



FIERA MILANO

**FIERA MILANO APPROVES THE 2021-2025 STRATEGIC PLAN
“CONN.E.C.T. 2025”**

Business model renewed based on an advanced integrated services platform able to offer an innovative "phygital" customer experience

Significant cash generation which, over the life of the Plan, will make it possible to evaluate M&A opportunities and shareholder remuneration

STRATEGY

- *Development activity focused on four strategic directions to become a leading European hub with an international presence:*
 - *complementary and synergistic offer of traditional and digital services capable of enhancing the customer journey of exhibitors and visitors through a “phygital” experience and the development of a permanent information hub to support supply chain communities;*
 - *strengthening of the portfolio of proprietary and third-party exhibitions;*
 - *consolidation of leadership in the congress sector;*
 - *attractiveness and safety of the exhibition and congress sites.*
- *Focus on sustainability as a tool for value creation for all Stakeholders.*
- *Solid enabling factors represented by the enhancement of human capital, a commercial and product approach aimed at excellence, digital transformation and major investments aimed at increasing the management efficiency and competitiveness of the sites.*

ECONOMIC AND FINANCIAL TARGETS AT 2025

- *In 2025, expected revenues in a range between Euro 290 and 310 million and EBITDA in a range between Euro 110 and 120 million, higher than the 2019 levels, despite a decrease in exhibition space (-12%) compared to 2019.*
- *Significant cash generation leading to net cash¹, estimated at between Euro 75 and 85 million at the end of the Plan, making it possible to evaluate M&A opportunities and shareholder remuneration.*
- *Investments of Euro 115-125 million are planned for the period, Euro 90-100 million of which are forecast to be made by the Fondazione Fiera Milano to improve the attractiveness and safety of the exhibition and congress sites.*

¹ *Before the effects of IFRS 16*



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ECONOMIC AND FINANCIAL TARGETS AT 2021

- *The restart of onsite exhibitions in Q2 2021 is foreseen to generate a total yearly revenue of Euro 180-200 million, an EBITDA in a range of Euro 40 and 50 million and a net financial position¹, between Euro 5 and -5 million. If, on the other hand, on site exhibitions do not start until September 2021, due to the prolonged pandemic, there would be a negative impact in terms of margins and net financial debt estimated at around Euro 5 million.*

INCENTIVE PLAN (LTI) 2021-2022

- *Approval of the guidelines of the new LTI Incentive Plan for executives with strategic responsibilities and other key managers to support the achievement of the Plan's targets.*

PRELIMINARY 2020 RESULTS

- *Revenues of Euro 74 million, EBITDA of Euro 10.4 million and net financial debt¹ of Euro 24 million.*

EURO 20 MILLION LOAN FROM CASSA DEPOSITI E PRESTITI

- *A five-year loan agreement for Euro 20 million with Cassa Depositi e Prestiti S.p.A., backed by SACE's "Garanzia Italia", was signed.*

Milan, 22 February 2021. The Board of Directors of Fiera Milano SpA ("**Fiera Milano**" and/or the "**Company**"), which met today under the chairmanship of Carlo Bonomi, approved the Strategic Plan 2021-2025 (the "**Plan**"), which covers the different evolution of the exhibition calendar over the reference time horizon. The Plan, called CONN.ECT 2025 (Connections, Exhibitions, Community, Transformation), aims to bring the Company from a phase still burdened by the evolution of the pandemic to a "new normal", confirming and consolidating Fiera Milano's role as a strategic partner alongside companies in their innovation, growth and internationalization efforts. Sustainability is becoming increasingly important in business decisions: the Plan is aimed at creating long-term value for shareholders and all stakeholders, in line with the new Corporate Governance Code recommendations.

