



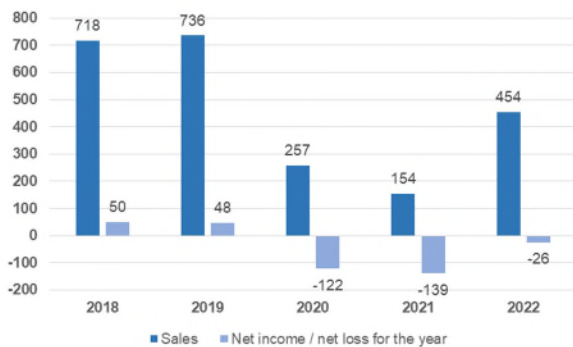
Annual Report 2022

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At a glance

Sales and net income/net loss in € million



Level of internationality

Visitors 56.7%

Exhibitors: 73.0%



■ From Germany attending Messe Frankfurt events at the Frankfurt venue

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

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

	2018	2019	2020	2021	2022
Sales	718	736	257	154	454
Personnel expenses	170	177	132	125	166
Depreciation, amortization and write-downs	58	62	65	58	60
Earnings before taxes	71	61	-122	-140	-26
Pre-tax return on sales in %	10	8	-48	-91	-6
Net income / net loss for the financial year	50	48	-122	-139	-26
EBITDA	132	124	-52	-75	40
Additions to fixed assets	101	78	84	127	39
Equity	558	589	457	317	530
Total assets	1,117	1,174	1,030	1,054	1,342
Active employees (at 31.12. respectively)	2,519	2,575	2,449	2,238	2,157

*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

	2018	2019	2020	2021	2022
Basic data					
Total space (m ²)	592,127	591,049	591,049	591,049	584,142
Available hall space (m ²)	393,838	372,350	372,073	372,073	372,073
Available open space (m ²)	59,506	66,764	66,764	66,764	64,368
Number of halls	11	11	11	11	11
Events in Germany					
Number of trade fairs and exhibitions	47	50	12	11	39
Exhibitors	45,987	42,005	12,891	4,551	29,058
Net space (m ²)	1,421,485	1,451,849	492,894	130,925	1,016,495
Visitors	1,623,423	1,985,680	304,451	123,538	762,016
Events outside Germany					
Number of trade fairs	101	105	34	53	65
Exhibitors	55,419	57,241	20,410	25,206	17,449
Net space (m ²)	1,518,445	1,539,399	558,777	754,341	496,345
Visitors	2,439,857	2,477,422	1,228,910	1,228,910	1,043,377
Total					
Number of trade fairs	148	155	46	64	104
Exhibitors	101,406	99,246	33,301	29,757	46,507
Net space (m ²)	2,939,930	2,991,480	1,051,671	885,266	1,512,840
Visitors	4,063,280	4,463,102	1,200,305	1,352,448	1,805,393

Group management report 2022 of Messe Frankfurt GmbH, Frankfurt am Main

I. Fundamental information about the group

The core activities of the Messe Frankfurt Group consist in hosting trade fairs and exhibitions worldwide. Events made by Messe Frankfurt take place at 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 are 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 Automotive & Logistics, Textile, Consumer Goods, Building and Food Technologies 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 20 foreign subsidiaries/joint ventures. 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 53 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, and as a result of the coronavirus pandemic that has prevailed since early 2020 and continued in 2022, 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.

The fundamental focuses of Messe Frankfurt's business activities outlined above continued to be impacted in 2022 by the coronavirus pandemic, which has been present worldwide since 2020. The event business and activities as an organiser with international relevance for exhibitors and visitors led to a loss of business activity in the first quarter of the reporting year, especially as a result of the cancellation of the spring events at the Frankfurt venue. The exhibition halls and conference facilities at the Frankfurt venue only resumed operations from April, leading to a significant change in the density of events both in the summer and autumn of the reporting year compared to the previous year. The event density was partly accounted for by events that had been postponed until after the lifting of coronavirus restrictions, which supplemented the scheduled event programme. Worldwide, there were still isolated cancellations and postponements of events, especially in China due to the zero-COVID strategy still in place until the end of December 2022, but also first signs of a return to business as usual. Since the end of 2022, it can be assumed that the worldwide coronavirus pandemic will be downgraded to an endemic. The figures for the reporting year are therefore not comparable with those of 2021 and the previous years.

II. Report on economic position

Macroeconomic environment

According to first calculations of the Federal Statistical Office (Destatis), the price-adjusted gross domestic product (GDP) was 1.9% higher in 2022 than in the previous year. The overall economic situation in Germany was affected by the consequences of the war in Ukraine and the extreme energy price hikes. This situation was compounded by acute material shortages and supply bottlenecks, spiralling prices, for example for food, as well as the shortage of skilled labour and the enduring, albeit lessening effects of the coronavirus pandemic in the course of the year. Despite these difficult conditions, the German economy as a whole held up well. GDP was 0.7% higher in 2022 than in 2019, the year before the COVID-19 crisis began.¹

The German economy suffered from huge supply shocks in 2022, as described below. Energy supply bottlenecks, difficulties in the supply of raw materials, intermediate products and merchandise, a worsening labour shortage – all this put a strain on the production of goods and services in nearly every sector of the German economy. This not only limited production possibilities, but also drove up production costs as a result of supply-side shortages. At the same time, demand for goods and services remained strong. Private consumption extended through to the summer months. Thus, the consumption-related services sector in particular was able to benefit from the waning of the coronavirus pandemic and the accompanying normalisation of private household spending behaviour.² Overall, the German economy proved surprisingly resilient in 2022. Gross domestic product also grew thanks in particular to higher private consumer spending, which increased strongly due to the robust labour market, the (partial) reduction of pandemic-related excess savings and government support measures.³

The global economy has weakened since the beginning of 2022. Geopolitical tensions sent energy prices soaring in many countries, and intense heat waves and droughts in Europe and Central and Southeast Asia drove up food prices. Although the impact of the coronavirus pandemic has subsided in most countries, its lingering ripple effects continue to weigh on economic activity, especially in China. The economic slowdown affects both manufacturing and market-determined services and encompasses developed and emerging economies.⁴

The war in Ukraine is having an adverse effect on the economic climate. Global GDP stagnated in the second quarter of 2022, with sharp falls in output in both Ukraine and Russia, and a contraction of output in China (reflecting lockdowns due to the zero-COVID-19 policy) as well as the United States. Global growth picked up in the third quarter, helped by a rebound in China and the United States, but remained moderate, with weak real income growth holding back consumers' expenditure and higher energy prices resulting in a sharp slowdown in many economies, particularly in Europe. The war and the pandemic add to the longstanding challenges for growth, resilience and well-being from the acceleration of digitalisation, population ageing and the need to lower carbon emissions.

Global GDP growth is projected to be 3.1% in 2022, around half the pace seen in 2021 during the rebound from the pandemic.⁵

Developments in the trade fair sector

Across Germany, the 2022 trade fair year closed better than expected. However, it also began worse than expected – with renewed trade fair bans. It was only possible to plan again from April 2022. Thus in the trade fair month of May, the (third) relaunch of trade fair activities was celebrated Germany-wide. The hot trade fair summer was followed by a stormy trade fair autumn: 280 trade fairs were held in 2022, including 60 first-time and probably also one-time summer and autumn dates. 130 trade fairs were cancelled.⁶

¹ Destatis Federal Statistical Office: Gross domestic product up 1.9% in 2022, press release dated 13 January 2023

² Ifo Economic Forecast Winter 2022, in ifo Schnelldienst, Special Edition, 75th Edition, December 2022

³ Deutsche Bank Research: Deutschland: Konjunktur kurzgefasst, 18 January 2023

⁴ Ifo Economic Forecast Winter 2022, in ifo Schnelldienst, Special Edition, 75th Edition, December 2022

⁵ OECD Economic Outlook, Volume 2022 Issue 2

⁶ AUMA Compact No. 1 2023 dated 5 January 2023

Looking back, 2022 was the third exceptional year in a row: after most trade fairs were cancelled in the first quarter due to official trade fair bans and governmental constraints, the majority of attendees have been back since autumn at the latest. More than 7.2 million visitors and over 142,000 exhibiting companies were guests at German trade fairs. That sums up to 70% of the exhibitors and almost 65% of the visitors of the pre-COVID period. More than 5.5 million square metres of stand space were booked at the trade fairs in Germany last year. 1.9 million foreign trade fair visitors in Germany in 2022 are impressive. Their share even means a slight increase compared to the time before the pandemic. The 70,000 foreign exhibitors are on a par with the pre-COVID level. What is remarkable, however, is their origin, showing a clear shift: while in 2019 a good 30% of the exhibiting companies came from Asia, in 2022 it was only just under 19%. On the other hand, 72% of exhibitors came from European countries; before COVID, this share was around 60%.⁷

Marketing budgets in the B2B sector increased significantly in 2022 compared to 2021. Trade fairs are also once again increasingly represented as the largest budget item among marketing measures, while budgets for digital formats are declining, as revealed in the decision-maker study of the bvik – Bundesverband Industrie Kommunikation (Federal Association of Industrial Communication). In 2022, 76% of trade fair and event budgets were earmarked for live on-site trade fair participation. The figure in 2021 was just 45%. This low value was attributable to coronavirus restrictions. The study also confirms that face-to-face encounters with customers and business partners remain key in the B2B environment. While 41% of event budgets were still invested in online formats in 2021, this figure was just 16% in 2022. Direct contact, live and on site, has become even more important as a result of the experiences of the past years.⁸

The global exhibition industry is gearing up for the post-pandemic period, according to the results of the UFI Exhibition Barometer. The proportion of companies declaring "normal business activity" gradually increased globally between January and December 2022, from 30% to 72%. The "bounce back" of exhibitions happened in 2022 and companies from most markets plan to deliver revenues close to their 2019 levels. Globally, and excluding China, the revenues for 2022 represent 80% of 2019 levels. Only a small proportion of companies received public financial support in 2022. Overall, 69% of companies received no public financial support in 2022, but for the half of those that did, this aid represented less than 10% of their overall costs. As of December 2022, trade fairs were possible in many parts of the world without significant restrictions; however, in China only 55% of respondents declared that exhibitions could be held (with hygiene measures), 17% reported that "only local events" were possible and 28% said that events were still not allowed.⁹

Development of business

The third year of the coronavirus pandemic continued to have a significant impact on the business development of the Messe Frankfurt corporate group. Compared to the previous year, however, the situation in the exhibition industry eased somewhat at least from the second quarter of 2022, which is positively reflected in the business development of the Messe Frankfurt Group. There are signs of a return to normal event business, with only China still experiencing significant restrictions in the form of lockdowns.

The shareholders nevertheless implemented capital increases in the financial year in order to financially anchor the losses of the previous years 2020 and 2021, as well as of the reporting year, to guarantee the investment capability of the corporate group and to ensure the company's continued long-term operation as a going concern.

At the **Frankfurt venue**, the coronavirus-related uncertainty of trade fair participants at the end of 2021 meant that the international trade fairs planned for the first quarter of 2022 had to be cancelled or postponed at short notice. The Christmasworld, Paperworld and Creativeworld as well as Ambiente trade fairs planned for late January and mid-February were cancelled altogether, the Heimtextil event was postponed from January to June and the Light + Building event from March to October. In the first quarter of the year, only the regionally oriented trade fair Nordstil took place in Hamburg in January. The planned own group events, such as Prolight + Sound in April, Heimtextil, Techtexil and Texprocess in June and Automechanika in September, could only take place from the second quarter of 2022.

Numerous guest events were also held again at the Frankfurt venue. Due to the largely coronavirus-related suspension of business activities since 2020, the 2022 financial year saw numerous catch-up effects in the various event formats, such as

⁷ AUMA – German trade fairs take off powerfully – recovery visible since last autumn, media release dated 15 February 2023

⁸ AUMA - Bvik-Study: Marketing Budgets steigen – auch für Messen (Marketing budgets are increasing – also for trade fairs), press release dated 25 October 2022

⁹ UFI The Global Association of the Exhibition Industry: UFI Global Exhibition Barometer, 30th Edition, January 2023

the guest fair ACHEMA or the IFFA event in May. In addition to the Book Fair or CPhI guest events, the Eurobike trade and public fair was also held for the first time in the summer of 2022.

The number of congresses, conferences, conventions, and Festhalle event formats also increased significantly compared to the previous year.

Overall, this led to a density of events at the Frankfurt venue that is not comparable to 2021.

In the **regions Europe, America and the Middle East**, Messe Frankfurt faced a similar picture due to isolated cancellations or postponements of individual events and the emerging recovery of the global event industry. Generally speaking, companies in the regions were once again able to hold major international face-to-face events throughout the year. However, while at the French subsidiary, for example, the absence of Chinese trade fair participants continued to influence the results of the textile fairs in Paris, Messe Frankfurt Middle East GmbH with its operations in Dubai noted a slow return to “normality”. The three major international attendance events Intersec, Beautyworld Middle East and Automechanika Dubai were all able to take place. In America, for example, the Clean Show event was successfully held.

In the **Asia region**, and especially in China, the picture was more differentiated. Due to the zero-COVID strategy that prevailed in China until the end of December 2022, there were still strict entry and exit restrictions as well as individual lockdowns. Despite the resulting cancellations and postponements, a few isolated attendance events were held throughout the year, but essentially without international participation. These included in particular the Guangzhou International Lighting Exhibition and SPS in Guangzhou, Toy & EDU China in Shenzhen, as well as Beautyworld and Interpets Asia Pacific in Tokyo. Due to the coronavirus, on the other hand, the Intertextile Shanghai Apparel Fabrics events in Shanghai (both the Spring Edition and the Autumn Edition) and the ISH China & CIHE events planned in Beijing and AMR Expo did not take place.

Overall, however, signs that the global coronavirus pandemic is coming to an end, the general lifting of coronavirus-related restrictions and the resumption of global event business had a positive impact on Messe Frankfurt's strength in staging leading international trade fairs with a high degree of internationalisation worldwide, which was reflected in the course of business.

Due to the easing of the business situation, the financial key performance indicators sales, EBITDA and consolidated net income/loss for the year are not economically comparable and are significantly higher than the previous year's figures. The forecast KPIs also deviated from the actual figures.

Although sales increased from € 153.8 million to € 454.2 million, this figure is still around € 87 million below the sales projection, mainly due to the lack of business in the first quarter. By contrast, generated EBITDA of € 40.6 million (previous year: € -74.9 million) and the consolidated net loss of € 25.7 million (previous year: € -139.2 million) represented a significant improvement, also due to the sale of a plot of land, both compared to the previous year and compared to the forecast (EBITDA: around € 32 million; consolidated net loss: around € 40 million).

In addition to these financial performance indicators, the non-financial key performance indicators exhibitors, net exhibition space and visitors are also important for the Messe Frankfurt Group, which reported substantial year-on-year increases.

