

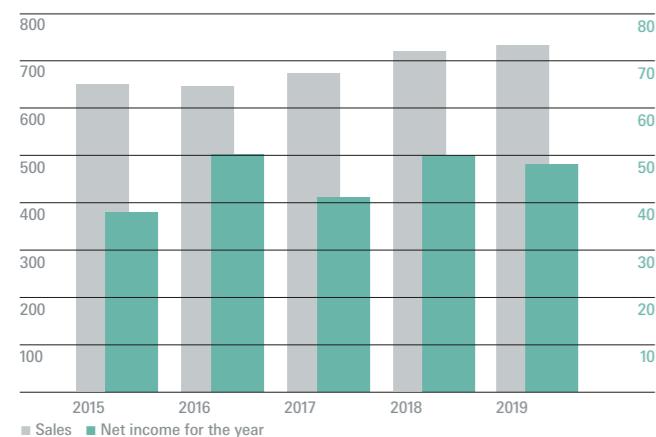


# Perspectives

Annual Report  
2019

## At a glance

### Sales and net income for the year (in € million)



The Messe Frankfurt Corporate Group conceives, plans and hosts trade fairs and exhibitions in Germany and abroad. The parent company and its subsidiaries offer a well-coordinated service package for national and international customers, exhibitors and visitors.

### Corporate group

	in € million*				
	2015	2016	2017	2018	2019
Sales	648	647	669	718	736
Personnel expenses	146	152	159	170	177
Depreciation, amortisation and write-downs	56	52	51	58	62
Earnings before taxes	52	69	56	71	61
Pre-tax return on sales in %	8	11	8	10	8
<b>Net income for the year</b>	<b>38</b>	<b>50</b>	<b>41</b>	<b>50</b>	<b>48</b>
EBITDA	109	124	108	132	124
Additions to fixed assets	45	102	125	101	78
<b>Equity</b>	<b>475</b>	<b>506</b>	<b>527</b>	<b>558</b>	<b>589</b>
<b>Total assets</b>	<b>888</b>	<b>888</b>	<b>1,014</b>	<b>1,117</b>	<b>1,174</b>
<b>Active employees (at 31.12. respectively)</b>	<b>2,244</b>	<b>2,307</b>	<b>2,440</b>	<b>2,519</b>	<b>2,575</b>

\* Except employees and return on sales

Shareholders: City of Frankfurt (60%), State of Hesse (40%)

Subscribed capital: City of Frankfurt €108 million, State of Hesse €72 million

	2015	2016	2017	2018	2019
<b>Basic data</b>					
Total space (m <sup>2</sup> )	592,127	592,127	592,127	592,127	591,049
Available hall space (m <sup>2</sup> )	366,637	366,637	366,637	393,838	372,350
Available open space (m <sup>2</sup> )	96,078	59,506	59,506	59,506	66,764
Number of halls	10	10	10	11	11
<b>Events in Germany</b>					
Number of trade fairs and exhibitions	47	50	48	47	50
Exhibitors	42,167	42,659	41,905	45,987	42,005
Net space (m <sup>2</sup> )	1,492,035	1,372,728	1,449,374	1,421,485	1,451,849
Visitors	2,440,666	1,565,383	2,213,563	1,623,423	1,985,680
<b>Events outside Germany</b>					
Number of trade fairs	86	84	98	101	105
Exhibitors	48,605	48,219	52,987	55,419	57,241
Net space (m <sup>2</sup> )	1,240,629	1,267,096	1,424,629	1,518,445	1,539,399
Visitors	1,730,153	1,966,492	2,225,258	2,439,857	2,477,422
<b>Total</b>					
Number of trade fairs	133	134	146	148	155
Exhibitors	90,772	90,878	94,892	101,406	99,246
Net space (m <sup>2</sup> )	2,732,664	2,639,824	2,874,003	2,939,930	2,991,480
Visitors	4,170,819	3,531,875	4,438,821	4,063,280	4,463,102

### Level of internationality




Visitors: 56.6%

Exhibitors: 75.2%



■ From Germany attending Messe Frankfurt events at the Frankfurt venue  
■ From outside Germany attending Messe Frankfurt events at the Frankfurt venue

Different perspectives and approaches are the basis from which new ideas develop. However, diversity also requires a connecting element that links viewpoints and perceptions so as to achieve results that are both viable and sustainable. Places where people from a wide range of different origins and backgrounds come together create such interfaces.

In 2019, 5.1 million people worldwide exchanged information and ideas at 423 Messe Frankfurt events  at the locations  in Frankfurt and at 50 venues around the world. In doing so, both exhibitors and visitors were able to benefit from a wide range of services  on offer. The lively dialogue gave rise to new perspectives for the economy and society.

Perspectives generate confidence in the future and point in new directions. Microgenerators for sensors, sustainable materials in the textile industry, blockchain technology for more efficient logistics chains, augmented reality in high street stores – Messe Frankfurt exposes innovation potential in many places around the world as well as in digital space.

The corona pandemic has brought public life around the world to a standstill in the first half of 2020. The economic consequences of this global crisis are enormous. As a mirror of the economy, Messe Frankfurt is also feeling the effects. However, every crisis also harbours an opportunity for change, and with it the prospect of new perspectives.

Messe Frankfurt can rely on sound, sustainable and future-proof concepts developed long before the outbreak of the pandemic. For example, as a perfect complement to personal encounters, a digital ordering platform such as Nextrade allows suppliers and retailers to do business 24 hours a day, seven days a week. Trade fairs like Hypermotion design the mobility of the future. And an event like Formnext, the world's leading trade fair in the additive manufacturing technologies segment, impressively demonstrates how increasing efficiency and saving resources are not mutually exclusive.

Right now, people's longing for personal encounters is becoming abundantly clear. This is reiterated time and again in our many conversations with our customers. Messe Frankfurt offers ideal platforms around the globe for face-to-face encounters that create trust and at the same time the possibility to shape tomorrow's world. This continues to be our overarching goal going forward.

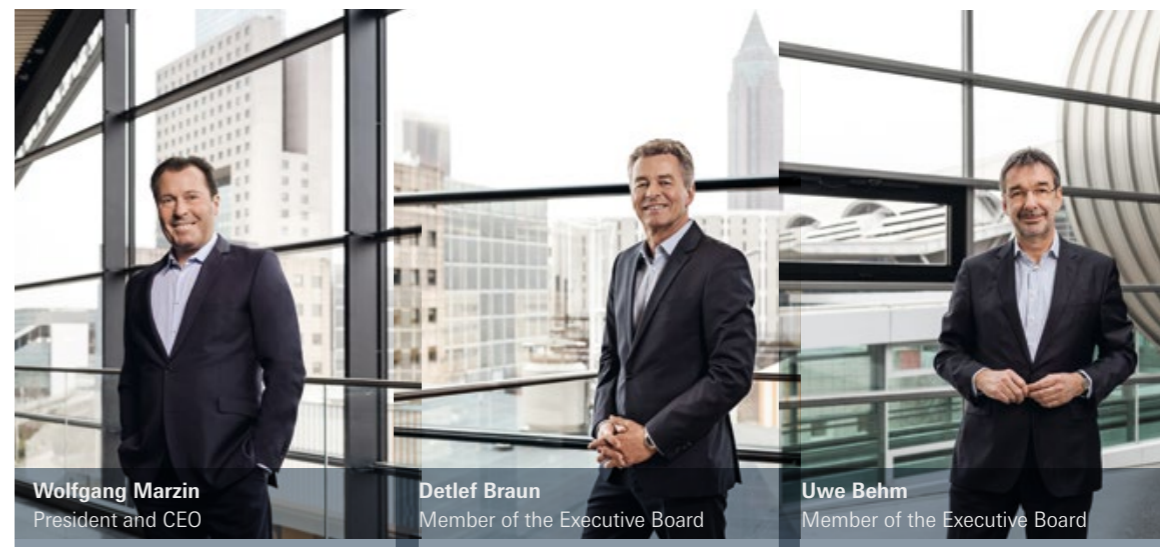
The unswerving trust placed in us by exhibitors and visitors alike is again reflected in an outstanding annual result in 2019, a year in which Messe Frankfurt was able to further strengthen its market position and in doing so reach more people than ever before.

*"Innovative formats and ground-breaking concepts strengthen our market position and empower us to also overcome future crises."* Wolfgang Marzin

The economic and social disruptions as a result of the coronavirus pandemic are once again a reminder of the enormous value of personal encounters – in personal just as in business relationships. Trade fairs offer many possibilities for encounters, bringing together people from different cultures and backgrounds. As a platform for exchanges between producers, retailers and consumers, trade fairs are essential for the global economy.

Messe Frankfurt has been creating ideal conditions for forging personal business relationships for some 800 years – as is once again underscored by the successful 2019 financial year. Strong business operations worldwide resulted in new record highs in the past year. With consolidated sales of 736 million euros, the Messe Frankfurt Group generated 17 million euros more in the 2019 financial year than in the previous record year 2018. The outbreak of the corona pandemic and the related recognition of provisions for anticipated losses account for the fact that, at just below 48 million euros, consolidated net income for the financial year was 3.9 million euros lower than projected. This also impacted EBITDA, which stood at 124 million euros in the reporting year and thus 10 million euros below expectations. Altogether 155 trade fairs and exhibitions took place worldwide under the umbrella of Messe Frankfurt in 2019, in addition to 234 congresses and other event formats at the Frankfurt venue. More than 99,000 exhibitors and 5.1 million visitors placed their trust in Messe Frankfurt.

The successes achieved reinforce our strategy of investing sustainably in future markets. This includes the expansion of digital order platforms and virtual presentation offerings as well as the development of contemporary formats such as SPS, Formnext, Cleanzone and Hypermotion, which all showcase technologies of tomorrow. Innovative formats and ground-breaking concepts strengthen our market position and empower us to also overcome future crises.



*"In dialogue with its customers, Messe Frankfurt is continuously developing new formats to enable it to respond sustainably to current and future challenges."* Detlef Braun

The economic repercussions of the SARS-CoV-2 coronavirus pandemic are already showing unprecedented proportions. The measures to stop the spread of the pandemic are impacting all sectors of the economy, hitting the consumer goods industry especially hard and further weakening the retail sector.

Trade fairs are directly affected by the economic distortions. It is therefore all the more important to develop innovative concepts that are geared to the long term. Sustainability, alongside digitalisation, is the key topic of our time. Messe Frankfurt has an excellent track record in this area – with its events for the textile industry, the consumer goods industry as well as its flagship technical trade fairs. Our strategic direction becomes particularly clear in the fashion segment, where we organise Neonyt, the world's biggest trade fair for sustainable fashion. In fashion centres around the world, the international Fashion-sustain centre format is also proving that innovative technologies promote and consolidate the development towards a sustainable textile industry. Other real success stories, particularly in terms of sustainability, are our leading international Heimtextil, Techtexil, Texprocess and Texcare trade fairs. Even though the pandemic is currently overshadowing all sectors, we should also not lose sight of other future-relevant topics.

A company's long-term success depends on its willingness to continuously reinvent itself. This takes courage, because successful companies also invest anti-cyclically and have to demonstrate staying power. In dialogue with its customers, Messe Frankfurt is continuously developing new formats to enable it to respond sustainably to current and future challenges. Like this, we not only secure the future viability of our company, but also help our industry partners to hold their own in a constantly changing market environment.

*"Crises set forces free. The rebuilding of Hall 5 is an investment in the future and attests to our responsibility for future generations."* Uwe Behm

The far-reaching measures to contain the corona pandemic are speeding up the digitalisation process in almost all areas of social interaction and economic life. Never before has it become so clear that investments in an excellent IT infrastructure will bring lasting benefits. This applies to corporate communication channels as well as to state-of-the-art digital marketplace offerings. Messe Frankfurt is superbly positioned in both of these areas. Long before the current crisis, we created inspiring formats to supplement our trade fairs, which assist our customers in meeting today's challenges with tomorrow's vision.

However, our core business is and remains organising personal encounters. For this reason, we are not only investing in our digital offerings, but also in our building infrastructure. We have been pressing forward with the modernisation of our exhibition grounds as part of an ambitious masterplan for a good 20 years already. For example, we have invested over 40 million euros in the building technology of Hall 6 and consequently managed to bring the energy consumption of the building down by 30 percent below the legal requirements. By switching entirely to green electricity at the Frankfurt exhibition venue by the end of the current year, we are reaffirming our view that energy efficiency and sustainable business practices are social obligations. The rebuilding of Hall 5 that got underway this year is a further investment in the future and attests to our responsibility for future generations. Crises set forces free. By focusing on ecological sustainability and sound economic judgement, Messe Frankfurt is taking its corporate and social responsibility seriously and securing a long-term competitive edge.

## Perspectives ...

Diversity, innovations and topics



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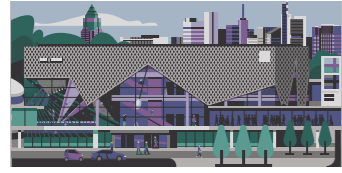
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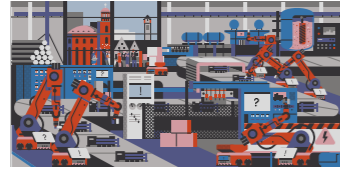
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## Overall activities

### 38 Overall activities of Messe Frankfurt in 2019

39 The corporate group

### 40 Fairs & Events

40 Textiles & Textile Technologies

41 Consumer Goods; Environmental Technologies; Building Technologies;  
Safety, Security & Fire

42 Food Technologies; Manufacturing Technologies & Components;  
Textile Care, Cleaning & Cleanroom Technologies

43 Electronics & Automation Technologies; Entertainment, Media & Creative Industries; Mobility & Logistics

### 44 Locations

44 Congresses and conferences

45 Events, concerts and shows; Trade fairs and consumer fairs

### 46 Services

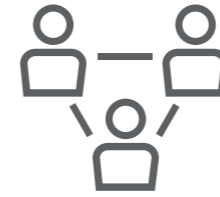
46 Logistics services & traffic management; Fairconstruction

47 Advertising services; Publishing services; Accente

### 48 Trade fairs and exhibitions in 2019

## ... connect.

Messe Frankfurt's business segments



### Fairs & Events

At 155 trade fairs and exhibitions and 268 congresses, conferences and events worldwide, Messe Frankfurt provides inspiring forums for the diverse issues and possible solutions that businesses and society must currently address.



### Locations

With a good 370,000 square metres of hall space, 67,000 square metres of outdoor space and over 100 flexibly configurable congress and conference rooms, Messe Frankfurt creates space for all manner of encounters and events.



### Services

A stimulating atmosphere, smooth processes and good communication are key factors in the success of a trade fair. Therefore, Messe Frankfurt supports exhibitors and organisers through a wide range of professional services.

## Annual Report

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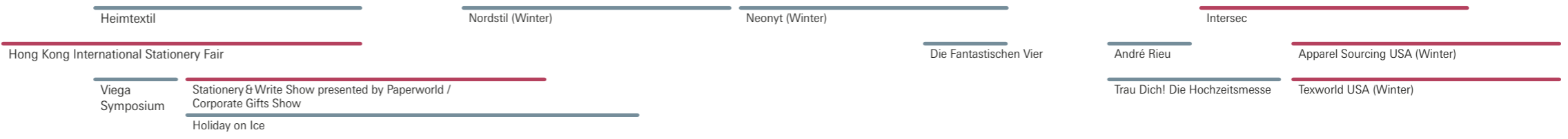
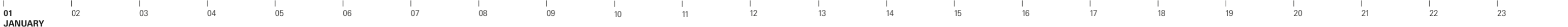
You can find the digital version of the Messe Frankfurt 2019 Annual Report online at:  
[annualreport.messefrankfurt.com](http://annualreport.messefrankfurt.com)



**Healthy sleep at Heimtextil**  
 Restful sleep is crucial to our well-being and helps us perform well. For hotels, a good night's sleep is even a key factor in retaining a competitive edge. Studies show that the quality of their sleep motivates guests to book the same hotel again in the future – or to give it a miss. At the Sleep! Future Forum at Heimtextil, experts discussed ways in which digital products such as smart pillows can help to improve sleep and how sustainably produced materials influence regeneration and well-being.

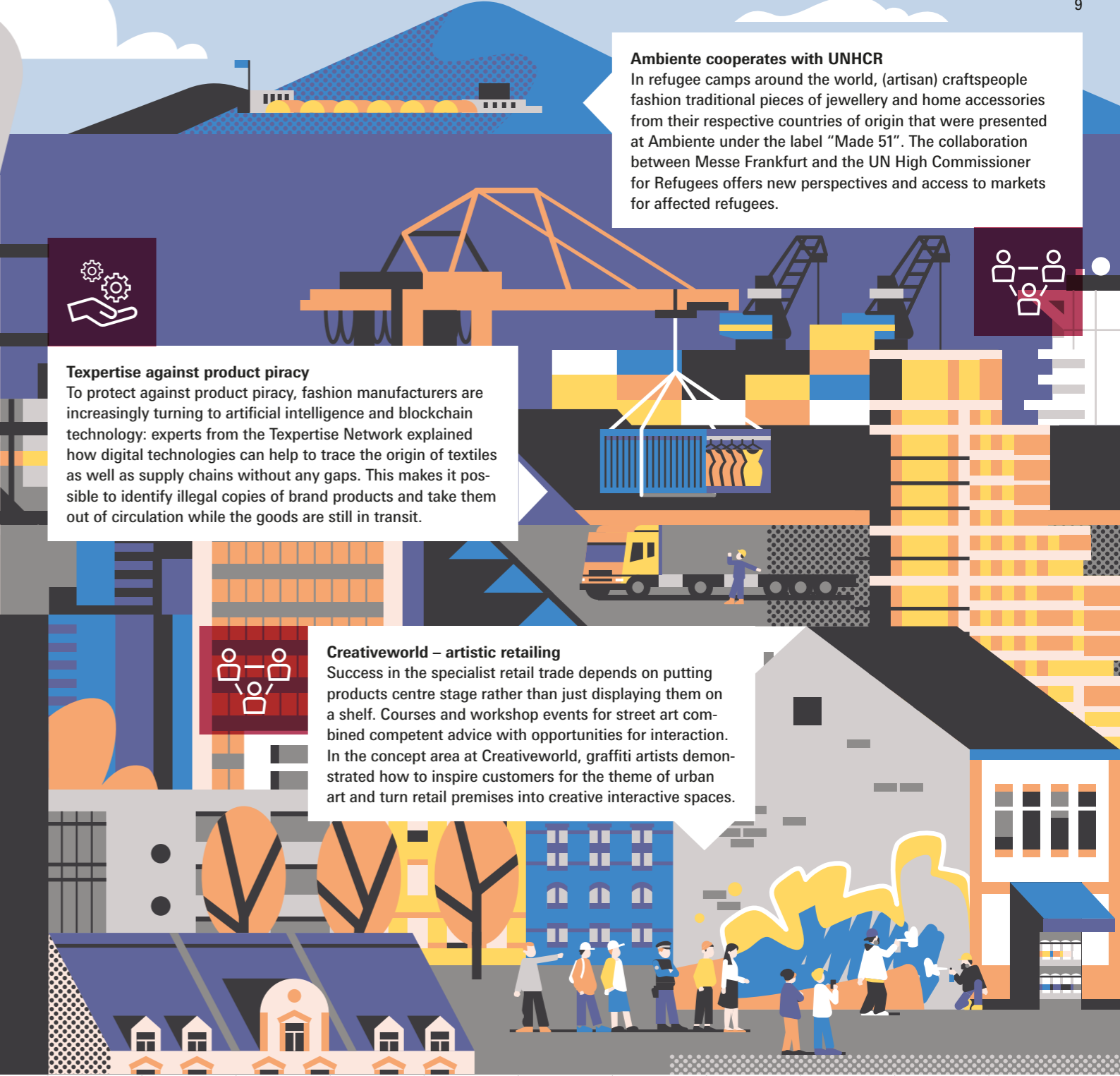
**Green catering at the highest standards**  
 Individual catering at your exhibition stand, a gala dinner at the Congress Center or oodles of noodles for participants in the Mainova Frankfurt Marathon: Messe Frankfurt's Accente gastronomy service caters to every culinary wish of its guests at the highest standards. And the Green Catering concept ensures that only ingredients that are seasonal, produced locally and, as far as possible, of organic quality reach the plate.

**Messe Frankfurt opens a window on the city**  
 Messe Frankfurt and its diverse event formats have been an integral part of the Frankfurt cityscape since the 13th century. Now what goes on behind the facade is becoming even more visible and transparent: with a large, red-framed panoramic window that extends over two storeys, Messe Frankfurt is opening up towards the city, making the hive of activity at our trade fairs tangible on the City Entrance forecourt below and capturing the curiosity of passers-by.





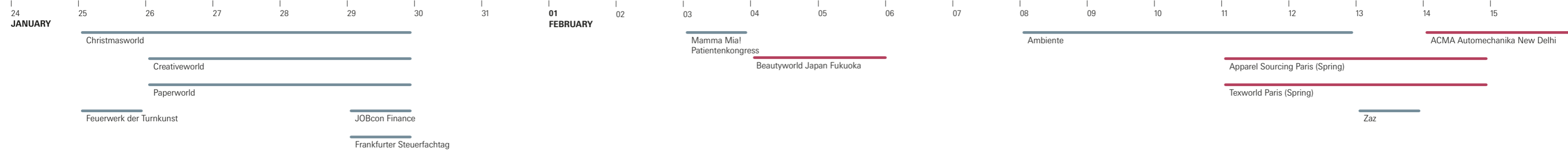
**Conzoom Solutions – the shopping experience of the future**  
 Online shops and high street retailers merge to create a special shopping experience. Augmented reality, visualised at the special "Point of Experience" at Ambiente, enabled consumers to configure products according to their own requirements – for example by changing the colour, pattern or size on an interactive touch screen display. Retailers can find trends, studies, workshops and inspiring ideas for marketing their products on Messe Frankfurt's new [www.conzoom.solutions](http://www.conzoom.solutions) industry platform.



**Ambiente cooperates with UNHCR**  
 In refugee camps around the world, (artisan) craftspeople fashion traditional pieces of jewellery and home accessories from their respective countries of origin that were presented at Ambiente under the label "Made 51". The collaboration between Messe Frankfurt and the UN High Commissioner for Refugees offers new perspectives and access to markets for affected refugees.

**Texpertise against product piracy**  
 To protect against product piracy, fashion manufacturers are increasingly turning to artificial intelligence and blockchain technology: experts from the Texpertise Network explained how digital technologies can help to trace the origin of textiles as well as supply chains without any gaps. This makes it possible to identify illegal copies of brand products and take them out of circulation while the goods are still in transit.

**Creativeworld – artistic retailing**  
 Success in the specialist retail trade depends on putting products centre stage rather than just displaying them on a shelf. Courses and workshop events for street art combined competent advice with opportunities for interaction. In the concept area at Creativeworld, graffiti artists demonstrated how to inspire customers for the theme of urban art and turn retail premises into creative interactive spaces.





**"I don't look, I find"**  
 ... Spanish artist Pablo Picasso once admitted. True to this motto, Messe Frankfurt's marketing services increase exhibitors' visibility at the exhibition grounds, in event apps, on digital platforms or in video formats and like this ensure their products find an enthusiastic audience. B2B audience marketing links anonymised data of visitors to specialist trade fairs with the targeting of standard search engines and thus refines target group-specific advertising.



**Light jockeys at Prolight + Sound Guangzhou**  
 You can't have a good show without lighting – the veterans of rock and pop music already knew that. Some bands were celebrated as much for their elaborate lighting and stage shows as for their music. The Lighting and Art Space at Prolight + Sound showcased the visual and emotional experiences that are possible by artistically combining 3D mapping, new media technologies and the use of lighting and laser installations.



**Fairconstruction shows exhibitors in the best light**  
 A bespoke exhibition stand enables companies to showcase the innovative strength of their products in the best possible light. Fairconstruction, Messe Frankfurt's expert for stand construction, has decades of experience in designing places for encounters that leave a lasting impression. In 2019, more than 50 specialists from different trades created, planned and built exhibition stands for 5,524 clients around the world.



**Asiamold – gallery of diversity**  
 Additive production methods are not just revolutionising the manufacture of consumer goods, but also architecture, medical engineering, fashion and logistics. There is hardly any material that cannot be "printed". In the 3D Printing Gallery at Asiamold, the industry demonstrated live and in situ what it is capable of: filigree models or oversized objects, miniature high-tech components or smart materials – form and function know practically no bounds.



16 FEBRUARY 17 18 19 20 21 22 23 24 25 26 27 28 01 MARCH 02 03 04 05 06 07 08 09 10

ACMA Automechanika New Delhi  
 Bonez MC & RAF Camora

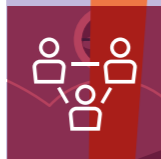
Media Expo Mumbai  
 Motobike Istanbul  
 CAVALLUNA – World of Fantasy  
 Land und Genuss

Prolight+ Sound Guangzhou  
 Automechanika Ho Chi Minh City  
 Techtexil North America (Raleigh)  
 ISH India powered by IPA  
 Automechanika Jeddah licensed to Al-Harthy Company for Exhibitions Ltd.  
 Institutional Money Congress

Jobmesse Deutschland Tour  
 Deutscher Schmerz- und Palliativtag (German Pain and Palliative Day)  
 Asiamold  
 SIAF – SPS Industrial Automation Fair Guangzhou

### Musikmesse presents the Challenge

The Music Tech Fest at Musikmesse presented visitors with a unique challenge. The multi-day event brought together a global community of innovators to create new music formats, for example in the Trackathon Challenge. Up-and-coming music makers were given a set of digital tools and exactly 24 hours to compose and produce a song that they performed in front of a live audience. It was also all about creativity and performance at the award gala of the Live Entertainment Award (LEA), which drew celebrities from around the globe to Frankfurt.



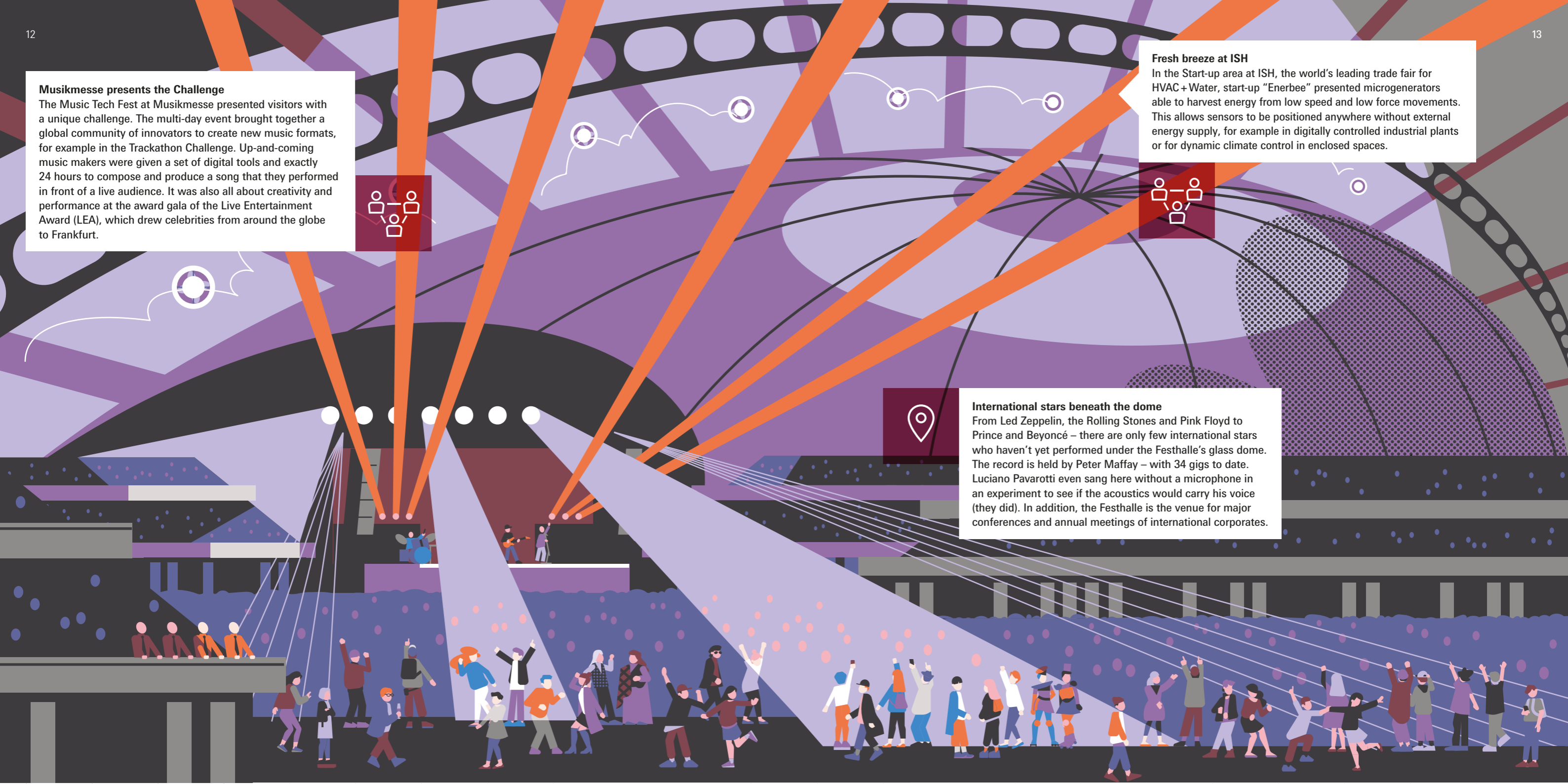
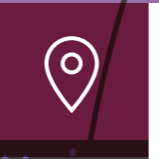
### Fresh breeze at ISH

In the Start-up area at ISH, the world's leading trade fair for HVAC+ Water, start-up "Enerbee" presented microgenerators able to harvest energy from low speed and low force movements. This allows sensors to be positioned anywhere without external energy supply, for example in digitally controlled industrial plants or for dynamic climate control in enclosed spaces.

