Annual Report **2022**

Messe Düsseldorf Group

Messe
Düsseldorf

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Shareholders and Board of Management

of Messe Düsseldorf GmbH

Shareholders

	€'000	Proportion of capital held
City of Düsseldorf	8,829	56.50 %
Industrieterrains Düsseldorf-Reisholz AG, Düsseldorf	3,125	20.00 %
The Land of North Rhine-Westphalia via its holding company Beteiligungsverwaltungsgesellschaft des Landes Nordrhein-Westfalen mbH, Düsseldorf	3,125	20.00 %
The Düsseldorf Chamber of Industry and Commerce	273	1.75 %
The Düsseldorf Chamber of Handicrafts	273	1.75 %
Capital stock	**15,625**	**100.00 %**

The Management

Dipl.-Betriebswirt Wolfram Nikolaus Diener	CEO, Chairman of the Managing Board	Düsseldorf
Dipl.-Kaufmann Bernhard Johannes Stempfle		Düsseldorf
Dipl.-Volkswirt Erhard Wienkamp		Düsseldorf

Supervisory Board

of Messe Düsseldorf GmbH

Supervisory Board of Messe Düsseldorf GmbH in 2022

In the business year under review, the Company's Supervisory Board was made up as follows:

Chairman

Dr. Stephan Keller, Mayor of Düsseldorf, capital of North-Rhine Westphalia

Vice-Chairpersons

Andreas Ehlert, President of the Düsseldorf Chamber of Handicrafts

Andreas Hartnigk, Lawyer, Member of Düsseldorf City Council

Gabriele Schafer, Chair of the Employees' Council, Messe Düsseldorf GmbH

Members

Uwe Balzer, Company Engineer, Messe Düsseldorf GmbH Employees' Representative

Dr.-Ing. h. c. Wolfgang R. Bays, Vice-President of Dusseldorf Chamber of Industry and Commerce – up to May 2022

Peter Blumenrath, Building Services Engineer, Member of Düsseldorf City Council

Michael de Buhr, Deputy Head of Department, Messe Düsseldorf GmbH Employees' Representative

Christoph Dammermann, Undersecretary in the Land of North Rhine-Westphalia's Ministry of Economic Affairs, Innovation, Digitization, and Energy – up to August 2022

Jürgen Fischer, Consultant in the City of Düsseldorf's Environmental Department, Member of Düsseldorf City Council

Ursula Holtmann-Schnieder, Lecturer in Family / Adult Education, Member of Düsseldorf City Council

Dipl.-Wirtschaftsjurist Karsten Houf (business law graduate), Senior Project Manager, Messe Düsseldorf GmbH Employees' Representative

Dipl.-Ing. Ian Hume, Head of Department, Messe Düsseldorf GmbH Employees' Representative

Janine Kipping, Secretary of the Employees' Council, Messe Düsseldorf GmbH Employees' Representative

Silke Krebs, Secretary of State in the Land of North Rhine-Westphalia's Ministry for the Economy, Industry, Climate Protection and Energy – as from August 2022

Dr. Gert Leis, Chief of Division in the Land of North Rhine-Westphalia's Ministry of Finance

Dirk Lindner, Deputy President of the Düsseldorf Chamber of Industry and Commerce – as from May 2022

Saliha Ouammar, Freelance Simultaneous Interpreter, Member of Düsseldorf City Council

Angelika Penack-Bielor, Member of Düsseldorf City Council

Mirko Rohloff, Managing Partner of a Marketing Agency and a Member of Düsseldorf City Council

Dipl.-Ing. Stefanie Rübsamen, Head of Department, Messe Düsseldorf GmbH Employees' Representative

Dipl.-Sozialwissenschaftlerin Marina Spillner (with a diploma in social science), Educational Consultant and a Member of Düsseldorf City Council

Dr. Johannes Velling, Chief of Division in the Land of North Rhine-Westphalia's Ministry for the Economy, Industry, Climate Protection and Energy – as from February 2022

Facts and Figures on the Performance

of Messe Düsseldorf GmbH in 2022

		2018	2019	2020*	2021*	2022
Total capacity**	m²	291,580	305,727	305,727	305,727	305,727
Available hall space	m²	248,580	262,727	262,727	262,727	262,727
Available open-air space	m²	43,000	43,000	43,000	43,000	43,000
Space utilization**	m² gross	1,618,357	1,701,618	700,489	613,192	1,556,079
Space rented out**	m² net	948,782	1,014,145	362,707	256,307	827,829
Trade fairs and exhibitions**	total	26	29	7	8	24
Self-organized events**		15	18	4	5	14
Partner/guest events**		11	11	3	3	10
Total consolidated sales	€ million	294,0	378,5	136,8	108,7	310,9
Consolidated sales (Germany)	€ million	222,6	308,4	114,1	84,0	278,7
Consolidated sales (foreign)	€ million	71,4	70,1	22,7	24,7	32,2
Total consolidated annual sales	€ million	24,3	56,6	–53,5	–22,4	60,5
Group workforce		831	860	839	779	756
Exhibitors**	total	26,827	29,222	5,422	5,906	21,594
Exhibitors (German-based)		8,462	8,940	2,077	1,547	6,707
Exhibitors (foreign-based)		18,401	20,282	3,345	4,359	14,887
Visitors**	total	1,124,997	1,373,780	493,472	266,329	817,598
Visitors (German-based)		782,119	869,458	352,056	200,909	491,896
Visitors (foreign-based)		342,878	504,322	141,416	65,420	325,702
Düsseldorf Congress GmbH						
Event days		277	240	127	190	174
Events		2,197	1,277	322	318	783
Participants		1,632,448	373,490	118,058	110,160	182,292

* Due to the corona pandemic, 21 trade fair events were unable to take place in Düsseldorf.

** Düsseldorf exhibition site – due to the differing numbers of events, the annual figures are only partly comparable. For reasons relating to calculation, rounding differences amounting to +/– one unit (€, %, etc.) may occur in the tables.

Events Organized by

Messe Düsseldorf GmbH in 2022*

	Exhibitors (German-based)	Exhibitors (foreign-based)	Exhibitors Total	Net exhibition area m²	Visitors Total	Visitors Of which foreign visitors (in %)
BEAUTY	287	114	401	14,876	32,252	10
TOP HAIR – DIE MESSE	93	33	126	5,081	16,642	8
PROWEIN	700	5,034	5,734	68,358	38,002	62
EUROCIS	169	174	343	10,721	9,070	50
WIRE	229	829	1,058	52,959	25,674	69
TUBE	205	560	765	39,592	17,324	69
CARAVAN SALON	449	287	736	124,177	237,117	12
REHACARE	331	361	692	19,476	33,072	26
EXPO FOR DECARBONISED INDUSTRIES						
> ENERGY STORAGE	76	20	96	1,527	3,050	27
GLASSTEC	283	645	928	50,838	29,278	73
K	868	2,152	3,020	177,516	177,486	71
MEDICA	604	3,922	4,526	90,851	81,516	76
COMPAMED*	227	468	695	13,066		
VALVE WORLD EXPO	94	286	380	11,450	7,265	72
Sum total	**4,615**	**14,885**	**19,500**	**680,488**	**707,748**	45

* Number of visitors included in MEDICA visitor total.

Balance Sheet

of Messe Düsseldorf GmbH at 31 December 2022

Assets	31.12.2022 €'000	31.12.2021 €'000
Fixed assets		
Intangible assets		
Concessions acquired for valuable consideration, industrial property rights purchased and similar rights and assets, including licences	5,608	6,422
Advance payments made	3,563	429
	9,171	**6,851**
Tangible assets		
Land, land rights and buildings, including buildings on third-party land	404,575	412,298
Other equipment, factory and office equipment	6,431	7,609
Advance payments made and assets under construction	19,201	19,020
	430,207	**438,927**
Financial assets		
Shares in affiliated enterprises	4,772	4,771
Loans to affiliated enterprises	4,596	0
Participations	11,915	11,909
	21,283	**16,680**
	460,661	**462,458**
Current assets		
Inventories		
Raw materials, auxiliary materials and supplies	62	37
Receivables and other assets		
Trade receivables	11,323	9,582
Receivables from shareholders	0	44
Receivables from affiliated enterprises	4,565	3,462
Receivables from enterprises in which participations are held	715	433
Other assets	9,454	12,010
	26,057	**25,532**
Cash-in-hand, bank balances and cheques	227,844	100,060
	253,963	**125,629**
Expenses prepaid and receivables deferred	4,738	3,977
Sum total	**719,362**	**592,063**

Equity and liabilities	31.12.2022 €'000	31.12.2021 €'000
Equity		
Subscribed capital	15,625	15,625
Capital reserves	111,398	111,398
Other revenue reserves	120,000	120,000
Distributable profit	187,863	116,266
	434,886	**363,289**
Accruals		
Accruals for pensions and similar obligations	22,242	20,617
Tax accruals	8,101	2,830
Other accruals	36,876	43,558
	67,219	**67,005**
Liabilities		
Liabilities to banks	80,000	80,000
Advance payments received in respect of orders	103,697	37,195
Trade payables	12,568	10,294
Payables to affiliated enterprises	9,052	11,336
Other liabilities	11,940	22,944
(of which taxes: €511k; previous year: €538k)		
(of which relating to social security and similar obligations: €0k; previous year: €0k)		
	217,257	**161,769**
Sum total	**719,362**	**592,063**

Income Statement

of Messe Düsseldorf GmbH for the Period from 1 January to 31 December 2022

	31.12.2022 €'000	31.12.2021 €'000
Sales	**294,939**	**96,082**
Own work capitalized	**29**	**2**
Other operating income	**16,166**	**27,539**
(of which due to currency translation: €358k; previous year: €561k)		
Event-related expenses		
a) Cost of raw materials, auxiliary materials and supplies, and of purchased merchandise	6,983	4,754
b) Cost of purchased services	110,792	51,210
	117,775	**55,964**
Human resources expenses		
a) Wages and salaries	46,116	33,975
b) Social security charges and costs of retirement pensions and other welfare benefits	13,236	9,299
(including €4,119k for retirement pensions; previous year: €3,749k)		
	59,352	**43,274**
Depreciation on intangible and tangible fixed assets	**21,778**	**22,474**
Other operating income	**34,810**	**27,415**
(including other taxes: €1,725k; previous year: €1,722k)		
(including €424k due to currency conversion; previous year: €371k)		
Income from participations	**5,329**	**7,753**
(including income from affiliated enterprises: €3,523k; previous year: €10,299k)		
Income from long-term loans	120	0
Other interest and similar income	**151**	**70**
(including €0k from affiliated enterprises; previous year: €0k)		
Write-downs on financial assets	0	1,272
Interest and similar expenses	**2,953**	**3,481**
(including €175k from affiliated enterprises; previous year: €120k)		
(including €491k due to discounting of accruals; previous year: €575k)		
Taxes on income and profits	8,469	–151
Net loss/profit for the year:	**71,597**	**–22,283**
Profit brought forward from previous year	116,266	138,550
Distributable profit	**187,863**	**116,267**

Movements in the Fixed Assets

of Messe Düsseldorf GmbH in the 2022 Business Year

	Cost of acquisition/manufacture					Depreciation				book values	
	Status at 1.1.2022 €'000	Additions €'000	Reclassifications €'000	Retirements €'000	Status at 31.12.2022 €'000	Status at 1.1.2022 €'000	Additions €'000	Retirements €'000	Status at 31.12.2022 €'000	Status at 31.12.2022 €'000	Status at 31.12.2021 €'000
Intangible assets											
Concessions, industrial property rights and similar rights and assets and licences in such rights and assets acquired for valuable consideration	53,838	1,378	79	24	55,271	47,416	2,271	24	49,663	5,608	6,422
Advance payments made	429	3,212	–79	0	3,563	0	0	0	0	3,563	429
Total intangible assets	**54,267**	**4,590**	**0**	**24**	**58,834**	**47,416**	**2,271**	**24**	**49,663**	**9,171**	**6,851**
Tangible assets											
Land, land rights and buildings, including buildings on third-party land	954,029	9,368	0	10	963,387	541,731	17,082	2	558,812	404,575	412,298
Other equipment, factory and office equipment	47,938	1,229	26	974	48,219	40,329	2,425	966	41,788	6,431	7,609
Advance payments made and assets under construction	19,020	206	–26	0	19,201	0	0	0	0	19,201	19,020
Total tangible fixed assets	**1,020,987**	**10,803**	**0**	**984**	**1,030,807**	**582,060**	**19,507**	**968**	**600,600**	**430,207**	**438,927**
Financial assets											
Shares in affiliated enterprises	15,354	–1	0	1,272	14,083	10,583	0	1,272	9,311	4,772	4,771
Participations	0	4,596	0	0	4,596	0	0	0	0	4,596	0
Other loans	11,909	6	0	0	11,915	0	0	0	0	11,915	11,909
Total financial assets	**27,263**	**4,602**	**0**	**1,272**	**30,593**	**10,583**	**0**	**1,272**	**9,311**	**21,283**	**16,681**
Sum total	**1,102,517**	**19,997**	**0**	**2,280**	**1,120,234**	**640,059**	**21,778**	**2,263**	**659,573**	**460,661**	**462,458**

Explanatory Notes

to the Balance Sheet and Income Statement of Messe Düsseldorf GmbH

I. General principles

The annual financial statements of Messe Düsseldorf GmbH, Düsseldorf (entered in the Commercial Register of the Düsseldorf District Court/Amtsgericht under HRB No. 63) have been prepared in compliance with the mercantile law provisions relating to large joint-stock companies.

