

Annual Report 2019

Presenting new role models





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For reasons of legibility, we have opted to use the male form in some places in this report, but the information provided is not gender-specific.

At a glance Koelnmesse in figures 2019

Key trade fair figures

Events

Koelnmesse's own trade fairs	25
Koelnmesse's own trade fairs abroad	25
Guest events	24
Special events	4
Total	78

Exhibiting companies

Koelnmesse's own trade fairs	25,036
Koelnmesse's own trade fairs abroad	12,339
Guest events	7,719
Total	45,094

Visitors

Koelnmesse's own trade fairs	1,406,887
Koelnmesse's own trade fairs abroad	505,624
Guest events	352,599
Total	2,265,110

Koelnmesse consolidated companies workforce size (average for the year)	913
Hall capacity	284,000 m²

Key financial figures

Koelnmesse consolidated companies

Sales	EUR 412.7 million
EBITDA	EUR 67.9 million
Net profit	EUR 30.5 million
Investments	EUR 63.2 million
Equity	EUR 255.3 million
Equity ratio	63.1%

Koelnmesse GmbH

Sales	EUR 350.1 million
EBITDA	EUR 75.9 million
Net profit	EUR 38.8 million
Investments	EUR 70.3 million
Equity	EUR 246.2 million
Equity ratio	69.6%



Strong boost for our partners and customers - before and after the crisis

Gerald Böse, Oliver Frese and Herbert Marner, Koelnmesse Management Board - Cologne, May 2020

A historic record year ended for Koelnmesse in 2019. Our company was in the midst of a tremendous growth phase, and our plans ambitiously extended into the near and distant future. We were always aware that the trade fair business is subject to global influences, at the time we were thinking of economic crises, trade wars or natural disasters. We did not have viruses in mind.

With more than seven decades of trade fair experience combined, this Management Board has never experienced times like these. Neither has our industry, our country or even the entire world.

There is no manual of procedures to which we can turn for the challenges of this kind of emergency. But the inescapable consequence is: We had to postpone or even cancel events in Cologne and worldwide and now face serious economic consequences.

The good news is: We have taken precautions in the past several years. Hence, Koelnmesse's sales exceeded the threshold of 400 million euro for the first time in 2019, with clearly positive earnings for the third time in a row. We continued to move forward with our Koelnmesse 3.0 investment programme, with the laying of the cornerstone for the new Hall 1plus, further increased sales for our international business and continued to expand and strengthen both our digital services and our agile working methods. In this respect, we performed important groundwork in the past year. This - we are firmly convinced - will also put us in a position to overcome the crisis. And then to build on what has been achieved.

This is something we must do, not just for our own sake. Even and particularly in this difficult time, we have a responsibility to assume: as a source of

impetus for our customers' industries; as a dependable employer for our employees in Cologne and throughout the world; as an engine for the economy of our city, region and country; and as a reliable partner to our service providers from many different trades whose existence is under serious threat.

We have an obligation to continue to look to the future, not abandoning our plans but pursuing them with all the more intensity. We want to be a role model - in the wake of the crisis, more than ever before.

That, too, is part of what this Annual Report is about. It is about the role models we emulate in the effort to soon find our way back to normalcy. It is about sustainable trade fair management as the foundation for a solid future in spite of it all.

This will not be possible very soon, and it is certainly not as easy as we imagined when we drew up this Annual Report. Nevertheless, we decided to publish it - using the same images, and without modifying the messages it contains. Because much of what we have done is already on the right track. And because we believe in this.

We rely on our Koelnmesse team and are deeply grateful to them. We can count, and always have, on the involvement and creativity of the workforce at this difficult time.

The trade fair landscape, our partner industries and service providers are going to need role models, especially in the wake of the coronavirus. Our mission is to provide strong impetus for the economy by organising successful, sustainable events. Let us rise to this responsibility! Koelnmesse and its teams are ready to go.

New role models

How do we create added value for our customers,
the Cologne economic region, society and the environment?

We are convinced: Only future-oriented trade fairs achieve their economic, social and environmental objectives. That is why we are redesigning many of our service areas. We have seen the first tangible results in the field of society, the economy and the environment. Further measures are currently being implemented or are planned. On the following pages, we report on our role models, how we implement them and the benefits we expect from them.

