



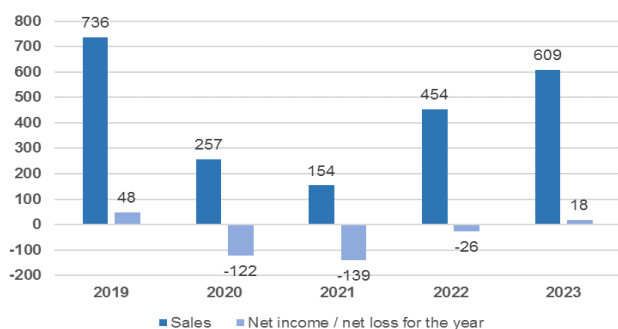
Annual report 2023

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At a glance

Sales and net income/net loss in € million



Level of internationality

Visitors: 35.8% Exhibitors 73.2%



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				
	2019	2020	2021	2022	2023
Sales	736	257	154	454	609
Personnel expenses	177	132	125	166	176
Depreciation, amortisation and write-downs	62	65	58	60	66
Earnings before taxes	61	-122	-140	-26	26
Pre-tax return on sales in %	8	-48	-91	-6	4
Net income / net loss for the year	48	-122	-139	-26	18
EBITDA	124	-52	-75	40	91
Additions to fixed assets	78	84	127	39	42
Equity	589	457	317	530	542
Total assets	1,174	1,030	1,054	1,342	1,338
Active employees (at 31.12. respectively)	2,575	2,449	2,238	2,157	2,326

· Except employees and return on sales

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

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

	2019	2020	2021	2022	2023
Basic data					
Total space (m²)	591,049	591,049	591,049	584,142	584,142
Available hall space (m²)	372,350	372,073	372,073	372,073	392,415
Available open space (m²)	66,764	66,764	66,764	64,368	64,326
Number of halls	11	11	11	11	11
Events in Germany					
Number of trade fairs and exhibitions	50	12	11	39	37
Exhibitors	42,005	12,891	4,551	29,058	27,474
Net space (m²)	1,451,849	492,894	130,925	1,016,495	981,833
Visitors	1,985,680	304,451	123,538	762,016	927,155
Events outside Germany					
Number of trade fairs	105	34	53	65	103
Exhibitors	57,241	20,410	25,206	17,449	58,923
Net space (m²)	1,539,399	558,777	754,341	496,345	1,516,528
Visitors	2,477,422	895,854	1,228,910	1,043,377	2,673,547
Total					
Number of trade fairs	155	46	64	104	140
Exhibitors	99,246	33,301	29,757	46,507	86,397
Net space (m²)	2,991,480	1,051,671	885,266	1,512,840	2,498,361
Visitors	4,463,102	1,200,305	1,352,448	1,805,393	3,600,702

Group management report 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 54 sales partners around the world.

Apart from a sales and marketing function for the group's own trade fairs, the operating activities of the foreign subsidiaries consist in the organisation of trade fairs from the group's brand portfolio for own financial account. Additionally, as the economy becomes ever more internationally interdependent, the marketing of media and digital services as a supplementary offering 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 global coronavirus pandemic. The event business, particularly as an organiser of events with international relevance for exhibitors and visitors, experienced a decline, especially with the cancellation of spring events at the Frankfurt venue in the first quarter of 2022. The exhibition halls and conference facilities at the Frankfurt venue only resumed operations from April 2022, leading to a significant shift in event density. The return to business as usual differed from region to region for the company's foreign subsidiaries. By the end of 2022, there were first clear signs of recovery in the event industry, indicating a transition from the global coronavirus pandemic towards an endemic. The financial year 2023 marked the first full trade fair year for Messe Frankfurt post-pandemic, with regular trade fair operations and individual trade fair cycles taking place throughout the year, bringing key event performance indicators almost back to the pre-pandemic levels of 2019. A year-on-year comparison of figures is therefore only possible to a limited degree.

II. Report on economic position

General economic trend

According to first calculations of the Federal Statistical Office (Destatis), the price-adjusted gross domestic product (GDP) was 0.3% lower in 2023 than in the previous year. Therefore, the German economy did not continue its recovery from the sharp economic slump experienced in the pandemic year of 2020. While GDP was 0.7% higher than the pre-pandemic levels of 2019, overall economic progress nevertheless faltered in an environment that continued to be marked by multiple crises.¹

The German economy has been treading water since the beginning of 2023. Over the course of the year, the inflation rate eased and the increase in wage income accelerated compared to the previous year. However, the recovery in private consumption failed to materialise, partly because people chose to put some of the increase in purchasing power into savings. Overall, the economy cooled noticeably since the beginning of the year, and the recovery that was originally expected in the second half of the year did not occur.² In response to the question of which factors are impeding companies in their business, sales and production activities, the primary issues cited are a shortfall in orders and demand. Additionally, companies face challenges due to personnel shortages, especially in skilled labour. In the retail sector, supply bottlenecks are a concern, as are raw material shortages in the industrial sector. Furthermore, in the context of increasing interest rates, financing constraints have become a significant problem.³

The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine remains slow and uneven. Despite economic resilience early in the year, with a reopening rebound and progress in reducing inflation from the previous year's peaks, it is too soon to take comfort.⁴ In the third quarter of 2023, global economic output accelerated as the pace of expansion picked up in both China and the US. While global industrial production rose compared to the previous quarter, there were not yet signs of a sustained upward trend. Conversely, global trade in goods declined for the fourth consecutive quarter, but showed signs of stabilising. Post-pandemic, the consumption patterns of private households returned to normal in many countries, with a renewed higher demand for services over goods, adversely affecting global trade. Furthermore, with supply chain issues resolved, businesses focused on reducing their previously high inventory levels rather than making new purchases.⁵ Against this background, global GDP growth is estimated to have weakened to 2.6% compared to the previous year.⁶

Global trade growth in 2023 was the slowest outside global recessions in the past 50 years, with goods trade contracting amid anaemic global industrial production. Services trade continued to recover from the effects of the pandemic, but at a slower pace than previously expected. Global trade in goods and services was virtually flat in 2023, growing by an estimated 0.2%.⁷

Developments in the trade fair sector

The event industry was hit hard by the coronavirus pandemic, nearly grinding to a complete halt. Subsequently, pent-up demand led to an improved order situation and a bounce back.⁸ For the exhibition industry, 2023 marked the first post-pandemic year without trade fair bans. German exhibition centres reported at least 180,000 exhibitors and 11.5 million visitors. This was an increase from 2022, which saw around 40,000 fewer exhibitors and around 4 million fewer visitors. After the end of the pandemic, Germany's leading international trade fairs, in particular, experienced a strong recovery. The vital role of trade fairs is confirmed by the first yet-to-be-published AUMA survey of 400 exhibiting companies conducted since the end of the pandemic which indicates that, assuming stable political conditions, respondents intend to attend as many trade fairs in 2024 and 2025 as they did in the previous two years. Moreover, 43% of respondents are considering increasing their budgets for trade fairs.⁹

In 2023, the global trade fair industry not only matched but surpassed the average levels of 2019, according to the UFI Global Exhibition Barometer report. Revenues from 2023 compared to 2019 varied from 127% in India, 120% in Spain and 110% in Italy, to 88% in Colombia, 85% in South Africa, 82% in Germany and 80% in Thailand. In terms of operating profits compared to 2019 levels, around half of the companies declared an increase of more than 10% for 2023, while one in four reported stable results.¹⁰

1 Destatis Federal Statistical Office: 'Gross Domestic Product 2023 for Germany' press conference on 15 January, 2024.

2 ifo Economic Forecast Winter 2023, in ifo Schnelldienst, Special Edition, 76th Edition, December 2023

3 Licht, Thomas and Wohlrabe, Klaus: Die deutsche Wirtschaft nach drei herausfordernden Jahren – droht eine Pleitewelle? In: ifo Schnelldienst 12/2023, 76th Edition, 13 December 2023

4 IMF International Monetary Fund: World Economic Outlook, October 2023

5 ifo Economic Forecast Winter 2023, in ifo Schnelldienst, Special Edition, 76th Edition, December 2023

6 World Bank Group: Global Economic Prospects, January 2024

7 ibid.

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

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

10 UFI The Global Association of the Exhibition Industry: UFI Global Exhibition Barometer, 32nd Edition, January 2024

Development of business

The 2023 financial year marked the first full trade fair programme since the end of the coronavirus pandemic, bringing a significant boost to the business performance of the Messe Frankfurt Group. The bounce back of the event business, signs of which were already apparent in the previous year, was clearly reflected in all key event performance indicators, even taking the rotation of events into account.

For the Messe Frankfurt Group, financial performance indicators such as sales and consolidated net income, as well as non-financial indicators like the number of exhibitors, net exhibition space and visitor turnout, are equally important.

Sales increased from € 454.2 million to € 609.0 million, which is around € 83 million above the sales projection. For the first time, the company again reported consolidated net income for the financial year of € 18.5 million (previous year consolidated net loss of € -25.7 million), which exceeded the projected figure by €102.5 million.

During the 2023 reporting year, the Messe Frankfurt Group staged 140 trade fairs and exhibitions worldwide (previous year 104), attracting 86,397 exhibitors (previous year 46,507) and around 3.6 million visitors (previous year 1.8 million). The total net leased space was around 2.5 million m² (previous year 1.5 million m²). These trade fairs and exhibitions were complemented by 188 congresses, conventions and other activities (previous year 185) that were organised and held at the Frankfurt am Main venue, which attracted 715,592 visitors (previous year 628,541), as well as 11 German pavilions worldwide (previous year 9). Another 10 congresses, conferences and other activities (previous year 11) were held at other venues in Germany and abroad with 8,982 (previous year 7,211) participants in total. Thus, all Messe Frankfurt Group events aggregated around 4.3 million attendees in the reporting period (previous year 2.4 million). The increase in these key performance indicators impressively demonstrates the rebound of event business compared to the previous year.

Performance indicators – trade fairs and exhibitions

The non-financial performance indicators for the 2023 financial year are as follows:

Total activities 2023	Number	Exhibitors	Net space* in m ²	Visitors
Trade fairs and exhibitions				
– at the Frankfurt exhibition venue	28	23,163	753,233	782,039
<i>(previous year)</i>	<i>(31)</i>	<i>(25,197)</i>	<i>(810,975)</i>	<i>(638,280)</i>
– in Germany outside the Frankfurt exhibition venue	9	4,311	228,600	145,116
<i>(previous year)</i>	<i>(8)</i>	<i>(3,861)</i>	<i>(205,520)</i>	<i>(123,736)</i>
Germany	37	27,474	981,833	927,155
<i>(previous year)</i>	<i>(39)</i>	<i>(29,058)</i>	<i>(1,016,495)</i>	<i>(762,016)</i>
Events outside Germany	103	58,923	1,516,528	2,673,547
<i>(previous year)</i>	<i>(65)</i>	<i>(17,449)</i>	<i>(496,345)</i>	<i>(1,043,377)</i>
Total trade fairs and exhibitions	140	86,397	2,498,361	3,600,702
<i>(previous year)</i>	<i>(104)</i>	<i>(46,507)</i>	<i>(1,512,840)</i>	<i>(1,805,393)</i>
Other events organised by Messe Frankfurt Exhibition GmbH (outside of trade fairs) at the Frankfurt exhibition venue	0	0	0	0
<i>(previous year)</i>	<i>(1)</i>	<i>(0)</i>	<i>(0)</i>	<i>(350)</i>
Congresses and conventions at the Frankfurt exhibition venue	188	0	0	715,592
<i>(previous year)</i>	<i>(185)</i>	<i>(0)</i>	<i>(0)</i>	<i>(628,541)</i>
German pavilions (planning and execution of trade fair participations)	11	0	0	0
<i>(previous year)</i>	<i>(9)</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	13
<i>(previous year)</i>	<i>(1)</i>	<i>(0)</i>	<i>(0)</i>	<i>(47)</i>
Congresses, conferences and other activities at other venues outside Germany	9	0	0	8,969
<i>(previous year)</i>	<i>(10)</i>	<i>(0)</i>	<i>(0)</i>	<i>(7,164)</i>
Total activities	349	86,397	2,498,361	4,325,276
<i>(previous year)</i>	<i>(310)</i>	<i>(46,507)</i>	<i>(1,512,840)</i>	<i>(2,441,495)</i>

* incl. special show space

The **group's own exhibition centre** in Frankfurt was the venue for 28 trade fairs and exhibitions (previous year 31), including 6 events organised by Messe Frankfurt Exhibition GmbH (previous year 8) as well as 1 trade fair hosted by MESAGO Messe Frankfurt GmbH, Stuttgart (previous year 1) and 1 trade fair organised by fairnamic GmbH, Friedrichshafen (previous year 1). The 8 own group events (previous year 10) attracted 12,057 exhibitors (previous year 10,130) and 467,099 visitors (previous year 352,792). Around 591,975 m² of net exhibition space including special show space (previous year 488,622 m²) was booked for these own group events in Frankfurt.