For the Messe Dusseldorf GmbH Income Statement, the total costs (type of expenditure) method has been opted for. The peculiarities of trade fair business are taken into consideration.

II. Accounting and valuation policies

Purchased intangible assets are reported at their acquisition cost less the scheduled depreciation charge. Depreciation is based on the straight-line method, taking the normally-applicable useful life of the asset into account.

Tangible fixed assets are valued at acquisition or manufacturing costs and, provided their useful life is limited in time, scheduled depreciation is deducted. If necessary, additional depreciation is applied based on the value appropriate for the assets on the balance-sheet date.

Buildings are depreciated on a straight-line basis. Investments in extensions to buildings are depreciated in accordance with an elevated assessment basis or so as to match the whole building's remaining useful life.

The straight-line method is used for depreciation on additions to movable assets. Straight-line depreciation is calculated pro rata temporis.

The straight-line method is used for depreciation on additions to movable assets. Straight-line depreciation is calculated pro rata temporis. Low-value assets with a value of between EUR 52 and EUR 800 are written off fully in the year of acquisition and are simultaneously reported as retirements in the fixed assets movements schedule. Based on the tax threshold for low-value items, the ceiling for low-value assets is set at EUR 800.

Shares in affiliated companies and participations are carried at cost of acquisition or at such lower value as may be appropriate. Shares in foreign subsidiaries are valued on the basis of their cost of acquisition at the appropriate historical rates of exchange or at such lower values as may be appropriate.

The values of inventories are assessed at the reporting date on the basis of the lower of acquisition or manufacturing cost or on that of the lower of stock exchange or market price.

Receivables and other assets are shown at their nominal value. Appropriate individual write-downs have been applied to trade receivables in order to cover the overall risk of non-payment. Interest-free receivables with a remaining term of more than one year are discounted as of the balance-sheet date.

At the shareholders' meeting of 18 May 2022, the shareholders resolved to carry forward the net loss for the year, amounting to EUR 22,284k, to a new account. The distributable profit figure at 31 December 2022 includes an amount totalling EUR 116,266k, consisting of profit brought forward from previous years.

The asset-value of direct accruals for pensions is established on the basis of actuarial principles following the projected unit credit method (PUC method), and also applying the 2018 G standard tables of Dr. Klaus Heubeck. Accruals for pensions are discounted at a flat rate, this being the average market interest rate of the last ten years, applicable to an assumed remaining term of 15 years, as published by the Deutsche Bundesbank (German Federal Bank) for the month of December 2022. For 2022, this interest rate was assumed to be 1.78% (previous year 1.87%). The calculation following the PUC method is based on the following assumptions regarding trends:

- Trend in wages and salaries: 2.7% (previous year: 2.7%)
- Trend in the income ceiling for social security contributions: 2.7% (previous year: 2.7%)
- Trend in pensions: 2.6% (previous year: 2.2%)
- Fluctuation: 1.0% (previous year: 1.0%)

In actuarial terms, accruals for anniversary obligations and death grants are determined on the basis of biometrical probabilities (2018 G Heubeck standard mortality tables). Commitments are calculated using the projected unit credit method. A matching average market interest rate applicable to the last seven years, and published on a monthly basis by the Deutsche Bundesbank (German Federal Bank), is used to calculate obligations. The actuarial interest rate came to 1.44 percent (previous year: 1.35 percent) on 31 December 2022.

In the 2021 financial year, a partial retirement programme was launched. Part-time work for the elderly is offered in the so-called block model for a total of 3 years. The offer expires on December 31, 2026. During the entire term of the partial retirement contract, employees receive 50 percent of their previous monthly salaries. In addition, the employee concerned receives a top-up amount exempt from tax and social security payments by way of compensation. In addition, the Company pays additional contributions to the statutory pension insurance scheme on the employee's behalf. The partial retirement accruals are discounted at a flat rate based on the average market interest rate published by the Bundesbank over the last seven years. This market interest rate corresponds to the remaining term and amounted to 0.52 percent (previous year: 0.34%) as of December 31, 2022. At 31. December 2022, the settlement amount of the regulated pension entitlements came to EUR 1,972k. Messe Düsseldorf has taken out insurance cover for the pension commitments with Allianz Lebensversicherungs-AG, the purchase costs of the policy now amounting to EUR 709k (previous year: EUR 0k). The asset value of this reinsurance policy, now totalling EUR 667k (previous year: EUR 0k), has been offset against the Company's partial retirement commitments.

All other accruals have been set up at a required payment level that takes account of all risks identified as such up to the reporting date on the basis of a prudent business assessment. Accruals with a remaining term of more than one year are discounted on the basis of the actuarial interest rates published by the Deutsche Bundesbank.

Liabilities are stated at the amounts repayable. The payments received on account mainly relate to trade fairs and events scheduled for subsequent years.

Receivables and liabilities in foreign currencies are entered in the accounts at the rate of exchange applicable at the time, and are then valued at year-end at the rate applicable on the closing date. As regards receivables and liabilities with a remaining term of more than one year, the principle of lowest value or highest value is applied, as the case may be.

When deferred taxes are calculated, deferred tax assets exceed liabilities, this resulting in particular from the impact of the EUR 9,213k tax-deductible loss carried forward.

Moreover, further deferred tax assets are due in particular to differences between tax-law and commercial-law valuations of shares in affiliated enterprises, participations and accruals. The tax rate used as a basis here amounts to 31.23%. The option provided for in Section 274 subsection 1 sentence 2 HGB (Commercial Code) of capitalizing the surplus in deferred tax assets, amounting to EUR 13,337k (previous year: EUR 14,130k) was waived.

III. Explanatory notes and disclosures concerning the Balance Sheet

Fixed assets

Apart from purchased software, the intangible assets mainly consist of usufructuary rights. The items added mainly consist of usufructuary rights relating to the Wine & Gourmet facility in Japan, and extensions to the online order and stand construction systems. The advance payments made mainly concern the migration from SAP R/3 to SAP S4/Hana plus the first instalment relating to usufructuary rights concerning "Flotte! Der Branchentreff".

The additions to tangible assets are predominantly attributable to additions to buildings and to business and office equipment. As regards the buildings concerned, a matter of particular concern was the repurchase of Exhibition Hall 6 at its residual book value from FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Pullach i. Isartal. The purchases of plant and office equipment mainly relate to purchases of IT hardware and mobile phones.

The change in financial assets is mainly due to the additions to loans to affiliated enterprises. In a transaction dated 30 May 2022, Messe Düsseldorf granted a loan for a maximum of USD 17 million to its 100-percent subsidiary Messe Düsseldorf North America Inc., Chicago/USA. The loan will be made available in three instalments. The first of these was disbursed on 1 Jane, 2022. The remaining instalments are to be paid out on 1 April 2023 and 1 April 2024 respectively. The loan was granted

for the purpose of acquiring the XPONENTIAL event and may be used solely for this purpose. The loan bears an interest rate of 3.60% and is to be repaid as from the 2023 calendar year in annual instalments of at least USD 800,000.

As a consequence of the war of aggression conducted by Russia against Ukraine, Messe Düsseldorf has discontinued its business operations in Russia and has sold its subsidiary Messe Düsseldorf Moscow OOO, Moscow/Russia, in a contract dated 29 August, 2022. The sale of the fully-amortized subsidiary resulted in revenue amounting to EUR 355k from the sale of financial assets.

For the first time in the 2022 reporting year, the Company's share in Messeturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf will be shown under Shares in affiliated enterprises. The statement made in the previous year has been brought into line.

Receivables and other assets

As in the previous year, trade receivables have a remaining term amounting to less than one year.

In the receivables from affiliated enterprises and receivables from enterprises in which participations are held, trade receivables have been set off against trade payables, the latter amounting to EUR 1,361k (previous year: EUR 0k). Furthermore, the receivables from affiliated enterprises include other assets amounting to EUR 4.062k (previous year: EUR 3,383k).

The other assets include claims relating to value-added tax refunds amounting to EUR 2,291k (previous year: EUR 647k). Furthermore, there are also claims relating to refunds of capital gains tax and the solidarity surcharge (EUR 1,091k), and in addition claims for refunds of creditable foreign taxes (EUR 232k). These claims for refunds will not legally arise until the Company submits its advance VAT and tax returns. In addition, the other assets include advance payments to the amount of EUR 1,473k, creditors with debit balances to the amount of EUR 1,963k, and EUR 2,099k deriving from a short-term investment with Bayerische Beamtenlebensversicherung a.G.

Accruals

The Company's pension obligations to former managerial staff are fully covered by pension accruals. 66k), with a net impact on results. In the year under review, these obligations led to changes in pension accruals amounting to EUR 1,625k (previous year: EUR 700k). The difference ensuing from the application of the 10-year average interest rate compared to the 7-year rate results in a EUR 824k (previous year: EUR 1,184k) reduction in accruals for pensions.

The tax accruals mainly cover trade tax and corporation tax relating to the year under review and also accruals designed to cover tax-related risks from previous years.

The other accruals cover all risks identified up to the reporting date and have been calculated on the basis of prudent commercial principles.

The accruals underwent the following movements:

	1.1.2022	Amount utilized	Write-backs	Additions	31.12.2022
	€'000	€'000	€'000	€'000	€'000
1. Accruals for pensions and similar obligations	**20,617**	**1,290**	**0**	**2,914**	**22,242**
2, Tax accruals	**2,830**	**0**	**0**	**5,271**	**8,101**
3, Other accruals					
Risks associated with order procssing					
Outstanding invoices	4,970	3,191	1,051	5,077	5,803
Human resources and the social sphere					
Accruals for vacations	79	79	0	149	149
Accruals for anniversaries	2,940	137	0	51	2,855
Bonuses	603	603	0	725	725
Part-time work for older	1,835	0	0	1,233	3,068
Miscellaneous accruals	1,632	356	0	2,423	3,700
	25,000	**0**	**5,000**	**0**	**20,000**
Risks associated with state aid/benefits and taxes					
Fiscal risks in foreign countries	7,500	0	5,000	0	2,500
Financial assistance	17,500	0	0	0	17,500
	25,000	**0**	**5,000**	**0**	**20,000**
Miscellaneous					
Impending losses	5,740	0	5,740	0	0
Annual financial statements costs	282	272	10	291	291
Miscellaneous accruals	476	18	173	0	285
	6,499	290	5,923	291	576
	43,558	**4,656**	**11,975**	**9,949**	**36,876**
	67,006	**5,946**	**11,975**	**18,135**	**67,220**

Liabilities

The Company's liabilities at 31 December 2022 were classified as follows on the basis of their remaining terms:

	Total amount	With a remaining term of		
		up to 1 year	more than 1 year	more than 5 years
	€'000	€'000	€'000	€'000
Liabilities to banks	80,000	25,000	55,000	0
Payments received on account	103,696	103,696	0	0
Trade payables	12,568	12,568	0	0
Payables to affiliated enterprises	9,052	9,052	0	0
Payables to shareholders	2	2	0	0
Other liabilities	11,939	10,616	1,188	135
	217,257	**161,268**	**56,188**	**135**

The Company's liabilities at 31 December 2021 were classified as follows on the basis of their remaining terms:

	Total amount	With a remaining term of		
		up to 1 year	more than 1 year	more than 5 year
	€'000	€'000	€'000	€'000
Liabilities to banks	80,000	0	80,000	0
Payments received on account	37,195	37,195	0	0
Trade payables	10,294	10,294	0	0
Payables to affiliated enterprises	11,336	11,336	0	0
Payables to shareholders	0	0	0	0
Other liabilities	22,944	20,938	1,863	143
	161,769	**79,763**	**81,863**	**143**

In 2020, Messe Düsseldorf took out three loans amounting, in each case, to EUR 16,667k. The loans are to be repaid, in each case, in eight identical, consecutive instalments each amounting to EUR 2,083k. Repayment will commence with the first instalments in March 2023 and will terminate in December 2024.

Furthermore, Messe Düsseldorf has taken out another three loans, each amounting to EUR 10,000k, for the purpose of financing its business operations. The payment date was 15 January 2021. The loans are to be repaid in one sum on 31 December 2025/15 January 2026.

Furthermore, in 2020, Messe Düsseldorf concluded contracts regarding a total of three overdraft facilities with various banks. These three contracts provide for a total overdraft facility of EUR 50,000k, broken down into two overdrafts each totalling EUR 13,333k and one overdraft amounting to EUR 23,333k. At 31 December 2022, the overdraft facilities were not being used.

Furthermore, there is a revolving credit facility of EUR 7,500k with Stadtsparkasse Düsseldorf; on the return date, EUR 620k of this was being utilized via guarantees.

Of the Company's total liabilities to banks, liabilities consisting of loans to the amount of EUR 130,000k were secured by mortgages.

In the payables to affiliated enterprises and payables to enterprises in which participations are held, trade receivables and other assets amounting to EUR 763k (previous year: EUR 216k) have been set off against trade payables. Furthermore, the payables to affiliated enterprises contain a loan that can be terminated at short notice, involving Messe Düsseldorf China Ltd. and amounting to EUR 9,597k (previous year: EUR 9,597k). The short-term loan involving Messe Düsseldorf North America Inc. (previous year: EUR 883k) was repaid in the year under review.

The other payables are mainly made up of accounts receivable with credit balances amounting to EUR 9,190k (previous year: EUR 13,208k).

IV. Explanatory notes on the Income Statement

Sales

Business segment	2022	2021
	€'000	€'000
Events in Germany	263.076	69.126
Foreign events	10.140	10.438
Other revenues	21.723	16.518
	294.939	**96.082**

The sales revenue from abroad stems mainly from events in Russia, the People's Republic of China, and India. EUR 609k of sales (previous year: EUR 4,324k) are related to events of previous years.