The Chairperson of Fiera Milano, Carlo Bonomi, declares: *"The Plan reaffirms Fiera Milano's commitment to serving Italy's entrepreneurial fabric and the industrial supply chains that are the hallmarks of Made in Italy in the world. We are ready to meet the challenges and seize the opportunities that will arise in the near future. The Group confirms itself as a solid platform for internationalisation and industrial policy. Fiera Milano's role remains that of generating value for businesses, employment and the local community. In this phase of change we have continued to work in close synergy with all the organisers who have confirmed their determination to start again with greater vigour. Fiera Milano is therefore ready to support the entire sector which is poised to be increasingly strategic for the competitiveness and internationalisation of businesses".*



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The Chief Executive Officer and General Manager, Luca Palermo, comments: *“With CONN.ECT 2025 we are proposing ourselves as a European hub capable of offering a global network and a “one-stop-shop” focused on value-added services which are an indispensable element for organisers, exhibitors and visitors. We are moving from a business model that was mainly based on physical events to a hybrid model, in which physical services will be accompanied by and enhanced with innovative digital services that will improve the customer experience. We will work to bolster the Group’s international dimension and to enhance the portfolio of direct and hosted exhibitions, leveraging the attractiveness of Milan. We will guarantee a high level of safety and quality of our increasingly digital and sustainable exhibition sites, thanks also to the support of investments of the Fondazione Fiera Milano. Our people, combined with the digital transformation underway, will be a fundamental component to achieve the targets we have set ourselves by improving the efficiency of processes, time to market, the effectiveness of our commercial approach, and product quality. We will pay close attention to sustainability with a specific focus on five areas, creating greater value for all our Stakeholders. Fiera Milano is looking forward with confidence to the restart of the sector”.*

STRATEGIC GUIDELINES

The Plan is based on 4 strategic lines:

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

Better enhancement of services

The strategy in the service business is aimed at creating an integrated portfolio enriched with innovative and valuable solutions, in order to enhance the customer experience which thus becomes *“phygital”* (both physical and digital) and offer more opportunities for targeted cross-selling and up-selling actions.

- Traditional services. The Plan aims at improving the value of services, both by increasing their penetration rate and by focusing on those with greater added value, also through partnerships and agreements with specialised and high-profile operators. In particular, in the exhibition sector, the Company intends to expand its market share especially in the segment of “customised” and “pre-fitted” stands.
- Digital services. The portfolio of digital services stands alongside that of traditional services in a synergistic and complementary way. Fiera Milano can already count on a technologically advanced, scalable platform (Fiera Milano Platform), which is full of services and multimedia content. In perspective it will be the basis for creating a real permanent information hub that will foster the creation and development of communities, generating contact opportunities 365 days a year. Another priority will be to further strengthen the platform, also through agreements



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with qualified suppliers and the adoption of advanced systems and cutting-edge technologies such as big data, artificial intelligence, and augmented and virtual reality.

Strengthening of directly organised exhibitions

The management effort will be directed at consolidating and expanding the portfolio of proprietary exhibitions. On the one hand, the aim will be to enrich the contents and increase the size and international weight of the directly organised trade fairs by increasing the internationality rate of exhibitors and buyers in order to create exhibitions that are a reference for their sector not only at a domestic level. On the other hand, the focus will be on the launch of new exhibitions, giving the priority to sectors with interesting growth prospects. These targets can also be achieved through agreements and partnerships with leading national and / or international operators. Expansion abroad, to be achieved through the launch of geo-clones of the fairs with the greatest international appeal that best express Made in Italy, will represent a further strategic action.

Exploitation of the potential of the exhibition site in Rho

In this context, the strategic action is aimed at consolidating and strengthening long-term relationships with third-party organisers who will be able to rely on the technological potential of the exhibition site in Rho and on compliance with the highest standards in terms of health and safety protection, successfully tested during last fall's events. The strengthening of relations with third-party organisers can also be pursued through agreements aimed at creating synergies in the administrative and commercial management of events and/or building a system around events belonging to similar or adjacent sectors in order to increase their appeal and international exposure, as happened successfully in 2018 with the project that saw the launch of "The Innovation Alliance".

The strategic options include the organisation of new B2C events supported by an enhanced experiential and entertainment context to increase the occupancy level of the space.