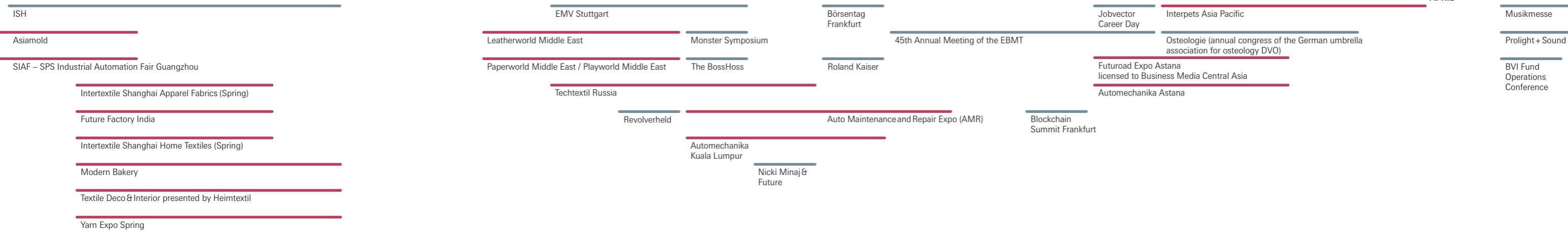


### International stars beneath the dome

From Led Zeppelin, the Rolling Stones and Pink Floyd to Prince and Beyoncé – there are only few international stars who haven't yet performed under the Festhalle's glass dome. The record is held by Peter Maffay – with 34 gigs to date. Luciano Pavarotti even sang here without a microphone in an experiment to see if the acoustics would carry his voice (they did). In addition, the Festhalle is the venue for major conferences and annual meetings of international corporates.



11 MARCH 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 01 APRIL 02





### Artist brings momentum to Messe Frankfurt

Commissioned in autumn 2018, Hall 12 in the western section of the exhibition grounds is the stage for a work of art by light designer Ingo Maurer: behind the glass facade a monumental pendulum swings to and fro and marks a line of red light on the floor. "It would be wonderful if the people working at Messe Frankfurt were to intuitively follow the calm, regular swing of the pendulum and be motivated by it," says Maurer.

### Full service for peace of mind

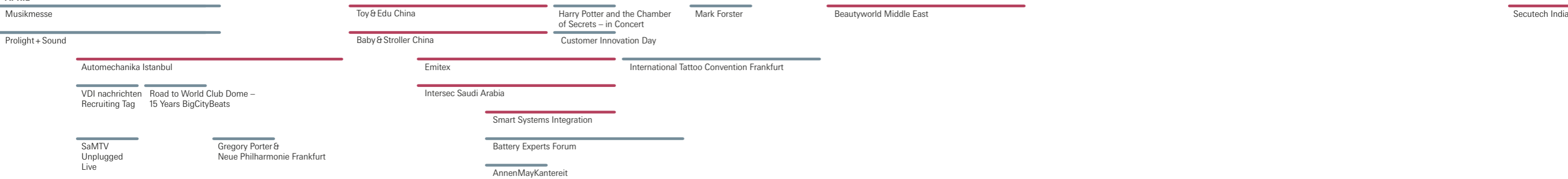
365 days a year and 24 hours a day, Messe Frankfurt's security team in the Operation and Security Center (OSC) at the Frankfurt exhibition grounds ensure that trade fairs, congresses and events run smoothly. The security personnel on site are supported at events by the police, emergency services and the Red Cross.

### Prolight + Sound channels currents of people

When crowds of people gather informally at festivals, concerts and large-scale events, specialists are working in the background to keep them safe. At the International Event Safety & Security Conference held together with Prolight + Sound, experts exchanged views on the topic of crowd management: How to predict the movements of large crowds? How to ensure all visitors get to the right place at the right time? And what role do information and transparency play?

### Beautyworld Middle East – what does childhood smell of?

Perfume maker MANE invited 12 designers to translate childhood memories into fragrances. For the concept collection "Reflection", especially curated for Beautyworld Middle East, Volaine Collas blended the perfume "Dance Show", a reminiscence of her first performance as a ballet dancer at the age of six. She said she remembered the smell of her ballet shoes and her hairspray – and also wanted to capture her excitement and anguish and pride when creating the fragrance.



03 APRIL Musikmesse  
04  
05 Prolight + Sound  
06

07 Automechanika Istanbul  
08 VDI nachrichten Recruiting Tag  
09 Road to World Club Dome – 15 Years BigCityBeats

10 SaMTV Unplugged Live  
11 Gregory Porter & Neue Philharmonie Frankfurt

12 Toy & Edu China  
13 Baby & Stroller China

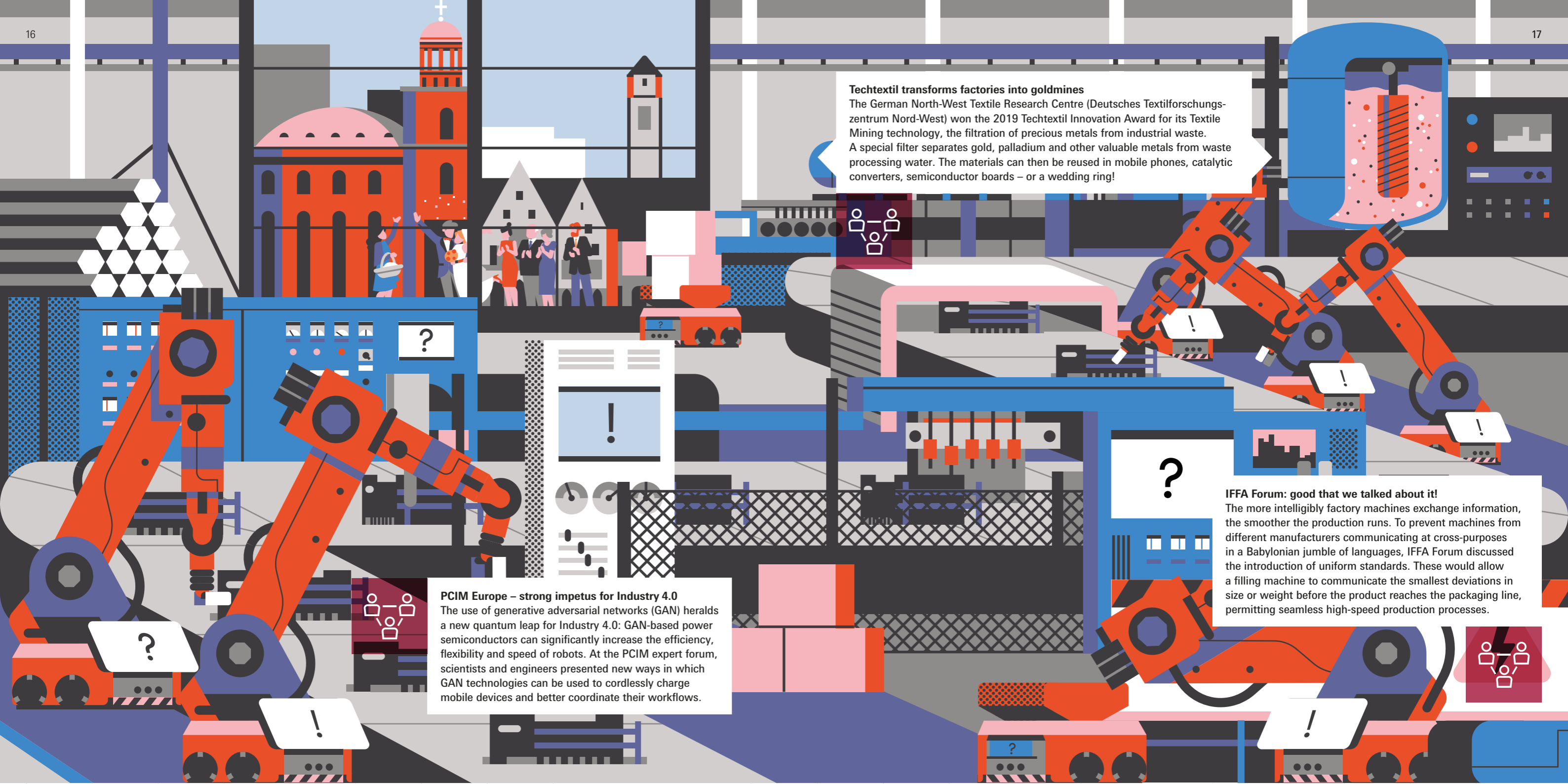
14 Emitex  
15 Intersec Saudi Arabia

16 Smart Systems Integration  
17 Battery Experts Forum  
18 AnnenMayKantereit

19 Harry Potter and the Chamber of Secrets – in Concert  
20 Customer Innovation Day

21 International Tattoo Convention Frankfurt

22 Mark Forster  
23 Beautyworld Middle East  
24  
25 Secutech India



**Techtextil transforms factories into goldmines**

The German North-West Textile Research Centre (Deutsches Textilforschungszentrum Nord-West) won the 2019 Techtextil Innovation Award for its Textile Mining technology, the filtration of precious metals from industrial waste. A special filter separates gold, palladium and other valuable metals from waste processing water. The materials can then be reused in mobile phones, catalytic converters, semiconductor boards – or a wedding ring!

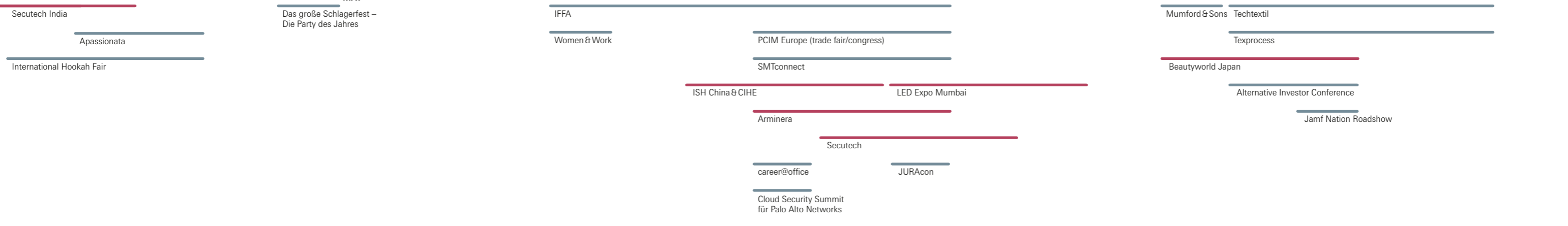
**PCIM Europe – strong impetus for Industry 4.0**

The use of generative adversarial networks (GAN) heralds a new quantum leap for Industry 4.0: GAN-based power semiconductors can significantly increase the efficiency, flexibility and speed of robots. At the PCIM expert forum, scientists and engineers presented new ways in which GAN technologies can be used to cordlessly charge mobile devices and better coordinate their workflows.

**IFFA Forum: good that we talked about it!**

The more intelligibly factory machines exchange information, the smoother the production runs. To prevent machines from different manufacturers communicating at cross-purposes in a Babylonian jumble of languages, IFFA Forum discussed the introduction of uniform standards. These would allow a filling machine to communicate the smallest deviations in size or weight before the product reaches the packaging line, permitting seamless high-speed production processes.

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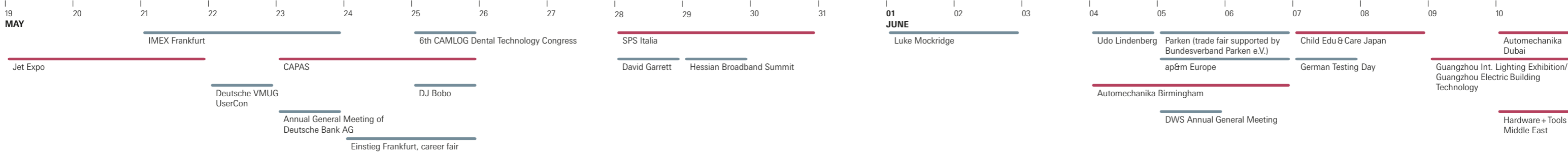


**Data transmission at the speed of light**  
 From office via the canteen and conference room to the server – light and luminaires connect all of the rooms in a building. They therefore form an ideal network for collecting data about use, climate or energy consumption. At the Guangzhou International Lighting Exhibition, manufacturers demonstrated how using light to transmit data can produce a stable, uninterrupted and secure Internet connection. All that's needed is sensors on luminaires and data transfer via power lines.



**Automechanika Academy hosts truck talk show**  
 When trucks communicate with each other, what do they talk about? Answer: they learn from one another, share information about traffic jams, cargo and their experience with wear parts, and provide tips on economy and safety. At the Automechanika Academy Dubai, Wabco, a provider of digital fleet management, demonstrated how with the help of talkative vehicles and the digital cloud it is possible to increase fuel efficiency, improve the working load and environmental footprint and significantly reduce accidents.

**Smart and free-flowing traffic**  
 Fewer traffic jams in the city and no queues at the entry gates: Messe Frankfurt's digital traffic management ensures the traffic flows smoothly even at events with high attendance figures. Exhibitors are directed straight to the Cargo Center on the exhibition grounds, visitors are shown the shortest routes and most convenient parking spaces and traffic can circulate freely on the city's roads.

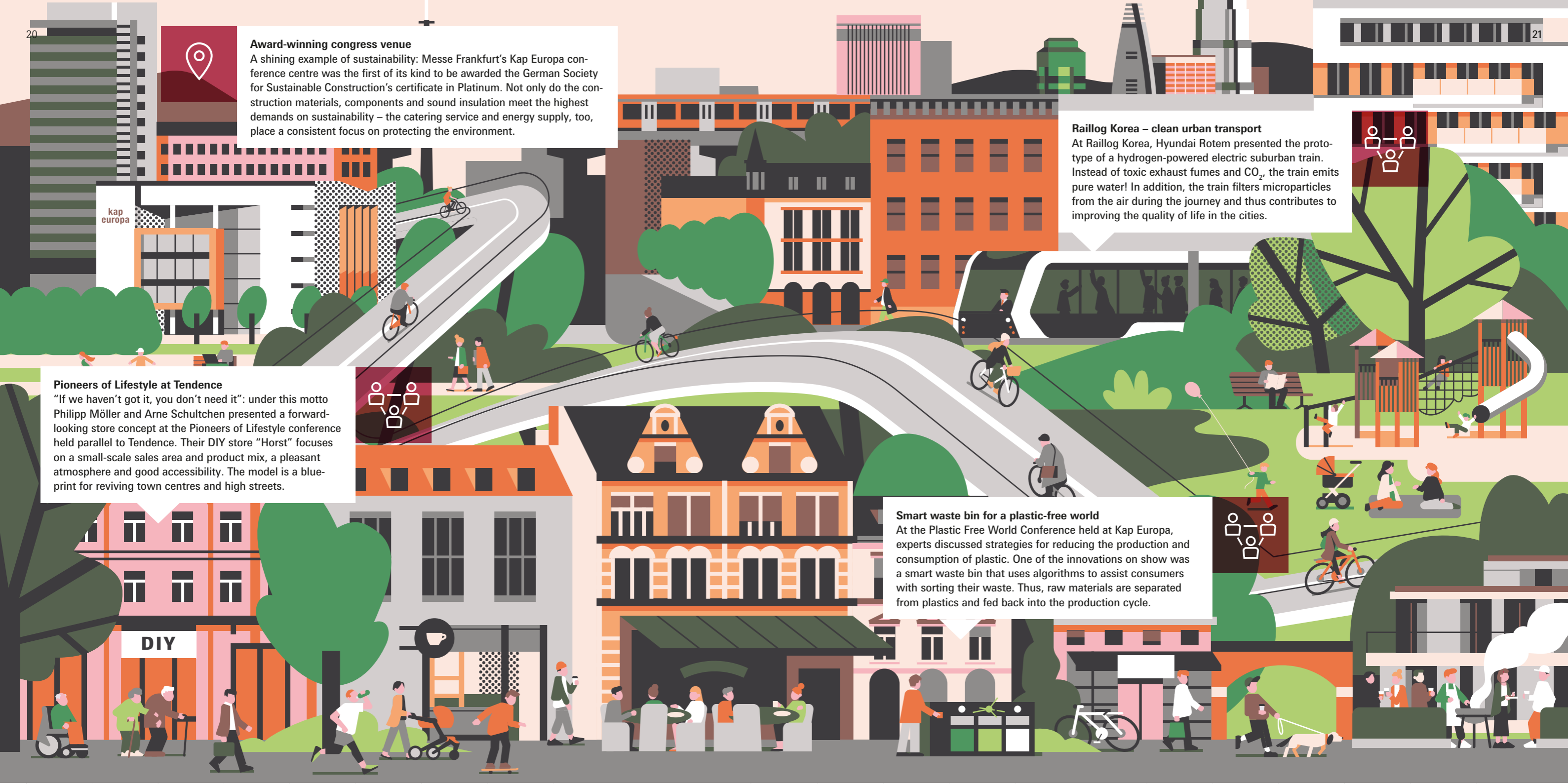


**Award-winning congress venue**  
 A shining example of sustainability: Messe Frankfurt's Kap Europa conference centre was the first of its kind to be awarded the German Society for Sustainable Construction's certificate in Platinum. Not only do the construction materials, components and sound insulation meet the highest demands on sustainability – the catering service and energy supply, too, place a consistent focus on protecting the environment.

**Raillog Korea – clean urban transport**  
 At Raillog Korea, Hyundai Rotem presented the prototype of a hydrogen-powered electric suburban train. Instead of toxic exhaust fumes and CO<sub>2</sub>, the train emits pure water! In addition, the train filters microparticles from the air during the journey and thus contributes to improving the quality of life in the cities.

**Pioneers of Lifestyle at Tendence**  
 "If we haven't got it, you don't need it": under this motto Philipp Möller and Arne Schultchen presented a forward-looking store concept at the Pioneers of Lifestyle conference held parallel to Tendence. Their DIY store "Horst" focuses on a small-scale sales area and product mix, a pleasant atmosphere and good accessibility. The model is a blueprint for reviving town centres and high streets.

**Smart waste bin for a plastic-free world**  
 At the Plastic Free World Conference held at Kap Europa, experts discussed strategies for reducing the production and consumption of plastic. One of the innovations on show was a smart waste bin that uses algorithms to assist consumers with sorting their waste. Thus, raw materials are separated from plastics and fed back into the production cycle.



**MF-UN: partnership for sustainable fashion**

At the headquarters of the United Nations in New York, Messe Frankfurt's Texpertise Network together with the UN Conscious Fashion Campaign and the United Nations Office for Partnerships announced a global collaboration to integrate the UN's 17 Sustainable Development Goals into the fashion and textile industry. Over the coming years, it is planned to initiate concrete actions and develop innovations together with designers, manufacturers and retailers. For example, wood-based textile fibres can significantly lower the consumption and pollution of water in the production of textiles (UN Goal 6: Clean water), while transparent supply chains can improve social standards in developing countries (UN Goal 8: Decent work and economic growth).



**Texworld gets down to clothing basics**

The production of the basic material already determines the ecological footprint of our clothing. Starting with fair pay for the producers (UN Goal 1: No poverty) and animal rights during wool production (UN Goal 15: Life on land) to transport routes (UN Goal 13: Climate action) – everything is interconnected and offers opportunities for more sustainable and locally based production. At Texworld USA, Sourcing Journal talked with experts about better material strategies. The use of indigenous plants such as flax for the production of textile fibres, for example, can achieve enormous – and calculable – effects.



**Neonyt tailors the future of fashion**

Neonyt is the global hub for fashion, sustainability and innovation. At the Neonyt Thinkathon, multidisciplinary teams came up with new concepts for the future of fashion within 48 hours. In its challenge "The Circular Experience", the Otto Group asked the teams to develop business models that encourage consumers to sell on used clothes or return them to the manufacturer for recycling (UN Goal 12: Responsible consumption and production).



04  
JULY

Neonyt (Summer)

Aero South Africa

Automotive Engineering Show Chennai

Intertextile Pavilion Shenzhen

INA PAACE Automechanika Mexico City

Interior Lifestyle Tokyo

Apparel Sourcing USA (Summer)

Home Textiles Sourcing Expo

Texworld USA (Summer)

Curtis Stigers & Larry Goldings  
(Rheingau Musik Festival)

**Virtual sea of flames at Intersec Vietnam**  
 Digitalisation is not only revolutionising industry and business, but also initial and advanced training – with great opportunities for critical security sectors. For example, at Intersec Vietnam rescuers rehearsed firefighting jobs in virtual space. Equipped with a virtual reality headset, they extinguished major fires – without the sea of flames being able to harm them.

**With Nextrade to the next level**  
 Bringing together supply and demand has always been part of Messe Frankfurt’s DNA. Nextrade.market creates the prerequisites to allow retailers and manufacturers of products from the Home & Living segments to now also meet in digital space. With a single click, retailers can gain access to more than 120,000 products and 60 suppliers. And that’s just the beginning. The European rollout is set to start in 2020, which will see this digital marketplace grow even further.

**Nordstil – boutiques celebrate a renaissance in the global village**  
 Local owner-run shops have a hard time holding their own against online shops and “greenfield” competition. And yet it is precisely these shops that offer unique shopping experiences and often stock products that can’t be found everywhere. At the Nordstil Forum, sugartrends.com presented the idea to bring the most beautiful shops from around the world together on one platform, so that customers can shop in the boutiques and corner shops of Barcelona, Bremen or Berlin – all from the comfort of their home.

**Gartex Texprocess looks into production chains**  
 Blue jeans originated in Genoa and first became popular as working garments for American gold diggers. Today most denim, one of the most fashionable fabrics in the world, is produced in Asia. Gartex Texprocess India together with the Ellen MacArthur Foundation investigated the production processes and supply chains for jeans. After all, today’s consumers want products that don’t just look good, but that are good, too. Digital labels make the materials, suppliers and manufacturing steps that influence a product’s environmental impact transparent.

27 JULY 28 29 30 31 01 AUGUST 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18

Nordstil (Summer)

Gartex Texprocess India

Secutech Vietnam

Photo & Video Experience

**Professional service at Automechanika Moscow**

Car races are not decided on the track, but in the pit lane, where mechanics choose the right tyres, change them in a matter of seconds and repair faults at lightning speed. At the Autoservice Conference held in tandem with MIMS Automechanika Moscow, retailers and engineers discussed how to optimise smooth workshop visits and reliable service for all motorists to make traffic even safer in the future.



**The thrill of speed at the Festival of Motoring**

Oh to speed along the racetrack in a Porsche 917 just like Steve McQueen! At the Festival of Motoring such dreams become reality: supercars, historic racing cars and quirky vintage cars meet at the Kyalami Grand Prix Circuit near Johannesburg for an interactive motor show that celebrates HP, engine noise, petrol fumes and the world's most beautiful cars. Visitors are actively encouraged to jump in and feel the thrill.

**Materials Handling Middle East crowns the best lift truck**

Day in and day out, billions of tonnes of goods in containers are moved all over the world. At Materials Handling Middle East, specialists for warehouse management and logistics came together to exchange views on the best methods of handling this massive flow of goods. This often requires a high degree of skill, especially when manoeuvring extremely heavy consignments through narrow aisles and gently depositing them on metre-high racks. The best forklift operators compete annually in a contest at the fair in Dubai to crown the "Forklift Operator of the Year".



Festival of Motoring Johannesburg

MIMS Automechanika Moscow

01 SEPTEMBER

Comtrans

IAA Pkw

Expo Ferreteria

Intertextile Shanghai Home Textiles (Autumn)

"Gemeinsam Zukunft gestalten und gut kommunizieren" (conference of Kita Frankfurt)

Materials Handling Middle East

ISH Shanghai & CIHE

SPS Automation Middle East

Shanghai Intelligent Building Technology

Shanghai International Lighting Fair

Handelsblatt Banking Summit

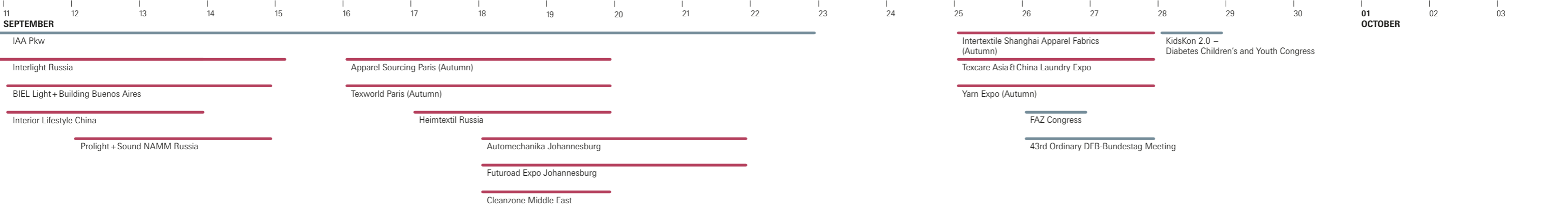
Media Expo New Delhi



**Texworld Paris is en vogue**  
 Designers, manufacturers and retailers attend Texworld Paris to discover which colours, fabrics, cuts and topics will be en vogue in the coming season. Messe Frankfurt therefore tasks designers and art directors to develop a trend forecast for each season available exclusively in a Trendbook. Thus the spherical installations and bright colours of French artist Cyril Lancelin found their fashion expression in experimental collections on the catwalk.

**Yarn Expo presents scaly yarns**  
 Fish scales and eucalyptus oil are the source materials that Taiwanese yarn manufacturer Tung Ho Textiles uses in the production of its spun yarns. At Yarn Expo Autumn in Shanghai, the company presented an innovative process that combines the natural functions of the materials directly into the fibres. The resulting fabrics are highly durable, antibacterial, anti-odour, and also very soft. Using recycled fish scale waste also promotes sustainability.

**Biodegradable polyester at Intertextile Shanghai**  
 Synthetic fabrics like polyester are popular because they are lightweight and easy-care, as well as being easy to process and very comfortable to wear. However, polyester has one big disadvantage in that it impacts the environment for centuries. The synthetic fibre Biofuzze presented by textile innovator Paradise Textiles at Intertextile Shanghai Apparel Fabrics Autumn Edition therefore caused quite a stir: this polyester is biodegradable and breaks down within just a few months.





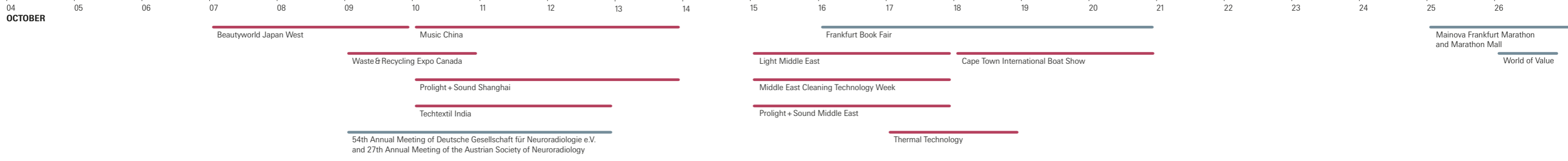
**Frankfurt Book Fair writes the future**  
 And what happens next? Cliffhangers are the hallmark of all good suspense stories. The "Weltempfang" centre at the Frankfurt Book Fair places this question in the global context: How will the relationship between culture and nature evolve? What are the global trends and challenges? In which solutions should we be investing our creativity? Questions that futurologist Harald Welzer discussed with successful author Maja Lunde, who in her novel "The History of Bees" describes a gloomy future.



**Enlightening insights at Light Middle East**  
 Lighting sheds light on the concrete utilisation of buildings: Which rooms are currently available? Who consumes energy and how? Where is maintenance next required? The LightMe Award-winning Sympholight software and hardware package provides the answer to these questions with a click of the mouse – whether you're in the building or at the other end of the world. Sympholight collects and visualises data from lighting systems and like this makes facility management more efficient, more economical and simpler.

**Music China makes children happy**  
 Even better than listening to music is making music! To give children all over the world the opportunity to learn a musical instrument, reverb.com, the digital marketplace for new, second-hand and historical musical instruments, launched the initiative "reverb gives", which was presented for the first time at Music China. A portion of every sale made on Reverb, regardless of price, provides children or music schools around the world with instruments they need.

OCTOBER



### E-Waste World mines conflict-free gold

Mobile phones, navigation devices, screens – our environment is full of gold thanks to the precious metal’s excellent conductive properties. At the E-Waste World Conference and Expo in Frankfurt, the company “All Green Recycling Inc.” presented a novel and environmentally friendly method of extracting processed gold from e-waste – for example scrapped electric vehicles. Not only is this gold valuable; it also complies with the Conflict-Free Gold Standard, which provides assurance that the commodity has been mined under fair working conditions and its extraction neither contributes to human rights abuses nor fuels armed conflict.

### Solar Asset Management Europe presents flying inspectors

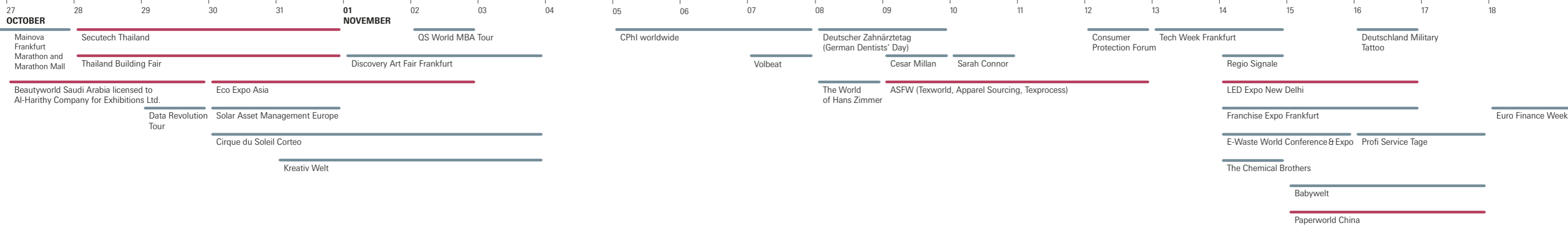
Solar power plays a key role in the sustainable restructuring of the energy industry. However, the yield and thus the profitability of solar systems are currently subject to strong fluctuations, not least due to dirty or defective solar panels. At the Solar Asset Management Europe conference, the company “Air Probe” presented drones that inspect solar systems around the globe from the air 24/7, thus increasing productivity and reducing maintenance costs.