Other operating income

Income not relating to the accounting period mainly consists of EUR 11,975k (previous year: EUR 7,539k) in the form of income deriving from write-backs of accruals. The non-operating income mainly consists of state funding amounting to EUR 1,149k for the improvement of air-conditioning systems and cost refunds amounting to EUR 1,158k from the German special federal fund for trade fairs and exhibitions. Income from currency translation amounted to EUR 227k in the financial year under review (previous year: EUR 358k). The income from the retirement of assets totalling EUR 370k is mainly attributable to the sale of the Messe Düsseldorf Moscow OOO/Russia subsidiary.

Event-related expenditure

The differentiation between event-related expenditure and other operating expenses was effected via an assessment of the individual costs. The event-related expenditure consists of costs that are directly allocable to a cost unit. Deliveries of fabricated goods are recorded under "cost of raw materials, auxiliary materials and supplies, and of purchased merchandise". Construction work and other services are included in "cost of purchased services".

It is mainly energy costs, workshop consumables, and expenditure on advertising materials that are shown under "cost of raw materials, auxiliary materials and supplies, and of purchased merchandise", whereas the "cost of purchased services" item mainly covers expenditure on commissions, stand construction services purchased, rental charges, and advertising expenditure.

Other operating expenses

In addition to exhibition site maintenance costs, the other operating expenses mainly consist of rental charges for premises, legal and consultancy expenses, expenditure on advertising and IT expenses, insurance policies, site security and cleaning services, and additions to accruals. Expenses not relating to the accounting period and totalling EUR 304k (previous year: EUR 432k) mainly result from exchange rate losses amounting to EUR 118k. Retirements of assets classified as tangible assets are attributable to retirements of operating and office equipment. The other taxes incurred in the business year concerned and shown as part of other operating expenses amounted to EUR 1,767k (previous year: EUR 1,725k).

Income from participations	2022	2021
	€'000	€'000
Messe Düsseldorf Moscow OOO	4.786	0
Messeturm Düsseldorf Verwaltungs-gesellschaft mbH	543	230
GEC – German Exposition International GmbH	0	4.000
Messe Düsseldorf North America	0	3.523
	5.329	**7.753**

Write-downs on financial assets

The previous year's write-downs on financial assets related to Messe Düsseldorf Moscow OOO, Moscow/Russia

Interest and similar expenditure

In addition to interest on interest rate swap transactions amounting to EUR 862k (previous year: EUR 1,181k) and interest paid on long-term loans amounting to EUR 1,224k (previous year: EUR 1,212k), the item also covers expenditure deriving from the discounting of accruals in the amount of EUR 422k (previous year: EUR 491k). Expenditure on interest arising from loans cancellable at short notice and involving affiliated companies amounts to EUR 62k (previous year: EUR 175). The custody fees charged for bank deposits have fallen to EUR 370k (previous year: EUR 388k).

Taxes on income and profits

The item mainly shows expenditure on corporation tax and the solidarity surcharge amounting to EUR 4,102k (previous year: EUR 0k), and also expenditure on trade tax amounting to EUR 3,992k (previous year: EUR 0k), in both cases for the business year under review.Furthermore, an amount of EUR 490k was allocated to accruals for tax risks relating to previous years; on the other hand, there is a EUR 353k trade tax refund also relating to previous years.

Appropriation of profits

The management proposes that the net profit for the year, totalling EUR 71,597k, should be carried forward to new account.

Report on post-balance sheet events

No transactions of particular significance have occurred since the end of the business year concerned.

V. Other disclosures

Consolidated financial statements

In its capacity as the parent company, Messe Düsseldorf GmbH includes the following subsidiaries, in which it has either a direct or an indirect majority holding, fully in its consolidated financial statements:

- Messe Düsseldorf China Ltd., Hong Kong/China
- Messe Düsseldorf (Shanghai) Co., Ltd., Shanghai/China
- Messe Düsseldorf North America Inc., Chicago/USA
- Messe Düsseldorf ASIA Pte. Ltd., Singapore
- Messeturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf
- FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Pullach i. Isartal
- Messe Düsseldorf OOO Moscow, Moscow/Russia (up to 31 August 2022)

Furthermore, the Company's shareholdings in Düsseldorf Congress GmbH, Düsseldorf, and its shareholding in CIOSH Asia Co. Ltd., Beijing/China are included in the Company's consolidated financial statements as associated companies.

The company will be included in the consolidated financial statements for Düsseldorf, capital of North-Rhine Westphalia. This entry will not be disclosed.

Human resources

In addition to the 3 members of the management, on average as many as 608 (previous year: 635) staff members were employed during the business year. The workforce is subdivided into 487 full-time employees (previous year: 508) and 120 part-time employees (previous year: 127). These numbers correspond to a staff of 543 (previous year: 571) calculated on a full-time basis. In addition, the casual staff and apprentices employed numbered on average 97 (previous year: 49) and 10 (previous year: 14), respectively.

Other financial obligations and contingent liabilities

For financial reasons, in the business years from 1999 to 2003 two sale and lease-back transactions were carried out with FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Pullach i. Isartal (abbreviated to FIXXUS), regarding real estate items hitherto owned by Messe Düsseldorf GmbH.

In 1999, Exhibition Hall 6 (multi-purpose hall) was sold to FIXXUS for a purchase price of EUR 87,520k and leased back for an annual leasing instalment of, at present, EUR 5,866k. The above leasing agreement expired on 30 September 2022. Furthermore, a right of purchase agreement was concluded with FIXXUS. In accordance with the latter, the right of purchase can be exercised by Messe Düsseldorf GmbH when the 22.5th rental year has elapsed since the beginning of the term of the leasing agreement. In accordance with the agreement, the right of purchase was exercised; in a contract dated 19 September 2022, Exhibition Hall 6 was repurchased for EUR 8,779k.

In a contract dated 15 December 2003, Messe Düsseldorf GmbH sold FIXXUS part ownership rights relating to Messeturm B for a purchase price of EUR 12,000k. At 31 December 2021, the annual rental payments amounted to EUR 799k. The leasing agreement runs till 29 December 2023. The right of purchase agreement concluded under this contract gives Messe Düsseldorf GmbH a repurchase right when the 20th rental year has elapsed. An appropriate purchase price is to be paid, but at least the fiscal residual book value amounting to EUR 5,100k. On the basis of the agreement, leasing instalments amounting to EUR 838k (previous year: EUR 1,599k) are payable in future.

Further obligations amounting to EUR 107k (previous year: EUR 112k) stem from the leasing rates payable in future under other leasing agreements; in addition, there are commitments totalling EUR 12,456k (previous year: EUR 12,973k) based on rental agreements and leases. Accordingly, on the balance-sheet date the other financial obligations totalled EUR 13,401k (previous year: EUR 17,983k), EUR 8,027k (previous year: EUR 15,062k) of these being obligations vis-a-vis affiliated enterprises.

On the balance-sheet date, the Company's purchase commitments totalled EUR 14,605k (previous year: EUR 12,966k).

On the balance-sheet date, guarantees amounting to EUR 604k had been issued in favour of employees to cover employees' investment loans. In addition, there were guarantees amounting to EUR 16k relating to trade-related transaction relationships.

Messe Düsseldorf GmbH grants its employees benefits under the occupational pension scheme; for this purpose, employees have been insured with the Rhenish Supplementary Pension Fund (RZVK), Cologne. The Fund's pension commitment covers old-age pensions, pensions for reduction in earnings capacity, and survivors' pensions for the insured persons' widows, widowers, and orphans. To the best of our current knowledge, the institutional assets of the public supplementary pension funds and the contributions system in its existing structure do not adequately or completely cover the existing pension commitments of the employers participating in the scheme. The cover shortage thus ensuing comes to a substantial sum - a financial obligation that will hit public employers hard in future. By way of exercising the option, provided for under commercial law, of reporting indirect pension obligations as a liability (Art. 28 para 1 EGHGB/Introductory Act to the German Commercial Code), in the business year under review, as in previous years, no accrual was set up. The Supplementary Pension Fund (RZVK) levy shown on the Messe Dusseldorf GmbH Income Statement under human resources expenses amounts to EUR 2,857k for the year under review (previous year: EUR 2,131k). The contribution levied amounts to 4.25 percent of the remuneration on which contributions are payable - EUR 36,275 (previous year: EUR 27,213). In addition, a 3.5% financial reorganization charge is also imposed. The contribution rate can be regarded as remaining constant. The level of the financial reorganization charge is likely to increase even further pending the establishment of definitive capital cover for the supplementary pension system. At 31 December 2022, the possibility of a claim arising from the above contingent liabilities cannot be ruled out.

Hedging policy and financial derivatives

Due to its being an internationally-operating company, both the business operations and financing transactions of Messe Düsseldorf GmbH are exposed to financial risks. The risks involved may arise in particular as a result of interest rate changes and exchange rate fluctuations.

In accordance with the Company's risk management system, action is taken to limit these risks not only by identifying, analyzing and assessing them but also by using financial derivative instruments. Pursuant to a management directive, it is not permissible to use such derivatives for speculative purposes.

At 31 December 2022, Messe Düsseldorf GmbH had concluded a total of three (previous year: three) interest rate swap transactions designed to hedge against interest rate-related payment flow risks relating to variable-interest liabilities to banks – entered into for the purpose of financing future capital projects. These three interest rate swap transactions have a nominal value of EUR 60,000k. As regards these interest rate swaps covering future loan transactions, no valuation unit can be set up at the moment. Due to the positive trend in the market values to be covered by the three interest rate swap transactions, no accruals need to be set up for 2022 (previous year: EUR 5,068k).

Auditors' fees

In accordance with Section 285 item 17 HGB (Commercial Code), the disclosure of auditors' fees has been waived, as the latter are included in the Company's consolidated financial statements.

Transactions contrary to market principles

No transactions contrary to market principles involving companies or persons close to the Company have been performed.

Disclosures regarding the Company's bodies

The remuneration paid to the Managing Board of Messe Düsseldorf GmbH in the business year concerned totalled EUR 1,416k (previous year: EUR 1,391k). The remuneration paid to former members of the Managing Board and their surviving dependants amounted to EUR 1,290k (previous year: EUR 1,312k).

Under occupational pension schemes, in the business year under review, direct insurance contributions were incurred for Mr Diener, for Mr Stempfle and for Mr Wienkamp, these amounting to EUR 166k, EUR 130k and EUR 100k, respectively.

An accrual amounting to EUR 22,242k (previous year: EUR 20,617k) has been set aside to cover pension obligations to former members of the Managing Board and their surviving dependants.

In the business year concerned, expenses for the Supervisory Board amounted to EUR 93k (previous year: EUR 97k).

Combined Group and Company Management Report

of Messe Düsseldorf GmbH for the 2022 business year

Explanations regarding the Report

Pursuant to Section 315 subsection 5 HGB (Commercial Code), the present Report combines both the Management Report of the Messe Düsseldorf Group consisting of Messe Düsseldorf GmbH and its consolidated subsidiaries, and the Management Report of Messe Düsseldorf GmbH.

Basic information

Business model

The present-day Messe Düsseldorf GmbH was founded on 7 January 1947 under the name of Nordwestdeutsche Ausstellungs-gesellschaft mbH – NOWEA. Today, the Messe Düsseldorf Group's product portfolio includes roughly 100 events encompassing a wide variety of sectors both at home and abroad and it employs worldwide a workforce of 750 persons. Both in terms of floor space rented out and in terms of sales, the Group ranks among the world's major trade fair organizers. At 31 December 2022, 14 companies in 6 countries belonged to the Messe Düsseldorf Group. In the most recent period, the Group generated its highest foreign sales in Russia, China and India.

Economic survey

Macroeconomic and sector-specific boundary conditions

Last year, the world economy was severely affected by the Russian war of aggression against Ukraine and by the corona pandemic which had not yet been completely overcome. The challenges facing people in 2022 were the increase in energy prices, interrupted supply chains, a scarcity of raw materials, and inflation which was on the increase. In 2022, inflation stood at around 8.8% worldwide.

Due to the stronger second half-year, the US economy still reached a growth rate of 2.1% all the same. Here, the upward-trending labour market had a supporting effect. Nevertheless, the increasing interest rates probably caused investment activities and private consumption to falter.

China's economy was put under severe strain by the zero-Covid strategy and the collapse of the Chinese real-estate market. The country's economy grew by a mere 3% in the year 2022. In future, China is expected to see a gross domestic product increasing at around 5.4%.

Alongside China, India as the second-largest economy is deemed to be the driver of growth on the Asian market. Even at the beginning of the year, India was hampered by a strong wave of corona, but in the course of the year India's macroeconomic production got off to a restart. The GDP growth rates forecast at around 6% in 2023 mean that the Indian economy ought to occupy one of the foremost places in terms of global growth dynamics.

In 2022, the EU saw its gross domestic product rise by 3.6%. Due to their geographical proximity to the war zone and their major dependence on gas imports from Russia, the EU member states are among the national economies suffering the greatest impact. The energy crisis is weakening households' purchasing power and having a severe impact on the manufacturing industry. In addition to this, there are exacerbated supply bottlenecks and material shortages, massive price increases, for instance for foodstuffs, and the shortage of skilled workers.

In its January 2023 forecast, the International Monetary Fund uses the less severe repercussions of the war in Ukraine and the inflationary situation as its starting point. A factor also contributing to the improved 2023 forecast is the end of China's corona lockdowns.