The Messe Frankfurt Group staged 104 trade fairs and exhibitions worldwide (previous year: 64) in the 2022 reporting year. A total of 46,507 exhibitors (previous year 29,757) and around 1.8 million visitors (previous year 1.4 million) were registered; the total net leased space was around 1.5 million m² (previous year 0.9 million m²). These trade fairs and exhibitions were complemented by 185 congresses, conventions and other activities (previous year 100) that were organised and held at the Frankfurt am Main venue, which attracted 628,541 visitors (previous year 42,046), as well as 9 German pavilions worldwide (previous year 11). Another 11 congresses, conferences and other activities (previous year 12) were held at other venues in Germany and abroad with 7,211 (previous year 1,788) participants in total. Thus, all Messe Frankfurt Group events aggregated around 2.4 million attendees in the reporting period (previous year 1.4 million). The increase in these key performance indicators impressively demonstrates the rebound of event business compared to the previous year.

Coronavirus strategy

In navigating the crisis that has prevailed since spring 2020, the Executive Board of Messe Frankfurt GmbH adopted a management strategy based on liquidity-oriented criteria, while the KPIs described under Development of business played a subordinate role.

As a financing measure, the group parent Messe Frankfurt GmbH took out a shareholder loan of € 150 million in the previous year, which had been drawn in full as of the balance sheet date. In addition, the shareholders of Messe Frankfurt GmbH, the City of Frankfurt am Main and the State of Hesse, resolved to increase the capital of Messe Frankfurt GmbH by a total of € 240 million, of which € 40 million is earmarked for the financing of an acquisition at Messe Frankfurt Exhibition GmbH. The remaining € 200 million is intended to safeguard the solvency of the Messe Frankfurt corporate group should the worst-case scenario for the Messe Frankfurt Group calculated on the basis of the previous year's multi-year plan materialise.

Furthermore, in the second quarter of 2022 Messe Frankfurt Venue GmbH sold a plot of land not required for operations for a mid-double-digit million-euro amount.

All Messe Frankfurt Group companies applied for or already received further economic relief in the form of subsidies granted worldwide, e.g. from short-time work.

Despite the resumption of event business, the crisis and cost management introduced in 2020 was continued. This subjected expenditures in the four major cost blocks of personnel, construction and infrastructure measures, IT and event-related overheads to constant monitoring.

Performance indicators – trade fairs and exhibitions

The non-financial key performance indicators for the 2022 financial year were as follows:

Total activities 2022	Number	Exhibitors	Net space* in m ²	Visitors
Trade fairs and exhibitions				
- at the Frankfurt exhibition venue	31	25,197	810,975	638,280
<i>(previous year)</i>	<i>(10)</i>	<i>(4,045)</i>	<i>(111,932)</i>	<i>(115,837)</i>
- in Germany outside the Frankfurt exhibition venue	8	3,861	205,520	123,736
<i>(previous year)</i>	<i>(1)</i>	<i>(506)</i>	<i>(18,993)</i>	<i>(7,701)</i>
Germany	39	29,058	1,016,495	762,016
<i>(previous year)</i>	<i>(11)</i>	<i>(4,551)</i>	<i>(130,925)</i>	<i>(123,538)</i>
Events outside Germany	65	17,449	496,345	1,043,377
<i>(previous year)</i>	<i>(53)</i>	<i>(25,206)</i>	<i>(754,341)</i>	<i>(1,228,910)</i>
Total trade fairs and exhibitions	104	46,507	1,512,840	1,805,393
<i>(previous year)</i>	<i>(64)</i>	<i>(29,757)</i>	<i>(885,266)</i>	<i>(1,352,448)</i>
Other events organised by Messe Frankfurt Exhibition GmbH (outside of trade fairs) at the Frankfurt exhibition venue	1	0	0	350
<i>(previous year)</i>	<i>(0)</i>	<i>(0)</i>	<i>(0)</i>	<i>(0)</i>
Congresses and conventions at the Frankfurt exhibition venue	185	0	0	628,541
<i>(previous year)</i>	<i>(100)</i>	<i>(0)</i>	<i>(0)</i>	<i>(42,046)</i>
German pavilions (planning and execution of trade fair participations)	9	0	0	0
<i>(previous year)</i>	<i>(11)</i>	<i>(0)</i>	<i>(0)</i>	<i>(0)</i>
Congresses, conferences and other activities at other venues in Germany outside the Frankfurt exhibition venue	1	0	0	47
<i>(previous year)</i>	<i>(1)</i>	<i>(0)</i>	<i>(0)</i>	<i>(26)</i>
Congresses, conferences and other activities at other venues outside Germany	10	0	0	7,164
<i>(previous year)</i>	<i>(11)</i>	<i>(0)</i>	<i>(0)</i>	<i>(1,762)</i>
Total activities	310	46,507	1,512,840	2,441,495
<i>(previous year)</i>	<i>(187)</i>	<i>(29,757)</i>	<i>(885,266)</i>	<i>(1,396,282)</i>

* incl. special show space

The **group's own exhibition centre** in Frankfurt was the venue for 31 trade fairs and exhibitions (previous year 10), including 8 events organised by Messe Frankfurt Exhibition GmbH (previous year 2) and 1 by Messe der MESAGO Messe Frankfurt GmbH, Stuttgart (previous year 1), and for the first time 1 trade fair organised by fairnamic GmbH, Friedrichshafen. The 10 own group events (previous year 3) attracted 10,130 exhibitors (previous year 785) and 352,792 visitors (previous year 19,895). Around 488,622 m² of net exhibition space including special show space (previous year 25,536 m²) was booked for these own group events in Frankfurt.

In the months of January, February and March of 2022, it was not possible to hold events in Frankfurt due to restrictions related to the coronavirus pandemic.

The first trade fair to take place at the exhibition grounds was Prolight + Sound in April, followed by IFFA in May. Heimtextil, which was postponed from January, was organised in June as a "Summer Edition" in conjunction with the Techtexil and Texprocess events. As travel restrictions were still in place worldwide, especially in Asia, participation at most trade fairs was even lower than at the prior events before the outbreak of the coronavirus pandemic. The Automechanika Frankfurt event in September nevertheless recorded 2,782 exhibitors and 77,884 visitors. With 1,531 exhibitors and 89,409 visitors, the Light + Building event in October was also a success.

The group's own events held in the reporting year at the Frankfurt venue displayed a high level of internationality: 75.4% foreign participation among exhibitors and 60.8% among visitors at Messe Frankfurt's international own group events testified to outstanding market penetration. This guaranteed maximum customer benefit on both the supply and demand

side. With these internationality values, Messe Frankfurt ranked first in the competitive environment: the Association of the German Trade Fair Industry, AUUMA, provisionally puts the average internationality rates for events in Germany at 59.0% for exhibitors and 36.0% for visitors.

Despite coronavirus-related restrictions in the first quarter, 21 guest fairs (previous year 7) were held again in the 2022 reporting year, including 6 consumer exhibitions and 3 trade exhibitions that supplemented the event portfolio at the Frankfurt exhibition venue. Exhibitions open to the public, such as the Einstieg Frankfurt – Die Berufswahlmesse 2022 vocational training, studies and career show and the Discovery Art Fair Frankfurt 2022 exhibition, the ShishaMesse and the IT job fair ITCS presented a colourful array of ideas for end consumers. These guest events attracted a total of 15,067 exhibitors (previous year 3,260) and 285,488 visitors (previous year 95,942) and occupied 702,945 (previous year 197,768) gross square metres of exhibition space.

The Frankfurt Book Fair was again a regular and highly successful fixture at the Frankfurt venue in 2022, and registered around 4,000 exhibitors and around 80,000 visitors. The AICHEM event, the world's leading trade fair for the international process industry, was able to maintain its three-year rotation, moved back by several weeks, and was pleased to welcome 2,167 exhibitors and 70,007 visitors.

Internationally renowned guest fairs such as the CPhI pharmaceutical trade fair, IMEX Frankfurt, Optatec, Tech Show 2022, White Label World Expo and Franchise Expo Frankfurt returned to the live format and were again successfully held at the exhibition grounds.

The formnext event, organised by MESAGO Messe Frankfurt GmbH, recorded good growth in 2022 with 802 exhibitors and 29,581 visitors, more than half of whom in each case came from outside Germany.

A special highlight was the Eurobike event, which was held for the first time at the Frankfurt venue and in the City of Frankfurt in 2022. It was organised by fairnamic GmbH, a joint subsidiary of Messe Frankfurt Exhibition GmbH and Messe Friedrichshafen GmbH. Eurobike welcomed a total of 1,496 exhibitors (of whom 69% came from outside Germany) and 46,708 visitors (of whom 36% came from outside Germany) to Frankfurt.

Additional new guest fairs held in Frankfurt in 2022 were Parcel & Post Expo and Enlit Europe, which deals with the theme of smart energy.

At other trade fair venues in Germany, Messe Frankfurt Exhibition GmbH and its subsidiaries organised 8 events (previous year 1). Of these 8 trade fairs, 2 were organised by Messe Frankfurt Exhibition GmbH itself, 4 by MESAGO Messe Frankfurt GmbH and 2 by fairnamic GmbH. Events in Germany outside Frankfurt attracted 3,861 exhibitors (previous year 506) and 123,736 visitors (previous year 7,701). The total net leased space came to 205,520 m² (previous year 18,993 m²).

Despite coronavirus-related restrictions, Messe Frankfurt Exhibition GmbH was able to hold Nordstil in Hamburg in both January and June 2022.

The MESAGO Messe Frankfurt GmbH subsidiary was once again able to hold all of its planned trade fairs in Cologne and Nuremberg as attendance events in 2022 (previous year 0). While PCIM Europe, SMT connect and SPS – Smart Production Solutions in Nuremberg as well as EMV in Cologne have not yet returned to their pre-pandemic size, they were able to look back on satisfied customers.

The VELO Berlin and AERO Friedrichshafen events, organised by fairnamic GmbH, took place as planned at their respective venues. Previously, the two trade fairs were part of the portfolio of Messe Friedrichshafen GmbH and are now new fixtures in the Frankfurt event portfolio.

Outside Germany, 65 events (previous year 63) took place. At these events, 17,449 exhibitors (previous year 25,206) showcased their product and service portfolios to 1,043,377 visitors (previous year 1.2 million) on 496,345 m² of exhibition space (previous year 0.8 million m²). Asia remained the regional focus of overseas business with 29 events in the reporting year (previous year 33), of which 8 were held in China alone (previous year 21). Another exhibition region for Messe Frankfurt is the EMEA (Europe, Middle East, Africa) economic area, where 24 trade fairs were held (previous year 17). On

the American continents, the subsidiaries of Messe Frankfurt Exhibition GmbH organised 12 trade fairs in the reporting year (previous year 3)

As part of the optimisation of its product spectrum, Messe Frankfurt expanded its portfolio outside Germany in the reporting year with the addition of "The UK Garage & Bodyshop Event presented by Automechanika" in the UK. A total of five new events opened their doors for the first time in 2022, one in the UK and two each in India and South Africa. The portfolio is rounded out by 10 congresses, conferences and other activities (previous year 11), which drew a total of 7,164 visitors (previous year 1,762).

In addition to designing and staging its own events, Messe Frankfurt organised 9 German pavilions at international trade fairs (previous year 11). 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

Following the pandemic-related interruption, a strong return to attendance events could be observed. In addition to guest fairs, Frankfurt hosted 103 congresses and meetings (previous year 57) with 107,523 participants (previous year 23,705). 72 (previous year 36) of these congresses and meetings with 27,787 participants (previous year 5,720) were held at the Kap Europa congress venue. In terms of content, the guest congresses mainly belong to the fields of science, medicine, IT and finance. Examples of events in 2022 were HPE Discover with 2,000 participants in the Congress Center, Forum and Hall 3 or the Pokémon European Championship 2022 in Hall 6 with 9,700 participants. The CSI Frankfurt cardiosurgery congress celebrated its 25th anniversary at Messe Frankfurt in 2022 with 2,000 international participants.

From March to June 2022, Hall 1 was used as a municipal initial care facility for Ukrainian refugees.

The Festhalle was also the venue for 82 cultural, sporting or social events (previous year 43), which were attended by 521,018 guests (previous year 18,341). Among others, concert highlights included James Blunt, Udo Lindenberg, Billie Eilish, 50 Cent or The Cure. In addition, shows such as ABBA Mania, Cavalluna, Disney in Concert and a performance of the Ehrlich Brothers took place. Alongside the Frankfurt Marathon and the International Festhalle Riding Tournament, one special sports highlight was the qualifying draw for the EURO 2024, which was broadcast worldwide from the Festhalle.

Development of the exhibition grounds

Despite the coronavirus pandemic, the development of the Frankfurt exhibition centre continued apace. Since December 2019, the third and last development phase of the master plan – the demolition and rebuilding of Hall 5 – has been ongoing. 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 m² to around 18,000 m². At the beginning of March 2020, the construction contract for the new hall was concluded with the Zechbau/ROM consortium, which provided for turnkey construction within the planned time frame until the end of 2022. With the outbreak of war in Ukraine, and despite the ebbing of the coronavirus pandemic, the general conditions remained challenging, causing completion of construction work to be minimally delayed until the beginning of 2023. Overall, Messe Frankfurt continues to operate within the planned time and cost framework. The staging of the consumer goods fairs at the end of January 2023 was the first successful event to be held in the new hall.

In September 2019, the contracts were signed for the partial sale of plot 42a of building land. The plot of land on Europa-Allee is being used to build a new South Entrance as well as an office building and a hotel between now and 2025. While the office and hotel tower are being built on the section of the plot sold to the Gustav Zech Foundation, the new entrance is being constructed on the part of the plot that remains the property of Messe Frankfurt. The Gustav Zech Foundation is responsible for the construction of the entire building complex and Messe Frankfurt will acquire the entrance building after completion. The building application was submitted in November 2020, and after the partial building permit for the construction pit was issued at the end of December 2021, work got underway in early 2022. An architectural contest was held in the reporting year for the missing section of the Via Mobile linking the future South Entrance, to be called Exhibition

Centre Entrance, with Hall 12.

With the construction measures for Hall 5 and the Exhibition Centre Entrance, the final major stages in implementing the master plan for the exhibition grounds have been commissioned and are under construction. This will complete the expansion of the exhibition grounds that was made possible by the closure and demolition of the inner-city goods station, providing Messe Frankfurt with modern exhibition grounds that can be used in a variety of ways. The new South Entrance has created additional connections to the public transport system, enabling the exhibition centre to be used simultaneously for two or more parallel events and potentially increasing the capacity utilisation of the grounds. Completion of these measures is planned for 2025; however, in terms of pure exhibition space, the master plan is concluded with the completion of Hall 5.

In response to the economic situation, the possibility of selling the plot 44 site acquired in the immediate vicinity of the Portalhaus in 2013 was examined in 2021. For this purpose, a market value appraisal was commissioned and negotiations with potential buyers were initiated. In December 2021, with the consent of the shareholders, an exclusivity agreement was reached with the aim of negotiating a purchase contract and submitting it to the relevant bodies for approval. In the reporting year, the negotiations were successfully concluded and the purchase agreement was signed with the approval of the bodies. The development will be carried out by the buyer Strabag Real Estate, with Messe Frankfurt only being involved as a neighbour in order to coordinate the design of the forecourt at the Portalhaus.