### Electrifying ideas at Eco Expo Asia

Commercial vehicles are responsible for around 90 percent of Hong Kong’s air pollution. Over the past three years, the city government has therefore taken 80,000 commercial vehicles with conventional drive systems off the roads. Major cities like Paris and London are planning to ban all vehicles with combustion engines from the inner cities in future, making it all the more important for cities to promote electrically powered trucks and transporters. The Eco Expo Asia trade fair in Hong Kong placed the focus on e-trucks and networked manufacturers with hauliers, companies and government departments to totally rethink city traffic.

### Tech Week asks for the bill

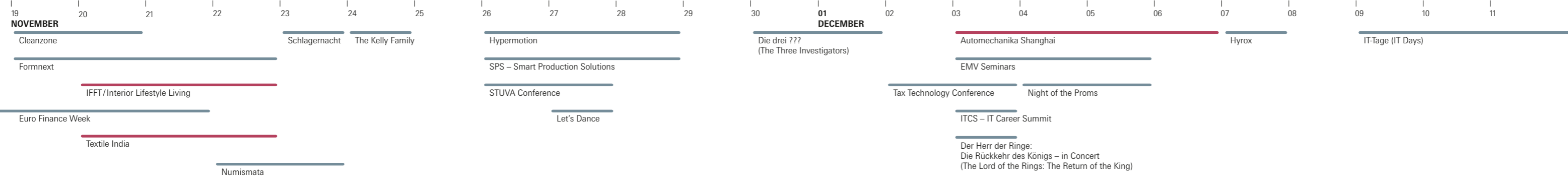
At Tech Week Frankfurt, automaker Daimler and Commerzbank presented a pilot project for machine-to-machine payments. Trucks and warehouses settle up with each other on the basis of bitcoins, thus increasing supply chain efficiency.

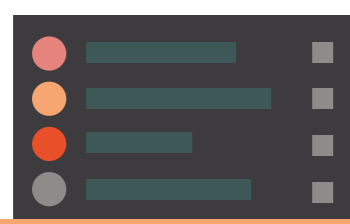


**Ladies@Cleanzone – and in space**  
 How to attract young women to high-tech professions in the space industry? At Cleanzone, international trade fair for contamination control and cleanroom technology, Claudia Kessler presented her start-up “The Female Astronaut” as part of the “Ladies@Cleanzone” format first introduced in 2018. Her mission: to send the first German female astronaut to the International Space Station. Space research has always been the driving force behind modern cleanroom technology. For example, contamination control is extremely important when carrying out scientific experiments in space and assembling satellites.

**Automechanika organises colour spectacle**  
 In the Automechanika Body + Paint competition, artists compete with spray guns. The idea is to design the bonnet of a car, using the country in which the Automechanika fair is being held as inspiration. So far the competition has been held in the UK, South Africa and China.

**Multimodal: many routes lead to Hypermotion**  
 “Which car would you buy or lease in 2030?” The best response is none! This is how most visitors to Hypermotion answered one of the key questions about mobility of the future. An “opinion thread” combined the personal opinions to obtain a picture of the general mood. This clearly revealed a decisive trend: benefits of use count more than ownership. People want the optimum mobility solution in any given situation and the ability to switch seamlessly – from car to train, by rental bike or e-scooter to suburban railway and from there onto a plane. The mobility of the future relies on good connections.





**Magic brothers in the Festhalle**  
 Magic tricks have fascinated Andreas and Christian Ehrlich since childhood. Today, the "Ehrlich Brothers" perform their magic in front of tens of thousands of enthralled fans. In the Festhalle they made a golden Lamborghini disappear, bent railway tracks weighing tonnes into hearts and turned small notes into large banknotes before the audience's disbelieving eyes. One of the evening's highlights was when the brothers literally took off and flew up to the dome of the Festhalle.

**The trick behind the magic**  
 The true magic of great artists is the illusion they have conjured up the magic moments alone. In truth, however, a busy team works hard in the background to ensure the show goes smoothly. The online shop for Messe Frankfurt's exhibitor services brings together stand builders, lighting and sound engineers, agencies and event organisers early on to decide which equipment and services are required. Together they conjure up a smile on the audience's lips.

**The greatest happiness on earth ...**  
 Launched 55 years ago, the International Festhalle Riding Tournament is today one of the most important events on the equestrian calendar. This is where the world's show jumping and dressage elite meet and compete for trophies in dynamic and elegant performances. The tournament is also a highlight of Frankfurt's social life: at festive gala events the winners and equestrian sport are celebrated, anecdotes swapped and contacts fostered.



12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
<b>DECEMBER</b>		IT-Tage (IT Days)		Xavier Naidoo		Internationales Festhallen Reitturnier (International Festhalle Riding Tournament)										Ehrlich Brothers			
Fraport Senioren-Weihnachtsfeier (Fraport Seniors Christmas Party)																			

# 2019

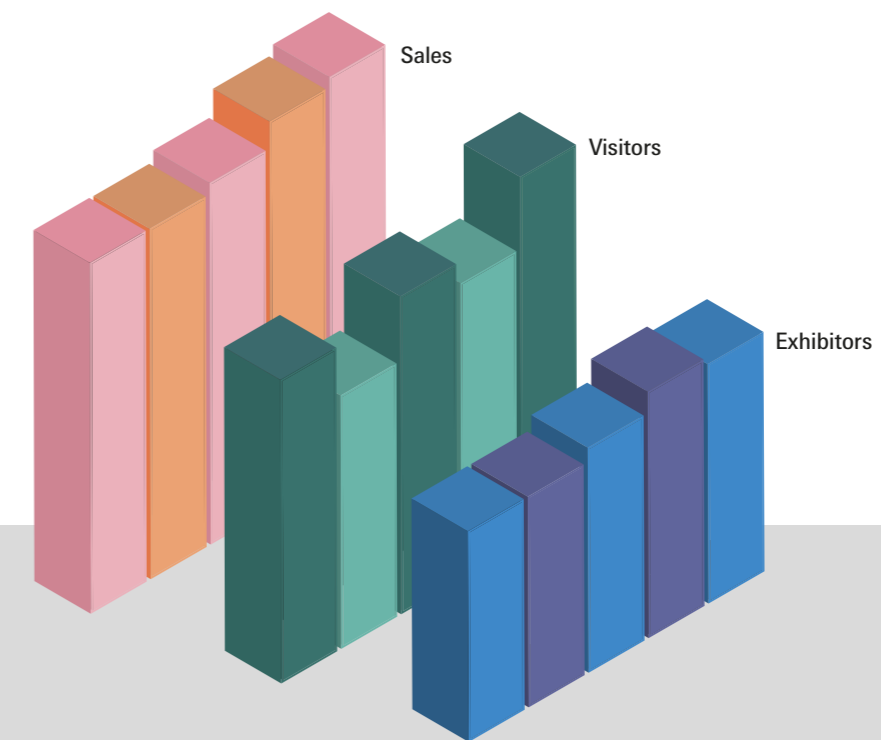
2019 was another year of growth for Messe Frankfurt. Thanks to strong business operations worldwide, the group achieved new records in terms of sales as well as exhibitor and visitor numbers. The continuous refinement of event formats through consistent alignment with long-term economic trends made a significant contribution to this positive development.

The section “Overall activities of Messe Frankfurt” presents an overview of the business segments and the individual trade fairs, exhibitions, congresses, events and other activities in 2019.

## The corporate group

Messe Frankfurt further expanded and consolidated its market position in the 2019 financial year. Altogether, the group organised 155 trade fairs and exhibitions worldwide, in addition to 234 congresses and other event formats at the Frankfurt venue. A good 99,000 exhibitors placed their trust in the umbrella brand and with as many as 5.1 million visitors Messe Frankfurt's outreach in 2019 was greater than ever before. The organic growth in attractive markets is

sustainably confirmed by the further increase in sales: at 736 million euros, Messe Frankfurt generated 17 million euros more in the 2019 financial year than in the previous record year 2018. This positive outlook was overshadowed by the emergence of the coronavirus SARS-CoV-2 in China towards the end of 2019, whose impact on Messe Frankfurt's business operations could not be predicted at the time.



### Messe Frankfurt GmbH

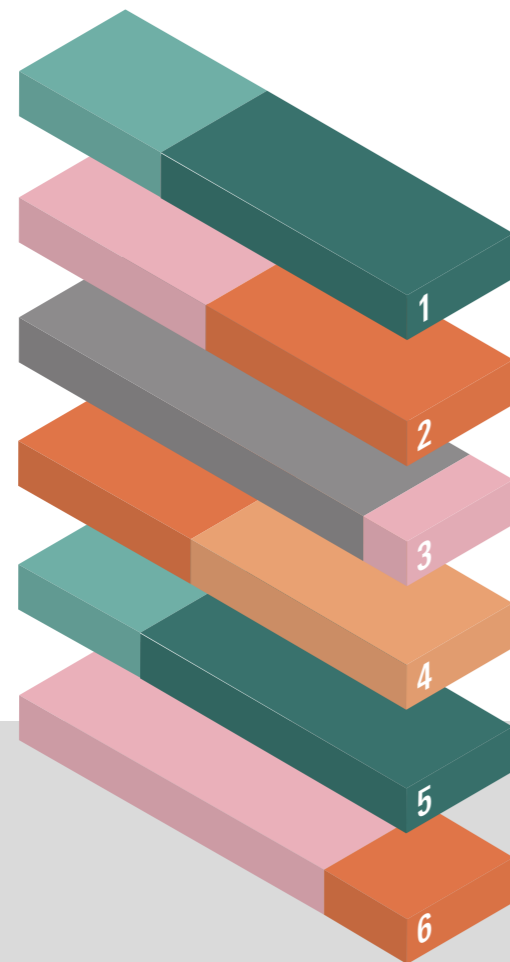
	2015	2016	2017	2018	2019
Sales (in € million)	648	647	668	718	736
Visitors (in millions)	4.2	3.5	4.4	4.1	5.1
Exhibitors (in thousands)	91	91	95	101	99

## Fairs & Events

The trade fairs at the Frankfurt venue have been creating opportunities for encounters for some 780 years now. At trade fairs, exhibitions and many other event formats, Messe Frankfurt brings people from around the world together not only to do business, but also to exchange information and in one-on-one conversations generate trust and overcome boundaries. In its Fairs & Events business segment, the group is consistently developing its innovative formats and concepts with an eye to international trends and market fluctuations.

### Textiles & Textile Technologies

With 58 textiles fairs around the globe – in particular the leading international trade fairs Heimtextil, Neonyt, Techtextil, Texprocess and Texworld – Messe Frankfurt is the global market leader for trade fairs and events in the textiles sector. In 2019, more than 23,000 exhibitors and in excess of 600,000 visitors attended these events. Under the communications umbrella “Texpertise network”, the company showcases the entire value chain of the textile industry according to four themes: with trade fairs for fabrics, yarns, apparel and sustainable fashion (Apparel Fabrics & Fashion), international networks for home, contract and furnishing textiles (Interior & Contract Textiles), innovative trade fairs for technical textiles and the processing of textiles and flexible materials (Technical Textiles & Textile Processing) and creative platforms for the care of textile products (Textile Care).



Level of visitor internationality at the consumer goods fairs

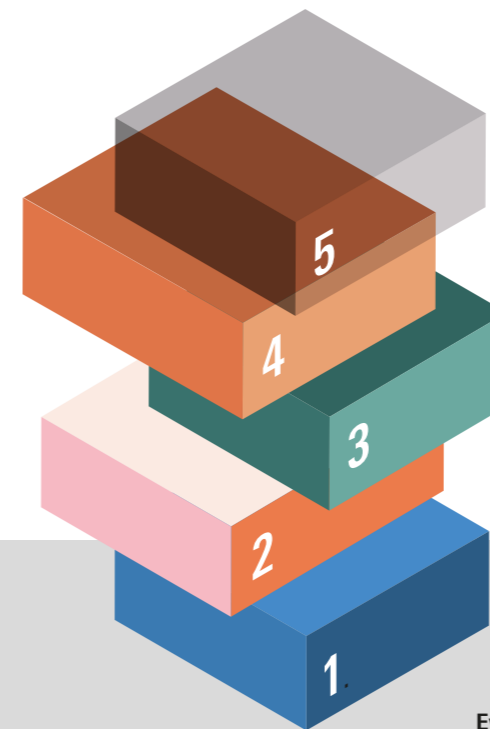
1	2	3	4	5	6
<b>Hong Kong International Stationery Fair</b>	<b>Beautyworld Middle East</b>	<b>Toy &amp; Edu China</b>	<b>Ambiente</b>	<b>Paperworld</b>	<b>Tendence</b>
40% Host country 60% Other countries	51% Host country 49% Other countries	94.4% Host country 5.6% Other countries	42.7% Host country 57.3% Other countries	30.7% Host country 69.3% Other countries	81.5% Host country 18.6% Other countries

### Consumer Goods

Consumer goods are at the heart of global trade. Whether tableware, kitchenware, houseware, home furnishings and decorative objects, living and office concepts, gifts, jewellery or fashion accessories – utilitarian objects of daily use and products that make our living environments more attractive have always been driving forces of the economy. On the retail side, the consumer goods market – along with other sectors – has been strongly impacted by digitalisation and globalisation. Messe Frankfurt is responding to the rapid changes by developing state-of-the-art order platforms and presentation formats that benefit Ambiente, as well as the Beautyworld, Christmasworld, Creativeworld, Nordstil, Paperworld and Tendence trade fairs.

### Building Technologies

Energy and air conditioning technology, intelligent home/facility management and lighting solutions – these are the focuses of ISH and Light + Building, the world’s leading trade fairs in the building technologies segment. With 27 events worldwide, Messe Frankfurt showcases the entire spectrum of products and services for energy-efficient and digitally networked facility management. This is where future-oriented technologies for sustainable and resource-conserving utilisation of electricity and heat, as well as modern designs for bathrooms, living and outdoor spaces that meet the highest demands on comfort, safety and aesthetics, are presented. Trade fairs in the elevator and escalator technology segment round out the portfolio.



Events in the field of Environmental Technologies

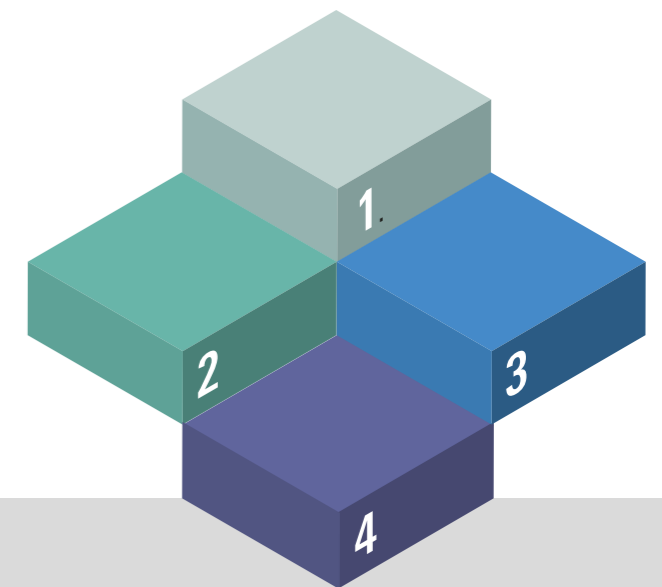
- 1 Eco Expo Asia
- 2 Waste & Recycling Expo Canada
- 3 Municipal Equipment Expo Canada
- 4 Wastetech India / Watertech India
- 5 Solarpower Africa (from 2020)

### Environmental Technologies

As a result of a growing world population and advancing worldwide industrialisation, the global demand for energy resources and raw materials is also rising at pace. In order to keep abreast of this development in the long term, too, innovative concepts are needed for the sustainable utilisation of resources. With four environmental trade fairs and two congress formats – for example, Eco Expo Asia, Waste & Recycling Expo Canada or Wastetech India – Messe Frankfurt offers the industry global platforms for exchanging ideas in the growing market for environmental protection, energy recovery, waste avoidance, composting, recycling and wastewater treatment.

### Safety, Security & Fire

Safety and security is a basic human need. In light of an increasingly digitally networked infrastructure, we are seeing a growing need to protect facilities, technical systems and outdoor spaces. With 14 trade fairs, congresses and forums worldwide, Messe Frankfurt showcases a broad spectrum of relevant products, applications and services in the area of safety and security. Geared to national and regional needs, exhibitors at the Intersec and Secutech trade fairs present intelligent systems for video surveillance, cybersecurity and admission controls, alongside fire safety and alarm systems.



Texpertise Network

- 1 Apparel Fabrics & Fashion
- 2 Interior & Contract Textiles
- 3 Technical Textiles & Textile Processing
- 4 Textile Care

## Food Technologies

Eating habits are changing rapidly in almost all areas of the world. The rise in the world population, growing environmental awareness and a globalised, ubiquitously available offering are influencing the foodstuffs we consume. Messe Frankfurt offers four trade fairs for the food industry, creating innovative forums that allow providers to effectively set their products and services centre stage. With IFFA in Frankfurt, the group organises the leading international trade fair for the meat processing industry, while Tecno Fidta in Buenos Aires is the most important South American trade fair for meat processing and food technology. Other trade fairs such as Modern Bakery and Salon du chocolat in Moscow serve the baking and confectionery sector.

## Manufacturing Technologies & Components

Increasing efficiency, saving resources and the industrial development of new designs are at the focus of additive manufacturing technologies. Messe Frankfurt's portfolio includes Formnext, the world's leading trade fair in this segment. Additive manufacturing

is a growth market that anticipates the next generation of intelligent industrial production. Trade fairs such as Rosmould in Moscow and Asiamold in Guangzhou showcase new concepts for tool and mould making, design and product development. Zellcheming Expo is a platform for the pulp and paper industry and Expo Ferretera in Buenos Aires offers a forum for the international hardware, plumbing parts, paint and construction materials industry.

## Textile Care, Cleaning & Cleanroom Technologies

Hygiene is gaining in importance in all areas of life. This is true for textile care, facility cleaning and industrial production alike. With Texcare International, the leading trade fair for textile care established in 1956, Texcare Asia & China Laundry Expo in Shanghai, Clean Show in the USA, Texcare France, the Middle East Cleaning Technology Week in Dubai and Cleanzone, the leading trade fair for cleanroom technologies held in Frankfurt, Messe Frankfurt covers this segment on a global scale.

## Electronics & Automation Technologies

Digital technologies have revolutionised industrial design and manufacturing. With SPS (Smart Production Solutions), SMTconnect (microelectronic assemblies and systems applications) and PCIM (power electronics, intelligent motion, renewable energy and energy management), Mesago Messe Frankfurt sets international standards in all areas.

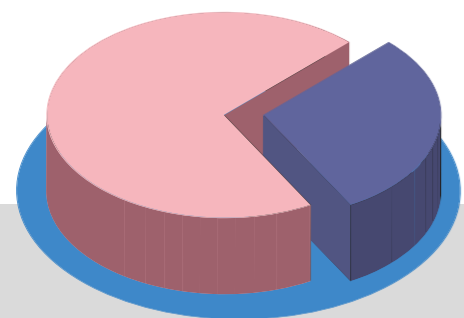
## Entertainment, Media & Creative Industries

Music connects people across all boundaries. Nowhere is this more apparent than at Europe's largest trade fair for the music industry, Musikmesse in Frankfurt, and at Music China in Shanghai. This is where manufacturers of musical instruments and equipment, music producers, music educators and teachers, representatives from music associations, journalists, bloggers and of course musicians from all over the world come together. With the Musikmesse Festival, the event has an outreach that stretches beyond the Frankfurt exhibition grounds. At Prolight + Sound, the largest international industry meeting place for technologies and services relating to entertainment,

shows and events, audio-visual system integration and content creation, trade visitors can experience innovations from the areas of professional lighting, performance and audio technologies. Media Expo in Mumbai and New Delhi rounds out the offering by showcasing concepts for attention-grabbing event, services and product advertising on indoor and outdoor screens.

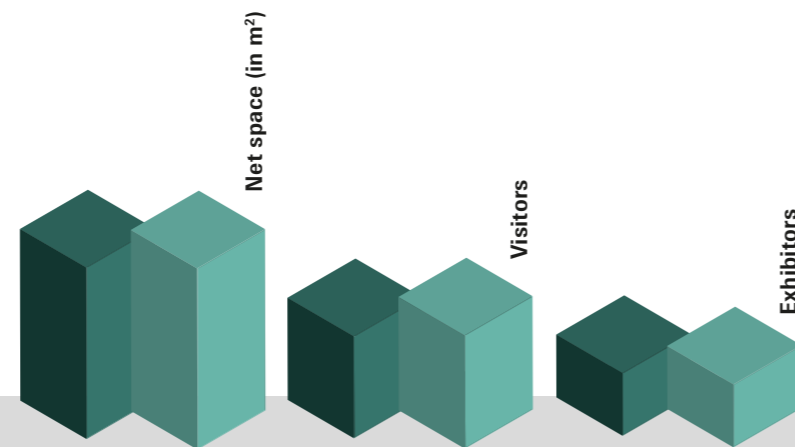
## Mobility & Logistics

Mobility and logistics are currently undergoing a sea change, as evidenced by catchwords such as autonomous driving, resource-efficient drive systems and intelligent transport systems. At its innovative events worldwide, Messe Frankfurt presents the trends for the mobile future. For example under the mantle of the leading international trade fair Automechanika, the world's most successful trade fair brand with a total of 15 events. At Hypermotion Frankfurt, established companies, renowned experts and start-ups discuss what tomorrow's mobility could be like. For real petrol heads and their families, there's the interactive and bespoke Festival of Motoring. The extensive Mobility & Logistics portfolio is rounded out by other formats and events covering motorbikes, aviation, boats, buses, commercial vehicles and logistics.



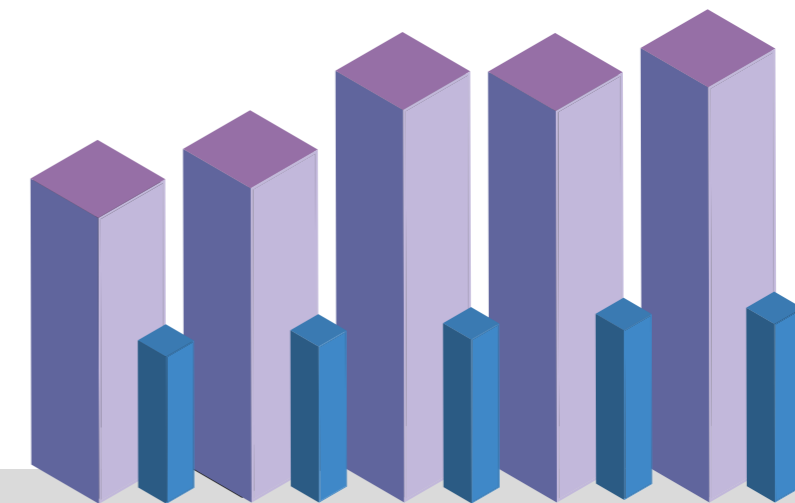
### IFFA

International visitors **46,627**  
National visitors **19,713**  
Total visitors **66,340**



### Musikmesse China

	Net space (in m <sup>2</sup> )	Visitors	Exhibitors
2018	66,168	110,381	2,252
2019	69,880	122,519	2,261



### Automechanika Shanghai

	2015	2016	2017	2018	2019
Visitors	109,686	120,671	150,928	150,568	159,728
Exhibitors	5,428	5,756	6,051	6,269	6,590

## Locations

With 370,000 square metres of hall space, nearly 67,000 square metres of outdoor space and over 100 congress and conference rooms, in addition to nearly 100 restaurants, bars, cafés and food stands, Messe Frankfurt is a city within a city.

At the Congress Center, the Kap Europa congress centre and the historical Festhalle festival hall, it hosts world-renowned trade fairs, conventions and congresses. International stars of the stage and show business personalities value the modern, flexibly configurable locations, as do the organisers of major sporting events.

## Congresses and conferences

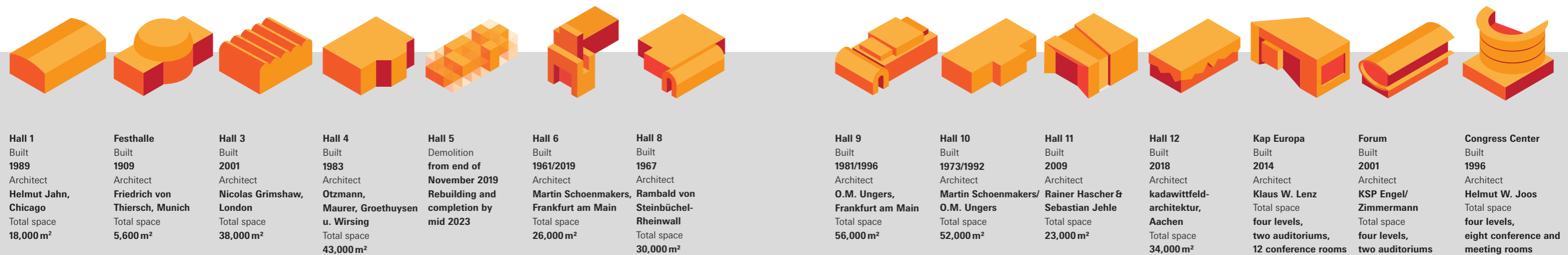
The Frankfurt exhibition centre is an international venue for important congresses and conferences. The Congress Center and Kap Europa offer the perfect platform for an exchange of information among professional health practitioners, scientists and entrepreneurs. In 2019, for example, they played host to the Deutsche Schmerz- und Palliativtag (German Pain and Palliative Day), the Annual General Meeting of Fresenius Medical Care AG & Co. KGaA and the ITDays, conference for software development, architecture, databases and management. In addition, companies often book Messe Frankfurt's versatile locations and tailor-made services for staff events and sales meetings of every size.

## Events, concerts and shows

A prestigious line-up of international stars from the pop and rock music scene, including Nicki Minaj, Mark Forster, Bryan Adams, Die Fantastischen Vier or German rock legend Udo Lindenberg, topped the bill at the Frankfurt Festhalle in 2019. Show business personalities such as the Ehrlich Brothers or the performing artists from Holiday on Ice are also regular guests at Frankfurt's unique event and concert hall. Frankfurt's largest multifunctional hall with a capacity of up to 15,000 visitors is also the venue for major national and international sporting highlights such as the Mainova Frankfurt Marathon and the International Festhalle Riding Tournament. Big corporations appreciate the special atmosphere under the Festhalle dome and take advantage of the versatile arena steeped in more than 100 years of history as a fitting backdrop for their corporate events.

## Trade fairs and consumer fairs

Convertible halls that can be flexibly combined, coupled with ultra-modern infrastructure, make Messe Frankfurt's locations a highly attractive venue for organisers of trade fairs. It's therefore no surprise that world-renowned guest trade fairs such as the Frankfurt Book Fair, IMEX (leading worldwide exhibition for meetings, incentive travel, conferences and events), Achema (leading international communication hub for the process industries) and CPhI (leading international platform for the pharmaceuticals industry) have availed themselves of Messe Frankfurt's locations for decades. Messe Frankfurt also hosts attractive end consumer fairs such as Kreativ Welt, Land und Genuss, Trau Dich!, Discovery Art Fair and Babywelt.





# Services

Logistics, stand construction, marketing, catering – successful trade fair participation ultimately depends on the harmonious interaction of a variety of service partners. In the ideal case, these services are all provided from a single source. Messe Frankfurt offers exhibitors and event organisers a wide range of professional services – singly or as a complete package – including a growing number of digital offerings.

## Logistics service & traffic management

Setting up an exhibition stand is a logistical challenge. The delivery of freight consignments has to be coordinated, storing the materials requires sufficient space to be available when it is needed and for the work on site, forklifts and cranes are indispensable. Messe Frankfurt's logistics service provides customised solutions that cover all of the above requirements and, supported by the coordinated traffic management within and around the exhibition grounds, ensure that exhibitors, event organisers, stand construction contractors and forwarding agents get quickly and safely to their respective destination.

## Fairconstruction

Made-to-measure trade fair concepts: this is the area of expertise of Fairconstruction, Messe Frankfurt's expert for exhibition stand construction services. Whether stand construction, furnishings and equipment or technology – Fairconstruction delivers customised solutions for exhibitors and event organisers not only at the Frankfurt venue, but worldwide. The stand constructor supports customers from the initial planning stage and design of individual concepts through to timely realisation.

## Advertising services

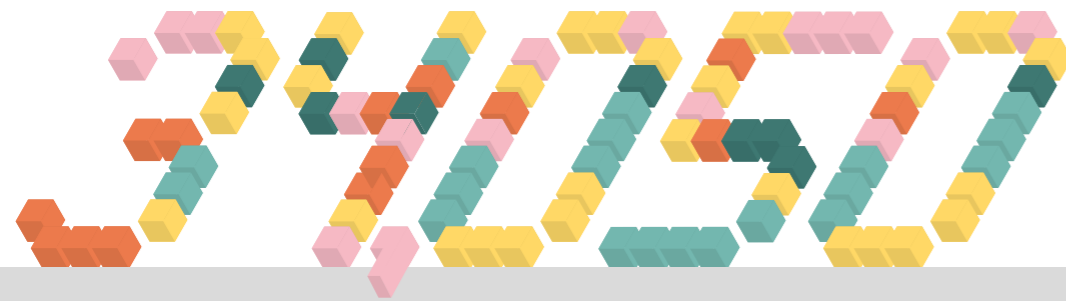
Posters, banners, multimedia and promotion – a successful trade fair participation relies on maximum brand awareness. Effective marketing both on site at the exhibition grounds and in online media is the strength of Messe Frankfurt's advertising services. Regardless of the channels used to communicate exhibitors' and event organisers' messages, Messe Frankfurt's advertising services make sure they reach the intended target group and have a lasting impact.

## Publishing services

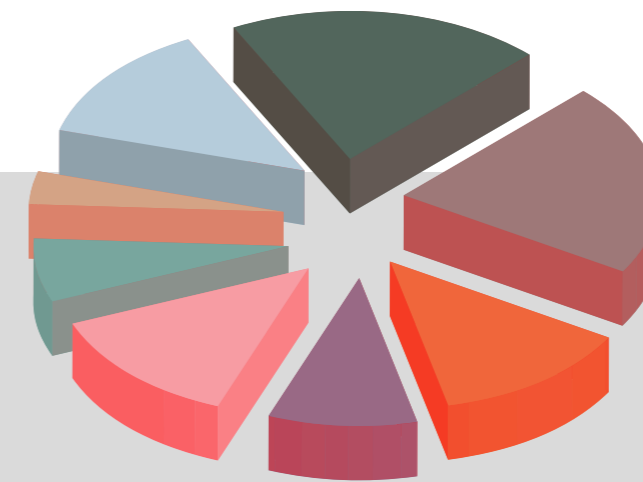
Exhibitors like to showcase their trade fair presentation with publications specially tailored to their target group. As the only exhibition corporation with its own publisher, Messe Frankfurt offers them comprehensive advice and customised solutions. The publishing services produce trade fair catalogues, themed magazines and trade fair newspapers – in print or, on request, digital form.

