



FIERA MILANO

FIERA MILANO: LUCA PALERMO NEW CHIEF EXECUTIVE OFFICER. AGREEMENT ON 2020 RENT REDUCTION AND UPWARD REVISION OF THE 2020 EBITDA TARGET

- **Luca Palermo appointed new Chief Executive Officer and General Manager from 1 January 2021**
- **Agreement reached with Fondazione Fiera Milano on the reduction of rent for the Rho and Milan exhibition sites and the "MiCo" congress centre for the year 2020 for a total value of Euro 14 million**
- **2020 EBITDA (*) target revised upwards in a range of Euro 8-12 million**

Milan, 15 December 2020. Fiera Milano S.p.A. ("**Fiera Milano**") announces that the Board of Directors meeting resolved today, among the items on the agenda, to appoint Mr Luca Palermo as Chief Executive Officer and General Manager of the Company from 1 January 2021. As of that same date, the management powers temporarily given to the Chairperson Carlo Bonomi will also be revoked and he will be granted powers relating to the management of institutional relations.

The Board also approved the agreement with Fondazione Ente Autonomo Fiera Internazionale di Milano ("**Fondazione Fiera Milano**") for the purpose of reducing the rents for the Rho and Milan sites and the "MiCo" congress centre for the current financial year. The total reduction amounts to Euro 14 million.

APPOINTMENT OF LUCA PALERMO AS NEW CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER OF FIERA MILANO

Mr Palermo, a director of Fiera Milano since 2 October, was appointed CEO as proposed by the shareholder Fondazione Fiera Milano, which holds 63.82% of the Company's share capital. Mr Palermo will also hold the position of General Manager of Fiera Milano.

This appointment, which will take effect from 1 January 2021, marks the completion of the succession plan launched following the resignation of the previous CEO in June 2020.

The Board of Directors thanked the Chairperson Carlo Bonomi for having accepted the temporary management powers, pending the appointment of the new CEO and for the valuable contribution made in recent months in guaranteeing business stability and continuity. Mr Bonomi, whose management powers will remain in force until 1 January 2021, will be granted the power to manage and oversee institutional external relations.

Luca Palermo, 50, graduated in Economics and Commerce from the University of Pavia and also took the General Management Program at Harvard Business School. His professional career has mainly developed in service-oriented sectors. From 2018, he was Chief Executive Officer and General Manager of Edenred Italia, a multinational company operating in the business solutions sector, where he contributed to its profound digital and technological transformation. Before then, he held the position of CEO of Logista Italia, a leading distributor of tobacco and convenience products for tobacconists in Italy. From 2009 to 2017 he was CEO of the Nexive Italia Group, leading the latter to establish itself as the first private postal operator in



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Italy. He also gained significant experience in sales & operations at other multinationals such as Vodafone and Johnson & Johnson. Mr Palermo is also committed to social issues. He was a member of the Board of the Vodafone Foundation and of the Board of Directors of AGIRE – Italian Agency for Emergency Response, a non-profit organisation dedicated to helping populations hit by the most serious humanitarian emergencies in the world.

Mr Palermo's complete CV is available on the website www.fieramilano.it, in the Investors/Governance/Corporate bodies section.

As of today, Mr Palermo does not hold any shares in the Company.

"I am honoured to join the Fiera Milano Group", declared Luca Palermo. "The exhibition sector is constantly and rapidly changing. The transition phase we are going through deserves a great deal of attention. We face major challenges: we are called to rewrite the future together. At the beginning of 2021, we will present a new strategic plan to the market and it will take into account the profoundly changed landscape and the start of a "new normal" phase. This is a far-reaching project that will set out the guidelines for organic and gradual long-term growth, through a greater penetration of integrated services aimed at organisers, exhibitors, visitors, and operators. Fiera Milano will continue to be a sound industrial policy platform that generates value for businesses, people and the local area".

RENT REDUCTION FOR THE MILAN AND RHO EXHIBITION SITES AND "MICO" CONGRESS CENTRE

Fiera Milano and Fondazione Fiera Milano today signed agreements concerning changes to the lease agreements in place between the said parties as tenant and landlord, respectively, for the Rho and Milan exhibition sites ("FieraMilanoCity" or "urban exhibition site").