Role models for sustainable
environmental action



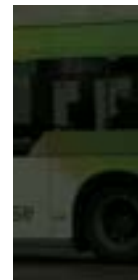
Achieving more with less

Thanks to trade fairs, numerous international encounters are possible in a single place and in just a few days' time. They promote knowledge-sharing, cooperation and positive economic development. In the future, trade fairs will remain a source of successful global collaborations that give rise to innovations.

Making trade fairs possible requires takes a lot of resources and a considerable travel and logistics effort. The aim of our package of measures is to significantly reduce emissions, energy consumption and traffic loads. Our measures for the reduction of carbon dioxide (CO₂) and nitrogen oxide (NO_x) are supported and promoted by the German Federal Ministry of Transport and Digital Infrastructure as part of its "Digitalisation of municipal transport systems" initiative and are designed to contribute to the Cologne "Clean Air Plan". Koelnmesse itself contributes far more than half of the investment of around 10 million euro.

Operating at full capacity during a trade fair year currently involves 80,000 trucks, 16,000 of them weighing more than 40 tonnes, and passenger traffic of some 3 million cars around the trade fair grounds. The aim is to digitally optimise all traffic, evening it out and reducing congestion. The booking of time slots for trucks is a decisive way to achieve this: From the moment they set off on their journey, trucks are precision-navigated with exact timing to a trade fair destination where loading and unloading conditions are best. If a truck is delayed, the time slot is automatically reassigned. At the same time, staff are notified and forklifts reorganised.

Role models for sustainable environmental action



Appealing traffic ideas

One of the most environmentally friendly ways to reach the trade fair grounds is through public transport. Admission tickets for many events also double as a ticket to the Verkehrsverbund Rhein-Sieg system of transport network, and train tickets can be booked at discounted rates through a cooperation arrangement with Deutsche Bahn. Expansion of the Cologne railway hub and ideas for alternative transport solutions - such as a cable car from the main station to Cologne/Messe Deutz station - are projects in which Koelnmesse is heavily involved.

Better organisation for millions of routes

Management of time slots for trucks is embedded within a comprehensive system of traffic management around Koelnmesse. This system is based on NUNAV, the digital routing technology. It has been tailored specifically to the situation of Koelnmesse. With the newly acquired spatial data of the trade fair grounds and a specially developed management interface, traffic flows, gate and hall access routes, car park occupancy and urban traffic areas can be coordinated more effectively. The system is networked with central traffic offices for the City of Cologne and the state of North Rhine-Westphalia. Twenty-five digital indicators for traffic guidance have also been installed to ensure optimised traffic routing.

Sustainable construction

Koelnmesse views sustainability as an integral component of its construction projects as well: The Confex® as a trade fair, congress and event location was planned in such a way that it was pre-certified with the highest platinum status by the German Sustainable Building Council. The exhibition space is also being updated with state-of-the-art technology under the Koelnmesse 3.0 investment programme, thus achieving further objectives. This will cut the energy consumed for heating by up to 30%, electricity consumption for building services by up to 25% and CO₂ emissions by 3,200 tonnes per year.



We are convinced that quality of work and quality of life belong together

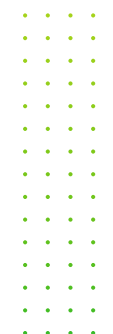
We want to be more than a solid employer offering a high level of safety. We want to optimise our teamwork to make even better use of potentials. We want to create the kinds of conditions that foster ideas and innovations. We want to organise work in a family-friendly way. And we want to create better opportunities for all. This is because increasing the quality of work and the quality of life improves our performance and our importance grows - as a company, as an economic factor in the region and as a part of society.

