

Annual Report 2020



MESSE
MÜNCHEN

RESULTS OF TRADE FAIR EVENTS IN 2020

IN MUNICH

Trade fair events 2020 in Munich	Exhibitors	Percentage of exhibitors from abroad	Visitors	Percentage of visitors from abroad	Net space in sqft
DIGITALBAU	270	10	9,727	10	64,304
F.RE.E	1,282	42	131,364	3	486,938
INHORGENTA MUNICH	1,034	45	25,803	35	304,683
ISPO MUNICH	2,850	90	77,204	69	1,201,499
TRENDSET SOMMER	633	27	12,868	21	330,086
TRENDSET WINTER	987	25	31,057	22	487,228
OPTI	600	55	27,511	29	314,844
Bauzentrum Poing	57	11	61,509	–	–
Guest events, Messe München	620	–	37,653	–	–
Guest events, MOC Veranstaltungscenter München	3,000	–	150,000	–	–
ICM – International Congress Center München	–	–	17,500	–	–
Total	11,333	57¹⁾	582,196	27¹⁾	3,189,583

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

RESULTS OF TRADE FAIR EVENTS IN 2020

ABROAD

Trade fair events 2020 abroad	Exhibitors	Percentage of exhibitors from abroad	Visitors	Percentage of exhibitors from abroad	Net space in sqft
AIR CARGO INDIA	45	60	2,696	38	13,950
ANALYTICA CHINA	1,009	5	23,652	–	251,434
BAU CHINA	636	6	48,060	0	419,792
BAUMA CHINA	2,817	19	79,093	1	1,594,544
CBB – CHINA BREW & CHINA BEVERAGE	519	22	31,781	1	–
ELECTRONICA CHINA + PRODUCTRONICA CHINA	1,251	11	81,126	0	402,990
IE EXPO CHENGDU	317	9	17,855	0	83,775
IE EXPO CHINA	1,851	10	73,176	1	717,048
IE EXPO GUANGZHOU	401	3	20,399	–	116,304
IFAT DELHI	45	24	1,463	7	–
INDIAN CERAMICS	73	30	3,684	1	17,082
ISPO SHANGHAI	315	0	17,776	0	91,094
LASER WORLD OF PHOTONICS CHINA	818	7	57,135	–	237,430
LEAP EXPO SOUTH CHINA	650	9	38,693	0	–
Total	10,747	12	496,589	1	3,945,446

Only brand name fairs of Messe München

KEY FIGURES 2020

		2020 ¹⁾	2019	2018	2017
Available hall space, Messe München	sq. ft.	2,152,782	2,152,782	2,152,782	1,937,503
Available open-air space, Messe München	sq. ft.	4,456,258	4,456,258	4,456,258	4,574,661
Available exhibition space, MOC Veranstaltungszentrum München	sq. ft.	402,570	402,570	402,570	402,570
Trade fairs and exhibitions in Munich ²⁾		6	15	16	15
Guest events		98 ³⁾	163	160	185
Messe München's own events abroad		15	30	28	21
Gross space ⁴⁾	sq. ft.	10,375,862	32,610,784	27,752,568	24,888,453
Turnover ratio ⁵⁾		4	13	12	12
Net space (rented) ⁶⁾	sq. ft.	3,189,583	13,070,487	9,951,267	8,755,472
Total number of exhibitors in Munich		11,333	32,432	37,698	35,187
Exhibitors from abroad at Messe München's events in Munich		3,998	12,018	9,939	9,147
Total number of exhibitors at Messe München's events abroad		10,747	11,824	16,768	8,811
Total number of exhibitors in Munich and abroad		22,080	44,256	54,466	43,998
Total number of visitors in Munich		582,196	2,475,114	1,928,806	1,903,186
Visitors from abroad at Messe München's events in Munich		76,903	527,275	251,599	294,459
Total number of visitors at Messe München's events abroad		496,589	647,348	930,455	482,673
Total number of visitors in Munich and abroad		1,078,785	3,122,462	2,859,261	2,385,859
Sales, Messe München GmbH	million EUR	93.6	404.4	301.3	275.3
Group sales	million EUR	167.2	474.2	417.9	332.6
EBITDA Messe München GmbH ⁷⁾	million EUR	-12.3	138.4	65.0	69.7
Employees, Messe München GmbH ⁸⁾		749	786	765	721
Employees, Group ⁸⁾		1,149	1,201	1,156	1,095

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) but including digitalBAU in Cologne

3) 48 guest events at the exhibition center, 50 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

CONTENT

MESSE MÜNCHEN

- 02 Results of trade fair events in 2020
- 04 Key figures 2020
- 06 Foreword by the Supervisory Board
- 08 Foreword by the Management Board
- 10 Strategy 2020

ANNUAL FINANCIAL STATEMENTS

- 20 Annual financial statements
- 48 Editorial details
- 49 Shareholding structure

Well equipped to cope with change.

The strength of an organization becomes particularly apparent in times of crisis. For the past ten years, Messe München has delivered a series of outstanding results and earned itself a place among the most successful trade-fair organizers worldwide. The company has consistently rewarded the faith placed in it by its shareholders. Over and above this, it has established itself as a trustworthy and popular ambassador for the Free State of Bavaria and the City of Munich, both domestically and internationally.

The coronavirus pandemic has placed a heavy burden on all of us, impacting our health, our finances, and our emotional lives as well. It has proved an acid test for each of us as individuals and for society as a whole. The crisis has served to bring the things we stand for in the forefront again – qualities like solidarity and social cohesion, but also attributes such as strategic thinking and resolute action. These are the virtues that have made us what we are today. And these virtues are precisely the reason why Messe München is able to look with confidence to the better years that lie ahead.

**MAYOR
DIETER REITER**

“In 2020, the success story that is Messe München was brought to an abrupt standstill by the coronavirus pandemic. It was vital to utilize this enforced break to develop new ideas and approaches for the future. And this is precisely what Messe München has done!”



**MINISTER OF STATE
HUBERT AIWANGER**

“Trade fairs are the best stimulus package and are urgently needed. The new start of Bavaria’s trade fair business can make a decisive contribution to overcoming the economic consequences of the coronavirus pandemic in many sectors. Trade fairs are the window to the world for our export-oriented Bavarian economy. And also for many service partners in the hotel, restaurant, retail, cleaning and security, transport or craft sectors, trade fairs are a significant factor for sustainable economic development in the post-coronavirus era. Over the past years, the Bavarian trade fair organizations have earned themselves a leading position in the global trade fair market, and this lead needs to be maintained. That is why it is important to now give trade fair organizers, exhibitors and visitors planning security for a successful resumption of trade fair business.”



Although forced to hit the pause button on large-scale international events, Messe München was able to put the time to good use. During the period in which the exhibition grounds in Riem were taken over by the health authority’s contact tracing team and the City of Munich’s vaccination center, the company’s management team and employees were working from their home offices to set a new course for the future. Cornerstones of this new strategy, designed to ensure a speedy return to previous successes, are an extensive restructuring program and systematic enhancement of the business model. The route to the future will be shaped to a great extent by digital innovations, developments that will underscore the company’s leadership claim in the trade fair sector. However, on top of all the necessary cuts and constructive measures, one should never underestimate the extent to which a confident attitude can engender trust in future success.

**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



Our confidence and strategy will take us back to the future.

The trade fair industry faces a radical cultural change. Although this process began before the onset of the coronavirus pandemic, the crisis has served to accelerate its progress. The traditional in-person trade fairs we were familiar with, and successfully organized for several decades, will almost certainly cease to exist in their old form. The entire sector is undergoing radical change, and Messe München will also need to undergo its own realignment.

The coronavirus crisis is a natural disaster that has hit our company with the force of a sledgehammer. The successful development of our business operations over the last few years, culminating in our outstanding record year of 2019, was brought to a crashing halt. During the most serious economic crisis since the Second World War, our normal world largely came to a standstill. And we will continue to feel the impact for quite some time. But we have acted quickly and decisively, taking resolute decisions that will enable us to emerge from the pandemic even stronger than before.

That's why we feel confident about the future. Companies that take the right decisions now will have a good chance of retaining their leading positions. Our goal is to maintain and expand our prominent position in the worldwide rankings for trade fair organizations. With this in mind, we have initiated a complete transformation of the company that will create the even more efficient structures we need to expand into new growth sectors. This transformation will certainly be more of a marathon than a sprint.

What will the trade fair of the future look like? At Messe München, we have a tremendous opportunity to decisively shape the path ahead. In our opinion, intensifying customer centricity will become more and more important. In addition, in the critical areas of digitalization and sustainability, we have built up a reputation as a thought leader and innovator. We will exploit this potential to write the next chapters in our success story over the coming years.



