

Messe München

Annual Report 2019

Connecting Global Competence

RESULTS OF TRADE-FAIR EVENTS IN 2019

IN MUNICH

Trade-fair events 2019 in Munich	Exhibitors	Percentage of exhibitors from abroad	Visitors	Percentage of visitors from abroad	Net space in sq. ft.
BAU	2,240	38	249,228	34	1,457,713
BAUMA	3,684	66	627,603	41	4,677,963
DIE 66	274	8	17,874	0	96,789
EXPO REAL	2,189	26	42,418	33	493,342
F.RE.E	1,277	44	143,876	3	455,798
HOME & CRAFT BY DRINKTEC	25	12	1,300	–	–
INHORGENTA MUNICH	1,039	45	27,271	33	295,039
ISPO MUNICH	2,926	89	80,200	67	1,173,471
LASER WOP	1,325	63	33,999	58	303,747
LOPEC	163	57	2,733	51	23,379
OUTDOOR BY ISPO	1,136	85	22,077	63	593,457
PRODUCTRONICA	1,541	51	43,697	55	573,307
TRANSPORT LOGISTIC	2,374	56	63,893	47	830,360
TRENDSET SOMMER	1,068	28	29,056	21	549,444
TRENDSET WINTER	918	24	31,057	21	485,076
HEIM+HANDWERK INCL. FOOD & LIFE	1,211	22	121,000	–	366,113
IHM INCL. GARTEN MÜNCHEN	951	20	105,333	3	376,834
OPTI	631	53	28,294	31	318,655
Bauzentrum Poing	58	7	74,031	–	–
Guest events, Messe München	–	–	295,846	–	–
Guest events, MOC Veranstaltungszentrum München	7,402	–	309,928	–	–
ICM – Internationales Congress Center München	–	–	124,400	–	–
Total	32,432	54¹⁾	2,475,114	37¹⁾	13,070,487

1) The percentages of exhibitors and visitors from abroad relate only to Messe München's own events

RESULTS OF TRADE-FAIR EVENTS IN 2019

ABROAD

Trade-fair events 2019 abroad	Exhibitors	Percentage of exhibitors from abroad	Visitors	Percentage of visitors from abroad	Net space in sq. ft.
AIR CARGO AFRICA	69	78	1,370	32	16,749
ANALYTICA ANACON INDIA/ ILE HYDERABAD	232	14	12,832	0	49,557
ANALYTICA ANACON INDIA/ ILE MUMBAI	96	19	4,505	2	16,404
ANALYTICA LAB AFRICA	144	47	3,232	3	31,560
ANALYTICA VIETNAM	143	64	4,144	9	20,204
BAU CHINA	778	–	120,000	–	581,251
BAUMA CTT RUSSIA	603	55	22,726	–	265,416
DRINK TECHNOLOGY INDIA NEW DELHI	118	18	9,745	1	24,800
DRINK TECHNOLOGY INDIA BANGALORE	58	9	6,481	–	9,375
ELECTRONICA CHINA + PRODUCTRONICA CHINA	1,586	22	92,695	5	531,877
ELECTRONICA INDIA + PRODUCTRONICA INDIA	673	64	26,310	2	147,057
ELECTRONICASIA	570	86	17,049	61	26,447
FOOD & DRINK TECHNOLOGY AFRICA	65	45	2,130	8	7,804
IE EXPO CHENGDU	322	6	19,620	0	73,065
IE EXPO CHINA	2,047	18	73,097	3	661,980
IE EXPO GUANGZHOU	539	2	29,142	0	150,167
IFAT AFRICA	172	59	3,302	0	–
IFAT EURASIA	215	–	10,467	–	–
IFAT INDIA MUMBAI	311	60	9,633	3	–
INDIAN CERAMICS	246	55	8,440	19	90,341
ISPO BEIJING	360	13	25,366	3	178,552
ISPO SHANGHAI	370	–	15,500	–	131,869
LASER WOP CHINA	1,175	17	65,705	4	351,969
LASER WOP INDIA	142	55	4,538	0	29,902
LEAP EXPO SOUTH CHINA	285	2	17,523	1	73,539
LOGITRANS TURKEY	158	50	15,600	–	–
SMART CARDS EXPO	115	33	7,196	1	17,804
TRANSPORT LOGISTIC CHINA FORUM	232	0	19,000	0	66,403
Total	11,824	27	647,348	4	3,554,092