In Germany, official bans prohibited the execution of nearly all trade fairs in the first quarter of 2022. Messe Düsseldorf was not permitted to carry out the boot 2022 event, and was only able to save events such as ProWein, BEAUTY, TOPHAIR, EuroCis, wire and Tube by moving them into the second and third quarters. Despite the fact that the boundary conditions remained arduous, according to AUMA more than 142,000 exhibitors and more than 7.2 visitors were hosted at German trade fairs.

For the trade fair year 2022, Messe Düsseldorf registered 63 events worldwide - 14 of which were trade fairs, 10 being guest events, at its home base of Düsseldorf. It thus registered a substantial increase compared to the two previous years.

The Messe Düsseldorf Group's business performance

Sales and profitability situation

In 2022, both the worldwide pandemic countermeasures and the discontinuation of the Group's Russian business affected its sales and profitability situation. But the event that had a crucial impact on the increase of sales revenue from EUR 108,718k to EUR 310,939k was the re-opening of trade fair business once again at the Group's home base in Düsseldorf.

92.6% of consolidated sales were generated by Messe Düsseldorf. The portion of consolidated sales attributable to the foreign subsidiaries amounted to EUR 22,993k, with the bulk of these being generated in Russia and China.

Major items of other operating revenues (EUR 19,148k) consisted of the write-backs of other accruals amounting to EUR 11,976k plus foreign exchange income amounting to EUR 2,565k. Event-related expenditure (EUR 122,342k) is linked to the increases in sales revenue and showed an increase of EUR 67,463k. Major items of other operating expenditure (EUR 38,890k) consisted of the expenditure on repairs and maintenance (EUR 10,622k) and the deconsolidation loss due to the retirement of Messe Düsseldorf Moscow OOO (EUR 5,120k). The Group's net earnings for the year after tax amounted to EUR 60,529k (previous year: a consolidated net annual loss of EUR - 22,372k).

Net asset position and financial situation

Compared with the previous year, the Messe Düsseldorf Group's total assets increased by 16.9 percent to EUR 778,866k (previous year: EUR 665,165k). As in the past, the Group's net asset position is greatly influenced by the fixed assets figure (64.6%) and by the level of liquid assets (31.6%). The increase in intangible assets is mainly due to the purchase by Messe Düsseldorf North America Inc. of the shares in XPONENTIAL, the world's largest trade fair in the USA for unmanned locomotion and robotics. The reduction in tangible fixed assets, on the other hand, results mainly from scheduled depreciation and the Group's still cautious investment policy. In 2022, cash and cash equivalents registered a 94.5% increase to EUR 246,062k.

On the equity and liabilities side, Group equity increased from EUR 422,723k to EUR 483,308k. This corresponds to an equity ratio of 62.2%. Short-term accruals decreased, mainly due to the write-back of the accruals for three interest rate swap transactions and due to the reduction in fiscal risks in foreign countries. The increase in payments received on account relates, inter alia, to the interpack, EuroShop, boot and ProWein events that are to take place in 2023.

The financial situation was mainly affected by the reinstated trade fair business and by the advance payments that consequently became due, and also by the Group's positive annual result. Overall, on the return date, the Group owed loans totalling EUR 80,500k (previous year: EUR 90,731k). The Group's cash and cash equivalents increased as of 31 December 2022 by EUR 119,556k, to a level of EUR 246,062k.

Apart from that, the reader's attention is drawn to the Consolidated Cash Flow Statement attached hereto as Annex II.

Liquidity

Messe Düsseldorf can draw on a credit line of EUR 57,500k, EUR 602k of which was being used as collateral at 31 December 2022. On the whole, the Company was in a position to settle its liabilities at all times.

The Group's net worth, financial situation and profitability give an accurate picture corresponding to its actual circumstances, thus reflecting the overall difficulty of the Group's business year.

Messe Düsseldorf GmbH's business performance

Sales and profitability situation

After a difficult start to the year featuring the official cancellation of the boot event, via shifts in dates it was possible to carry out the remaining part of the 2022 fair and exhibition programme. Altogether, 14 trade fairs (previous year: 5) and 10 guest events (previous year: 3) were held, with a total of 21,594 exhibiting companies (previous year: 5,906) and 817,598 visitors (previous year: 266,329).

During the 2022 trade fair year, the following selforganized events were held: EuroCis, ProWein, BEAUTY and TOPHAIR, Caravan Salon, K, glasstec, wire and Tube, Valve World Expo, MEDICA, COMPAMED, REHACARE, and decarbXpo – Energy Storage. The trade fair year, which turned out to be encouraging, was rounded off by the guest events FORUM BEFA, INTERBRIDE, and Flotte! Der Branchentreff! BioWest, ALUMINIUM, METAV, CHEFS CULINAR, Solar Solutions, Classic Days and therapie DÜSSELDORF.

The following events – shown in comparison with the previous year – were staged at the Düsseldorf site:

	2022	2021
Fairs and exhibitions:		
Own events	14	5*
Guest events	10	3
Net floor space rented out	827,829 m²	256,307 m²
Number of exhibitors	21,594	5,906
Number of visitors	817,598	266,329

* Including the digital trade fair PRINT & DIGITAL CONVENTION

2022 saw the restart of numerous events. Right at the beginning of the year, the boot event was officially cancelled and 7 other trade fairs were shifted into the second and third quarters. Comparability with previous years or the predecessor events remains considerably restricted. On the whole, events were still not moving on a pre-corona level, but nevertheless appeared to have recovered considerably more than had actually been expected six months previously.

Self-organized events were attended by 725,082 visitors and 19,503 exhibitors, with net floor space rented out being 680,570 m². A highlight of the trade fair year was the K event, where the Düsseldorf exhibition site was utilized completely by more than 3,000 exhibitors. The annual fairs and exhibitions were also able to fulfil expectations. Thus, the Caravan Salon, being the largest annual event in terms of surface area, performed better compared to the previous year's event when commercial performance indicators are considered.

The self-organized events enjoyed great popularity on the part of foreign exhibitors and visitors, the relevant figures being 76.3% and. 44.9%, respectively. The highest degree of international flair was exhibited by the MEDICA event, which scored 86.7% with the exhibitors and 76.0% with the visitors.

In addition to the 14 self-organized events, a further 10 guest events covering a total exhibition space of 147,259 m² were successfully carried out in Düsseldorf. The ALUMINIUM event, the biggest guest event in 2022, occupied a space of 67,230 m² with its 730 exhibitors and 20,400 visitors.

Messe Düsseldorf's international trade fair business was aggravated both by the Russian war of aggression and by the ongoing corona pandemic in China. Nevertheless, 12 events commissioned by clients and 32 self-organized events and participations were successfully carried out.

Even as regards the development of sales, the limited comparability with the previous year becomes visible. In the year under review, sales totalling EUR 294,939k were generated. This is the equivalent of a threefold increase or a plus of EUR 198,857k. The other operating income was mainly characterized by writebacks of accruals, state funding for the improvement of air-conditioning systems and cost refunds from the German special federal fund for trade fairs and exhibitions. On a par with the increase in sales revenue, event-related expenditure also exhibited a EUR 61,811k rise. Due to the high degree of capacity utilization, since April 2022 short-time working arrangements have been successfully dispensed with. Human resources expenditure increased by EUR 16,078k to TEUR 59,352k due to both the reinvigorated trade fair business and due to the absence of state short-time work allowances. The Group's net profit for the year after tax amounted to EUR 71,597k (previous year: net loss for the year: EUR 22,284k). The clearly positive annual result gives Messe Düsseldorf the necessary scope for future investment.

Net asset position and financial situation

Compared with the previous year, Messe Düsseldorf's total assets increased by 21.5 percent to EUR 719,362k (previous year: EUR 592,063k). The fixed assets item is dominated by real estate and buildings. The reductions in intangible assets and tangible fixed assets result predominantly from scheduled depreciation.

On the other hand, there is the purchase of utilization rights and that of Exhibition Hall 6. Furthermore, the Company has provided a loan to Messe Düsseldorf North America Inc. The Group's cash and cash equivalents increased by EUR 127,785k to a level of EUR 227,844k. The crucial factors here were the sharp increase in advance payments received for future events and the positive annual result.

On the liabilities side, equity increased by 19.7% due to the net profit for the year of EUR 71,597k. However, due to the relatively sharp increase in total assets, the equity ratio fell by 0.9 percentage points, to 60.5% (previous year: 61.4%). Of the existing credit line of EUR 57,500k, EUR 620k is still only being used as collateral. In addition to accruals for pensions, the accruals totalling EUR 67,220k mainly include accruals for risks relating to state aid payments and taxes, and for outstanding invoices and miscellaneous human resources costs. Payments received on account exhibited an increase from EUR 37,195k to EUR 103,696k.

Liquidity

The development of the liquidity situation was mainly affected by the positive result and by the increase of advance payments received from EUR 37,195k to EUR 103,696k. Messe Düsseldorf GmbH's cash and cash equivalents increased by EUR 127,784k, from EUR 100,060k to a level of EUR 227,844k.

The Company's net worth, financial situation and profitability give an accurate picture corresponding to the Company's actual circumstances.

Business performance of the Group's international subsidiaries

Both the ongoing Covid–19 pandemic and the Russian war of aggression against Ukraine have had repercussions on the results of the Messe Düsseldorf Group's national and international subsidiaries. The following figures have been taken from local financial statements as of December 31, 2022.

Messe Düsseldorf North America Inc. is a 100-percent subsidiary of Messe Düsseldorf. The company's main task is to obtain business in terms of exhibitors and visitors from the USA, for trade fairs at the Düsseldorf site, and also to organize and stage trade fairs, exhibitions and similar events in the American region. On 18 April 2022, the Company concluded a collaboration agreement with the Association for Unmanned Vehicle Systems International ("AUVSI") and acquired 60% of the financial assets and commercial rights to the results of the XPONENTIAL events. The XPONENTIAL event is the world's largest trade fair in the USA for unmanned locomotion and robotics. Messe Düsseldorf North America Inc.'s revenues of EUR 5,142k (previous year: EUR 2,894k) are mainly attributable to the American Organization for Joint Exhibition Stands in Düsseldorf and to shares in profits deriving from trade fair rights. The company reported a net loss for the year of EUR 344k (previous year: a net profit of EUR 245k).

The Singapore-based Messe Düsseldorf ASIA Pte. Ltd., a 100-percent subsidiary of Messe Düsseldorf, organizes its own trade fairs in the Asian region while also obtaining business in terms of exhibitors and visitors for events in Düsseldorf. In the year under review, Messe Düsseldorf ASIA Pte. Ltd. Was, inter alia, able to carry out the Medical Fair Asia, wire & Tube Southeast ASIA, and the PACK PRINT INTERNATIONAL. The company's sales increased to EUR 5,966k (previous year: EUR 2,022k) and, as a result, the annual result improved by EUR 1,811k to EUR 569k (previous year: EUR -1,242k).

Messe Düsseldorf China Ltd., in which Messe Düsseldorf holds a 100 stake, is responsible together with its 100-percent subsidiary Messe Düsseldorf (Shanghai) Co., Ltd. for obtaining business in the form of exhibitors and visitors for events in Düsseldorf as well as organizing these companies' own events in China. The sub-group's sales increased from EUR 2,592k to EUR 6,786k. The positive development in sales is a result of the rising trend in trade fair business in Düsseldorf. The fact that the Chinaplas 2022 was cancelled because of the corona pandemic is clearly reflected in the reduced 2022 annual result of EUR – 1,561k (previous year: a net profit of EUR 4,073k).

As a consequence of the war of aggression conducted by Russia against Ukraine, Messe Düsseldorf has discontinued its business operations in Russia and has sold its subsidiary Messe Düsseldorf Moscow OOO, Moscow/Russia, in a contract dated 29 August, 2022. The purpose of OOO Messe Düsseldorf Moscow was to organize and stage trade fairs, exhibitions and similar events in Russia. Up to 31 August 2022, the company generated sales of EUR 8,277k (previous year: EUR 6.358k), simultaneously net profit for the year increased to EUR 2,519k (previous year: EUR 256k).

Business performance of the Group's national subsidiaries

Messe Düsseldorf's 50% subsidiary Düsseldorf Congress Sport & Event GmbH provides services for congresses and other events, including events held, inter alia, in the CCD Congress Center, Düsseldorf, in the CCD Ost, and in the HORISUM complex (Messe Düsseldorf's exhibition halls). Sales amounted to EUR 9,955k (previous year: EUR 6,991k), while the company returned a profit of EUR 248k for the year (previous year: EUR 13k). In the congress field too, a slight recovery became distinguishable, so that in the second half of the year larger events could be carried out.

Messeturm Düsseldorf Verwaltungsgesellschaft mbH is a 50% subsidiary of Messe Düsseldorf. The company rents out Messeturm A (Exhibition Tower A), of which it is the owner. It recorded revenues from rental income amounting to EUR 2,964k, with the result for the year amounting to EUR 1,167k (previous year: EUR 1,086k).

With a 94% stake in the company, Messe Düsseldorf is a limited partner of FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG. Under a sale-and-lease-back scheme, the company has purchased Exhibition Hall 6 together with part ownership of Messeturm (Tower) B from Messe Düsseldorf GmbH and leases these buildings back to the latter on a long-term basis. In a contract dated 19 September 2022, Messe Düsseldorf made use of its right of purchase and repurchased Exhibition Hall 6. In the business year under review, FIXXUS returned a net profit for the year of EUR 22k (previous year: a net profit of EUR 1k), while generating sales of EUR 3,453k (previous year: EUR 4,346k).