KLAUS DITTRICH
Chairman &
CEO



DR. REINHARD PFEIFFER
Deputy
Chairman of the Board



FALK SENGER
Managing Director



STEFAN RUMMEL
Managing Director



GERHARD GERRITZEN
Deputy Managing Director

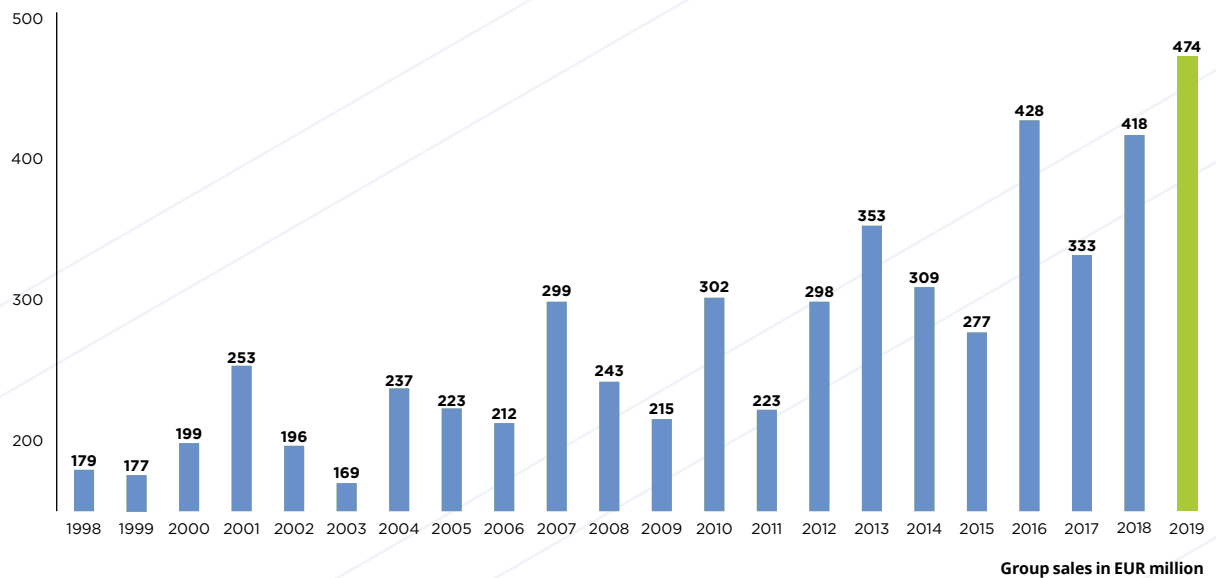


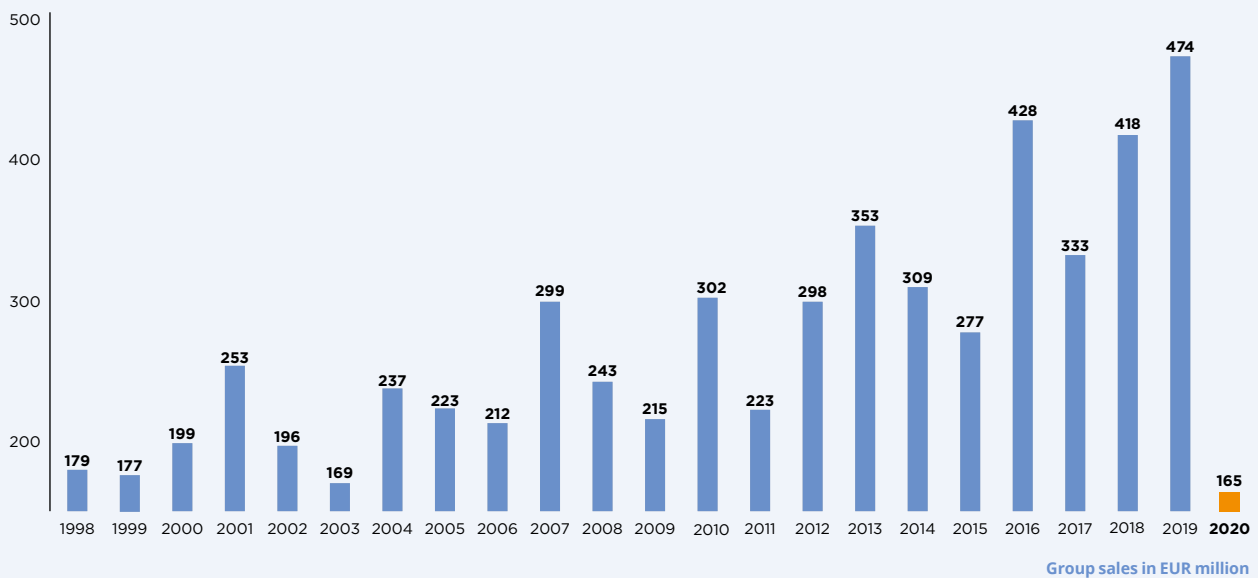
MONIKA DECH
Deputy Managing Director

A company traveling in the fast lane ...

For many years, Messe München found itself on a steep upward trajectory. 2019 was a mega year for the company. With a Group sales volume of EUR 474.2 million, we moved up from position 6 to position 5 in the global ranking of trade fair companies

Our goals were clearly formulated and strategically sound: further growth and higher revenue. We aimed to expand our position, not simply maintain it.





... and then everything came crashing to a halt.

The coronavirus pandemic hit us while we were traveling at full speed, and forced us to slow down to an almost complete standstill. Striking with an impact similar to that of a natural disaster, it caused one of the severest crises in the history of the trade fair sector. Just like city centers and airports, trade fair halls were deserted. Our world suddenly shut down. Instead of hosting the world's leading trade fairs and major events, our halls now housed Munich's vaccination center and the health authority's contact tracing hub. Across the globe, around 4,000 trade fairs were canceled or postponed, 900 of them in Germany alone.

We have used the time well – and have set out a new course.

In the final event, the enforced timeout over those lockdown months for trade fair business served to convince us of the correctness of our strategy. Sharpening our focus even more keenly, the crisis moved three of our findings into the spotlight:

1

We need to be realistic but, above all, remain optimistic.

2

Digitalization is clearly the right path for the future.

3

On the other hand, human interaction is a critical factor in the trade fair industry.

That's why we will continue to organize in-person trade fairs. However,

**The future
by Messe München
will be hybrid.**



What does this all mean in concrete terms?

We must press ahead with the digitalization of Messe München, at the utmost possible speed and as our top priority. Our experiences in 2020, both inside and outside the company, have taught us this lesson.

Despite the greater distances involved, the workforce has become an even closer unit. In March of 2020, practically from one day to the next, all 800 employees were instructed to work from home. Because remote mode and location-independent working had already been deployed and tested a year beforehand, it was a smooth transition.

In Munich, even in the midst of the crisis, we continued to deliver on the promise inherent in our corporate claim “Connecting Global Competence”. When it wasn’t possible to organize in-person events, we set up digital platforms that enabled our customers to utilize our global network to present their products, maintain their existing business contacts or make new ones. In the course of 2020, around 40,000 visitors were able to meet exhibitors, sponsors and speakers at 14 digital events.

- **At the ISPO Re.Start Days, 1,300 participants from 50 countries logged in during the two days of the event.**
- **The ‘Let’s talk by automatica’ virtual format was utilized by 1,000 experts and top decision-makers from the robotics and automation sector.**
- **Held in October, analytica virtual, the digital trade fair for the analysis and laboratory sector, exemplified the success of our digital strategy: 261 exhibitors from 25 countries participated in the five-day event. Over 22,000 visitors from 158 nations were able to digitally attend analytica virtual.**

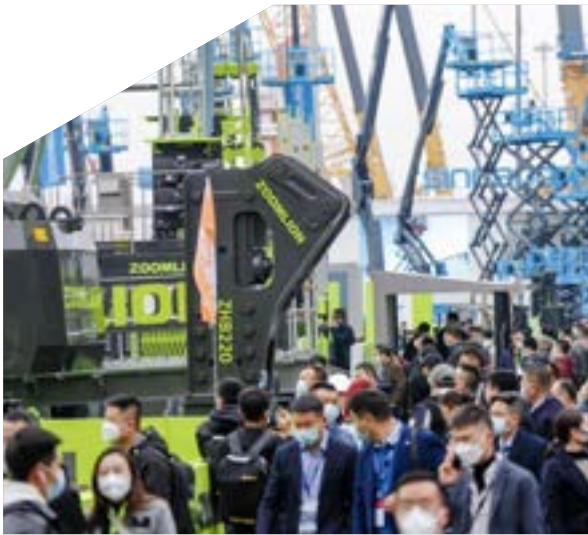
Good digital formats are a sure-fire success, and have become an integral part of the trade fair landscape. In combination with in-person events, they represent the future of the trade fair industry.

Our success in China shows us the way.

The possibilities that will open up once the pandemic is over can already be witnessed in China. In spite of mandatory face masks and social distancing, and thanks to sophisticated hygiene concepts, our events in the People's Republic are proving extremely attractive to visitors.

Messe München is one of the best-positioned players and trade fair organizers on the Chinese market. By mid-2020, trade fair business in China had already returned to its regular routine. Our subsidiary Messe Muenchen Shanghai posted a net profit of approx. EUR 20 million. Similarly, the Shanghai New International Expo Centre (SNIEC) recorded a net profit of around EUR 18 million.

ISPO Shanghai reported a 15 percent rise in attendance, and over 80,000 visitors came to the electronica CHINA and productronica China events. BAU and bauma were staged with the usual success, and the regional spin-off of IE expo, held in Guangzhou, was attended by 401 exhibitors and 20,000 visitors.





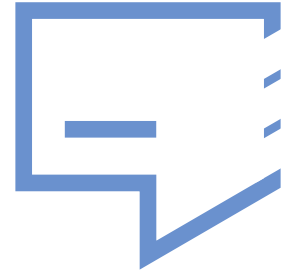
How we are repositioning ourselves for the future.

Although we are not yet able to say with any great detail what the trade fair of the future will look like, one thing is crystal clear: over the next few years there will be no return to the “old normality” of pre-coronavirus days. That’s why we have taken the first steps in a complete transformation of Messe München.

We have set ourselves five core goals:

1

We aim to focus even more intensely on the needs of our customers, and tailor our products and solutions to precisely address them.



2

We aim to become faster and more agile, and able to react flexibly to changes in the market environment. This is why we are striving to establish broader areas of responsibility and flatter hierarchies.

3

We aim to put an even stronger focus on digital and innovative products, and carry out a more thorough digital transformation of our entire company.



4

We aim to make our organization more efficient and exploit existing know-how more effectively. This is why we plan to combine teams into larger units that will be able to interact and work together more easily.

5

We will be forced to make capacity reductions – over the foreseeable future there will be less work to do, and some task areas will be permanently affected.



What we expect over the coming months.

We have reacted quickly and resolutely, which is why there is a good chance we will come out of this pandemic even stronger than before. This is why we look to the future with confidence. We are focusing on the further development of our current business model. For us, digitalization is no longer merely a specialist matter. It needs to be anchored firmly in our company. Here, we are certainly the pioneers in our market.

The foreseeable future of trade fairs will be characterized by hybrid events, a combination of online and in-person offerings. Our customers certainly welcome the greater profusion of digital platforms. But, at the same time, they are indicating that they will continue to place importance on in-person trade fairs in the future. This is no surprise, of course. It is clear to all of us that digital meetings cannot fully replace personal interaction.

