINESS OUTLOOK

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

The exhibition calendar for the period September-December 2021 promises to be very busy, with more than 30 on the calendar. Expected attendance and occupancy levels are, however, lower than initially estimated due to continuing uncertainties over the evolution of the pandemic. In particular, the main performance indicators for the special edition of Salone del Mobile in September and other scheduled exhibitions were down on estimates made in previous quarters.

This situation has led the Company to revise its forecasts solely for the current year. Based on the information currently available, revenues are expected to be between Euro 130 and 140 million, with EBITDA of between Euro 23 and 28 million and net financial debt before IFRS 16 effects in the range of Euro 24-28 million. If business resumes from September, the 2021-2025 Strategic Plan (presented to the market last February) assumed turnover of Euro 160-180 million, EBITDA in the range of Euro 35-45 million and net financial debt before IFRS 16 effects in the range of Euro 0-10 million.

In July, SIMEST disbursed the Euro 10 million grant from the Integrated Promotion Fund (FPI) to meet fixed costs not covered by profits.

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



The Manager responsible for preparing the Company's financial statements, Mr Andrea Maldì, in accordance with paragraph 2 Art. 154- bis of the Consolidated Finance Law herewith declares that the accounting information contained in the present release is consistent with the Company's official documents, books and accounting records.

CONFERENCE CALL

There will be a conference call at 17:00 (CET) today Wednesday 28 July, during which the management of Fiera Milano will present the first half 2021 consolidated results. To take part in the conference call, please call:

+39 02 805 88 11 (Italy)
+41 225954727 (Switzerland)
+44 1 212818003 (UK)
+ 1 718 7058794 (USA)

The presentation may be downloaded prior to the start of the conference call from the section Investors on the Fiera Milano website, www.fieramilano.it.

This press release contains forward-looking statements. These statements are based on the current expectations and assumptions of the Group regarding future events and by their very nature are subject to certain risks and uncertainties. The actual results could differ materially from those contained in these statements for a variety of factors that include changes in general economic and business conditions, continued volatility and a further deterioration in the capital and financial markets and many other factors, the majority of which are outside the control of the Group. The levels of Group activity reflect the frequency/seasonality of exhibitions. Therefore, the operating results and changes in the net financial position cannot be extrapolated to calculate a precise forecast of the results expected for the year.

Fiera Milano

Fiera Milano is the domestic market leader and one of the main integrated operators worldwide in the exhibition and congress sector. The Group manages the leading exhibition site in Italy and dominates events in numerous manufacturing sectors: fashion, publishing, furniture and furnishings, home and lifestyle, mechanical tooling industry, tourism, professional hospitality, food, plant engineering and energy, construction, art, and sailing. Specifically, the business of the Group is focused on the management, organisation and hosting of exhibitions and other events through ensuring the availability of equipped exhibition space, project support and related services. Its offer is completed by engineering services, stand-fitting services – for both pre-fabricated and customised stands – stand-fitting technical and logistic services, as well as a multichannel platform that includes web content and congresses.

Fiera Milano has been listed in the STAR segment of the Mercato Telematico Azionario of the Italian stock market since 2002.

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Attachments

Consolidated Statement of Financial Position
Consolidated Statement of Comprehensive Income
Consolidated Statement of Cash Flows

	(€ '000)	
Consolidated Statement of Financial Position	30/06/21	31/12/20
ASSETS		
Non-current assets		
Property, plant and equipment	5,811	7,040
Right-of-use assets	412,254	431,668
<i>of which from related parties</i>	407,431	426,153
Investments in non-core property	-	-
Goodwill	95,036	95,036
Intangible assets with a finite useful life	17,069	17,006
Equity accounted investments	16,164	16,226
Other investments	82	82
Other financial assets	5,558	5,127
Trade and other receivables	23,345	23,471
<i>of which from related parties</i>	23,241	23,373
Deferred tax assets	24,204	3,283
Total	599,523	598,939
Current assets		
Trade and other receivables	31,883	26,705
<i>of which from related parties</i>	9,667	8,678
Inventories	7,574	5,557
Contracts in progress	-	-
Financial assets	2,424	1,320
<i>of which from related parties</i>	2,424	1,320
Cash and cash equivalents	58,683	20,442
Total	100,564	54,024
Assets held for sale		
Assets held for sale	-	-
Total assets	700,087	652,963
EQUITY AND LIABILITIES		
Equity		
Share capital	42,284	42,284
Share premium reserve	10,256	10,256
Revaluation reserve	-	-
Other reserves	1,678	1,708
Retained earnings	8,862	42,578
Profit/(loss) for the period	(24,535)	(33,943)
Total Group equity	38,545	62,883
Equity attributable to non-controlling interests	237	348
Total equity	38,782	63,231
Non-current liabilities		
Bonds in issue	-	-
Bank borrowings	86,477	-
Financial liabilities related to the right-of-use of assets	388,426	405,961
<i>of which from related parties</i>	384,998	401,848
Other financial liabilities	360	-
Provision for risks and charges	72	379
Employee benefit provisions	9,406	10,062
Deferred tax liabilities	4,053	11,260
Other liabilities	672	-
Total	489,466	427,662
Current liabilities		
Bonds in issue	-	-
Bank borrowings	37,324	49,018
Trade payables	15,793	19,904
Advances	47,076	30,577
Financial liabilities related to the right-of-use of assets	47,671	43,611
<i>of which from related parties</i>	46,122	42,068
Other financial liabilities	7,402	1,743
<i>of which to related parties</i>	6,937	1,313
Provision for risks and charges	1,516	1,777
Tax liabilities	3,202	3,849
Other liabilities	11,855	11,591
Total	171,839	162,070
Liabilities held for sale		
Liabilities held for sale	-	-
Total equity and liabilities	700,087	652,963