Financial and non-financial performance indicators

Financial performance indicators

Major control parameters applicable both to the Group and the Company are sales, earnings before tax (EBT), and capital expenditure on fixed assets, including expenditure on repairs and maintenance. A comparison between results and forecasts is made in the section entitled "Forecast report".

Non-financial performance indicators

The Group's business performance is not only manifested in business indicators. To maintain, in an international environment, its top position among the leading trade fair companies at both the national and the international level, Messe Düsseldorf has, for years, been continually improving its standards of service and quality. Furthermore, the Group is determinedly pursuing the strategic course that it has set for itself. The aims of this strategy are to secure and develop the trade fair programme at the Düsseldorf site and to expand international business by means of the Group's own activities or in joint ventures with partners. To this end, with the exception of a few fairs for high-quality consumer goods, Messe Düsseldorf is concentrating its activities on exhibitions covering capital goods. The goal is to become the number one company as regards the organization of capital goods trade fairs. A prerequisite for this is highly-capable staff – which is why Messe Düsseldorf invests in training and advanced training schemes and also occupational safety.

On average, throughout the 2022 business year, the Group employed a staff of 756 worldwide (previous year: 779) plus casual staff numbering 97 (previous year: 49). To train its staff, Messe Düsseldorf offers advanced training courses in foreign languages and IT applications, as well as highly-specialized schemes in individual cases. Furthermore, employees have an opportunity to acquire experience of foreign countries with partners in Finland, Sweden, and the USA under an international exchange scheme. Due to the global pandemic, these further training measures could only be offered to a limited extent in 2022.

Statement with regard to company management (quota for women)

At the shareholders' meeting of 26 November 2021, the shareholders set the necessary target value for the Supervisory Board of at least 7 female members based on the "Act supplementing and amending the regulations for the equal participation of women and men in management positions both in the private and in the public sectors (Second Management Positions Act – FüPoG II)". The corresponding target value for the management is stipulated as being at least one female managing director. Simultaneously, a resolution was passed stipulating a quota of 20% (1 person) for the level of authorized representatives and of 27% (10 persons) for the level of senior executives. The date for achieving the targets has been set for 25 November 2026. At 31 December 2022, the proportion of women in the Supervisory Board was at a level of 38% (8 persons), these figures being 20 percent (1 person) and 25% (9 persons) for the two levels of management below the Management Board. The management is a purely male body.

Reports on risks, forecasts and opportunities

Risk report

Risk management system

The Group has a risk management system into which all the divisions of Messe Düsseldorf GmbH and those of its subsidiaries are integrated. The task of the risk management system is to identify, assess, and communicate/report any possible risks or opportunities so as to enable countermeasures or mitigating action to be initiated in good time. The risk management system is managed by the Company's internal auditing body and is closely dovetailed with Messe Düsseldorf's internal auditing system. All these systematic monitoring operations have, in their entirety, the aim of guaranteeing the security and efficiency of business operations, the reliability of financial reporting, and the conformity of all Company activities with statutes and regulations.

What Messe Düsseldorf defines as a risk is an exposure to losses, ensuing from events or actions, that may have a negative impact on the Group's net worth, financial situation and profitability.

Individual risk categories are defined on the basis of this overall risk definition. The various risk categories express the severity of the repercussions to which the Group's net worth, financial situation and profitability will be exposed if a risk materializes. In this classification, the following risk categories have been laid down:

- Operating risks
- Ad hoc risks

Operating risks are risks whose expected level of loss would not have the effect of jeopardizing the Group's existence, but which, viewed separately or in their interaction with other operating risks, would have a more than negligible impact on the Group's net worth, financial situation and profitability.

Ad hoc risks are risks whose expected level of loss and probability of materialization would trigger an immediate report to the Board of Management and from the Board of Management to the Supervisory Board.

In the risk committee, the risks reported by the risk owners are evaluated and discussed. Subsequently, the risk committee chairperson reports directly to the management.

Risks

Individual risks are assessed on the basis of the anticipated level of loss and the probability of the risk actually materializing. In the year under review, the risks affecting the parent company and those affecting the Group were identical. At 31 December 2022, the following risks were identified:

At 31 December 2022, the following risks were identified:

	Level of loss		
Probability of materialization:	Low	Relevant	Critical
Very high (75%–100%)	–	–	1
High (50%-75%)	–	5	–
Medium (25% -50%)	–	–	–
Low (0% -25%)	–	–	–

In the past 2.5 years, in the form of the Covid–19 pandemic we have all come into contact with the risk with the most critical level of loss and with the highest probability of materialization. The entire fair and exhibition sector was shown the effects of a worldwide pandemic. The effects of travel restrictions, official bans, and even including nationwide lockdowns have led in recent years to record negative results in the entire trade fair and exhibition sector. In 2022, the consequences were also worldwide event cancellations. Messe Düsseldorf will react to future pandemic risks with short-term economies, postponements of events, and long-term strategic measures with a view to countering the impact of future pandemics in a manner that safeguards inventories.

A risk with a high probability of materialization relates to the worldwide travel restrictions. Restrictions on freedom of travel based on wars, border closures, tightening of quarantine rules or lockdown measures in Germany or in the other industrial nations affect, in particular, trade fairs with a high degree of international orientation. Here, via its subsidiaries and its worldwide network of foreign representatives, Messe Düsseldorf is trying to obtain a current assessment of the situation. Furthermore, Messe Düsseldorf is developing accompanying digital formats in order to establish them as extensions to existing events.

In February 2022, Ukraine was invaded by Russian troops. As a consequence of the Russian war of aggression against Ukraine, Messe Düsseldorf passed a resolution to discontinue the Group's business operations in Russia, one of its strongest foreign markets, and in a contract dated 29 August 2022, sold its subsidiary Messe Düsseldorf Moscow OOO. The development of the Group's business has been greatly affected by its retirement from the Russian market. This statement relates both to the subsidiaries' lack of sales and the missing foreign business. At the same time, the geopolitical situation is dampening exhibitors' behaviour.

The Messe Düsseldorf's restrained investment policy in the years of the pandemic entails the risk of an investment and renovation backlog. On this issue, Messe Düsseldorf is collaborating closely with both internal and external experts with a view to obtaining a current view of the status of the exhibition site. The management sees in a technologically well-equipped trade fair one of the factors leading to success in future. No later than in 2023, the maintenance costs and investments are set to increase to EUR 33.8 million. A further EUR 52.3 million are planned for 2024, plus a further EUR 54.7 million for the year 2025.

Another danger to trade fairs and investment projects, which are often planned over the long term, is also posed by rising prices. The price increases are mainly driven by energy prices. Material shortages and supply bottlenecks are additional factors. The tense procurement situation carries the risk of infringing the existing purchasing guideline. Messe Düsseldorf is trying to counter the latte r risk by making inquiries to its suppliers at an early stage in order to guarantee prices and the availability of materials.

One of risks identified as being of a relevant size, and with high probability of materialization, relates to the situation of the Rheinische Zusatzversorgungskasse (Rhenish Supplementary Pension Fund/RZVK), Cologne. Messe Düsseldorf GmbH grants its employees benefits under the occupational pension scheme; for this purpose, employees have been insured with the Rhenish Supplementary Pension Fund (RZVK) The Fund's pension commitment covers oldage pensions, pensions for reduction in earnings capacity, and survivors' pensions for the insured persons' widows, widowers, and orphans. To the best of our current knowledge, the institutional assets of the public supplementary pension funds and the contributions system in its existing structure do not adequately or completely cover the existing pension commitments of the employers participating in the scheme. The existing shortfall in cover may, in future, become an obligation for Messe Düsseldorf to assume liability.

In the business year under review, no risks were established that, either individually or cumulatively, might be susceptible to jeopardizing Messe Düsseldorf's existence.

Risk reporting with regard to the use of financial instruments

At 31 December 2022, Messe Düsseldorf GmbH had concluded a total of three (previous year: three) interest rate swap transactions designed to hedge against interest rate-related payment flow risks relating to variable-interest liabilities to banks – entered into for the purpose of financing future capital projects. These three interest rate swap transactions are designed to provide a hedge for future loans with a total volume of EUR 60,000k.

Forecast report

Messe-Düsseldorf-Group	Forecast for 2022**	Results 2022	Forecast for 2023
Sales (€ '000)	249,117	310,939	326,710
Pretax earnings (€ '000)	–4,181	69,966	37,882
Capital expenditure on fixed assets*	35,006	33,696	33,908

* Including repairs and maintenance.
** Business plan of 1 March 2022.

After the low sales figures in the corona years 2020 and 2021, the trade fair Group has now been able to generate a definite increase in sales. Messe Düsseldorf, with 92.6% of sales, has produced a major portion of the improvement here. Abroad, Messe Düsseldorf along with its 6 foreign subsidiaries organized 65 events and participations. The repercussions of the Company's discontinued business operations in Russia will not become completely apparent until 2023. As the biggest foreign subsidiary, Messe Düsseldorf Moscow OOO was still included in the trade fair Group until 31 August 2022. In the other operating expenses item, a EUR 5,474k loss was registered due to the deconsolidation of this company. The Messe Düsseldorf Group thus achieved a slightlyreduced result compared to that of the parent Company. In 2023, in Düsseldorf and worldwide 71 events are scheduled.

Messe Düsseldorf GmbH	Forecast for 2022**	Results 2022	Forecast for 2023
Sales (€ '000)	235,882	294,939	331,934
Pre-tax result (€ '000)	–7,733	80,066	33,739
Capital expenditure (€ '000)	33,082	25,957	33,792
Own events			
Net hall space rented out m²	589,307	827,829	816,293
Numbers of exhibitors	17,260	21,594	21,973
Numbers of visitors	655,542	817,598	934,450

* Including repairs and maintenance.
** Business plan of 1 March 2022.

After corona-induced losses, the trade fair and exhibition market in Germany has recovered more definitely than had been expected at the very beginning of the year. Despite the official cancellation of the boot event at the beginning of 2022, with a restart postponed into the second quarter of the year, Messe Düsseldorf managed to produce an exceptionally good result. Messe Düsseldorf is the only major German trade fair company to have succeeded in weathering the past few years without any financial support from its public owners. In the 2022 trade fair year, all the performance indicators based on sticking to conservative forecasts were exceeded.

Messe Düsseldorf is counting on a further noticeable recovery in its trade fair events. The fact that trade fairs are in such great demand demonstrates their relevance to the export industry, especially against the backdrop of the current economic situation. In 2023, in Düsseldorf and worldwide 71 events are scheduled.

In the years from 2024 to 2028, Exhibition Hall 9 is to be modernized successively for EUR 140 million. Altogether, the amount earmarked for investment and maintenance work in 2023 will rise to EUR 33.8 million. In subsequent years, this amount is set to increase even more. EUR 52.3 million is planned for 2024, plus a further EUR 54.7 million for the year 2025.

Opportunity report

In 2023, a total of 17 self-organized and11 guest events are scheduled in Düsseldorf. The highlights will include EuroShop, the world's biggest capital goods trade fair, interpack, the global No. 1 event for the packaging industry, and the metals-related "Bright World of Metals" trade fair quartet, comprising the GIFA, METEC, THERMPROCESS and NEWCAST key international trade fairs.

Messe Düsseldorf's international expansion effort is currently concentrated on South-East Asia, North Africa, and North and South America. In addition, an increasing number of activities are being planned in Turkey.

The technologically optimally-equipped exhibition site in Düsseldorf is to be developed further as a success factor. In the years from 2024 to 2028, Exhibition Hall 9 is to be modernized successively for EUR 140 million. But the trade fair events themselves also have to undergo further future-oriented development; for this purpose, Messe Düsseldorf is expanding its digital activities to an increasing extent.

Statement regarding compliance with the Company's public objective and the attainment of the corporate purpose in accordance with section 108 para 3 item 2 GO NRW

In accordance with the articles of association of Messe Düsseldorf GmbH, the object of the Company is to organize and stage fairs, exhibitions and other events that serve to promote industry, craft industries, trade and services, and to provide the counselling, project development and order placement services necessary for this purpose.

We are absolutely convinced of the fact that we have oriented the business policy and strategic position of Messe Düsseldorf in a suitable fashion.