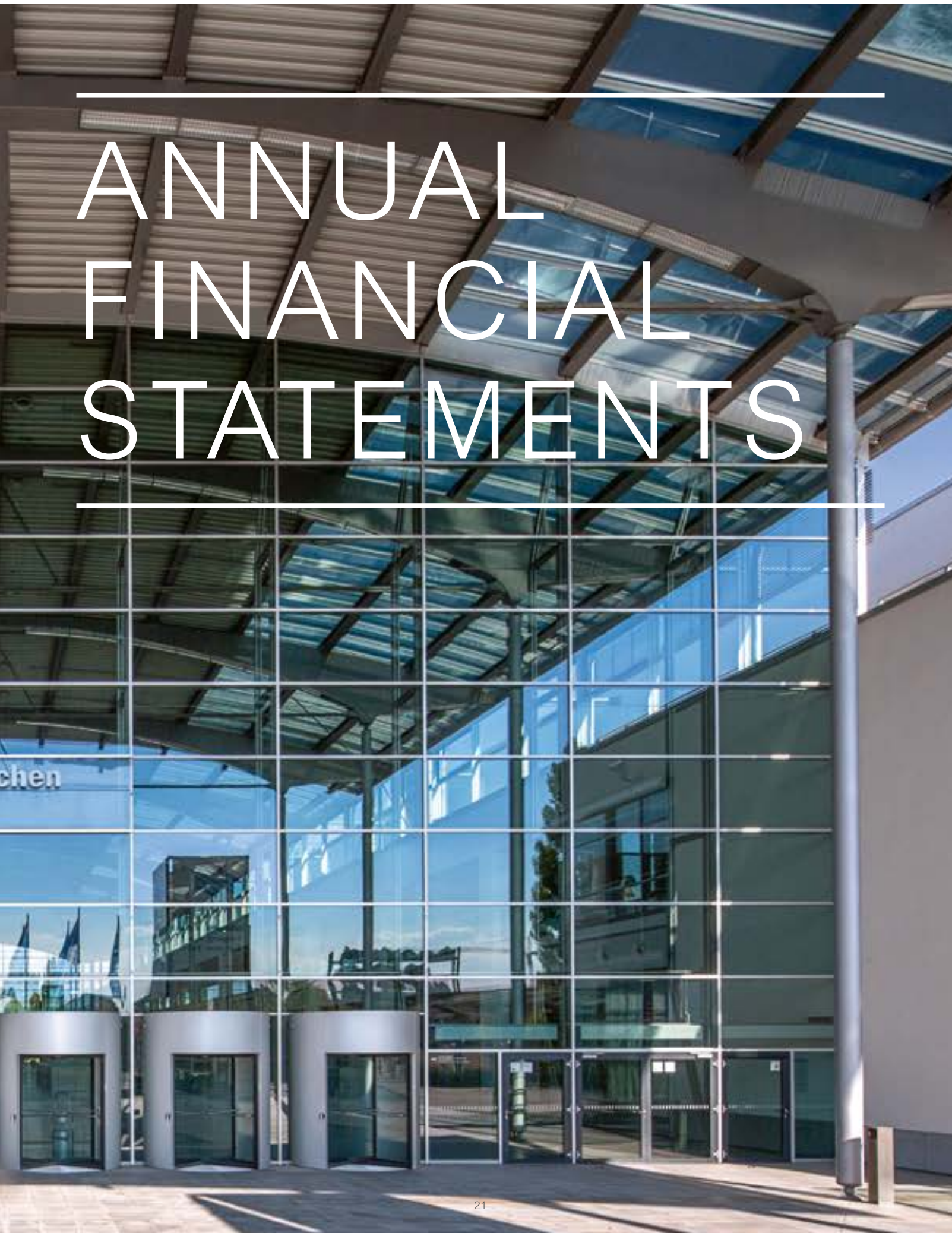
Our business model centers on connecting people. We no longer see ourselves simply as providers of hall space, but as managers of platforms – whether in physical form at a trade fair or in digital form for 365 days a year. The pandemic has reinforced this trend. We're facing radical changes similar to those that have come with the mobile phone in recent years. There was a time it was only used to make mobile calls. Nowadays, you can also use your smartphone to take pictures, listen to music, navigate, watch TV, play games or track your health. Up until now, our core business was the letting of exhibition space. As was the case with smartphones, we now have to create additional digital offerings that bring real added value for our customers.

Our future success depends clearly on strategies, skills and products – but the attitude with which we accept and shape this future will be paramount. The entire trade fair industry is facing a radical cultural change.





ANNUAL FINANCIAL STATEMENTS



MANAGEMENT REPORT AND GROUP MANAGEMENT REPORT 2020

Messe München GmbH, Munich

I. MACROECONOMIC ENVIRONMENT

The pandemic led to nearly all trade fairs and conventions worldwide having to be canceled or postponed from the end of February 2020 onward. China was the only place where events started taking place again in the second half of the year, and this trend continued in the first six months of 2021. All players in the trade fair and events business are in crisis mode, the pandemic putting their very existence in jeopardy.

II. COURSE OF BUSINESS 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 organization of trade fair events in Germany and abroad. Stand construction and activities abroad are handled through associated companies.

January and February 2020 were a seamless continuation of the exceedingly successful year that was 2019. However, apart from a few exceptions, all events had to be canceled or postponed from March 2020 onward. Digital substitutes were offered for canceled events, though the scope, sales revenue and income generated was significantly lower than for in-person trade fairs.

Prior to the outbreak of the coronavirus pandemic, the Management Board had launched a program to increase efficiency that needed to be expanded as a consequence of the pandemic. In addition to deep cuts in capital spending and substantial reductions in material costs to be implemented over the coming years, there are plans to shed some 170 jobs by 2022 at the latest.

III. COURSE OF BUSINESS OF THE GROUP

The coronavirus pandemic also cast a large shadow over the Group's business in 2020. Trade fairs had to be canceled or postponed in all countries except for China. While no trade shows took place here in the first half of 2020, the fairs scheduled for the first six months were able to be moved to the second half of the year – apart from ISPO Beijing. By and large, over 70 percent of the target figures for exhibitors, visitors and leased square footage were achieved.

Of Messe München's foreign associated companies, only the Chinese companies and MMI Eurasia generated positive results in 2020.

While the business of **SNIEC**, in which Messe München holds an interest of 16.6 percent through GEC GmbH, also took a substantial hit through lost business in the first six months of the year, the **SNIEC** was almost booked out in the second half. Almost 50 percent of the projected sales revenue and approximately one-third of the projected net income for the year was achieved.

The sales revenue generated by the subsidiary company **Meplan** fell from EUR 39.0 million in 2019 to approximately EUR 10 million. A net loss was presented that was absorbed by Messe München by way of a profit and loss transfer agreement.

IMAG also registered only modest sales. Its net loss was assumed by Messe München by means of a profit and loss transfer agreement.

Trendset was able to hold its two trade fairs in spring and summer, though the summer fair that was postponed until September was far smaller than usual. Revenue came in at just under EUR 8 million and net income for the year was generated.

The **key figures** for the 2020 fiscal year are as follows:

	2020	PREVIOUS YEAR
Sales, Messe München GmbH (MMG)	EUR 93.6 million	EUR 404.4 million
Annual net income	EUR -78.5 million	EUR 73.9 million
EBITDA	EUR -12.3 million	EUR 138.4 million
Group sales	EUR 167.2 million	EUR 474.2 million
Consolidated net income (loss) for the year	EUR -108.9 million	EUR 61.2 million
Group EBITDA	EUR -37.6 million	EUR 132.9 million
Exhibitors at Messe München (MMG events)	7,000	22,000
Visitors at Messe München (MMG events)	0.6 million	1.4 million
Total gross exhibition space, MMG	10,763,941 sq. ft.	32,291,731 sq. ft.

IV. FINANCIAL AND NON-FINANCIAL KEY 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. Once a quarter, all actual values and forecasts for the business year concerned (sales, expenses, investments) at Messe München GmbH and its associated companies are recorded and contrasted with the target figures. In addition, key figures for the individual trade fair events with regard to factors such as customer satisfaction, profitability on a contribution margin basis, percentages of exhibitors and visitors from abroad, etc. are ascertained and compared with the figures for prior events and with targets. The controlling of projects is supported by software and is effected as cost unit accounting; controlling of the corporate departments takes place on a cost center basis.

V. SITUATION OF THE COMPANY AND THE GROUP

a) Results of operations of Messe München

The sales and earnings targets for 2020 were missed by a large margin. Sales amounted to EUR 93.6 million. EBITDA came in at EUR -12.3 million. The net loss for the year stood at EUR 78.5 million.

The **sales revenue** of EUR 93.6 million (2019: EUR 404.4 million) was offset by **expenses** of EUR 59.1 million (2019: EUR 169.8 million) directly attributable to the events. Income of EUR 34.5 million was generated from the events (2019: EUR 234.6 million).

Other operating income of EUR 4.7 million (2019: EUR 2.7 million) was largely attributable to the reversal of provisions and to government subsidies (November/December assistance).

The average number of employees decreased from 786 to 749. **Personnel costs** fell from EUR 63.5 million in the previous year to EUR 47.9 million.

Depreciation and amortization of tangible and intangible fixed assets was on a level with the previous year at EUR 43.7 million (2019: EUR 43.4 million).

Other operating expenses amounted to EUR 51.4 million (2019: EUR 60.6 million). The decrease is largely attributable to cost savings in all areas.

Income from participating interests amounted to EUR 58.6 million (2019: EUR 26.0 million). Of this figure, EUR 50.0 million was attributable to dividend distributions from MMI Asia Pte. Ltd.

As a result of value adjustments on investments and loans, **financial assets were amortized** in the amount of EUR 12.2 million (2019: EUR 1.9 million).

Interest expenses decreased from EUR 14.1 million in the previous year to EUR 12.3 million due to the repayment of shareholder loans at the beginning of 2019.

No **taxes on income** were incurred in the 2020 fiscal year (2019: EUR 5.1 million). The other taxes are predominantly property taxes.

b) Net assets and financial position of Messe München

Total assets/total equity and liabilities declined from EUR 1,018.9 million to EUR 968.6 million. On the **assets side**, fixed assets decreased from EUR 970.5 million to EUR 928.6 million. As a result of depreciation, tangible fixed assets contracted from EUR 917.5 million to EUR 885.7 million. Financial assets declined from EUR 39.2 million to EUR 31.0 million. Current assets fell to EUR 38.4 million, due in particular to the decrease in cash at banks.

On the **liabilities side**, equity declined from EUR 277.8 million to EUR 199.2 million owing to the net loss for the year. Bank loans and overdrafts rose to EUR 690.7 million (2019: EUR 625.8 million). Other provisions remained almost unchanged, slipping from EUR 43.6 million to EUR 43.2 million. At EUR 3.6 million, advance payments received from customers as of December 31, 2020 were down sharply on the prior-year figure of EUR 28.7 million.

Liquidity was again ensured at all times in the 2020 fiscal year due to two bank loans taken out for a total of EUR 100 million and an overdraft facility of EUR 50 million. Cash and cash equivalents totaled EUR 10.6 million at year-end.

c) Position of the Group

The external sales of the Group's consolidated associated companies were up on the previous year at EUR 91.4 million (2019: EUR 83.7 million). The consolidated net loss for the year came to EUR 108.9 million (2019: consolidated net income of EUR 61.2 million). The difference compared with the net loss for the year of Messe München GmbH is largely attributable to the dividend distribution from the consolidated company MMI Asia Pte. Ltd. of EUR 50 million recognized in income in the annual financial statements. The results of the Group's domestic associated companies, Meplan and IMAG, are included in the profit and loss account of Messe München GmbH through profit and loss transfer agreements, while the results of Trendset and GEC are included by way of dividend distributions.

The Group's net assets and financial position were impacted to a significant extent by the position of Messe München described above.

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

A **risk management system** is in place at Messe München. Among other things, this is used to record trends with relevance for Messe München and its associated companies so that the necessary counteractive and compensatory measures can be implemented 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

In the 2020 fiscal year, major changes were made to the assessment of Messe München's risks and opportunities in light of the outbreak of the coronavirus pandemic. The cancellation of trade fairs and postponement of events to subsequent years puts a great deal of strain on the company's liquidity position. As there is considerable uncertainty about the further course and thus also the future effects of the pandemic (in particular the continuation of the ban on holding events in Bavaria), further pressure on the liquidity position cannot be ruled out. This would require further action to ensure liquidity.