Consolidation of the congress business

The consolidation and strengthening of leadership in the congress sector will be pursued by leveraging the quality of the congress centre, one of the largest and most modern in Europe, and the attractiveness of the city of Milan, at the top of European tourist destinations, to attract new events, especially with an international dimension. The increased size of the Milan Convention Center ("MiCo"), which will be able to rely on additional space in pavilions 3 and 4 and on the increased capacity of the congress centre (21,000 seats compared to the previous 18,000), together with the strengthening of services and digital solutions, will open the doors to new business opportunities. The innovation of the technological infrastructure of MiCo will provide organisers with a place where they can use the most modern and advanced digital technologies for their events and, for visitors, a richer and more engaging participatory experience. The expansion of the congress calendar and a better saturation will be pursued also through specific agreements with other domestic and international congress centres as well as through closer coordination with Milano & Partners - Convention Bureau.



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ENABLING FACTORS

The execution of the Plan is based on a series of enabling and cross-cutting elements that see the quality and nurturing of human capital, a commercial and product approach aimed at excellence, technological innovation and the huge investments planned in the five-year period as the fundamental pillars for achieving the set targets. Fiera Milano will invest to foster the development of a culture of change, and to refocus and acquire new skills functional to the transformation process underway, strengthening strategic areas and teams, also with the addition of new human resources. The organisational structure will be revised in order to optimise management efficiency and execution capacity. Fiera Milano will improve the commercial approach in a synergistic and more consultative way. Technological innovation and digitalisation will be at the service of people (digital culture and digital workplace), business processes (digital infrastructure), services (Fiera Milano platform and data hub) and physical infrastructure (digital venue).

The attractiveness and competitiveness of the Rho exhibition site and the MiCo congress centre will be further strengthened based on an investment plan worth Euro 115-125 million. In addition to the Euro 90-100 million that are forecast to be invested by Fondazione Fiera Milano, owner of the assets, to four lines (safe & smart district, sustainability and innovation, operational excellence and improvement of the customer experience), approximately Euro 25 million will be allocated directly by the Company and primarily dedicated to digital transformation.

SUSTAINABILITY

The strategic review process has led to a revision not only of the business model but also of the very goals of corporate action. This allowed defining the purpose and reviewing the mission, the values and the material topics.

The purpose and mission are based on establishing Fiera Milano as a primary European hub, with a global network capable of creating business opportunities through an innovative platform that, synergistically, allows customers to live a new physical and digital experience.

Sustainability has become an integral part of the Plan, of the top management remuneration system and of employee evaluation. In order to create value for all Stakeholders, not only economic and financial targets will be pursued, but also targets linked to social and environmental topics falling under no. 6 of n. 17 “Sustainable Development Goals (SDGs)” of the United Nations 2030 Agenda.

KEY FINANCIAL AND NON-FINANCIAL (ESG) TARGETS AT 2025

The comparison is made with the 2019 figures to facilitate the comparability with the last year of business under normal operating conditions given the low significance of the 2020 results.

Financial targets

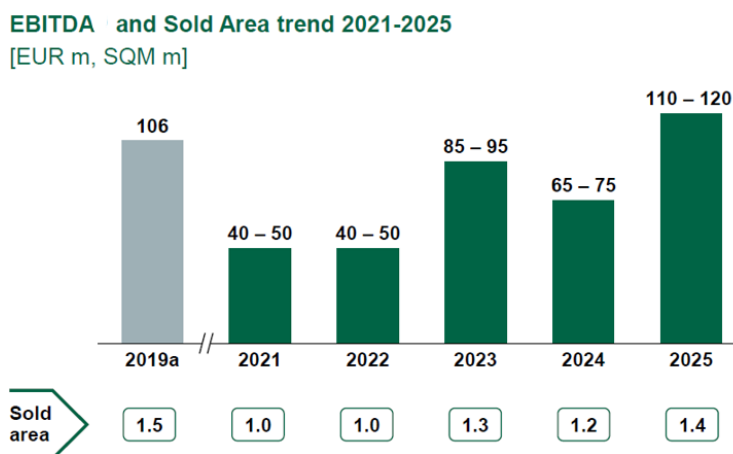
At the end of the five-year period, the Plan expects to achieve revenues in the range of Euro 290-310 million, higher than the Euro 280 million achieved in 2019 and despite a smaller net exhibition area in Italy (-12% compared to 2019, with the same calendar). EBITDA is expected in a range between Euro 110 and 120 million compared to Euro 106 million in 2019, while the net financial



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position¹ is expected to be negative (net cash) in a range between Euro 75 and 85 million compared to Euro 68 million at the end of 2019 and a net debt¹ of Euro 24 million at the end of 2020 (preliminary figure).