Düsseldorf, 31 March 2023

Messe Düsseldorf GmbH
The Management

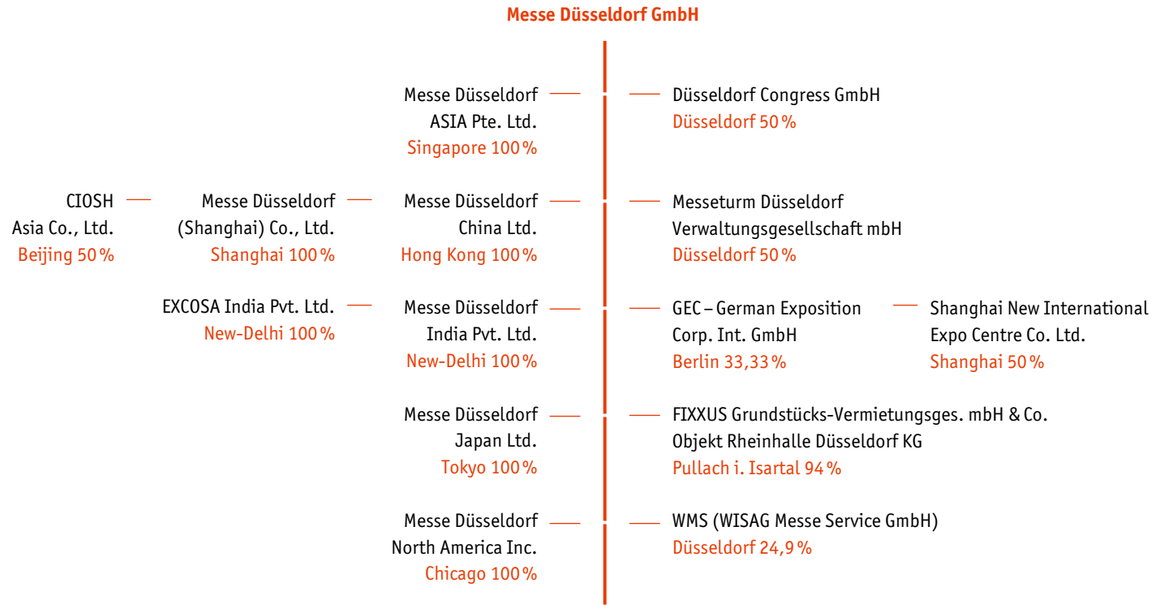
Wolfram Nikolaus Diener

Bernhard Johannes Stempfle

Erhard Wienkamp

Messe Düsseldorf GmbH Group

Messe Düsseldorf GmbH (Date: 31.12.2022)



Consolidated Balance Sheet

of Messe Düsseldorf GmbH at 31 December 2022

Assets	31.12.2022 €'000	31.12.2021 €'000
Fixed assets		
Intangible assets		
Concessions acquired for valuable consideration, industrial property rights purchased and similar rights and assets purchased, plus licenses in such rights and assets	22,702	7,677
Advance payments made	3,563	429
	26,265	**8,106**
Tangible assets		
Land, land rights and buildings, including buildings on third-party land	427,193	448,337
Other equipment, factory and office equipment	6,837	8,143
Advance payments made and assets under construction	19,201	19,020
	453,231	**475,500**
Financial assets		
Shares in affiliated enterprises	778	778
Shares in associated enterprises	10,291	11,986
Participations	11,889	11,883
	22,958	**24,647**
	502,454	**508,253**
Current assets		
Inventories		
Raw materials, auxiliary materials and supplies	62	59
Finished goods and merchandise	0	3
	62	**62**
Receivables and other assets		
Trade receivables	12,324	10,146
Receivables from affiliated enterprises	64	0
Receivables from associated enterprises	715	433
Receivables from shareholders	0	44
Other assets	10,454	14,295
	23,557	**24,918**
Cash-in-hand, bank balances	246,062	126,506
	269,681	**151,486**
Expenses prepaid and receivables deferred	5,485	5,061
Deferred tax assets	246	365
Sum total	**777,866**	**665,165**

Equity and liabilities	31.12.2022 €'000	31.12.2021 €'000
Equity		
Subscribed capital	15,625	15,625
Capital reserves	78,269	79,718
Revenue reserves	119,773	119,773
Difference in equity due to currency translation	1,652	–396
Adjusting item for minority interests	846	805
Distributable profit	267,142	207,198
	483,307	**422,723**
Accruals		
Accruals for pensions and similar obligations	22,242	20,617
Tax accruals	8,370	3,148
Other accruals	38,230	45,268
	68,842	**69,033**
Liabilities		
Liabilities to banks	80,500	90,731
Advance payments received in respect of orders	109,835	43,322
Trade payables	22,568	11,515
Payables to affiliated enterprises	13	117
Payables to shareholders	2	0
Other liabilities	12,799	27,724
(of which taxes: € 5,695k; previous year: €615k)		
(of which relating to social security and similar obligations: €0k; previous year: €0k)		
	225,717	**173,409**
Sum total	**777,866**	**665,165**

Consolidated Income Statement

of Messe Düsseldorf GmbH for the Period from 1 January to 31 December 2022

	31.12.2022 €'000	31.12.2021 €'000
Sales	**310,939**	**108,718**
Own work capitalized	**29**	**2**
Other operating income (including €2,038k due to currency conversion; previous year: €2,903k)	**19,148**	**30,113**
Event-related expenditure		
a) Cost of raw materials, auxiliary materials and supplies, and of purchased merchandise	6,983	4,754
b) Cost of purchased services	115,358	50,125
	122,341	**54,879**
Human resources expenses		
a) Wages and salaries	51,159	39,051
b) Social security charges and costs of retirement pensions and other welfare benefits (including €4,119k for retirement pensions; previous year: €3,749k)	15,122	10,512
	66,281	**49,563**
Depreciation on intangible and tangible fixed assets	**27,371**	**28,175**
Other operating income	**38,889**	**27,520**
(of which due to currency translation: € 1,158k; previous year: €563k)		
Income from participations	**0**	**4,000**
Net income from shareholdings in associated enterprises	–989	1,125
Income from long-term loans	**0**	**0**
Other interest and similar income	**232**	**110**
Write-downs on financial assets and securities	4,511	5,692
Interest and similar expenses	**69,966**	**–21,761**
Taxes on income and profits	9,437	610
Consolidated net profit for the year	**60,529**	**–22,371**
Portion of loss accruing to minority interests	–586	–542
Profit brought forward from previous year	207,198	230,113
Distributable profit	**267,141**	**207,200**

Movements in the Consolidated Fixed Assets

of Messe Düsseldorf GmbH in the 2022 Business Year

	Cost of acquisition/manufacture							Depreciation							Book values	
	Status at 1.1.2022	Currency translation	Changes in the scope of consolidation	Additions	Reclassifications	Retirements	Status at 31.12.2022	Status at 1.1.2022	Currency translation	Changes due to write-ups in the scope of consolidation	Write-ups	Additions	Retirements	Status at 31.12.2022	Status at 31.12.2022	Status at 31.12.2021
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Intangible assets																
Concessions acquired for valuable consideration, industrial property rights and similar rights and assets and licences in such rights	65,870	152	–6	17,364	79	26	83,433	58,193	85	–4	0	2,481	24	60,731	22,702	7,677
Goodwill	2,400	701	–701	0	0	0	2,400	2,400	348	–501	0	153	0	2,400	0	0
Advance payments made	429	0	0	3,213	–79	0	3,563	0	0	0	0	0	0	0	3,563	429
Total intangible assets	**68,699**	**853**	**–707**	**20,577**	**0**	**26**	**89,396**	**60,593**	**433**	**–505**	**0**	**2,634**	**24**	**63,131**	**26,265**	**8,106**
Tangible assets																
Land, leasehold rights and buildings, including buildings on third-party land	1,077,746	0	0	591	0	10	1,078,327	629,409	0	0	0	21,726	1	651,134	427,193	448,337
Other equipment, factory and office equipment	54,137	159	–308	1,701	26	985	54,730	45,994	142	–283	0	3,011	971	47,893	6,837	8,143
Advance payments made and assets under construction	19,020	0	0	207	–26	0	19,201	0	0	0	0	0	0	0	19,201	19,020
Total tangible fixed assets	**1,150,903**	**159**	**–308**	**2,499**	**0**	**995**	**1,152,258**	**675,403**	**142**	**–281**	**0**	**24,737**	**972**	**699,029**	**453,231**	**475,500**
Financial assets																
Shares in affiliated enterprises	5,768	0	0	0	0	0	5,768	4,990	0	0	0	0	0	4,990	778	778
Shares in associated enterprises	11,986	–243	0	803	0	1,281	11,265	0	0	0	0	974	0	974	10,291	11,986
Participations	11,883	0	0	6	0	0	11,889	0	0	0	0	0	0	0	11,889	11,883
Total financial assets	**29,637**	**–243**	**0**	**809**	**0**	**1,281**	**28,922**	**4,990**	**0**	0	**0**	**974**	**0**	**5,964**	**22,958**	**24,647**
Sum total	**1,249,239**	**769**	**–1,015**	**23,885**	**0**	**2,302**	**1,270,576**	**740,986**	**575**	**–786**	**0**	**28,345**	**996**	**768,124**	**502,454**	**508,253**

Explanatory Notes

on the Consolidated Balance Sheet and Income Statement of Messe Düsseldorf GmbH

I. General principles

The annual financial statements of Messe Düsseldorf GmbH, Düsseldorf (entered in the Commercial Register of the Düsseldorf District Court/Amtsgericht under HRB No. 63) have been prepared in compliance with the mercantile law provisions relating to large joint-stock companies. Pursuant to Section 290 HGB (Commercial Code), the Company is obligated to prepare consolidated financial statements. The consolidated financial statements of Messe Düsseldorf GmbH have been prepared in compliance with the provisions of the GmbH Act (Act concerning limited-liability companies).

For the Messe Dusseldorf GmbH Income Statement, the total costs (type of expenditure) method has been opted for. The peculiarities of trade fair business are taken into consideration.

II. Scope and principles of consolidation

In addition to Messe Düsseldorf GmbH, the consolidated financial statements also fully include the following subsidiaries in which Messe Düsseldorf GmbH has a direct or indirect majority holding:

- Messe Düsseldorf North America Inc., Chicago/USA
- Messe Düsseldorf ASIA Pte. Ltd., Singapore
- Messe Düsseldorf Moscow OOO (up to 31. August 2022), Moscow/Russia
- Messe Düsseldorf China Ltd., Hong Kong/China
- Messe Düsseldorf (Shanghai) Co., Ltd. Shanghai/China
- Messeturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf
- FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Pullach i. Isartal

Pursuant to Section 296 subsection 2 HGB (Commercial Code), the inclusion in the consolidated financial statements of Messe Düsseldorf Japan Ltd., Tokyo/Japan, Messe Düsseldorf India Pvt. Ltd., New Delhi/India, including the latter's 50-percent shareholding in EXCOSA India Pvt. Ltd., Bangalore/India, has been waived.

Pursuant to Section 312 HGB, the shareholding in Düsseldorf Congress GmbH, Düsseldorf, has been included in the consolidated financial statements at equity. At 31 December 2022, the equity of Düsseldorf Congress GmbH totalled EUR 2,389k (previous year: EUR 2,141k), the company's balance-sheet value amounting to EUR 1,195k (previous year: EUR 1,071k).

In a contract dated 18 March 2020, Messe Düsseldorf (Shanghai) Co., Ltd. purchased a 50-percent share in CIOSH Asia Co., Ltd., Beijing, from China Textile Commerce Association, Beijing. The company's sole purpose is to carry out the China International Occupational Safety & Health Goods Expo spring event, which takes place in spring. Pursuant to Section 312 HGB, the shareholding in CIOSH Asia Co., Ltd. has been included in the consolidated financial statements at equity. The first application of the equity valuation at 31 December 2020 resulted in a positive difference of EUR 8,091k. In 2022, this positive difference was increased by the subsequent purchasing costs of EUR 680k. At 31 December 2022, the positive difference, reduced by the write-downs, came to EUR 7,796k.

At 31 December 2022, the equity of CIOSH Asia Co., Ltd. amounted to EUR 3,979k, the reported carrying amount being EUR 9,096k.

Messe Düsseldorf GmbH holds 33.33% of the shares in German Exposition Corporation International GmbH, Berlin. Pursuant to Section 311 subsection 2 HGB, the inclusion of GEC as an associated company has been waived.

Messeturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf and FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Pullach i. Isartal, have been included in the consolidated financial statements pursuant to Section 290 subsection 2, item 4 HGB (special-purpose entities).

The capital consolidation of the companies included in the consolidated financial statements was based on book values in the case of first-time consolidation up to 31 December 2008. Pursuant to Section 301 subsection 1 sentence 2 HGB, the revaluation method has been applied for consolidation since 1 January 2009.

The positive differences arising from capital consolidation are partly allocated to the assets of the subsidiary concerned and depreciated on the basis of their useful life. Any positive differences remaining have been posted as goodwill and depreciated over a fouryear period in all cases. Unscheduled write-downs are applied whenever necessary. At 31 December 2022, all items of goodwill had been written off completely.

Pursuant to Section 309 HGB, the amounts of negative goodwill arising from the capital consolidation of OOO Messe Düsseldorf Moscow (EUR 1,448k) and Messeturm Düsseldorf Verwaltungsgesellschaft mbH (EUR 3,987k) have been posted to capital reserves. In the course of the deconsolidation of Messe Düsseldorf Moscow OOO, the negative goodwill was recognized as income.

As a consequence of the war of aggression conducted by Russia against Ukraine, Messe Düsseldorf has discontinued its business operations in Russia and has sold its subsidiary Messe Düsseldorf Moscow OOO, Moscow/Russia, in a contract dated 29 August, 2022. The company was deconsolidated as of 31 August 2022. The loss due to deconsolidation amounts to EUR 5,120k.

The negative goodwill arising from the initial consolidation of Messe Düsseldorf China Ltd. is shown in the adjusting item set up during capital consolidation. In 2014, the adjusting item was added to the consolidated distributable profit for the year. In an agreement dated 29 October 2012, Messe Düsseldorf acquired the remaining shares in Messe Düsseldorf China Ltd., amounting to 20 percent of the total, for a purchase price of EUR 3,500k. As part of the initial consolidation of the shares acquired, the Group acquired an intangible right to a trade fair for a sum of EUR 3,138k, which was to be written off over a five-year period. Furthermore, deferred tax liabilities amounting to EUR 549k were to be taken into account.

The EUR 21k negative goodwill arising from the initial consolidation of Messe Düsseldorf (Shanghai) Co., Ltd., Shanghai, was set off against consolidated profit brought forward. The inclusion process was carried out via the financial statements of the Messe Düsseldorf China Ltd., Hong Kong/China, subgroup as the latter company is the sole shareholder of Messe Düsseldorf (Shanghai).