For the sake of completeness of information, the subsidiary Fiera Milano Congressi S.p.A. ("**Fiera Milano Congressi**") has also signed today the agreements modifying the two existing lease agreements with the Fondazione Fiera Milano, concerning respectively: (i) pavilions 5 and 6, the pertaining areas and the car parks below the entrance square and (ii) pavilion 17.

The amendments to the aforementioned lease agreements qualify as a Transaction of Greater Importance pursuant to the Procedure ("**Related Party Procedure**") regarding transactions with related parties adopted by Fiera Milano and to Consob Regulation 17221/2010. The lease agreements between Fiera Milano and Fondazione Fiera Milano had already been disclosed to the market through, *inter alia*, the publication of the Information Document on 21 March 2014 and the subsequent Information Document published on 14 May 2019, relating only to the urban exhibition site. Express reference is made to these documents for anything not mentioned below as regards the content of these agreements.

With reference to the payable rent in 2020, under the lease agreements, it constitutes a modification of a Transaction of Greater Importance between related parties. Pursuant to Article 9.1 of the Company's Related Party Procedure, the transaction was then approved by the Board of Directors on 15 December 2020, having obtained the favourable reasoned opinion issued on the same date by the Control and Risks Committee. As of today, the Information Document prepared pursuant to Article 10.2 of the Related Party Procedure and Consob Regulation no. 17221/2010 will be filed and made available to the public at the registered office and the operational and administrative headquarters of Fiera Milano, on the Company's website and on the authorised storage mechanism. With regard to the aforementioned procedure, Fiera



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Milano is a small-sized listed company and, as such, benefits from the exemption granted pursuant to Article 10, paragraph 1 of Consob Regulation 17221/2010; therefore, without prejudice to the public disclosure obligations, the same safeguards provided for in the Procedure for Transactions of Lesser Importance are applied to Transactions of Greater Importance.

In the light of the emergency situation linked to the Covid-19 pandemic (so-called Coronavirus), which, resulted in the suspension of the activities of the exhibition and congress sector for reasons of force majeure for a prolonged period during the current year, the parties have agreed a temporary reduction of the rent for the Rho and Milan exhibition sites for the year 2020, as they had become excessively onerous. For the same reasons, the rents charged to Fiera Milano Congressi were also reduced for the year 2020.

The total amount of the reduction is equal to Euro 14 million and is proportionally allocated on the individual lease agreements in place between Fondazione Fiera Milano, Fiera Milano and Fiera Milano Congressi.

The transaction will allow the Company to derive economic and financial benefits and therefore falls within the scope of the various measures to reduce operating costs that Fiera Milano has implemented to deal with the effects of the pandemic on its operations.

As part of the negotiations with Fondazione Fiera Milano, the Company was assisted by an independent advisor (**), which was asked to assess the validity of the conditions for requesting a temporary reduction of rent and, on the basis of market practices applicable to the current emergency situation, to provide the outline criteria for determining the possible amount of the reduction.

In its opinion, which will be attached to the aforementioned Information Document, the advisor concluded that the request for the revision of the rents in question to be founded and legitimate, albeit of a temporary nature as justified by the extraordinary situation caused by the Covid-19 pandemic. Considering all the lease agreements in place between the companies of the Fiera Milano Group and Fondazione Fiera Milano, Yard determined the amount of the discount to be between a minimum of Euro 13.7 million and a maximum of Euro 15.4 million. In determining the amount of the reduction, Yard considered it reasonable that the revision should be based on the distinction between the “lockdown period” and the “no-lockdown period”, considering the months of January and February 2020 as full-rent months.

NEW EBITDA (*) TARGET FOR FINANCIAL YEAR 2020

The positive conclusion of the rent renegotiation means it is possible for the EBITDA target to be revised upwards in a range between Euro 8 and 12 million, compared to the previous breakeven indication. The updated target takes into account the evolution of operations during the second half of the year and the new suspension of exhibition and congress activities from 24 October 2020.

(*) The EBITDA range of Euro 8-12 million takes into account the positive impact of Euro 14 million from the renegotiation of the lease agreements. This improvement in EBITDA is connected to the occurrence of the conditions set out in the amendments to IFRS 16, introduced by the IFRS Foundation in view of the negative effects of Covid-19 and adopted by the European Union on 12 October. However, the renegotiation of the leases has no impact on assets and corresponding financial debt, therefore it is not reflected in amortisation and financial expense.

(**) Yard S.p.A.



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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 specialist publications, 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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