During the 2020 fiscal year, a range of financing measures using equity and debt were implemented that were absolutely vital for maintaining solvency and thus primordial for the continuation of the company's activities. For more information on other measures taken and now implemented, please refer to the report on post-balance sheet date events in the notes to the annual financial statements. Scheduled cash inflows from planned trade fair projects in terms of volume and timing are also key to the Group's continued existence. The Management Board considers it very likely that these measures will be implemented.

Given this situation, the Management Board assumes that Messe München GmbH will have sufficient liquidity available to it in the current and next fiscal year. If the restrictions on the holding of trade fairs due to the lockdown continue to apply beyond 2021, resulting in a significant negative deviation from forecasts, the company's continued existence could be at risk.

The business development of the Group's **foreign associated companies** is also influenced by the current global changes. In several countries in which Messe München operates, political crises, periods of economic weakness and cancellations of events are leading to revenue shortfalls and to losses caused by in some cases major fluctuations in exchange rates. The associated companies in Brazil, South Africa, Russia, and India are particularly impacted by these factors. China continues to deliver solid growth rates in spite of a slight economic slowdown.

A **compliance organization** is in place 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 that was updated at the beginning of 2016. Besides detecting and penalizing misconduct, the organization helps to raise awareness of compliance issues among staff as a preventive measure and improves the effectiveness of the existing internal systems with a view to preventing breaches of the rules.

The **International Risk & Compliance Manager** assists with enhancing the compliance organizations at the foreign associated companies, which in turn strengthens the compliance system of Messe München.

VII. DECLARATION OF CORPORATE GOVERNANCE

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 the Supervisory Board and the Management Board.

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

VIII. EXPECTED TRENDS

For Messe München, **2021** will continue to be dominated by the coronavirus pandemic. Nearly all events in the first half of the year had to be canceled as in-person trade fairs and could only be offered in a digital format. To what extent the second half of the year will be impacted by the pandemic is still unknown. In consultation with the industry associations and advisory boards, a decision will be made in each individual case based on the specific situation and the needs of the industry as to whether the trade show will be held as an in-person, hybrid or digital event, or whether it will be canceled or postponed.

The Management Board is firmly convinced that once the situation has returned to normal, the trade fair business will return to pre-crisis levels in the medium term. Future events will be supplemented by digital elements, however. The formats on offer since mid-2020 are being continuously refined.

Since it is currently impossible to predict when event operations can be resumed, the impact on sales and earnings cannot yet be quantified. We expect sales revenue in 2021 to at least match the previous year's level and are forecasting a negative result for the year in the low three-digit million range.

Munich, March 12, 2021



KLAUS DITTRICH
Chairman & CEO



DR. REINHARD PFEIFFER
Deputy Chairman
of the Board



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, 2020

Messe München GmbH

ASSETS	DECEMBER 31, 2020 EUR	PREVIOUS YEAR EUR'000
A. Fixed assets		
I. Intangible fixed assets	37,495,469.76	48,038
II. Tangible fixed assets	887,763,236.56	919,201
III. Financial assets	19,481,196.58	22,003
	944,739,902.90	989,242
B. Current assets		
I. Stocks		
1. Work in progress	181,676.68	914
2. Finished goods and merchandise	21,089.60	29
3. Advance payments	1,214,079.30	1,084
	1,416,845.58	2,028
II. Receivables and other assets		
1. Trade receivables	6,075,203.18	11,546
2. Receivables from affiliated companies	0.00	121
3. Receivables from investment companies	400,544.20	538
4. Other assets	20,116,446.38	19,966
	26,592,193.76	32,171
III. Cash on hand, cash at banks	93,724,544.69	134,879
	121,733,584.03	169,078
C. Prepaid expenses and deferred charges	3,434,223.18	3,828
D. Positive difference from asset allocation	0.00	1
	1,069,907,710.11	1,162,149
EQUITY AND LIABILITIES	DECEMBER 31, 2020 EUR	PREVIOUS YEAR EUR'000
A. Equity		
I. Capital subscribed	248,656,580.58	248,657
II. Capital reserve	98,400,090.21	98,400
III. Other revenue reserves	317,875.50	318
IV. Currency differences	318,018.37	5,279
V. Consolidated accumulated loss (2019: consolidated accumulated profit)	-87,971,261.20	20,932
VI. Minority interests	1,924,730.48	2,528
	261,646,033.94	376,114
B. Provisions		
1. Provisions for pensions and similar liabilities	12,893,940.55	12,768
2. Provisions for taxation	13,938,474.77	6,796
3. Other provisions	49,384,723.79	48,221
	76,217,139.11	67,785
C. Liabilities		
1. Liabilities to banks	690,724,428.61	625,800
2. Advance payments received from customers	22,192,468.49	62,618
3. Trade liabilities	12,769,996.83	22,644
4. Liabilities to shareholders	2,202,936.39	2,343
5. Other liabilities	3,935,438.83	4,671
	731,825,269.15	718,076
D. Deferred income	219,267.91	174
	1,069,907,710.11	1,162,149

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the fiscal year from January 1 to December 31, 2020

Messe München GmbH

	2020 EUR	PREVIOUS YEAR EUR'000
1. Sales	167,240,045.40	474,237
2. Change in inventories of finished goods and work in progress	-732,673.35	1,998
3. Other operating income	7,341,095.37	3,671
	173,848,467.42	479,906
4. Event expenses	-89,682,365.18	-202,352
5. Personnel costs		
a) Wages and salaries	-52,935,056.03	-68,710
b) Social security contributions and pension and support costs, of which pension costs: EUR 2,167,398.75 (2019: TEUR 2,648)	-11,137,006.63	-15,684
6. Depreciation and amortization of tangible and intangible fixed assets	-52,253,782.99	-49,098
7. Other operating expenses	-59,883,909.24	-67,460
8. Income from participating interests	-29,652.33	0
9. Result from participating interests in associated companies	8,081,533.01	10,925
10. Income from long-term financial instruments	75,480.82	0
11. Other interest and similar income	1,489,994.55	2,328
12. Interest and similar expenses, of which to shareholders EUR 0.00 (2019: TEUR 1,869)	-12,468,802.61	-14,439
13. Taxes on income	-9,690,473.56	-9,219
14. Result after tax	-104,585,572.77	66,196
15. Other taxes	-3,986,624.13	-3,799
16. Consolidated net income (loss) for the year before minority interests	-108,572,196.90	62,397
17. Minority interests' share of result	-331,544.48	-1,214
18. Consolidated net income (loss) for the year	-108,903,741.38	61,184
19. Consolidated accumulated profit (2019: loss) in previous year	20,932,480.18	-40,251
20. Consolidated accumulated loss (2019: consolidated accumulated profit)	-87,971,261.20	20,932

BALANCE SHEET

as of December 31, 2020
Messe München GmbH

ASSETS	EUR	DECEMBER 31, 2020 EUR	PREV. YEAR EUR'000
A. Fixed assets			
I. Intangible fixed assets			
Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets		11,846,327.60	13,853
		11,846,327.60	13,853
II. Tangible fixed assets			
1. Land, land rights and buildings, including buildings on third-party land	870,137,342.14		901,053
2. Other equipment, operating and office equipment	10,787,687.71		14,195
3. Assets under construction	4,820,810.15		2,255
		885,745,840.00	917,503
III. Financial assets			
1. Shares in affiliated companies	15,703,855.20		26,913
2. Loans to affiliated companies	3,040,000.00		0
3. Other long-term equity investments	12,275,312.32		12,275
		31,019,167.52	39,188
		928,611,335.12	970,544
B. Current assets			
I. Receivables and other assets			
1. Trade receivables	5,652,866.38		9,974
2. Receivables from affiliated companies	7,436,187.96		8,172
3. Receivables from investment companies	400,544.20		539
4. Other assets	14,275,394.21		4,872
		27,764,992.75	23,557
II. Cash on hand, cash at banks		10,626,107.62	22,921
		38,391,100.37	46,478
C. Prepaid expenses and deferred charges		1,591,541.16	1,915
		968,593,976.65	1,018,937
EQUITY AND LIABILITIES	EUR	DECEMBER 31, 2020 EUR	PREV. YEAR EUR'000
A. Equity			
I. Capital subscribed	248,656,580.58		248,657
II. Capital reserve	98,400,090.21		98,400
III. Accumulated losses brought forward	-69,281,059.08		-143,199
IV. Net income for the year	-78,535,733.11		73,918
		199,239,878.60	277,776
B. Provisions			
1. Provisions for pensions and similar liabilities	10,774,629.12		10,655
2. Provisions for taxation	5,315,207.50		5,352
3. Other provisions	43,210,933.58		43,552
		59,300,770.20	59,559
C. Liabilities			
1. Liabilities to banks	690,724,428.61		625,800
2. Advance payments received from customers	3,614,311.49		28,667
3. Trade liabilities	11,341,968.15		20,837
4. Liabilities to affiliated companies, of which to shareholders: EUR 2,202,936.39 (2019: TEUR 2,343)	2,442,460.65		3,731
5. Other liabilities, of which taxes EUR 633,144.52 (2019: TEUR 932)	1,930,158.95		2,567
		710,053,327.85	681,602
		968,593,976.65	1,018,937

PROFIT AND LOSS ACCOUNT

for the fiscal year from January 1 to December 31, 2020
Messe München GmbH

	2020 EUR	PREVIOUS YEAR EUR'000
1. Sales	93,603,013.60	404,372
2. Other operating income, of which from currency translation: EUR 12,033.70 (2019: TEUR 8)	4,706,208.82	2,712
	98,309,222.42	407,084
3. Event expenses		
a) Promotional and media relations expenses	-11,719,302.89	-22,627
b) Implementation costs	-47,378,681.28	-147,174
	-59,097,984.17	-169,801
4. Personnel costs		
a) Wages and salaries	-39,515,786.18	-52,084
b) Social security contributions and pension and support costs, of which pension costs: EUR 2,101,022.75 (2019: TEUR 2,566)	-8,395,546.54	-11,458
	-47,911,332.72	-63,542
5. Depreciation and amortization of tangible and intangible fixed assets	-43,717,842.27	-43,361
6. Other operating expenses, of which from currency translation: EUR 10,284.82 (2019: TEUR 15)	-51,400,625.25	-60,604
7. Income from participating interests, of which from affiliated companies: EUR 58,602,034.87 (2019: TEUR 25,996)	58,602,034.87	25,996
8. Income from profit and loss transfer agreements, of which from affiliated companies: EUR 0.00 (2019: TEUR 2,655)	0.00	2,655
9. Expenses from profit and loss transfer agreements, of which to affiliated companies: EUR 5,113,030.58 (2019: TEUR 0)	-5,113,030.58	0
10. Income from long-term financial instruments, of which from affiliated companies: EUR 75,480.82 (2019: TEUR 0)	75,480.82	0
11. Other interest and similar income, of which from affiliated companies: EUR 17,991.56 (2019: TEUR 24)	42,042.11	43
12. Amortization of financial assets	-12,209,038.00	-1,865
13. Interest and similar expenses, of which to affiliated companies: EUR 0.00 (2019: TEUR 0) of which to shareholders EUR 0.00 (2019: TEUR 1,869) of which interest cost EUR 308,020.62 (2019: TEUR 363)	-12,338,631.56	-14,136
14. Taxes on income	0.00	-5,100
15. Result after tax	-74,759,704.33	77,369
16. Other taxes	-3,776,028.78	-3,451
17. Net loss (2019: net income) for the year	-78,535,733.11	73,918