Any reciprocal receivables and liabilities between the fully-consolidated companies are set off against each other. In the Consolidated Income Statement, intragroup sales revenues and other intragroup income items are set off against the corresponding expenditure. Intragroup interim profits were eliminated in the year under review.

Pursuant to Section 308a HGB, foreign currency amounts on the balance sheets of the foreign subsidiaries included in the consolidation are translated on the basis of the spot exchange middle rates applicable on the balance-sheet date. This does not apply to equity, which has been translated at the appropriate historical rates. The various income statements have been translated at the average rates applicable to the accounting period. Any currency translation differences ensuing have been posted to the adjusting items set up for this purpose, and thus have no effect on earnings.

The company will be included in the consolidated financial statements for Düsseldorf, capital of North- Rhine Westphalia. This entry will not be disclosed.

III. Accounting and valuation principles

The individual companies' financial statements on which full consolidation is based are uniformly prepared in accordance with the accounting and valuation guidelines laid down by the parent company. Uniform valuation policies have not been applied to the associated enterprises.

Purchased intangible assets are reported at their acquisition cost less the scheduled depreciation charge. Depreciation is based on the straight-line method, taking the normally-applicable useful life of the asset into account.

Tangible fixed assets are valued at acquisition or manufacturing costs and, provided their useful life is limited in time, scheduled depreciation is deducted. If necessary, additional depreciation is applied based on the value appropriate for the assets on the balance-sheet date.

As a matter of principle, buildings are always depreciated on a straight-line basis. Investments in extensions to buildings are depreciated so as to match the whole building's remaining useful life.

The straight-line method is used for depreciation on additions to movable assets. Straight-line depreciation is calculated pro rata temporis.

Low-value assets with a value of between EUR 52 and EUR 800 are written off fully in the year of acquisition and are simultaneously reported as retirements in the fixed assets movements schedule. In line with the increase in the tax threshold for low-value items, in 2018 the ceiling for low-value assets was increased from EUR 410 to EUR 800.

Shares in affiliated companies and participations are carried at cost of acquisition or at such lower value as may be appropriate. The values of any participations in associated enterprises that are reported are stated with due consideration to the adjustments made as part of the "at equity" valuation procedure.

The values of inventories are assessed at the reporting date on the basis of the lower of acquisition or manufacturing cost or on that of the lower of stock exchange or market price.

Receivables and other assets are shown at their nominal value. Appropriate individual write-downs are made to cover any risks that are identifiable. Interestfree receivables and other assets with a remaining term of more than one year are discounted as of the balancesheet date.

The asset-value of direct accruals for pensions is established on the basis of actuarial principles following the projected unit credit method (PUC method), and also applying the 2018 G standard tables of Dr. Klaus Heubeck. Accruals for pensions are discounted at a flat rate, this being the average market interest rate of the last ten years, applicable to an assumed remaining term of 15 years, as published by the Deutsche Bundesbank (German Federal Bank) for the month of December 2022. For 2022, this interest rate was assumed to be 1.78% (previous year 1.87%). The calculation following the PUC method is based on the following assumptions regarding trends:

- Trend in wages and salaries: 2.7% (previous year: 2.7%)
- Trend in the income ceiling for social security contributions: 2.7% (previous year: 2.7%)
- Trend in pensions: 2.6% (previous year: 2.2%)
- Fluctuation: 1.0% (previous year: 1.0%)

In actuarial terms, accruals for anniversary obligations and death grants are determined on the basis of biometrical probabilities (2018 G Heubeck standard mortality tables). Commitments are calculated using the projected unit credit method. An average market interest rate with matching time limits, applicable to the last seven years, and published on a monthly basis by the Deutsche Bundesbank (German Federal Bank), is used to calculate obligations. The actuarial interest rate at 31 December 2022 amounts to 1.44% (previous year: 1.35%).

In the 2021 financial year, a partial retirement programme was launched. Part-time work for the elderly is offered in the so-called block model for a total of 3 years. The offer expires on December 31, 2026. During the entire term of the partial retirement contract, employees receive 50 percent of their previous monthly salaries. In addition, the employee concerned receives a top-up amount exempt from tax and social security payments by way of compensation. In addition, the Company pays additional contributions to the statutory pension insurance scheme on the employee's behalf. The partial retirement accruals are discounted at a flat rate based on the average market interest rate published by the Bundesbank over the last seven years. This market interest rate corresponds to the remaining term and amounted to 0.52 percent (previous year: 0.34%) as of December 31, 2022. The asset value of this reinsurance policy, now totalling EUR 667k (previous year: EUR 0k), has been offset against the Company's partial retirement commitments.

All other accruals have been set up at a required payment level that takes account of all identifiable risks on the basis of a prudent business assessment Accruals with a remaining term of more than one year are discounted on the basis of the actuarial interest rates published by the Deutsche Bundesbank.

Liabilities are stated at the amounts repayable. The payments received on account mainly relate to trade fairs and events scheduled for subsequent years.

Receivables and liabilities in foreign currencies are entered in the accounts at the rate of exchange applicable at the time, and are then valued at year-end at the rate applicable on the closing date. As regards receivables and liabilities with a remaining term of more than one year, the principle of lowest value or highest value is applied, as the case may be.

IV. Explanatory Notes and Disclosures concerning the Consolidated Balance Sheet

Fixed assets

Apart from purchased software, the intangible assets mainly consist of usufructuary rights plus software purchased. The additions to intangible assets acquired for valuable consideration mainly consist of the right to 60.0% of the tangible and intangible assets in question including the commercial rights to the financial results of future XPONENTIAL events. The contract provides for payment of the purchase price in three instalments. The first instalment amounting to USD 6.0 million was paid in April 2022 and two further instalments amounting to USD 5.25 million in each case will be paid after the 2023 and 2024 XPONENTIAL events. The level of the final purchase price will be determined by the results of the XPONENTIAL 2022 event. At 31 December 2022, acquisition costs totalling EUR 15,480k were reported in the accounts. The items added mainly consist of usufructuary rights relating to the Wine & Gourmet event in Japan, and extensions to the online order and stand configurator systems. The advance payments made mainly concern the migration from SAP R/3 to SAP S4/HANA plus the first instalment relating to usufructuary rights concerning "Flotte! Der Branchentreff".

The additions to tangible assets are predominantly attributable to additions to buildings and to business and office equipment. The purchasing costs for buildings relate to a fire escape staircase and subsequent production costs for Exhibition Hall 1. The office equipment mainly consists of IT hardware and mobile phones. The retirements of operating and office equipment relate primarily to IT systems and assets of minor value that are no longer being used.

The changes in shareholdings in the associated companies relate to CIOSH Asia Co., Ltd., Beijing/China and Düsseldorf Congress GmbH, Düsseldorf, and were predominantly brought about by the equity valuation of the shares. In spite of there being subsequent acquisition costs amounting to EUR 680k for CIOSH Asia Co., Ltd., the shareholdings in the associated companies saw a EUR 1,695k reduction in value.

For further details, the reader is referred to the fixed assets movements schedule attached to the Notes to the Financial Statements as Annex I.

The list of subsidiaries and other holdings is attached to the Notes as Annex 2.

FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG avails itself of the exemption stated in Section 264b HGB and waives the disclosure of its annual financial statements.

Receivables and other assets

The trade receivables item contains, as in the previous year, no receivables with a remaining term exceeding one year.

As in the previous year, the other assets item contains no receivables with a remaining term exceeding one year. A portion of other assets consists of tax receivables. These claims for refunds will not legally arise until the Company submits its advance VAT and tax returns.

As in the previous year, the receivables from affiliated enterprises relate to trade receivables from the subsidiaries that, pursuant to Section 296 subsection 2 HGB (Commercial Code), have not been included in the consolidated financial statements. As in the previous year, the receivables concerned have a remaining term amounting to less than one year. As in the previous year, no trade receivables have been offset against trade payables.

As in the previous year, the receivables from associated enterprises relate to trade receivables from the subsidiaries that are included in the consolidated financial statements at equity. As in the previous year, the receivables concerned have a remaining term amounting to less than one year.

Deferred tax assets

The deferred tax assets shown in the amount of EUR 246k (previous year: EUR 365k) are due to consolidation measures relating to Messe Düsseldorf GmbH in compliance with Section 304 HGB and also to the elimination of short-term foreign-currency loans within the Group. Deferred tax assets were calculated at the country-specific tax rates. The capitalization of deferred tax assets with regard to non-utilized tax losses carried forward in the amount of EUR 7,748k was waived after said assets had been set off against the existing deferred tax liabilities.

Accruals

The Company's pension obligations to former managerial staff are fully covered by pension accruals. In the year under review, these obligations led to changes in pension accruals amounting to EUR 1,625k (previous year: EUR 700k), with a net impact on results. The difference ensuing from the application of the 10-year average interest rate compared to the 7-year rate results in a EUR 824k (previous year: EUR 1,184k) reduction in accruals for pensions.

The tax accruals mainly cover trade tax and corporation tax relating to the year under review and also accruals designed to cover tax-related risks from previous years.

The other accruals cover all identifiable risks and have been calculated on the basis of prudent commercial principles.

The accruals underwent the following movements:

	1.1.2022	Amounts utilized	Currency translation	Changes to scope of consolidation	Amounts written back	Additions	31.12.2022
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
1. Accruals for pensions and similar commitments	**20,617**	**1,289**	**0**	**0**	**0**	**2,914**	**22,242**
2, Tax accruals	**3,148**	**318**	**0**	**0**	**0**	**5,540**	**8,370**
3, Other accruals							
Risks related to order processing							
Outstanding invoices	**5,146**	**3,610**	**13**	**0**	**1,051**	**5,245**	**5,743**
Human resources & social sphere							
Accruals for vacations	149	134	18	–33	0	149	149
Accruals for anniversaries	2,940	136	0	0	0	51	2,855
Bonuses	694	641	24	–77	0	798	798
Partial retirement	1,835	0	0	0	0	1,233	3,068
Miscellaneous	1,693	420	4	0	0	2,499	3,776
	7,311	**1,331**	**46**	**110**	**-**	**4,730**	**10,646**
Risks related to benefits/taxes							
Fiscal risks in foreign countries	7,500	0	0	0	5,000	0	2,500
Benefits	17,500	0	0	0	0	0	17,500
	25,000	-	-	-	5,000	-	20,000
Miscellaneous							
Impending losses	5,740	0	0	0	5,740	0	0
Annual financial statements costs	384	378	7	–11	10	400	392
Miscellaneous	1,687	155	7	0	174	84	1,449
	7,811	**533**	**14**	**–11**	**5,924**	**484**	**1,841**
	45,268	**5,474**	**73**	**–121**	**11,975**	**10,459**	**38,230**
	69,033	**7,081**	**73**	**–121**	**11,975**	**18,913**	**68,842**

Liabilities

The Company's liabilities are classified as follows on the basis of their remaining terms:

	Total amount	With a remaining term		
		of up to 1 year	from 1 to 5 years	of more than 5 years
	€'000	€'000	€'000	€'000
Liabilities to banks	80,500	25,500	55,000	0
Payments received on account	109,835	109,835	0	0
Trade payables	22,568	17,635	4,933	0
Payables to affiliated enterprises	12	12	0	0
Payables to shareholders	2	2	0	0
Other liabilities	12,799	11,473	1,191	135
	225,716	**164,457**	**61,124**	**135**

The Group's liabilities at 31.12.2021 were classified as follows on the basis of their remaining terms:

	Total amount	With a remaining term		
		of up to 1 year	from 1 to 5 years	exceeding 5 years
	€'000	€'000	€'000	€'000
Liabilities to banks	90,731	1,452	89,279	0
Payments received on account	43,322	42,981	340	0
Trade payables	11,515	11,515	0	0
Payables to affiliated enterprises	117	117	0	0
Payables to shareholders	0	0	0	0
Other liabilities	27,724	25,395	2,184	146
	173,409	**81,460**	**91,803**	**146**

In 2020, Messe Düsseldorf took out three loans amounting, in each case, to EUR 16.667k. The loans are to be repaid, in each case, in eight identical, consecutive instalments each amounting to EUR 2,083k. Repayment will commence with the first instalments in March 2023 and will terminate in December 2024.

Furthermore, Messe Düsseldorf has taken out another three loans, each amounting to EUR 10,000k, for the purpose of financing its business operations. The payment date was 15 January 2021. The loans are to be repaid in one sum on 31 December 2025 and on 15 January 2026.

Furthermore, in 2020, Messe Düsseldorf concluded contracts regarding a total of three overdraft facilities with various banks. These three contracts provide for a total overdraft facility of EUR 50,000k, broken down into two overdrafts each totalling EUR 13,333k and one overdraft amounting to EUR 23,333k.

Of the Company's total liabilities to banks, liabilities consisting of loans to the amount of EUR 130,000k were secured by mortgages.

The payables to affiliated companies mainly relate to trade payables.

Deferred tax liabilities

There were deferred tax liabilities totalling EUR 5,589k (previous year: EUR 5,866k) based on consolidation entries pursuant to Section 306 HGB, having an impact on the result and concerning the parent company. In accordance with Section 274 HGB, this sum was set off against deferred tax assets for the same amount. The latter ensue from losses carried forward and differences between the commercial-law and fiscal balance-sheet valuations of accruals. A tax rate of 31.23 percent was applied, this being identical to the rate applied in the previous year.