Following the event industry constraints due to the coronavirus pandemic in the years 2020 to 2022, it was once again possible to hold trade fairs in Germany year-round without restrictions in 2023. However, the number of own events hosted by Messe Frankfurt Exhibition GmbH was relatively modest due to the event rotation schedule. Worth singling out were the concurrent events Ambiente, Christmasworld and Creativeworld, which drew the entire consumer goods industry to Frankfurt. These were complemented by the annual Heimtextil and the biennial ISH events. While exhibitor and visitor numbers were satisfactory, they have not yet returned to pre-pandemic levels.

The group's own events held in the reporting year at the Frankfurt venue displayed a high level of internationality: 73.2% foreign participation among exhibitors and 35.8% among visitors at Messe Frankfurt's international own group events testified to outstanding market penetration. This guarantees 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, AUMA, puts the average internationality rates for events in Germany provisionally at around 60% for exhibitors and around 35% for visitors.

In the 2023 reporting year, 20 guest fairs (previous year 21) supplemented the event portfolio at the Frankfurt exhibition venue. These guest events attracted a total of 11,106 exhibitors (previous year 15,067) and 314,940 visitors (previous year 285,488) and occupied 413,586 (previous year 702,945) gross square metres of exhibition space.

Apart from the major annual events such as formnext, Eurobike and the Frankfurt Book Fair, the CPhI andACHEMA multi-year events did not take place in the reporting year due to the event rotation schedule. Consequently, the 2023 reporting year ranks among the weaker years in terms of guest events.

Internationally renowned guest fairs such as FI Europe & HI Europe, IMEX Frankfurt, Tech Show 2023, White Label World Expo and Franchise Expo Frankfurt successfully rounded out the portfolio.

At **other trade fair venues in Germany**, the Messe Frankfurt Group organised 9 events (previous year 8). Of these 9 trade fairs, 2 were organised by Messe Frankfurt Exhibition GmbH, 5 by MESAGO Messe Frankfurt GmbH and 2 by fairnamic GmbH. These events in Germany outside Frankfurt attracted 4,311 exhibitors (previous year 3,861) and 145,116 visitors (previous year 123,736). The total net leased space came to 228,600 m² (previous year 205,520 m²).

Outside Frankfurt, Messe Frankfurt Exhibition GmbH organised Nordstil in Hamburg in both January and June 2023, which is showing a positive trend.

The MESAGO Messe Frankfurt GmbH subsidiary was once again able to hold all of its planned trade fairs in Stuttgart, Nuremberg and Wiesbaden in the reporting year (previous year 4). PCIM Europe, SMT connect and SPS – Smart Production Solutions in Nuremberg as well as EMV in Stuttgart and PARKEN in Wiesbaden have nearly returned to or, in the case of PCIM, even surpassed their pre-pandemic size.

The VELO Berlin and AERO Friedrichshafen events, organised by fairnamic GmbH, took place as planned at their respective venues. These two trade fairs were organised for the second time by fairnamic GmbH and both recorded growth. Until 2021, the two events were part of the portfolio of Messe Friedrichshafen GmbH and are still new fixtures in the Frankfurt event portfolio.

Outside Germany, 103 events (previous year 65) took place. At these events, 58,923 exhibitors (previous year 17,449) showcased their product and service portfolios to 2,673,547 visitors (previous year 1,043,377) on 1,516,528 m² of exhibition space (previous year 496,345 m²). Asia remained the regional focus of overseas business with 61 events in the reporting year (previous year 29), of which 32 were held in China alone (previous year 8). Another exhibition region for Messe Frankfurt is the EMEA (Europe, Middle East, Africa) economic area, where 24 trade fairs were held (previous year 24). On the American continents, the subsidiaries of Messe Frankfurt Exhibition GmbH organised 18 trade fairs in the reporting year (previous year 12).

As part of the optimisation of its product spectrum, Messe Frankfurt expanded its portfolio outside Germany in the reporting year. A total of nine new events opened their doors for the first time in 2023, three in China, two each in the USA and in India, and one each in Japan and the Netherlands. The portfolio is rounded out by 9 congresses, conferences and other activities (previous year 10), which drew a total of 8,969 visitors (previous year 7,164).

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

In addition to the guest fairs, Messe Frankfurt's locations hosted 124 guest congresses and meetings (previous year 103) with 177,380 participants (previous year 107,523). 82 (previous year 72) of these congresses and meetings with 35,520 participants (previous year 27,787) were held at the Kap Europa congress venue. Particular highlights included the 28th Congress of EHA European Hematology Association, EUROSPINE Annual Meeting, the 25th Convention of the IG Metall trade union, Sight City or the National Cycling Congress.

The Festhalle Messe Frankfurt was also the venue for 64 cultural, sporting or social events in 2023 (previous year 82), which were attended by 538,212 guests (previous year 521,018). Among others, concert highlights included Helene Fischer, Robbie Williams and Peter Gabriel. In addition, shows such as the return of the Sports Ball event in the Festhalle took place. The Mainova Frankfurt Marathon and the International Festhalle Riding Tournament were among the major sporting events, both of which celebrated anniversaries in the reporting year.

Development of the exhibition grounds

The redevelopment of the Frankfurt site in terms of exhibition space was successfully completed with the demolition and rebuilding of Hall 5. The construction work was completed in early 2023, both on schedule and within budget. The first events to utilise the new Hall 5 were the consumer goods trade fairs at the end of January 2023.

By 2025, a new South Entrance and an office and hotel tower are planned for construction site 42a on Europa-Allee. While the office and hotel tower are to be built on the section of the plot sold to the Gustav Zech Foundation in 2019, the new entrance will be constructed on the part of the plot that remains the property of Messe Frankfurt. The Gustav Zech Foundation will be responsible for the construction of the entire building complex and Messe Frankfurt will acquire the entrance building after completion. The building application was submitted in

November 2020, and once the partial building permit for the construction pit was issued at the end of December 2021, work got underway in early January 2022. Construction was suspended in the reporting year, and the impact on the project's completion date is still being evaluated.

An architectural contest was held in 2022 for the design of the missing section of the Via Mobile linking the future South Entrance, to be called "Exhibition Centre Entrance", to Hall 12. The contest was won by Moser Assoziierte Architekten GmbH, a Frankfurt-based architectural firm, and the construction application was filed in the reporting year. Completion is planned to coincide with the opening of the new entrance.

The construction of the Exhibition Centre Entrance and the Via Mobile that will connect it to Hall 12 represent the final stages in implementing the master plan for the exhibition grounds, and these are now underway. 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 still planned for 2025; however, due to construction being halted at the South Entrance of the trade fair centre and the subsequent delay in the extension of the underground link, this is currently up for review.

The project development of plot 44 in the immediate vicinity of the Portalhaus, which was sold in 2022, will continue to be closely monitored from the perspective as a direct neighbour. The design of the Portalhaus forecourt is being prioritised in collaboration with the buyer and project developer, Strabag Real Estate, which submitted the building application in the reported year.

Personnel

Change in employee numbers ¹⁾			
	2021	2022	2023
Messe Frankfurt GmbH, Frankfurt, Germany	294	296	308
Messe Frankfurt Exhibition GmbH, Frankfurt, Germany	312	288	301
Messe Frankfurt Venue GmbH, Frankfurt, Germany	216	216	222
Messe Frankfurt Medien und Service GmbH, Frankfurt, Germany	81	74	77
MESAGO Messe Frankfurt GmbH, Stuttgart, Germany ²⁾	147	140	161
fairnamic GmbH, Friedrichshafen, Germany ³⁾	6	7	10
Accente Gastronomie Service GmbH, Frankfurt, Germany	270	316	323
Total Germany	1,326	1,337	1,402
Messe Frankfurt France S. A. S., Paris, France	25	22	24
Messe Frankfurt Italia Srl., Milan, Italy	42	40	43
Messe Frankfurt Istanbul L. S., Istanbul, Turkey	13	13	17
O. O. O. Messe Frankfurt RUS, Moscow, Russia ⁴⁾	51	0	0
Messe Frankfurt Middle East GmbH, Frankfurt/Dubai, UAE	100	100	132
Messe Frankfurt Asia Holding Ltd., Hong Kong, China	4	5	5
Messe Frankfurt (H. K.) Ltd., Hong Kong, China ²⁾	443	401	426
Messe Frankfurt Japan Ltd., Tokyo, Japan	31	33	39
Messe Frankfurt Korea Ltd., Seoul, South Korea	11	11	10
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai, India	85	82	97
Messe Frankfurt Inc., Atlanta, USA	34	38	48
Indexport Messe Frankfurt S. A., Buenos Aires, Argentina	32	33	40
Messe Frankfurt South Africa (Pty) Ltd., Johannesburg, South Africa	27	28	29
Messe Frankfurt UK Ltd., Guildford, UK	14	14	14
Total outside Germany	912	820	924
	2,238	2,157	2,326
Change in number of employees		-81	169

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 2023, the Messe Frankfurt GmbH corporate group employed 2,326 active members of staff worldwide, 169 more than at the end of 2022. In Germany, the headcount was 1,402 and outside Germany 924.

The global stabilisation of trade fair and event operations in 2023 necessitated a larger workforce than in the previous year, leading to a marginal rise in employee numbers. At the same time, through strategic resource management, process optimisation and automation, the capacity increase was kept in check, with a conscious focus on managing personnel costs and structures. Furthermore, targeted employee retention strategies allowed Messe Frankfurt to reduce staff turnover in 2023 to levels comparable to those before the coronavirus pandemic. The anticipated loss of knowledge and capacity resulting from demographic shifts in the upcoming years will be addressed through focused strategic succession planning, in order to meet the growing quantitative and qualitative needs for skills. The implementation and expansion of state-of-the-art HR IT systems in 2023 facilitated the systematic optimisation and automation of employee development processes at Messe Frankfurt. By establishing off-site and remote working, Messe Frankfurt has effectively adapted its work structures to the 'new normal' of a hybrid working environment. More and more employees are also taking advantage of other employee benefits such as the job bike and job ticket. Consequently, Messe Frankfurt has continued to position itself as a modern employer, both internally and externally.

Thanks to our employees

In the Executive Board's view, the Messe Frankfurt Group effectively managed the resumption of global events in 2023, largely due to the dedication and commitment of its employees. 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 exceptional commitment and dedication.

Sustainability

The Messe Frankfurt Executive Board sees establishing a sustainable company positioning and business practices as one of its core management tasks. The company aims to generate profits in a socially and environmentally responsible manner in order to promote the economy for future generations. Messe Frankfurt's binding ecological target is to be climate-neutral at its Frankfurt base by 2040 at the latest. The company sees this as attaining greenhouse gas neutrality and establishing a sustainable water management system.