Personnel

Change in employee numbers¹⁾			
	2020	2021	2022
Messe Frankfurt GmbH, Frankfurt, Germany	320	294	296
Messe Frankfurt Exhibition GmbH, Frankfurt, Germany	329	312	288
Messe Frankfurt Venue GmbH, Frankfurt, Germany	231	216	216
Messe Frankfurt Medien und Service GmbH, Frankfurt, Germany	91	81	74
MESAGO Messe Frankfurt GmbH, Stuttgart, Germany ²⁾	156	147	140
fainamic GmbH, Friedrichshafen, Germany ³⁾	0	6	7
Accente Gastronomie Service GmbH, Frankfurt, Germany	325	270	316
Total Germany	1,452	1,326	1,337
Messe Frankfurt France S. A. S., Paris, France	24	25	22
Messe Frankfurt Italia Srl., Milan, Italy	46	42	40
Messe Frankfurt Istanbul L. S., Istanbul, Turkey	16	13	13
O. O. O. Messe Frankfurt RUS, Moscow, Russia ⁴⁾	55	51	0
Messe Frankfurt Middle East GmbH, Frankfurt/Dubai, UAE	110	100	100
Messe Frankfurt Asia Holding Ltd., Hong Kong, China	4	4	5
Messe Frankfurt (H. K.) Ltd., Hong Kong, China ²⁾	480	443	401
Messe Frankfurt Japan Ltd., Tokyo, Japan	35	31	33
Messe Frankfurt Korea Ltd., Seoul, South Korea	11	11	11
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai, India	105	85	82
Messe Frankfurt Inc., Atlanta, USA	29	34	38
Indexport Messe Frankfurt S. A., Buenos Aires, Argentina	40	32	33
Messe Frankfurt South Africa (Pty) Ltd., Johannesburg, South Africa	28	27	28
Messe Frankfurt UK Ltd., Guildford, UK	14	14	14
Total outside Germany	997	912	820
	2,449	2,238	2,157
Decrease in number of employees		-211	-81

¹⁾ incl. trainees and management (as at 31 December respectively)

²⁾ sub-group

³⁾ proportionately

⁴⁾ incl. O. O. O. ITEMF EXPO, Moscow; proportionately; the company was sold in 2022

On 31 December 2022, the Messe Frankfurt GmbH corporate group employed 2,157 active members of staff worldwide, 81 fewer than at the end of 2021. Due to the pandemic, the organisation lost significant personnel capacities in the years 2020 and 2021. In 2022, the number of active employees outside Germany declined by a further 92, while in Germany the headcount grew slightly by 11 active employees.

Following continued coronavirus-related restrictions at the beginning of 2022, event operations resumed in the course of the year, leading to a high event density in the second half-year. Through targeted resource management, process optimisation and automation, we were able to limit capacity building in 2022 despite the resumption of event operations and to consciously keep a watchful eye on the development of personnel costs. Thanks to the high level of commitment and motivation on the part of our staff, it was possible to successfully manage the high event density with reduced capacities. The positive business development in 2022 meant that measures to lower personnel expenses, including salary waivers, could be partially reversed. Furthermore, targeted staff retention measures enabled Messe Frankfurt to counter the general trend towards increased staff turnover in the event industry and keep it at a manageable level. Messe Frankfurt intends to

mitigate the knowledge and capacity drain caused by demographic change expected over the coming decade through focused strategic succession management to enable it to also meet the growing quantitative and qualitative need for skills. Messe Frankfurt systematically extended its further training programme in 2022, especially in the area of self-learning content. By expanding and making the possibilities for off-site work more flexible, Messe Frankfurt has increased its attractiveness as an employer and positioned itself both internally and externally as a modern employer.

Thanks to our employees

In the Executive Board's view, thanks to the high degree of flexibility and the dedicated commitment of its staff, the Messe Frankfurt Group successfully surmounted the challenges of 2022, coped with an exceptionally high event density in the second half of the year and was thus able to meet and in some cases even exceed customer expectations. The employees thus contributed significantly to renewing the strength of the Messe Frankfurt Group. The Executive Board would therefore like to expressly thank all employees for their trust, their commitment and their team spirit under challenging circumstances.

III. Description of the position of the company

Financial performance

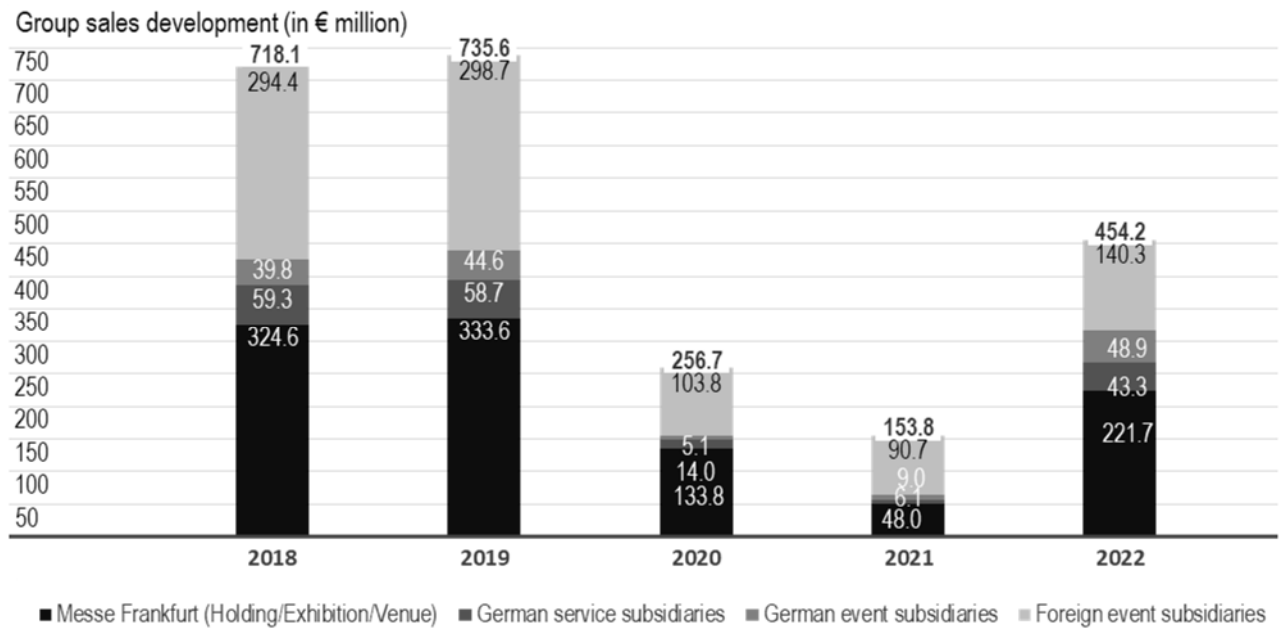
The projected end of the coronavirus pandemic in the course of business is also mirrored in the development of group sales. Sales of € 454.2 million were recognised in the 2022 financial year, an increase of € 300.3 million compared with the previous year (€ 153.8 million).

On the domestic front sales were up by € 250.7 million to € 313.9 million (previous year € 63.2 million), accounting for 69.1% of group sales (previous year 41.1%).

Messe Frankfurt Exhibition GmbH generated consolidated sales of € 112.9 million, up on total sales for the previous year by € 99.0 million. From April 2022, the company staged 10 attendance, hybrid and digital trade fairs (previous year 5) at the Frankfurt exhibition venue and other venues in Germany. These mainly included the events Prolight + Sound, Heimtextil in combination with Techtextil and Texprocess, Automechanika Frankfurt, Light + Building, ISH and the Nordstil events in Hamburg. In addition, the company organised 9 German pavilions (previous year 11).

Messe Frankfurt Venue GmbH generated consolidated sales of € 108.8 million, € 74.6 million more than in the previous year, due in particular to the growing number of guest fairs held at the Frankfurt venue. Despite coronavirus-related restrictions in the first quarter, 21 guest fairs (previous year 7) were held again in the reporting year, including 6 consumer exhibitions and 3 trade exhibitions that supplemented the event portfolio at the Frankfurt exhibition venue. In addition to the events organised by Messe Frankfurt Exhibition GmbH, the formnext attendance event hosted at the Frankfurt venue by Stuttgart-based MESAGO Messe Frankfurt GmbH and the Eurobike event organised at the Frankfurt exhibition grounds for the first time by fairnamic GmbH, a joint subsidiary with Messe Friedrichshafen GmbH, are particularly worth mentioning. Among the guest fairs, above all the Frankfurt Book Fair, IFFA and ACHEMA took place. After the pandemic-related standstill in the first three months of 2022, an increased number of congresses and conventions could again be hosted by Messe Frankfurt Venue GmbH in the further course of the financial year.

The two other subsidiaries based at the Frankfurt venue, Messe Frankfurt Medien und Service GmbH and Accente Gastronomie Service GmbH, which are essentially dependent on events at the Frankfurt venue with their respective core business activities of stand construction and catering, also generated consolidated sales in the 2022 financial year that were above the previous year's figures. At € 18.3 million, Messe Frankfurt Medien und Service GmbH recognised consolidated sales that were up on the previous year by € 15.0 million. Accente Gastronomie Service GmbH generated consolidated sales of € 25.0 million, a plus of € 22.1 million year on year. Thus at the Frankfurt am Main venue, consolidated sales of € 265.0 million were generated (previous year € 54.2 million), which corresponded to around 58.3% (previous year 35.2%) of group sales. With consolidated sales in the amount of € 39.2 million, MESAGO Messe Frankfurt GmbH in Stuttgart achieved a figure that was up by € 30.4 million on the previous year, which was largely accounted for by the organisation of the formnext and SPS attendance events.



The foreign subsidiaries and the branch office in Dubai/United Arab Emirates also increased their consolidated sales by € 49.6 million year on year to € 140.3 million. Their share of group sales was 30.9% (previous year 58.9%). The companies of the Asian sub-group and the branch office in Dubai/United Arab Emirates contributed most strongly to sales generated abroad (€ 54.6 million and € 38.7 million respectively), followed by the sub-group in the USA (€ 14.9 million) and the subsidiary in Argentina (€ 14.4 million).

In Asia, despite cancellations and postponements due in particular to China's zero-COVID policy in place until December 2022, sporadic events were able to take place throughout the year – in compliance with COVID 19-related safeguards – albeit without the participation of international exhibitors and international visitors. These included in particular the Guangzhou International Lighting Exhibition and SPS in Guangzhou, Toy & EDU China in Shenzhen, as well as Beautyworld and Interpets Asia Pacific in Tokyo. Due to the coronavirus, on the other hand, the Intertextile Shanghai Apparel Fabrics events (both the Spring Edition and the Autumn Edition) in Shanghai and the ISH China & CIHE and AMR Expo events planned in Beijing did not take place.

At the branch office in Dubai/United Arab Emirates, the sales drivers were the Intersec, Beautyworld Middle East and Automechanika Dubai events, while in the USA principally the Clean Show event was held.

Despite the ramp-up of business activities, Messe Frankfurt fell short of the Group's targeted sales projection for the financial year of around € 541 million by some € -87 million. The main reason for this was the planned business that did not take place at the Frankfurt venue during the first three months of the year.

Group sales development (consolidated in € million)	2020	2021	2022	Change in % compared to ⁴⁾	
				2021	2020
Germany					
Messe Frankfurt GmbH, Frankfurt, Germany	0.3	0.0	0.0	0.0	--
Messe Frankfurt Exhibition GmbH, Frankfurt, Germany	109.7	13.9	112.9	++	2.9
Messe Frankfurt Venue GmbH, Frankfurt, Germany	23.8	34.2	108.8	++	++
MESAGO Messe Frankfurt GmbH, Stuttgart, Germany ¹⁾	5.1	8.8	39.2	++	++
faimamic GmbH, Friedrichshafen, Germany	0.0	0.1	9.7	++	++
Messe Frankfurt Medien und Service GmbH, Frankfurt, Germany	8.6	3.3	18.3	++	++
Accente Gastronomie Service GmbH, Frankfurt, Germany	5.4	2.9	25.0	++	++
Total Germany	152.9	63.2	313.9	++	++
Other countries					
Messe Frankfurt France S. A. S., Paris, France	13.4	0.7	6.3	++	-53.0
Messe Frankfurt Italia Srl., Milan, Italy	1.3	0.5	5.9	++	++
Messe Frankfurt Istanbul L. S., Istanbul, Turkey	0.5	1.3	2.1	61.5	++
O. O. O. Messe Frankfurt RUS, Moscow, Russia ^{1) 2)}	0.4	7.3	0.0	--	--
Messe Frankfurt UK Ltd., Guildford, UK	0.1	0.2	0.8	++	++
Messe Frankfurt Middle East GmbH, Frankfurt/Dubai, UAE	10.9	18.2	38.7	++	++
Messe Frankfurt Asia Holding Ltd., Hon Kong, China ¹⁾	75.4	57.9	54.6	-5.7	-27.6
Messe Frankfurt Inc., Atlanta, USA ³⁾	1.5	3.4	14.9	++	++
Messe Frankfurt México S. de R. L. de C. V., Mexico City, Mexico	0.1	0.0	0.0	--	--
Indexport Messe Frankfurt S. A., Buenos Aires, Argentina	0.1	0.9	14.4	++	++
Messe Frankfurt South Africa (Pty) Ltd., Johannesburg, South Africa	0.1	0.2	2.6	++	++
Total outside Germany	103.8	90.6	140.3	54.9	35.2
Group sales	256.7	153.8	454.2	++	76.9

¹⁾ Sub-group incl. joint ventures, proportionately

²⁾ The companies were disposed of and deconsolidated on 5.5.2022

³⁾ incl. PAACE Automechanika Mexico LLC, Atlanta, and PE Events LLC, Atlanta, proportionately

⁴⁾ Deviations of more than 100% are shown with ++ or --

The resumption of business activities also had an impact on net earnings. With a consolidated net loss of € 25.7 million, the 2022 result was a significant improvement on the earnings of the previous year; however, it still fell far short of the consolidated net income achieved in the pre-COVID years.

Earnings development (in € thousand)	2020	2021	2022	Change in % compared to ¹⁾	
				2021	2020
Earnings before taxes on income	-119,048	-135,798	-23,127	-83.0	-80.6
Taxes on income	-431	-312	-242	-22.4	-43.9
Other taxes	3,326	3,718	2,787	-25.0	-16.2
Consolidated net income/consolidated net loss for the financial year	-121,943	-139,204	-25,672	-81.6	-78.9

¹⁾ Deviations of more than 100% are shown with ++ or --

Other operating income (€ 60.0 million; previous year € 67.3 million) included in particular income from the sale of a plot of land with € 31.8 million (previous year principally support payments from coronavirus aid (November/December assistance) in the amount of €40.6 million). Moreover, apart from current income from the annual release of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€ 2.1 million), other operating income principally included income arising from the reversal of provisions (€ 7.2 million; previous year € 9.1 million), income from prior periods (€ 0.8 million; previous year € 7.0 million), as well as from exchange rate fluctuations (€ 8.1 million; previous year € 4.9 million) and income from receivables written off (€ 0.7million; previous year € 1.2 million).