Only brand-name fairs of Messe München

KEY FIGURES 2019

		2019 ¹⁾	2018	2017	2016
Available hall space, Messe München	sq. ft.	2,152,782	2,152,782	1,937,504	1,937,504
Available open-air space, Messe München	sq. ft.	4,456,259	4,456,259	4,574,662	4,574,662
Available exhibition space, MOC Veranstaltungszentrum München	sq. ft.	402,570	402,570	402,570	402,570
Trade fairs and exhibitions in Munich ²⁾		15	16	15	16
Guest events		163 ³⁾	160	185	178
Messe München's own events abroad		30	28	21	26
Gross space ⁴⁾	sq. ft.	32,610,783	27,752,568	24,888,453	29,791,715
Turnover ratio ⁵⁾		13	12	12	13
Net space (rented) ⁶⁾	sq. ft.	13,070,487	9,951,267	8,755,472	12,644,839
Total number of exhibitors in Munich		32,432	37,698	35,187	37,218
Exhibitors from abroad at Messe München's events in Munich		12,018	9,939	9,147	10,560
Total number of exhibitors at Messe München's events abroad		11,824	16,768	8,811	12,976
Total number of exhibitors in Munich and abroad		44,256	54,466	43,998	50,194
Total number of visitors in Munich		2,475,114	1,928,806	1,903,186	2,438,785
Visitors from abroad at Messe München's events in Munich		527,275	251,599	294,459	454,190
Total number of visitors at Messe München's events abroad		647,348	930,455	482,673	654,738
Total number of visitors in Munich and abroad		3,122,462	2,859,261	2,385,859	3,093,523
Sales, Messe München GmbH	million EUR	404.4	301.3	275.3	337.7
Group sales	million EUR	474.2	417.9	332.6	428.1
EBITDA, Messe München GmbH ⁷⁾	million EUR	138.4	65.0	69.7	114.4
Employees, Messe München GmbH ⁸⁾		786	765	721	708
Employees, Group ⁸⁾		1,201	1,156	1,095	1,045

Due to extreme differences in the number and structure of the events held each year, the key figures for any given year are comparable only to a limited extent.

1) Unless otherwise stated, figures relate to all events at Messe München (including the ICM – Internationales Congress Center München), at Bauzentrum Poing and at the MOC Veranstaltungszentrum München.

2) Messe München GmbH events only, excluding other third-party events (guest events)

3) 95 guest events at the exhibition center, 68 at the MOC Veranstaltungszentrum München

4) Occupied hall space and outdoor space

5) Ratio of total occupied hall space (gross) and hall capacity of Messe München and the MOC Veranstaltungszentrum München

6) Rented space (hall space and exhibition grounds) including approx. 5% special show space; excluding the ICM – Internationales Congress Center München, the MOC Veranstaltungszentrum München, guest events and Bauzentrum Poing

7) Earnings before interest, taxes, depreciation and amortization—domestic only

8) As of 2013, also includes the average number of temporary staff members

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NEW OPPORTUNITIES FOR THE FUTURE

**MINISTER OF STATE
HUBERT AIWANGER**

“As one of the most modern and innovative trade-fair organizers worldwide, Messe München is a highly respected ambassador of Bavaria as a business location.”



Last year, Messe München continued consistently on its successful course and closed 2019 with record results. This economic success is the result of a long-term strategic orientation that is supported by the shareholders. The cornerstones of this concept—extending internationalization while simultaneously strengthening the home market—have proven their worth once again.

Over and above its economic strength, Messe München has long been among the most modern and innovative trade-fair organizers worldwide. New ideas, especially in the digital area, are continually developed and introduced. The financial scope necessary for this was created by the company itself. At the beginning of this year, for instance, it paid back the loan which the Free State of Bavaria and

the City of Munich had granted it in 1996 for the construction of the exhibition center at the location in Riem, Munich. Again and again, this pioneering role as an initiator and innovator brings about a decisive competitive advantage.

The best example of this: after making an impressive application, Messe München won the bid for the new IAA—a prestigious gain that sends a signal all over the world. The shareholders actively supported the application. The Bavarian State Government recognized the IAA’s potential as a beacon for the future of mobility and declared its readiness to invest EUR 15 million in innovative mobility projects in connection with the IAA. For the City of Munich, the new IAA is a welcome opportunity to become a leading “smart city”

internationally. The transformation towards promising and ecologically sensible mobility—from 2021 on, the world can experience this in Munich. It is these synergy effects too that further strengthen the shareholders’ confidence in the company. Confidence which is of special importance particularly in the current crisis with the significant effects of the coronavirus pandemic on the exhibition business in Germany and throughout the world.