V. Explanatory Notes on the Income Statement

Sales

Consolidated sales in the business year under review can be broken down according to the following business segments and regions:

Business segment	2022	2021
	€'000	€'000
Own events	260,146	90,083
Guest events	8,591	2,773
Miscellaneous accruals	42,202	15,862
	310,939	**108,718**

Region	2022	2021
	€'000	€'000
Germany	**278,704**	**84,988**
Russia	12,000	10,384
China	6,518	7,950
Singapore	5,746	0
USA	4,348	3,139
France	840	102
Thailand	804	3
United Arab Emirates	0	1,137
Other countries	1,979	1,015
Total foreign sales	**32,235**	**23,730**
	310,939	**108,718**

EUR 526k of sales (previous year: EUR 4,324k) are related to events of previous years.

Other operating income

Income not relating to the accounting period mainly consists of EUR 11,975k (previous year: EUR 7,539k) in the form of income deriving from write-backs of accruals. The non-operating income mainly consists of state funding amounting to EUR 1,149k for the improvement of airconditioning systems and cost refunds amounting to EUR 1,158k from the German special federal fund for trade fairs and exhibitions. Income from currency translation amounted to EUR 2,565k in the financial year under review (previous year: EUR 915k). Retirements of assets classified as tangible fixed assets resulted in income amounting to EUR 15k.

Event-related expenditure

The differentiation between event-related expenditure and other operating expenses was effected via an assessment of the individual costs. The event-related expenditure consists of costs that are directly allocable to a cost unit. Deliveries of fabricated goods are recorded under "cost of raw materials, auxiliary materials and supplies, and of purchased merchandise". Construction work and other services are included in "cost of purchased services".

It is mainly energy costs, auxiliary materials and supplies, and expenditure on advertising materials that are shown under "cost of raw materials, auxiliary materials and supplies, and of purchased merchandise", whereas the "cost of purchased services" item mainly covers expenditure on commissions, stand construction services purchased, rental charges, and advertising expenditure.

Other operating expenses

In addition to exhibition site maintenance costs, the other operating expenses mainly consist of rental charges for premises, legal and consultancy expenses, expenditure on advertising and IT expenses, insurance policies, site security and cleaning services, and additions to accruals. Non-operating expenditure totalling EUR 160k (previous year: EUR 1,558k) was brought about by exchange rate and price losses. Furthermore, the EUR 5,120k loss due to the deconsolidation of Messe Düsseldorf Moscow OOO is shown under other operating expenditure. In addition, the other operating expenditure consists of miscellaneous taxes relating to the business year under review and amounting to EUR 2,086k (previous year: EUR 2,044k).

Income from participations

The income from participations belonging to the previous year relates to out-payments of GEC dividends.

Interest and similar expenditure

In addition to interest on interest rate swap transactions amounting to EUR 862k (previous year: EUR 1,181k) and interest paid on long-term loans amounting to EUR 2,845k (previous year: EUR 3,599k), the item also covers expenditure deriving from the discounting of accruals in the amount of EUR 422k (previous year: EUR 491k).

Taxes on income and profits

To the amount of EUR 8,847k, the taxes on income and profits consist of German taxes on business profits, and to that of EUR 596k, foreign taxes on business profits. Furthermore, an amount of EUR 490k was allocated to accruals for tax risks relating to previous years; on the other hand, there is a EUR 353k trade tax refund also relating to previous years. The changes in deferred taxation have given rise to revenue amounting to EUR 142k (previous year: EUR 0k) and expenditure amounting to EUR 0k (previous year: EUR 107k).

Proposal for appropriation of the parent company's profits

The management of Messe Düsseldorf proposes that the net profit for the year, totalling EUR 71,597k, should be carried forward to new account.

Report on post-balance sheet events

No transactions of particular significance have occurred since the end of the business year concerned.

VI. Other disclosures

Human resources

In addition to the three members of the management, on average 756 (previous year: 779) staff members were employed during the business year. The workforce is subdivided into 607 full-time employees (previous year: 642), 149 part-time employees (previous year: 137), and 10 apprentices (previous year: 14). In addition, the casual staff employed numbered on average 97 (previous year: 49).

Other financial obligations and contingent liabilities

On the balance-sheet date, the other financial obligations totalled EUR 21,310k (previous year: EUR 18,934k), EUR 5,374k (previous year: EUR 4,819k) of these stemming from long-term rental agreements and leases.

Messe Düsseldorf GmbH grants its employees benefits under the occupational pension scheme; for this purpose, employees have been insured with the Rhenish Supplementary Pension Fund (RZVK), Cologne. The Fund's pension commitment covers oldage pensions, pensions for reduction in earnings capacity, and survivors' pensions for the insured persons' widows, widowers, and orphans. To the best of our current knowledge, the institutional assets of the public supplementary pension funds and the contributions system in its existing structure do not adequately or completely cover the existing pension commitments of the employers participating in the scheme. The cover shortage thus ensuing comes to a substantial sum - a financial obligation that will hit public employers hard in future. By way of exercising the option, provided for under commercial law, of reporting indirect pension obligations as a liability (Art. 28 para 1 EGHGB/Introductory Act to the German Commercial Code), in the business year under review, as in previous years, no accrual was set up. The Supplementary Pension Fund (RZVK) levy shown on the Messe Dusseldorf GmbH Income Statement under human resources expenses amounts to EUR 2,857k for the year under review (previous year: EUR 2,131k). The contribution levied amounts to 4.25 percent of the remuneration on which contributions are payable - EUR 36,275 (previous year: EUR 27,213). In addition, a 3.5% financial reorganization charge is also imposed. The contribution rate can be regarded as remaining constant. The level of the financial reorganization charge is likely to increase even further pending the establishment of definitive capital cover for the supplementary pension system. At 31 December 2022, the possibility of a claim arising from the above contingent liabilities cannot be ruled out.

Hedging policy and financial derivatives

Due to its being an internationally-operating company, both the business operations and financing transactions of Messe Düsseldorf GmbH are exposed to financial risks. The risks involved may arise in particular as a result of interest rate changes and exchange rate fluctuations.

In accordance with the Company's risk management system, action is taken to limit these risks not only by identifying, analyzing and assessing them but also by using financial derivative instruments. Pursuant to a management directive, it is not permissible to use such derivatives for speculative purposes.

At 31 December 2022, Messe Düsseldorf GmbH had concluded a total of three (previous year: three) interest rate swap transactions designed to hedge against interest rate-related payment flow risks relating to variable-interest liabilities to banks – entered into for the purpose of financing future capital projects. These three interest rate swap transactions provide a hedge for future loans with a nominal value of EUR 60,000k; the latter are to be anticipated with a high degree of probability. As regards these interest rate swaps covering future loan transactions, no valuation unit can be set up at the moment. For this reason, a EUR 0k (previous year: EUR 5,068k) accrual has been created in respect of the market value to be covered.

Cash and cash equivalents

The cash and cash equivalents item shown in the Consolidated Cash Flow Statement corresponds to the "cash in hand / bank balances" item shown on the Balance Sheet.

Auditors' fees

Of the total fee calculated for the auditing of Messe Düsseldorf GmbH's annual and consolidated financial statements by the auditor appointed, a sum of EUR 146k (previous year: EUR 122k) was recorded as an expense in the business year under review. Here, EUR 120k (previous year: EUR 115k) was accounted for by auditing services, EUR 26k (previous year: EUR 7k) being attributable to other certification services.

Transactions contrary to market principles

No transactions contrary to market principles involving companies or persons close to the Company have been performed.

Disclosures regarding the Company's bodies

The remuneration paid to the Managing Board of Messe Düsseldorf GmbH in the business year concerned totalled EUR 1,416k (previous year: EUR 1,391k). The remuneration paid to former members of the Managing Board and their surviving dependants amounted to EUR 1,290k (previous year: EUR 1,312k).

Under occupational pension schemes, in the business year under review, direct insurance contributions were incurred for Mr Diener, for Mr Stempfle and for Mr Wienkamp, these amounting to EUR 166k, EUR 130k and EUR 100k, respectively.

An accrual amounting to EUR 22,242k (previous year: EUR 20,617k) has been set aside to cover pension obligations to former members of the Managing Board and their surviving dependants..

In the business year concerned, expenses for the Supervisory Board amounted to EUR 93k (previous year: EUR 97k).

Statement of Changes in Messe Düsseldorf GmbH Group Equity

for the 2022 business year

	Parent company				Parent company			Minority interests			Total sales
	Subscribed Capital	Capital reserve	Retained earnings	Currency translation differences	Consolidated profit carried forward	Consolidated net income for the year	Equity	Proportion of capital held	Share of profit or loss	Equity	Consolidated equity capital
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Status at 31.12.2020	**15,625**	**79,718**	**119,773**	**–2,430**	**283,738**	**–53,625**	**442,799**	**374**	**118**	**492**	**443,291**
Carried forward to new account	–	–	–	–	–53,625	53,625	-	118	–118	-	-
Consolidated net income for the year	–	–	–	–	-	–22,915	–22,915	-	543	543	–22,372
Distribution of dividends	–	–	–	–	-	-	-	–230	-	–230	–230
Changes in the scope of consolidation	–	–	–	–	-	-	-	-	-	-	-
Currency translation differences	-	-	-	2,034	-	-	2,034	-	-	-	2,034
Status at 31.12.2021	**15,625**	**79,718**	**119,773**	**–396**	**230,113**	**–22,915**	**421,918**	**262**	**543**	**805**	**422,723**
Carried forward to new account	–	–	–	–	–22,915	22,915	-	543	–543	-	-
Consolidated net income for the year	–	–	–	–	-	59,945	59,945	-	584	584	60,529
Distribution of dividends	–	–	–	–	-	-	-	–543	-	–543	–543
Changes in the scope of consolidation	–	–1,449	–	–	-	-	–1,449	-	-	-	–1,449
Currency translation differences	–	–	–	2,048	-	-	2,048	-	-	-	2,048
Status at 31.12.2022	**15,625**	**78,269**	**119,773**	**1,652**	**207,198**	**59,945**	**482,462**	**262**	**584**	**846**	**483,308**

Except for the amount posted to deferred tax assets,
the Group equity generated is fully available for distribution to the shareholders

Consolidated Cash Flow

of Messe Düsseldorf GmbH for the 2022 business year

	2022 €'000	2021 €'000
Consolidated net profit/loss for the year	59,945	–22,915
Portions of profit/loss accruing to minority interests	584	543
Write-ups/depreciation on tangible and intangible		
fixed assets	27,371	28,175
on financial assets	974	0
Increase (+)/decrease (–) in accruals	–191	8,325
Other income and expenses without impact on cash flow	4,019	–701
Cash flow	**92,702**	**13,427**
Profits (–)/losses (+) due to the retirement of fixed assets items	–7	–1,370
Expenditure on/income from interest	4,278	5,582
Expenditure on/income from tax on business profits	0	–4,000
Tax on business profits paid	9,437	610
Ertragsteuerzahlungen	–3,626	603
Increase (–)/decrease (+) in inventories, in trade receivables,		
and in other assets that are not attributable to investment or financial activities	2,846	–492
Increase (+)/decrease (–) in payments received on account	66,513	37,120
Increase (+)/decrease (–) in trade payables and other liabilities		
that are not attributable to investment or financial activities	–16,483	–107,349
Inflow of funds due to regular business operations	**155,660**	**–55,869**
Inflows due to retirements of tangible and		
aintangible assets	31	1,855
Inflows due to retirements of financial assets	354	1,831
Outflows due to capital expenditure on intangible assets	–20,577	–2,832
Outflows due to capital expenditure on tangible assets	–2,497	–8,358
Outflows due to capital expenditure on financial assets	–810	–778
Interest payments received	241	237
Dividends received	1,281	4,000
Outflow of funds due to capital investment	**–21,977**	**–4,045**
Dividend payments to other shareholders	–543	–230
Inflows due to the acceptance of financial loans	0	30,000
Outflows due to the redemption of financial loans	–10,242	0
Interest payments made	–2,690	–2,571
Outflow of funds due to capital investment	**–13,475**	**27,199**
Changes in cash and cash equivalents	120,208	–32,715
Cash and cash equivalents at the beginning of the accounting period	126,506	158,395
Changes in liquid assets due to the scope of consolidation and exchange rates	–652	826
Cash and cash equivalents at the end of the accounting period	**246,062**	**126,506**

Shareholdings

of Messe Düsseldorf GmbH

Company	Proportion of capital held in %	Equity 31.12.2022 €'000	Result 2022 €'000
Messe Düsseldorf North America Inc., Chicago/USA	100.00	3,558	–344
Messe Düsseldorf Japan Ltd., Tokyo/Japan	100.00	1,506	312
Messe Düsseldorf ASIA Pte. Ltd., Singapore	100.00	4,371	569
Messe Düsseldorf India Pvt. Ltd., New Delhi/India*	100.00	2,994	–925
EXCOSA INDIA Pvt. Ltd., Bangalore/India*	100.00 indirectly	61	–11
FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co.			
Objekt Rheinhalle Düsseldorf KG, Pullach i. Isartal	94.00	60	22
Messe Düsseldorf China Ltd., Hong Kong/China	100.00	31,216	326
Messe Düsseldorf (Shanghai) Co., Ltd. Shanghai/China	100.00 indirectly	11,742	–1,695
CIOSH Asia Co., Ltd., Beijing/China	50.00 indirectly	142	–276
Messeturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf	50.00	1,687	1,167
Düsseldorf Congress GmbH, Düsseldorf	50.00	2,389	248
German Exposition Corporation International GmbH, Berlin	33.33	47,542	–231
WISAG Messe Service GmbH, Düsseldorf**	24,90	25	0

* AClosing date 31.3.2022

** The Company commenced its business activities on 1.2.2023

Dialogue

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Basis for Business

Messe Düsseldorf