Operating income was in contrast to operating expenses totalling € 530.8 million (previous year € 350.2 million). This was € 180.6 million, or 51.6%, higher than in the prior period due to the renewed increase in business volume. Event-related expenses were the biggest expense item with € 229.8 million, after € 110.3 million in 2021. This corresponded to a cost-income ratio in relation to sales of 50.6% after 71.7% 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.

Personnel expenses increased in the reporting year by € 41.3 million, or 32.9%, from € 125.2 million to € 166.5 million. Despite the reduction in the number of employees by 81 as of the reporting date, this was mainly attributable to the ending of short-time work and higher personnel-related provisions. The personnel costs ratio improved to 36.7% (previous year 81.4%) on the back of the increased sales.

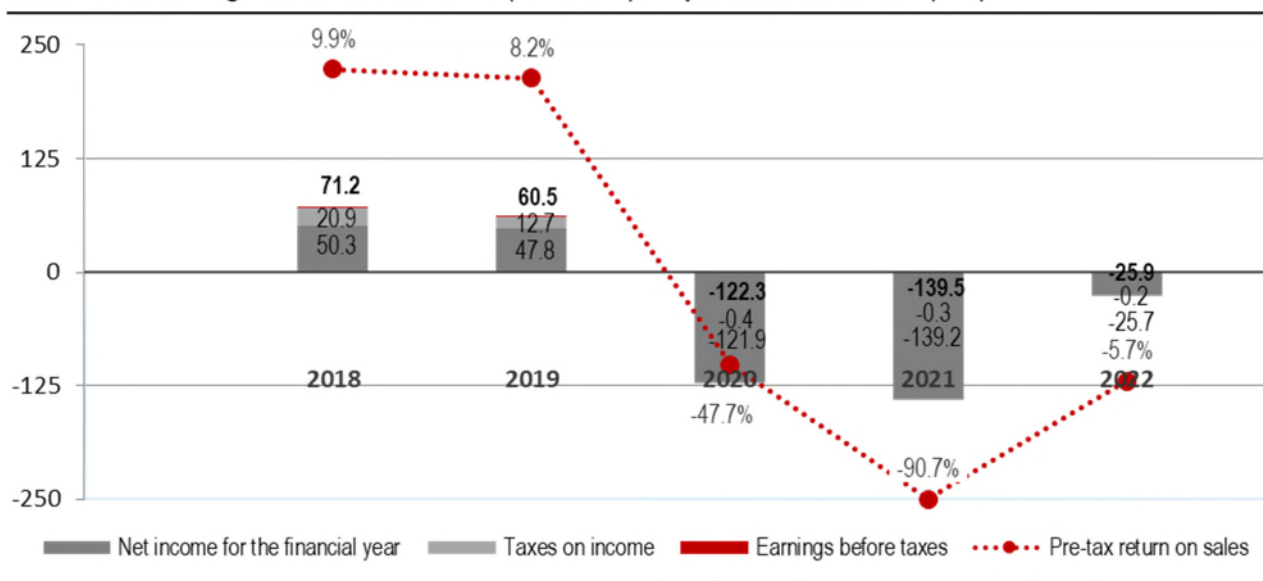
Depreciation, amortisation and write-downs showed a slight increase of € 2.3 million to € 60.1 million.

Other operating expenses were recognised in the amount of € 74.4 million (previous year € 56.9 million). 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 € -6.5 million, the financial result / net interest income/expense also showed a slight improvement on the previous year's level (€ -6.8 million). In this context, both interest income increased by € 1.5 million to € 2.4 million as a result of higher financial investments in the reporting year, and interest expenses increased from € 6.5 million to € 9.0 million due to rising interest rates.

Net of other taxes (€ 2.8 million), improved negative earnings before taxes on income for the year stood at € 25.9 million (previous year negative earnings of € 139.5 million). The pre-tax return on sales thus remained negative.

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



Taking taxes on income into account (€ 0.2 million), the consolidated net loss for the year amounted to € 25.7 million, which represents an improvement of € 113.5 million over the consolidated net loss of the previous year (€ 139.2 million) as a result of the resumption of business operations. The projected consolidated net loss for the year was around € 40 million. Taking into account the unplanned income from the sale of the plot of land in the amount of around € 32 million, the deviation from plan came to around € 18 million.

This positive earnings trend is reflected in the EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) performance indicator. This amounted to € 40.6 million in the reporting period, after € -74.9 million in the previous year. As a percentage of sales, this results in a positive EBITDA margin for the financial year of 8.9% (previous year -48.7%).

EBITDA development (in € thousand)				Change compared to	
	2020	2021	2022	2021	2020
Consolidated net income/consolidated net loss for the financial year	-121,943	-139,204	-25,673	113,531	96,270
Taxes on income	-431	-312	-242	70	189
plus financial result	4,978	6,828	6,477	-351	1,499
Depreciation, amortisation and write-downs	65,129	57,751	60,072	2,321	-5,057
Group EBITDA	-52,267	-74,937	40,634	115,571	92,901
EBITDA margin	-20.4%	-48.7%	8.9%		

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

Messe Frankfurt GmbH, as parent with the function of a holding company, posted a lower net loss year on year for the 2022 financial year of € -8.0 million (previous year € -120.6 million). This development is attributable in particular to an improved negative financial result (€ -3.1 million; previous year € -117.4 million), which is based with € 27.9 million on income from profit transferred (previous year expenses of € -70.1 million arising from the assumption of losses) from Messe Frankfurt Venue GmbH and with € -30.5 million (previous year € -49.4 million) on lower expenses arising from the assumption of losses from Messe Frankfurt Exhibition GmbH under existing profit and loss transfer agreements.

On the back of the coronavirus pandemic, **Messe Frankfurt Exhibition GmbH** reported improved year-on-year earnings before loss transfer of € -30.5 million (previous year € -49.4 million).

The possibility to once again hold international in-person events without significant restrictions, in particular from the second quarter of 2022, led to a significantly improved situation with regard to the financial and non-financial key performance indicators. Sales were recognised in the amount of € 132.4 million, an improvement of € 111.7 million compared to the previous year. At € 103.6 million (previous year € 30.3 million), event-related expenses also increased and were the largest expense item. The cost ratio was 78.2%. A substantive comparison with the previous year is not possible due to the fact that no major trade fairs took place in the previous year. Personnel expenses, at € 28.9 million, were higher than the previous year's figure (€ 22.1 million) and were mainly accounted for by the discontinuation of short-time work after the first quarter and the increase in personnel-related provisions (€ +2.4 million). As in the previous year, depreciation, amortisation and write-downs amounted to € 3.1 million. These resulted from impairments of event rights. Other operating expenses were recognised in the amount of € 42.6 million (previous year € 31.4 million), an increase of 35.6% year on year. This line item principally included expenses from administrative cost allocations relating to Messe Frankfurt GmbH, expenses for rentals and general advertising as well as consulting and auditing costs. The year-on-year increase in other operating expenses was mainly due to higher allocations, compensation expenses for the leasing of halls and disposal of fixed assets. The financial result totalled around € 10.1 million (previous year € -11.9 million). Under the profit and loss transfer agreement with the German subsidiary MESAGO Messe Frankfurt GmbH, the latter's positive result before appropriation of net profit (€ 10.1 million) was recognised as income. Furthermore, Messe Frankfurt GmbH as parent centrally manages the company's

liquidity through cash pooling. Depending on the course of business, this gives rise to interest income or expense. The negative financial result of the previous year resulted primarily from the loss absorption of the subsidiary (€ -8.7 million) as well as from write-downs of financial assets amounting to € 2.4 million.

The projected end of the coronavirus pandemic was also reflected in the business development of **Messe Frankfurt Venue GmbH**.

In a normal financial year, in addition to macroeconomic factors, Messe Frankfurt Venue GmbH's sales development is typically influenced to a large degree by the rotation of events organised by the fellow subsidiaries Messe Frankfurt Exhibition GmbH and MESAGO Messe Frankfurt GmbH, as well as by guest organisers. The possibility to once again hold international in-person trade fairs as well as other event formats such as congresses and concerts without substantial restrictions, in particular from the second quarter, increasingly eased the situation in terms of the key performance indicators gross exhibition space, exhibitors, visitors and sales.

With sales totalling € 177.3 million (previous year € 49.7 million), this was an increase of € 127.5 million compared to the previous year, which was reflected unevenly in the breakdown of sales shares. At € 88.2 million (previous year € 21.4 million), leasing of the halls and exhibition grounds as a proportion of total sales increased. Sales revenues from technical and other services (e.g. power connections and cleaning) amounting to € 89.1 million (previous year € 28.3 million) also rose year on year, and continue to represent the greater share of total sales. Sales revenues from transactions with affiliated companies, mainly with the fellow subsidiary Messe Frankfurt Exhibition GmbH, amounted to € 71.1 million in the financial year (previous year € 15.6 million), which corresponds to around 40% (previous year around 31%) of total sales. The increase can be explained by the fact that the fellow subsidiary Messe Frankfurt Exhibition GmbH was again able to hold trade fairs from the second quarter of the financial year.

In addition to sales, the company reported higher other operating income of € 43.4 million (previous year: € 17.2 million) compared to the previous year. The year-on-year increase was mainly due to income from the sale of a plot of land. Expenses came to € 180.0 million, after € 118.8 million in the previous year. In line with the increase in sales, event-related expenses rose by € 46.2 million to € 79.5 million compared to the previous year. The relative increase of around 139% is lower than the relative increase in sales of around 257%. This is because event-related expenses also include expenses to ensure the operational capability of the exhibition grounds, which do not increase at the same rate and were also included in the previous year. Personnel costs increased by € 8.7 million to € 22.5 million, which was mainly accounted for by the discontinuation of short-time work after the first quarter and the increase in personnel-related provisions (€ +2.4 million). At € 37.0 million (previous year € 40.0 million), depreciation, amortisation and write-downs were almost unchanged. 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 € 41.0 million, an increase of € 9.3 million year on year. With the resumption of event business, the end of short-time work and the accompanying increased return of employees and service providers to the exhibition grounds, it is to be expected that operating costs will also rise. At € -9.6 million, the financial result improved by € 5.0 million compared to the previous year.

The two subsidiaries based at the Frankfurt venue, Accente Gastronomie Service GmbH and Messe Frankfurt Medien und Service GmbH, posted a lower negative result before loss transfer compared to the previous year (in total € 3.8 million; previous year € 8.2 million), which was offset by Messe Frankfurt Venue GmbH. In addition, the company recognised interest expenses in the amount of € 5.8 million (previous year € 6.5 million), which relate in particular to the cash pool liabilities and loans payable to the parent company Messe Frankfurt GmbH.

Most notably as a result of the sale of the plot of land and net of other taxes in the amount of € 3.1 million (previous year € 3.4 million), earnings before profit transfer came to 27.9 million, after earnings before loss absorption of € 70.1 million were reported in the previous year.

The operating results of the **German and foreign subsidiaries** of Messe Frankfurt Exhibition GmbH showed a differentiated development. Overall, the cumulative annual results of the foreign subsidiaries before consolidation once again produced a loss of € 7.8 million in the reporting period, after a loss of € 23.8 million in the previous year.

The main contributors to these negative annual results of the foreign subsidiaries were the Asian sub-group with a loss of € 15.7 million (previous year € 16.7 million), the subsidiaries in France with a loss of € 2.7 million (previous year € 1.7 million) and South Africa with a loss of € 1.0 million (previous year € 1.1 million) and the subsidiary in the UK with a loss of € 0.9 million (previous year € 1.6 million).

By contrast, Messe Frankfurt Middle East GmbH with its branch office in Dubai/United Arab Emirates reported net income for the financial year of € 2.7 million, after recognising a net loss of € 1.5 million in the previous year. In addition to the domestic companies MESAGO Messe Frankfurt GmbH and fairnamic GmbH with their positive earnings of € 10.1 million and € 2.1 million respectively, the foreign subsidiaries in Italy (€ +1.9 million), in Turkey (€ +1.7 million), in the Americas (€ +2.2 million) and in Argentina (€ +2.0 million) in particular made a positive contribution to Group earnings.

Financial position and cash flows

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 reporting year, capital expenditures of around € 38.9 million were undertaken (previous year € 127.3 million). Of this amount, € 3.9 million was apportioned to intangible fixed assets, in particular to trade fair rights. A further € 35.0 million was invested in tangible assets, mainly in connection with the costs for the new construction of Hall 5. Capital expenditure in the amount of € 2.3 million was recognised for operating and office equipment. The remaining additions to fixed assets related to smaller infrastructure measures. The investment volume of around € 67 million projected in the previous year was not fully utilised. Net of depreciation, amortisation and write-downs (€ 60.1 million) and disposals of fixed assets, fixed assets totalling € 826.9 million (previous year € 856.8 million) were shown in the balance sheet at year's end 2022, which corresponds to a share of around 62% of total assets (€ 1,342.0 million).

Current assets increased by € 317.2 million to € 510.1 million, which was mainly attributable to the increase in cash and its investment in securities. With a simultaneous increase in trade receivables of € 14.8 million and a decrease in other assets of € 8.7 million, cash-in-hand and bank balances increased by around € 79 million from € 128.2 million to € 207.3 million at the balance sheet date.

On the equity and liabilities side, € 529.5 million was shown in the balance sheet under Equity, which was € 212.1 million higher than in the previous year (€ 317.4 million), in particular due to the increasing resumption of business activities, with a consolidated net loss for the financial year of € 25.7 million. This corresponded to an equity ratio of around 40% (previous year around 30%) and led to a tier 1 equity / fixed assets ratio of around 64% (previous year around 37%).

Provisions increased by € 16.5 million year on year to € 116.5 million. Other provisions totalled € 89.2 million, after € 70.9 million in the previous year. The increase is due in particular to higher personnel-related provisions, higher provisions for building renovations and increased provisions for outstanding invoices.

Provisions for pensions remained unchanged from the previous year at € 10.5 million, while provisions for taxes decreased from € 18.6 million to € 16.9 million.

Group liabilities also increased and amounted to € 672.8 million (previous year € 605.6 million). This is principally attributable to the resumption of business activities and the corresponding increase in payments received on account of orders (from € 70.4 million to € 183.2 million) relating to events in the subsequent year. Furthermore, to secure the liquidity of the corporate group as a consequence of the coronavirus pandemic, Messe Frankfurt was granted a long-term shareholder loan in the previous year of € 150.0 million with a term up to 2041, which had been drawn in full at the balance sheet date. The Italian subsidiary also took out a loan of € 2.7 million in the previous year with a term up to 2027. Of the bank loans taken out in previous years, principal of around € 35 million was repaid in the reporting year.

While trade payables increased from € 13.1 million to € 20.5 million on the back of resumed business activity, other liabilities fell from € 105.4 million to € 28.0 million. This decrease results in particular from the repayment of advance payments received in the previous year for events that were subsequently cancelled and from the payment of a purchase price tranche due from the acquisition of shares in a long-term investee.