FOR THE SUPERVISORY BOARD

**MINISTER OF STATE
HUBERT AIWANGER**
Chairman

**MAYOR
DIETER REITER**
First Deputy Chairman

FRANZ XAVER PETERANDERL
Additional Deputy Chairman

ULRIKE BAUER
Additional Deputy Chairman

**MAYOR
DIETER REITER**

“How we further develop our mobility and make it fit for the future is one of the great challenges for cities. I hope for innovative approaches here from the IAA.”



SUCCESS AND RESPONSIBILITY IN PRACTICE

It would be easy to line up a multitude of records at this point. After all, we are reporting on the most successful year in the history of Messe München. A year full of superlatives. We could focus on the economic coordinates: with a Group sales volume of around EUR 480 million, the company continued on its growth course with another record result, also the EBITDA of about EUR 140 million has never been as high.

We could put forward outstanding figures with record numbers of visitors and exhibitors from at home and abroad, with even more successful events than ever before in Munich and our locations all over the world. We could report on a bauma that broke all the records in 2019 and lived up to its claim as the world's leading fair in every respect. And so on and so forth. Milestones that are exceptional not for the Management Board but for all the staff and partners of Messe München.

All of which fills us with pride and confidence. Our long-term success is not by chance. It is the result of a strategy drawn up for years; we have pursued and implemented this systematically, in 2019 as well. We have pressed ahead with internationalization while positioning the home location of Munich even more strongly; we have optimized our IT infrastructure and developed numerous innovative digital formats—alongside the traditional trade-fair business, these create new platforms for networking and exchange independent as to time and place, right around the clock, 365 days a year. We are an attractive employer for around 1,200 highly motivated members of staff in our region and throughout the world. In short, we are outstandingly well placed for the future.

But along with all the joy, there is humility too. Success may be plannable, the tide of events is not. There are no guarantees—the following year has demonstrated that. Especially in situations of crisis, the stability, flexibility and responsibility of a company are put to the test. The safety and health of our members of staff have always had top priority at Messe München. We recognized the potential of New Work at an early stage so that mobile working from the home office with virtual conferences has long been established with us. Digital tools such as our Trusted Targeting continue to allow important business contacts to be maintained from a distance. Because in future too, our claim is to connect our customers globally.



KLAUS DITTRICH
Chairman & CEO

DR. REINHARD PFEIFFER
Deputy CEO

FALK SENGER
Managing Director

STEFAN RUMMEL
Managing Director

GERHARD GERRITZEN
Deputy Managing Director

MONIKA DECH
Deputy Managing Director

HIGHLIGHTS 2019

THIS RECORD YEAR WAS CHARACTERIZED BY MANY HIGHLIGHTS. HERE ARE SOME OF THEM:



bauma achieved the best results in its 65-year history. Over 620,000 visitors came from 200 countries to the world's biggest trade show in terms of area



With its own population of bees, Messe München is actively involved in nature and species conservation in Riem, Munich. They busily expressed their thanks with over 600 kilograms of honey



Action for all to try out: at f.r.e.e, Bavaria's biggest leisure and travel fair, the adventure worlds attracted more visitors than ever before



The largest share of sales volume abroad was again held by China, where Messe München has now been operating successfully for 20 years. One of the guarantees of this success: BAU China

Fantastic worlds of sport are to be discovered at ISPO. And now too, for the first time in Munich: OutDoor by ISPO



VIP visits the exhibition center: President and Nobel Peace Prize Laureate Barack Obama held the opening speech at Bits & Pretzels in Riem, Munich

ANNUAL FINANCIAL STATEMENTS



Messe München

MANAGEMENT REPORT AND GROUP MANAGEMENT REPORT 2019

Messe München GmbH, Munich

I. MACROECONOMIC CONDITIONS

In 2019 too, Messe München benefitted from its worldwide network of fairs. The slowdown in **economic activity** did not affect the willingness of exhibitors to take part in Messe München's events and the interest shown by visitors.

II. PERFORMANCE OF MESSE MÜNCHEN GMBH

The **business activity** of Messe München GmbH remains unchanged and comprises the ongoing development, operation and maintenance of the Messe München exhibition center and the ICM – Internationales Congress Center München (hereinafter referred to as "the ICM"), the operation of the MOC Veranstaltungs- und Ordercenter München (hereinafter "the MOC") as well as the carrying out of trade-fair events in Germany and abroad. Stand construction and activities abroad are handled through associated companies.