CONSOLIDATED STATEMENT

Messe München GmbH

	COST					
	JANUARY 1, 2020	Change in basis of consol.*	January 1, 2020	Additions	Reclassifica- tions	Disposals
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
I. Intangible fixed assets						
1. Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	61,753	-1,810	59,943	4,418	498	891
2. Goodwill	44,495	-142	44,353	0	0	0
	106,248	-1,952	104,296	4,418	498	891
II. Tangible fixed assets						
1. Land, land rights and buildings, including buildings on third-party land	1,547,414	0	1,547,414	2,046	244	0
2. Other equipment, operating and office equipment	141,057	-135	140,922	2,174	0	1,067
3. Advance payments and assets under construction	2,255	0	2,255	3,308	-742	0
	1,690,726	-135	1,690,591	7,528	-498	1,067
III. Financial assets						
1. Shares in affiliated companies	2,582	0	2,582	0	0	0
2. Other long-term equity investments	607	0	607	0	0	0
3. Shares in associated companies	12,605	-23	12,582	0	0	0
	15,794	-23	15,771	0	0	0
	1,812,768	-2,110	1,810,658	11,946	0	1,958

* Changes in the basis of consolidation and currency translation differences

December 31, 2020	CUMULATIVE DEPRECIATION, AMORTIZATION AND WRITE-DOWNS						CARRYING AMOUNTS	
	01.01.2020	Changes in basis of consol.*	January 1, 2020	Additions	Disposals	December 31, 2020	December 31, 2020	PREVIOUS YEAR
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
63,968	40,684	-320	40,364	6,996	891	46,469	17,499	21,069
44,353	17,526	-19	17,507	6,849	0	24,356	19,997	26,969
108,321	58,210	-339	57,871	13,845	891	70,825	37,496	48,038
1,549,704	646,258	0	646,258	33,225	0	679,483	870,221	901,156
142,029	125,267	-102	125,165	5,184	1,041	129,308	12,721	15,790
4,821	0	0	0	0	0	0	4,821	2,255
1,696,554	771,525	-102	771,423	38,409	1,041	808,791	887,763	919,201
2,582	1,225	0	1,225	0	0	1,225	1,357	1,357
607	0	0	0	0	0	0	607	607
12,582	-7,434	36	-7,398	2,463	0	-4,935	17,517	20,039
15,771	-6,209	36	-6,173	2,463	0	-3,710	19,481	22,003
1,820,646	823,526	-405	823,121	54,717	1,932	875,906	944,740	989,242

STATEMENT OF CHANGES IN FIXED ASSETS

in the period from January 1 to December 31, 2020

Messe München GmbH

	COST			
	January 1, 2020	Additions	Disposals	Reclassifications
	EUR	EUR	EUR	EUR
I. Intangible fixed assets				
Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	49,506,026.81	3,525,856.29	0.00	497,698.09
	49,506,026.81	3,525,856.29	0.00	497,698.09
II. Tangible fixed assets				
1. Land, land rights and buildings, including buildings on third-party land	1,547,193,648.57	2,046,286.96	0.00	243,683.28
2. Other equipment, operating and office equipment	136,147,885.48	1,082,218.77	147,424.10	0.00
3. Assets under construction	2,254,997.45	3,308,060.32	866.25	-741,381.37
	1,685,596,531.50	6,436,566.05	148,290.35	-497,698.09
III. Financial assets				
1. Shares in affiliated companies	35,513,583.20	0.00	0.00	0.00
2. Loans to affiliated companies	0.00	2,540,000.00	0.00	1,500,000.00
3. Other long-term equity investments	12,275,312.32	0.00	0.00	0.00
	47,788,895.52	2,540,000.00	0.00	1,500,000.00
	1,782,891,453.83	12,502,422.34	148,290.35	1,500,000.00

December 31, 2020	DEPRECIATION, AMORTIZATION AND WRITE-DOWNS				NET CARRYING AMOUNTS	
	January 1, 2020	Additions	Disposals	December 31, 2020	December 31, 2020	December 31, 2019
	EUR	EUR	EUR	EUR	EUR	EUR
53,529,581.19	35,653,134.01	6,030,119.58	0.00	41,683,253.59	11,846,327.60	13,852,892.80
53,529,581.19	35,653,134.01	6,030,119.58	0.00	41,683,253.59	11,846,327.60	13,852,892.80
1,549,483,618.81	646,140,626.97	33,205,649.70	0.00	679,346,276.67	870,137,342.14	901,053,021.60
137,082,680.15	121,953,077.89	4,482,072.99	140,158.44	126,294,992.44	10,787,687.71	14,194,807.59
4,820,810.15	0.00	0.00	0.00	0.00	4,820,810.15	2,254,997.45
1,691,387,109.11	768,093,704.86	37,687,722.69	140,158.44	805,641,269.11	885,745,840.00	917,502,826.64
35,513,583.20	8,600,690.00	11,209,038.00	0.00	19,809,728.00	15,703,855.20	26,912,893.20
4,040,000.00	0.00	1,000,000.00	0.00	1,000,000.00	3,040,000.00	0.00
12,275,312.32	0.00	0.00	0.00	0.00	12,275,312.32	12,275,312.32
51,828,895.52	8,600,690.00	12,209,038.00	0.00	20,809,728.00	31,019,167.52	39,188,205.52
1,796,745,585.82	812,347,528.87	55,926,880.27	140,158.44	868,134,250.70	928,611,335.12	970,543,924.96

NOTES TO THE 2020 CONSOLIDATED FINANCIAL STATEMENTS

for the fiscal year from January 1 to December 31, 2020
Messe München GmbH

IDENTIFICATION OF THE COMPANY

Company name: Messe München GmbH
Registered office: Munich
Registry court: Munich Local Court
Commercial register number: HRB 6311

Code (HGB) and in accordance with the relevant provisions of the Limited Liability Companies Act (GmbHG). There are no supplementary requirements in the articles of association.

the notes. We have also included the additional disclosures required for individual items in the notes. The consolidated income statement has been prepared using the nature of expense method.

GENERAL NOTICES

These consolidated financial statements were prepared in accordance with sections 290 ff. of the German Commercial

We have combined individual consolidated balance sheet items for clarity and ease of understanding of the consolidated financial statements. These items are explained in

Due to the special features of the trade fair industry, the structure of the income statement has been expanded to include the "events-related expenses" item.

CONSOLIDATED GROUP

In addition to Messe München GmbH, Munich, as the parent company, the consolidated financial statements include the following consolidated companies:

COMPANY, LOCATION OF REGISTERED OFFICE	SHARE IN EQUITY DECEMBER 31, 2020 IN %	NOMINAL CAPITAL		EQUITY DECEMBER 31, 2020 EUR '000	ANNUAL NET INCOME 2020 EUR '000
		DECEMBER 31, 2020 CURRENCY	'000		
Direct:					
IMAG GmbH, Munich	100.00	EUR	102	281	-1,928 ¹⁾
MMI Asia Pte. Ltd., Singapore	100.00	SGD	50	14,668	29,538
Messe München India Pvt. Ltd., Mumbai ²⁾	100.00	INR	31,372	3,181	-727
MMI Asia (Hong Kong) Ltd. (currently not trading) Hong Kong ³⁾	100.00	HK\$	10	-16	0
Meplan GmbH, Munich	85.00	EUR	51	119	-3,155 ¹⁾
Trendset GmbH, Munich	51.15	EUR	26	1,040	544
Messe Muenchen South Africa Proprietary Limited, Johannesburg ³⁾	100.00	ZAR	41,968	1,847	-678
Messe Muenchen Rus LLC, Moscow ⁶⁾	95.00	RUB	10	1,761	-310
MM do Brasil Feiras Ltda., São Paulo ⁷⁾	99.99	BRL	21,608	785	-1,501
Indirect:					
Messe Muenchen Shanghai Co. Ltd., Shanghai ⁴⁾	100.00	CNY	4,138	30,939	23,874
bc Expo India Pvt. Ltd., Mumbai ⁵⁾	65.00	INR	44,950	1,098	-261
MMU BAU Fenestration Co. Ltd., Beijing ⁸⁾	75.00	CNY	7,500	3,891	767

1) before profit/loss transfer to MMG

2) 32.86 % is held by Messe München GmbH and 67.14 % by MMI Asia Pte. Ltd.

3) All the shares in the subsidiary are held by Messe München GmbH.

4) All the shares in the subsidiary are held by MMI Asia Pte. Ltd.

5) This is a 65%-owned subsidiary of MMI Asia Pte. Ltd., Singapore.

6) This is a 95%-owned subsidiary of Messe München GmbH.

7) 99.99 % is held by Messe München GmbH and 0.01 % by IMAG GmbH.

8) This is a 75%-owned subsidiary of Messe Muenchen Shanghai Co. Ltd.

CONSOLIDATION OF THE SINGLE-ENTITY FINANCIAL STATEMENTS OF THE SUBSIDIARIES

Pursuant to the statutory requirements of sections 300 ff. HGB, the single-entity financial statements of the subsidiaries are included in accordance with the principles of full consolidation, i.e. the assets, liabilities, deferred items and special items of the subsidiaries take the place of the shares held by the parent entity in the subsidiaries included.

Exercising the option under section 296 (2) HGB, MMI Eurasia Fuarcilik Limited Sirketi, Istanbul (87.11% interest in the equity) was not included in the consolidated financial statements due to the insignificance of its revenues.

ACQUISITION ACCOUNTING

Acquisitions are accounted for in accordance with the revaluation method (section 301 (1) HGB). Under this method, the interests subject to consolidation are offset against the equity of the subsidiaries attributable to them. Any adjustment item on the liability side arising from the acquisition accounting is reported below equity. Any positive difference arising is reported as goodwill and is amortized on a straight-line basis over 4 years, starting with the following year, or over 10 years.

In 2015, the Company acquired 95% of Messe Muenchen Rus (formerly CTT Expo) LLC, Moscow. Because the purchase price exceeds the equity acquired, there is a positive difference, which is recognized as goodwill and is being amortized over 10 years starting in 2016. The goodwill was written down by EUR 500,000.00 in 2017 and by EUR 1,670,000.00 in 2020 due to significant changes in the economic environment and an associated permanent impairment.

In 2017, Messe Muenchen Shanghai Co. Ltd. acquired 75% of the shares in MMU BAU Fenestration Co. Ltd., Beijing. Because the purchase price exceeds the equity acquired, there is a positive difference of EUR 19,527,088.88, which is recognized as goodwill and is being amortized over 10 years starting in 2017.