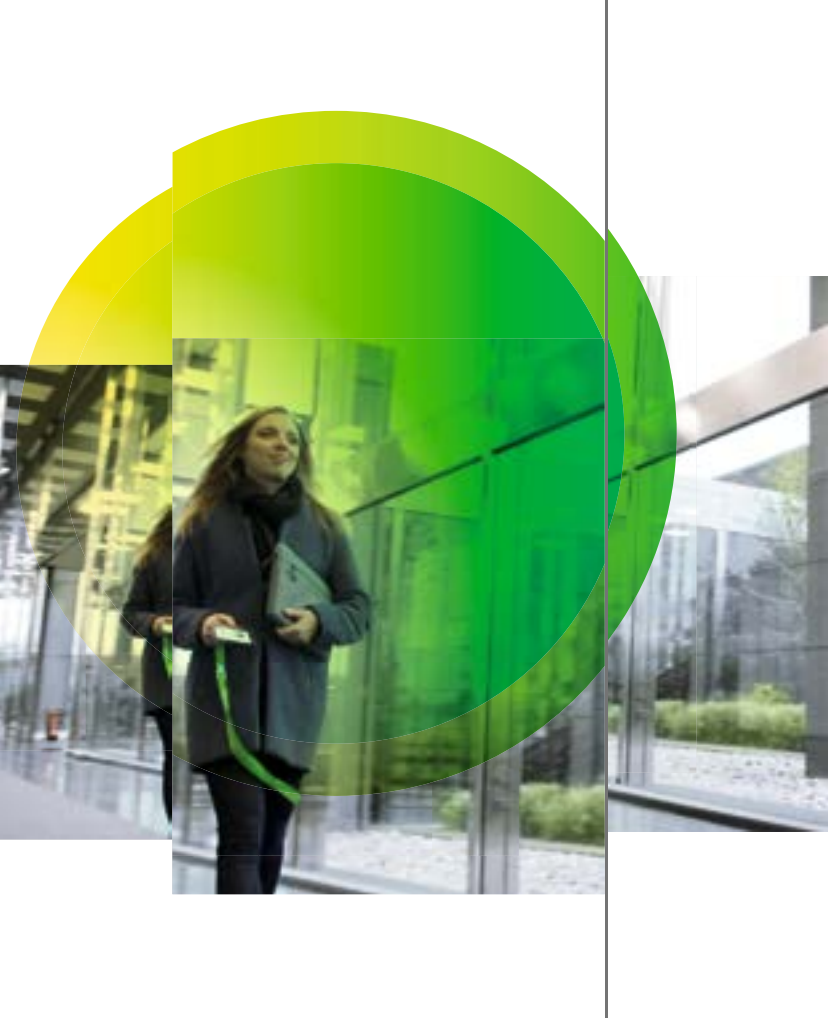


A strong network enhances our opportunities

To optimise cooperation even across international borders, all of our employees operate with modern, mobile IT equipment. This improves the integration of colleagues all over the world as members of the team. We are setting standards and optimising knowledge and quality management. Regularly scheduled information events, the employee magazine, the Social Workplace and a new training programme are all expanding and intensifying in-house interactions. With digitalisation, many things are changing faster, and we need to learn continuously. “Academy”, the recently introduced online learning platform, makes individual learning easier for employees.

Methods for agile project management such as “Scrum” and innovation techniques such as design thinking are increasingly common features of our projects and help us to develop fresh solutions. These approaches are already being put to successful use in some projects.





**Role models for
sustainable social action**

**Promoting diversity and
equality**

Koelnmesse participated in the cross-mentoring programme for women for the fourth time in 2019. This programme assigns a female mentee to a mentor from another participating Cologne-based enterprise. Four mentees and four mentors from the Koelnmesse participate in the programme. In addition to 1:1 mentoring, the programme also features workshops, company visits, and networking events. The aim of the programme is to promote women's careers at Koelnmesse and in Cologne-area businesses.

Female Leadership 2.0, the in-house network for women, supports female colleagues regardless of their age, career level or position by offering lectures, workshops and networking events. This brings greater visibility to the topic of women in leadership.

**Reshaping career, family and
leisure time**

With flextime, flexible work scheduling and provisions for mobile work, we make it possible for our employees to adapt working conditions to their personal lives. We have created a space for parents and children and offer advice to staff in special situations including assistance to relatives in need of nursing care or topics in personal health management.

With the planned construction of the new Koelnmesse office building at the trade fair roundabout, directly opposite Entrance North to the trade fair grounds, we are creating new flexibility to make our working conditions even more individual and attractive in future.