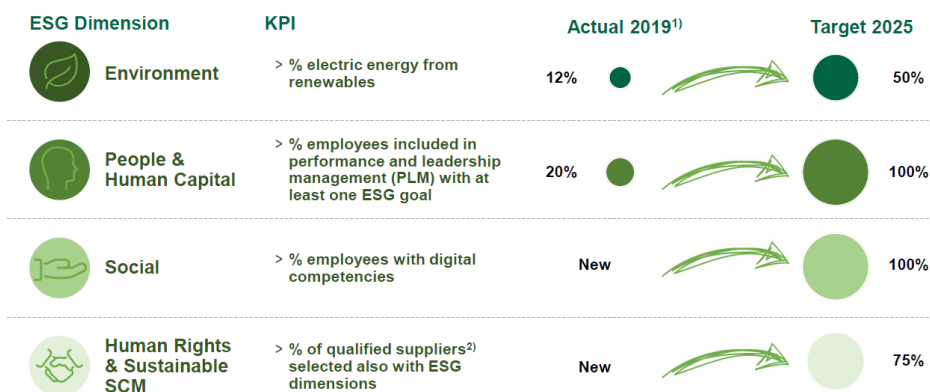
Expected evolution of EBITDA in the plan period



The annual economic and financial trend considers the typical seasonality of the exhibition business due to the presence of annual, biennial and multi-annual events.

Non-financial targets (ESG)

Fiera Milano's commitments to sustainability are addressed to 5 dimensions, i.e., environment, people, social, fight against corruption, and human rights, and have been translated into 14 goals. The main targets presuppose the progressive growth in the use of energy generated from renewable sources, the inclusion of ESG goals in the system for evaluating leadership and the individual performance of employees, the consolidation of the digital skills of the entire company population and the gradual creation of a sustainable supply chain, minimising environmental, social and economic impacts.



Note: 1) 2019 figures related to FM S.p.A. and companies fully consolidated; 2) Suppliers of goods and services with highly sustainable impact



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KEY TARGETS FOR 2021

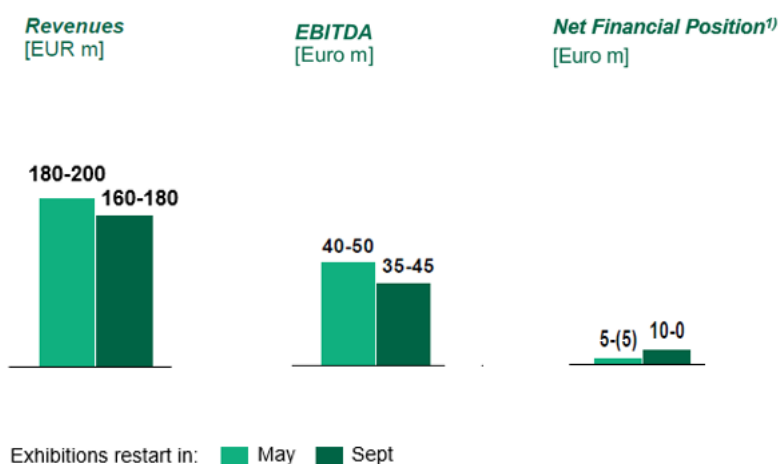
The extreme uncertainty about how the pandemic will evolve makes the forecasting activity for the current year complex and subject to great volatility. Therefore, two scenarios have been considered.

The basic scenario assumes that exhibition and congress activities will be resumed from the month of May and a net exhibition capacity of approximately 1 million square metres. In this context, the rescheduling of most of the events initially planned in the first part of the year will ensure that the calendar is concentrated in the period from September to December.