Overall, liabilities accounted for around 50% of total assets (previous year around 57%) and led to a debt-to-equity gearing

ratio of around 127% compared to around 190% in the previous year.

Financing

The increase in business activity in 2022 resulted in cash inflows from operating activities of € 64.4 million (previous year cash outflows of € 16.2 million). Cash outflows from investing activities in the amount of € 235.8 million related in particular to a cash investment in securities. This investment was financed through the cash inflow from financing activities, which was mainly attributable with € 240.0 million to the equity increase and with € 60.0 million to the drawdown of the last tranche from the shareholder loan. Overall, the Messe Frankfurt corporate group recognised higher cash funds compared to the previous year of € 189.6 million (previous year € 103.9 million).

Net change in cash funds (in € million)	2020	2021	2022
Cash funds at beginning of period	154.5	103.1	103.9
Cash flows from operating activities	-257.1	-16.2	64.4
Cash flows from investing activities	4.8	-46.3	-235.8
Cash flows from financing activities	200.9	63.3	257.1
Net change in cash funds	-51.4	0.8	85.7
Effect on cash funds of changes in the reporting entity structure	0.0	0.0	0.0
Cash funds at end of period	103.1	103.9	189.6

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, as well as coronavirus-related loans of € 230.0 million, € 2.7 million and € 150.0 million intended to safeguard solvency. Altogether, these loans have a maximum term up to 2041 and are subject to variable interest rates and fixed interest rates of between 0.33% and 3.175%. In addition, there are approved but as yet unused credit lines in the amount of around € 55 million (previous year around € 55 million).

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

The coronavirus pandemic again affected the business development for the third year in succession. Despite the loss incurred in the reporting year, the Executive Board is generally satisfied with the business performance. Trade fair business with attendance events has been gradually picking up again since the second quarter and event business is returning to normal. The trade fairs already held and the increase in advance payments received relating to events in the subsequent year give reason to hope that the “attendance trade fair” business model will continue to hold its own, an assessment that is also supported by statements from trade fair participants.

Nevertheless, the course of business during the year continued to be characterised by the Executive Board’s cost and crisis management (coronavirus strategy). Even though the economy is showing clear signs of recovery, it is not yet possible to predict whether and when the trade fair business will see a sustainable recovery and a return to pre-COVID levels.

IV. Report on expected developments, opportunities and risks

Outlook for the German and global economy

With global GDP growth slowing to a level that is traditionally referred to as a global recession, the export-oriented German economy would already be challenged. In addition, the economy faces the geopolitical uncertainty shock triggered by the Ukraine war and rising inflation.

Private households in Germany will be supported with just under 4% of disposable income in 2023, but this will not be enough to compensate for the loss of purchasing power caused by inflation.¹⁰ Inflation is expected to fall in the coming months. This will be ensured by the German government’s electricity and gas price brakes, which took effect as of December

¹⁰ Deutsche Bank Research: Ausblick Deutschland – Neue globale Realitäten (Outlook Germany – New global realities) dated 21 December 2022

2022. Nevertheless, domestic inflationary pressure will remain high for some time. On the one hand, demand for goods and services will continue to be supported in 2023, not least as a result of the broad-based government relief packages. On the other hand, high collective wage settlements are likely to noticeably increase both purchasing power and wage costs.¹¹ This can lead to an undesirable wage/price spiral. To counteract this, major central banks have already raised key interest rates.

The economic development is shaped by different forces. The high inflation of consumer prices will reduce the real disposable incomes of private households, especially in the winter half-year, thus cooling consumer spending. It is not until the second half of the year that incomes are expected to increase more strongly than prices, and private consumption is therefore likely to pick up.

Despite all this, it is assumed that there will be no gas supply shortage in the next two years.

Taken together, overall economic output will fall by 0.3% and 0.4% quarter on quarter in the two quarters of the 2022/2023 winter half-year. The German economy will thus technically be in a recession. Starting in spring 2023, the economy is expected to recover and grow at stronger rates in the second half of the year. All in all, GDP will contract slightly by 0.1% in 2023. In 2024, growth will then be back up to 1.6%.¹¹

The global economy is facing mounting challenges. Growth has lost momentum, high inflation is proving persistent, confidence has weakened, and uncertainty is high. Russia's war of aggression against Ukraine has pushed up prices substantially, especially for energy, adding to inflationary pressures at a time when the cost of living was already rising rapidly around the world.¹² Among the risks, the Russia-Ukraine war is currently the most important factor creating enormous forecasting uncertainty. What impacts it will have on the economy depends on how long the spiral of sanctions and escalation continues to turn, but also on the intensity and duration of the war. Along with the war, the emergence of any further COVID-19 infection waves or virus mutations may lead to the imposition of new economically relevant restrictions.¹³

The uncertainty about the outlook is high, and the risks have become more acute. The projections reflect the toll taken by high energy prices over the next two years, but outcomes could be weaker still if there are energy supply shortages in global markets that raise prices further, or if enforced rationing is required to lower gas and electricity demand sufficiently during the next two European winters.¹² The persistent inflationary pressure has led to a rapid and synchronous tightening of monetary conditions in many countries, reflected for example in repeated interest rate hikes by the FED or the ECB. Monetary policy is geared towards curbing demand in order to counteract the risk of permanently elevated inflation expectations. As the COVID-19 pandemic-related fiscal support is phased out, many countries introduced additional spending programmes in 2022 to help cushion the impacts of increased energy and food prices on households and companies. The tighter global monetary policy framework will impact economic activity and curb demand, which should subsequently decelerate the inflation dynamics. Declining commodity prices should also dampen consumer price inflation. However, on the one hand, wage growth has strengthened significantly in some industrialised countries, which could delay the slowdown in inflation, and on the other hand, fiscal policy continues to provide expansionary stimuli.¹¹ Compared to 2022, global GDP growth is projected to slow further to 2.2% in 2023. In 2024, global growth is projected to be 2.7%, helped by initial steps to ease policy interest rates in several countries. Following growth of 5.4% in 2022, global trade volume growth is expected to slow to 2.9% in 2023, with a mild upswing projected in 2024, with global trade growth picking up to 3.8%.¹²

At the beginning of 2023, the economic situation and expectations of most industries in Germany had clouded over, the current survey of associations by the Cologne Institute for Economic Research (IW) finds. Only 13 of the 49 industries surveyed expect business to improve compared to the previous year. Among the most optimistic of the respondents is the German trade fair industry, which expects a regular trade fair year again for the first time since the trade fair bans during the coronavirus pandemic. Around 340 trade fairs are scheduled throughout Germany for 2023, including leading international industry fairs forced to take a break of several years due to the pandemic. While many business sectors in Germany expect production to be lower in 2023, the majority of trade fair organisers anticipate higher sales. However, expectations a year ago were very low.^{14,15}

¹¹ Ifo Economic Forecast Winter 2022 in ifo Schnelldienst, Special Edition, 75th Edition, December 2022

¹² OECD Economic Outlook, Volume 2022 Issue 2

¹³ KfW Research, KfW Business Cycle Compass – Rezession nur kurz aufgeschoben (Recession has merely been put off for a bit) dated 25 November 2022

¹⁴ AUMA – Outlook on 2023: Messeveranstalter starten mit Zuversicht (German trade fairs take off powerfully); media release dated 4 January 2023

¹⁵ IW Cologne Institute for Economic Research: IW Report No. 69/2022 – Signal für Rezession (Signal for recession), results of the IW-association survey 2022 dated 27 December 2022

According to the UFI's Global Exhibition Barometer at the turn of the year 2022/2023, its members expect a further normalisation of the exhibition business in 2023. The proportion of companies predicting a return to normal levels of activity by June 2023 reached 80%. The highest levels of "normal activity" for the first half of 2023 on average are expected in Brazil (98%), Turkey and the US (95%), the UK (90%), Italy and Thailand (88%), as well as Spain and UAE (85%). In China, only 29% expected normal activity, and 40% reduced possibilities. This overall very positive outlook is driven by the fact that exhibitions can now be held everywhere in the world, except in some places in China. In parallel, new hygiene measures were reported in several regions, for example in Malaysia, Saudi Arabia and Thailand.

The latest results confirm that the "Impact of the COVID-19 pandemic on the business" is now the least pressing issue, globally speaking: only 5% of companies mark it as one of the most important (compared to 11% six months ago and 19% twelve months ago). The most pressing business issue declared is "Internal management challenges" (20% of answers globally). The "Impact of digitalisation" comes as the second most important issue globally (16% of answers), followed by "State of the economy in the home market" and "Global economic developments" (both 15% of answers).¹⁶ The underlying conditions in China have changed fundamentally in the meantime. The state leadership has turned away from the strict zero-COVID policy and travel restrictions have been almost completely lifted. This has resulted in positive developments for the event-specific Chinese inbound and outbound business.

Market, industry and event risks and opportunities

Opportunities

The coronavirus pandemic is having a negative impact on the economy and the economic position of the Messe Frankfurt Group. All business segments are affected: the organisation of trade fairs, congresses and other events, the rental of the exhibition grounds in Frankfurt as well as the numerous services related to the event business. Messe Frankfurt's competitors are also struggling with the same general conditions. The pandemic may therefore prove to be an opportunity for the Messe Frankfurt Group in the medium and long term, as consolidation and concentration movements among competitors may occur:

- Organisers around the world are increasingly offering their portfolios for sale
- Further internationalisation of the trade fair brands through rollouts in defined markets
- The Frankfurt exhibition centre is first choice for guest organisers
- Market share in the service sector can be expanded

Since 2020, the shareholders have supported the corporate group among other things through extensive capital measures.

Risks

The opportunities that present themselves could at the same time also represent risks. If, despite all the assurances by participants that face-to-face events will continue to play an economically crucial role worldwide in the future, political or corporate regulations permanently restrict worldwide travel, making a return to a pre-pandemic event levels impossible, this could in some cases jeopardise the business model of the event industry. In addition, the tense economic situation could lead to attractive acquisition options not being taken up for financial reasons.

This situation is reflected in the risks described below.

¹⁶ UFI The Global Association of the Exhibition Industry: UFI Global Exhibition Barometer, 30th Edition, January 2023

Pandemic risks

This is a risk that since the onset of the coronavirus pandemic in 2020 has had a severe negative impact on the financial position, financial performance and cash flows of the Messe Frankfurt Group.

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 has a direct negative impact on the business performance of the Messe Frankfurt Group.

Due to the extensive international business operations of the Messe Frankfurt Group, measures taken by individual governments around the world to contain the spread of virus infections, such as entry and exit bans, flight cancellations, border closures, cancellation of events and restrictions on public and social life, have had a massive negative impact on the financial and non-financial key performance indicators of the Messe Frankfurt Group. Pandemics also disrupt global supply chains, with the result that certain raw materials or goods may temporarily not be available at all, or accompanied by time delays or only with price hikes.

Vaccines have proven to be an effective protection against the risk of infection or a severe course of the disease. However, as not all countries in the world have the same access to vaccines and the vaccination rate among the respective populations varies greatly, the effects of a pandemic lead to massive restrictions on public life with a direct impact on global economic developments.

In the case of the worldwide coronavirus pandemic that broke out in 2020 and in principle still prevailed in 2022, it can currently be assumed that we are in the process of shifting from the pandemic to endemic phase. Worldwide travel restrictions and hygiene regulations were eased or for the most part lifted in 2022. Currently, no country worldwide is considered a coronavirus risk area. Since April, or the middle of the year at the latest, the first clear signs could be seen of a return to normality in public life and economic development. However, it is impossible to predict with any certainty how quickly we can put the pandemic behind us and restore normal conditions. One example of the challenges the return to normality poses is the issuing of visas. The decision to participate at international events, often taken at short notice, coupled with the longer time needed to issue a travel visa (for example due to (temporary) capacity reductions on the part of the issuing authorities) can lead to exhibitors and visitors being unable to attend the respective event. A valid depiction of the possible last impacts of this pandemic risk is therefore not exhaustively and conclusively foreseeable.

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 how long the coronavirus pandemic, or rather, the now expected endemic will continue to have a negative impact 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. Generally increasing globalisation and the 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.

Messe Frankfurt is fundamentally 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 – expanding its trade fair portfolio outside Germany.

Even without the coronavirus pandemic, economic problems being experienced in key 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. 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.

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

Geopolitical risks

In addition to the negative effects and risks arising from a global pandemic, the Messe Frankfurt Group in principle faces other uncertainties outside Germany. Although Messe Frankfurt as a matter of principle does not host any trade fairs in acutely insecure regions; nevertheless in some regions there is a risk of political and possibly resulting conflicts escalating into violence.

In the Middle East region, especially in the UAE, which is of importance for Messe Frankfurt, the risks remain fundamentally unchanged due to the political unrest in some neighbouring Arab countries. While the civil war in Syria, for example, has no direct impact on the politically stable UAE, it could increasingly impair economic development due to difficulties in attracting exhibitors and visitors as well as new trade fair projects.

Furthermore, military conflicts between individual states also have an economic impact globally, as the current war in Europe between Russia and Ukraine shows. The sanctions imposed by Western countries against Russia, which have repercussions for the global economic situation as well as raw material and energy prices in particular, and for inflation in general, also have a severe impact on the global economy and thus also on the event industry. For its part, Messe Frankfurt endorses the sanctions against Russia and has sold its subsidiary there. Furthermore, a ban on Russian exhibitors is in place worldwide in countries that have signed up to the sanctions and in which the Messe Frankfurt Group is active.

In addition, there are also political tensions in Asia, e.g. between the People's Republic of China and the Special Administrative Region of Hong Kong and also the state of Taiwan, which is not recognised by the Chinese.

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 an international flavour.

Globalisation means that the countries of the world are economically dependent on each other and exchange their goods and services as well as foreign currency within the framework of imports and exports. The consequences of the coronavirus pandemic and the Russian war have thrown global supply chains out of kilter and led to supply shortages or price increases, especially for commodities such as oil and gas.

A further risk for all subsidiaries worldwide 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 site-related capacity utilisation risk.

Challenges in this regard 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.

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 can lead, for example, to disproportionately high economic burdens for the subsidiary due to the postponement of major leading trade fairs and, consequently, to the postponement of the smaller affiliated event. This risk is countered by the further rollout of brand events, the new development of new trade fair themes and provision of additional services.

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.

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 (e.g. higher-than-budgeted construction price increases).

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

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. One currency hedge was in place across the group at the balance sheet date.

The company 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 company also has 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. During normal event operations, 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 presents 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 in tax legislation in individual countries.

Liquidity risks

The coronavirus pandemic led to event postponements and cancellations for the third consecutive year. Any resulting liquidity risk for the Messe Frankfurt Group from operating business is strictly monitored. The entire group is managed based on liquidity in close coordination with the shareholders.

Messe Frankfurt GmbH has initiated or implemented several measures to secure liquidity. These include above all borrowing on the capital market and from the shareholders as well as equity increases on the part of the shareholders. These measures serve to secure the liquidity of the Messe Frankfurt Group and in small part to finance an acquisition.