## Accente

A successful trade fair participation stands and falls with professional service at the exhibition stand. It's therefore comforting to know that the catering at your stand is in the hands of experts who understand their trade. Messe Frankfurt's Accente subsidiary meets the highest standards in the gastronomic sector, offering catering delivery services directly to exhibition stands, taking care of hospitality if wished and providing individually prepared buffet menus for all manner of congress and event formats.



Forklift hours of the logistics service (2019 total)



Drinks at the Book Fair in 2019

■ Cappuccino	18,432
■ Espresso	10,724
■ Latte macchiato	7,860
■ Black coffee	10,605
■ White coffee	5,909
■ Tea	2,565
■ Cola	10,866
■ Water	17,124

## Overall activities of Messe Frankfurt in 2019

	Exhibitors			Net space (in m <sup>2</sup> ) incl. special show space	Visitors			
	Number of events	Host country	Other countries		Total	Host country	Other countries	Total
Trade fairs and exhibitions at the Frankfurt exhibition venue	41	11,535	25,724	37,259	1,268,773	1,140,079	708,134	1,848,213
Trade fairs and exhibitions in Germany outside the Frankfurt exhibition venue	9	3,196	1,550	4,746	183,076	104,204	33,263	137,467
Events outside Germany	105	37,871	19,370	57,241	1,539,399	2,165,647	311,775	2,477,422
Congresses and events at the Frankfurt exhibition venue	216	–	–	–	–	588,852	–	588,852
German pavilions (planning and implementation of trade fair participations)	18	–	–	–	–	–	–	–
Congresses, conventions and other activities in Germany outside the Frankfurt exhibition venue	2	–	–	–	–	272	–	272
Congresses, conventions and other activities outside Germany	32	–	–	–	–	13,049	–	13,049
<b>Total activities</b>	<b>423</b>	<b>52,602</b>	<b>46,644</b>	<b>99,246</b>	<b>2,991,248</b>	<b>4,012,103</b>	<b>1,053,172</b>	<b>5,065,275</b>

## Trade fairs and exhibitions at the Frankfurt exhibition venue in 2019

	Exhibitors			Net space (in m <sup>2</sup> ) incl. special show space	Visitors			
	Number of events	Host country	Other countries		Total	Host country	Other countries	Total
■ Ambiente		669	3,791	4,460	179,755	58,097	77,984	136,081
■ ap&M Europe		13	162	175	3,856	322	1,488	1,810
■ Book Fair <sup>1</sup>		2,223	5,227	7,450	70,000	167,193	135,074	302,267
■ Christmasworld		227	858	1,085	59,445	16,100	29,204	45,304
■ Cleanzone		55	21	76	1,441	583	203	786
■ CPhI worldwide		270	2,430	2,700	105,232	8,015	40,946	48,961
■ Creativeworld		68	294	362	14,181	2,846	6,306	9,152
■ Formnext		375	477	852	30,166	17,456	17,076	34,532
■ Franchise Expo Frankfurt		90	39	129	2,494	2,000	500	2,500
■ Heimtextil		298	2,714	3,012	137,590	15,864	48,846	64,710
■ IAA PKW		490	348	838	119,523	438,100	123,500	561,600
■ IFFA		381	635	1,016	78,831	19,713	46,627	66,340
■ IMEX		454	2,985	3,439	23,632	2,891	4,735	7,626
■ ISH		879	1,672	2,551	181,616	101,337	86,897	188,234
■ Musikmesse		121	447	568	12,274	16,653	9,320	25,973
■ Paperworld		246	1,419	1,665	42,105	9,925	22,415	32,340
■ Prolight + Sound		281	503	784	36,103	18,616	24,090	42,706
■ Techtexil		422	1,082	1,504	35,822	11,519	19,203	30,722
■ Tendence		355	246	601	29,982	9,371	2,140	11,511
■ Texprocess		112	214	326	18,903	4,839	10,002	14,841
■ Zellcheming-Expo		79	60	139	2,201	886	267	1,153
<b>International trade fairs</b>	<b>21</b>	<b>8,108</b>	<b>25,624</b>	<b>33,732</b>	<b>1,185,152</b>	<b>922,326</b>	<b>706,823</b>	<b>1,629,149</b>
■ Tech Week Frankfurt		198	53	251	5,021	5,950	1,050	7,000
■ Cosmetics		165	29	194	6,085	13,287	–	13,287
■ Hypermotion		125	17	142	1,285	2,500	170	2,670
■ Serviparc		86	1	87	3,330	1,254	91	1,345
■ Other trade exhibitions	2	400	0	400	13,000	18,000	–	18,000
<b>Trade exhibitions</b>	<b>6</b>	<b>974</b>	<b>100</b>	<b>1,074</b>	<b>28,721</b>	<b>40,991</b>	<b>1,311</b>	<b>42,302</b>
■ Sales marts and exhibitions	14	2,453	–	2,453	54,900	176,762	–	176,762
<b>Exhibitions open to the public</b>	<b>14</b>	<b>2,453</b>	<b>–</b>	<b>2,453</b>	<b>54,900</b>	<b>176,762</b>	<b>–</b>	<b>176,762</b>

<sup>1</sup> Messe Frankfurt estimate, unconfirmed figures provided by the organiser

- International trade fairs
- Trade exhibitions
- Exhibitions open to the public

## Trade fairs and exhibitions at the Frankfurt exhibition venue in 2019

	Number of events	Exhibitors			Net space (in m <sup>2</sup> ) incl. special show space	Visitors		
		Host country	Other countries	Total		Host country	Other countries	Total
■ International trade fairs	21	8,108	25,624	33,732	1,185,152	922,326	706,823	1,629,149
■ Trade exhibitions	6	974	100	1,074	28,721	40,991	1,311	42,302
■ Exhibitions open to the public	14	2,453	–	2,453	54,900	176,762	–	176,762
	<b>41</b>	<b>11,535</b>	<b>25,724</b>	<b>37,259</b>	<b>1,268,773</b>	<b>1,140,079</b>	<b>708,134</b>	<b>1,848,213</b>

## Trade fairs and exhibitions in Germany outside the Frankfurt venue in 2019

	Number of events	Exhibitors			Net space (in m <sup>2</sup> ) incl. special show space	Visitors		
		Host country	Other countries	Total		Host country	Other countries	Total
■ EMV		79	42	121	2,030	2,223	556	2,779
■ Neonyt (Summer)		69	110	179	2,716	4,819	2,948	7,767
■ Neonyt (Winter)		53	100	153	2,145	2,706	1,974	4,680
■ Nordstil (Summer Edition)		588	146	734	27,959	11,499	394	11,893
■ Nordstil (Winter Edition)		797	168	965	34,910	18,738	447	19,185
■ Parken		101	11	112	2,435	1,466	136	1,602
■ PCIM Europe (trade fair/congress)		240	286	526	16,032	7,365	5,438	12,803
■ SMT Hybrid Packaging		232	139	371	13,001	8,404	4,646	13,050
■ SPS		1,037	548	1,585	81,848	46,984	16,724	63,708
	<b>9</b>	<b>3,196</b>	<b>1,550</b>	<b>4,746</b>	<b>183,076</b>	<b>104,204</b>	<b>33,263</b>	<b>137,467</b>

## Trade fairs and exhibitions in Germany in 2019

	Number of events	Exhibitors			Net space (in m <sup>2</sup> ) incl. special show space	Visitors		
		Host country	Other countries	Total		Host country	Other countries	Total
■ International trade fairs	25	9,565	26,511	36,076	1,287,497	980,364	729,677	1,710,041
■ Regional trade fairs	2	1,385	314	1,699	62,869	30,237	841	31,078
■ Trade exhibitions	9	1,328	449	1,777	46,583	56,920	10,879	67,799
■ Exhibitions open to the public	14	2,453	–	2,453	54,900	176,762	–	176,762
	<b>50</b>	<b>14,731</b>	<b>27,274</b>	<b>42,005</b>	<b>1,451,849</b>	<b>1,244,283</b>	<b>741,397</b>	<b>1,985,680</b>

## Congresses, events and other activities in 2019

	Number of events	Exhibitors			Net space (in m <sup>2</sup> ) incl. special show space	Visitors		
		Host country	Other countries	Total		Host country	Other countries	Total
Congresses and conferences at the exhibition centre not linked to trade fairs	151	–	–	–	–	131,093	–	131,093
Events (concerts, sporting, religious, political and other events)	65	–	–	–	–	457,759	–	457,759
	<b>216</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>588,852</b>	<b>–</b>	<b>588,852</b>

■ International trade fairs  
■ Regional trade fairs  
■ Trade exhibitions  
■ Exhibitions open to the public





# 2019 Group management report of Messe Frankfurt GmbH, Frankfurt am Main

## I. Corporate profile

The core activities of the Messe Frankfurt Group consist in hosting trade fairs and exhibitions worldwide. Over 150 events made by Messe Frankfurt take place at some 50 venues around the world. These are organised by Messe Frankfurt Exhibition GmbH and its subsidiaries in Germany and abroad. Furthermore, via Messe Frankfurt Venue GmbH, the group also markets exhibition space to trade fair, congress and event organisers and, in addition to the related infrastructure, also provides numerous services. The joint umbrella of the group is Messe Frankfurt GmbH, which in its function as a holding company not only provides group management and central support functions but also administrative services, primarily for the companies at the Frankfurt am Main venue.

The main focus of the group's activities is the international industry flagship shows held at the Frankfurt venue. By virtue of their size and internationality, these trade fairs often have a dominant character for the respective industry sector and within the trade fair industry. These leading trade fairs bring together the relevant international range of goods and services on offer with the corresponding demand in Europe and worldwide. They are thus an ideal platform to present innovations, and are therefore deemed to be the leading showcase within their respective industry.

Building on its thematic core competences, above all in the Fairs & Events, Locations and Services business segments, Messe Frankfurt has succeeded over the past decades in expanding its trade fair themes on the world stage. In this, the company pursues the goal to be a reliable long-term partner to its customers in the international arena. To support it in achieving this goal, Messe Frankfurt can fall back on 22 foreign subsidiaries and joint ventures and six branch offices. Messe Frankfurt also has a very efficient international sales network, which is managed by Messe Frankfurt Exhibition GmbH. In addition to the foreign subsidiaries, this is made up of 56 sales partners around the world.

Apart from a sales and marketing function for the group's own trade fairs, the operating activities of the foreign subsidiaries consist in the organisation of trade fairs from the group's brand portfolio for own financial account. Additionally, as the economy becomes ever more internationally interdependent, the marketing of media and digital services is also gaining in importance.

Besides Messe Frankfurt Exhibition GmbH, many guest and congress organisers take advantage of the Frankfurt exhibition grounds to stage their trade fairs, congresses and events through Messe Frankfurt Venue GmbH. They bear out the high level of attractiveness and competitiveness of both the city and Messe Frankfurt thanks to their central location, continuously improving infrastructure and accessibility.

## II. Report on economic position

### General economic trend

The macroeconomic environment in Germany was characterised by significantly weaker growth in 2019, which according to first calculations of the Federal Statistical Office (Destatis) led to a price-adjusted gross domestic product (GDP) that was 0.6 percent higher than in the previous year. The German economy thus grew for the tenth year in succession, marking the longest period of growth in united Germany.<sup>1</sup>

The overall increase in economic production was mainly driven by consumption expenditure and construction activity. Although the rise in employment slowed somewhat in the course of the year, growth in discretionary income remained at a high level. However, the German economy remains divided. Whereas the value added by service and construction companies that focus on the domestic market continues to rise, the manufacturing industry remains caught in recession.<sup>2</sup> The highest growth rate was recorded by the construction industry, which expanded by 4.0 percent. There were above-average increases also in the service sector, that is, in information and communication and in financial and insurance activities, with +2.9 percent each. Sharp drops were, however, recorded in many parts of industry. The output in industry (not including construction), which accounts for just over a quarter of the total economy, was down by 3.6 percent. Especially the low output in the automotive industry contributed to the decrease.<sup>3</sup>

Global growth also decelerated markedly in 2019, with continued weakness in trade and investment. This weakness was widespread, affecting both advanced economies – particularly the Euro Area – and emerging markets and developing economies (EMDEs).<sup>4</sup> Economic activity in the Euro Area has deteriorated significantly. Several economies were on the verge of recession at some point last year, with particular weakness in the German industrial sector as it struggled with falling demand from Asia and disruptions to car production.

Uncertainty concerning Brexit also weighed on growth. One of the reasons for the weakness in the industrial sector and in global trade is the trade conflict between the

US and China, which has strongly curtailed the exchange of goods between these countries and thus dampened production. The trade conflict has also affected other regions, as uncertainty has increased surrounding the continued existence of established international value chains, while the risk has also grown of being affected by new trade measures from the US.<sup>5</sup>

Against this international context, global growth (GDP) weakened from 3.2 percent in 2018 to an estimated 2.4 percent in 2019 – the lowest rate of expansion since the global financial crisis. In particular, global trade growth, which is estimated to have slowed sharply from 4.0 percent in 2018 to 1.4 percent last year, contributed to this.

The outbreak of the coronavirus towards the end of the 2019 business year did not significantly impact on the macroeconomic situation and global growth in 2019. As of the balance sheet date, the World Health Organization's China Office was informed about the outbreak of a novel coronavirus. The evidence and information available at that time related exclusively to the People's Republic of China. Between the end of the completed financial year and up to the preparation of the financial statements and management report, the coronavirus outbreak developed into a pandemic and is expected above all to dramatically weigh on the economic environment in 2020.

### Developments in the trade fair sector

Dampened economic prospects in many countries in 2019, along with different responses to current exhibition concepts in individual sectors, somewhat slowed the positive development of German exhibitions in financial year 2019. But overall, the 163 international and national trade fairs in 2019 achieved stable results when compared to their respective previous events.

Exhibitor numbers rose by around 1 percent, and exhibitor stand space increased on average by half a percent. Of note is the continuing above-average interest from abroad despite protectionist tendencies and a greater number of international conflicts: German exhibitions registered around 3 percent more foreign exhibitors and visitors.

<sup>1</sup> Destatis – Federal Statistical Office, press conference held on 15 January 2020, "Gross domestic product 2019 for Germany", statement by Albert Braakmann, head of "National Accounts, Prices" unit

<sup>2</sup> Ifo economic report 4/2019, prepared for Messe Frankfurt

<sup>3</sup> Destatis – Federal Statistical Office, press release dated 15 January 2020 – 018/20,

"German economy grew 0.6 percent in 2019"

<sup>4</sup> World Bank – Global Economic Prospects, January 2020

<sup>5</sup> Ifo Institute – ifo Schnelldienst 24/2019, 19 December 2019: ifo Economic Forecast Winter 2019, "German economy stabilizes"

The total number of visitors decreased by just about 2 percent, due in large part to developments in the automotive sector. The previous year's exhibitor and stand space figures had each risen by 2 percent, and visitor numbers were stable.<sup>6</sup>

The trade fair sector had also not yet been affected by the outbreak of the coronavirus towards the end of the 2019 financial year.

#### Development of business

In addition to the financial performance indicators sales, EBITDA and consolidated net income, the non-financial performance indicators exhibitors, space and visitors described below are also important for the group.

The Messe Frankfurt Group staged 155 trade fairs and exhibitions worldwide in the 2019 reporting year (previous year 148). A total of 99,246 exhibitors (previous year 101,406) and around 4.5 million visitors (previous year 4.1 million) were registered; the total net leased exhibition space was around 3.0 million square metres (previous year 2.9 million square metres). These trade fairs and exhibitions were complemented by 216 congresses, conventions and other activities (previous year 263) that were organised and held at the Frankfurt am Main venue, which attracted 588,852 visitors (previous year 681,139), as well as 18 German pavilions worldwide (previous year 13). Another 34 congresses, conferences and other activities were held in Germany and abroad with 13,321 participants in total. Thus, all Messe Frankfurt Group events aggregated around 5.1 million attendees in the reporting period (previous year 4.8 million).

#### Performance indicators – trade fairs and exhibitions in 2019

Total activities 2019	Number of events	Exhibitors	Net space* (in m <sup>2</sup> )	Visitors
<b>Trade fairs and exhibitions</b>				
– at the Frankfurt exhibition venue	41	37,259	1,268,773	1,848,213
– in Germany outside the Frankfurt exhibition venue	9	4,746	183,076	137,467
<b>Total Germany</b>	<b>50</b>	<b>42,005</b>	<b>1,451,849</b>	<b>1,985,680</b>
<b>Other countries</b>	<b>105</b>	<b>57,241</b>	<b>1,539,399</b>	<b>2,477,422</b>
<b>Total trade fairs and exhibitions</b>	<b>155</b>	<b>99,246</b>	<b>2,991,248</b>	<b>4,463,102</b>
Congresses and events at the Frankfurt exhibition venue	216	–	–	588,852
German pavilions (planning and execution of trade fair participations)	18	–	–	–
Congresses, conventions and other activities in Germany outside the Frankfurt exhibition venue	2	–	–	272
Congresses, conferences and other activities outside Germany	32	–	–	13,049
<b>Total activities</b>	<b>423</b>	<b>99,246</b>	<b>2,991,248</b>	<b>5,065,275</b>

\* Incl. special show space

The **group's own exhibition centre** in Frankfurt was the venue for 41 trade fairs and exhibitions (previous year 39), including 14 events organised by Messe Frankfurt Exhibition GmbH (previous year 12) and 3 by MESAGO Messe Frankfurt GmbH, Stuttgart (previous year 3). 17 own group events (previous year 15) attracted 19,230 exhibitors (previous year 21,599) and 708,400 visitors (previous year 780,170). Around 0.9 million square metres of net exhibition space including special show space (previous year 0.9 million) was booked for these own group events in Frankfurt. A comparison with 2018 is difficult due to the rhythm of events, as the sum of the key figures for the trade fairs with a multi-year rhythm held in the 2019 reporting period (ISH, Techtexil, Texprocess and IFFA) is higher than the sum of the key figures for Automechanika and Light+ Building that took place in 2018. Compared to the respective prior events, exhibitor figures and the amount of net leased space at the trade fairs organised by Messe Frankfurt Exhibition GmbH remained consistent, while a slight decline of 4.2 percent was registered for visitor numbers relative to their previous events.

Furthermore, despite the tense market situation (competing event in Stuttgart and Munich), MESAGO Messe Frankfurt GmbH succeeded in further consolidating the Formnext event. This event targets the growing market for additive technologies. These range from prototyping and modern product development and manufacturing, to integration into tool making and mould making, and establishing 3D printing as an innovative manufacturing technology. A total of 852 exhibitors (+34.8 percent) and 34,532 trade visitors (+28.3 percent) from around the world attended the fifth edition of this event. The many conference participants and numerous representatives from the national and international trade press further underscored the positive trend.

The group's own events display a high level of internationality: 75.2 percent foreign participation among exhibitors and 56.6 percent among visitors at Messe Frankfurt's international own group events at its home venue are indicators of outstanding market penetration. This guarantees maximum customer benefit on both the supply and demand side. With these internationality values, Messe Frankfurt ranks first in the competitive environment: AUMA puts the average internationality rates for events in Germany provisionally at 63.0 percent for exhibitors and 32.0 percent for visitors.<sup>7</sup>

In terms of guest events, the 2019 reporting year ranks among the stronger years, as the major events IAA Cars and CPHI worldwide were both scheduled. A total of 24 guest fairs (previous year 24), including 2 trade exhibitions and 14 exhibitions open to the public, complemented the event portfolio at the Frankfurt exhibition venue. These events attracted 18,029 exhibitors (previous year 19,609) and over 1.1 million visitors (previous year 0.7 million). For these events, 710,546 gross square metres of exhibition space (previous year 605,308) was leased. The annual Frankfurt Book Fair occupied a firm place on the Frankfurt calendar of events. The new trade fair concept was reaffirmed by stable exhibitor participation and stable visitor numbers. IAA Cars fell short of expectations and suffered a 15.7 percent decline in exhibitors and 30.7 percent fewer visitors. CPHI worldwide, by contrast, recorded a slight increase. Organised by MESAGO Messe Frankfurt GmbH, Formnext, Servparc and Zellcheming-Expo, all of which had stable exhibitor and visitor levels, are firm features on the annual event calendar. The event portfolio was rounded out by the annual COSMETICA Frankfurt, Tech Week Frankfurt, IMEX and ap&m Europe, which was held in Frankfurt for the first time. Overall, the number of guest events held at the Frankfurt exhibition centre remained stable compared with previous years.

**At other trade fair venues in Germany**, Messe Frankfurt Exhibition GmbH and MESAGO Messe Frankfurt GmbH, Stuttgart, hosted 9 (previous year 8) events. In spring and autumn, Messe Frankfurt Exhibition GmbH staged Neonyt in Berlin. In Hamburg, Nordstil was also held in spring and autumn. SPS, PCIM Europe, SMT Hybrid Packaging (all Nuremberg), EMV (Stuttgart) and Parken (Wiesbaden) belong to the portfolio of MESAGO Messe Frankfurt GmbH. These events in Germany outside Frankfurt attracted 4,746 exhibitors (previous year 4,779) and 137,467 visitors (previous year 135,572). The total net leased space came to 183,076 square metres (previous year 181,684). In addition, a large number of congresses were organised in conjunction with the individual trade fairs.

**Foreign operations** again contributed significantly to Messe Frankfurt's successful operating result in the 2019 reporting period: at 105 events (previous year 101), 57,241 exhibitors (previous year 55,419) showcased their product and service portfolios to around 2.5 million visitors (previous year 2.4 million) on over 1.5 million square metres of exhibition space (previous year 1.5 million).

<sup>6</sup> AUMA Ausstellungs- und Messe-Ausschuss der Deutschen Wirtschaft e.V.: AUMA press release dated 13 January 2020: "Stable results for German exhibitions in 2019"

<sup>7</sup> AUMA Ausstellungs- und Messe-Ausschuss der Deutschen Wirtschaft e.V.: Internationality rate: preliminary results, dated 9 January 2020

Thus, the group's own trade fairs held outside Germany once again demonstrated their relevance for the group in 2019. Asia remained the regional focus of overseas business with 54 events in the reporting year (previous year 52), 28 of which were held in China alone (previous year 29). Another attractive exhibition region for Messe Frankfurt was the EMEA (Europe, Middle East, Africa) economic area, where 38 trade fairs were held (previous year 34). On the American continents, the subsidiaries of Messe Frankfurt Exhibition GmbH organised 13 trade fairs in the year under review (previous year 15).

As part of the optimisation of its product spectrum, Messe Frankfurt Exhibition GmbH expanded its portfolio outside Germany in the reporting year. A total of eight new events opened their doors for the first time in 2019, including one each in France, Russia, South Africa and the USA, and two each in Japan and India. The portfolio is rounded out by 32 congresses, conferences and other activities (previous year 96), which drew a total of 13,049 visitors (previous year 21,517).

In addition to designing and staging its own events, Messe Frankfurt organised 18 German pavilions at international trade fairs (previous year 13). These relate to trade fair participations organised and held on behalf of the Federal Ministry for Economic Affairs and Energy. They facilitate entry into the market for small and medium-sized German enterprises in the respective country where the event is held.

#### Congresses, conventions and Festhalle events

Apart from guest trade fairs and exhibitions, Messe Frankfurt Venue GmbH organised 151 congresses and meetings (previous year 175); the number of participants was 131,093 (previous year 150,854). 102 (previous year 112) of these congresses and meetings with 59,168 participants (previous year 58,815) were held at the Kap Europa congress venue. The congresses focused on the fields of science, medicine, IT and finance. They included industry highlights such as the 45th Annual Meeting of the European Society for Blood and Marrow Transplantation (EBMT) with around 5,000 participants, the Microsoft Business Summit with around 2,700 participants and Euro Finance Week with around 1,500 participants. The Annual Meeting of Deutsche Bank AG convened in the Festhalle and Forum with over 4,000 participants.

The Festhalle was also the venue for 65 cultural, sporting or social events (previous year 74), which were attended by 457,759 guests (previous year 529,865). In addition to corporate events, these included concerts, sporting events and shows. Concerts featured guest appearances by Die Fantastischen Vier, Udo Lindenberg and Bryan Adams, among others. In the show segment, highlights such as the traditional Holiday on Ice with 10 shows, performances by the Ehrlich Brothers and Cirque du Soleil topped the bill. The 2019 Mainova Frankfurt Marathon with the Marathon Mall and the International Festhalle Riding Tournament were among the major sporting events.

2019 was a comparatively strong exhibition year with correspondingly less capacity and fewer slots available for congresses, conventions and events.

#### Development of the trade fair venue

In December 2019, the third and last development phase of the master plan – the demolition and rebuilding of Hall 5 – got underway. On the same site as the previous building, a new two-storey Hall will in future meet all the requirements of a modern exhibition hall. Retaining the same-level access from the Congress Center to the hall's upper storey will provide ideal prerequisites for combined trade fairs and congresses in future. For fire safety reasons, the amount of available space will decrease from 21,000 to around 18,000 square metres. The new Hall 5 is scheduled for completion at the end of 2022. Parallel to the demolition of Hall 5, the 25-year-old Congress Center directly adjacent to the exhibition Hall is to be refurbished and optically upgraded.

The technical upgrading of Hall 6 was completed in the reporting year, allowing all exhibition levels from 6.0 to 6.2 to be up and running again in time for the Book Fair. Level 6.3 was repurposed as a technical level and is no longer available as exhibition space.

As part of the renovation of the eastern facade of Hall 1 that began in the reporting year, the Hall will be given a glass facade with integrated gastronomy facilities on both levels. This "window on the city" creates transparency and visibility in both directions and is intended to make the strategically favourable location of the Hall near the City Entrance even more attractive in particular for stand-alone events. Completion is scheduled for early 2020.

Furthermore, in September of the reporting year the contracts were signed for the partial sale of plot 42a of building land. The plot of land on Europa-Allee is to be used to build a new South Entrance as well as an office building and a hotel with a completion date of 2025. While the office and hotel tower are to be built on the parcel of land sold to the Gustav Zech Foundation, the new entrance will be constructed on the parcel that remains the property of Messe Frankfurt. The Gustav Zech Foundation will be responsible for the construction of the entire building complex and Messe Frankfurt will acquire the entrance building after completion. The current schedule is to submit the building application in 2020 to enable work to get underway in 2021 as planned.

#### Personnel

On 31 December 2019, the Messe Frankfurt GmbH corporate group employed 2,575 active members of staff worldwide, 56 more than at the end of 2018. In Germany, the headcount rose by 37 and outside Germany by 19.

The increase in the number of employees in Germany is primarily due to the expansion of business, conceptual and operational sales and marketing activities and necessary reallocation in the wake of new Hall construction. The implementation of new concepts among other things resulted in increased exhibitor and visitor numbers and sales growth at most events. Customer satisfaction and loyalty were increased as a result of continuous improvement of the relevance of the events for our target groups. Successful acquisitions and the launch of new events abroad require additional staff capacities. However, the labour market situation coupled with demographic trends – especially in Asia – are making it increasingly difficult to attract new employees, which is why the company is continuing to focus on enhancing efficiency.



Change in employee numbers<sup>1</sup>

	2017	2018	2019
Messe Frankfurt GmbH, Frankfurt, Germany	308	310	331
Messe Frankfurt Exhibition GmbH, Frankfurt, Germany	324	337	335
Messe Frankfurt Venue GmbH, Frankfurt, Germany	234	241	236
Messe Frankfurt Medien und Service GmbH, Frankfurt, Germany	86	85	95
MESAGO Messe Frankfurt GmbH, Stuttgart, Germany <sup>2</sup>	142	148	152
Accente Gastronomie Service GmbH, Frankfurt, Germany	284	314	323
<b>Total Germany</b>	<b>1,378</b>	<b>1,435</b>	<b>1,472</b>
Messe Frankfurt France S. A. S., Paris, France	23	25	25
Messe Frankfurt Italia Srl., Milan, Italy	42	47	50
Messe Frankfurt Istanbul L. S., Istanbul, Turkey	18	19	17
O. O. O. Messe Frankfurt RUS, Moscow, Russia <sup>3</sup>	58	61	62
Messe Frankfurt Middle East GmbH, Frankfurt/Dubai, UAE	145	140	140
Messe Frankfurt Asia Holding Ltd., Hong Kong, China	4	4	4
Messe Frankfurt (H. K.) Ltd., Hong Kong, China <sup>2</sup>	507	493	511
Messe Frankfurt Japan Ltd., Tokyo, Japan	34	35	35
Messe Frankfurt Korea Ltd., Seoul, South Korea	11	11	11
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai, India	114	124	130
Messe Frankfurt Inc., Atlanta, USA	40	39	32
Messe Frankfurt México S. de R. L. de C. V., Mexico City, Mexico	6	6	6
Indexport Messe Frankfurt S. A., Buenos Aires, Argentina	40	43	42
Messe Frankfurt South Africa (Pty) Ltd., Johannesburg, South Africa	20	27	30
Messe Frankfurt UK Ltd., Godalming, UK	0	10	8
<b>Total outside Germany</b>	<b>1,062</b>	<b>1,084</b>	<b>1,103</b>
	<b>2,440</b>	<b>2,519</b>	<b>2,575</b>
Increase in number of employees		79	56

<sup>1</sup> Incl. trainees and management (as of 31 December respectively)

<sup>2</sup> Sub-group

<sup>3</sup> Incl. O. O. O. ITEMF Expo, Moscow, proportionately

Thanks to our employees

In the Executive Board's view, the employees of the Messe Frankfurt Group succeeded admirably in responding to the increasing demands of growing business activity. Once again in 2019, they demonstrated exemplary flexibility and commitment, coupled with a high level of competence. The Executive Board would therefore like to thank all employees for their efforts and the positive results achieved.