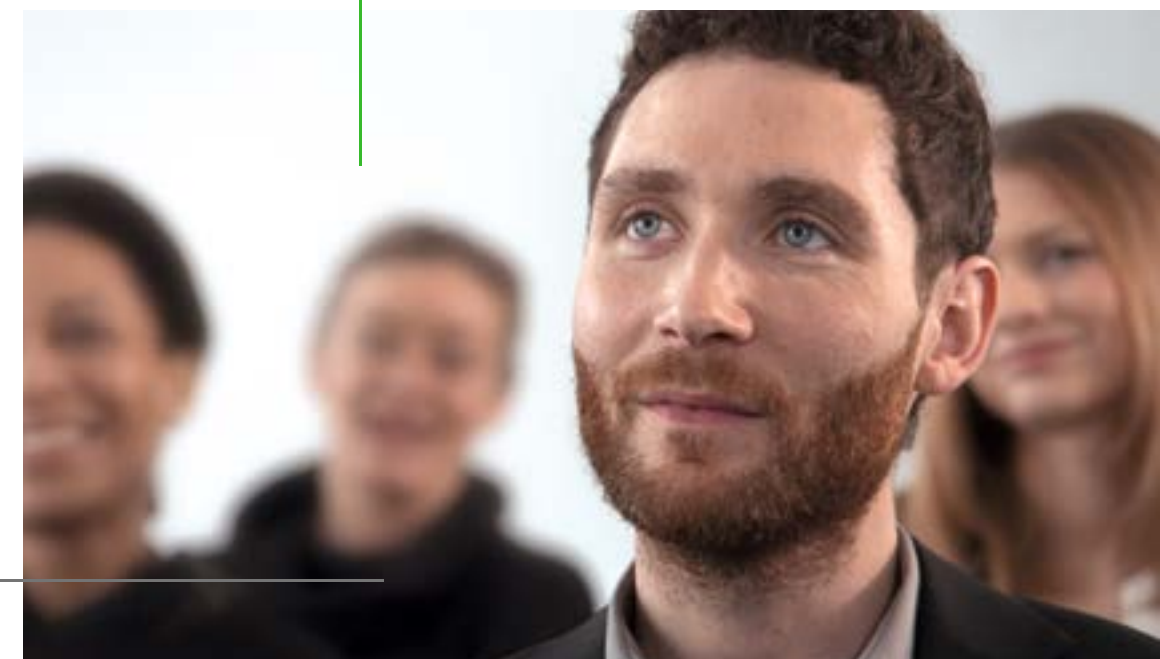


The offer is becoming more agile,
more international, more digital

Koelnmesse has a clear mission. We promote 25 strong sectors of the economy for which we organise trade fairs all over the world and give sustained impetus to the Cologne economic region. We are a mirror, a forum and an engine that drives innovation for the global development of these industries. Digitalisation and environmental considerations require fresh thinking and action in all areas, and the demands on our responsibility are increasing. We view this challenge as an opportunity for successful further development and are creating new offers with this in mind.



Role models for
sustainable economic activity



New services broaden our potential,
scope and reach

Exhibitors can use the Koelnmesse LeadTracking service to digitally compile the contact details of interested trade fair visitors. This is much easier and faster and leaves more time for conversation with partners and customers.

Our online business platform for the furnishings industry is called "ambista". It improves matchmaking between exhibitors and visitors - before, during and after a trade fair. It broadens the trade fair experience and

the business options to 365 days and 24 hours and intensifies the contacts established and product experiences.

Shows, highlights and posts from our trade fairs can be experienced online with livestreaming and videos on demand. There is a great deal of interest in this. At its peak, there were 500,000 viewers at the same time of the livestreamed opening show of gamescom 2019, and millions of gaming fans viewed the trade fair online through the digital offer "gamescom now".



Software update for Koelnmesse

The concentrated expertise and extensive global influence of our trade fair events make us an important driver for many sectors of the economy. Yet the pace of new developments and change is accelerating. That is why we enlist new methods and areas of expertise to implement future-oriented ideas and concepts.

DMEXCO is a good example of this. The experience of the latest digital trends was supplemented with an important dimension last year. Sustainable action, CO₂ offsets and a return to taking a stronger stand in marketing all play a decisive role. In a first project, with the social business “Treedom”, donations were generated and trees were planted in Kenya. These trees will store around one million kilogrammes of CO₂ - an initiative that will be ongoing.

With platforms such as “Anuga Horizon 2050 - Better Food for a Better World”, we are creating awareness for topics relevant to the industry. We design special shows, such as “h+h cologne goes green” or “Future Interiors - designed in Germany”

for sustainably produced furniture, create emotional events such as “DMEXCO Forest” or “Future now - My image for Expo 2020”, offer guided tours and organise conference programmes around future topics, bringing visionaries, innovators, initiatives and start-ups together. Sustainability awards create additional awareness and shine a light on outstanding offers. In 2019, we joined our partners in setting the topic of sustainability at the top of the agenda for numerous trade fairs - that is how we view our mission as a marketplace. Sustainability will remain an important issue for us in the years ahead, and we will use the broad reach of our channels to heighten awareness.