Please refer to Other financial obligations in the Notes to the consolidated financial statements.

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 is optimised as necessary.

Overall assessment of risks and opportunities

While the first quarter of 2022 was still characterised by event cancellations, especially at the Frankfurt venue, for Ambiente, Christmasworld and Creativeworld, it became apparent from April 2022 with the Prolight + Sound event that the trade fair business was experiencing a rebound, which led to an increasing density of events in the course of the financial year. Due to the expected end of the global coronavirus pandemic in the course of business, the event business is returning to normal. The end of the zero-COVID strategy in China has also removed major coronavirus-related restrictions, which will have a positive impact on the events industry.

The Executive Board continues to rate the importance of trade fairs and exhibitions, and especially of physical attendance of events, as high. The Messe Frankfurt Group mainly organises B2B events. These are industry meetings where exhibitors and visitors can, for example, inform themselves about (competitor) products, technical developments and trends. Digital formats are no substitute for these physical encounters either now or in the future. This assessment is also confirmed by customer surveys.

The Executive Board continues to believe in the business model of attendance events and is of the opinion that the Messe Frankfurt Group is well positioned to harness the opportunities that arise and to adequately manage the risks.

Expected developments

The business plan for 2023 was drawn up in autumn 2022, in the midst of the then ongoing coronavirus pandemic. In light of the fact that it was difficult to assess the full impacts of the pandemic, a conservative approach was applied in preparing the business plan.

The projections for 2023 are based on the assumption that trade fairs will be held throughout the year. However, these projections are in no way comparable to the pre-COVID years, as they still do not reflect a normal course of business due to the ongoing uncertainties. Furthermore, due to the rotation of events, 2023 represents an economically weak year. Thus, depending on the prevailing local conditions, both the financial and the non-financial key performance indicators of the individual entities in the Messe Frankfurt Group are projected to be below the pre-pandemic level.

Neither the three-yearly IFFA nor the four-yearly Texcare trade fairs will take place at the Frankfurt venue in 2023. The two biennial trade fairs Techtextil and Texprocess have changed from odd- to even-numbered years as a result of the pandemic. Some trade fairs, such as Musikmesse, have been dropped from the planning for economic reasons and will not be held until further notice.

By contrast, outside Germany, in particular the Automechanika Birmingham event is to take place again after 4 years. In Asia, it is planned to hold the Automechanika Shanghai event, which was cancelled in 2022, as a special edition in Shenzhen as well as an additional Automechanika Shanghai in the autumn.

During the preparation of the consolidated financial statements, the assumptions underlying the staging of major international events and other event formats such as congresses and concerts without significant restrictions have been confirmed. One of the factors contributing to this was China's decision at the beginning of December 2022 to end its zero-COVID strategy. The resulting relaxation of the quarantine regulations there as well as the lifting of travel restrictions are leading to the return of Chinese exhibitors and visitors at the international trade fairs.

However, the ongoing war in Ukraine, high inflation, disrupted supply chains, skills shortages and rising interest rates

continue to raise concerns about whether and when the event business will sustainably recover to pre-coronavirus levels.

For 2023, full-year trade fair operations are again planned, while in 2022 trade fair operations (especially at the Frankfurt venue) did not resume until the second quarter. The group's planned sales revenues amount to € 526.1 million with an expected consolidated net loss for the year of € -84.0 million. The projections are based on 340 events, including congresses, conventions and German pavilions worldwide. The reason for this is that 2023 is a weak event year due to the rotation of events, in which almost no multi-year events take place. The number of planned exhibitors is around 73 thousand, the number of planned visitors around 3.6 million and the amount of net leased area is 2.1 million m².

Based on the current assessment of the situation, it is assumed that the capital measures implemented in recent years as well as the expected future earnings from the current multi-year planning will enable the Messe Frankfurt corporate group to continue its business activities, repay loans in instalments and finance upcoming investments.

The Executive Board continues to maintain a close dialogue with the shareholders to enable appropriate measures intended to secure liquidity to be initiated in the event of significant changes in the general conditions.

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 33.33% (Supervisory Board) and 33.33% (Executive Board), respectively, with the due acknowledgement of the Supervisory Board. These targets apply for the period up to 30 June 2027.

At 31 December 2022, the proportion of women represented on the Supervisory Board was 30.0%.

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% and 15% respectively.

At the first level below the Executive Board (Extended Board of Management), the proportion of women at 31 December 2022 was 20.0% and at the second level below the Executive Board (Vice President) 26.7%.

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 2027 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, 23 May 2023

Wolfgang Marzin

Detlef Braun

Uwe Behm

Equity and liabilities		At 31.12.2021	At 31.12.2022	At 31.12.2022
		in €	in €	in €
	Notes			
A. Group equity	(9)			
I.	Subscribed capital	180,000,000.00	180,000,000.00	
II.	Capital reserves	112,203,242.29	352,219,159.62	
III.	Revenue reserves			
	1. Other revenue reserves	85,888,929.63	86,090,042.87	
IV.	Foreign currency translation differences	-7,558,312.99	-6,081,593.12	
V.	Retained profits carried forward	84,621,419.50	-56,847,442.23	
VI.	Consolidated net loss	-141,056,092.49	-27,619,092.51	
VII.	Non-controlling interests' item	3,280,710.17	1,752,023.86	
		317,379,896.11		529,513,098.49
B. Negative consolidation difference	(10)	1,146,735.38		847,587.02
C. Equity-similar special reserve for subsidies or grants for the acquisition of fixed assets	(11)	8,231,600.00		6,084,200.00
D. Provisions				
	1. Provisions for pensions and similar obligations	10,489,830.14	10,470,494.30	
	2. Provisions for taxes	18,633,403.47	16,894,593.04	
	3. Other provisions	(12) 70,886,989.62	89,168,806.84	
		100,010,223.23		116,533,894.18
E. Liabilities	(13)			
	1. Liabilities to banks	326,637,244.78	291,138,463.44	
	2. Payments received on account of orders	70,433,492.05	183,218,690.31	
	3. Trade payables	13,124,487.59	20,480,057.19	
	4. Liabilities to shareholders	90,008,605.04	150,006,000.50	
	5. Other liabilities	105,426,018.14	27,978,406.71	
		605,629,847.60		672,821,618.15
F. Deferred income	(14)	12,963,205.52		9,270,506.03
G. Deferred tax liabilities	(15)	8,996,153.52		6,928,946.34
		1,054,357,661.36		1,341,999,850.21

Consolidated income statement of Messe Frankfurt GmbH, Frankfurt am Main, for the financial year from 1 January 2022 to 31 December 2022

	Notes	2021 €	2021 €	2022 €	2022 €
1. Sales	(18)	153,833,706.59		454,161,446.82	
2. Increase or decrease of work in progress	(19)	93,724.99		-40,549.99	
3. Other operating income	(20)	67,268,625.23		60,024,567.14	
		221,196,056.81			514,145,463.97
4. Event-related expenses	(21)	110,283,783.48		229,820,928.60	
5. Personnel expenses	(22)	125,226,067.97		166,461,274.73	
6. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	(23)	57,751,031.64		60,071,555.27	
7. Other operating expenses	(24)	56,904,973.62		74,441,413.12	
		350,165,856.71			530,795,171.72
8. Financial result	(25)		-6,828,271.71		-6,477,447.32
9. Taxes on income			-311,906.09		-241,915.54
10. Earnings after taxes	(26)		135,486,165.52		-22,885,239.53
11. Other taxes	(27)		3,717,947.30		2,787,403.71
12. Consolidated net loss for the year					-25,672,643.24
			139,204,112.82		
13. Profit attributable to non-controlling interests			-1,892,029.90		-1,946,449.27
14. Loss attributable to non-controlling interests			40,050.23		0.00
15. Consolidated net loss					-27,619,092.51
			141,056,092.49		

Explanatory notes to the consolidated financial statements of Messe Frankfurt GmbH, Frankfurt am Main, for the financial year from 1 January 2022 to 31 December 2022

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 is prepared in accordance with the total cost (nature of expense) method.

Wherever individual items of the balance sheet and the 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 balance sheet was further subclassified to include the heading Investments in associates under the line item Long-term 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 Result from investments in associates and other long-term equity investments under Financial result.

Due to the effects of the coronavirus pandemic (worldwide cancellations and postponements of events to varying degrees in the individual countries; in particular at the Frankfurt location no significant attendance events in 2021 and only a gradual ramp-up of event business from April 2022), the business figures for the financial year are not comparable with the previous year's figures.

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/Germany
Messe Frankfurt Medien und Service GmbH, Frankfurt am Main/Germany
Accente Gastronomie Service GmbH, Frankfurt am Main/Germany
Messe Frankfurt Exhibition GmbH, Frankfurt am Main/Germany
Messe Frankfurt Middle East GmbH, Frankfurt am Main/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 (until 5 May 2022)
 Messe Frankfurt UK Ltd., Guildford/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 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

In 2020, it was decided to make the company Messe Frankfurt México S. de R. L. de C. V., Mexico City/Mexico, dormant. Its business activities have been taken over by Messe Frankfurt Inc., Atlanta/USA.

As of 5 May 2022, the companies O. O. O. Messe Frankfurt RUS, Moscow/Russia, and its 50% shareholding, O. O. O. ITEMF Expo, Moscow/Russia, were sold and deconsolidated.

Messe Frankfurt Exhibition GmbH holds 49% of the shares in the company fairnamic GmbH, Friedrichshafen/Germany. In accordance with joint venture arrangements under company law, the company is included in the consolidated financial statements proportionately to the shares in the capital held as an undertaking that is jointly managed with non-group entities.

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

An adjustment item is disclosed in group equity as Non-controlling interests to indicate shares held by non-controlling shareholders in the equity capital carried in the balance sheet.

In addition, 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%)
 PAACE Automechanika Mexico LLC, Atlanta/USA (50%)
 O. O. O. ITEMF Expo, Moscow/Russia (50%) (until 5 May 2022)
 PE Events LLC, Atlanta/USA (50%).

Furthermore, 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/Germany (20%).

Consolidation principles and currency translation

The balance sheet date for the consolidated financial statements is 31 December 2022.

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 2022, all subsidiaries included in the consolidated financial statements have prepared their financial statements as of the balance sheet date of 31 December 2022.

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 shares that do not affect the controlling influence were accounted for as equity transactions.

In the case of jointly managed undertakings, all consolidation steps were carried out proportionate to the ownership interest pursuant to Section 310 HGB. In total, this gave rise to € 4,538 thousand in current assets, € 41,714 thousand in fixed assets and € 7,712 thousand in current liabilities, € 16,697 thousand in expenses and € 10,272 thousand in income from shares in joint undertakings. No significant 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). 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 effects were not material to the consolidated financial statements.

The difference between the carrying amount and the proportionate share of the associate's equity measured at fair value at the date of the initial inclusion of the associate in the consolidated financial statements amounted to € 1,938 thousand, which also simultaneously represented goodwill. In the previous year, in addition to recognition of the negative equity values from the adjusted separate calculation and regular amortisation of goodwill, coronavirus-related write-downs of the assets of this equity-method carrying amount were charged in respect of nmedia GmbH, Düsseldorf/Germany, pursuant to Section 253 (3), sentence 6 HGB and all assets were written down in full. On account of the share of loss attributable to 2022, this led to a calculated negative consolidation difference at the balance sheet date of € 75 thousand between the carrying amount and the proportionate share of the associate's equity measured at fair value. The sum of negative equity values from the adjusted separate calculation recognised in the consolidated balance sheet therefore totalled € 2,399 thousand.

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 is 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 average 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. The average rate was computed from the average of all daily exchange rates of the past year.

The differences arising from currency translation within the scope of consolidation of intragroup balances and the elimination of intragroup profits and losses were also 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 are measured uniformly using the accounting and measurement principles applicable to the group as a whole.

Purchased intangible fixed assets are recognised at cost. The carrying amounts of finite-lived intangible assets are reduced by straight-line amortisation over their useful life. Where a permanent impairment loss appears probable, they are recognised at the lower of cost or market value on the balance sheet date. If the reasons for a probable permanent impairment loss no longer apply, the impairment loss is reversed accordingly.

Where acquisition accounting results in goodwill, an expected individual useful life is 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 is amortised on a straight-line basis over the useful life. Where a permanent impairment loss appears probable, it is recognised at the lower of cost or market value on the balance sheet date. In accordance with Section 301 (3) HGB, a negative difference arising on consolidation is 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 are 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. Where a permanent impairment loss appears probable, it is recognised at the lower of cost or market value on the balance sheet date. If the reasons for a probable permanent impairment loss no longer apply, the impairment loss is reversed accordingly.

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

Low-value assets up to a net value of € 250 per item are expensed in the year of acquisition. Assets with purchase costs above € 250 to € 800 net are fully depreciated/amortised in the year of acquisition, with their immediate disposal being assumed.

Under Long-term financial assets, shareholdings and equity interests are stated at cost or, where a permanent impairment loss is indicated, at the lower of cost or market value. If the reasons for a probable permanent impairment loss no longer apply, the impairment loss is reversed accordingly.

Inventories are carried at the lower of cost or current market value at the balance sheet date.

Receivables are measured at nominal value at the balance sheet date. Identified individual risks are recognised through valuation allowances. Non-current, non-interest-bearing receivables are discounted using the actuarial interest rate for matching securities published by the Deutsche Bundesbank (central bank of the Federal Republic of Germany).

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

Within the Messe Frankfurt Group, derivative financial instruments are in principle only used to hedge the risks inherent in an underlying transaction. 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.

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

Cash is disclosed at its 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 is 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 are deducted from any disclosed hidden reserves. The market value is 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 is 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 are 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 take into account all identifiable risks and contingent liabilities, as well as anticipated losses from executory contracts.

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

Provisions for pensions and similar obligations for former members of the Executive Board and their surviving dependents are calculated using the projected unit credit method (PUC method) based on the "2018 G actuarial tables" compiled by Prof. Klaus Heubeck. For discounting purposes, as in the previous year, the average market interest rate of the past ten financial years of 1.78% (previous year 1.87%) 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 € 223 thousand (previous year € 349 thousand) at the balance sheet date. The difference is subject to a restriction on distribution pursuant to Section 253 (6), sentence 2 HGB. An anticipated rate of pension progression of 2.0% (previous year 2.0%) 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. For discounting purposes, as in the previous year, the average market interest rate of the past ten financial years of 1.78% (previous year 1.87%) 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 € 69 thousand (previous year € 114 thousand) at the balance sheet date. The difference is subject to a restriction on distribution pursuant to Section 253 (6), sentence 2 HGB. Anticipated pay rises of 2.5% (previous year 2.5%) and a rate of pension progression of 2.0% (previous year 2.0%) were assumed. Fluctuation was recognised with a flat rate of 1.8% (previous year 1.8%).

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 € 1,575 thousand (previous year € 1,463 thousand) 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 is 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 comprise outstanding taxes not yet assessed for the financial year.