If, on the other hand, the health emergency does not end in the short term, thus compromising the possibility of confirming the events scheduled in the months of May and June, activities will have to be resumed starting from September, with a negative impact in terms of EBITDA and net financial debt estimated at approximately Euro 5 million due to the loss of around 100 thousand square metres.

As a precaution, both scenarios do not include the effects of a new revision of the lease agreements in place with Fondazione Fiera Milano and only marginally any government contributions under the *de minimis* scheme.

These assumptions are reflected in the following objectives:



Note: ¹⁾ NFPS are calculated excluding impacts of IFRS 16

PRELIMINARY 2020 RESULTS (not audited)

- Revenues: Euro 74 million (compared to Euro 280 million in 2019).
- EBITDA: Euro 10.4 million (compared to Euro 106 million in 2019), within the range of Euro 8-12 million communicated to the market.



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- Net financial position, before IFRS 16 effects: net debt of Euro 24 million, compared to a cash position of Euro 68 million at 31 December 2019.
- Net financial debt, including IFRS 16 lease liability amounts to Euro 477 million (compared to Euro 405 million in 2019).

Today, the Board of Directors also examined the preliminary consolidated data for the financial year 2020, not yet subject to legal audit. The results for financial year 2020 will be approved by the Board of Directors on 15 March 2021, as required by the financial calendar.

The preliminary consolidated figures for 2020 confirm a trend of operations strongly influenced by the Covid-19 pandemic, which has severely impacted the activities of the exhibition and congress sector.

To counteract the effects of this situation, the Company has implemented important cost reduction actions related, among other things, to the management of exhibition sites and staff.

In this context, during the month of December, Fiera Milano and Fondazione Fiera Milano agreed on a temporary reduction in the rents for the Milan and Rho exhibition sites and the MiCo congress centre for the year 2020. The total amount of the reduction was equal to Euro 14 million and was proportionally allocated on the individual lease agreements in place between Fondazione Fiera Milano, Fiera Milano and Fiera Milano Congressi.

The decrease in the net financial position before IFRS 16 effects (Euro -92 million) is attributable to the aforementioned suspension of exhibition activities, which significantly impacted on the generation of cash flows.

NEW INCENTIVE PLAN (LTI) - 2021-2022

The Board of Directors of Fiera Milano also resolved to approve the guidelines for the structuring of an incentive plan - Long Term Incentive (LTI) - based on financial instruments in favour of key managers of the Company, making it possible to align the interests of management with those of the shareholders. The approval proposal will be submitted at the upcoming Shareholders' Meeting. The related documentation will be made available in accordance with the law.

EURO 20 MILLION CDP LOAN

Today, a Euro 20 million loan agreement was signed with Cassa Depositi e Prestiti S.p.A., backed by SACE's "garanzia Italia" on 90% of the amount. The loan, which has a maturity date of 31 December 2025 and a grace period of 24 months, follows on from and completes the financial consolidation transaction that last week saw the signing of the Euro 55 million loan granted by a pool of leading banks, it too backed by a SACE guarantee. The resources available to the Group can also count on an additional Euro 7 million recently granted by SIMEST within the framework of the 394/81 Fund, bringing the total amount of new financing to Euro 82 million.



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PRESENTATION AND WEBCAST

The Strategic Plan 2021-2025 will be presented to financial analysts, institutional investors and the media at 11:00 a.m. (CET) on Tuesday, 23 February 2021. The event can be followed live via webcast at the following link www.solutionwebevent.com/fieramilano. The support material will be made available on the company's website (www.fieramilano.it) in the Investors section in conjunction with the start of the event.

The Manager responsible for preparing the Company's financial statements, Mr Marco Pacini, in accordance with paragraph 2 article 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.

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. More specifically, our forward-looking statements have been defined while economies, sectors and communities are being hit by the aftermaths of one of the most severe global outbreak of modern history, connected with the start of COVID-19 pandemic in early 2020. Within this context, our statements are supported by Roland Berger analysis on the likely evolution of general and business environment We believe that global pandemic will be contained in the course of 2021 thanks to massive deployment of available vaccines; as a result, we believe that physical exhibitions will start to be held again from Q2 2021 and that volumes will progressively recover to pre-COVID levels by 2024-2025. 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 fairs, 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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