		(€ '000)	
Consolidated Statement of Comprehensive Income		1st Half at 30/06/21	1st Half at 30/06/20
Revenues from sales and services		4,599	55,988
<i>of which with related parties</i>		<i>741</i>	<i>3,616</i>
Total revenues		4,599	55,988
Cost of materials		226	1,311
Cost of services		12,991	29,285
<i>of which with related parties</i>		<i>187</i>	<i>1,243</i>
Cost of use of third-party assets		145	256
Personnel expenses		16,269	17,285
Other operating expenses		967	1,234
Total operating expenses		30,598	49,371
Other income		3,442	1,188
Results of equity accounted associates and joint ventures		(160)	(737)
Provisions for doubtful receivables and other provisions		273	(3,504)
EBITDA		(22,990)	10,572
Depreciation of property, plant and equipment and right-of-use assets		20,986	21,333
Depreciation of property investments		-	-
Amortisation of intangible assets		1,306	1,116
Adjustments to asset values		22	-
EBIT		(45,304)	(11,877)
Financial income and similar		603	142
Financial expenses and similar		6,789	6,933
<i>of which with related parties</i>		<i>5,935</i>	<i>6,376</i>
Valuation of financial assets		-	-
Profit/(loss) before tax		(51,490)	(18,668)
Income tax		(26,377)	(6,068)
Profit/(loss) for the period from continuing operations		(25,113)	(12,600)
Profit/(loss) for the period from discontinued operations		465	-
Profit/(loss) for the period		(24,648)	(12,600)
Profit/(loss) attributable to:			
The shareholders of the controlling entity		(24,535)	(12,484)
Non-controlling interests		(113)	(116)
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss for the period			
Revaluation of defined benefit schemes		292	75
Tax effects		(70)	(17)
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss of the period			
Currency translation differences of foreign subsidiaries		51	(749)
Other comprehensive income/(loss) of equity accounted associates and joint ventures that will not be reclassified subsequently to profit or loss for the period			
Revaluation of defined benefit schemes		9	14
Tax effects		(2)	(3)
Currency translation differences of foreign subsidiaries		91	(72)
Other comprehensive income/(loss) for the period net of related tax effects		371	(752)
Total comprehensive income/(loss) for the period		(24,277)	(13,352)
Total comprehensive income/(loss) for the period attributable to:			
The shareholders of the controlling entity		(24,166)	(13,238)
Non-controlling interests		(111)	(114)
Earnings/(losses) per share (€)			
	Basic	(0.3435)	(0.1753)
	Diluted	(0.3435)	(0.1753)

	(€ '000)	
Consolidated Statement of Cash Flows	1st Half at 30/06/21	1st Half at 30/06/20
Net cash at beginning of the period from continuing operations	20,442	68,031
Net cash at beginning of the period from assets held for sale	-	-
Cash flow from operating activities		
Net cash arising from operations	(20,446)	(11,629)
<i>of which from related parties</i>	264	(4,259)
Interest paid	-	(10)
Interest paid on financial liabilities related to the right-of-use of assets	(5,980)	(6,469)
<i>of which from related parties</i>	(5,908)	(6,375)
Interest received	7	173
Total from continuing operations	(26,419)	(17,935)
Total from assets held for sale	465	-
Cash flow from investing activities		
Investments in tangible assets	-	(1,999)
Investments in intangible assets	(1,266)	(613)
Total from continuing operations	(1,266)	(2,612)
Total from assets held for sale	-	-
Cash flow from financing activities		
Non-Current financial assets	-	(5,000)
Non-current financial liabilities	86,477	-
Current financial assets	(1,111)	(561)
Current financial liabilities related to the right-of-use of assets	(13,817)	(17,022)
<i>of which from related parties</i>	(11,343)	(16,144)
Current financial liabilities	(6,070)	24,500
<i>of which from related parties</i>	5,624	(449)
Dividends paid	-	(9,314)
Total from continuing operations	65,479	(7,397)
Total from assets held for sale	-	-
Total translation differences	(18)	(908)
Net cash for the period from continuing operations	37,794	(27,944)
Net cash for the period from assets held for sale	465	-
Net cash at the end of the period	58,683	39,179

	(€ '000)	
Net cash arising from operations	1st Half at 30/06/21	1st Half at 30/06/20
Result of continuing operations	(25,113)	(12,600)
<i>Adjustments for:</i>		
Profit from equity accounted investments	160	737
Depreciation and Amortisation	22,292	22,449
Financial income and expenses	(431)	316
Financial expenses related to the right-of-use of assets (IFRS 16)	5,980	6,469
Personnel costs "Performance Shares Plan"	188	-
Net change in employee provisions	(365)	52
Changes in deferred taxes	(28,197)	(4,891)
Inventories	(2,017)	(1,868)
Trade and other receivables	(5,052)	17,426
Trade payables	(4,111)	(21,825)
Pre-payments	16,499	(12,302)
Tax payables	(647)	1,453
Provisions for risks and charges and other liabilities (excluding payables to Organisers)	(158)	(7,186)
Payables to Organisers	526	141
Total	(20,446)	(11,629)