Messe Frankfurt has been committed to fostering sustainable innovations and transitioning towards greater sustainability for many years. Working closely with the industries, Messe Frankfurt raises awareness of greater sustainability within the context of its events. In the course of this transformation process, it is important to establish structured measures for long-term success. To this end, a sustainability target architecture has been developed that in addition to long-term objectives also outlines short-term and medium-term milestones.

Messe Frankfurt has been monitoring its energy use since 2007. As part of these efforts, the company compiles annual energy and water reports, is gradually switching over to LED lighting, implementing needs-based temperature regulation in the halls and managing lighting centrally. This has made it possible to reduce base load consumption at the company's Frankfurt home venue by 30% up to 2020 compared to 2014. Since 2020, Messe Frankfurt has sourced 100% green electricity at its Frankfurt base. Photovoltaic systems on the exhibition grounds generate electricity corresponding to the annual requirements of around 450 single-family homes. Messe Frankfurt has been sourcing 30% of its power requirements from a solar farm in Uckermark since the start of 2024. A further 30% of requirements are to be met by wind energy.

The strategic location of the Frankfurt site in the heart of the city has reduced the carbon footprint since 2002 by utilising local public transport, partially free, for the company's own events. Collaboration with the city's sanitation department has fostered a viable circular economy and achieved a recycling rate exceeding 90%, contributing to resource conservation. A wastewater treatment plant and rainwater usage have saved significant amounts of fresh water. Regarding e-mobility, the Frankfurt location boasts 24 charging points and a 300 kW rapid charging station. More than 40% of the outdoor space at the Frankfurt venue is not sealed and around 900 trees help to promote biodiversity. The Congress Center at the Frankfurt fairgrounds features energy-efficient windows, acoustic walls and a concrete core that enhances air conditioning efficiency. New exhibition halls are being constructed to meet KfW development bank efficiency standards.

These proactive sustainability efforts led to Messe Frankfurt being recognised as the industry leader in FOCUS Money's sustainability reputation analysis, earning the AEO Excellence Award 2023 in the Best Sustainability Initiative category, and to being awarded a bronze medal in Ecovadis' ESG rating.

The implementation of strategic sustainability management based on a Sustainability Governance Code permeates all dimensions and departments of Messe Frankfurt, setting the internal framework for action. By adhering to the AUMA Industry Code, Messe Frankfurt pledges to achieve climate neutrality by 2040. Integrating sustainable practices into the company's operations through the EMAS (Eco-Management and Audit Scheme) environmental management system was and is a key component of our sustainability target architecture. For 20 years, EMAS has stood as the European Union's top label for best environmental performance and enjoys international recognition. Its validation process is monitored by the Federal Ministry for the Environment.

Following some 120 workshops, around 1,150 employee training sessions and 25 audit dates, environmental assessor Lennart Schleicher attested the successful EMAS certification in 2023. By adopting EMAS, the most rigorous environmental management system available, Messe Frankfurt is taking an important step towards a sustainable future. According to EMAS, Messe Frankfurt is thus the first in the German trade fair sector to incorporate this system into its sustainable transformation journey.

The stringent criteria and regular, independent evaluations encompass almost all business segments: Messe Frankfurt GmbH, Messe Frankfurt Exhibition GmbH, Messe Frankfurt Venue GmbH, as well as the subsidiaries Messe Frankfurt Medien und Service GmbH and Accente Gastronomie Service GmbH. These business segments undergo annual audits by independent external environmental verifiers. The core indicators include areas such as energy, emissions, materials, water, waste, land use/biodiversity. With this validation, which also meets the requirements of DIN EN ISO 14001, Messe Frankfurt pledges to continually enhance its environmental performance. Messe Frankfurt now has a globally acknowledged tool at its disposal that enables it to refine its ecological sustainability target architecture and demonstrate progress in a consistently measurable and transparent manner.

III. Description of the position of the company

Financial performance

The return to full-year business operations was also mirrored in the development of group sales. Sales of € 609.0 million were recognised in the 2023 financial year, an increase of € 154.8 million compared with the previous year (€ 454.2 million).

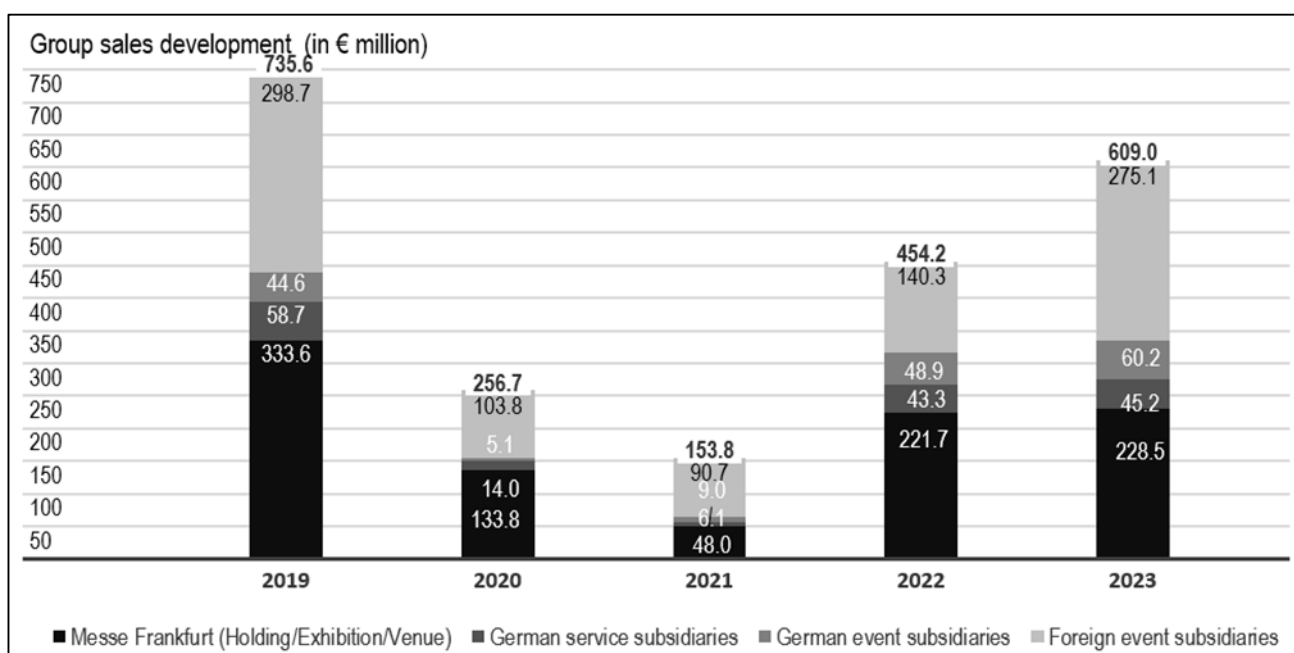
On the domestic front, sales were up by € 20.0 million to € 333.8 million (previous year € 313.9 million), accounting for 54.8% of group sales (previous year 69.1%).

Messe Frankfurt Exhibition GmbH generated consolidated sales of € 140.2 million, up on total sales for the previous year by € 27.3 million. In the reporting year, the company staged 8 attendance, hybrid and digital trade fairs (previous year 10) at the Frankfurt exhibition venue and other venues in Germany. These mainly included the annual events Prolight + Sound, Ambiente with the “World” trade fairs, Heimtextil in combination with Techtextil and Texprocess, the two Nordstil events in Hamburg and the biennial ISH event. In addition, the company organised 11 German pavilions (previous year 9).

Messe Frankfurt Venue GmbH generated consolidated sales of €88.3 million, € -20.5 million less than in the previous year, due in particular to the rotation of events and the size of the own events and guest fairs at the Frankfurt venue. In the previous year, the two-yearly guest event CPhi and the two three-yearly guest fairs ACHEMA and IFFA took place at the Frankfurt venue. A total of 20 guest fairs were held in the reporting year (previous year 21). 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, as well as the Eurobike event organised at the Frankfurt exhibition grounds for the second time by fairnamic GmbH, a joint subsidiary with Messe Friedrichshafen, are worth singling out. In addition, an increased number of congresses and conventions were hosted by Messe Frankfurt Venue GmbH in the further course of the 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, generated consolidated sales in the 2023 financial year on a similar level to the previous year's figures. Messe Frankfurt Medien und Service GmbH recognised consolidated sales of € 17.6 million (previous year € 18.3 million). Accente Gastronomie Service GmbH generated consolidated sales of € 27.6 million, a plus of € 2.6 million year on year. Thus at the Frankfurt am Main venue, consolidated sales of € 273.6 million were generated (previous year € 265.0 million), which corresponded to around 44.9% (previous year € 58.3%) of group sales.

With consolidated sales in the amount of € 48.8 million, MESAGO Messe Frankfurt GmbH in Stuttgart achieved a figure that was up by € 9.6 million on the previous year, which was largely accounted for by the increasing participation of exhibitors and visitors at the formnext and SPS face-to-face events.



The foreign subsidiaries and the branch office in Dubai/United Arab Emirates also increased their consolidated sales by € 134.8 million year on year to € 257.1 million (previous year € 140.3 million). Their share of group sales was 45.2% (previous year 30.9%). The companies of

the Asian sub-group (€ 160.7 million; previous year € 54.6 million) and the branch office in Dubai/United Arab Emirates (€ 51.8 million; previous year € 38.7 million) contributed most strongly to sales generated abroad, followed by the company in France (€ 22.3 million; previous year € 6.3 million), the sub-group in the USA (€ 12.4 million; previous year € 14.9 million) and the subsidiary in Argentina (€ 10.9 million; previous year € 14.4 million).

In Asia, events were once again able to take place throughout the year, most notably with the renewed participation of international exhibitors and visitors. These included in particular the Guangzhou International Lighting Exhibition, Intertextile Shanghai Apparel Fabrics in Shanghai (both the Spring Edition and the Autumn Edition), Automechanika Shanghai (Shenzhen Edition), as well as Automechanika Shanghai, AMR Expo, Music China and Toy & EDU China in Shenzhen and Interpets Asia Pacific in Tokyo.

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 Process Expo, Texworld New York City (Summer and Winter) and Apparel Sourcing New York City (Summer and Winter) events were held.

In the UK, Automechanika Birmingham was again successfully staged following a protracted four-year break.

Messe Frankfurt surpassed the group's target sales projection for the financial year of around € 526 million by some € 83 million, largely thanks to events conducted outside Germany.

The resumption of full-year trade fair activities also had an impact on earnings, with consolidated net income for the financial year of € 18.5 million (previous year consolidated net loss of € -25.7 million), marking a substantial year-on-year earnings improvement.

Earnings development (in € thousand)				Change in % compared to ¹⁾	
	2021	2022	2023	2022	2021
Earnings before taxes on income	-135,798	-23,127	29,928	--	--
Taxes on income	-312	-242	7,881	--	--
Other taxes	3,718	2,787	3,593	28.9	-3.4
Consolidated net income/consolidated net loss for the financial year	-139,204	-25,672	18,454	--	--

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

Apart from current income from the annual release of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€ 3.0 million), other operating income (€ 32.3 million; previous year € 60.0 million) principally included income arising from the reversal of provisions (€ 9.1 million; previous year € 7.2 million), income from prior periods (€ 1.4 million; previous year € 1.2 million), as well as from exchange rate fluctuations (€ 11.9 million; previous year € 8.1 million) and from income from written-down receivables (€ 0.7 million; previous year € 0.7 million). In the previous year, additional income from the sale of a plot of land in the amount of € 31.8 million was recognised.

Revenue was contrasted by operating expenses totalling € 613.5 million (previous year € 530.8 million). This was € 82.7 million, or 15.6%, higher than in the prior period due to the renewed increase in business volume. Event-related expenses were the biggest expense item with € 290.7 million, after € 229.8 million in 2022. This corresponded to a cost/income ratio in relation to sales of 47.7% after 50.6% 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.