With a cyclically attractive calendar of trade shows and almost all events going off very successfully, 2019 was a record year for **Messe München GmbH**. 2.5 million visitors came to the events at the Munich location (including the ICM, the MOC and Bauzentrum Poing). 32,000 exhibitors presented their products and services there.

The company's **own events** at the Munich location developed at considerably above the market average in 2019. Thus the number of exhibitors increased by 2.9 percent in relation to comparable previous events. The overall increase for Germany as a trade-fair location was 1.0 percent, according to data from AUMA (Association of the German Trade Fair Industry). The number of exhibitors from abroad rose by 9.0 percent (Germany overall: 3.0 percent). The stand space rented went up by 4.3 percent (Germany overall: 0.5 percent). In terms of visitor numbers, the company's own events in Munich gained 3.2 percent (Germany overall: down by 2.0 percent). The proportion of participants from abroad—54 percent of the exhibitors and 37 percent of visitors—verifies the worldwide attractiveness of Messe München.

According to information from the organizers, a total of over 860,000 visitors were welcomed at **guest events**. The gross space rented to organizers of guest events amounted to around 12.9 million square feet in 2019.

The **ICM** can look back on a very successful year with a total of 66 events and 124,000 visitors. The **MOC Veranstaltungszentrum** was also heavily booked in 2019 and registered 68 events with around 310,000 visitors and 7,400 exhibitors. The **MOC Ordercenter** was again booked out in 2019 and accommodated 215 lessees with around 550 brands on 220,660 square feet of leased space. 75,000 visitors came to Bauzentrum Poing again in 2019.

III. PERFORMANCE OF THE GROUP

From a Group perspective too, 2019 was an extremely successful exhibition year. Taking part in the 30 fairs of the Messe München Group abroad were 650,000 visitors and 12,000 exhibitors. Altogether, Messe München's fairs abroad grew by 8 percent in terms of exhibitors, 9 percent in visitors and 5 percent in net exhibition space compared to the previous events respectively. Messe München generated sales of around EUR 69.8 million abroad.

Messe München's associated companies abroad achieved predominantly positive results for the year of 2019.

The positive development of **SNIEC**, in which Messe München holds an interest of 16.6 percent through GEC GmbH, continued undiminished in the year 2019 as well.

With EUR 39.0 million in 2019, the subsidiary company **MEPLAN** attained the highest sales volume in the firm's history and a positive result for the year.

The subsidiary company **IMAG** generated sales of EUR 12.0 million in 2019 and finished with a positive result for the year.

The **key figures** for the financial year 2019 are as follows:

	2019	PREVIOUS YEAR
Sales, Messe München GmbH (MMG)	EUR 404.4 million	EUR 301.3 million
Result for the year	EUR 73.9 million	EUR 0 million
EBITDA	EUR 138.4 million	EUR 65.0 million
Group sales	EUR 474.2 million	EUR 417.9 million
Consolidated result for the year	EUR 61.2 million	EUR 31.2 million
Group EBITDA	EUR 132.9 million	EUR 114.2 million
Exhibitors at Messe München (MMG events)	22,000	20,000
Visitors at Messe München (MMG events)	1.4 million	0.7 million
Total gross exhibition space, MMG	32.3 million sq. ft.	28.0 million sq. ft.

Trendset GmbH, in which Messe München has held a majority interest since 2012, attained sales revenues of EUR 9.3 million in 2019 and a positive result for the year.

IV. KEY FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

To **manage the company**, an extensive reporting system is implemented at both company and Group level as well as for the individual exhibition projects. On a quarterly basis, all actual and forecast values for the business year concerned (sales, expenses, investments) at Messe München GmbH and its associated companies are recorded and are contrasted with planned values. In addition, key figures for the individual trade-fair events with regard to factors such as customer satisfaction, profitability on a contribution-margin basis, international shares etc. are ascertained and compared to the figures for the previous events and the planned values. The controlling of projects is supported by software and is effected as cost-unit accounting; controlling of the central departments takes place on a cost-center basis.