## III. Description of the position of the company

## Results of operations

The positive business trend is also mirrored in the development of group sales. At € 735.6 million, sales reached their highest level yet in 2019, exceeding the previous year (€ 718.1 million) by € 17.4 million, or 2.4 percent.

On the domestic front, sales were up by € 13.1 million, or 3.1 percent, to € 436.9 million (previous year € 423.8 million), accounting for 59.4 percent of group sales (previous year 59.0 percent). Messe Frankfurt Exhibition GmbH generated sales of € 220.3 million, up on the previous year by € 4.5 million due to the rhythm of events. At € 27.4 million, Messe Frankfurt Medien und Service GmbH was also € 1.2 million up on the previous year. This development can be explained by the rotation of the flagship events with a multi-year rhythm held at the Frankfurt venue.

Messe Frankfurt Exhibition GmbH hosted the multi-year events ISH, Techtextil and Texprocess (all of which have a two-yearly rhythm) in 2019, whose performance figures are lower than those of the sales-generating biennial events Automechanika and Light + Building held in 2018. The increase over the previous year is principally accounted for by IFFA (three-yearly rhythm), which took place in 2019. This rotation-related development was also substantially strengthened by the slight increase in sales after consolida-

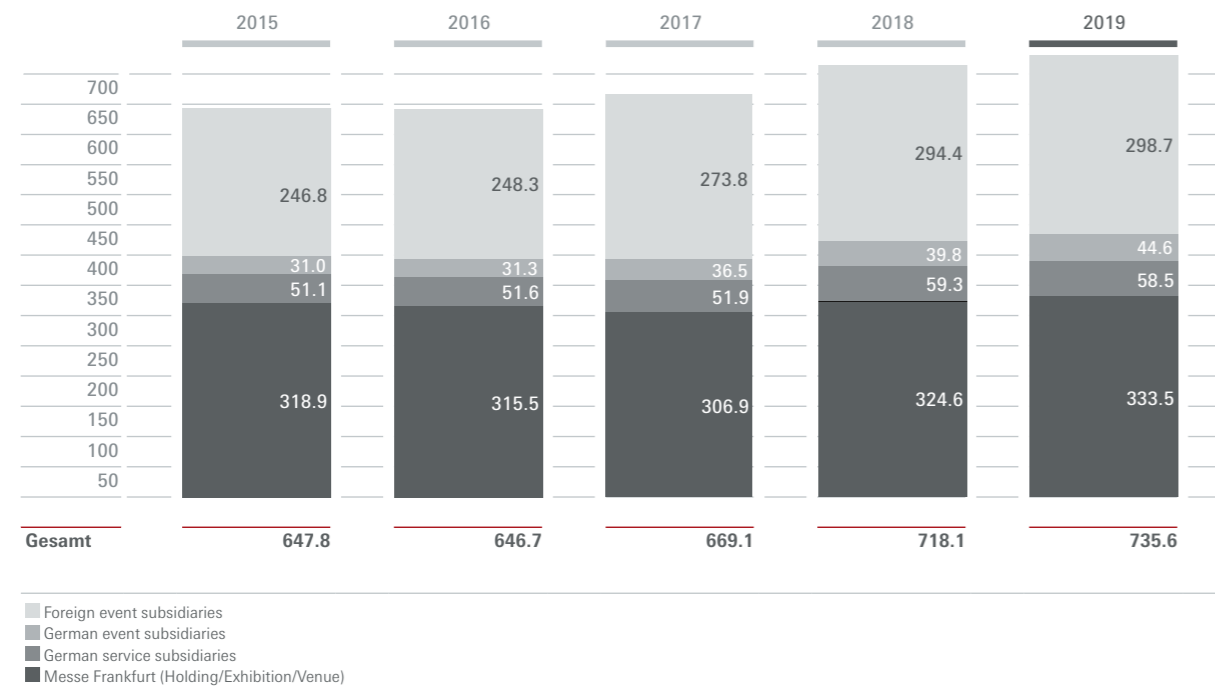
tion of the other domestic company, Messe Frankfurt Venue GmbH. At € 113.2 million, Messe Frankfurt Venue GmbH contributed € 4.4 million more to group sales compared with the previous year. In 2019, Messe Frankfurt Venue GmbH held the IAA Cars guest event, as opposed to 2018, which hosted the three-yearly AACHEMA event.

Accente Gastronomie Service GmbH, another domestic company, generated € 31.4 million, a minus of € 1.8 million, due to the rotation of events. The sales decrease at Accente Gastronomie Service GmbH is mainly attributable to the core business, gastronomy, and catering in particular.

Thus at the Frankfurt am Main venue, consolidated sales of € 392.3 million were generated, which corresponds to around 53.3 percent of group sales (2018: € 384.0 million; 2017: € 358.7 million).

With sales of € 44.6 million, MESAGO Messe Frankfurt GmbH in Stuttgart achieved a figure that was € 4.8 million up on the previous year. This sales increase is accounted for by the continued positive development of SPS, International Exhibition & Conference for Electric Automation, and especially by the Formnext event.

## Group sales development (in € million)



The foreign subsidiaries and in particular the branch office in Dubai/United Arab Emirates increased their consolidated sales by € 4.3 million, or 1.5 percent, to € 298.7 million. Their share of group sales was 40.6 percent (previous year 41.0 percent). This was due in particular to the stronger sales of the branch office in Dubai (€ +3.7 million) and of the subsidiaries in the USA (€ +5.0 million), in Russia (€ +3.5 million), in France (€ +1.8 million), as well as the subsidiary in South Africa (€ +1.1 million). Sales developed in the opposite direction at the Argentine subsidiary (€ -12.0 million), which in the previous year posted implementation contracts, among other things for the G20 summit.

Measured against 2017, which has a more readily comparable national event structure, the picture is similar: sales group-wide were up by € 66.5 million, or 9.9 percent. Domestic sales were € 41.8 million, or 10.6 percent, and sales outside Germany were € 24.7 million, or 9.0 percent, higher.

In terms of the group sales forecast for the financial year, Messe Frankfurt succeeded in surpassing the target of around € 724.8 million by € 10.8 million. This increase resulted exclusively from operating business. The Asian sub-group in particular, as well as the subsidiaries in Stuttgart and in Italy, Russia, Turkey and the branch office in Dubai/United Arab Emirates achieved significantly higher sales than projected.

## Group sales development (consolidated)

	in € million			Change in % compared to <sup>4</sup>	
	2017	2018	2019	2018	2017
Messe Frankfurt Exhibition GmbH, Frankfurt, Germany	195.0	215.8	220.3	2.1	13.0
Messe Frankfurt Venue GmbH, Frankfurt, Germany	111.9	108.8	113.2	4.0	1.2
MESAGO Messe Frankfurt GmbH, Stuttgart <sup>1</sup> , Germany	36.5	39.8	44.6	12.1	22.2
Messe Frankfurt Medien und Service GmbH, Frankfurt, Germany	20.2	26.2	27.4	4.6	35.6
Accente Gastronomie Service GmbH, Frankfurt, Germany	31.6	33.2	31.4	-5.4	-0.6
<b>Total Germany</b>	<b>395.2</b>	<b>423.8</b>	<b>436.9</b>	<b>3.1</b>	<b>10.6</b>
Messe Frankfurt France S. A. S., Paris, France	25.9	27.9	29.7	6.5	14.7
Messe Frankfurt Italia Srl., Milan, Italy	8.5	8.3	9.5	14.5	11.8
Messe Frankfurt Istanbul L. S., Istanbul, Turkey	2.5	2.2	2.0	-9.1	-20.0
O. O. O. Messe Frankfurt RUS, Moscow <sup>2</sup> , Russia	11.3	8.9	12.4	39.3	9.7
Messe Frankfurt UK Ltd., Godalming, UK	0.0	2.8	3.5	++	++
Messe Frankfurt Middle East GmbH, Frankfurt/Dubai, UAE	38.4	38.3	42.0	9.7	9.4
Messe Frankfurt Asia Holding Ltd., Hong Kong <sup>1</sup> , China	153.5	177.3	176.9	-0.2	15.2
Messe Frankfurt Inc., Atlanta <sup>3</sup> , USA	8.9	9.5	14.5	52.6	62.9
Messe Frankfurt México S. de R. L. de C. V., Mexico City, Mexico	0.2	0.1	0.1	0.0	-50.0
Indexport Messe Frankfurt S. A., Buenos Aires, Argentina	21.9	16.4	4.4	-73.2	-79.9
Messe Frankfurt South Africa (Pty) Ltd., Johannesburg, South Africa	2.8	2.6	3.7	42.3	32.1
<b>Total other countries</b>	<b>273.9</b>	<b>294.3</b>	<b>298.7</b>	<b>1.5</b>	<b>9.1</b>
<b>Group sales</b>	<b>669.1</b>	<b>669.1</b>	<b>735.6</b>	<b>2.4</b>	<b>9.9</b>

<sup>1</sup> Sub-group

<sup>2</sup> Incl. ITEMF Expo A.O., Moscow, proportionately

<sup>3</sup> Incl. PAACE Automechanika Mexico LLC, Atlanta, proportionately

<sup>4</sup> Deviations of more than 100% are shown with ++ or --

The outbreak of the coronavirus at the end of the 2019 financial year was principally reflected in earnings through the recognition of provisions for anticipated losses amounting to € 18.8 million, mainly in the Asian sub-group.

Consolidated earnings in 2019 were therefore lower than in the previous year, but still higher than in 2017, which is more readily comparable.

## Profit development

	in €'000			Change in % compared to	
	2017	2018	2019	2018	2017
Earnings before taxes on income	59,902	77,851	66,296	-14.8	10.7
Taxes on income	15,114	20,880	12,658	-39.4	-16.2
Other taxes	4,278	6,643	5,818	-12.4	36.0
<b>Consolidated net income for the financial year</b>	<b>40,510</b>	<b>50,328</b>	<b>47,820</b>	<b>-5.0</b>	<b>18.0</b>

Apart from current income from the annual release of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€2.2 million), other operating income (€50.6 million; previous year €20.2 million) principally includes income arising from the sale of a parcel of land (€17.0 million; previous year €0), from the reversal of provisions (€17.0 million; previous year €5.4 million) resulting in the main from the elimination of maintenance and building modernisation commitments and from a reassessment of tax risks at the branch office in Dubai/United Arab Emirates, as well as from exchange rate fluctuations (€6.6 million; previous year €8.3 million) and from income from impaired receivables (€1.6 million; previous year €1.2 million).

Operating income is offset by operating expenses totalling €718.7 million (previous year €657.6 million). This is €61.1 million, or 9.3 percent, higher than in the prior period. Event-related expenses are the biggest expense item with €390.3 million, after €342.4 million in 2018. This corresponds to a cost/income ratio in relation to sales of 53.1 percent, after 47.7 percent in the prior period. Event-related services are in general variable costs and include all expenses directly related to events. Besides the costs for visitor advertising, press relations, sales commissions and marketing, they also include all costs for services (e.g. hostess services), as well as Hall rentals and maintenance of the Frankfurt am Main exhibition grounds. The above-average development (+14.0 percent) compared with the change in sales (2.4 percent) is due in particular to the recognition in the reporting year of the provision for anticipated losses in respect of the coronavirus amounting to €18.8 million, which is based exclusively on the anticipated negative repercussions from the reduced number of Chinese exhibitors and visitors attending Messe Frankfurt Group events.

Personnel expenses totalled €177.1 million in 2019. The €7.1 million, or 4.2 percent, increase in personnel expenses

was due to the rise in the average number of employees (+56) as of the balance sheet date, as well as to salary adjustments and the impacts of collectively agreed salary increases at the Frankfurt venue. Due to the expansion of business, the personnel costs ratio, at 24.1 percent, remained close to the previous year's level of 23.7 percent.

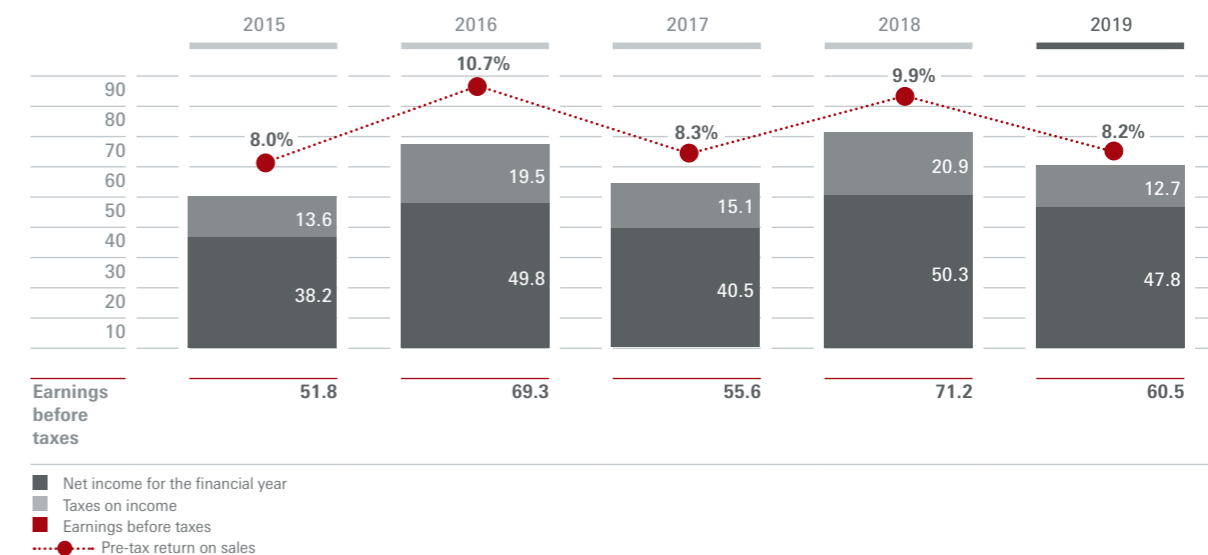
Depreciation, amortisation and write-downs also showed an increase of €4.3 million to €61.8 million. This is explained in particular by the new Hall 12, which went into operation in the course of the previous year and for which the full depreciation allowance was recognised for the first time in the year under review.

Other operating expenses were recognised in the amount of €89.4 million, an increase of €1.7 million year-on-year. This account includes all expenses that are not directly related to the events, such as office costs, interim agency staff, expenses related to exchange rate differences, as well as consulting and corporate marketing.

At €-1.4 million, the financial result/net interest income was above the previous year's level (€-2.8 million). While interest income decreased by €0.2 million to €2.0 million, interest expenses of €2.8 million (previous year €4.9 million) had a positive impact with €2.1 million on the financial result/net interest income due to the lower interest cost of provisions.

Net of other taxes (€5.8 million), consolidated earnings before taxes on income for the year amounted to €60.5 million, which is €10.7 million lower than in the previous year and €4.9 million higher than in 2017, which is more readily comparable. This led to a pre-tax return on sales of 8.2 percent, which is slightly (-1.7 percentage points) below the previous year and at the same level as the pre-tax return for 2017 (8.3 percent).

## Consolidated earnings before taxes on income (in € million) and pre-tax return on sales (in %)



Net of taxes on income (€12.7 million), consolidated net income for the year amounted to €47.8 million, which is €2.5 million lower than in the previous year (€50.3 million) and €7.3 million higher than in 2017 (€40.5 million).

The resulting return on sales after taxes amounted to 6.5 percent after 7.0 percent in the previous year. In relation to equity at the beginning of the financial year (€558.0 million), the return is 8.6 percent (previous year 9.6 percent).

At €47.8 million, consolidated net income for the year was €3.9 million lower than projected. This is attributable to the outbreak of the corona pandemic and the associated recognition of provisions for anticipated losses mainly in the Asian sub-group, to the detriment of earnings.

The development in the operating performance is reflected in the EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) earnings indicator. This amounted to €123.6 million in the reporting period, after €131.5 million in the previous year. As a percentage of sales, this results in an EBITDA margin for the financial year of 16.8 percent (previous year 18.3 percent).

## EBITDA development

	in € '000			Change in € '000 compared to	
	2017	2018	2019	2018	2017
Consolidated net income for the financial year	40,510	50,328	47,820	-2,508	7,310
Taxes on income	15,114	20,880	12,658	-8,222	-2,456
plus financial result	2,000	2,793	1,357	-1,436	-643
Depreciation, amortisation and write-downs	50,618	57,543	61,803	4,260	11,185
<b>Group EBITDA</b>	<b>108,242</b>	<b>131,544</b>	<b>123,638</b>	<b>-7,906</b>	<b>15,396</b>
<b>EBITDA margin</b>	<b>16.2%</b>	<b>18.3%</b>	<b>16.8%</b>		

The following presents the results before consolidation of the companies and sub-groups included in the consolidated financial statements.

**Messe Frankfurt GmbH**, as parent, disclosed net income for the financial year of €56.3 million, after €50.4 million in the previous year. Despite increased operating expenses, this development is mainly attributable to higher sales from cost allocations and recharges. The slightly reduced financial result of €61.4 million (previous year €62.8 million) is due in particular to income from investments, which is based on the profit and loss transfer agreements with the subsidiaries Messe Frankfurt Exhibition GmbH and Messe Frankfurt Venue GmbH. At €24.3 million (previous year €34.5 million), Messe Frankfurt Exhibition GmbH transferred €10.2 million less in profits in the 2019 financial year and Messe Frankfurt Venue GmbH, with €36.4 million (previous year €27.3 million), transferred €9.1 million more to the parent.

**Messe Frankfurt Exhibition GmbH** reported earnings before profit transfer of €24.3 million (previous year €34.5 million). The year-on-year decline is mostly explained by the fact that from the perspective of Messe Frankfurt Exhibition GmbH, uneven years generate lower earnings due to the multi-year rhythm of some events. Thus, the sum of sales from the trade fairs with a multi-year rhythm held in the 2019 reporting period (ISH, Textextil and Texprocess) is lower than the sum of sales from the multi-year events Automechanika and Light + Building that took place in 2018. But in particular thanks to IFFA, which is held every three years, the company achieved sales before consolidation of

€265.6 million (previous year €266.6 million), almost on a par with the previous year's level (-0.4 percent).

Despite slightly lower sales, operating expenses increased by €10.6 million. Due in particular to a rise in event-related expenses (€+3.4 million) and higher other operating expenses (€+4.6 million), in conjunction with higher depreciation and amortisation (€+3.3 million) and a slight decline in personnel expenses (€-0.7 million), this resulted in a negative operating result of €-11.0 million (previous year €-0.5 million). With €35.5 million (previous year €35.0 million), the financial result, which is mainly made up of investment income and profit transfers from the subsidiaries, by contrast improved slightly, mainly due to lower write-downs of financial assets (€-1.9 million).

The rotation of events held at the Frankfurt exhibition grounds is also reflected in the sales development of Messe Frankfurt Venue GmbH. With a total (before consolidation) of €218.8 million (previous year €217.0 million), a new sales record was achieved for the second year in succession.

Compared with the previous year, sales increased moderately by €1.8 million. Sales with the affiliated company Messe Frankfurt Exhibition GmbH were almost unchanged year-on-year. The ISH and Texprocess trade fairs that are held in uneven years have lower sales figures than the Light + Building and Automechanika trade fairs held in even years. This is offset in the reporting year by IFFA, which has a three-yearly rhythm. The increase in sales is thus attributable to the rotation of guest events.

Compared with 2017, which due to the rotation of events is more readily comparable, sales rose by €13.3 million, which apart from a few irregularly scheduled guest events is principally due to the three-yearly IFFA and IAA Cars, which showed a decline in the financial and non-financial performance indicators compared to the previous event.

At €108.9 million, leasing of the halls and the grounds accounted for almost the same percentage of total sales as revenue from technical and other services (for example power connections and cleaning) amounting to €109.9 million.

In addition to sales, the company also recognised other operating income in the amount of €30.6 million, an increase of €25.3 million. This principally includes income arising from the sale of a parcel of land (€+17.1 million) and the reversal of provisions amounting to €9.8 million.

Expenses came to €216.3 million, after €196.9 million in the previous year. Event-related expenses were a major contributor to this development, with an increase of €14.7 million, or 15.4 percent, to €110.3 million. This is explained for the most part by the different cost structures of the event mix. In addition to the rotation of events, higher maintenance expenses were a contributing factor. Furthermore, personnel expenses as well as depreciation and amortisation were higher, while other operating expenses remained largely at the previous year's level. Personnel expenses rose by €0.7 million, or 3.1 percent, to €23.1 million in particular as a result of collectively agreed wage and salary increases (3.19 percent). The increase in depreciation, amortisation and write-downs to €38.5 million (previous year €34.1 million) is mainly attributable to the recognition of depreciation expense for the first full year of use of Hall 12, which opened its doors in 2018. Other operating expenses, which primarily include administrative charges of Messe Frankfurt GmbH, incidental office space costs, as well as rental and lease expenses, amounted to €44.4 million (previous year €44.8 million). At €6.9 million, the financial result was €1.8 million higher than in the previous year. This is mainly due to lower investment income of Accente Gastronomie Service GmbH, which was compensated for by higher investment income of Messe Frankfurt Medien und Service GmbH. In addition, interest expenses decreased to €2.9 million (previous year €5.0 million). The main reason for this was lower interest cost of provisions for maintenance and building modernisation.

Net of other taxes paid in the amount of €3.5 million (previous year €3.1 million), Messe Frankfurt Venue GmbH posted higher overall earnings before profit transfer year-on-year of €36.4 million (previous year earnings before profit transfer €27.3 million).

The operating results of the German and foreign subsidiaries of Messe Frankfurt Exhibition GmbH showed a differentiated development. Overall, the foreign subsidiaries produced a bottom-line net retained profit before consolidation of €19.8 million in the reporting period, after €28.0 million in the previous year. The decline compared with the previous year is due in particular to the recognition in the reporting year of the provision for anticipated losses in respect of the coronavirus amounting to €18.8 million, which took into account the anticipated negative impact on events worldwide from the absence of Chinese exhibitors and visitors. Notable contributors to the profit share of the foreign subsidiaries were the subsidiaries in Russia with €3.5 million (previous year €1.7 million) and in France with €2.9 million (previous year €3.0 million), the Asian sub-group with €2.2 million (previous year €2.3 million), as well as the subsidiaries in Turkey with €1.9 million (previous year €1.4 million) and in Italy with €1.2 million (previous year €1.4 million).

With earnings before taxes and profit transfer of €10.5 million (previous year €11.8 million), the domestic subsidiary MESAGO Messe Frankfurt GmbH in Stuttgart was an important contributor to group profit.

Messe Frankfurt Middle East GmbH with its branch office in Dubai/United Arab Emirates also developed positively, reporting net income for the financial year 2019 of €8.4 million (previous year a net loss of €4.4 million).

### Net assets and financial position

The fixed assets of the Messe Frankfurt Group are composed primarily of land and buildings, as well as trade fair rights and goodwill. In the year under review, capital expenditures of around €78.3 million were undertaken (previous year €101.5 million). Of this amount, €19.9 million was apportioned to intangible assets, in particular for software licences and trade fair rights. A further €56.0 million was invested in tangible assets, mainly in connection with the technical upgrading of Hall 6, a post-capitalisation for the new Hall 12, which opened its doors in autumn 2018, as well as the demolition of Hall 5 that got underway in autumn 2019 and planning of the new building. Capital expenditure in the amount of €7.5 million was recognised for equipment and office supplies. The remaining additions to fixed assets relate to smaller infrastructure measures. The investment volume of around €77 million forecast in the previous year was exceeded only slightly. Net of depreciation, amortisation and write-downs amounting to €61.8 million and disposals of fixed assets, fixed assets totalling €766.8 million (previous year €751.5 million) were shown in the balance sheet at year's end 2019, which corresponds to a share of around 65 percent of total assets (€1,173.8 million).

Current assets increased by €43.5 million to €401.6 million. In particular, securities increased by €36.0 million, other assets by €24.7 million and trade receivables by €6.5 million, while cash-in-hand and bank balances decreased by €24.0 million.

On the equity and liabilities side, €588.8 million is shown in the balance sheet under equity on the basis of the earned net income for the 2019 financial year (€47.8 million) in addition to profit distributions made (€18.5 million, of which €13.0 million to the shareholders of Messe Frankfurt GmbH), which is €30.8 million higher than the previous year's figure (€558.0 million). This corresponds to an equity ratio of around 50 percent (previous year around 50 percent) and leads to a tier 1 equity / fixed assets ratio of around 77 percent (previous year around 74 percent).

Provisions increased by €16.0 million year-on-year to €143.2 million. Apart from the disclosed provisions for pensions and taxes (€-0.3 million and €+1.9 million respectively over the previous year), and provisions for outstanding invoices (€+5.3 million year-on-year), the carrying amount of and changes in provisions were impacted on in particular by allocations for anticipated losses from events in the subsequent year (€+19.2 million year-on-year), principally in respect of the coronavirus outbreak in Asia. In contrast, provisions for deferred maintenance and building modernisation commitments (€-7.7 million year-on-year) decreased due to the elimination of commitments, as did the provisions for penalty and default surcharges arising from the recognition of a tax risk at the subsidiary in Dubai/United Arab Emirates (€-3.5 million) following a risk reassessment. Other provisions totalled €104.1 million (€+14.4 million year-on-year).

Group liabilities amounted to €409.4 million (previous year €393.4 million). This corresponds to around 35 percent of the balance sheet total and leads to a debt/equity gearing ratio of around 70 percent compared to around 71 percent in the previous year. A new bank loan in the amount of €34.2 million with a fixed interest rate and a term of ten years was taken out in the reporting period to finance the upgrading of Hall 6. Furthermore, trade payables increased by €6.6 million, while other liabilities and advance payments received from exhibitors for trade fairs in the first quarter of 2020 decreased year-on-year by €0.4 million and €9.0 million respectively.

### Financing

The cash outflow from investing activities (€118.7 million) was fully financed from the positive cash flow from operating activities (€90.8 million) and from cash funds at the beginning of the period. This resulted in cash funds at the end of the period of €154.4 million, a decrease of €28.1 million.

### Net change in cash funds (in € million)

	2017	2018	2019
<b>Cash funds at beginning of period</b>	<b>138.7</b>	<b>169.0</b>	<b>182.6</b>
Cash flows from operating activities	64.5	170.8	90.8
Cash flows from investing activities	-106.2	-173.6	-118.7
Cash flows from financing activities	72.0	14.2	-0.2
<b>Net change in cash funds</b>	<b>30.3</b>	<b>11.4</b>	<b>-28.1</b>
Effect on cash funds of changes in the reporting entity structure	0.0	2.2	0.0
<b>Cash funds at end of period</b>	<b>169.0</b>	<b>182.6</b>	<b>154.5</b>

Messe Frankfurt has loan agreements (loans from the KfW bank) totalling €130 million to finance the new Hall 12, and €34.2 million to finance the upgrading of Hall 6. In addition, there are approved but as yet unused credit lines in the amount of approximately €14 million.

### Overall summary of business performance and of the economic position of the company

Due to the healthy earnings situation and the sound financial position, the Executive Board is satisfied with the business performance in 2019. The outbreak of the coronavirus in Asia had a significant negative impact on earnings for the financial year due to the risk provisioning for expected cancellations by Chinese exhibitors and visitors at international trade fairs.

## IV. Report on expected developments, opportunities and risks

### Pandemic risk

Due to the coronavirus outbreak at the end of the 2019 financial year and the ensuing pandemic, a reliable forecast and a valid presentation of the risks are difficult to make and impossible to estimate at the present time. The onset of the coronavirus crisis that occurred during the preparation of the annual financial statements represents a fundamentally new risk that is not comparable even with the economic crisis of 2008. The additional worrying factor is that due to the high risk of infection travel bans have been imposed and individual countries have issued entry bans for certain groups of people. Governments have also officially banned all gatherings and events with even a small number of attendees.

The Messe Frankfurt Group is a globally operating trade fair organiser and its trade fairs are a platform for personal encounters between exhibitors and visitors. An interruption to this global networking following a major pandemic directly impacts the business performance and the net assets, financial position and results of operations of the Messe Frankfurt Group.

Due to the extensive international business operations of the Messe Frankfurt Group, the measures taken by individual governments around the world to contain the spread of the virus infection, such as entry and exit bans, flight cancellations, border closures, cancellation of all events of a certain size and restrictions on public and social life, will have a massive negative impact on earnings. Ultimately, these time-limited restrictions will see the whole basis of the business model – personal encounters – at least temporarily swept away.

Please refer to the Report on post-balance sheet date events in the Notes.

### Outlook for the German and global economy

At the end of the financial year 2019 and the beginning of financial year 2020, the following statements could be made, based partly on surveys conducted before the coronavirus became known:

All AUMA, UFI Exhibition Barometer and IHK (chambers of industry and trade) outlook reports published before the corona crisis showed a positive outlook for the future. For 2020, moderate GDP growth of 1.1 percent was predicted.<sup>8</sup> The outlook for the global economy had stabilised and global output was expected to expand at average rates.<sup>9</sup> Within the German trade fair industry and in line with sales expectations at the time, AUMA also anticipated overall stable results for the 185 planned international and national exhibitions in Germany.<sup>10</sup> Surveys carried out as part of the Global Exhibition Barometer by the Global Association of the Trade Fair Industry UFI prior to the coronavirus flare-up even revealed that trade fair organisers in all regions were expecting gross sales increases in 2020.<sup>11</sup>

However, with the outbreak of the coronavirus and the ensuing pandemic, these largely positive statements and expectations no longer apply as things currently stand.

At the balance sheet date, the assumption was that a reduction exclusively in the number of Chinese exhibitors and visitors would impact the net assets, financial position and results of operations of the Messe Frankfurt Group, for which a corresponding provision for anticipated losses was recognised in the reporting year. However, the coronavirus crisis that started as the consolidated financial statements were being prepared has since become a full-blown pandemic.