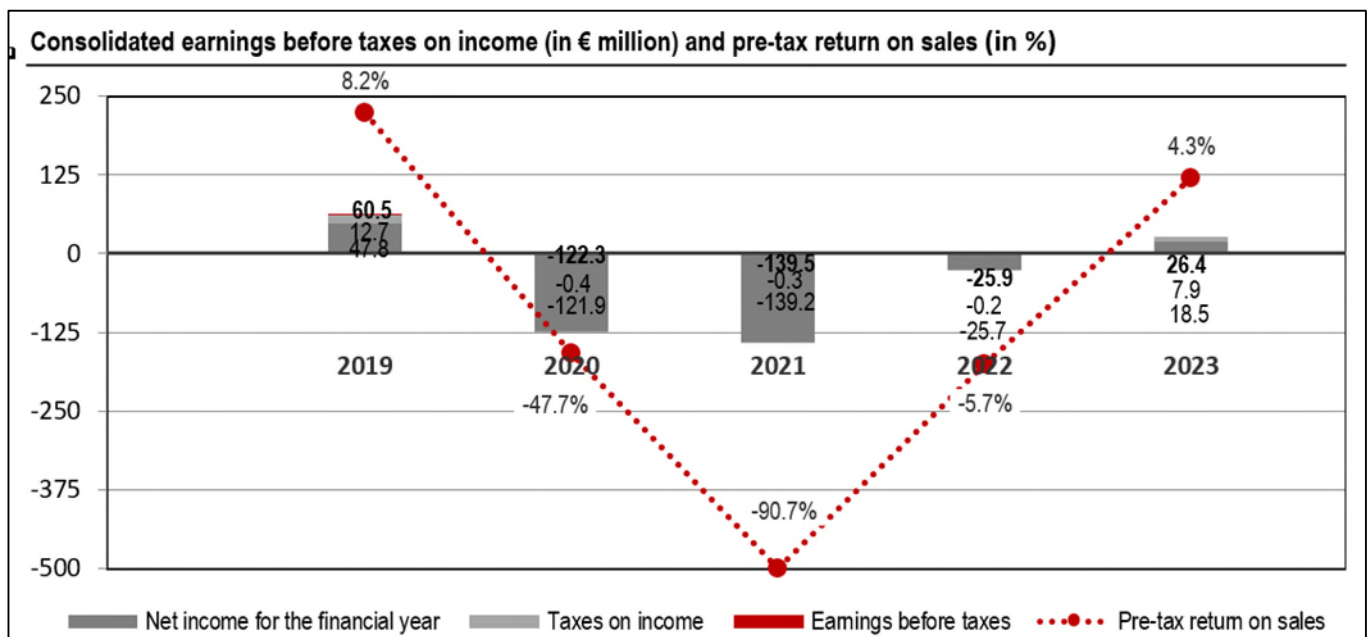
Personnel expenses increased in the reporting year by € 9.2 million, or 5.6%, from € 166.5 million to € 175.7 million. This was mainly attributable to the hiring of new personnel and pay increases. The personnel costs ratio improved to 28.9% (previous year: 36.7%) on the back of the increased sales.

Depreciation, amortisation and write-downs showed an increase of € 6.2 million to € 66.2 million.

Other operating expenses were recognised in the amount of € 80.9 million (previous year € 74.4 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.

The financial result / net interest income/expense was positive and stood at € 2.0 million in the reporting year (previous year € -6.5 million). This was attributable to interest income amounting to € 15.4 million (previous year € 2.4 million) arising in particular from the investment of readily available funds, which offset interest expenses of € 12.3 million (previous year € 9.0 million), primarily relating to long-term loans.

Net of other taxes (€ 3.6 million; previous year € 2.8 million), earnings before taxes on income for the financial year were positive at € 26.4 million (previous year negative € -25.9 million). The pre-tax return on sales was thus 4.3%.



Taking taxes on income into account (€ -7.9 million; previous year € +0.2 million), the consolidated net income for the financial year amounted to € 18.5 million, which represents an improvement of € 44.2 million over the consolidated net loss of the previous year (€ -25.7 million) thanks to the resumption of full-year business activities. The projected consolidated net loss for 2023 was around € 84 million. The significant deviation from the forecast of around €103 million is primarily attributable to the conservative approach taken at the time of planning with regard to the high level of uncertainty about future developments.

This positive trend in operating earnings is also mirrored in the EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) performance indicator. This amounted to € 90.6 million in the reporting period, after € 40.6 million in the previous year. As a percentage of sales, this results in a positive EBITDA margin for the financial year of 14.9% (previous year 8.9%).

EBITDA development (in € thousand)				Change compared to	
	2021	2022	2023	2022	2021
Consolidated net income/consolidated net loss for the financial year	-139,204	-25,673	18,454	44,127	157,658
Taxes on income	-312	-242	7,881	8,123	8,193
plus financial result	6,828	6,477	-2,010	-8,487	-8,838
Depreciation, amortisation and write-downs	57,751	60,072	66,244	6,172	8,493
Group EBITDA	-74,937	40,634	90,569	49,935	165,506
EBITDA margin	-48.7%	8.9%	14.9%		

The operating results of Messe Frankfurt GmbH's **German and foreign subsidiaries** presented a differentiated picture taking into account the full-year event business and trade fair cycles.

For the reporting year, the cumulative annual results of the German subsidiaries before consolidation produced a loss of € 4.7 million, after a positive result of € 5.8 million in the previous year. The Frankfurt-based subsidiaries, Messe Frankfurt Exhibition GmbH and Messe Frankfurt Medien und Service GmbH, reported pre-consolidation earnings before profit transfers of € 9.5 million (previous year loss of € -30.5 million) and € 0.6 million (previous year loss of € -1.2 million) respectively. In contrast, the two other service companies, Messe Frankfurt Venue GmbH and Accente Gastronomie Service GmbH, reported losses before consolidation and before loss transfer of € 30.8 million and € 2.0 million respectively, compared to the previous year's profits of € 27.9 million and loss of € -2.6 million.

Similar to the previous year, the two German subsidiaries not based at the Frankfurt exhibition venue, MESAGO Messe Frankfurt GmbH and fairnamic GmbH, contributed positively to consolidated earnings, with results amounting to € 15.0 million (previous year € 10.1 million) and € 3.0 million (previous year € 2.1 million), respectively.

Indeed, the results of the foreign subsidiaries reflected the return to full-year business operations. On aggregate, the foreign subsidiaries' annual earnings before consolidation produced a positive result of € 50.1 million for the reporting year (previous year a negative result of € 7.8 million).

The main contributors to this positive foreign annual result were the Asian sub-group, which generated € 32.5 million (previous year € -14.1 million), Messe Frankfurt Middle East GmbH with its branch office in Dubai/United Arab Emirates with € 7.4 million (previous year € 2.7 million), the company in France with € 3.3 million (a turnaround from the previous year's € -2.7 million), and the entity in Turkey with € 3.2 million (previous year € 1.7 million).

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 € 42.2 million were undertaken (previous year € 38.9 million). Of this amount, € 18.2 million was apportioned to intangible assets, in particular for trade fair rights. A further € 22.7 million was invested in tangible fixed assets. Net of depreciation, amortisation and write-downs (€ 66.2 million) and disposals of fixed assets, fixed assets totalling € 802.6 million (previous year € 826.9 million) were shown in the balance sheet at year's end 2023, which corresponds to a share of around 60% (previous year 62%) of total assets (€ 1,338.2 million; previous year € 1342.0 million).

In contrast to fixed assets, current assets increased by € 20.2 million to € 530.3 million, which was mainly attributable to the increase in cash and its investment in securities by € +13.8 million). With a slight decrease in trade receivables of € -3.0 million and an increase in other assets of € 5.1 million, which was mainly attributable to prepaid Hall rentals, cash-in-hand and bank balances increased by around € 4 million from € 207.3 million to € 211.6 million at the balance sheet date.

On the equity and liabilities side, € 542.4 million was shown in the balance sheet under equity on the basis of the net income of € 18.5 million disclosed for the financial year as a result of the return to full-year business activities, which was € 12.9 million higher than in the previous year (€ 529.5 million). This corresponded to an equity ratio of around 40% (previous year around 40%) and led to a tier 1 equity / fixed assets ratio of around 68% (previous year around 64%).

Provisions increased by € 6.4 million year on year to € 122.9 million. Other provisions totalled € 98.5 million, after € 89.2 million in the previous year. The increase is due in particular to a higher expected earn-out from the acquisition of an equity investment in previous years, higher personnel-related provisions and higher provisions for maintenance.

Pension provisions were at a similar level to the previous year (€ 9.9 million; previous year € 10.5 million), while tax provisions fell from € 16.9 million to € 14.4 million).

Group liabilities also decreased and amounted to € 648.1 million (previous year € 672.8 million). This is principally attributable to the scheduled repayment of long-term loans amounting to €39.8 million and the final instalment of a purchase price tranche of €13.7 million for the acquisition of shares in an equity investment in 2021. This was contrasted by a rise in advance payments received (from €183.2 million to €206.8 million) for events in the subsequent year and an increase in trade payables by €5.9 million to €26.4 million, attributable to the resumption of full-year business activities.

Overall, liabilities accounted for around 48% of total assets (previous year around 50%) and led to a debt-to-equity gearing ratio of around 120% compared to around 127% in the previous year.

Financing

The return to full-year business activities in 2023 led to increased cash inflows from operating activities of € 100.1 million compared to the previous year (previous year € 68.3 million). This cash inflow was fully allocated to cover the cash outflows from both investing and financing activities.

The cash outflows from investing activities in the amount of € -46.9 million related in particular to the acquisition of event rights and to cash investments in securities. The utilisation of cash inflows from operating activities to cover cash outflows from financing activities (€ -53.0 million) related in particular to the repayment of long-term loans and the servicing of interest in the reporting year.

Overall, there was no significant effect on the cash funds compared to the previous year.

Net change in cash funds (in € million)	2021	2022	2023
Cash funds at beginning of period	103.1	103.9	189.6
Cash flows from operating activities	-23.5	68.3	100.1
Cash flows from investing activities	-46.3	-235.8	-46.9
Cash flows from financing activities	70.6	253.2	-53.0
Net change in cash funds	0.8	85.7	0.2
Effect on cash funds of changes in the reporting entity structure	0.0	0.0	-0.2
Cash funds at end of period	103.9	189.6	189.6

Messe Frankfurt has loan agreements (loans from the KfW bank) totalling € 130 million to finance Hall 12 and coronavirus-related loans from banks of € 230.0 million, € 2.7 million, as well as a shareholder loan of € 150.0 million intended to safeguard solvency. Altogether, these loans have a maximum term up to 2041 and are subject to floating interest rates and fixed interest rates of between 0.48% and 5.379%. In addition, there are approved but as yet unused credit lines in the amount of around € 55 million (previous year around € 55 million). Furthermore, there are investment obligations from the purchase commitment for the exhibition grounds in Frankfurt amounting to around € 4.4 million.

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

Following the significant disruptions caused by the coronavirus pandemic from 2020 to 2022, business operations have returned to normal, allowing events to be held throughout the financial year without restrictions. The traditional “attendance trade fair” business model continues to hold its own, an assessment that is also supported by feedback from trade fair participants.

Both the projected sales revenues and the projected group earnings were surpassed. The financial position of the Messe Frankfurt Group remains sound. The Executive Board is therefore satisfied with the business performance for the financial year.

IV. Report on expected developments, opportunities and risks

Outlook for the German and global economy

The course for the German economy has been set for recovery. Inflation is declining further, wage income is rising at strong rates, and employment is higher than ever before in reunified Germany. This means that purchasing power is returning and overall economic demand should pick up again. Inflation continues to decline, which means interest rates are likely to have peaked.