V. SITUATION OF THE COMPANY AND THE GROUP

a) Earnings situation of Messe München

The sales and earnings targets planned for the year 2019 were far exceeded. Sales revenue amounts to EUR 404.4 million. The EBITDA is at EUR 138.4 million. Thanks to the complete repayment of the shareholder loans on January 9, 2019, Messe München GmbH attained a positive operating result in the financial year of 2019 for the first time. The net profit for the year is EUR 73.9 million.

As against the **sales revenue** of EUR 404.4 million (2018: EUR 301.3 million), there were **expenses** of EUR 169.8 million (2018: EUR 129.8 million) that were directly attributable to the events. An event-related result of EUR 234.6 million was attained (2018: EUR 171.5 million).

The **other operating income** of EUR 2.7 million (2018: EUR 3.3 million) resulted mainly from the release of provisions.

The average number of employees increased from 765 to 786. **Personnel expenses** went up from EUR 59.9 million in the previous year to EUR 63.5 million.

The **depreciation and amortization** of tangible and intangible fixed assets increased to EUR 43.4 million (2018: EUR 37.4 million) due to the completion of exhibition Halls C5 and C6 and extensive IT investments, etc.

The **other operating expenses** amounted to EUR 60.6 million (2018: EUR 53.1 million). The increase is substantially due to fees in the IT area (outsourcing).

Income from participating interests was EUR 26.0 million (2018: EUR 7.7 million). Of this, EUR 17.5 million was accounted for by a dividend distribution by MMI Asia Pte. Ltd.

As a result of value adjustments of participating interests, **amortization of financial assets** of EUR 1.9 million (2018: EUR 3.0 million) was applied.

Interest expenditures dropped to EUR 14.1 million from EUR 24.5 million in the previous year. The decrease is to be ascribed to the repayment of the shareholder loans and raising of lower-interest bank loans.

For **taxes on income**, the sum of approx. EUR 5.1 million was incurred in the financial year 2019 (2018: EUR 151,000). This sharp increase is to be ascribed to Messe München attaining a net profit for the year for the first time due to the repayment of shareholder loans. The other taxes are predominantly property taxes.

b) Financial situation of Messe München

The balance-sheet total went down from EUR 1,215.8 million to EUR 1,018.9 million. On the **assets side**, fixed assets fell from EUR 977.6 million to EUR 970.5 million. As a result of depreciation, tangible assets shrank from EUR 930.9 million to EUR 917.5 million. Financial assets changed slightly from EUR 40.8 million to EUR 39.2 million. Current assets went down to EUR 46.5 million, due particularly to the decrease in cash at banks. The reason for the high figure of EUR 235.8 million in the previous year was that in the course of debt restructuring of the shareholder loans for balance-sheet date in 2018, part of the newly raised funds had already been received while the repayment of the shareholder loans only took place at the beginning of 2019.

On the **liabilities side**, capital and reserves increased from EUR 203.9 million to EUR 277.8 million because of the net profit for the year. The shareholder loans (2018: EUR 520.8 million) are completely discharged through repayment. The bank loans and overdrafts increased to EUR 625.8 million (2018: EUR 310.1 million). Other provisions went up from EUR 38.7 million to EUR 43.6 million. Due to cyclical exhibition factors, the advance payments received from customers for December 31, 2019 were at EUR 28.7 million, considerably lower than the previous year's figure of EUR 78.0 million.

Liquidity was again ensured at all times in the financial year of 2019. The cash and cash equivalents amounted to EUR 22.9 million for the end of the year.

c) Situation of the Group

External sales of the consolidated investment companies in the Group amounted to EUR 83.7 million; due to cyclical factors, this is below the previous year's level (EUR 139.6 million). The consolidated result for the year comes to EUR 61.2 million (2018: EUR 31.2 million). The results of the Group's domestic investment companies MEPLAN and IMAG are included in the profit and loss account of Messe München GmbH through profit and loss transfer agreements; the results of Trendset and GEC are included in the form of distributions.

The Group's financial situation is characterized essentially by the situation of Messe München as described above.

VI. OPPORTUNITIES AND RISKS FOR FUTURE DEVELOPMENT AS WELL AS RISK MANAGEMENT

A **risk management system** is in place at Messe München. This is utilized to record developments that are relevant to Messe München and its associated companies. The necessary counteractive and compensatory measures can be introduced at any time.

The risk situation is analyzed and assessed every three months. Property and liability insurance policies with reasonable deductibles have been taken out in the scope necessary to protect against the usual business risks.