The current news situation points to severe consequences for the global economy.<sup>12</sup> A global recession also seems likely, with a sharper decline than in 2001 (SARS pathogen), but not as dramatic as 2009 (financial crisis). The general assumption is for growth rates of between 0.9 and 1.25 percent (2009 0.8 percent). However, the outlook could darken even further if the virus lasts longer than anticipated.<sup>13</sup>

Over 500 trade fairs and exhibitions have been cancelled or postponed worldwide, with more than 220 of these due to take place in Europe.<sup>14</sup> This is already hitting Germany as a trade fair venue hard and will mean heavy financial losses for trade fair organisers and service providers such as stand constructors. Many other branches of business are affected as well, especially the hotel and catering industry, the transport industry and numerous local suppliers and contractors. Exhibitor and visitor expenditure for trade fairs in Germany contributes to macroeconomic production with over €28 billion. This contribution to the national economy could decrease by 10 percent, or up to €3 billion.<sup>15</sup>

The many trade fair cancellations and postponements will also have a significant economic impact for trade fair organisers. UFI fears an escalating ripple effect for whole industries. On every show floor, business gets done. Based on UFI data, the orders that exhibiting companies are currently not securing already add up to €23 billion globally. Of this, UFI estimates lost orders of around €13 billion in Asia/Pacific and €9.7 billion in Europe. The exhibitions industry generates a total economic output of €22.9 billion per month globally on average, translating into more than 270,000 full time equivalent jobs. Based on the current numbers and size of the events not taking place, €14.4 billion of economic output have already been lost.<sup>16</sup>

In some Asian countries there are already first signs of a return to normal economic activity, as people increasingly grow used to the virus and the relatively low mortality rate.<sup>17</sup> To what extent and how severely the national and international trade fair industry will be impacted over the long term is currently impossible to estimate.<sup>18</sup>

### Market, industry and event risks and opportunities

#### Opportunities

Without taking the coronavirus and the anticipated negative implications for the economy and industry into account, the Messe Frankfurt Group in principle sees further opportunities for growth nationally as well as internationally, especially in the following areas:

- Increased capacity utilisation at the Frankfurt venue
- Further internationalisation of the trade fair brands through rollouts in defined markets
- Increased market share for services both in terms of classic services (stand construction, catering, advertising) and increasingly in the field of digital services
- Allocation of the time slot of IAA Cars in uneven exhibition years

As a result of the increasing discussions about diesel driving bans, autonomous driving and e-mobility, even established manufacturers in the automotive sector are now also coming under pressure, leading the German Automobile Association (VDA) to take the decision to no longer hold IAA Cars 2021 and 2023 at the Frankfurt exhibition venue. The VDA's decision against the Frankfurt venue can also be used to fill the attractive slot with high-margin guest shows, congresses and/or other events. Thus the cancellation is to be seen as more of an opportunity than a risk.

Especially as a result of the completion of the new Hall 12 in 2018, the company sees opportunities to increase the attractiveness of the exhibition grounds. Hall 12 and completion of the circular Via Mobile conveyor system have generally upgraded the western section of the grounds, enabling separate events to be held in the eastern and western parts of the exhibition grounds in parallel. This has above all improved the quality of the available space and offers better opportunities for marketing and capacity utilisation of the site. By expanding the guest show segment with a separate sales department, the company hopes to be able to increase the acquisition of new guest shows.

Further possibilities for diversification are also seen in the digital business segment.

The current corona crisis may also present opportunities and positives for the acquisition of new events and subsidiaries.

<sup>8</sup> Ifo economic report 4/2019, prepared for Messe Frankfurt GmbH

<sup>9</sup> Ifo Institute – ifo Schnelldienst 24/2019, 19 December 2019: ifo Economic Forecast Winter 2019, "German economy stabilizes"

<sup>10</sup> AUMA-press release dated 13 January 2020: "Stable results for German exhibitions in 2019"

<sup>11</sup> 24th UFI Global Exhibition Barometer, January 2020

<sup>12</sup> Deutsche Bank Research: Impact of Covid-19 on the global economy, 2 March 2020

<sup>13</sup> www.bloomberg.com/news: "Morgan Stanley, Goldman Sachs Declare Global Recession Underway", 17 March 2020

<sup>14</sup> www.EMECA.eu/news-and-events: "Coronavirus outbreak – Impact on the European exhibition industry and economy in general", 10 March 2020

<sup>15</sup> www.auma.de: "Coronavirus: Cancellations and Postponements of German Exhibitions May Cost up to Three billion Euro", 9 March 2020

<sup>16</sup> www.ufi.org: "UFI releases first global assessment of the economic impact that Covid-19 is having on trade shows and exhibitions", 10 March 2020

<sup>17</sup> Ifo Institute – ifo Schnelldienst 24/2019, 19 December 2019: ifo Economic Forecast Winter 2019, "German economy stabilizes"

<sup>18</sup> Frankfurter Allgemeine Zeitung on 14 February 2020: "Eine Epidemie der Angst", Spiegel Online on 13 February 2020: "Köche in Quarantäne"

#### Market, industry and event risks

Messe Frankfurt's business activities are reliant on the general economic situation and developments in the respective sectors in which events are either already established or new events are planned. Currently, it is impossible to gauge the extent of the negative impact of the coronavirus and the ensuing pandemic on the global economy and individual industry sectors.

As far as possible, Messe Frankfurt attempts to secure the loyalty of event organisers, exhibitors and visitors to the company through long-term customer retention strategies. Ongoing globalisation and the growing importance of foreign operations are also demanding optimised, globally coordinated customer approach and customer care systems. In addition, administrative functions such as finance and IT are also geared accordingly.

Apart from the general risk resulting from cyclical fluctuations, Messe Frankfurt seeks to identify resulting opportunities, aimed at further growth and strengthening profitability, for example through acquisitions or cooperation agreements.

With a view to further internationalising its event business, Messe Frankfurt is pursuing two directions: on the one hand, enhancing the internationality of its flagship fairs in Frankfurt, and on the other – in addition to continuously developing established products – forging ahead with trade fair business abroad. Prior to the outbreak of coronavirus, eight new events were planned outside Germany in the 2020 financial year. Three of these were to be launched in the Middle East and five in Asia.

The economic problems being experienced in major event sectors, combined with structural difficulties such as ongoing concentrations in the retail sector, continue to represent a serious challenge across the globe for brands in the consumer goods sector such as Paperworld, Tendence and Musikmesse. Many companies in these sectors have either disappeared from the market altogether or are reducing or cancelling their trade fair participations.

It is intended to compensate these developments through new concepts, consolidation and intensified acquisition measures. Due to its location in Frankfurt am Main, Messe Frankfurt Venue GmbH was able to reaffirm its position as permanent partner of the CPhI worldwide guest event.

CPhI worldwide, which as part of its 'travel cycle' through Europe would normally not stop in Frankfurt again until 2021, opened its doors again in Frankfurt in 2019.

Changes in individual sectors or relocation of events on the other hand also offer opportunities for own new developments or further development of existing concepts.

#### Risks outside Germany

Although Messe Frankfurt does not host any trade fairs in acutely insecure regions, there is nevertheless a risk of political conflicts or terrorist activities in some regions. Uncertainty over the possible political developments in the Middle East could pose difficulties for the subsidiaries in Dubai, Saudi Arabia and Turkey in attracting exhibitors and visitors to their events, as well as new trade fair projects. The situation of the subsidiary in Russia is also still characterised by uncertain political and economic developments there.

Market consolidations and mergers are also taking place in boom regions such as China and Dubai, which could lead to a decline in exhibitor numbers in the affected sectors.

The exhibition market in Europe is largely saturated. Furthermore, the economic situation in some regions outside Europe remains volatile, also impacting some subsidiaries (Russia, Argentina, Turkey, Middle East). This implies an inherent risk of losing events and, consequently, market shares in the countries concerned, further exacerbated by difficult-to-plan political decisions with an indirect impact on the exhibition sector in some countries.

The changed political situation in the USA could also negatively affect the activities of the subsidiaries in the USA and Mexico. The trade tensions between the USA and China above all impact events that attract a large number of Chinese exhibitors. In Argentina, the high inflation rate gives rise to risks. Special challenges face the subsidiary in the UK due to the end of the Brexit implementation period on 31 December 2020.

Messe Frankfurt and its subsidiaries counter these general political risks with their quality standards and international sales network, making it possible despite these obstacles to organise high-quality trade fairs with a much more international flavour.

A further risk for the subsidiaries arises out of the fact that they do not have their own exhibition grounds and are therefore dependent on local exhibition infrastructures and exhibition site operators. On the other hand, this also allows the subsidiaries greater flexibility, making it easier for them to respond to regional shifts in the markets and economic sectors with a change of venue. They also do not face a capacity utilisation risk. Challenges lie in finding suitable timeslots and sufficient Hall space in the desired quality at acceptable conditions. In addition, there are risks from increased security requirements for trade fair organisers and imponderables when switching to new venues.

Additional risks arise in the case of events organised or marketed together with a partner. Despite extensive checks at the outset of the cooperation, unforeseeable errors of judgement cannot be ruled out.

Some subsidiaries have a relatively small event portfolio that is often focused on just a few themes. This results in a greater dependency on individual events and sectors. This risk is countered by the further rollout of brand events, the development of new trade fair themes and provision of additional services.

Subsidiaries with complementary business areas such as website business or publishing contribute to further risk diversification in these segments.

Subsidiaries that depend strongly on the marketing of individual events generally have a higher risk than subsidiaries with a broad event portfolio or subsidiaries with a broad range of supplementary services.

#### Site/construction risks

The ongoing modernisation of the exhibition centre in Frankfurt am Main is a prerequisite for fulfilling growing customer needs. Risks may arise as a result of additionally required construction and maintenance measures that only come to light in the course of refurbishment work or unexpectedly become necessary at short notice as a result of security or safety regulations.

Due to their long-term nature, major projects such as the new construction of an exhibition Hall entail risks due to unforeseeable developments relating to cost structures (for example higher-than-budgeted construction price increases).

The risk of extensive damage partially jeopardising individual events or the exhibition centre is countered as far as possible by corresponding insurance policies and/or security measures, such as coordinated group-wide contingency plans and communication measures, as well as the activities of the Operation & Security Center.

#### Administrative risks

In its financing activities, the company as a matter of principle pursues a conservative strategy with respect to interest rate risks. The aim is to avoid interest rate risks that have a negative impact on earnings as far as possible. However, advantage is taken of opportunities presented by the respective market situation to reduce or minimise interest expenses. Derivatives may only be used if they relate to an underlying transaction.

The company applies hedge accounting in order to reduce earnings fluctuations resulting from foreign currency risks as far as possible. The use of foreign-currency derivatives is tied to underlying transactions or binding budget assumptions. They are above all applied in the case of distribution payouts by foreign subsidiaries and for intercompany financial investments. Four currency hedges were in place across the group at the balance sheet date.

The group as far as possible eliminates liquidity risks and the default risk on receivables by invoicing its services and demanding payment ahead of the events. Furthermore, the group entities also have accounts receivable management and an arrears collection system in place. In addition, a collection service for all outstanding receivables from previous events or invoiced but not yet settled services operates during ongoing trade fairs at the Frankfurt venue. Defaults on receivables therefore only occur in exceptional cases.

As a result of the group's increasing globalisation and the growing importance of international operations, establishing and optimising globally coordinated systems and structures present an ongoing challenge. Ever higher demands in the areas of governance and data protection, especially in conjunction with increasing internationalisation, can make it more difficult to fulfil the statutory guidelines and regulations. These include in particular increasing changes to tax legislation in individual countries.

### Other risks

The coronavirus outbreak and subsequent pandemic are currently leading to events being postponed and cancelled and are ultimately bringing public life and markets to a temporary standstill worldwide. The extent to which this could pose a liquidity risk for the Messe Frankfurt Group from operating business is currently being intensively monitored and managed. If towards the end of the year or at the beginning of the coming year it is again possible to hold large-scale international events, Messe Frankfurt sees no liquidity risks that would pose a threat to the company's continued existence as a going concern.

Additionally, it is not possible at the moment to predict whether and how people's attitude and behaviour in relation to trade fairs, events and the like will change. Other potential market changes due to the coronavirus are currently not foreseeable, but cannot be ruled out.

Over and above those disclosed, no risks that pose a threat to the existence or future development of the company are currently anticipated.

### Risk management system

The Messe Frankfurt Group has consolidated all opportunities and risks as well as measures taken within the company to control risk in a uniform and consistent risk management system. This system also encompasses the group subsidiaries.

The risk management manual defines in particular the risk principles, the risk management process and the documentation and monitoring of the risk management system. Risk management is conceived as a continuous process and is reviewed at regular intervals to ensure its adequacy and optimised as necessary.

### Overall assessment of risks and opportunities

At the balance sheet date, i.e. before the coronavirus pandemic, Messe Frankfurt GmbH's Executive Board believed that in view of the underlying economic conditions and the continued high importance of trade fairs and exhibitions in the marketing mix of exhibiting companies, the company was well positioned to leverage opportunities that arise and to adequately manage risk. The Messe Frankfurt Group must now closely monitor the impact of the pandemic to be able to take prompt and targeted countermeasures as and when necessary.

### Expected developments

The outbreak of the coronavirus towards the end of 2019 in China and the ensuing pandemic in 2020 will have significant negative impacts on the business performance and on the net assets, financial position and results of operations of the Messe Frankfurt Group. A number of own trade fairs and events around the world have either been postponed or cancelled. The same is true for guest events (exhibitions, congresses, concerts, etc.) at the Frankfurt exhibition centre. It is still uncertain whether some of the postponed events will actually be able to go ahead in 2020 at all. Cancellation of further own and guest events as the year goes on cannot be ruled out.

The measures taken by individual governments around the world to contain and slow down the virus infection, such as bans on international travel, lockdowns, restrictions on public and social life, as well as customer uncertainty, are currently leading to a worldwide collapse of the event and exhibition industry. There is no knowing how long this situation will last.

The Messe Frankfurt Group will not meet the forecast sales (€725 million), consolidated net income for the year (€36 million) and EBITDA (€109 million) KPIs for 2020. It is to be expected that the Messe Frankfurt Group will close the 2020 financial year with a significant economic decline in all financial performance indicators.

Messe Frankfurt's Executive Board is striving to implement directly effective countermeasures to mitigate the negative economic effects. These range from bringing down event-related costs, general overhead costs and travel costs and reducing building maintenance or building costs incurred as expenses through to measures to reduce personnel expenses.

From today's perspective, it is not yet possible to predict how far the coronavirus will lead to a global economic slowdown.

Group-wide capital expenditure of around €90 million is planned for 2020. Of this amount, around €67 million is attributable to Messe Frankfurt Venue GmbH, and mainly relates to the demolition and rebuilding of Hall 5 and individual measures to improve halls and service facilities. Financing of these measures is to be secured by the take-up of loans on the capital market.

### Corporate governance statement

In accordance with the German Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors (Participation Act), the shareholders, the Supervisory Board and the Executive Board are required to set a target figure for the proportion of women serving on the Supervisory Board, the Executive Board and in the two management levels below the Executive Board, as well as a deadline for achieving these targets.

The target figure for the proportion of women on the Supervisory Board and Executive Board of Messe Frankfurt GmbH was set by its shareholders at 14 percent (Supervisory Board) and 0 percent (Executive Board), respectively, with the approval of the Supervisory Board. These targets apply for the period up to 30 June 2022.

The Executive Board of Messe Frankfurt GmbH set a target figure for the proportion of women at tier II (Extended Board of Management) and tier III (Vice President) management levels of 17 percent and 15 percent respectively.

As of 31 December 2019, the target for the Supervisory Board was reached at 20.0 percent.

At the first level below the Executive Board, the proportion of women as of 31 December 2019 was 20.0 percent and at the second level below the Executive Board 29.4 percent.

To achieve the targets specified in Section 36 GmbHG (German Limited Liability Companies Act) for the two management levels below the Executive Board, the Executive Board has set a deadline of 30 June 2022 in accordance with Section 36, sentence 4 GmbHG. The Executive Board combines this commitment with the explicit intention to work towards increasing the respective proportion of women wherever vacancies occur that can be filled with suitable and interested female candidates.

Frankfurt am Main, 8 May 2020

Wolfgang Marzin     Detlef Braun     Uwe Behm



# Consolidated financial statements 2019

## Consolidated balance sheet of Messe Frankfurt GmbH, Frankfurt am Main, at 31 December 2019

### Assets

	Notes	At 31.12.2018 in €	At 31.12.2019 in €	At 31.12.2019 in €
<b>A. Fixed assets</b>	<b>(1)</b>			
I. Intangible fixed assets		40,336,735.30	43,528,804.27	
II. Tangible fixed assets		711,169,114.27	721,237,281.15	
III. Long-term financial assets		20,451.68	2,049,120.26	
		<b>751,526,301.25</b>		<b>766,815,205.68</b>
<b>B. Current assets</b>				
I. Inventories	(2)			
1. Raw materials, consumables and supplies		489,199.26	608,745.66	
2. Work in progress – services		413,810.97	616,744.00	
3. Goods		725,923.13	650,501.49	
4. Prepayments (inventories)		72.00	198.00	
		1,629,005.36		1,876,189.15
II. Receivables and other assets				
1. Trade receivables	(3)	22,763,396.34	29,276,691.05	
2. Other receivables and other assets	(4)	36,330,967.64	60,991,485.94	
		59,094,363.98		90,268,176.99
III. Securities	(5)	93,988,667.09		130,001,269.39
IV. Cash-in-hand, bank balances and cheques	(6)	203,423,212.19		179,444,071.41
		<b>358,135,248.62</b>		<b>401,589,706.94</b>
<b>C. Prepaid expenses</b>	<b>(7)</b>	<b>6,893,050.39</b>		<b>5,392,149.19</b>
<b>D. Deferred tax assets</b>	<b>(8)</b>	<b>5,281.67</b>		<b>0.00</b>
		<b>1,116,559,881.93</b>		<b>1,173,797,061.81</b>

### Equity and liabilities

	Notes	At 31.12.2018 in €	At 31.12.2019 in €	At 31.12.2019 in €
<b>A. Group equity</b>	<b>(9)</b>			
I. Subscribed capital		180,000,000.00	180,000,000.00	
II. Capital reserves		112,172,235.68	112,181,258.66	
III. Revenue reserves				
1. Other revenue reserves		86,209,174.14	87,618,509.58	
IV. Foreign currency translation differences		-7,144,094.94	-7,042,123.79	
V. Retained profits carried forward		132,883,055.03	165,735,050.87	
VI. Group profit		46,198,827.40	47,872,748.43	
VII. Minority interests		7,637,662.95	2,416,823.52	
		<b>557,956,860.26</b>		<b>588,782,267.27</b>
<b>B. Negative consolidation difference</b>	<b>(10)</b>	<b>629,809.89</b>		<b>347,198.03</b>
<b>C. Equity-similar special reserve for subsidies/grants for the acquisition of fixed assets</b>	<b>(11)</b>	<b>14,673,800.00</b>		<b>12,526,400.00</b>
<b>D. Provisions</b>				
I. Provisions for pensions and similar obligations		11,324,908.55	11,045,607.01	
II. Provisions for taxes		26,151,380.59	28,038,149.99	
III. Other provisions	(12)	89,699,324.07	104,126,268.39	
		<b>127,175,613.21</b>		<b>143,210,025.39</b>
<b>E. Liabilities</b>	<b>(13)</b>			
I. Liabilities to banks		121,045,886.66	139,856,238.44	
II. Payments received on account of orders		231,216,390.96	222,226,323.15	
III. Trade payables		30,122,305.79	36,757,058.12	
IV. Other liabilities		11,031,560.44	10,593,081.15	
		<b>393,416,143.85</b>		<b>409,432,700.86</b>
<b>F. Deferred income</b>	<b>(14)</b>	<b>17,622,327.77</b>		<b>15,513,720.00</b>
<b>G. Deferred tax liabilities</b>	<b>(15)</b>	<b>5,085,326.95</b>		<b>3,984,750.26</b>
		<b>1,116,559,881.93</b>		<b>1,173,797,061.81</b>

# Consolidated income statement

## of Messe Frankfurt GmbH for the financial year from 1 January 2019 to 31 December 2019

	Notes	2018 in €	2018 in €	2019 in €	2019 in €
1. Sales	(18)	718,126,176.69		735,562,652.30	
2. Increase or decrease of work in progress	(19)	-62,072.13		202,933.03	
3. Other operating income	(20)	20,193,700.96		50,562,844.11	
			<b>738,257,805.52</b>		<b>786,328,429.44</b>
4. Event-related expenses	(21)	342,351,185.88		390,302,710.90	
5. Personnel expenses	(22)	169,999,130.58		177,141,979.19	
6. Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets	(23)	57,542,975.34		61,803,304.56	
7. Other operating expenses	(24)	87,720,469.70		89,427,667.90	
			<b>657,613,761.50</b>		<b>718,675,662.55</b>
<b>8. Financial result</b>	<b>(25)</b>		<b>-2,793,060.76</b>		<b>-1,356,671.23</b>
9. Taxes on income	(26)		20,879,934.41		12,658,255.75
<b>10. Earnings after taxes</b>			<b>56,971,048.85</b>		<b>53,637,839.91</b>
11. Other taxes	(27)		6,643,253.92		5,818,064.31
<b>12. Consolidated net income for the year</b>			<b>50,327,794.93</b>		<b>47,819,775.60</b>
13. Profit attributable to minority interests			-4,295,612.63		-59,527.74
14. Loss attributable to minority interests			166,645.10		112,500.57
<b>15. Group profit</b>			<b>46,198,827.40</b>		<b>47,872,748.43</b>

# Explanatory notes to the 2019 consolidated financial statements

## of Messe Frankfurt GmbH for the financial year from 1 January 2019 to 31 December 2019

### General disclosures

The parent company, Messe Frankfurt GmbH, Ludwig-Erhard-Anlage 1, 60327 Frankfurt am Main, Germany, with headquarters in Frankfurt am Main, is listed under HRB 6640 in the commercial registry at the district court of Frankfurt am Main.

### General disclosures relating to the consolidated balance sheet and the consolidated income statement

The consolidated financial statements of Messe Frankfurt GmbH, Frankfurt am Main, have been prepared in accordance with Sections 290 ff. HGB (Handelsgesetzbuch – German Commercial Code).

The consolidated income statement has been prepared in accordance with the total cost (nature of expense) method.

Wherever individual items of the consolidated balance sheet and the consolidated income statement have been grouped together in the interests of clarity of presentation, these items are shown and explained separately in the notes. For the same reason, disclosures relating to the inclusion in other items and 'of which' information are also included in the notes.

In accordance with Section 311(1) HGB, the minimum required classification of the consolidated balance sheet was further subclassified to include the heading Investments in associates under the line item Financial assets.

In accordance with Section 265(5) HGB, the minimum required classification of the consolidated balance sheet was further subclassified to include the heading Prepayments under the line item Financial assets.

The line item Cost of materials was reclassified as Event-related expenses pursuant to Section 265(6) HGB.

Furthermore, in accordance with Section 312(4) HGB, the line items in the consolidated income statement were further subclassified to include the heading Income from investments in associates and other long-term equity investments under Financial result.

### Group reporting entity

In addition to Messe Frankfurt GmbH as parent, the consolidated financial statements also include the following subsidiaries over which Messe Frankfurt GmbH directly or indirectly has a controlling influence by virtue of the fact that it holds the majority of the voting rights:

- Messe Frankfurt Venue GmbH, Frankfurt am Main (FFM)/Germany
- Messe Frankfurt Medien und Service GmbH, FFM/Germany
- Accente Gastronomie Service GmbH, FFM/Germany
- Messe Frankfurt Exhibition GmbH, FFM/Germany
- Messe Frankfurt Middle East GmbH, FFM/Germany
- MESAGO Messe Frankfurt GmbH, Stuttgart/Germany
- Messe Frankfurt France S.A.S., Paris/France
- Messe Frankfurt Italia Srl., Milan/Italy
- Messe Frankfurt Istanbul L.S., Istanbul/Turkey
- O.O.O. Messe Frankfurt RUS, Moscow/Russia
- Messe Frankfurt UK Ltd., Godalming/UK
- Messe Frankfurt Asia Holding Ltd., Hong Kong/China
- Messe Frankfurt (H. K.) Ltd., Hong Kong/China
- Messe Frankfurt (Shanghai) Co. Ltd., Shanghai/China
- Guangzhou Guangya Messe Frankfurt Co. Ltd., Guangzhou/China
- Guangzhou Li Tong Messe Frankfurt Co. Ltd., Guangzhou/China
- Messe Frankfurt New Era Business Media Ltd., Hong Kong/China
- Messe Frankfurt New Era Advertising (Shenzhen) Co. Ltd., Shenzhen/China
- Messe Frankfurt Traders-Link (Beijing) Co. Ltd., Beijing/China
- Messe Frankfurt Japan Ltd., Tokyo/Japan
- Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai/India
- Messe Frankfurt Korea Ltd., Seoul/South Korea
- Messe Frankfurt Inc., Atlanta/USA
- Messe Frankfurt México S. de R.L. de C.V., Mexico City/Mexico
- Indexport Messe Frankfurt S.A., Buenos Aires/Argentina
- Messe Frankfurt South Africa (Pty) Ltd., Johannesburg/South Africa

With effect from 28 June 2019, Messe Frankfurt Feiras Ltda., São Paulo/Brazil went into liquidation and was deconsolidated from the group reporting entity. As legal successor, Messe Frankfurt Exhibition GmbH assumed the outstanding receivables and unsettled obligations of the deconsolidated company.

With effect from 26 April 2019, Messe Frankfurt Exhibition GmbH acquired 10 percent of the shares in nmedia GmbH, Düsseldorf. Due to a capital increase, the interest in the equity of the associate was raised to 20 percent with effect from 3 May 2019, so that Messe Frankfurt Exhibition GmbH exercises a significant – albeit not a controlling – influence.

In the case of Guangzhou Guangya Messe Frankfurt Co. Ltd., Guangzhou/China, the controlling interest arises from a decisive voting right with a shareholding of 50 percent.

An adjustment item was disclosed in group equity as Minority interests to indicate shares held by minority shareholders in the equity capital carried in the balance sheet.

Furthermore, the following companies jointly managed with non-group entities are also included in the consolidated financial statements proportionately to the shares in their capital held:

SMT/ASIC/Hybrid MESAGO Messe & Kongreß GmbH & Co. oHG, Nuremberg/Germany (75 percent)

PAACE Automechanika Mexico LLC, Atlanta/USA (50 percent)

O. O. O. ITEMF Expo, Moscow/Russia (50 percent)

Additionally, the following company jointly managed with non-group entities is also included in the consolidated financial statements corresponding to the shares in its capital held, applying the equity method of accounting:

nmedia GmbH, Düsseldorf

### Consolidation principles and currency translation

The balance sheet date for the consolidated financial statements is 31 December 2019.

With the exception of Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai/India, which prepares its financial

statements to 31 March of each year and was included in the consolidated annual accounts of the parent on the basis of interim financial statements drawn up at 31 December 2019, all subsidiaries included in the consolidated financial statements have prepared their financial statements as of the balance sheet date of 31 December 2019.

Acquisition accounting used the revaluation method to consolidate subsidiaries. Where the acquisition process occurred in a financial year commencing before 1 January 2010, acquisition accounting used the book-value method to consolidate subsidiaries by eliminating the carrying amounts of the investments against the proportionate equity of the subsidiaries attributable to the parent at the time of acquisition.

Acquisitions or disposals of equity interests that do not affect the controlling influence were treated as equity transactions.

In the case of jointly managed undertakings, all consolidation steps were carried out proportionate to the equity interest pursuant to Section 310 HGB. In total, this gave rise to € 2.067 million in current assets, € 75,000 in fixed assets and € 908,000 in short-term liabilities, € 4.818 million in expenses and € 5.674 million in income from investments in joint undertakings. No off-balance-sheet financial obligations existed. Associates were carried in the consolidated balance sheet applying the equity method of accounting pursuant to Section 312 HGB. The carrying amount of the investment and treatment of the difference were reported in accordance with Section 312 HGB (equity method).

The difference between the carrying amount and the proportionate share of the associate's equity measured at fair value at the date of the inclusion of the associate in the consolidated financial statements for the first time amounted to € 1.938 million, which also simultaneously represented goodwill. At the balance sheet date, the difference between the carrying amount and the proportionate share of the associate's equity measured at fair value amounted to € 1.891 million; goodwill, which was amortised on a straight-line basis over a useful life of four years, came to € 1.615 million. The sum of negative equity values from the auxiliary calculation recognised in the consolidated balance sheet totalled € 370,000. Reporting of the effect of the change in the equity amount in the consolidated income statement was based on earnings after taxes (net method). The carrying amounts of the

assets and liabilities of the associate were not restated to reflect the accounting and measurement policies of the Messe Frankfurt Group. The resulting effect was not material to the consolidated financial statements.

Receivables and liabilities as well as expenses and income items between the companies included in the consolidated financial statements were netted. Provisions relating to intragroup transactions as well as gains and losses arising from intragroup deliveries and services were eliminated.

End-of-year financial statements of the foreign subsidiaries included in the consolidated financial statements prepared in a foreign currency were translated in compliance with Section 308a HGB. All balance sheet items of the included foreign group entities, with the exception of Equity (subscribed capital, reserves, retained profits carried forward), which was carried at historical rates, were translated into euros at the respective middle spot rate at the balance sheet date. Differences arising from the translation of equity as a result of changes in the exchange rate compared to the previous year were recognised directly in equity under Foreign currency translation differences.

Income and expenses for the financial year were translated at the middle spot rate. The net income for the year shown in the translated income statements was carried over into the consolidated balance sheet and recognised directly in equity under Foreign currency translation differences.

Foreign currency translation of the financial statements of the subsidiary in Argentina, which were prepared in a foreign currency, was carried out in accordance with DRS 25 (German Accounting Standard), taking into account the requirements for high-inflation countries. Inflation was adjusted by indexing the financial statements, which were based on the acquisition/nominal value principle and prepared in the (highly inflationary) local currency. This did not have any material impact on the consolidated financial statements.

#### Accounting and measurement policies

The assets and liabilities of the companies included in the consolidated financial statements were measured uniformly using the accounting and measurement principles applicable to the group as a whole.

Purchased intangible fixed assets were recognised at cost, less (where subject to wear and tear) straight-line amortisation over their useful life. Where a permanent

impairment loss appears probable, they were recognised at their lower fair value on the balance sheet date. If the reasons for a probable permanent impairment loss no longer apply, the impairment loss was reversed accordingly.

Where acquisition accounting resulted in goodwill, an expected useful life of up to 15 years was assumed at the time of initial recognition, in particular with regard to the continuous development and continued existence of the business and customer relations arising from the acquisition of the goodwill. Goodwill was amortised on a straight-line basis over the useful life. In accordance with Section 301 (3) HGB, a negative difference arising on consolidation was included as a separate item on the equity and liabilities side of the balance sheet below shareholders' equity as Negative consolidation difference.