In 2017, Messe München acquired 99.99% of MM do Brasil Feiras Ltda., Sao Paulo, and it is included in the consolidated financial statements for the first time in 2019. Because the purchase price exceeds the equity acquired, there is a positive difference of EUR 1,118,472.64, which is recognized as goodwill and is being amortized over 10 years starting in 2019. The goodwill of EUR 894,778.12 still remaining after amortization as of 31 December 2020 was written down in full due to significant changes in the economic environment and a permanent impairment.

CONSOLIDATION OF INTERCOMPANY BALANCES

Receivables and payables between the companies included in the consolidated financial statements are eliminated.

CONSOLIDATION OF EXPENSES AND INCOME

Revenue and other income from deliveries and services between the companies included in the consolidated financial statements were offset against the corresponding expenses.

DEFERRED TAX

Deferred taxes are recognized for temporary differences between carrying amounts and their tax bases if these lead to deferred tax liabilities – after offsetting against deferred tax assets. They are measured using the tax rates that are expected to apply at the date when the temporary differences reverse. There are no deferred taxes from the reconciliations to *Handelsbilanz II* (the single-entity financial statements restated to comply with the parent's accounting policies) or from consolidation adjustments.

FOREIGN CURRENCY TRANSLATION

Foreign currency financial statements are translated using the current rate method. Under this, equity – with the exception of annual net income – is translated at historic exchange rates, the remaining asset and liability items are translated at the mean exchange rates on the reporting date. The balance sheet differences from this are recognized as a separate item under equity.

PROPORTIONATE CONSOLIDATION

EKO MMI Fuarcilik Limited Sirketi, Istanbul, is jointly managed by Messe München GmbH and the external company EKO Fuarcilik Ticaret Limited Sirketi, Istanbul. The company was consolidated in proportion to the equity investment of 50% (section 310 HGB).

EQUITY CONSOLIDATION

Messe München GmbH holds an investment of 33.3% in GEC German Exposition Corporation International GmbH, Berlin, which has been included in MMG's consolidated financial statements since 2004. Messe Muenchen Shanghai Co., Ltd., Shanghai holds 50% of Messe Muenchen Zhongmao Co., Ltd., Shanghai. Messe Muenchen Zhongmao has been included in the consolidated financial statements since 2017. Thus, significant influence within the meaning of section 311 (1) HGB exists in the case of these investments.

These investments are measured in the consolidated financial statements using the equity method in accordance with the book value method (section 312 (1) HGB). The companies' accounting policies are largely in line with the policies applied in the consolidated financial statements.

ACCOUNTING POLICIES

The following accounting policies were applied for the preparation of the consolidated financial statements.

The consolidated financial statements were prepared on the assumption that each of the companies included in the consolidated financial statements was a going concern. Please refer to the explanations of the going concern risks in section VI of the combined management report.

Purchased **intangible assets** are recognized at cost and, if they have a finite life, are amortized on a straight-line basis over their useful lives. The useful life excluding goodwill is 3–8 years.

Tangible assets are recognized at cost and, if they have a finite useful life, are depreciated on a straight-line basis in accordance with their expected useful lives. The following useful lives are applied: 40 years for buildings, 3 to 12 years for factory and office

equipment, 6 years for vehicles and 10 years for operating equipment. The depreciation on additions to tangible assets is calculated pro-rata temporis. Low value assets up to a value of EUR 800.00 are written off in full in the year of addition.

In the case of **financial assets**, the shares are recognized at the lower of cost or fair value.

Inventories are recognized at cost. The events not yet invoiced, which are recognized under inventories, result from IMAG's implementation business for public-sector customers. These were measured at the event costs incurred.

Receivables and other assets are recognized at nominal value. All risky items are taken into account through making appropriate specific value adjustments. General credit risk is taken into account through a general allowance.

Cash in hand and bank balances are recognized at nominal value as of the reporting date.

The measurements of the **provision for pensions and early retirement commitments** and the **provision for benefit payment commitments** are based on the projected unit credit method using a monthly advance payment approach.

The measurement is based on actuarial reports with the following assumptions:

The Klaus Heubeck 2018 G mortality tables are used to determine the probability of death and disability. The entitlements to a spouse's pension are calculated using the collective method. The calculations are based on an age at expiry of financing of 65. The interest rate is determined by the Reg-

ulation on the Discounting of Provisions (RückAbzinsV) published by the Deutsche Bundesbank; the option from section 253 (2) sentence 2 HGB was exercised and a residual maturity of 15 years has been assumed.

The **difference** pursuant to section 253 (6) HGB between the recognition of the pension provisions in accordance with the corresponding average market interest rate from the past 10 fiscal years and the recognition of the provisions in accordance with the corresponding average market interest rate from the past seven fiscal years is EUR 0.843 million (previous year: EUR 0.897 million).

	PENSION COMMITMENT		BENEFIT PAYMENT COMMITMENT	
	DECEMBER 31, 2020	DECEMBER 31, 2019	DECEMBER 31, 2020	DECEMBER 31, 2019
Interest rate	2.30 %	2.71 %	1.60 %	1.97 %
Salary trend	2.00 %	2.00 %	0.00 %	0.00 %
Pension trend	2.00 %	2.00 %	0.00 %	0.00 %

The calculations for the **deferred compensation** and for the **provision for partial retirement** are based on the projected unit credit method using a monthly advance payment approach. The following actuarial assumptions were used:

Assets that are inaccessible to all other creditors and are solely used to satisfy pension commitments are measured at their fair value and are offset against the corresponding liability items in accordance with section 246 (2) sentence 2 HGB.

	DEFERRED COMPENSATION		PARTIAL RETIREMENT	
	DECEMBER 31, 2020	DECEMBER 31, 2019	DECEMBER 31, 2020	DECEMBER 31, 2019
Interest rate	1.60 %	1.97 %	0.44 %	0.58 %
Salary trend	–	–	2.00 %	2.00 %
Average pension trend	1.00 %	1.00 %	2.00 %	2.00 %

The Klaus Heubeck 2018 G mortality tables are used to determine the probability of death and disability. The interest rate is determined by the Regulation on the Discounting of Provisions (RückAbzinsV) published by the Deutsche Bundesbank; the option from section 253 (2) sentence 2 HGB was exercised and a residual maturity of 15 years has been assumed.

The **difference** pursuant to section 253 (6) HGB between the recognition of the deferred compensation provision in accordance with the corresponding average market interest rate from the past 10 fiscal years and the recognition of the provisions in accordance with the corresponding average market interest rate from the past seven fiscal years is EUR 0.111 million (previous year: EUR 0.111 million).

The fulfillment of obligations from partial retirement is secured by a bank guarantee. The fulfillment of commitments from deferred compensation is secured by a reinsurance policy. The asset value of the reinsurance policy is EUR 0.742 million according to the insurance company and is equal to the fair value. The settlement amount of offset liabilities is EUR 0.871 million.

The Klaus Heubeck 2018 G mortality tables are also used to calculate the long-service anniversary provisions. The calculation of the long-service anniversary provision is based on an interest rate of 1.60% (previous year: 1.97%), the assumption of a salary trend of 2.00% (previous year: 2.00%) and a staff turnover of 8.00% (previous year: 7.00%).

Other provisions take all contingent liabilities into account. The measurement is made in the settlement amount deemed necessary according to prudent business judgment. Long-term provisions with a term of more than one year are discounted at the interest rate specified by the Deutsche Bundesbank that matches the term. Future price and cost increases in the amount of the general inflation rate are taken into account.

Liabilities are recognized at their settlement amount.

Foreign-currency receivables and payables were measured at the mean spot exchange rate on the reporting date.

NOTES TO THE CONSOLIDATED BALANCE SHEET

FIXED ASSETS

Changes in fixed assets and their composition as of December 31, 2020 are shown in the following statement of changes in fixed assets.

FINANCIAL ASSETS

The composition of the shareholdings is shown in the following overview "Information on shareholdings."

COMPANY, LOCATION OF REGISTERED OFFICE	SHARE IN EQUITY DECEMBER 31, 2020 IN %	NOMINAL CAPITAL DECEMBER 31, 2020 EUR'000	EQUITY DECEMBER 31, 2020 EUR'000	ANNUAL NET INCOME 2020 EUR'000
Abroad:				
Affiliated companies				
MMI Eurasia Fuarcilik Ltd. Sirketi, Istanbul ¹⁾	87.11	1,064	1,592	218
Associated companies				
Messe Muenchen Zhongmao Co., Ltd., Shanghai ²⁾	50.00	125	4,723	4,621
Germany:				
Associated companies				
GEC German Exposition Corporation International GmbH, Berlin	33.33	150	45	17,312

1) Reporting date exchange rate 0.14960/average exchange rate 0.15729

2) Reporting date exchange rate 0.12787/average exchange rate 0.12927

RECEIVABLES AND OTHER ASSETS

As in the previous year, all receivables and other assets are due within one year.

CASH AND CASH EQUIVALENTS

The cash and cash equivalents total EUR 93.725 million and comprise bank balances and cash in hand.

EQUITY

With regard to changes in equity, please refer to the accompanying statement of changes in equity.

OTHER PROVISIONS

Other provisions were recognized largely for deferred maintenance measures (EUR 16.246 million; previous year: 16.470 million), for personnel provisions (EUR 19.345 million; previous year: 17.142 million), of which supplementary insurance with the supplementary pension fund (EUR 3.565 million; previous year: EUR 3.565 million), and outstanding invoices for advertising, press, and implementation costs (EUR 1.191 million; previous year: EUR 2.979 million).

From the conversion of the long-term expense provisions for building defects/warranty defects 1. BA due to the change in valuation as a result of the German Accounting Law Modernization Act (BilMoG), use is made of the option of Art. 67 (3) sentence 1 of the Introductory Act to the German Commercial Code (EGHGB) and the provision is retained. As of December 31, 2020, the amount of the provision was EUR 16.246 million.

LIABILITIES TO BANKS

Liabilities to banks are due as follows:

DUE DATE	2020 EUR'000	2019 EUR'000
< 1 year	35,196	35,196
> 1 year	655,528	590,604
of which > 5 years	415,151	450,302

The liabilities to banks are secured by land charges in the amount of EUR 455.679 million.

MATURITY OF LIABILITIES

As in the previous year, the following liabilities are all due within one year:

LIABILITIES	12/31/2020 EUR'000	DECEMBER 31, 2019 EUR'000
Liabilities from advance payments received on orders	22,192	62,618
Accounts payable	12,770	22,644
Liabilities to shareholders	2,203	2,343

LIABILITIES TO SHAREHOLDERS

In compliance with section 42 (3) of the Limited Liability Companies Act (GmbHG), the Company recognizes liabilities to shareholders separately. The liability to the shareholder the Bavarian capital of Munich is EUR 2.203 million due to the deferral of property tax (previous year: EUR 0.995 million) and the liability to the Free State of Bavaria is EUR 0 million (previous year: EUR 0.874 million). As in the previous year, the liabilities are due within one year.