Recently, the general risk situation has changed significantly. Apart from the ongoing slowdown in the world economy, the beginning of the year 2020 has been characterized by the **coronavirus pandemic**, by which the exhibition and event industry is particularly affected. The necessary cancellation of events in China and Germany is leading to a massive deterioration in sales and results. Depending on how many more events have to be canceled or register decreasing numbers of exhibitors and visitors, the financial situation will further deteriorate. So Messe München has already introduced a comprehensive cost-cutting program and measures to secure liquidity.

On the other hand, opportunities are arising—especially through the decision made by the VDA (German Association of the Automotive Industry) on March 3, 2020 to hold the IAA with a new concept in Munich and with Messe München as cooperation partner in the years 2021 and 2023 with an option for 2025.

The business development of the **associated companies abroad** is influenced by current global changes. In some of the countries where Messe München operates, political crises and phases of economic weakness sometimes lead to considerable fluctuations in exchange rates. Particularly affected by this are the associated companies in Brazil, South Africa, Russia, China and Turkey.

Substantial opportunities for growth are presented by the up-and-coming Indian market. China continues to offer solid growth rates in spite of a slight economic slowdown.

After a comprehensive examination, IMAG GmbH will be realigned strategically in the coming financial year.

Various acquisitions that supplement Messe München's portfolio of events were transacted in 2019 after careful examination. Further possible purchase options are being examined.

There is a **compliance organization** at Messe München GmbH with the positions of an internal compliance director, an internal compliance officer and an external ombudsman. This is intended to ensure observance of the compliance policy which was updated at the beginning of 2016. Apart from detecting and penalizing misconduct, the organization supports the sensitizing of staff to compliance issues as a preventive measure and it improves the effectiveness of the existing internal systems for the avoidance of breaches of conduct.

Implementation of the Group guideline of 2018 was begun in 2019 in all companies where Messe München GmbH holds a majority interest.

The **International Risk & Compliance Manager** supports the advancement of the compliance organizations at the companies abroad and thus strengthens the compliance system of Messe München. Apart from the development of the compliance management systems at the associated companies abroad, governance throughout the Group was further promoted with the reworking and harmonization of the management by laws (rules of procedure for the management) of the subsidiary companies abroad; this was successfully concluded across the Group in 2019.

VII. STATEMENT CONCERNING THE COMPANY MANAGEMENT

As target values to be attained by June 30, 2022 with regard to the proportion of women on the Supervisory Board and the Management Board, the shareholders' meeting has set a proportion of 22.2 percent for the Supervisory Board and 20 percent for the Management Board.

As target values to be attained by June 30, 2022 with regard to the proportion of women on first and second management levels, the Management Board has set a proportion of 16.7 percent for first management level and 45 percent for second management level.

VIII. PROSPECTIVE DEVELOPMENT

Due to cyclical factors, **2020** is a rather weak year for Messe München in terms of the trade shows held. In spite of that, the company's own events at the start of the exhibition year 2020—**ISPO MUNICH, INHORGENTA MUNICH** and **f.re.e**—went off very successfully. A great success too was the premiere of **digitalBAU**, which was organized by Messe München in Cologne at the beginning of February.

On account of the **coronavirus pandemic**, however, it has no longer been possible to hold any trade fairs in China since as early as January 2020. In addition, the rapid spreading of the coronavirus in Europe since the end of February / beginning of March 2020 and the government measures taken to control this make it inevitable that trade shows in Munich too will be canceled in consultation with the exhibitors or postponed to the second half of the year.

As it is currently impossible to foresee when the holding of events can resume, the effects on sales and results cannot yet be quantified. With massive cost cutting, Messe München will compensate for a substantial part of the shortfall in sales revenue. Nevertheless, a negative result for the year 2020 is not to be ruled out.

The decision by the VDA (German Association of the Automotive Industry) to hold the **IAA** in Munich in cooperation with Messe München as from 2021 represents a great achievement. The association's decision in favor of Munich among seven applicants verifies the confidence shown by German industry in the capability of Messe München and strengthens the company's reputation. From the IAA, Messe München anticipates a substantial contribution to future sales and results.