According to the ifo economic forecast from December 2023, the economy was projected to gradually recover in 2024, and grow at a stronger rate, with price-adjusted gross domestic product (GDP) expected to rise by 0.9% compared to the previous year. The economy should then normalise in 2025, with price-adjusted GDP likely to increase by 1.3%.¹¹ According to the updated ifo economic forecast from March 2024, the German economy is paralysed and the sentiment among private households and companies is poor. Price-adjusted gross domestic product will increase by only 0.2% this year compared to the previous year. This means that the growth forecast for the current year has been significantly lowered. Contrary to expectations, the German economy is in recession (ifo Institute forecast from 6.3.2024).

Global economic activity will continue to soften, amid the effects of tight monetary policies and restrictive financial conditions. After a sharp slowdown in 2022 and another decline in 2023, global output growth is set to edge down further in 2024. The recent conflict in the Middle East has heightened geopolitical risks and raised uncertainty in commodity markets, with potential adverse implications for global growth. This comes while the world economy is continuing to cope with the lingering effects of the overlapping shocks of the past four years – the COVID-19 pandemic, the Russian Federation's invasion of Ukraine, and the rise in inflation and subsequent sharp tightening of global

monetary conditions. The drag on growth from monetary tightening is expected to peak in 2024 in most major economies. The global economy is expected to maintain a moderate pace of expansion. Global growth is expected to slow to 2.4% in 2024.¹²

These geopolitical risks continue to persist.¹² Substantial nominal wage increases in the euro area may delay inflation decline, but are unlikely to cause a wage-price spiral with renewed price increase acceleration. On the flip side, these increases signify substantial real wage growth, providing a positive economic stimulus. At the same time, they also increase labour costs, raising the expense of maintaining a workforce. While the Gaza war has not yet directly impacted the global economy, this could change if the war expands and other regional powers such as Iran become involved. Additionally, the global economy faces risks from China, where high corporate and household debt is weighing on the construction industry. A further escalation of the war in Ukraine remains a risk factor.¹¹

The majority of German trade fair organisers believe that the general sentiment has improved compared to the same period of the previous year, as indicated by the current survey of associations by the Cologne Institute for Economic Research (IW). However, 30 out of the 47 participating associations view the current situation as worse than a year ago, with only six sectors reporting an improvement. The service sector, in particular, has a more positive outlook. As in the previous year, the tourism and trade fair sector remains optimistic, partly because the German trade fair industry stabilised after the lifting of government-imposed coronavirus restrictions. Although sales increased in some areas compared to the previous year, costs also rose comparatively sharply. Most trade fair programmes were successfully implemented in 2023. A majority of German trade fair organisers are planning increased investments, especially in IT, digitalisation and the development of exhibition grounds and infrastructure, addressing the investment backlog created during the pandemic.¹³

The optimism in the trade fair industry is also reflected in its planning. More than 330 trade fairs are planned for 2024 in Germany, of which nearly 180 are leading national or international trade fairs in the respective industry sectors. Outside Germany, activities have also picked up, with German trade fair organisers planning around 310 trade fairs across 40 countries worldwide.^{14 15}

According to the UFI's Global Exhibition Barometer at the turn of the year 2023/2024, in most markets around the world the exhibition industry fully recovered from the pandemic slump in 2023 and the outlook for 2024 is positive. Between 54% and 66% of companies reported increased activity depending on the region. 2024 revenues are expected to grow by an average of 15%. However, the challenges are also cited. For 22% of companies the "State of the economy in the home market" is the most pressing business issue. "Global economic developments" are cited by 17% and for 12% "Geopolitical challenges" were seen as the most important issues for their business.¹⁶

Opportunities and risks

Opportunities

In 2023, the trade fair sector resumed normal operations. Travel restrictions and risk areas were no longer a concern, allowing public life to return to normal. Consequently, international participation in terms of both exhibitors and visitors was once again satisfactory. Direct, live, on-site contact is crucial in the trade fair industry, and people were able to engage normally without any restrictions. On the back of these developments, the business activities of the Messe Frankfurt Group developed positively, and every effort is being made to once again achieve pre-coronavirus sales and earnings levels.

The Messe Frankfurt Group has significant growth potential both domestically and internationally, particularly in the following areas of activity:

- 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
- Increased capacity utilisation at the Frankfurt venue
- Market share in the service sector can be expanded

¹² World Bank Group: Global Economic Prospects, January 2024

¹³ IW Cologne Institute for Economic Research: IW Report No. 66/2023 – Keine Erholung in Sichtweite (No recovery in sight) – results of the IW association survey 2023, dated 27 December 2023, including appendix to the press release

¹⁴ www.auma.de, media release dated 8 January 2024: Messejahr beginnt am Dienstag: Prognose 2023 gibt Rückenwind (This week: German trade fair year ready for take-off with strong tailwind)

¹⁵ www.auma.de, media release dated 12 December 2023 – 2024: Deutsche Messegesellschaften planen 310 Auslandsmessen (310 foreign trade shows in 2024 by German exhibition companies)

¹⁶ UFI The Global Association of the Exhibition Industry: UFI Global Exhibition Barometer, 32nd Edition, January 2024

Risks

The opportunities that present themselves could at the same time also represent risks. 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 can have a direct negative impact on the business performance of the Messe Frankfurt Group.

Numerous recent events, including the coronavirus pandemic with its travel restrictions and supply chain disruptions, the conflict in Ukraine, inflation and sector-specific economic uncertainties stemming from political decisions (such as Germany's heating law), have led to such disruptions, and are outlined in the risks described below.

Risk management system

The Messe Frankfurt Group has consolidated specific and quantifiable 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 group risk management guideline 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. Quantifiable risks are evaluated or reassessed twice a year, with consideration given to the potential extent of damage and the likelihood of occurrence. Furthermore, significant risks must be reported by the respective managers of the group entities to Messe Frankfurt GmbH's risk management department on an ad hoc basis throughout the year.

Besides these specific risks to the company, there are also general risks, which are outlined below. As soon as these general risks materialise, they are incorporated into the described risk management system and assessed accordingly.

Market, industry and event risks

The Messe Frankfurt Group'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. Despite local and global measures, the event industry remains heavily reliant on both local and global economic conditions. This risk is ever-present. Any downturn in the global economy, coupled with a strong focus on liquidity, could lead exhibitors to reduce marketing budgets, downsize exhibition stands or attend fewer trade fairs. Such actions would significantly affect the financial position, financial performance and cash flows of the Messe Frankfurt Group.

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.

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 also present opportunities for own innovations or further development of existing concepts.

Pandemic risks

This is a risk that in the years from 2020 to 2022 had a severe negative impact on the financial position, financial performance and cash flows 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, had a massive negative impact on the financial and non-financial key performance indicators of the Messe Frankfurt Group. The pandemic also disrupted global supply chains, leading to temporary unavailability, delays or price increases of certain raw materials and goods, some of which continue to be affected.

A pandemic can occur again at any time, making it impossible to forecast when such a risk might arise. Were this risk to materialise, it would

likely have a considerable negative impact on the event industry, including the Messe Frankfurt Group. However, the group's present liquidity structure means that there is currently no need for further action.

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 potential military conflicts or terrorist activities.

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. The ongoing military conflict between Israel and Hamas has heightened potential risks, which could increasingly impair economic development due to difficulties in attracting exhibitors and visitors, as well as in initiating new trade fair projects.

Furthermore, military conflicts in other countries and regions also have a global economic impact, as the ongoing war between Russia and Ukraine and the current Israel-Hamas conflict show. The sanctions imposed by Western countries against Russia, which have repercussions for the global economic situation, as well as for raw material and energy prices in particular and inflation in general, also significantly impact the global economy and thus also the event industry.

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. If these global supply chains are thrown out of kilter, this also has repercussions for the event industry.

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

Further 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 can always 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).

General infrastructure risks

Messe Frankfurt Venue GmbH manages the halls and outdoor spaces at the Frankfurt exhibition centre, overseeing both routine and emergency maintenance of technical facilities, as well as of the halls, buildings and outdoor areas. As an internationally recognised trade fair venue, it is expected to adhere to stringent quality standards for the organisation of both its own and guest events, resulting in a high level of depreciation and high operating expenses for maintaining state-of-the-art hall capacities.

These expenses are offset by leasing out the facilities. However, this means that Messe Frankfurt Venue GmbH bears the risk associated with facility utilisation. While there is an obligation to contract own events at the Frankfurt venue, guest organisers are also free to host events at other exhibition organisers or venues in Germany and internationally. In this context, Messe Frankfurt Venue GmbH faces significant competitive pressure, especially regarding the acquisition of attractive guest events. Consequently, the company's profits are heavily impacted by these high operating costs, which – especially when taking the trade fair cycle into account – can lead to negative earnings. To mitigate these general sales-related risks, the company's management is focusing on boosting hall space utilisation and enhancing service provision efficiency to cut costs.

Liquidity risks

The outbreak of the coronavirus pandemic and its subsequent repercussions revealed that even the fundamentally financially robust corporate group (with an investment rating) could quickly face financial challenges. Messe Frankfurt GmbH responded by implementing several measures to secure liquidity. These primarily included borrowing on the capital market, shareholder loans and shareholder equity increases. These actions were crucial in maintaining the liquidity of the Messe Frankfurt Group.

With the resumption of full-year event operations in 2023, the financial position has stabilised. All existing loans are being serviced punctually, and forthcoming investments will be covered by internal funds. The group's solvency is assured, with a goal to regain investment grade status in the upcoming years.

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. No currency hedges were 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.

Overall assessment of risks and opportunities

The Executive Board continues to rate the importance of trade fairs and exhibitions, and especially of physical attendance at 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. The alternative hybrid or digital event formats introduced during the coronavirus years failed to gain a foothold, which is also confirmed by customer surveys.

The Executive Board remains confident in the face-to-face event business model, and is of the opinion that the company is well positioned to harness arising opportunities and to adequately manage risks.

The group is also forging ahead with efforts to acquire new trade fair themes within and outside Germany. The Extended Board of Management aims to organically grow the current portfolio by strengthening the existing product groups and creating new products through ongoing market research. This strategy is designed to launch and/or acquire new trade fairs as opportunities present themselves, whether locally, regionally or globally.

Expected developments

The projections for 2024 are based on the assumption that trade fairs will be held throughout the year. 2024 is projected to be economically robust, buoyed by the trade fair cycle. Consequently, both the financial and non-financial key performance indicators for the individual entities in the Messe Frankfurt Group are expected to surpass 2023 levels, subject to local conditions.

In addition to the Group's own annual events, including Ambiente, Heimtextil, Prolight + Sound, formnext and Eurobike, biennial events such as Light + Building, Techtextil, Texprocess and Automechanika Frankfurt will also take place at the Frankfurt venue in 2024. Furthermore, the Frankfurt Book Fair, along with CPhI and ACHEMA, will return as guest events in 2024.

Internationally, it is planned to organise major events such as Beautyworld Middle East, Automechanika Dubai, Guangzhou International Lighting Exhibition, Automechanika Shanghai and Intersec in Dubai.

The group anticipates sales revenues of € 769.8 million and consolidated net income for the financial year of € 31.0 million. The projections are based on 340 events worldwide, including congresses, conventions and German pavilions. The number of planned exhibitors is around 98 thousand, the number of planned visitors around 4.4 million and the amount of net leased area is 2.8 million m².

Based on the current evaluation, it is assumed that the capital measures implemented in recent years as well as the expected future earnings from the current multi-year plan, will allow the Messe Frankfurt Group to continue its business operations successfully, repay loans in instalments, and manage forthcoming investments.

The Executive Board continues to engage in close dialogue with the shareholders to implement appropriate actions to secure liquidity in the event of substantial shifts 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 approval of the Supervisory Board. These targets apply for the period up to 30 June 2027.

As at 31 December 2023, the target for the Supervisory Board was reached at 33.3%.

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 2023 was 25.0% and at the second level below the Executive Board (Vice President) 23.5%.