Provisions for partial retirement were valued in line with the pronouncements of the IDW RS 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 1.44% (previous year 1.35%). Anticipated pay rises were factored in by applying a salary trend of 2.0% (previous year 2.0%). 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 19.925% (previous year 19.775%) was assumed. When measuring the provision for partial retirement for potential draw-downs, a probability of occurrence of 50.0% was applied (previous year 50.0%).

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 México 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 are measured at the assumed interest rates published by the Deutsche Bundesbank depending on their residual term.

Anniversary benefits recognised in Other provisions are 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 1.44% (previous year 1.35%). 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% (previous year 14.5%) 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% (previous year 20.0%) for documents kept voluntarily. An inflation rate of 4.7% (previous year 2.0%) 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 0.71% (previous year 0.54%).

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

Liabilities are carried at their repayment amount.

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 are 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 imparity 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%, and were not discounted.

At 31 December 2022, 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

related 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% (previous year 31.9%).

Changes in accounting and measurement policies

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 2021.

Disclosure of exceptional matters

The companies O. O. O. Messe Frankfurt RUS, Moscow/Russia, and its 50% shareholding, O. O. O. ITEMF Expo, Moscow/Russia, were sold and deconsolidated in the financial year with the effective date of 5 May 2022. The deconsolidation of the two Russian companies resulted in operating expenses of € 2.4 million due to the derecognition of assets and operating income of € 1.3 million due to the derecognition of liabilities and debts.

In the reporting year, the shareholders resolved to increase the equity of Messe Frankfurt GmbH by € 240 million through an appropriation to capital reserves pursuant to Section 272 (2) No. 4 HGB.

Notes to the consolidated balance sheet

(Amounts in € thousand, 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 2022 are presented in the Statement of changes in fixed assets in Appendix I to these notes. A list of shareholdings as per 31 December 2022 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 measures for the 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 5 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 covers raw materials, consumables and supplies, chargeable input for events in subsequent years, merchandise and prepayments.

(3) Trade receivables

Receivables due after more than one year (up to 2024) were included in this item in the amount of € 3.7 million (previous year € 2.3 million). The receivables were discounted.

(4) Receivables from shareholders

Receivables from shareholders comprised trade receivables due from the shareholder City of Frankfurt am Main.

(5) Other assets

	Total		Due after more than one year	
	31.12.2021	31.12.2022	31.12.2021	31.12.2022
Taxes	11,698	5,546	2,609	2,230
Prepayments	5,847	4,907	272	372
Other	9,112	7,457	563	439
	26,657	17,910	3,444	3,041

Taxes related principally to advance income tax payments amounting to € 2,496 thousand (previous year € 3,509 thousand) and VAT receivables of € 2,254 thousand (previous year € 7,312 thousand). This amount included € 638 thousand (previous year € 692 thousand) of input tax assets that have not yet legally arisen.

(6) Securities

Securities relate to commercial papers.

(7) Cash-in-hand, bank balances and cheques

	31.12.2021	31.12.2022
Cheques and cash-in-hand	333	606
Bank balances	127,894	206,704
	128,227	207,310

Bank balances included recognition of fixed-term deposits in the amount of € 106,451 thousand (previous year € 53,583 thousand), of which € 17,748 thousand (previous year € 24,316 thousand) had a residual maturity longer than three months.

(8) 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 expenses were included in the balance sheet on the assets side as Prepaid expenses over this period of use.

(9) Group equity

The classification of shareholders' equity including non-controlling interests is attached as a component of the consolidated financial statements. The parent company has € 337.1 million (previous year € 105.1 million) potentially available for distribution. Of this potential distribution amount, € 0.3 million (previous year € 0.5 million) is subject to a restriction on distribution.

(10) Negative consolidation difference

Pursuant to Section 301 (3) HGB, the negative consolidation difference arising in 2020 from the acquisition of the 50% stake in PE Events LLC, Atlanta/USA, 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. 23,145 as income over the weighted average useful life of five years of the assets acquired or disclosed by applying the revaluation method. As a result, an amount of € 299 thousand was recognised in the income statement in the reporting year.

At the balance sheet date, the total negative consolidation difference taking currency translation into account was € 848 thousand (previous year € 1,147 thousand).

Due to bargain purchases, the consolidation difference has the characteristics of equity. There was no technical negative consolidation difference.

(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 the income statement, corresponding to the depreciation of the multi-storey car park over a useful life of 25 years.

(12) Other provisions

Other provisions primarily included contractual repair and renovation obligations, claims from employees, anticipated losses from executory contracts, outstanding purchase invoices, possible claims from commercial agents, as well as expected obligations from the purchase of shares (earn-out).

(13) Liabilities

	Due within one year		Due after one year		Due after more than five years	
	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022
Liabilities to banks	35,494	39,769	236,454	251,370	54,689	0
Payments received on account of orders	68,904	182,596	1,529	623	0	0
Trade payables	12,803	20,356	321	124	0	0
Liabilities to shareholders	9	6	0	0	90,000	150,000
Other liabilities	104,425	27,742	1,001	237	0	0
– of which taxes	(2,202)	(2,145)	(0)	(0)	(0)	(0)
– of which social security	(604)	(639)	(0)	(0)	(0)	(0)
	221,635	270,469	239,305	252,354	144,689	150,000

Liabilities to banks amounted to € 291,138 thousand. These related in particular to two loans of € 130,000 thousand and € 34,200 thousand taken out in previous years with underwriting banks via the KfW development bank, which were carried at € 57,204 thousand and € 12,825 thousand at the balance sheet date. They are due in 2027 and 2024 respectively and will be repaid in the subsequent year with € 14,444 thousand and € 8,550 thousand respectively. These loans are being used to finance the construction of Hall 12 and the refurbishment of Hall 6.

To secure the liquidity of the Messe Frankfurt corporate group as a result of the coronavirus pandemic, further long-term loans amounting to € 280,000 thousand were taken out from 2020. Of this amount, € 230,000 thousand is made up of long-term loans – a promissory note loan of € 130,000 thousand with a maturity of € 78,000 thousand in 2025 and € 52,000 thousand in 2027, and another bank loan of € 100,000 thousand with a maturity in 2025. The instalment repayment of this bank loan began in the first quarter of 2022 and amounts to € 12,500 thousand per year. A short-term revolving loan in the amount of € 50,000 thousand existed during the year and was not utilised as at the balance sheet date.

In addition, the Italian subsidiary took out a bank loan of € 2,689 thousand in the previous year in connection with the granting of coronavirus aid, which will be repaid starting in 2024 until 2027.

Messe Frankfurt Asia Holding Ltd., Hong Kong, deposited an amount of HKD 9 million in December 2022 for short-term investment with Messe Frankfurt GmbH until March 2023. In order to hedge the currency risk arising from this underlying transaction, Messe Frankfurt GmbH contracted a foreign exchange swap for the amount in the corresponding months with a maturity matching the financial investment (micro hedge). Since the opposing changes in the value of the cash flow from the underlying transaction and the forward exchange contract offset each other, Messe Frankfurt GmbH applied hedge accounting and, pursuant to Section 254 HGB, for the period of the term of the contract opted not to apply Section 249 (1), Section 252 (1), Nos. 3 and 4, Section 253 (1), sentence 1 and Section 256a HGB (net hedge presentation method). Without these hedges, in line with exchange rate developments liabilities to Messe Frankfurt Asia Holding Ltd., Hong Kong, would have been € 1 thousand higher. Due to the consolidation of the underlying transaction and the positive market value of the derivative financial instrument (€ 1 thousand), there were no further effects on the consolidated financial statements.

Liabilities to shareholders included, in particular, a shareholder loan of € 150,000 thousand taken out in the previous year, which was drawn in full as of the balance sheet date. Of this amount, € 90,000 thousand related to the City of Frankfurt am Main and € 60,000 thousand to the State of Hesse. The loan will be repaid in instalments over a period of 10 years starting from 2031.

Other liabilities included, in particular, advance payments received for postponed and/or cancelled events in the 2022 financial year that still have to be repaid to customers, as well as debtors with credit balances.

(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 as a result of fair value adjustments from the realisation 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 € 312,214 thousand (previous year € 301,116 thousand). 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, ground rents for three heritable building lease contracts, as well as obligations arising from earn-out arrangements. The probability of the earn-out arrangements being utilised is classed as low for the major part of the amount.

(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 € 41 thousand.

Notes to the consolidated income statement

(Amounts in € thousand, unless otherwise stated)

(18) Sales

According to type	2021	2022
Stand rents	82,080	236,159
Halls, site and other rents	11,622	44,573
Admission fees and participation fees	757	7,199
Services and other income	59,375	166,231
	153,834	454,162

According to region	2021	2022
Germany	63,178	313,913
Europe excl. Germany	9,991	15,141
Asia	76,094	93,289
America	4,344	29,225
Africa	227	2,594
	153,834	454,162

(19) Increase or decrease of work in progress

This item related to decreases (previous year increases) in own work capitalised in the 2022 financial year for events in 2023.

(20) Other operating income

This account mainly included prior-period income (€ 1,202 thousand; previous year € 41,435 thousand), in particular from grants, prior-period income from the reversal of provisions (€ 7,223 thousand; previous year € 9,120 thousand), income from exchange rate differences (€ 8,107 thousand; previous year € 4,890 thousand) and from recoveries on receivables already written off (€ 691 thousand; previous year € 2,143 thousand) 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 thousand).

In addition, the deconsolidation of the two Russian companies resulted in operating income of € 1.3 million due to the derecognition of liabilities and debts.

(21) Event-related expenses

	2021	2022
Cost of raw materials, consumables and supplies, and of purchased merchandise	3,176	8,732
Cost of purchased services	107,108	221,088
	110,284	229,820

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 included prior-period expenses in the amount of € 194 thousand (previous year € 173 thousand), which were attributable to purchased services.

(22) Personnel expenses/employees

	2021	2022
Wages and salaries	103,613	136,994
Social security, post-employment and other employee benefit costs	21,613	29,467
– of which post-employment	(6,024)	(7,431)
	125,226	166,461

Employees (active, annual average)	2021	2022
Vice presidents	49	44
Salaried employees	1,974	1,861
Wage-earning employees	201	206
	2,224	2,111

The stated number of employees includes 17 employees (salaried) at proportionately consolidated entities pursuant to Section 310 HGB (proportionately: 9 (salaried)).

(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 licences as well as goodwill. No write-downs were recognised in respect of brand rights in the reporting year (previous year € 1,570 thousand). As in the previous year, no write-downs were recognised in respect of goodwill.

(24) Other operating expenses

Other operating expenses amounting to € 74,441 thousand principally included rental and lease expenses and office costs, legal, consulting and auditing costs, interim agency staff, expenses for promotional activities and allowances for bad debts. Expenses from currency translation were also included with € 9,478 thousand (previous year € 4,628 thousand), as well as prior-period expenses relating to allowances for bad debts with € 3,813 thousand (previous year € 996 thousand).

Furthermore, the deconsolidation of the two Russian companies resulted in operating expenses of € 2.4 million due to the derecognition of assets.

(25) Financial result

	2021	2022
Result from investments in associates and other long-term equity investments	-1,396	2
Other interest and similar income	872	2,376
– of which from discounting	(113)	(8)
Interest and similar expenses	6,544	8,996
– of which from unwinding the discount	(1,215)	(437)
Impact of hyperinflation	-240	-140
	-6,828	-6,478

In the previous year, the Result from investments in associates and other long-term equity investments included gains/losses from adjustment of the difference of the nmedia GmbH, Düsseldorf, investment with € 196 thousand, amortisation of the goodwill resulting from this equity-method carrying amount of the investment with € 484 thousand, as well as COVID-19-related write-downs of the carrying amount and the goodwill of this investment to the temporary lower of cost or market value with € 716 thousand.

Interest income resulted mainly from the investment of cash in securities, interest expenses were mainly attributable to interest on loans.

(26) Taxes on income

	2021	2022
Taxes on income	1,334	2,449
Deferred taxes	-1,646	-2,691
	-312	-242

(27) Other taxes

	2021	2022
Other taxes	3,718	2,787
	3,718	2,787

Other taxes primarily related to property taxes.

Report on post-balance sheet date events

No events having a material impact on the position of the group occurred after completion of financial year 2022 and up to preparation of the consolidated financial statements and the group management report.

Other disclosures

Shareholders

60% of the shares in the parent company, Messe Frankfurt GmbH, are held by the City of Frankfurt am Main, 40% 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 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

In light of the net loss reported by Messe Frankfurt GmbH for the financial year, no proposal on the appropriation of net income is necessary.

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 cash recognised in the consolidated balance sheet in the amount of € 207,311 thousand (previous year € 128,227 thousand) is € 17,748 thousand (previous year € 24,316 thousand) and results from fixed-term deposits having a residual maturity of more than three months at the time of acquisition.

Cash funds included € 4,462 thousand from proportionately consolidated entities. These are not subject to any restrictions.

Non-cash income resulted primarily from amounts released from deferred income for heritable building leases amounting to € 2,099 thousand, the release of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets amounting to € 2,147 thousand as well as currency translation differences.

As of the balance sheet date, no cash was used in the reporting year for the acquisition of shares in companies to be consolidated, taking into account the cash thus acquired (previous year € 13,478 thousand).

No distributions were made to owners of the company in the financial year. Distributions of € 3,319 thousand were made to non-controlling interests.

Disclosures relating to the consolidated statement of changes in equity

At the reporting date of 31 December 2022, portions of generated group equity subject to a restriction on distribution existed in the amount of € 0.3 million (previous year € 0.5 million). These amounts related to the measurement of pension provisions.

Supervisory Board of Messe Frankfurt GmbH

Stephanie Wüst

(Chair) (from 19 December 2022)

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

Peter Feldmann (until 11 November 2022)

(Chair)

Executive Mayor, City of Frankfurt am Main,
Frankfurt am Main

Tarek Al-Wazir

(1st Vice Chair)

Hessian Minister of Economics, Energy, Transport and
Regional Development, Wiesbaden

Ute Schuchhardt

(2nd Vice Chair) (from 19 December 2022)

Chair of the Works Council of Messe Frankfurt GmbH,
Frankfurt am Main

Wolfgang Dimmer

(2nd Vice Chair)

Chair of the Works Council of Messe Frankfurt GmbH,
Frankfurt am Main (until 30 June 2022)

Dr Bastian Bergerhoff

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

Peter Beuth

Hessian Minister of the Interior and Sports,
Wiesbaden

Michael Boddenberg

Hessian Minister of Finance,
Wiesbaden

Britta Böcher

Organisational consultant Messe Frankfurt GmbH,
Frankfurt am Main

Bernd Ehinger

President (ret'd.) of the Frankfurt-Rhine-Main Chamber of
Crafts,
Frankfurt am Main

Dr Nargess Eskandari-Grünberg

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

Bernd Dombek

Central Purchasing consultant Messe Frankfurt GmbH,
Frankfurt am Main

Klaus Gravemann

Treasurer of the Börsenverein des Deutschen
Buchhandels e.V. (German Publishers & Booksellers
Association),
Frankfurt am Main

Dr Isabella-Afra Holst

SVP Strategic Initiatives Software AG,
Darmstadt

Mike Josef

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

Andreas Pipperek

Director Market Research & Concepts Messe Frankfurt
GmbH,
Frankfurt am Main

Dr Lutz Raettig

Frankfurt am Main

Thomas Rathgeber

Organisational consultant Messe Frankfurt Exhibition
GmbH,
Frankfurt am Main

Christiane Rüdiger

Director SAP Service Management
Messe Frankfurt GmbH,
Frankfurt am Main

Jürgen Vormann

Chief Executive Officer of
Infraserv GmbH & Co. Höchst KG, Frankfurt am Main
(until 31 December 2022)

Hamid Yazdtschi

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

Auditors' fees

The auditors' fees for the financial year apportionable to Grant Thornton AG for the audit of the single-entity and consolidated financial statements amounted to € 517 thousand. No other services were provided by the auditor.