We invest in new digital technologies to permit our clients to present themselves to their respective industry in the best possible light. New event halls are being built, and complementary digital services are being established. A large number of screens located throughout the trade fair grounds create completely new possibilities for experience.

The strategic orientation is global

Entry to and success in international growth markets is part of the corporate strategy for many of our clients. With 11 subsidiaries and joint ventures and more than 100 sales offices in all major markets, we are here to help them make this strategy come true. We develop international trade fairs on all continents that are in keeping with the industry themes of our leading events in Cologne. We enlist this network to offer our clients the same quality of company and product presence worldwide. We do not view this orientation as a form of competition but rather as the perfect supplement and hedge for the German market.



more than
54,500
exhibiting companies

from
122
countries

around
3 million
visitors

from
224
nations

The figures refer to the total
programme of Koelnmesse.

Management report on Koelnmesse GmbH and the Koelnmesse consolidated companies

for the fiscal year from 1 January to 31 December 2019

I. Profile of the company and the consolidated companies

1. Business model

Business operations at Koelnmesse encompass the planning, organisation and execution of trade fairs, exhibitions and events in Cologne and in the leading markets worldwide, as well as the execution of guest events in Cologne. For this purpose, at its location in Cologne the company operates trade fair and exhibition halls along with related equipment and facilities that it constantly maintains and develops. In addition to the rental of stand space, Koelnmesse offers its customers a complete portfolio of services for the execution of trade fairs and exhibitions. These include stand construction, technical and logistics services, as well as marketing, hotel reservation, travel, catering and other services. With an overall programme in which more than 54,500 exhibiting companies from 122 countries and around 3 million visitors from 224 states participate, Koelnmesse is one of the largest international trade fair organisers in the world. It organises trade fairs for numerous sectors of the economy.

Each year, Koelnmesse organises and manages around 80 trade fairs, exhibitions, guest events and special events in Cologne and around the world. Along with events of its own abroad, Koelnmesse also organises participation in foreign trade fairs for stakeholders in Germany, as well as the German pavilion at the Expo in Dubai by commission of the German Federal Ministry for Economic Affairs and Energy (BMWi).

The global network with 11 international subsidiaries and representations in more than 100 countries provides close proximity to customers, sectors and markets. On average, 72% of the exhibitors and more than 42% of the visitors come from abroad.

The trade fair grounds in Cologne are the third largest in Germany and among the top ten in the world: 284,000 m² of hall space and 100,000 m² of outdoor area are available for all types of events. The trade fair grounds are particularly noteworthy for their flexibility, their location close to the city centre and the ease and speed with which they can be reached with all modes of transportation.

A majority share of the Koelnmesse consolidated companies is held by the City of Cologne (79.075%) and the German state of North Rhine-Westphalia (20%). The consolidated companies consist of Koelnmesse GmbH together with ten fully consolidated subsidiaries abroad and Koelnmesse Ausstellungen GmbH. In addition, for the first time, following acquisition of the remaining 51% of the shares from the City of Cologne, the balance sheets of the subsidiaries, KölnKongress GmbH and KölnKongress Gastronomie GmbH, were recognised in the consolidated financial statement as at 31 December 2019. Rounding out the portfolio is a 50-percent share in Koeln Parma Exhibitions S.r.l., of Parma, Italy.

2. Aims and strategies

Koelnmesse has set itself the task of providing impetus for a host of international sectors. The company promotes markets by creating a convergence of supply and demand using trade fair, congress and online platforms. At the same time, Koelnmesse benefits the city and region to a considerable degree. Every year, trade fair attendees' expenditures generate more than 1.1 billion euro in sales in Cologne alone. The trade fair business secures more than 11,000 full-time jobs in the city - in retail, the trades, transport, logistics, and in the hotel and restaurant industries.¹

With its "Course IOI" corporate strategy, Koelnmesse secures its place among the leading international trade fair organisers worldwide. The strategy contains targets that Koelnmesse

intends to reach by 2025 and is named after the 101st birthday of Koelnmesse in that year. At the beginning of a financial year, all of the business units articulate auditable targets for the three core areas of innovation, organisation, infrastructure - of "IOI" for short.

Koelnmesse's internationalisation strategy primarily aims to develop and expand events abroad as well as an efficient worldwide sales structure. In addition to China, Southeast Asia and India, Koelnmesse further strengthened its international activities in South America in 2019, and especially in Brazil and Colombia. Specific fields of expertise such as "Food and FoodTec" will be expanded there.