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, 15 May 2024

Wolfgang Marzin

Detlef Braun

Uwe Behm

[illegible]

		At 31.12.2022	At 31.12.2023	At 31.12.2023
Equity and liabilities				
	Notes	in €	in €	in €
A. Group equity	(9)			
I. Subscribed capital		180,000,000.00	180,000,000.00	
II. Capital reserves		352,219,159.62	352,233,596.51	
III. Revenue reserves				
1. Other revenue reserves		86,090,042.87	86,280,777.38	
IV. Foreign currency translation differences		-6,081,593.12	-9,632,281.15	
V. Accumulated losses brought forward		-56,847,442.23	-84,734,511.96	
VI. Consolidated net loss / consolidated net profit		-27,619,092.51	13,671,005.52	
VII. Non-controlling interests' item		1,752,023.86	4,540,159.25	
		529,513,098.49		542,358,745.55
B. Negative consolidation difference	(10)	847,587.02		1,304,389.85
C. Equity-similar special reserve for subsidies or grants for the acquisition of fixed assets	(11)	6,084,200.00		9,035,133.33
D. Provisions				
1. Provisions for pensions and similar obligations		10,470,494.30	9,930,380.43	
2. Provisions for taxes		16,894,593.04	14,437,674.32	
3. Other provisions	(12)	89,168,806.84	98,543,426.05	
		116,533,894.18		122,911,480.80
E. Liabilities	(13)			
1. Liabilities to banks		291,138,463.44	251,355,466.80	
2. Payments received on account of orders		183,218,690.31	206,756,231.10	
3. Trade payables		20,480,057.19	26,428,504.20	
4. Liabilities to shareholders		150,006,000.50	150,009,603.47	
5. Other liabilities		27,978,406.71	13,522,089.11	
		672,821,618.15		648,071,894.68
F. Deferred income	(14)	9,270,506.03		7,883,126.60
G. Deferred tax liabilities	(15)	6,928,946.34		6,655,385.72
		1,341,999,850.21		1,338,220,156.53

Consolidated income statement of Messe Frankfurt GmbH, Frankfurt am Main, for the financial year from 1 January 2023 to 31 December 2023

	Notes	2022 €	2022 €	2023 €	2023 €
1. Sales	(18)	454,161,446.82		608,971,693.21	
2. Increase or decrease of work in progress	(19)	-40,549.99		150,875.98	
3. Other operating income	(20)	60,024,567.14		32,313,571.00	
		514,145,463.97			641,436,140.19
4. Event-related expenses	(21)	229,820,928.60		290,665,025.25	
5. Personnel expenses	(22)	166,461,274.73		175,745,279.63	
6. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	(23)	60,071,555.27		66,244,394.36	
7. Other operating expenses	(24)	74,441,413.12		80,864,093.45	
		530,795,171.72			613,518,792.69
8. Financial result	(25)	-6,477,447.32			2,010,057.45
9. Taxes on income	(26)	-241,915.54			7,880,993.39
10. Earnings after taxes		-22,885,239.53			22,046,411.56
11. Other taxes	(27)	2,787,403.71			3,592,762.36
12. Consolidated net loss / consolidated net income for the financial year		-25,672,643.24			18,453,649.20
13. Profit attributable to non-controlling interests		-1,946,449.27			-4,782,643.68
14. Consolidated net loss / consolidated net profit		-27,619,092.51			13,671,005.52

Explanatory notes to the consolidated financial statements of Messe Frankfurt GmbH, Frankfurt am Main, for the financial year from 1 January 2023 to 31 December 2023

General disclosures

The parent company, Messe Frankfurt GmbH, Ludwig-Erhard-Anlage 1, 60327 Frankfurt am Main, Germany, with headquarters in Frankfurt am Main, is registered in the Commercial Register under number HRB 6640 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 HGB consolidated balance sheet was further subclassified in the presentation of the notes 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 in the presentation of the notes 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 in 2022 only a gradual ramp-up of event business from April 2022), the business figures for the 2023 financial year are only comparable with the previous year's figures to a limited degree.

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 (until 13 September 2023)
 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
 PAACE Automechanika Mexico LLC, Atlanta/USA (from 16 August 2023)
 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 at 16 August 2023, Messe Frankfurt Inc., Atlanta/USA, increased its stake in PAACE Automechanika Mexico LLC, Atlanta/USA, from 50% to 75% through the acquisition of additional shares. Since then, PAACE Automechanika Mexico LLC has been included in the consolidated financial statements as a fully consolidated entity (previously proportionately consolidated).

Furthermore, with effect from 13 September 2023, Messe Frankfurt Traders-Link (Beijing) Co. Ltd., located in Beijing/China, was liquidated and deconsolidated.

Effective 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 recognised 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%) (until 16 August 2023, after which fully consolidated)
 O. O. O. ITEMF Expo, Moscow/Russia (50%) (until 5 May 2022)
 PE Events LLC, Atlanta/USA (50%).

With effect from 16 August 2023, Messe Frankfurt Inc., Atlanta/USA acquired 35% of the shares in Kingpins LLC, Atlanta/USA. Kingpins LLC, Atlanta/USA, is incorporated into the consolidated financial statements on a proportionate basis, in accordance with agreements under company law to jointly manage the company alongside the other shareholder.

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 2023.

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 2023, all subsidiaries included in the consolidated financial statements have prepared their financial statements as at the balance sheet date of 31 December 2023.

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 € 5,956 thousand in current assets, € 3,976 thousand in fixed assets and € 1,310 thousand in current liabilities, € 9,602 thousand in expenses and € 15,346 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 2021, 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 losses attributable to 2022 and 2023, this led to a calculated negative consolidation difference between the carrying amount and the proportionate share of the associate's equity measured at fair value of € 152 thousand at the balance sheet date. 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 supplies 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/accumulated losses brought 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 debt consolidation 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 hyperinflationary economies. Inflation was adjusted by indexing the financial statements, which were based on the acquisition/nominal value principle and prepared in the (hyperinflationary) local currency. This did not have any material impact on the consolidated financial statements. The financial statements of the subsidiary in Turkey were not adjusted for reasons of materiality.

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. In accordance with DRS (German Accounting Standard – GAS) No. 23.145, the difference is recognised in income over the weighted average useful life of the assets acquired or recognised by applying the revaluation method.

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.

Prepayments are recognised at their nominal value.

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. Long-term, 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 classified as current assets are stated at cost or the lower market value, taking all identifiable risks into account.

Cash (cash-in-hand, bank balances and cheques) 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.

Subscribed capital is recognised at nominal value and is fully paid in.

The market value of the acquired assets is used to determine the revalued equity within the scope of capital consolidation. 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 the acquisition of fixed assets was set up on the one hand 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, in accordance with Sections 247 (3) and 273 HGB in the version valid until 28 May 2009, the special tax-allowable reserve has also been retained for financial statements from 2010.

Furthermore, a repayment grant of € 5.9 million provided by the KfW bank was appropriated to the special reserve in the reporting year for the loans issued by syndicate banks to finance Hall 6, on the grounds of compliance with energy standards. The repayment grant will be released to income over the hall's remaining useful life of 7 years.

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 1.82% (previous year 1.78%) with a residual term of 15 years was applied across the board 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 € 47 thousand (previous year € 223 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 1.82% (previous year 1.78%) with a residual term of 15 years was applied across the board 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 € 15 thousand (previous year € 69 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 € 1,475 thousand (previous year € 1,575 thousand) was netted against the settlement amount of the debt.

For the purpose of granting a company pension, employees at the Frankfurt location who are under collective agreements are compulsorily insured through the top-up insurance scheme (Zusatzversorgungskasse – ZVK) of the City of Frankfurt am Main, in accordance with the top-up insurance scheme rules for the public sector. Contributions are levied based on a pay-as-you-earn system at a contribution rate of 6.0% on remuneration liable to ZVK top-up pension payments, of which the employer pays 5.6% with the contribution paid by the employee amounting to 0.4%. In addition, the employer is charged a restructuring fee of 2.4% of the remuneration liable to top-up pension payments in accordance with Section 63 of the ZVK Statutes. For a small proportion of employees included in the statutory insurance scheme, an additional contribution of 8.4% is paid on the remuneration liable to ZVK contributions that exceeds the upper earnings limit of the ZVK defined in the collective bargaining agreement. Employer expenses (ZVK contribution and restructuring fee) are recognised under Post-employment benefit costs.

The use of the ZVK as an external provider gives rise to an indirect pension obligation on the part of the companies towards the employees; thus, the option not to disclose the pension liability pursuant to Section 28 (1) EGHGB applies. The potential secondary liability of the company or the not disclosed pension obligation cannot be quantified due to insufficient information regarding the proportionate ZVK assets.

Retirement benefit commitments that are congruently reinsured, where the amount is determined solely on the basis of the fair value of a reinsurance claim, are measured at this fair value to the extent that it exceeds the guaranteed minimum amount (discounted settlement amount of the guaranteed benefits). A reinsurance policy is considered congruent if the payments it generates match the payments to the beneficiary both in terms of amount and timing. The fair value of a reinsurance claim comprises the policyholder's actuarial reserve as specified in the business plan, plus any existing credit balance from premium reimbursements (so-called participation features).

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 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 1.74% (previous year 1.44%). 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 20.150% (previous year 19.925%) was assumed. When measuring the provision for partial retirement for potential beneficiaries, a probability of occurrence of 50% was applied (previous year 50%).

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 at 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 at 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 anniversary benefits accrued on a time-proportionate basis up to the balance sheet date. The actuarial interest rate was 1.74% (previous year 1.44%). 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 3.8% (previous year 4.7%) 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 1.15% (previous year 0.71%).

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 historical cost convention (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 2023, 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 2022.

Disclosure of exceptional matters

In the financial year, Messe Frankfurt Traders-Link (Beijing) Co, Ltd., located in Beijing/China, was liquidated and deconsolidated with effect from 13 September 2023.

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 2023 are presented in the Statement of changes in fixed assets in Appendix I to these notes. A list of shareholdings as per 31 December 2023 has been attached to the notes to the consolidated financial statements in Appendix II.

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 and merchandise. Furthermore, prepayments for inventories are recognised in a small amount.

(3) Trade receivables

Receivables due after more than one year were included in this item in the amount of € 0.6 million (previous year € 3.7 million). The receivables were discounted.

(4) Receivables from shareholders

Receivables from shareholders recognised in the previous year comprised trade receivables due from the shareholder City of Frankfurt am Main.

(5) Other assets

	Total		Due after more than one year	
	31.12.2022	31.12.2023	31.12.2022	31.12.2023
Taxes	5,546	4,546	2,230	610
Prepayments	4,907	10,986	372	152
Other	7,457	7,504	439	889
	17,910	23,036	3,041	1,651

Taxes are principally advance income tax payments amounting to € 874 thousand (previous year € 2,496 thousand) and VAT receivables of € 2,502 thousand (previous year € 2,254 thousand). Furthermore, € 1,170 thousand (previous year € 796 thousand) related to advance payments for other taxes. This included € 883 thousand (previous year € 638 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

	31.12.2022	31.12.2023
Cheques and cash-in-hand	606	555
Bank balances	206,704	211,018
	207,310	211,573

Bank balances include recognition of fixed-term deposits in the amount of € 133,254 thousand (previous year € 106,451 thousand), of which € 22,031 thousand (previous year € 17,748 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 € 317.7 million (previous year € 337.1 million) potentially available for distribution. Of this potential distribution amount, € 0.1 million (previous year € 0.3 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.

Pursuant to Section 301 (3) HGB, the negative consolidation difference arising in 2023 from the acquisition of the 35% stake in Kingpins LLC, Atlanta/USA, in the amount of € 0.8 million was included in the consolidated balance sheet on the equity and liabilities side and recognised in line with 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 € 69 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 € 1,304 thousand (previous year € 848 thousand).

Due to bargain purchases, the negative consolidation differences have the characteristics of equity. There was no technical negative consolidation difference in either case.

(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. The special reserve also relates to a repayment grant provided by the KfW bank for the financing of Hall 6, which will be released to income over the hall's remaining useful life of 7 years.