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.

The following table shows the remuneration of the members of the Executive Board in financial year 2022:

in € thousand	Fixed remuneration		Variable remuneration	Pension provision	Non-cash benefits	Total
	Fixed annual salary	Guaranteed year-end bonus	2021			
Wolfgang Marzin	323	60	0	70	13	466
	(323)	(60)	(0)	(70)	(13)	(466)
Uwe Behm	287	60	0	70	18	435
	(276)	(60)	(0)	(70)	(14)	(420)
Detlef Braun	277	60	0	70	10	417
	(274)	(60)	(0)	(70)	(13)	(417)
						1,318
						(1,303)

Provisions for the members of the Executive Board amounting to € 367 thousand (previous year € 26 thousand) for variable bonuses were recognised in 2022. Depending on the member of the Executive Board, there are two different schemes for variable remuneration. One takes into account components with a long-term incentive effect and is derived from socio-economic agendas for the Frankfurt venue, as well as from financial targets of the group. The other regulation takes individual targets into account. In the course of the financial year, event business was resumed to varying degrees both at the Frankfurt location and worldwide. Hence, the targets resulting from the long-term incentive scheme were achieved proportionately. Recognition of the provision for the reporting year was therefore based on both schemes, whereas in the previous year, recognition of the provision derived only from the scheme based on individual targets.

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 2022 financial year.

Superannuation benefits and retirement annuities, as well as interim payments and indemnifications of € 870 thousand (previous year € 872 thousand) were paid to former members of the Executive Board and surviving dependents. Pension provisions totalling € 8,391 thousand (previous year € 8,376 thousand) were recognised for the aforementioned groups of persons at 31 December 2022.

The remuneration and expense allowance paid to members of the Supervisory Board totalled € 40 thousand (previous year € 45 thousand).

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, 23 May 2023

Wolfgang Marzin

Detlef Braun

Uwe Behm

Statement of changes in fixed assets

Purchase cost								
in € thousand	At 1.1.2022	Adjustment for inflation 1.1.2022	Additions to the basis of consolidation	Additions	Disposals	Transfers	Currency translation differences	At 31.12.2022
I. Intangible fixed assets								
1 Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	228,114	650	0	2,978	3,320	0	-169	224,500
2 Goodwill	74,712	0	0	596	0	0	3,302	76,672
3 Prepayments	1,824	0	0	329	192	0	0	1,961
	304,650	650	0	3,903	3,512	0	3,133	303,133
II. Tangible fixed assets								
1 Land, land rights and buildings, incl. buildings on third-party land	1,522,875	19	0	159	8,470	0	5	1,514,588
2 Technical equipment and machinery	116,017	0	0	88	0	436	0	116,541
3 Other equipment, operating and office equipment	132,083	189	0	2,341	11,354	0	-18	122,886
4 Prepayments and assets under construction	157,848	0	0	32,422	39	-436	0	189,795
	1,928,823	208	0	35,010	19,863	0	-13	1,943,810
III. Long-term financial assets								
1 Investments in associates	2,399	0	0	0	0	0	0	2,399
2 Other long-term equity investments	20	0	0	0	0	0	0	20
	2,419	0	0	0	0	0	0	2,419
	2,235,892	858	0	38,913	23,375	0	3,120	2,249,362

Depreciation, amortisation and write-downs (cumulative)						Carrying amounts		
At 1.1.2022	Adjust- ment for inflation 1.1.2022	Additions	Disposals	Adjustment of the equity- method carrying amount	Cur- rency trans- lation differ- ences	At 31.12.2022	At 31.12.2021	At 31.12.2022
164,757	640	18,274	3,269	0	-503	176,146	63,357	48,354
67,341	0	1,648	0	0	3,302	70,353	7,371	6,319
0	0	0	0	0	0	0	1,824	1,961
232,098	640	19,922	3,269	0	2,799	246,499	72,552	56,634
928,618	5	32,226	5	0	6	960,850	594,257	553,738
97,860	0	2,637	0	0	0	100,497	18,157	16,044
118,158	137	5,287	11,067	0	-13	112,239	13,925	10,647
0	0	0	0	0	0	0	157,848	189,795
1,144,636	142	40,150	11,072	0	-7	1,173,586	784,187	770,224
2,399	0	0	0	0	0	2,399	0	0
0	0	0	0	0	0	0	20	20
2,399	0	0	0	0	0	2,399	20	20
1,379,133	782	60,072	14,341	0	2,792	1,422,484	856,759	826,878

Shareholdings in affiliated companies, other long-term equity investments, interests in other entities

Companies *)	Equity** in € thousand	Earnings* in € thousand	Shareholding
Messe Frankfurt Venue GmbH, Frankfurt am Main/Germany ^{1) 2)}	402,862	27,931	100%
Messe Frankfurt Medien und Service GmbH, Frankfurt am Main/Germany ^{1) 2)}	3,503	-1,179	100%
Accente Gastronomie Service GmbH, Frankfurt am Main/Germany ^{1) 2)}	260	-2,634	100%
Messe Frankfurt Exhibition GmbH, Frankfurt am Main/Germany ^{1) 2)}	46,637	-30,501	100%
Messe Frankfurt Middle East GmbH, Frankfurt am Main/Germany ¹⁾	-82	2,712	100%
MESAGO Messe Frankfurt GmbH, Stuttgart/Germany ^{1) 2)}	2,862	10,116	100%
SMT/ASIC/Hybrid MESAGO Messe & Kongreß GmbH & Co. oHG, Nuremberg/Germany ^{1) 2)}	107	150	75%
faimamic GmbH, Friedrichshafen/Germany ^{1) 6)}	4,186	4,257	49%
Messe Frankfurt France S. A. S., Paris/France ³⁾	-1,532	-2,703	100%
Messe Frankfurt Italia Srl., Milan/Italy ³⁾	1,795	1,953	100%
Messe Frankfurt Istanbul L. S., Istanbul/Turkey ³⁾	2,195	1,734	100%
O. O. O. Messe Frankfurt RUS, Moscow/Russia ⁷⁾	0	547	100%
O. O. O. ITEMF Expo., Moscow/Russia ⁷⁾	0	-255	50%
Messe Frankfurt UK Ltd., Godalming/UK ³⁾	-3,313	-941	100%
Messe Frankfurt Asia Holding Ltd., Hong Kong/China ³⁾	83,220	-1,225	100%
Messe Frankfurt (H. K.) Ltd., Hong Kong/China ³⁾	-1,196	-7,303	100%
Messe Frankfurt (Shanghai) Co. Ltd., Shanghai/China ³⁾	-13,365	-9,721	100%
Guangzhou Guangya Messe Frankfurt Co. Ltd., Guangzhou/China ³⁾	5,983	1,884	50%
Guangzhou Li Tong Messe Frankfurt Co. Ltd., Guangzhou/China ³⁾	2,266	2,042	55%
Messe Frankfurt Shenzhen Co. Ltd., Shenzhen/China ³⁾	465	-504	100%
Messe Frankfurt Traders-Link (Beijing) Co., Ltd., Beijing/China ³⁾	7	460	70%
Messe Frankfurt Japan Ltd., Tokyo/Japan ³⁾	3,899	3,451	100%
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai/India ³⁾	8,908	1,492	100%
Messe Frankfurt Korea Ltd., Seoul/South Korea ³⁾	380	110	80%
Messe Frankfurt Inc., Atlanta/USA ³⁾	-3,961	2,267	100%
PAACE Automechanika Mexico LLC, Atlanta/USA ^{3) 4)}	-9	59	50%
PE Events LLC, Atlanta/USA ^{3) 5)}	8,240	-2,373	50%
Messe Frankfurt México S. de R. L. de C. V., Mexico City/Mexico ³⁾	-9	-56	100%
Indexport Messe Frankfurt S. A., Buenos Aires/Argentina ³⁾	970	1,982	85%
Messe Frankfurt South Africa (Pty) Ltd., Johannesburg/South Africa ³⁾	-3,075	-1,026	100%

*) Parent/subsidiary relationships are shown by indentations

**) Equity was translated at historical exchange rates or the corresponding average rates, depending on the item, and expenses and income were translated at the average rates.

1) Data from the audited annual financial statements as at 31.12.2022.

2) Before profit/loss transfer.

3) Equity and earnings were derived from the HB II Reporting Package (financial statements adjusted to conform with uniform group accounting policies)

- 4) 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.
- 5) The company is a joint venture between Messe Frankfurt Inc., Atlanta/USA, and the American cooperation partner for the purpose of holding the PE events.
- 6) The company is a joint venture between Messe Frankfurt Exhibition GmbH and Messe Friedrichshafen.
- 7) The company was disposed of and deconsolidated from the group reporting entity with effect from 5.5.2022

Consolidated financial statements
 Consolidated cash flow statement of Messe Frankfurt GmbH,
 Frankfurt am Main, for the financial year
 from 1 January 2022 to 31 December 2022

in € thousand	2021	2022
Consolidated net loss for the year	-139,204	-25,673
Depreciation, amortisation and write-downs (+) / reversal of write-downs (-) of fixed assets	57,751	60,071
Increase (+) / decrease (-) in provisions	-4,211	13,751
Other non-cash expenses (+) and income (-)	-1,988	-5,298
Increase (-) / decrease (+) in inventories	-37	-87
Increase (-) / decrease (+) in trade receivables and other assets not attributable to investing or financing activities	5,764	-4,637
Increase (+) / decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	63,045	56,357
Proceeds (-) / expense (+) from disposal of fixed assets	227	-31,090
Interest expense (+) / interest income (-)	5,672	6,620
Other investment income (-)	-1	-2
Interest received (+) / paid (-)	-899	-3,175
Income tax expense (+) / income tax income (-)	-312	-242
Income taxes paid	-2,012	-2,229
Cash flows from operating activities	-16,205	64,366
Intangible fixed assets / tangible fixed assets		
– Capital expenditure	-72,802	-36,193
– Proceeds from disposal of fixed assets	303	40,125
Payments for acquisition of consolidated companies	-13,478	-13,667
Balance between cash inflows (+) / outflows (-) from financial investments (securities held as current assets)	39,709	-227,147
Interest received (+)	10	1,080
Dividends received (+)	1	2
Cash flows from investing activities	-46,257	-235,800
Proceeds (+) from capital contributions by shareholders	0	240,000
Cash payments (-) to the owners of Messe Frankfurt GmbH and non-controlling interests	-2,757	-3,319
Cash repayments (-) of bank loans	-47,999	-35,499
Cash proceeds (+) from bank borrowings	27,689	0
Cash proceeds (+) from bank borrowings by shareholders	90,000	60,000
Interest paid (-)	-3,681	-4,096
Cash flows from financing activities	63,252	257,086
Net change in cash funds	790	85,652
Cash funds at beginning of period	103,121	103,911
Cash funds at end of period	103,911	189,563

Consolidated financial statements
 Consolidated statement of changes in equity of Messe
 Frankfurt GmbH, Frankfurt am Main, for the financial year
 from 1 January 2022 to 31 December 2022

	Equity of the parent							Total
	Subscribed capital	Capital reserves	Revenue reserves	Total reserves	Currency translation difference recognised in equity	Profit brought forward	Consolidated net income for the financial year (attributable to parent)	
At 31.12.2021	180,000	112,203	85,889	198,092	-7,558	-56,435	0	314,099
Allocations to reserves	0	0	152	152	0	-152	0	0
Dividends paid	0	0	0	0	0	0	0	0
Currency translation	0	0	0	0	-90	0	0	-90
Other changes	0	240,016	4	240,020	0	-214	0	239,806
Changes in the basis of consolidation	0	0	45	45	1,567	-46	0	1,566
Consolidated net income / consolidated net loss	0	0	0	0	0	0	-27,619	-27,619
At 31.12.2022	180,000	352,219	86,090	438,309	-6,081	-56,847	-27,619	527,762

Non-controlling interests				Group equity	
Before currency translation difference recognised in equity	Currency translation difference recognised in equity attributable thereto	Profit attributable thereto	Total	Total	Total
3,424	-143	0	3,281		317,380
0	0	0	0		0
-3,319	0	0	-		-3,319
0	-121	0	3,319	-121	-211
-35	0	0	-35		239,771
0	0	0	0		1,566
0	0	1,946	1,946		-25,673
70	-264	1,946	1,752		529,514

Independent auditor's report

To Messe Frankfurt GmbH, Frankfurt am Main

Audit opinions

We have audited the annual financial statements of Messe Frankfurt GmbH, Frankfurt am Main, and its subsidiaries (the group) – which comprise the consolidated balance sheet at 31.12.2022, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1.1.2022 to 31.12.2022, and the notes to the consolidated financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the group management report of Messe Frankfurt GmbH, Frankfurt am Main, for the financial year from 1.1.2022 to 31.12.2022.

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

- the accompanying financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the group's assets, liabilities and financial position as at 31.12.2022 and of its financial performance for the financial year from 1.1.2022 to 31.12.2022 in compliance with German Legally Required 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.

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 of 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 the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

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 the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law, and that the consolidated financial statements give a true and fair view of the group's assets, liabilities, financial position and financial performance of the group in compliance with German Legally Required Accounting Principles. In addition, the members of the Executive Board are responsible for such internal controls as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. manipulation of financial accounting and asset misappropriation) 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, provided no actual or legal circumstances conflict therewith.

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 is in accordance with the applicable German legal requirements, and to be able 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 responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are 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.

We exercise professional judgement and maintain professional scepticism throughout the audit. 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 audit 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 controls.
- 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 audit opinion on the effectiveness of these systems of the group.
- Evaluate the appropriateness of accounting policies used by the members of the Executive Board and the reasonableness of accounting estimates made by the members of the Executive Board and related disclosures.
- 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 audit 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 in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with German Legally Required Accounting Principles..
- 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 audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of group's position it provides.
- Perform audit procedures on the prospective information presented by the members of the Executive Board in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the members of the Executive Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. 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 internal control that we identify during our audit.

Frankfurt am Main, 25 May 2023

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Maximilian Meyer zu Schwabedissen
Public Auditor

Arndt Krüger
Public Auditor

If the consolidated financial statements and/or the group management report are published or disseminated in a form that deviates from the audited version (including translation into other languages), our subsequent and renewed audit opinion shall be required, in so far as our auditor's report is quoted or reference is made to our audit: we refer in particular to Section 328 HGB.