OTHER LIABILITIES

Of the other liabilities, EUR 0.950 million (previous year: EUR 1.501 million) result from tax. Other liabilities have the following remaining terms:

DUE DATE	2020 EUR'000	2019 EUR'000
< 1 year	3,308	3,965
> 1 year	627	706
of which > 5 years	395	473

Other liabilities are not secured.

OTHER FINANCIAL COMMITMENTS

As of the end of the 2020 fiscal year, there were financial commitments to external third parties of EUR 13.801 million (previous year: EUR 18.647 million). Other financial commitments have the following remaining terms:

DUE DATE	2020 EUR'000	2019 EUR'000
< 1 year	4,060	4,652
> 1 year	9,741	13,995
of which > 5 years	1	17

The new construction of the two exhibition halls has been completed. Purchase order commitments for investments in the new construction of the two exhibition halls is thus EUR 0 million (previous year: EUR 1.033 million).

NOTES TO THE CONSOLIDATED INCOME STATEMENT

SALES	2020 EUR'000	2019 EUR'000
Exhibitors	131,686	398,233
Public-sector customers	510	3,231
Visitors	2,387	28,703
Other	32,657	44,070
	167,240	474,237

52% of the revenue was generated in Germany and 48% in the rest of the world.

OTHER OPERATING INCOME

The item includes prior-period income of EUR 5.059 million, which results primarily from the coronavirus aid of EUR 2.000 million and the reversal of provisions in the amount of EUR 2.160 million. Moreover, income of EUR 0.369 million resulted from currency translation.

EVENT EXPENSES

In addition to expenses for events in the 2020 fiscal year, the item includes prior-period expenses of EUR 5.010 million.

OTHER OPERATING EXPENSES

The item includes prior-period expenses totaling EUR 1.777 million, of which EUR 0.692 million is attributable to the write-down of accounts receivable. Moreover, expenses of EUR 0.936 million resulted from currency translation.

OTHER DISCLOSURES

THE SUPERVISORY BOARD IN THE REPORTING YEAR

Hubert Aiwanger

Minister of State, Bavarian State Ministry of Economic Affairs Regional Development and Energy, Member of the Landtag (Chair)

Dieter Reiter

Mayor of the Bavarian capital of Munich (First Deputy Chair)

Franz Xaver Peteranderl

President of the Chamber of Trade for Munich and Upper Bavaria (Additional Deputy Chair)

Ulrike Bauer

Chair of the Works Council, Messe München GmbH (Additional Deputy Chair)

Dr. Heiko Bauer

Undersecretary, Bavarian State Ministry of Finance and Homeland

Anja Berger

City Council Member, Bavarian capital of Munich (from May 20, 2020)

Albert Füracker

Minister of State, Bavarian State Ministry of Finance and Homeland

Dr. Manfred Gößl

CEO of the Chamber of Commerce and Industry for Munich and Upper Bavaria

Christian Horak

Undersecretary, Bavarian State Chancellery

Christian Lepp

Department Head, Messe München GmbH (from January 1, 2020)

Abdul Mansouri

Full-time Member of the Works Council, Messe München GmbH

Georg Moller

Division Head, Messe München GmbH

Sabine Nallinger

City Council Member, Bavarian capital of Munich (until May 13, 2020)

Frank Pastior

Department Head, Messe München GmbH

Hans Podiuk

City Council Member, Bavarian capital of Munich (until May 13, 2020)

Julia Post

City Council Member, Bavarian capital of Munich (from May 20, 2020)

Richard Progl

City Council Member, Bavarian capital of Munich (until May 13, 2020)

Helmut Schmid

City Council Member, Bavarian capital of Munich (until May 13, 2020)

Sebastian Schall

City Council Member, Bavarian capital of Munich (from May 20, 2020)

Rolf Tischer

Division Head, Messe München GmbH

Christian Vorländer

City Council Member, Bavarian capital of Munich (from May 20, 2020)

Dr. Ulrike Wolf

Head of Department, Bavarian State Ministry of Economic Affairs Regional Development and Energy (from January 1, 2020)

MEMBERS OF THE FINANCE AND PERSONNEL COMMITTEE

Christian Vorländer

Chair (from June 4, 2020)

Dr. Ulrike Wolf

Deputy Chair

Ulrike Bauer

Dr. Heiko Bauer

Anja Berger

(from June 4, 2020)

Dr. Manfred Gößl

Hans Podiuk

(until May 13, 2020)

Helmut Schmid

(until May 13, 2020)

Rolf Tischer

MANAGEMENT BOARD

Klaus Dittrich

Chairman and CEO

Dr. Reinhard Pfeiffer

Deputy Chairman of the Board

Stefan Rummel

Managing Director

Falk Senger

Managing Director

Gerhard Gerritzen

Deputy Managing Director

Monika Dech

Deputy Managing Director

TOTAL REMUNERATION OF THE MANAGEMENT BOARD

The members of the Management Board received total remuneration of EUR 1,650,625.10 in 2020.

As in the previous year, their remuneration does not include the pension allowances from public bodies amounting to EUR 67,287.84 or other pension contributions of EUR 54,999.96.

TOTAL REMUNERATION OF THE SUPERVISORY BOARD

The members of the Supervisory Board received total remuneration of EUR 43,263.14 in 2020.

TOTAL REMUNERATION OF FORMER MEMBERS OF THE MANAGEMENT BOARD

Former members of the Management Board and their surviving dependents received remuneration of EUR 569,913.55 in 2020. A total of EUR 5,070,480.00 was set aside for pension and retirement obligations to former members of the executive bodies and EUR 1,278,395.00 for their surviving dependents. No loans have been extended to members of the executive bodies, nor are there any contingent liabilities in favor of these individuals.

EXEMPTION IN ACCORDANCE WITH SECTION 264 (3) OF THE GERMAN COMMERCIAL CODE (HGB)

The consolidated subsidiary IMAG GmbH, Munich, has not disclosed its annual financial statements for 2020 by reference to Section 264 (3) of the German Commercial Code (HGB).

CASH AND CASH EQUIVALENTS

The cash and cash equivalents reported in the cash flow statement in accordance with GAS 21 are comprised of cash on hand and cash at banks.

EMPLOYEES

The Group had a total of 1,149 employees in the reporting period (2019: 1,201). The average number of employees at Messe München GmbH was 749 (2019: 786), of whom 447 were women (2019: 475) and 302 were men (2019: 311).

EKO MMI Fuarcilik Limited Sirketi, Istanbul/Turkey, which is reported using proportionate consolidation, does not have any employees.

AUDITOR'S FEE

The auditor's fee reported as an expense in the fiscal year amounts to TEUR 220 for the audit of the separate and consolidated financial statements (of which TEUR 137 accrues to the auditor's international network). A total of TEUR 5 was paid for other advisory services.

REPORT ON POST-BALANCE SHEET DATE EVENTS

In contrast to the assumptions made when the 2021 business plan was being prepared in the last quarter of 2020, the pandemic and thus the restrictions on Messe München's event business are continuing. All major events scheduled for the first half of 2021 had to be canceled Group-wide, with the exception of China. The LASER trade fair was postponed until 2022. The drinktec and IBA fairs scheduled for the second half of the year were postponed until 2022 and 2023, respectively, on account of the extremely high number of exhibitors and visitors from abroad. Further developments remain to be seen.

In February 2021, the major shareholders of Messe München signed a syndicate agreement undertaking to provide capital of EUR 100 million to Messe München by mid-2021. The funds are included in the budgets of the City of Munich and the Free State of Bavaria for 2021. The capital injection has been secured by means of a private investor test under state aid law.

There were no other significant events after the end of the 2020 fiscal year.

Munich, March 12, 2021



KLAUS DITTRICH
Chairman & CEO



DR. REINHARD PFEIFFER
Deputy Chairman
of the Board



STEFAN RUMMEL
Managing Director



FALK SENGER
Managing Director



GERHARD GERRITZEN
Deputy
Managing Director



MONIKA DECH
Deputy
Managing Director

CONSOLIDATED STATEMENT OF CASH FLOWS

for the fiscal year from January 1 to December 31, 2020

Messe München GmbH

	2020 EUR'000	2019 EUR'000
Consolidated annual net income including profit attributable to non-controlling interests	-108,572	62,397
+/- Depreciation, amortization, and write-downs on fixed assets/reversals of write-downs of fixed assets	54,717	47,959
+/- Increase/decrease in provisions	817	4,698
+/- Change in the difference from currency translation differences	-4,961	909
+/- Other non-cash expenses and income	1,382	41
+/- Losses/gains on the disposal of fix assets	-18	31
+/- Decrease/increase in inventories, accounts receivable and other assets not attributable to investing or financing activities	6,585	8,502
+/- Increase/decrease in accounts payable and other liabilities not attributable to investing or financing activities	-49,261	-49,503
+/- Interest expenses/interest income	10,930	12,111
+/- Income tax expense/income	9,690	9,219
- Income tax payments	-2,547	-15,193
Cash flow from operating activities	-81,238	81,171
+ Proceeds from disposal of fixed assets	44	115
- Payments for investments in intangible assets	-4,418	-6,641
- Payments for investments in tangible assets	-7,528	-32,683
+ Interest received	1,539	2,328
Cash flow from investing activities	-10,363	-36,881
+ Proceeds from taking out loans	100,000	350,755
- Payments for the repayment of loans	-35,076	-35,075
- Repayment of shareholder loan	0	-520,755
- Payment of the previous year's interest on the shareholder loan	-1,869	-21,528
- Other interest paid	-11,997	-11,929
- Payments to other shareholders	-611	-954
Cash flow from financing activities	50,447	-239,486
Net change in cash funds	-41,154	-195,196
+ Changes in cash funds due to changes in the consolidated group structure	0	245
Cash funds at the beginning of the fiscal year (= cash and cash equivalents)	134,879	329,830
Cash funds at the end of the fiscal year (= cash and cash equivalents)	93,725	134,879

CONSOLIDATED STATEMENT OF CHANGES IN E

Consolidated financial statements for the fiscal year from January 1 to December 31, 2020
Messe München GmbH

	PARENT COMPANY		
	Subscribed capital	Capital reserve	Revenue reserves
	EUR'000	EUR'000	EUR'000
As of December 31, 2018	248,657	98,400	61
Appropriation to the capital reserve	0	0	0
Change in the reporting entity structure	0	0	0
Currency translation differences	0	0	0
Payments to minority interests	0	0	0
Other changes	0	0	257
Consolidated net income (loss) for the year	0	0	0
As of December 31, 2019	248,657	98,400	318
Withdrawal from the capital reserve	0	0	0
Change in the reporting entity structure	0	0	0
Currency translation differences	0	0	0
Payments to minority interests	0	0	0
Other changes	0	0	0
Consolidated net income (loss) for the year	0	0	0
As of December 31, 2020	248,657	98,400	318

EQUITY

			NON-CONTROLLING INTERESTS	CONSOLIDATED EQUITY
Difference in equity from currency translation	Consolidated net retained profits/losses	Total		
EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
4,370	-40,251	311,237	2,393	313,630
0	0	0	0	0
0	0	0	0	0
909	0	909	-13	896
0	0	0	-954	-954
0	0	257	-112	145
0	61,184	61,184	1,213	62,397
5,279	20,933	373,587	2,527	376,114
0	0	0	0	0
0	0	0	0	0
-4,961	0	-4,961	-515	-5,476
0	0	0	-611	-611
0	0	0	192	192
0	-108,904	-108,904	331	-108,573
318	-87,971	259,722	1,924	261,646

INDEPENDENT AUDITOR'S REPORT

To Messe München GmbH, Munich

OPINIONS

We have audited the annual financial statements of Messe München GmbH, Munich, consisting of the balance sheet as of December 31, 2020 and the income statement for the fiscal year from January 1, 2020 to December 31, 2020 and the notes, including the presentation of the accounting policies. In addition, we have audited Messe München GmbH's management report on the company and the group for the fiscal year from January 1, 2020 to December 31, 2020. In accordance with German legal requirements, we have not audited the content of the corporate governance statement pursuant to section 289f (4) of the German Commercial Code (HGB).