(12) Other provisions

Other provisions mainly comprised contractual maintenance and building modernisation obligations (€ 28,040 thousand; previous year € 27,218 thousand), claims from employees (€ 26,359 thousand; previous year € 25,856 thousand), anticipated losses from executory contracts (€ 3,816 thousand; previous year € 3,475 thousand), outstanding purchase invoices (€ 5,345 thousand; previous year € 6,212 thousand), potential claims from commercial agents (€ 1,872 thousand; previous year € 503 thousand), and expected obligations from the acquisition of shares (earn-out) (€ 16,564 thousand; previous year € 8,036 thousand).

(13) Liabilities

	Due within one year		Due after one year		Due after more than five years	
	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023
Liabilities to banks	39,769	28,523	251,370	222,832	0	0
Payments received on account of orders	182,596	206,092	623	665	0	0
Trade payables	20,356	26,129	124	300	0	0
Liabilities to shareholders	6	10	150,000	150,000	150,000	150,000
Other liabilities	27,742	13,388	237	134	0	0
– of which taxes	(2,145)	(4,686)	(0)	(0)	(0)	(0)
– of which social security	(639)	(627)	(0)	(0)	(0)	(0)
	270,469	274,142	402,354	373,931	150,000	150,000

Liabilities to banks amounted to € 251,356 thousand. These related on the one hand 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 € 42,759 thousand (previous year € 57,204 thousand) and € 0 thousand (previous year € 12,825 thousand) at the balance sheet date. While one loan was repaid early in the reporting year, notably thanks to a repayment grant from the KfW bank, the other loan, maturing in 2027, will be repaid in the subsequent years at a rate of € 14,444 thousand per year. These loans are being used to finance the construction of Hall 12 and the refurbishment of Hall 6.

In the 2023 financial year, KfW and the lending banks awarded a requested repayment grant of € 5,985 thousand on the basis of the achievement of the KfW 70 energy standard for Hall 6, thus reducing liabilities to banks by this amount.

To ensure the liquidity of the Messe Frankfurt Group during the coronavirus pandemic, additional long-term loans amounting to € 280,000 thousand were secured in 2021. 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.

In addition, the Italian subsidiary took out a bank loan of € 2,689 thousand in 2021 in connection with the granting of coronavirus aid, which is being repaid starting in 2024 until 2027.

Advance payments received related to advances for events in subsequent years.

Liabilities to shareholders included, in particular, a shareholder loan of € 150,000 thousand taken out in 2021. 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 on a systematic basis over a period of 10 years starting from 2031.

(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 and intangible event rights. Within the scope of the initial and subsequent consolidation of two proportionately consolidated companies in the reporting year, the fair value adjustments resulted in the appropriation of € 2.6 million to deferred tax liabilities recognised directly in equity.

(16) Other financial obligations and contingent liabilities

Other financial obligations totalled € 272,503 thousand (previous year € 312,214 thousand). The maturities of these obligations amount to € 65,209 thousand for up to one year, € 145,018 thousand for between one and five years and € 62,276 thousand for more than five years. These are primarily made up of open purchase orders related to investments, obligations arising from rent and lease contracts, obligations relating to the acquisition of additional company shares, as well as ground rents for three heritable building lease contracts. The probability of the earn-out arrangements being utilised for the amount not recognised as a provision as at the balance sheet date (€ 2,436 thousand) and for obligations related to the acquisition of company shares (€ 555 thousand; previous year € 784 thousand) is classed as low.

(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 € 4 thousand (previous year € 41 thousand)

Notes to the consolidated income statement

(Amounts in € thousand, unless otherwise stated)

(18) Sales

According to type	2022	2023
Stand rents	236,159	369,390
Halls, site and other rents	44,573	37,993
Admission fees and participation fees	7,199	8,699
Services and other income	166,231	192,889
	454,162	608,971

According to region	2022	2023
Germany	313,913	333,831
Europe excl. Germany	15,141	36,260
Asia	93,289	212,450
America	29,225	23,313
Africa	2,594	3,117
	454,162	608,971

(19) Increase or decrease of work in progress

This item related to increases (previous year decreases) in own work capitalised in the 2023 financial year for events in 2024.

(20) Other operating income

This account mainly included prior-period income (€ 1,448 thousand; previous year € 1,202 thousand), prior-period income from the reversal of provisions (€ 9,101 thousand; previous year € 7,223 thousand), income from exchange rate differences (€ 11,923 thousand; previous year € 8,107 thousand) and prior-period income from recoveries on receivables already written off (€ 719 thousand; previous year € 691 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 (€ 3,034 thousand; previous year € 2,147 thousand). In addition, the deconsolidation of the Chinese company led to operating income of € 7 thousand as a result of the derecognition of liabilities and debts.

In the previous year, income of € 31.8 million was also attributable to the sale of a property.

(21) Event-related expenses

	2022	2023
Cost of raw materials, consumables and supplies, and of purchased merchandise	8,732	8,466
Cost of purchased services	221,089	282,199
	229,820	290,665

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 € 655 thousand (previous year € 194 thousand), which were attributable to purchased services.

(22) Personnel expenses/employees

	2022	2023
Wages and salaries	136,994	146,615
Social security, post-employment and other employee benefit costs	29,467	29,130
– of which post-employment	(7,431)	(7,939)
	166,461	175,745

Employees (active, annual average)	2022	2023
Vice presidents	44	44
Salaried employees	1,861	1,917
Wage-earning employees	206	225
	2,111	2,186

The stated number of employees includes 19 (previous year 17) employees (salaried) at proportionately consolidated entities pursuant to Section 310 HGB (proportionately: 10 (previous year 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 € 0 thousand). As in the previous year, no write-downs were recognised in respect of goodwill.

(24) Other operating expenses

Other operating expenses amounting to € 80,864 thousand (previous year € 74,441 thousand) principally included rental and lease expenses and office costs, legal, consulting and auditing fees, interim agency staff, expenses for promotional activities and allowances for bad debts. Expenses from currency translation were also included with € 9,253 thousand (previous year € 9,478 thousand), as well as prior-period expenses relating to allowances for bad debts with € 4,978 thousand (previous year € 3,813 thousand). In addition, other prior-period expenses of € 1,230 thousand were recognised for previous years.

Furthermore, the deconsolidation of the Chinese company led to operating expenses of € 84 thousand as a result of the derecognition of the assets.

(25) Financial result

	2022	2023
Result from investments in associates and other long-term equity investments	2	3
Other interest and similar income	2,376	15,407
– of which from discounting	(8)	(593)
Interest and similar expenses	8,996	12,259
– of which from unwinding the discount	(437)	(199)
Impact of hyperinflation	140	-1,140
	-6,478	2,011

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

(26) Taxes on income

	2022	2023
Taxes on income	2,449	10,759
Deferred taxes	-2,691	-2,878
	-242	7,881

(27) Other taxes

	2022	2023
Other taxes	2,787	3,593
	2,787	3,593

Other taxes primarily related to property taxes.

Report on post-balance sheet date events

With the exception of the events described below, no events having a material impact on the position of the group occurred after completion of financial year 2023 and up to preparation of the consolidated financial statements and the group management report.

In the spring of 2024, special repayments totalling € 29.0 million and € 5.5 million were made on two loans that had been secured to maintain liquidity during the coronavirus pandemic.

Additionally, the American subsidiary Messe Frankfurt Inc. in Atlanta acquired a 33.33% stake in the assets of an American event and will co-organise this event with a partner under a contractual joint venture in the future.

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

As parent, Messe Frankfurt GmbH, 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 Company Register.

Proposal on the appropriation of net income

In light of the net loss for the financial year / net accumulated losses recognised by Messe Frankfurt GmbH, 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 comprised cheques, cash-in-hand, current bank balances and fixed-term deposits with a maturity of less than three months.

The difference between cash funds and liquid assets recognised in the consolidated balance sheet in the amount of € 211,573 thousand (previous year € 207,311 thousand) was € 22,031 thousand (previous year € 17,748 thousand) and resulted from time deposits having a residual maturity of more than three months at the time of acquisition. Some of the cash and cash equivalents held by individual subsidiaries were subject to currency transfer restrictions.

Cash funds included € 5,589 thousand from proportionately consolidated entities. These were 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 € 3,034 thousand as well as currency translation differences.

In the reporting year, cash and cash equivalents totalling € 1,917 thousand (previous year: € 0 thousand) were used for the acquisition of shares in companies to be consolidated, taking into account the cash and cash equivalents acquired as at the reporting date.

No distributions were made to owners of the company in the financial year. Distributions of € 1,569 thousand were made to non-controlling interests.

Disclosures relating to the consolidated statement of changes in equity

At the reporting date of 31 December 2023, portions of generated group equity subject to a restriction on distribution existed in the amount of € 0.1 million (previous year € 0.3 million). These amounts related to the measurement of pension provisions.

Supervisory Board of Messe Frankfurt GmbH

(as at 31 December.2023)

Stephanie Wüst

(Chair)

Councillor of the City of Frankfurt am Main,
60311 Frankfurt am Main

Tarek Al-Wazir

(1st Vice Chair)

Hessian Minister of Economic Affairs, Energy, Transport
and Housing,
65185 Wiesbaden

Ute Schuchhardt

(2nd Vice Chair)

Chair of the Works Council of Messe Frankfurt GmbH,
60327 Frankfurt am Main

Dr Bastian Bergerhoff

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

Peter Beuth

Hessian Minister of the Interior and Sports,
60185 Wiesbaden

Michael Boddenberg

Hessian Minister of Finance,
60185 Wiesbaden

Britta Böcher

Project Manager
Messe Frankfurt Exhibition GmbH,
60327 Frankfurt am Main

Wolfgang Dimmer,

37213 Witzhausen

Bernd Dombek

Project Manager, Messe Frankfurt GmbH,
60327 Frankfurt am Main

Bernd Ehinger

Director, Elektro Ehinger,
60322 Frankfurt am Main

Dr Nargess Eskandari-Grünberg

Mayor of the City of Frankfurt am Main,
60311 Frankfurt am Main

Klaus Gravemann

Treasurer Börsenverein Deutschen Buchhandels e.V.,
60311 Frankfurt am Main

Ina Hauck

Councillor of the City of Frankfurt am Main,
60311 Frankfurt am Main (from 14 July 2023)

Dr Isabella-Afra Holst

Senior Vice President
Strategic Initiatives Software AG,
64297 Darmstadt

Mike Josef

Lord Mayor of the City of Frankfurt am Main,
60311 Frankfurt am Main

Andreas Pipperek

65760 Eschborn

Dr Lutz Raettig

60312 Frankfurt am Main

Thomas Rathgeber

Project Manager Messe Frankfurt Exhibition GmbH,
60327 Frankfurt am Main

Christiane Rüdiger

Director SAP Service Management
Messe Frankfurt GmbH,
60327 Frankfurt am Main

Jürgen Vormann

61381 Friedrichsdorf

Hamid Yazdtschi

CEO of Gilde-Handwerk Macrander GmbH & Co. KG,
46395 Bocholt

Auditor's fees

The auditor's fees for the financial year apportionable to PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft for the audit of the single-entity and consolidated financial statements amounted to € 571 thousand. Miscellaneous other services provided by the auditor amounted to € 142 thousand.

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 2023:

in € thousand	Fixed remuneration		Variable remuneration	Pension provision	Non-cash benefits	Total
	Fixed annual salary	Guaranteed year-end bonus	2022			
Wolfgang Marzin	323	60	0	70	13	466
	(323)	(60)	(0)	(70)	(13)	(466)
Uwe Behm	287	60	0	70	14	431
	(287)	(60)	(0)	(70)	(18)	(435)
Detlef Braun	287	60	0	70	8	425
	(277)	(60)	(0)	(70)	(10)	(417)
						1,322
						(1,318)

Provisions for the members of the Executive Board amounting to € 442 thousand (previous year € 367 thousand) for variable bonuses were recognised in 2023. 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. As in the previous year, recognition of the provision for the reporting year was based on both schemes.