Tangible fixed assets were recognised at cost, less depreciation through use and, where applicable, write-downs. Depreciation through use was calculated on a straight-line basis in accordance with unchanged principles. In the case of technical retrofits of halls already duly depreciated, a useful life of ten years was assumed.

New additions to tangible and intangible fixed assets were depreciated on a pro rata temporis basis in the year of acquisition.

Low-value assets up to a net value of € 250 per item (previous year € 250) were expensed in the year of acquisition. Assets with purchase costs above € 250 to € 800 net (previous year € 250 to € 800) were written off in full in the year of acquisition, with their immediate disposal being assumed.

Under Financial assets, shareholdings and equity interests were stated at cost or, where a permanent impairment loss is indicated, at their lower fair value. If the reasons that led to a probable permanent impairment no longer apply, the impairment loss was reversed accordingly.

Inventories were carried at cost or at the lower fair value at the balance sheet date. Receivables were disclosed at nominal value on the balance sheet date. Identified individual risks were recognised through valuation allowances.

Other assets were shown in the balance sheet with their nominal amount.

Securities were stated at cost or at the lower fair value, taking all identifiable risks into account.

Liquid assets were disclosed at their nominal value.

Prepaid expenses relate to advance payments made before the balance sheet date that represent an expense to be incurred in a subsequent period.

The market value of the acquired assets was used to determine the revalued equity. The hidden reserves to be disclosed in this context mainly relate to trade fair rights. In addition, any hidden liabilities to be recognised were deducted from any disclosed hidden reserves. The market value was determined using recognised capitalised earnings methods.

The equity-similar special reserve for subsidies or grants for acquisition of fixed assets was set up in financial year 2000 and relates to a grant made by the City of Frankfurt am Main in connection with the construction of the "Rebstock" multi-storey car park. The release of the special reserve was recognised in income, corresponding to the depreciation of the related fixed assets over a useful life of 25 years. Advantage was taken of the possibility to exercise the retention option pursuant to Section 67 (3) EGHGB (Act Introducing the German Commercial Code). Thus the special tax-allowable reserve in accordance with Sections 247 (3) and 273 HGB in the version valid until 28 May 2009 has also been retained for financial statements from 2010.

Provisions were in principle recognised in the amount dictated by prudent business judgement that is required to settle the obligation (i.e. including future cost and price increases). They took into account all identifiable risks and contingent liabilities, as well as anticipated losses from executory contracts.

Recognition of the provision for anticipated losses also took account of the coronavirus outbreak at the balance sheet date. In assessing the provision, the information and expectations prevailing at the balance sheet date were used as a basis. The assessment was based solely on the extent to which a reduction exclusively in the number of Chinese exhibitors and visitors as a result of measures taken around the world to contain the virus infection, such as entry bans for Chinese nationals or cancelled flight connections, was likely to impact on the earnings of events worldwide.

Provisions with a residual term of more than one year were discounted.

Provisions for pensions and similar obligations for former members of the Executive Board and their surviving dependents were calculated using the projected unit credit method (PUC method) based on the "2018 G actuarial tables" compiled by Prof. Klaus Heubeck. The difference resulting from the first-time application of the new mortality tables was immediately recognised in full under Personnel expenses in the previous year. For discounting purposes, as in the previous year the average market interest rate of the past ten financial years of 2.72 percent (previous year 3.21 percent) with a residual term of 15 years was applied across the board in accordance with the Gesetz zur Umsetzung der Wohnimmobilienkreditrichtlinie und zur Änderung handelsrechtlicher Vorschriften (Act Implementing the Mortgage Credit Directive and Amending Accounting Rules) of 11 March 2016, applying the simplification rule pursuant to Section 253 (2), sentence 2 HGB. The difference within the meaning of Section 253 (6), sentence 1 HGB between the measurement of pension provisions with the 10-year average interest rate and the 7-year average interest rate amounted to € 546,000 (previous year € 640,000) at the balance sheet date. The difference is barred from distribution pursuant to Section 253 (6), sentence 2 HGB. An anticipated rate of pension progression of 2.0 percent (previous year 2.0 percent) was assumed.

For Accente Gastronomie Service GmbH, provisions for pensions were recognised in accordance with the entry age normal method on the basis of the "2018 G actuarial tables" compiled by Prof. Klaus Heubeck. The difference resulting from the first-time application of the new mortality tables was immediately recognised in full under Personnel expenses in the previous year. For discounting purposes, as in the previous year the average market interest rate of the past ten financial years of 2.71 percent (previous year 3.21 percent) with a residual term of 15 years was applied across the board in accordance with the Gesetz zur Umsetzung der Wohnimmobilienkreditrichtlinie und zur Änderung handelsrechtlicher Vorschriften (Act Implementing the Mortgage Credit Directive and Amending Accounting Rules) of 11 March 2016, applying the simplification rule pursuant to Section 253 (2), sentence 2 HGB. The difference within the meaning of Section 253 (6), sentence 1 HGB between the measurement of pension provisions with the 10-year average interest rate and the 7-year average interest rate amounted to € 158,000

(previous year €186,000) at the balance sheet date. The difference is barred from distribution pursuant to Section 253(6), sentence 2 HGB. Anticipated pay rises of 2.5 percent (previous year 2.5 percent) and a rate of pension progression of 2.0 percent (previous year 2.0 percent) were assumed. Fluctuation was given consideration with a flat rate of 1.8 percent (previous year 1.8 percent).

Some employees of the Messe Frankfurt Group at the Frankfurt venue have concluded deferred compensation agreements pursuant to Section 1a(2) BetrAVG (German Company Pensions Act). The level of the pension benefit was calculated pursuant to Section 253(1), sentence 3 HGB on the basis of the fair value of the reinsurance cover taken out. The fair value of the reinsurance with a value (amortised cost) of €1.372 million (previous year €1.247 million) was netted against the settlement amount of the debt.

Deferred compensation agreements are also in place for some employees of Messe Frankfurt Middle East GmbH. Under these arrangements, a portion of the employees' salary plus additional employer contributions are converted into pension benefits. The level of the pension benefits was calculated on the basis of the fair value of the insurance fund taken out for this purpose. The fair value of the insurance fund thus corresponds to the provision requirement (congruently reinsured insurance fund or pension benefits). The contractual arrangement does not provide for netting.

Provisions for taxes comprised outstanding taxes not yet assessed for the financial year.

Provisions for partial retirement were valued in line with the pronouncements of the IDWRS HFA 3 (accounting methods for partial retirement obligations under IAS and HGB) and the provisions of the German Commercial Code (HGB), based on an interest rate pursuant to Section 253(2), sentence 2 HGB of 1.97 percent (previous year 2.32 percent). Anticipated pay rises were factored in by applying a salary trend of 2.0 percent (previous year 2.0 percent). In respect of social security contributions, taking account of the income thresholds for pension and unemployment insurance (West) and for health and long-term care insurance, a contribution rate of 19.975 percent (previous year 19.575 percent) was assumed. When measuring the provision for partial retirement for potential draw-downs, as in the previous year a probability of occurrence of 50 percent was applied.

Agreements relating to special severance benefits exist for employees of Messe Frankfurt Middle East GmbH depending on their length of service. The amount of these special benefits is based on the obligations accrued as of the balance sheet date, based on the assumption that the employee leaves the company by that date.

Similar agreements relating to special severance benefits are in place for employees of Messe Frankfurt Italia Srl., Milan/Italy, Messe Frankfurt Istanbul L.S., Istanbul/Turkey, and Messe Frankfurt Mexico S. de R.L. de C.V., Mexico City/Mexico, depending on their respective length of service. The amount of these special benefits is based on the obligations accrued as of the balance sheet date, taking into account the expected departure. Since these are long-term obligations, they were measured at the actuarial interest rates published by the Deutsche Bundesbank (central bank of the Federal Republic of Germany) depending on their residual term.

Anniversary benefits recognised in Other provisions were valued in accordance with the projected unit credit method. Under this method, the amount of the provision is defined as the actuarial present value of all pro rata benefits attributed to employee service up to the balance sheet date. The actuarial interest rate was 1.97 percent (previous year 2.31 percent). In addition, the employer's contributions to the statutory pension plan accruing on payment of the anniversary bonus were stated at a flat rate of 14.5 percent (previous year 14.5 percent) of the anniversary bonus payments made.

The provision for the retention of business records was calculated on a full-cost basis – with a deduction of 20.0 percent (previous year 20.0 percent) for documents kept voluntarily. An inflation rate of 2.0 percent (previous year 2.0 percent) and an average retention period (multiplier) of 4.5 years (previous year 4.5 years) were assumed. Discounting was performed for a period of 4.5 years (previous year 4.5 years) at the discount rate of the Deutsche Bundesbank of 0.91 percent (previous year 1.18 percent).

Other provisions included, inter alia, possible indemnification claims by commercial agents, taking advantage of the retention option pursuant to Section 67 EGHGB.

Liabilities were carried at their repayment amount.

Within the Messe Frankfurt Group, derivative financial instruments are in principle only used to hedge the risks inherent in an underlying transaction. Underlying transactions may also relate to intragroup transactions. Provided the conditions of Section 254 HGB are met, hedges are applied and, pursuant to Section 254, sentence 1 HGB, in these cases Sections 249(1), 252(1), Nos. 3 and 4, 253(1), sentence 1 and 256a HGB are not applied.

Deferred income relates to income received before the balance sheet date that represents earnings generated in a subsequent period.

Assets and liabilities denominated in foreign currencies were in principle translated at the middle spot rate at the balance sheet date. For assets and liabilities with a residual term of more than one year, the parity and realisation principle (Section 252(1), No. 4 HGB) and the purchase cost principle (Section 253, sentence 1 HGB) were applied.

Costs incurred for press, advertising and public relations work for events in subsequent years were posted throughout the group as expenses in the reporting year. For the recognition of deferred taxes under Section 274(1) HGB resulting from temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their respective tax bases, or resulting from tax loss carryforwards, the amounts of the resulting tax assets and liabilities were determined as in the previous year using the tax rate at the time of the expected reduction of the differences of an underlying 31.9 percent, and were not discounted.

At 31 December 2019, future tax benefits were recognised due to reduced tax write-downs and adjusting provisions for taxation. Moreover, deferred tax liabilities resulting from accounting and measurement differences were recognised primarily for deferred income, as well as for purchased concessions and industrial property rights. Additional deferred tax liabilities relate to land and buildings as well as liabilities and provisions. Deferred tax assets and liabilities were netted. The remaining deferred taxes per entity after netting were not capitalised based on the existing recognition option.

Deferred taxes determined under Section 306 HGB were not netted out in the balance sheet; where the temporary difference is expected to reverse, the underlying tax rate was 31.9 percent (previous year 31.9 percent).

#### Changes in accounting and measurement policies

With the exception of the areas presented below, the accounting and measurement policies used in the preparation of the consolidated financial statements are consistent with those used in the financial statements for the year ended 31 December 2018. There was a change in the amount dictated by prudent business judgement to be disclosed at the balance sheet date for existing agreements with employees of Messe Frankfurt Middle East GmbH relating to special severance benefits. The provision was recognised with the actual benefit obligations already accrued as of the balance sheet date; i.e. the employee's departure at this point in time was assumed, rendering it unnecessary to apply measurement parameters that are excessively difficult to quantify. In the previous year, the provision was recognised on the basis of the present value of all pro rata benefits attributed to employee service up to the balance sheet date (in years). Taking into account expected salary increases of 1 percent, the individual provision amounts were measured at actuarial interest rates of between 0.98 percent and 1.93 percent depending on the expected term. The adjustment of the provision or the change in this accounting policy had no material effect on the net assets, financial position and results of operations.

The assessment of the provisions recognised in the previous year for anticipated late payment charges vis-à-vis the tax authorities in the United Arab Emirates as a result of incorrectly made out invoices issued to customers that resulted in VAT due not being paid to the respective tax authority was adjusted to reflect current experience and knowledge at the balance sheet date. This led to a reduction of the anticipated penalties and consequently to a reversal of the provision in the amount of €3.5 million.

#### Disclosure of exceptional items

In financial year 2018, a value added tax (VAT) of 5 percent was introduced in the United Arab Emirates for taxable supplies of goods and services.

In this context, discrepancies in the recognition and payment of VAT to be invoiced to customers were identified when preparing the 2018 financial statements, which led to the subsequent recognition of VAT not yet paid to the responsible tax authority in the amount of €1.9 million under the heading Other liabilities. This VAT amount not invoiced to customers in 2018 was thus initially borne by the company itself. This exceptional VAT liability was

reported in 2018 under Other taxes. Measures were taken in the reporting year to amend the invoices incorrectly made out in 2018 by issuing credit notes to the recipients of the original invoices and sending out corrected invoices with VAT shown separately. Furthermore, the VAT liability recognised in the previous year was paid to the responsible tax authority. Of the VAT invoiced to customers, an amount of €0.6 million was paid by customers in financial year 2019, which was reported as Other operating income.

As a result of the incorrect invoices arising from the not-invoiced VAT and the subsequent failure to pay the VAT due, late payment charges amounting to €8.6 million were expected in the previous year, which were recognised in the previous year under the headings Other provisions and Other operating expenses (taking account of currency translation). In financial year 2019, €5.0 million was paid to the tax authority. On the basis of the reassessment of the provisions to reflect current experience and knowledge, the residual provision amount of €3.5 million was essentially reversed and shown as Other operating income, since the tax authorities are no longer expected to raise claims in this amount. Further talks with the tax authority are currently ongoing with external support.

In addition, in the course of the financial year it was ascertained in this connection that VAT should also have been charged on the turnkey business of a number of subsidiaries in Dubai/United Arab Emirates. For this reason, provisions amounting to €0.2 million for outstanding VAT due to the tax authority in Dubai/United Arab Emirates and €2.9 million for late payment charges were recognised in the consolidated financial statements at the balance sheet date.

In addition, the outbreak of the coronavirus was taken into account at the balance sheet date as an exceptional item in the form of a provision for anticipated losses. In assessing the provision, the information and expectations prevailing at the balance sheet date were used as a basis. The assessment was based solely on the extent to which a reduction exclusively in the number of Chinese exhibitors and visitors as a result of measures taken around the world to contain the virus infection, such as entry bans for Chinese nationals or cancelled flight connections, was likely to impact on the earnings of events. In addition, the estimated financial consequences of cancelled or postponed events in China at the beginning of 2020 were also taken into account in

the 2019 consolidated financial statements, principally through an €18.8 million increase in the provision for anticipated losses.

The previous year is not comparable in this respect.

Furthermore, with effect from 28 June 2019, Messe Frankfurt Feiras Ltda., São Paulo/Brazil went into liquidation. As legal successor, Messe Frankfurt Exhibition GmbH assumed the assets and liabilities.

## Notes to the consolidated balance sheet

(Amounts in €'000, unless otherwise stated)

### (1) Fixed assets

The classification of the combined fixed asset headings disclosed in the consolidated balance sheet and their development trend in 2019 are presented in the Statement of changes in fixed assets in Appendix I to these notes. A list of shareholdings as per 31 December 2019 has been attached to the notes to the consolidated financial statements in Appendix II.

Prepayments and assets under construction under Tangible fixed assets relate in particular to the technical upgrading of Hall 6 and initial measures for the demolition and new construction of Hall 5.

The average useful life per asset class is structured as follows:

Asset item	Useful life
Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	3–5 years
Goodwill	up to 15 years
Land, land rights and buildings, incl. buildings on third-party land	10–40 years
Technical equipment and machinery	5–10 years
Other equipment, operating and office equipment	3–15 years

### (2) Inventories

This primarily covers raw materials, consumables and supplies, chargeable input for events in subsequent years and merchandise.

### (3) Trade receivables

Receivables due after more than one year are not included in this item.

### (4) Other assets

	Total		Due after more than one year	
	31.12.2018	31.12.2019	31.12.2018	31.12.2019
Taxes	13,512	15,424	745	1,235
Prepayments	15,484	17,336	140	267
Other	7,335	28,231	476	343
	<b>36,331</b>	<b>60,991</b>	<b>1,361</b>	<b>1,845</b>

Taxes are principally advance income tax payments amounting to €4.138 million (previous year €7.975 million) and VAT receivables of €5.924 million (previous year €4.488 million). This includes €897,000 (previous year €716,000) of input tax assets that have not yet legally arisen.

Other assets include receivables from the shareholder City of Frankfurt am Main in the amount of €4.215 million (previous year €106,000).

### (5) Securities

Securities relate to commercial papers.

**(6) Cash-in-hand, bank balances and cheques**

	31.12.2018	31.12.2019
Cheques and cash-in-hand	1,388	876
Bank balances	202,035	178,568
	<b>203,423</b>	<b>179,444</b>

Bank balances include recognition of fixed-term deposits in the amount of € 73.675 million (previous year € 87.510 million).

**(7) Prepaid expenses**

Prepaid expenses include in particular expenses for the assumption of pro rata investments for an integrated traffic guidance system on the federal motorway, which is made available to Messe Frankfurt by the Federal Government over a period of 15 years. The corresponding expenditure is included in the balance sheet on the assets side as prepaid expenses over this period of use.

**(8) Deferred tax assets**

Deferred tax assets are formed due to consolidation procedures pursuant to Section 306 HGB and include deferred taxes from the elimination of amortisation of trade fair rights.

**(9) Equity**

The classification of shareholders' equity including minority interests is attached as a component of the consolidated financial statements. The parent company has € 330.3 million available for distribution. Of this potential distribution amount, € 0.5 million is subject to a bar on distribution.

**(10) Negative consolidation difference**

Pursuant to Section 301 (3) HGB, the negative consolidation difference arising in 2015 from the acquisition of the remaining shares in Messe Frankfurt New Era Business Media Ltd., Hong Kong/China, in the amount of € 1.5 million, was included in the consolidated balance sheet on the equity and liabilities side and recognised in line with DRS (German Accounting Standard – GAS) No. 4.41a as income over the weighted average useful life of five years of the assets acquired or disclosed by applying the revaluation method. An amount of € 234,000 was recognised in income in the reporting year.

Pursuant to Section 301 (3) HGB, the negative consolidation difference arising from the acquisition of the 70-percent stake in Messe Frankfurt Traders-Link (Beijing) Co. Ltd., Beijing/China, in the amount of € 0.3 million, was included in the consolidated balance sheet on the equity and liabilities side and recognised in line with DRS No. 23,145 as income over the weighted average useful life of five years of the assets acquired or disclosed by applying the revaluation method. An amount of € 63,000 was recognised in income in the reporting year.

At the balance sheet date, the total negative consolidation difference was € 347,000 (previous year € 630,000).

Due to opportunistic acquisitions, the difference between the two items has the character of equity. There is no technical negative difference for either item.

**(11) Equity-similar special reserve for subsidies or grants for the acquisition of fixed assets**

The special reserve relates to a grant made by the City of Frankfurt am Main in connection with the multi-storey car park at the "Rebstock" site. The release of the special reserve was recognised in income, corresponding to the depreciation of the car park over a useful life of 25 years.

**(12) Other provisions**

Other provisions primarily include contractual repair and renovation obligations, claims from employees, anticipated losses from executory contracts, outstanding purchase invoices, as well as possible claims from commercial agents.

The anticipated losses derive essentially with € 18.8 million from the coronavirus outbreak as of the balance sheet date

and take into account the expected impact of the reduction exclusively in the number of Chinese exhibitors and visitors on the earnings of events and trade fairs in financial year 2020.

In addition, expected late payment charges from VAT not invoiced to customers and paid late to the responsible tax authority in the United Arab Emirates were recognised.

**(13) Liabilities**

	Due within one year		Due after one year		Due after more than five years	
	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019
Liabilities to banks	16,324	23,838	57,778	87,703	46,944	28,316
Payments received on account of orders	231,216	221,847	0	379	0	0
Trade payables	30,072	36,710	50	46	0	0
Other liabilities	10,887	10,392	144	200	0	1
– of which taxes	(5,718)	(3,639)	(1)	(27)	(0)	(0)
– of which social security	(471)	(474)	(0)	(0)	(0)	(0)
	<b>288,499</b>	<b>292,787</b>	<b>57,972</b>	<b>88,328</b>	<b>46,944</b>	<b>28,316</b>

Liabilities to banks relate to a loan of € 130.0 million taken out with underwriting banks via the KfW development bank, which was carried at € 104.722 million at the balance sheet date, including interest. The loan runs until 2027 and is intended for financing the construction of Hall 12 at the Frankfurt exhibition grounds. The loan is to be repaid with € 14.444 million per year. In addition, another bank loan in the amount of € 34.200 million was recognised. The loan runs until 2024 and is intended for financing the upgrading of Hall 6 at the Frankfurt exhibition grounds. Quarterly repayments of € 2.138 million will be made from the third quarter of 2020.

Messe Frankfurt Asia Holding Ltd., Hong Kong, deposited amounts of HKD 7 million and HKD 16 million in November 2019 and in December 2019 for short-term investment with Messe Frankfurt GmbH until February and June 2020. In addition, Messe Frankfurt Hongkong Ltd., Hong Kong, deposited amounts totalling USD 6 million and USD 10 million respectively from October 2019 to January 2020 as investments with Messe Frankfurt GmbH. Furthermore, Messe Frankfurt Middle East GmbH, Dubai/United Arab

Emirates branch office, deposited an amount of USD 10 million from December 2019 to January 2020 and Messe Frankfurt Japan Ltd., Tokyo/Japan, deposited an amount of JPY 230 million from April 2019 to April 2020.

In order to hedge the currency risk arising from these underlying transactions, Messe Frankfurt GmbH contracted foreign exchange swaps in the corresponding months for the respective amounts with maturities matching the financial investments (micro hedge). The investment of Messe Frankfurt Hongkong Ltd., Hong Kong, of USD 10 million and the investment of Messe Frankfurt Japan Ltd., Tokyo/Japan, were excepted from this. Since the opposing changes in the fair value of the cash flows from the underlying transactions and the forward exchange contracts offset each other, Messe Frankfurt GmbH recognised hedging relationships and, pursuant to Section 254 HGB, opted not to apply Sections 249 (1), 252 (1), Nos. 3 and 4, 253 (1), sentence 1 and 256a HGB (net hedge presentation method) in its annual financial statements for the period of the term of the contract.

Without these hedges, in line with exchange rate developments liabilities to Messe Frankfurt Asia Holding Ltd., Hong Kong, would have been €5,000, respectively €6,000, higher. Due to the consolidation of the underlying transactions and the positive market values of the derivative financial instruments (€11,000), there are no further effects on the consolidated financial statements.

Liabilities to Messe Frankfurt Hongkong Ltd., Hong Kong, arising from the investment of USD 6 million and to Messe Frankfurt Middle East GmbH, Dubai/United Arab Emirates branch office, would have been €20,000, respectively €93,000, lower without these hedges in line with exchange rate developments. Due to the consolidation of the underlying transactions and the negative market values of the derivative financial instruments (€113,000), a provision for anticipated losses was recognised in the same amount as of the balance sheet date.

Trade payables include liabilities to the shareholder City of Frankfurt am Main in the amount of €1,000 (previous year €10,000).

As of the balance sheet date, Other liabilities included €0.2 million in VAT from turnkey business not yet invoiced to customers but due to the responsible tax authority in the United Arab Emirates.

#### (14) Deferred income

Deferred income primarily includes one-off payments received in advance in the years 1988, 1992 and 1996 for 31, 35 and 99 years respectively for two heritable building leases as well as a payment for a joint usufruct in parts of buildings, which were disclosed under Liabilities as deferred income. The three partial deferred income amounts are released on a straight-line basis over the specified terms.

#### (15) Deferred tax liabilities

Deferred tax liabilities primarily arise from the disclosure of hidden reserves in the context of applying the revaluation method in acquisition accounting and due to temporary differences from the measurement of property.

#### (16) Other financial obligations and contingent liabilities

Other financial obligations totalled €227.663 million (previous year €202.591 million). These are primarily made up of open purchase orders related to investments, obligations arising from rent and lease contracts, obligations relating to the acquisition of additional company shares, as well as ground rents for three heritable building lease contracts.

#### (17) Fiduciary relationships

The company administrates fiduciary accounts for events hosted by guest organisers and the Frankfurt Music Prize Foundation. The balance of the fiduciary accounts at the end of the period was €97,000.

## Notes to the consolidated income statement

(Amounts in €'000, unless otherwise stated)

#### (18) Sales

According to type	2018	2019
Stand rents	415,339	430,682
Halls, site and other rents	42,393	40,774
Admission fees and participation fees	11,580	11,284
Services and other income	248,814	252,823
	<b>718,126</b>	<b>735,563</b>

According to region	2018	2019
Germany	423,787	436,982
Europe excl. Germany	50,139	57,045
Asia	215,618	218,824
America	26,028	18,977
Africa	2,554	3,734
	<b>718,126</b>	<b>735,563</b>

#### (19) Increase or decrease in work in progress

This item relates to increases in the stock of services for events in 2020 capitalised in the 2019 financial year.

reversal of a write-down on brand rights of €2.202 million (previous year €18,000).

#### (20) Other operating income

This account mainly includes prior-period income from the reversal of provisions (€16.963 million; previous year €5.426 million) due primarily to the elimination of maintenance and building modernisation commitments and a reassessment of tax risks at the branch office in Dubai/United Arab Emirates, income from prior years relating to other accounting periods (€766,000; previous year €694,000) and from recoveries on receivables already written-off (€1.597 million; previous year €1.184 million), as well as income from exchange rate differences (€6.648 million; previous year €8.322 million) and income from the pro rata temporis release of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (as in the previous year €2.147 million). This item also includes the

Proceeds from the sale of a plot of land were also recognised with €17.0 million.

**(21) Event-related expenses**

	2018	2019
Cost of raw materials, consumables and supplies and of purchased materials	9,021	8,784
Cost of purchased services	333,330	381,518
	<b>342,351</b>	<b>390,302</b>

Cost of purchased services comprises in particular expenses for hall and site rental, hall fitting, maintenance of the exhibition grounds and expenses for event-related communication.

They include prior-period expenses for the maintenance of plant and inventories in the amount of € 220,000 (previous year € 129,000). Additions to provisions for anticipated losses from executory contracts due to the coronavirus outbreak were also recognised with € 18.8 million. These amounts are classified as exceptional expenses.

**(22) Personnel expenses/employees**

	2018	2019
Wages and salaries	141,092	146,258
Social security, post-employment and other employee benefit costs	28,907	30,884
– of which in respect of old-age pensions	(7,310)	(8,172)
	<b>169,999</b>	<b>177,142</b>

Employees (active, annual average)	2018	2019
Vice presidents	59	56
Salaried employees	2,136	2,180
Wage-earning employees	244	255
	<b>2,439</b>	<b>2,491</b>

The stated number of employees includes 14 employees at proportionately consolidated entities pursuant to Section 310 HGB (proportionately: seven).

**(23) Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets**

Amortisation and write-downs of intangible assets result primarily from rights and licenses as well as goodwill. Write-downs were also recognised in the amount of € 1.799 million (previous year € 3.311 million) on brand rights and in the amount of € 83,000 (previous year € 505,000) on goodwill.

**(24) Other operating expenses**

Other operating expenses amounting to € 89.428 million principally include rental and lease expenses and office costs, legal, consulting and auditing costs, expenses for promotional activities and allowances for bad debts.

Expenses arising from currency translation differences are also included with € 6.491 million (previous year € 8.413 million). In addition, exceptional expenses in the amount of € 2.9 million (previous year € 8.6 million) were recognised (taking currency translation into account). These are based on anticipated late payment charges, which relate to incorrect invoices issued to customers and as a result of which insufficient VAT from the turnkey business of individual Messe Frankfurt Group subsidiaries was paid to the responsible tax authority of the United Arab Emirates. Furthermore, exceptional expenses relating to prior periods amounting to € 7.068 million (previous year € 4.743 million) were recognised, which related in particular to allowances for bad debts.

**(25) Financial result**

	2018	2019
Income from investments in associates and other long-term equity investments	2	–368
Other interest and similar income	2,186	2,018
– of which from interest cost	(0)	(69)
Interest and similar expenses	4,857	2,810
– of which from interest cost	(3,983)	(1,630)
Impact of hyperinflation	124	197
	<b>–2,793</b>	<b>–1,357</b>

Interest expenses principally include the interest cost of provisions.

**(26) Taxes on income**

	2018	2019
Taxes on income	23,135	13,819
Deferred taxes	–2,255	–1,160
	<b>20,880</b>	<b>12,659</b>



**(27) Other taxes**

	2018	2019
Other taxes	6,643	5,818
	<b>6,643</b>	<b>5,818</b>

Other taxes primarily relate to property taxes. In addition, VAT to be paid to the responsible United Arab Emirates tax authority within the year was recognised, which as of the

balance sheet date had not been invoiced to customers and therefore had to be borne by the Messe Frankfurt Group. These amounts were classified as exceptional expenses.

**Reconciliation of expected income tax expense**

	2018	2019
<b>Earnings before taxes (financial accounts)</b>	<b>71,318</b>	<b>60,478</b>
<b>Expected income tax expense (group tax rate 31.9%; previous year 31.9%)</b>	<b>22,768</b>	<b>19,308</b>
Effects of changes in tax rates	-64	0
Tax-free income / trade tax deductions	-1,219	-886
Non-deductible business expenses / trade tax additions, incl. Section 8(1) GewStG (German Trade Tax Act)	2,240	1,781
Taxes attributable to previous years recognised in the reporting period	-2,998	238
Effects of deviating tax rates	-2,721	-2,899
Effects of consolidation	-54	1,764
Effects of options under Section 274(1) HGB	1,724	-7,368
Other effects	1,204	-720
<b>Recognised income tax expense</b>	<b>20,880</b>	<b>12,658</b>
<b>Effective group tax rate (%)</b>	<b>29.3</b>	<b>20.9</b>

**Report on post-balance sheet date events**

With the exception of the events described below, no events having a material impact on the position of the group occurred after completion of financial year 2019 and up to preparation of the consolidated financial statements and the group management report.