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

- the accompanying annual financial statements comply in all material respects with the requirements of German commercial law applicable to corporations and give a true and fair view of the financial position and financing situation of the company as of December 31, 2020 and its results of operations for the fiscal year from January 1, 2020 to December 31, 2020 in accordance with German generally accepted accounting principles, and
- the accompanying management report of the company and the group as a whole provides an accurate view of the company and group's position. In all material respects, this management report on the company and the group is consistent with the annual financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development.

Our opinion on the management report on the company and the group does not cover the content of the aforementioned corporate governance statement.

Pursuant to section 322 (3) sentence 1 HGB, we declare that our audit did not lead to any reservations relating to the legal compliance of the annual financial statements or the management report.

BASIS FOR THE OPINIONS

We conducted our audit of the annual financial statements and the management report on the company and the group in accordance with section 317 HGB and German generally accepted principles for the proper auditing of financial statements promulgated by Institut der Wirtschaftsprüfer (IDW). Our responsibilities under these requirements and principles are described in more detail in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT ON THE COMPANY AND THE GROUP" section of our audit report.

We are independent of the company 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and the management report on the company and the group.

MATERIAL UNCERTAINTY RELATING TO CONTINUING AS A GOING CONCERN

Please refer to the information in the "Accounting policies" section in the notes and the information in section "VI. Opportunities and risks of future development and risk management" in the management report on the company and the group, in which the executive directors describe that, if the restrictions on holding trade fairs that exist as a result of the lockdown persist beyond 2021 and a significantly negative deviation from the planning occurs in association with this, there is a going concern risk. As set out in the "Accounting policies" section in the notes and the information in section "VI. Opportunities and risks of future development and risk management" in the management report on the company and the group, these events and circumstances point to the existence of material uncertainty, which may cast significant doubt on the company's ability to continue as a going concern and represent a going concern risk within the meaning of section 322 (2) sentence 3 HGB. Our opinions are not modified with respect to this matter.

OTHER INFORMATION

The executive directors are responsible for the other information. The other information comprises the corporate governance statement pursuant to section 289f (4) HGB.

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

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

- is materially inconsistent with the annual financial statements, with the management report on the company and the group, or with our knowledge obtained in the audit or
- otherwise appears to be materially misstated.

If, based on the procedures that we have performed, we come to the conclusion that there is a material misrepresentation in this other information, we have a duty to report it. We do not have any other information to report in this regard.

RESPONSIBILITY OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT ON THE COMPANY AND THE GROUP

The executive directors are responsible for preparing annual financial statements that comply in all material respects with the provisions of German commercial law applicable to corporations, and for the annual financial statements giving a true and fair view of the financial position, financing situation, and results of operations of the company in accordance with the German generally accepted accounting principles. In addition, the executive directors are responsible for such internal controls as, in accordance with German generally accepted accounting principles, they have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to continuing as a going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless actual or legal circumstances preclude this.

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

The supervisory board is responsible for overseeing the company's financial reporting process for the preparation of the annual financial statements and the management report on the company and the group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT ON THE COMPANY AND THE GROUP

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

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report on the company and the group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report on the company and the group in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' 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 annual financial statements and in the management report on the company and the group or, if such disclosures are inadequate, to modify our respective opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Future events or circumstances may, however, cause the company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in such a manner that the annual financial statements give a true and fair view of the financial position, the financing situation, and results of operations of the company in compliance with German generally accepted accounting principles.
- Evaluate the consistency of the management report on the company and the group with the annual financial statements, its conformity with the law, and the view of the company and group's position it provides.
- Perform audit procedures on the forward-looking statements presented by the executive directors in the management report on the company and the group. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the forward-looking statements and evaluate the proper derivation of the forward-looking statements from these assumptions. We do not express a separate opinion on the forward-looking statements or on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the forward-looking statements.

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 deficiencies in the internal control system that we identify during our audit.

Munich, April 21, 2021

BDO AG

Wirtschaftsprüfungsgesellschaft

signed Wörl
German Public Auditor

signed Hornischer
German Public Auditor

REPORT BY THE SUPERVISORY BOARD ON THE SHAREHOLDERS' MEETING ON THE 2020 ANNUAL FINANCIAL STATEMENTS

“The Supervisory Board had the Executive Management report to it in writing and verbally on the affairs of the company and the group on an ongoing basis during the reporting period and informed itself about the results achieved during the fiscal year. It discussed all important affairs of the company in its meetings, in particular in the meetings of its committees, and adopted the resolutions necessary according to the law and the articles of association.

The audit of the annual financial statements and the consolidated financial statements and the management report and the Group management report were performed by BDO AG, Wirtschaftsprüfungsgesellschaft, Munich, and each received an unqualified audit opinion. The Supervisory Board agrees with the result of these audits following its own audit of the annual financial statements, the consolidated financial statements, the management report, and the group management report and approves the annual financial statements and the consolidated financial statements. It recommends that the shareholders' meeting adopt the 2020 annual financial statements, approve the 2020 consolidated annual financial statement and approve the 2020 management report and group management report.

As part of the audit in accordance with section 53 of the German Act on Principles of Federal and State Budgetary Law (HGrG), the audit of BDO AG, Wirtschaftsprüfungsgesellschaft, Munich, further showed that the Executive Management has taken the measures to set up a risk early detection system required in accordance with the Limited Liability Companies Act (GmbHG) in conjunction with section 91 (2) of the German Stock Corporation Act (AktG) and that the risk early detection and monitoring system is fundamentally suitable for the early detection of developments that could threaten the company's continued existence.”

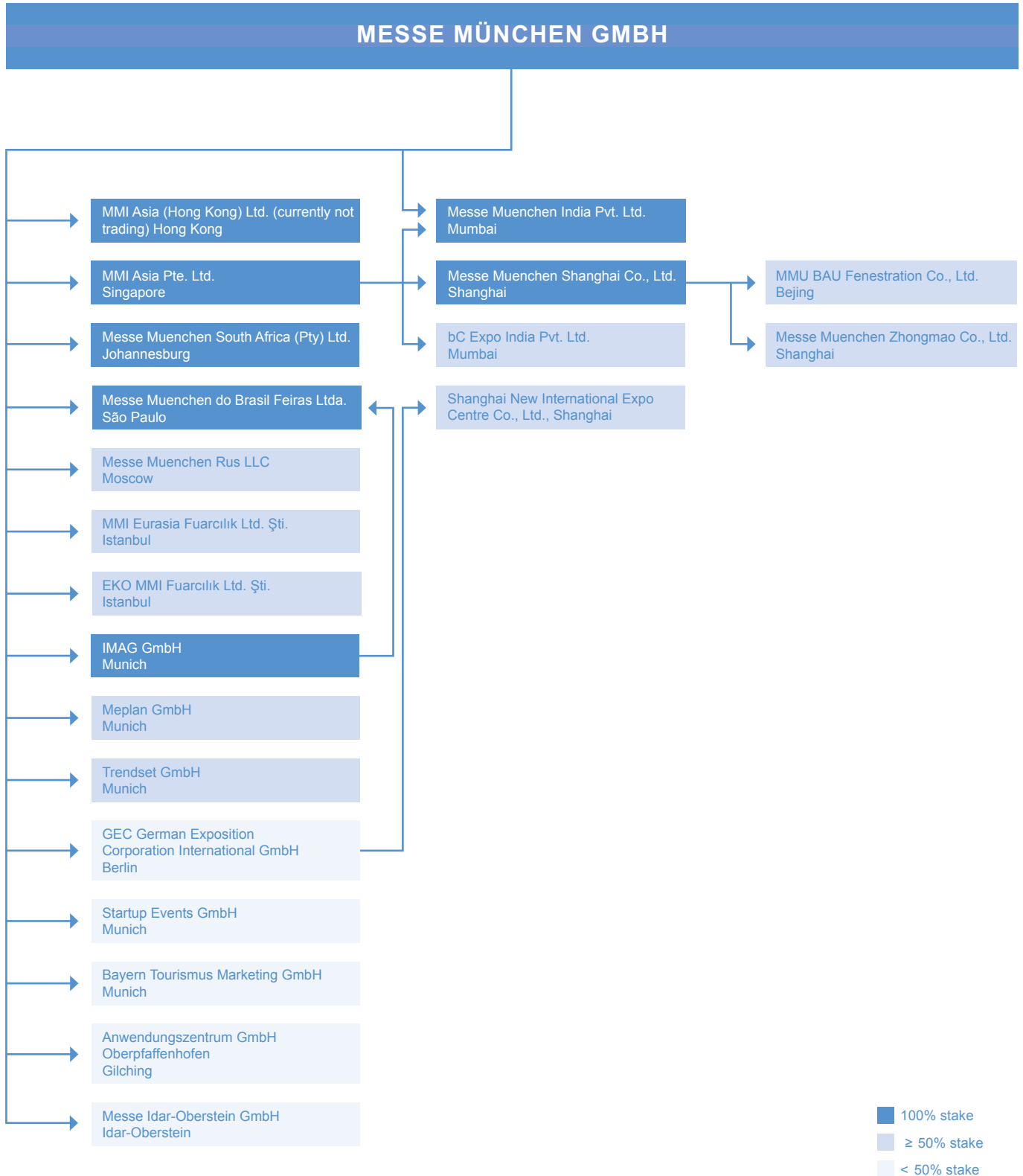
Munich, July 2, 2021

Chairman of the Supervisory Board

HUBERT AIWANGER
Bavarian Minister of State for Economic Affairs, Regional Development, and Energy

SHAREHOLDING STRUCTURE

Messe München GmbH is also well networked through its many equity investments and subsidiaries.



As of March31, 2021