Munich, March 16, 2020

		
KLAUS DITTRICH Chairman & CEO	DR. REINHARD PFEIFFER Deputy CEO	STEFAN RUMMEL Managing Director
		
FALK SENGER Managing Director	GERHARD GERRITZEN Deputy Managing Director	MONIKA DECH Deputy Managing Director

CONSOLIDATED BALANCE SHEET

as of December 31, 2019
Messe München GmbH

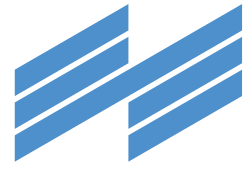
ASSETS	DECEMBER 31, 2019 EUR	PREVIOUS YEAR TEUR
A. Fixed assets		
I. Intangible fixed assets	48,037,974.66	39,227
II. Tangible fixed assets	919,201,461.49	932,101
III. Financial assets	22,002,916.92	26,424
	989,242,353.07	997,752
B. Current assets		
I. Stocks		
1. Raw materials and supplies	0.00	5
2. Work in progress	914,350.03	2,912
3. Finished goods and merchandise	29,166.46	31
4. Advance payments	1,084,111.88	2,395
	2,027,628.37	5,343
II. Receivables and other assets		
1. Trade receivables	11,545,605.09	18,049
2. Receivables from associated companies	120,626.63	188
3. Receivables from investment companies	538,588.01	369
4. Other assets	19,965,979.77	18,090
	32,170,799.50	36,696
III. Cash on hand, cash at banks	134,878,904.22	329,830
	169,077,332.09	371,869
C. Prepaid expenses and deferred charges	3,828,469.33	4,046
D. Positive difference from asset allocation	1,008.29	17
	1,162,149,162.78	1,373,684

EQUITY AND LIABILITIES	DECEMBER 31, 2019 EUR	PREVIOUS YEAR TEUR
A. Capital and reserves		
I. Capital subscribed	248,656,608.69	248,656
II. Capital reserves	98,400,090.21	98,400
III. Other revenue reserves	317,875.50	61
IV. Goodwill set off against revenue reserves in previous years	0.00	0
V. Currency differences	5,279,293.74	4,371
VI. Consolidated accumulated profit/loss	20,932,480.17	-40,251
VII. Minority interests	2,527,493.75	2,393
	376,113,842.06	313,630
B. Shareholder loans	0.00	520,755
C. Provisions		
1. Provisions for pensions and similar liabilities	12,768,288.57	12,046
2. Provisions for taxation	6,795,660.24	12,770
3. Other provisions	48,221,045.97	43,605
	67,784,994.78	68,421
D. Liabilities		
1. Bank loans and overdrafts	625,799,936.89	310,120
2. Advance payments received from customers	62,618,403.10	103,397
3. Trade liabilities	22,643,968.09	29,425
4. Liabilities to shareholders	2,342,724.51	21,664
5. Other liabilities	4,670,898.81	5,874
	718,075,931.40	470,480
E. Deferred income	0.00	126
F. Deferred tax liabilities	174,394.54	272
	1,162,149,162.78	1,373,684

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the financial year from January 1 to December 31, 2019
Messe München GmbH

	2019 EUR	PREVIOUS YEAR TEUR
1. Sales	474,237,054.35	417,882
2. Change in inventories of finished goods and work in progress	1,997,544.68	-1,152
3. Other operating income	3,671,283.92	6,687
	479,905,882.95	423,417
4. Event expenses	-202,352,443.48	-175,156
5. Personnel costs		
a) Wages and salaries	-68,709,931.55	-63,848
b) Social security contributions and pension and support costs, of which pension costs EUR 2,648,303 (2018: TEUR 2,638)	-15,684,347.83	-14,542
6. Depreciation of intangible fixed assets and tangible assets	-49,098,353.73	-44,244
7. Other operating expenses	-67,459,748.06	-58,925
8. Income from participating interests	0.00	0
9. Result from participating interests in associated companies	10,924,699.43	7,839
10. Other interest and similar income	2,328,053.07	1,818
11. Amortization of financial assets and investments classified as current assets	0.00	-1,225
12. Interest and similar expenses, of which to shareholders EUR 1,868,700.90 (2018: TEUR 21,528)	-14,439,231.76	-24,661
13. Taxes on income	-9,218,675.26	-13,326
14. Result after tax	66,195,903.78	37,146
15. Other taxes	-3,798,846.00	-4,597
16. Consolidated net income for the year before minority interests	62,397,057.78	32,549
17. Minority interests' share of result	-1,213,556.53	-1,362
18. Consolidated net income for the year	61,183,501.25	31,187
19. Consolidated accumulated loss in previous year	-40,251,021.07	-71,438
20. Consolidated accumulated profit/loss	20,932,480.18	-40,251



Messe München