At the balance sheet date, the World Health Organization's China Office was informed about the outbreak of a novel coronavirus. The evidence and information available at that time related exclusively to the People's Republic of China, so that when preparing the consolidated financial statements the risk assessment relied exclusively on the impact on Messe Frankfurt Group events of fewer Chinese exhibitors and visitors.

Between the end of the completed financial year and up to the preparation of the consolidated financial statements and group management report, the coronavirus outbreak developed into a pandemic. The resulting postponements and cancellations of company events to date will have significant negative impacts on the net assets, financial position and results of operations of the Messe Frankfurt Group in the 2020 financial year.

Furthermore, the KfW bank additionally confirmed in 2019 that the requested repayment grant of €4.185 million to finance the new Hall 12 will be approved on the basis that the KfW 55 energy standard was achieved. In 2020, this approved repayment grant will affect the net assets, financial position and results of operations to the extent that the amount will be recognised in income and liabilities to banks will be reduced.

**Other disclosures****Shareholders**

60 percent of the shares in the parent company, Messe Frankfurt GmbH, are held by the City of Frankfurt am Main, 40 percent by the State of Hesse.

**Group affiliation**

Messe Frankfurt GmbH (parent), domiciled in Frankfurt am Main, prepares the consolidated financial statements in accordance with the requirements of German commercial law (HGB) for both the largest and the smallest group of companies. The consolidated financial statements and the group management report are submitted to and published in the Bundesanzeiger (Federal Gazette).

**Proposal on the appropriation of net income**

The proposal will be put forward to the shareholders of Messe Frankfurt GmbH that the annual profit of the parent company for financial year 2019 be carried forward to new account.

**Disclosures relating to the cash flow statement**

Cash funds recognised in the cash flow statement comprise cash-in-hand, current bank balances and fixed-term deposits with a maturity of less than three months. The difference between cash funds and liquid assets recognised in the consolidated balance sheet in the amount of €179.444 million (previous year €203.423 million) is €24.942 million (previous year €20.862 million) and results from time deposits having a residual maturity of more than three months at the time of acquisition.

Cash funds include €1.741 million from proportionately consolidated entities. They are not subject to any restrictions on disposal.

Non-cash income results primarily from amounts released from deferred income for heritable building leases amounting to €2.099 million, the release of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets amounting to €2.147 million, as well as currency translation differences.

Expenditure of €742,000 (previous year €7.268 million) was recognised in the reporting year for the acquisition of shares in companies to be consolidated, taking into account liquid assets acquired as of the balance sheet date. Expenditure of €2.399 million was recognised for the acquisition of shares in an associate, including a subsequent capital increase.

In the 2019 financial year, an amount of €13 million was distributed to the shareholders and €5.451 million to minority shareholders.

**Disclosures relating to the consolidated statement of changes in equity**

At 31 December 2019, non-distributable retained earnings amounted to €704,000. These amounts relate to the measurement of pension provisions.

**Auditors' fees**

The auditors' fees for the financial year apportionable to MAZARS GmbH & Co. KG for the audit of the single-entity

and consolidated financial statements amounted to € 336,000 (previous year € 334,000).

**Remuneration of the members of the executive bodies of the parent company**

The remuneration of the members of the Executive Board comprises a fixed and a variable component. The fixed remuneration is made up of a fixed annual salary and a guaranteed year-end bonus. For the purposes of pension provision, the company pays contributions to insurances. In addition, the individual members of the Executive Board receive non-cash benefits that are individually taxed.

These primarily include provision of a company car and insurance benefits for business travel at standard market rates.

The following table shows the remuneration of the members of the Executive Board in financial year 2019:

	Fixed remuneration		Variable remuneration	Pension provision	Non-cash benefits	Total
	Fixed annual salary	Guaranteed year-end bonus	2018			
Wolfgang Marzin	309	60	106	70	14	559
Uwe Behm	274	60	106	70	20	530
Detlef Braun	274	60	106	70	11	521
<b>Total</b>						<b>1,610</b>

Provisions for each Executive Board member amounting to €128,000 for variable bonuses were recognised in 2019. These took into account components with a long-term incentive effect and were derived from socio-economic agendas for the Frankfurt venue, as well as from financial targets of the group.

The members of the Executive Board were promised benefits in the event of premature termination of their term of office by the General Meeting without serious cause. A two-year non-competition covenant was also agreed with the Executive Board members in the case of termination of their service, for which a compensation payment was

agreed. No loans or advances were granted to the members of the Executive Board in the 2019 financial year. Superannuation benefits and retirement annuities, as well as interim payments and indemnifications of € 892,000 (previous year € 868,000) were paid to former members of the Executive Board and surviving dependents. Pension provisions totalling € 8.823 million (previous year € 8.604 million) were recognised for the aforementioned groups of persons at 31 December 2019.

The remuneration and expense allowance paid to members of the Supervisory Board totalled € 42,000 (previous year € 41,000).

**Executive Board of the parent**

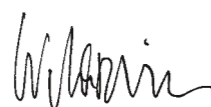
The following were appointed to the Executive Board:

Wolfgang Marzin, Betriebswirt HWF  
(Graduate in Business Administration, University of Applied Sciences)  
President and Chief Executive Officer

Uwe Behm, Diplom-Ingenieur / Diplom-Wirtschaftsingenieur (FH)  
(Graduate in Engineering / Graduate in Industrial Engineering, University of Applied Sciences)

Detlef Braun, Diplom-Betriebswirt  
(Graduate in Business Administration)

Frankfurt am Main, 8 May 2020



Wolfgang Marzin



Detlef Braun



Uwe Behm

# Supervisory Board of Messe Frankfurt GmbH

**Peter Feldmann**

(Chairman)  
Executive Mayor, City of Frankfurt  
am Main, Frankfurt am Main

**Tarek Al-Wazir**

(1st Vice Chairman)  
Hessian Minister of Economics, Energy,  
Transport and Regional Development,  
Wiesbaden

**Wolfgang Dimmer**

(2nd Vice Chairman)  
Chairman of the Works Council  
of Messe Frankfurt GmbH,  
Frankfurt am Main

**Jörn Apfelstädt**

Frankfurt am Main

**Uwe Becker**

Mayor and Treasurer of the City of  
Frankfurt am Main, Frankfurt am Main

**Peter Beuth**

Hessian Minister of the Interior  
and Sports, Wiesbaden

**Britta Böcher**

Organisational consultant  
Messe Frankfurt Exhibition GmbH,  
Frankfurt am Main

**Bernd Ehinger**

President of the Frankfurt-  
Rhine-Main Chamber of Crafts,  
Frankfurt am Main

**Markus Frank**

Councillor of the City  
of Frankfurt am Main,  
Frankfurt am Main

**Mike Josef**

Councillor of the City of  
Frankfurt am Main,  
Frankfurt am Main

**Jetta-Katharina Junk**

IT specialist Messe Frankfurt GmbH,  
Frankfurt am Main

**Alexander Kaiser**

Senior project manager MESAGO  
Messe Frankfurt GmbH, Stuttgart

**Andreas Pipperek**

Director Project Research  
Messe Frankfurt GmbH,  
Frankfurt am Main

**Jessica Purkhardt**

(from 27 May 2019)  
Municipal Councillor of the City of  
Frankfurt am Main, Frankfurt am Main

**Dr Lutz Raettig**

Chairman of the Supervisory  
Board of Morgan Stanley Bank AG,  
Frankfurt am Main

**Heinrich Riethmüller**

(until 5 November 2019)  
President of the Börsenverein  
des Deutschen Buchhandels e.V.  
(German Publishers & Booksellers  
Association), Frankfurt am Main

**Christiane Rüdiger**

Director SAP Service Management  
Messe Frankfurt GmbH,  
Frankfurt am Main

**Dr Thomas Schäfer**

(† 28 March 2020)  
Hessian Minister of Finance,  
Wiesbaden

**Manuel Stock**

(until 14 February 2019)  
Municipal Councillor of the City of  
Frankfurt am Main, Frankfurt am Main

**Dr Jens Thiemer**

(from 11 November 2019)  
Senior Vice President Customer & Brand  
of the BMW Group, Munich

**Hamid Yazdtschi**

CEO of Gilde-Handwerk Macrander  
GmbH & Co. KG, Bocholt

**Jürgen Vormann**

(from 29 April 2019)  
Chief Executive Officer of  
Infraserv GmbH & Co. Höchst KG,  
Frankfurt am Main

# Appendix I to the notes to the consolidated financial statements

## Statement of changes in fixed assets

	Cost in € '000							Depreciation, amortisation and write-downs (cumulative) in € '000								Carrying amounts in € '000				
	At 1.1.2019	Adjustment for inflation 1.1.2019	Disposals due to changes in the basis of consolida- tion	Additions	Disposals	Transfers	Currency translation differences	At 31.12.2019	At 1.1.2019	Adjust- ment for inflation 1.1.2019	Disposals due to changes in the basis of consolida- tion	Additions	Disposals	Reversals of write- downs	Adjustments to carrying amount of investments (equity method)	Transfers	Currency translation differences	At 31.12.2019	At 31.12.2018	At 31.12.2019
<b>I. Intangible fixed assets</b>																				
1. Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	150,472	331	-243	17,854	397	1,204	749	170,456	121,719	314	243	16,969	139	2,202	0	0	459	137,363	28,753	33,093
2. Goodwill	74,661	0	8,453	83	0	0	1,318	67,609	65,616	0	-8,453	2,090	0	0	0	0	1,229	60,482	9,045	7,127
3. Prepayments	2,539	0	0	1,980	19	-1,191	0	3,309	0	0	0	0	0	0	0	0	0	0	2,539	3,309
	<b>227,672</b>	<b>331</b>	<b>8,210</b>	<b>19,917</b>	<b>416</b>	<b>13</b>	<b>2,067</b>	<b>241,374</b>	<b>187,335</b>	<b>314</b>	<b>-8,210</b>	<b>19,059</b>	<b>139</b>	<b>2,202</b>	<b>0</b>	<b>0</b>	<b>1,688</b>	<b>197,845</b>	<b>40,337</b>	<b>43,529</b>
<b>II. Tangible fixed assets</b>																				
1. Land, land rights and buildings, incl. buildings on third-party land	1,496,600	15	0	30,428	4,304	12,499	17	1,535,255	847,505	15	0	31,915	1,398	0	0	13	5	878,029	649,095	657,226
2. Technical equipment and machinery	110,614	0	0	7,015	965	0	0	116,664	93,996	0	0	2,781	965	0	0	0	0	95,812	16,618	20,852
3. Other equipment, operating and office equipment	124,039	120	0	7,499	2,193	1,283	-36	130,712	100,128	87	0	8,048	2,023	0	0	-13	-19	106,234	23,911	24,478
4. Prepayments and assets under construction	21,545	0	0	11,042	111	-13,795	0	18,681	0	0	0	0	0	0	0	0	0	0	21,545	18,681
	<b>1,752,798</b>	<b>135</b>	<b>0</b>	<b>55,984</b>	<b>7,573</b>	<b>-13</b>	<b>-19</b>	<b>1,801,312</b>	<b>1,041,629</b>	<b>102</b>	<b>0</b>	<b>42,744</b>	<b>4,386</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-14</b>	<b>1,080,075</b>	<b>711,169</b>	<b>721,237</b>
<b>III. Financial assets</b>																				
1. Investments in associates	0	0	0	2,399	0	0	0	2,399	0	0	0	0	0	0	-370	0	0	-370	0	2,029
2. Other long-term equity investments	20	0	0	0	0	0	0	20	0	0	0	0	0	0	0	0	0	0	20	20
	<b>20</b>	<b>0</b>	<b>0</b>	<b>2,399</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,419</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-370</b>	<b>0</b>	<b>0</b>	<b>-370</b>	<b>20</b>	<b>2,049</b>
<b>Total</b>	<b>1,980,490</b>	<b>466</b>	<b>8,210</b>	<b>78,300</b>	<b>7,989</b>	<b>0</b>	<b>2,048</b>	<b>2,045,105</b>	<b>1,228,964</b>	<b>416</b>	<b>-8,210</b>	<b>61,803</b>	<b>4,525</b>	<b>2,202</b>	<b>-370</b>	<b>0</b>	<b>1,674</b>	<b>1,278,290</b>	<b>751,526</b>	<b>766,815</b>

# Appendix II to the notes to the consolidated financial statements

## Shareholdings in affiliated companies

### Affiliated companies\*

	Equity** in € '000	Earnings ** in € '000	Share- holding
Messe Frankfurt Venue GmbH, Frankfurt am Main/Germany <sup>1 2</sup>	402,862	36,441	100%
Messe Frankfurt Medien und Service GmbH, Frankfurt am Main/Germany <sup>1 2</sup>	3,503	6,202	100%
Accente Gastronomie Service GmbH, Frankfurt am Main/Germany <sup>1 2</sup>	260	3,608	100%
Messe Frankfurt Exhibition GmbH, Frankfurt am Main/Germany <sup>1 2</sup>	46,637	24,318	100%
Messe Frankfurt Middle East GmbH, Frankfurt am Main/Germany <sup>1</sup>	4,196	8,378	100%
MESAGO Messe Frankfurt GmbH, Stuttgart/Germany <sup>1 2</sup>	2,862	10,464	100%
SMT/ASIC/Hybrid MESAGO Messe & Kongreß GmbH & Co. oHG, Nuremberg/Germany <sup>1 2</sup>	115	152	75%
Messe Frankfurt France S. A. S., Paris/France <sup>3</sup>	3,308	2,874	100%
Messe Frankfurt Italia Srl., Milan/Italy <sup>3</sup>	1,460	1,176	100%
Messe Frankfurt Istanbul L. S., Istanbul/Turkey <sup>3</sup>	2,755	1,895	100%
O. O. O. Messe Frankfurt RUS, Moscow/Russia <sup>3</sup>	5,782	2,123	100%
O. O. O. ITEMF Expo, Moscow/Russia <sup>3</sup>	1,865	2,759	50%
Messe Frankfurt UK Ltd., Godalming/UK <sup>3</sup>	414	425	100%
Messe Frankfurt Asia Holding Ltd., Hong Kong/China <sup>3</sup>	82,824	21,257	100%
Messe Frankfurt (H. K.) Ltd., Hong Kong/China <sup>3</sup>	16,688	12,540	100%
Messe Frankfurt (Shanghai) Co. Ltd., Shanghai/China <sup>3</sup>	3,225	2,045	100%
Guangzhou Guangya Messe Frankfurt Co. Ltd., Guangzhou/China <sup>3</sup>	5,986	4,090	50%
Guangzhou Li Tong Messe Frankfurt Co. Ltd., Guangzhou/China <sup>3</sup>	-238	-524	55%
Messe Frankfurt New Era Business Media Ltd., Hong Kong/China <sup>3</sup>	-3,476	-2,579	100%
Messe Frankfurt New Era Advertising (Shenzhen) Co. Ltd., Shenzhen/China <sup>3</sup>	939	91	100%
Messe Frankfurt Traders-Link (Beijing) Co. Ltd., Beijing/China <sup>3</sup>	-1,750	-2,281	70%
Mesago Messe Frankfurt Corp., Tokyo/Japan <sup>3</sup>	2,169	1,689	100%
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai/India <sup>3</sup>	9,707	785	100%
Messe Frankfurt Korea Ltd., Seoul/South Korea <sup>3</sup>	1,283	436	80%
Messe Frankfurt Inc., Atlanta/USA <sup>3</sup>	-650	-885	100%
PAACE Automechanika Mexico LLC, Georgia/USA <sup>3 4</sup>	-13	0	50%
Messe Frankfurt México S. de R. L. de C. V., Mexico City/Mexico <sup>3</sup>	381	-24	100%
Indexport Messe Frankfurt S. A., Buenos Aires/Argentina <sup>3</sup>	444	397	85%
Messe Frankfurt South Africa (Pty) Ltd., Johannesburg/South Africa <sup>3 4</sup>	-241	-128	100%

\*) Parent/subsidiary relationships are shown by indentations.

\*\*) Equity was translated at historical exchange rates or the corresponding middle spot rates, depending on the time, and expenses and income were translated at the middle spot exchange rates.

<sup>1</sup> Data from the audited annual financial statements as at 31.12.2019.

<sup>2</sup> Before profit/loss transfer.

<sup>3</sup> Equity and earnings were derived from the HB II Reporting Package (Intercompany relationships).

<sup>4</sup> The company is a joint venture between Messe Frankfurt Inc., Atlanta/USA, and the American cooperation partners for the purpose of holding PAACE Automechanika Mexico.

## Consolidated cash flow statement of Messe Frankfurt GmbH

	2018 in € '000	2019 in € '000
Consolidated net income for the financial year	50,328	47,820
Depreciation, amortisation and write-downs (+) / reversals of write-downs (-) of fixed assets	57,525	59,601
Increase (+) / decrease (-) in provisions	7,482	15,908
Other non-cash expenses (+) and income (-)	-6,004	-3,074
Increase (-) / decrease (+) in inventories	14	-247
Increase (-) / decrease (+) in trade receivables and other assets not attributable to investing or financing activities	21,260	-9,673
Increase (+) / decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	32,067	-2,055
Proceeds (-) / expense (+) from disposal of fixed assets	538	-16,832
Interest expense (+) / interest income (-)	2,671	792
Other investment income (-)	-2	-3
Interest received (+) / paid (-)	720	1,198
Income tax expense (+) / income tax income (-)	20,880	12,664
Income taxes paid	-16,737	-15,253
<b>Cash flows from operating activities</b>	<b>170,742</b>	<b>90,846</b>
Intangible fixed assets / tangible fixed assets		
- Capital expenditures	-97,283	-75,900
- Proceeds from disposal of fixed assets	204	295
Payments for acquisition of consolidated companies	-9,377	-3,141
Balance between cash inflows/outflows from financial investments (securities held as current assets)	-67,152	-40,093
Interest received (+)	12	132
Dividends received (+)	2	3
<b>Cash flows from investing activities</b>	<b>-173,594</b>	<b>-118,704</b>
Cash proceeds (+) from additions to shareholders' equity / minority shareholders	138	0
Cash payments (-) to the owners of Messe Frankfurt GmbH and minority shareholders	-17,528	-18,451
Cash repayments (-) of bank loans	-8,954	-15,390
Cash proceeds (+) from bank borrowings	40,000	34,200
Interest paid (-)	580	-560
<b>Cash flows from financing activities</b>	<b>14,236</b>	<b>-201</b>
<b>Net change in cash funds</b>	<b>11,384</b>	<b>-28,059</b>
Effect on cash funds of changes in the reporting entity structure	2,109	0
Cash funds at beginning of period	169,068	182,561
<b>Cash funds at end of period</b>	<b>182,561</b>	<b>154,502</b>

## Consolidated statement of changes in equity of Messe Frankfurt GmbH

	Equity of the parent in € '000							Minority interests in € '000			Group equity in € '000		
	Subscribed capital	Capital reserves	Revenue reserves	Total reserves	Currency translation differences	Profit brought forward	Consolidated net income for the fi- nancial year (attributable to parent)	Total	Before currency translation differences	Currency translation differences apportionable thereto	Profit apportionable thereto	Total	Total
<b>At 31.12.2018</b>	<b>180,000</b>	<b>112,172</b>	<b>86,209</b>	<b>198,381</b>	<b>-7,144</b>	<b>179,082</b>	<b>0</b>	<b>550,319</b>	<b>7,718</b>	<b>-80</b>	<b>0</b>	<b>7,638</b>	<b>557,957</b>
Allocation to reserves	0	0	228	228	0	-228	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	-13,000	0	-13,000	-5,451	0	0	-5,451	-18,451
Currency translation	0	0	0	0	-638	0	0	-638	0	-277	0	-277	-915
Other changes	0	9	1,181	1,190	0	308	0	1,498	560	0	0	560	2,058
Changes in the basis of consolidation	0	0	0	0	740	-427	0	313	0	0	0	0	313
Consolidated net income for the financial year	0	0	0	0	0	0	47,873	47,873	0	0	-53	-53	47,820
<b>At 31.12.2019</b>	<b>180,000</b>	<b>112,181</b>	<b>87,618</b>	<b>199,799</b>	<b>-7,042</b>	<b>165,735</b>	<b>47,873</b>	<b>586,365</b>	<b>2,827</b>	<b>-357</b>	<b>-53</b>	<b>2,417</b>	<b>588,782</b>

# Independent auditor's report

To Messe Frankfurt GmbH, Frankfurt am Main

## Audit opinions

We have audited the annual financial statements of Messe Frankfurt GmbH and its subsidiaries (the group) – which comprise the consolidated balance sheet as of 31 December 2019, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January 2019 to 31 December 2019, and the notes to the consolidated financial statements, including the description of the accounting and measurement policies. In addition, we have audited the group management report of Messe Frankfurt GmbH for the financial year from 1 January 2019 to 31 December 2019. In accordance with the German legal requirements, we have not audited the content of the corporate governance statement pursuant to Section 289f (4) HGB [Handelsgesetzbuch – German Commercial Code] (information on the percentage of women).

In our opinion, on the basis of the knowledge obtained in the audit

- the accompanying financial statements comply, in all material respects, with the applicable provisions of German commercial law and present a true and fair view of the group's net assets and financial position as of 31 December 2019 and its results of operations for the financial year from 1 January 2019 to 31 December 2019 in accordance with German generally accepted accounting principles and
- the accompanying group management report as a whole provides an appropriate view of the group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the parts of the group management report specified in Appendix 6.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

## Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with Section 317 HGB in compliance with German generally accepted standards for financial statement audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group in accordance with German commercial and professional regulations and have fulfilled our other German professional responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

## Other information

The members of the Executive Board are responsible for other information (Annual Report of Messe Frankfurt GmbH).

Our opinions on the consolidated financial statements and group management report do not cover the other information, and we therefore do not provide an opinion or any other form of audit conclusion on these matters.

In connection with our audit, our responsibility is to read the other information and to assess whether the other information

- is inconsistent in any material respect with the consolidated financial statements, group management report or our knowledge obtained in the audit, or
- otherwise appears to be misstated in any material respect.

## Responsibilities of the Executive Board and the Supervisory Board for the consolidated financial statements and the group management report

The members of the Executive Board are responsible for preparing consolidated financial statements that comply in all material respects with the applicable provisions of German commercial law and present a true and fair view of the group's net assets, financial position and results of operations in accordance with German generally accepted accounting principles. In addition, the members of the Executive Board are responsible for such internal controls as they deem necessary in accordance with German generally accepted accounting principles to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the members of the Executive Board are responsible for assessing the group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the members of the Executive Board are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the members of the Executive Board are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that complies with the applicable German legal requirements, and to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

### Auditor's responsibility for the audit of the consolidated financial statements and of the group management report

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German generally accepted standards for financial statement audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

As part of the audit, we exercise professional judgement and maintain professional scepticism. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by the members of the Executive Board and the reasonableness of accounting estimates and related disclosures made by the members of the Executive Board.
- conclude on the appropriateness of the Executive Board members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events such that the consolidated financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of the group's net assets, financial position and results of operations.
- obtain sufficient appropriate audit evidence regarding the financial accounting information of the businesses or business activities within the group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- evaluate whether the group management report is consistent with the consolidated financial statements, complies with the German legal requirements and provides a suitable view of the group's position.
- conduct audit procedures on the forward-looking disclosures made by the members of the Executive Board in the group management report. Based on sufficient and appropriate audit evidence, we evaluate, in particular, the material assumptions used by the members of the Executive Board as a basis for the prospective information, and evaluate the appropriate derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information or on the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

Frankfurt am Main, 8 May 2020  
 MAZARS GmbH & Co. KG  
 Wirtschaftsprüfungsgesellschaft  
 Steuerberatungsgesellschaft (Auditors)

Jörg Maas	Marco Bergmann
Public Auditor	Public Auditor

# Report of the Supervisory Board

The Supervisory Board of Messe Frankfurt GmbH regularly informed itself of the development and position of the company through written and oral reports furnished by the Executive Board and satisfied itself of the due and proper conduct of business by the Executive Board.

## Meetings of the Supervisory Board

The Supervisory Board convened two ordinary meetings in the 2019 financial year.

## Activities of the Supervisory Board

The Supervisory Board was concerned with the current business development and corporate planning. Discussions and resolutions focused on the company strategy, national and international business developments and the economic position of the company.

In addition to regular reporting, the following issues were the subject of detailed discussions and – where necessary – appropriate resolutions were passed:

- The Supervisory Board informed itself of the current status of project development (construction and partial sale) of a plot of land owned by Messe Frankfurt on Europa-Allee (Plot 42a), Frankfurt am Main.
- The Supervisory Board received reports about the problems and financial repercussions that occurred at Messe Frankfurt Middle East GmbH, Dubai/United Arab Emirates branch office, as a result of the misapplication of local statutory regulations in connection with implementing the introduction of a value added tax in Dubai. It initiated the implementation of measures to increase security in subsidiaries exposed to risk and the proposals for improving corporate governance and received reports on their current status.
- In addition, the Supervisory Board discussed in detail the participation of the City of Frankfurt am Main in the competition between cities to hold IAA 2021, and corresponding measures.
- The Supervisory Board approved in principle the acquisition of 100 percent of the shares in HGH – Home Decor, Gifts & Houseware, India, by Messe Frankfurt India (Pvt) Ltd. and delegated the final recommendation on the proposed acquisition to the General Meeting to the Investment Committee, which intended to resolve on the matter at an extraordinary meeting in January 2020.
- Furthermore, the Supervisory Board dealt with the Act on the Equal Participation of Women and Men in Executive Positions in the Private and Public Service and with the application of the principles under Section 4 of the Hessian Equal Rights Act (HGIG) as it applies to human resources management (Section 2 (3) HGIG).

## Work of the committees

The work of the Supervisory Board was facilitated by the preparation and support of the committees. The committee chairpersons reported regularly to the Supervisory Board on the work of the respective committees. The committees make recommendations to the Supervisory Board on resolutions relating to decisions of significant financial or strategic relevance.

The Investment Committee held two meetings during fiscal 2019. At its meetings, it gave detailed attention to business transactions and the economic situation, as well as to the annual financial statements of the subsidiaries and investments in associates of Messe Frankfurt Exhibition GmbH. Furthermore, the aforementioned misapplication of local statutory regulations in connection with implementing the introduction of a value added tax that occurred at the branch office of Messe Frankfurt Middle East GmbH in Dubai/United Arab Emirates and the acquisition of 100 percent of the shares in HGH – Home Decor, Gifts & Houseware, India, were discussed.

The Finance and Audit Committee met for two ordinary meetings during the 2019 financial year. At its meetings, it discussed the business transactions and economic development of Messe Frankfurt Venue GmbH and its subsidiaries, Messe Frankfurt Exhibition GmbH, Messe Frankfurt GmbH and the Messe Frankfurt Group. With respect to the aforementioned companies, the Finance and Audit Committee also examined in detail the annual financial statements and the consolidated financial statements, as well as the management reports of the individual entities and of the group. Furthermore, the Committee also gave consideration to the aforementioned project development relating to Plot 42a.

At a joint extraordinary meeting, the Investment Committee and the Finance and Audit Committee addressed the aforementioned value added tax issue at the branch office of Messe Frankfurt Middle East GmbH in Dubai/United Arab Emirates.

The Building Committee convened twice in the 2019 financial year. At its meeting, it focused on current building projects relating to the development of the exhibition grounds, in particular Hall 12, the development of the Plot 42a site, the rebuilding of Hall 5 and the refurbishment of the Congress Center.

## Conflicts of interest

The Supervisory Board is not aware of any conflicts of interest on the part of individual members of the Supervisory Board during the financial year.

## Single-entity annual financial statements and consolidated financial statements

The single-entity annual financial statements of Messe Frankfurt GmbH and the consolidated financial statements for the year ended 31 December 2019 have been examined and issued an unqualified audit opinion by MAZARS GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft. The audit contract was awarded by the Chairman of the Supervisory Board in accordance with the resolution passed by the shareholders, the City of Frankfurt am Main and the State of Hesse, on 26 August 2019.

The single-entity and consolidated annual financial statements and management reports have been prepared in accordance with the provisions set forth in the German Commercial Code (HGB) applicable to large corporations limited by shares and examined by the auditor. The Finance and Audit Committee discussed the single-entity financial statements of Messe Frankfurt GmbH and the consolidated financial statements, the management reports as well as the audit reports at its meeting of 17 June 2020 in the presence of the auditors and recommended that the Supervisory Board approve the financial statements. At the meeting of 22 June 2020, the chairperson of the Finance and Audit Committee commented on the recommendation and submitted



its proposal to the Supervisory Board, which for its part extensively reviewed the single-entity and consolidated financial statements and management reports at its financials meeting on 22 June 2020 in the presence of the auditor, who reported on the key audit findings.

Furthermore, the Finance and Audit Committee and the Supervisory Board read and took note of the reports of the auditor, MAZARS GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, on its review of the appropriateness of the management and the economic situation pursuant to Section 53 HGrG (German Law on Budgetary Principles) for the 2019 reporting period. The auditor concluded that the Executive Board has established a risk management system according to the statutory provisions which allows developments that could place the continued development of the company at risk to be identified at an early stage.

As recommended by the Finance and Audit Committee, the Supervisory Board has approved the findings of the audit of the financial statements and recommended that the General Meeting adopt the single-entity annual financial statements of Messe Frankfurt GmbH for the year ended 31 December 2019 and the consolidated financial statements for the year ended 31 December 2019 and approve and accept the report of the Executive Board on the position of Messe Frankfurt GmbH and the group for the 2019 financial year.

#### Impact of the coronavirus pandemic

The outbreak of the coronavirus towards the end of the 2019 financial year did not significantly impact on the company's economic situation in 2019. At year's end 2019, the World Health Organization's China Office was informed about the outbreak of a novel coronavirus. The evidence and information available at that time related exclusively to the People's Republic of China. During the first few months of 2020, the coronavirus outbreak developed into a pandemic that will profoundly change the general global economic landscape and the business performance of the group.

#### Personnel matters

In March 2020, our long-standing Supervisory Board member and minister of state Dr Thomas Schäfer sadly passed away. Dr Schäfer was a member of the Supervisory Board from 2010 and always supported its work with commitment and competence. We will honour his memory.

The Supervisory Board would like to thank the Executive Board for the trust-based cooperation and all employees for the good work done and their contribution to the successful 2019 financial year.

Frankfurt am Main, 22 June 2020

For the Supervisory Board

Peter Feldmann  
Chairman

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