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. A provision in the amount of € 624 thousand was recognised for this purpose.

No loans or advances were granted to the members of the Executive Board in the 2023 financial year.

Superannuation benefits and retirement annuities, as well as interim payments and indemnifications of € 886 thousand (previous year € 870 thousand) were paid to former members of the Executive Board and surviving dependents. Pension provisions totalling € 7,994 thousand (previous year € 8,391 thousand) were recognised for the aforementioned groups of persons at 31 December 2023.

The remuneration and expense allowance paid to members of the Supervisory Board totalled € 47 thousand (previous year € 40 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, 15 May 2024

Wolfgang Marzin Detlef Braun Uwe Behm

Statement of changes in fixed assets

Appendix I to the notes

Purchase cost							
in € thousand	At 1.1.2023	Adjust- ment for inflation 1.1.2023	Additions	Disposals	Transfers	Currency trans- lation differ- ences	At 31.12.2023
I. Intangible fixed assets							
1 Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	224,500	599	15,638	24,683	190	-3,874	227,860
2 Goodwill	76,672	0	2,397	0	0	-2,060	77,009
3 Prepayments	1,961	0	172	8	-190	0	1,935
	303,133	599	18,207	24,691	0	-5,934	306,804
II. Tangible fixed assets							
1 Land, land rights and buildings, incl. buildings on third-party land	1,514,588	17	8,830	13	185,112	-182	1,708,352
2 Technical equipment and machinery	116,541	0	5,582	0	127	0	122,250
3 Other equipment, operating and office equipment	122,886	181	5,526	922	577	-650	127,598
4 Prepayments and assets under construction	189,795	0	2,766	0	-185,816	0	6,745
	1,943,810	198	22,704	935	0	-832	1,964,945
III. Long-term financial assets							
1 Investments in associates	2,399	0	0	0	0	0	2,399
2 Other long-term equity investments	20	0	0	0	0	0	20
3 Other loans	0	0	1,274	0	0	0	1,274
	2,419	0	1,274	0	0	0	3,693
	2,249,362	797	42,185	25,626	0	-6,766	2,275,442

Depreciation, amortisation and write-downs (cumulative)						Carrying amounts		
At 1.1.2023	Adjust- ment for inflation 1.1.2023	Additions	Disposals	Adjustment of the equity- method carrying amount	Cur- rency trans- lation differ- ences	At 31.12.2023	At 31.12.2022	At 31.12.2023
176,146	588	19,422	24,683	0	-3,749	183,214	48,354	44,646
70,353	0	2,273	0	0	-2,060	70,566	6,319	6,443
0	0	0	0	0	0	0	1,961	1,935
246,499	588	21,695	24,683	0	-5,809	253,780	56,634	53,024
960,850	8	36,645	13	0	-169	997,321	553,738	711,031
100,497	0	2,800	0	0	0	103,297	16,044	18,953
112,239	141	5,104	870	0	-551	116,063	10,647	11,535
0	0	0	0	0	0	0	189,795	6,745
1,173,586	149	44,549	883	0	-720	1,216,681	770,224	748,264
2,399	0	0	0	0	0	2,399	0	0
0	0	0	0	0	0	0	20	20
0	0	0	0	0	0	0	0	1,274
2,399	0	0	0	0	0	2,399	20	1,294
1,422,484	737	66,244	25,566	0	-6,529	1,472,860	826,878	802,582

Shareholdings in affiliated companies, other long-term equity investments, interests in other entities (Appendix II to the notes)

Companies *)	Equity**) in € thousand	Earnings**) in € thousand	Sharehold ing
Messe Frankfurt Venue GmbH, Frankfurt am Main/Germany ^{1) 2)}	402,862	-30,798	100%
Messe Frankfurt Medien und Service GmbH, Frankfurt am Main/Germany ^{1) 2)}	3,503	604	100%
Accente Gastronomie Service GmbH, Frankfurt am Main/Germany ^{1) 2)}	260	-2,043	100%
Messe Frankfurt Exhibition GmbH, Frankfurt am Main/Germany ^{1) 2)}	46,637	9,548	100%
Messe Frankfurt Middle East GmbH, Frankfurt am Main/Germany ¹⁾	7,339	7,421	100%
MESAGO Messe Frankfurt GmbH, Stuttgart/Germany ^{1) 2)}	2,862	15,011	100%
SMT/ASIC/Hybrid MESAGO Messe & Kongreß GmbH & Co. oHG, Nuremberg/Germany ^{1) 2)}	110	151	75%
fairnamic GmbH, Friedrichshafen/Germany ^{1) 6)}	6,386	6,176	49%
Messe Frankfurt France S. A. S., Paris/France ³⁾	1,748	3,280	100%
Messe Frankfurt Italia Srl., Milan/Italy ³⁾	1,934	1,918	100%
Messe Frankfurt Istanbul L. S., Istanbul/Turkey ³⁾	2,965	3,223	100%
Messe Frankfurt UK Ltd., Guildford, UK ³⁾	-2,178	1,203	100%
Messe Frankfurt Asia Holding Ltd., Hong Kong/China ³⁾	82,446	2,308	100%
Messe Frankfurt (H. K.) Ltd., Hong Kong/China ³⁾	9,288	10,642	100%
Messe Frankfurt (Shanghai) Co. Ltd., Shanghai/China ³⁾	-1,320	7,333	100%
Guangzhou Guangya Messe Frankfurt Co. Ltd., Guangzhou/China ³⁾	11,331	7,165	50%
Guangzhou Li Tong Messe Frankfurt Co. Ltd., Guangzhou/China ³⁾	1,896	1,581	55%
Messe Frankfurt Shenzhen Co. Ltd., Shenzhen/China ³⁾	3,158	2,791	100%
Messe Frankfurt Japan Ltd., Tokyo/Japan ³⁾	3,708	3,252	100%
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai/India ³⁾	10,846	2,366	100%
Messe Frankfurt Korea Ltd., Seoul/South Korea ³⁾	968	621	80%
Messe Frankfurt Inc., Atlanta/USA ³⁾	-4,393	111	100%
PAACE Automechanika Mexico LLC, Atlanta/USA ^{3) 4)}	209	223	75%
PE Events LLC, Atlanta/USA ^{3) 5)}	6,316	-1,673	50%
Kingpins LLC, Atlanta/USA ^{3) 7)}	6,114	-688	35%
Messe Frankfurt México S. de R. L. de C. V., Mexico City/Mexico ³⁾	-81	-69	100%
Indexport Messe Frankfurt S. A., Buenos Aires/Argentina ³⁾	836	2,057	85%
Messe Frankfurt South Africa (Pty) Ltd., Johannesburg/South Africa ³⁾	-3,396	-673	100%
nmedia GmbH, Düsseldorf	-384	-385	20%

*) 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 31.12.2023.
- ²⁾ Before profit/loss transfer.
Equity and earnings were derived from the HB II Reporting Package (HB II = financial statements adjusted to conform with uniform group accounting policies)
- ³⁾ policies)
- ⁴⁾ The company was a joint venture between Messe Frankfurt Inc., Atlanta/USA, and the American cooperation partners for the purpose of holding PAACE Automechanika Mexico (fully consolidated from 16 August 2023).
- ⁵⁾ The company is a joint venture between Messe Frankfurt Inc., Atlanta/USA, and the American cooperation partner for the purpose of holding Process Expo.
- ⁶⁾ The company is a joint venture between Messe Frankfurt Exhibition GmbH and Messe Friedrichshafen.
- ⁷⁾ The company is a joint venture between Messe Frankfurt Inc., Atlanta/USA, and the American cooperation partner for the purpose of holding Kingpins.

Consolidated financial statements

Consolidated cash flow statement of Messe Frankfurt GmbH, Frankfurt am Main, for the financial year from 1 January 2023 to 31 December 2023

in € thousand	2022	2023
Consolidated net income/consolidated net loss for the financial year	-25,673	18,454
Depreciation, amortisation and write-downs (+) / reversal of write-downs (-) of fixed assets	60,071	66,244
Increase (+) / decrease (-) in provisions	13,751	-5,343
Other non-cash expenses (+) and income (-)	-5,298	-9,024
Increase (-) / decrease (+) in inventories	-87	-168
Increase (-) / decrease (+) in trade receivables and other assets not attributable to investing or financing activities	-4,637	-2,269
Increase (+) / decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	56,357	29,117
Proceeds (-) / expense (+) from disposal of fixed assets	-31,090	-18
Interest expense (+) / interest income (-)	6,620	-3,147
Other investment income (-)	-2	-3
Interest received (+) / paid (-)	722	5,634
Income tax expense (+) / income tax income (-)	-242	7,881
Income taxes paid	-2,229	-7,251
Cash flows from operating activities	68,263	100,107
Intangible fixed assets / tangible fixed assets		
– Capital expenditure	-36,193	-26,767
– Proceeds from disposal of fixed assets	40,125	80
Payments for acquisition of consolidated companies	-13,667	-15,584
Balance between cash inflows (+) / outflows (-) from financial investments (securities held as current assets)	-227,147	-18,071
Proceeds from investment grants (+)	0	5,983
Payments for acquisition of long-term financial assets (+)	0	-1,274
Interest received (+)	1,080	8,758
Dividends received (+)	2	3
Cash flows from investing activities	-235,800	-46,946
Proceeds from capital contributions by shareholders	240,000	0
Cash payments (-) to the owners of Messe Frankfurt GmbH and non-controlling interests	-3,319	-1,569
Cash repayments (-) of bank loans	-35,499	-39,783
Cash proceeds (+) from bank borrowings by shareholders	60,000	0
Interest paid (-)	-7,993	-11,639
Cash flows from financing activities	253,189	-52,991
Net change in cash funds	85,652	170
Effect on cash funds of changes in the reporting entity structure	0	-191
Cash funds at beginning of period	103,911	189,563
Cash funds at end of period	189,563	189,542

Consolidated financial statements

Consolidated statement of changes in equity of Messe Frankfurt GmbH, Frankfurt am Main, for the financial year from 1 January 2023 to 31 December 2023

	Equity of the parent							
	Subscribed capital	Capital reserves	Revenue reserves	Total reserves	Currency translation difference recognised in equity	Loss brought forward	Consolidated net income/net loss for the financial year (attributable to parent)	Total
At 1.1.2023	180,000	352,219	86,090	438,309	-6,082	-84,467	0	527,760
Allocations to reserves	0	0	326	326	0	-326	0	0
Dividends paid	0	0	0	0	0	0	0	0
Currency translation	0	0	0	0	-3,798	0	0	-3,798
Other changes	0	15	3	18	1	58	0	77
Changes in the basis of consolidation	0	0	-138	-138	247	0	0	109
Consolidated net income / consolidated net loss	0	0	0	0	0	0	13,671	13,671
At 31.12.2023	180,000	352,234	86,281	438,515	-9,632	-84,735	13,671	537,819

Non-controlling interests				Group equity	
Before currency translation difference recognised in equity	Currency translation difference attributable thereto	Currency translation difference recognised in equity attributable thereto	Profit attributable thereto	Total	Total
2,016	-264	0	1,752	529,512	
0	0	0	0	0	0
-1,569	0	0	-	-1,569	
0	-841	0	-841	-4,639	
11	0	0	11	88	
298	106	0	404	513	
0	0	4,783	4,783	18,454	
756	-999	4,783	4,540	542,359	

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 December 2023, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January 2023 to 31 December 2023, 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 for the financial year from 1 January 2023 to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the section headed “Corporate governance statement”.

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 31.12.2023 and of its financial performance for the financial year from 1.1.2023 to 31.12.2023 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. Our audit opinion does not cover the content of the corporate governance statement referred to above.

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.

Other information

The members of the Executive Board are responsible for the other information.

The other information comprises unaudited content of the section headed “Corporate governance statement” as part of the group management report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information referred to above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited content of the disclosures in the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

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 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.

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Christiane Lawrenz
Public Auditor

ppa. Christoph Meyer
Public Auditor