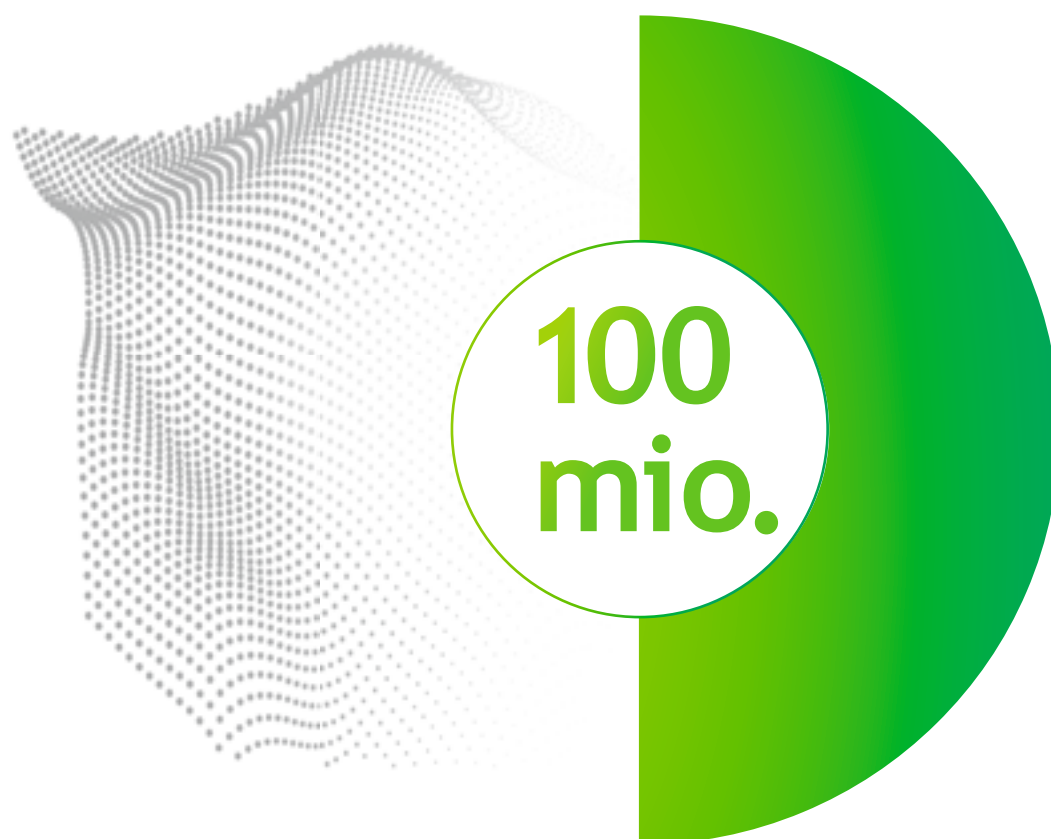
The Koelnmesse 3.0 investment programme forms the basis for the business success of Koelnmesse. Thanks to a comprehensive modernisation effort and new construction, by 2030 Koelnmesse intends to create the most attractive inner-city trade fair grounds in the world. The cornerstone for the new Hall 1plus was laid in January 2019, marking the facility's first new construction project. The second stage of renovations to the existing structure in Hall 10 was completed with clockwork precision in autumn 2019 and featured extensive installation and expansion work.

Koelnmesse has been bundling all of the topics around digitalisation with its new Digital Transformation Programme launched in 2018. In total, it is investing around 100 million euro in digitalisation over a 10-year period, 50 million of this amount from 2020 to 2024, with the aim of

joining the leading international group for digitalisation in the trade fair sector.

That is how Koelnmesse intends to expand its core business by adding the "Business-Matchmaking-as-a-Service" business model, successfully transitioning the marketplace principle into the digital age. Above and beyond providing exhibition space and space-related services, a broad and global portfolio of offers will be established to bring providers and customers together under the kind of matchmaking known from analogue trade fairs.

Sustainability is another major topic that has come into focus among internal and external stakeholders. Corporate Responsibility - "CR" for short - is a mission that Koelnmesse pursues with a cross-departmental CR concept.



50 million

2020 - 2024

Digitalisation

In total, Koelnmesse is investing around 100 million euro in digitalisation, 50 million euro of this amount from 2020 to 2024.

¹ These figures are based on a study from the year 2014.

II. Economy report

1. General macroeconomic and industry conditions

A. General macroeconomic conditions

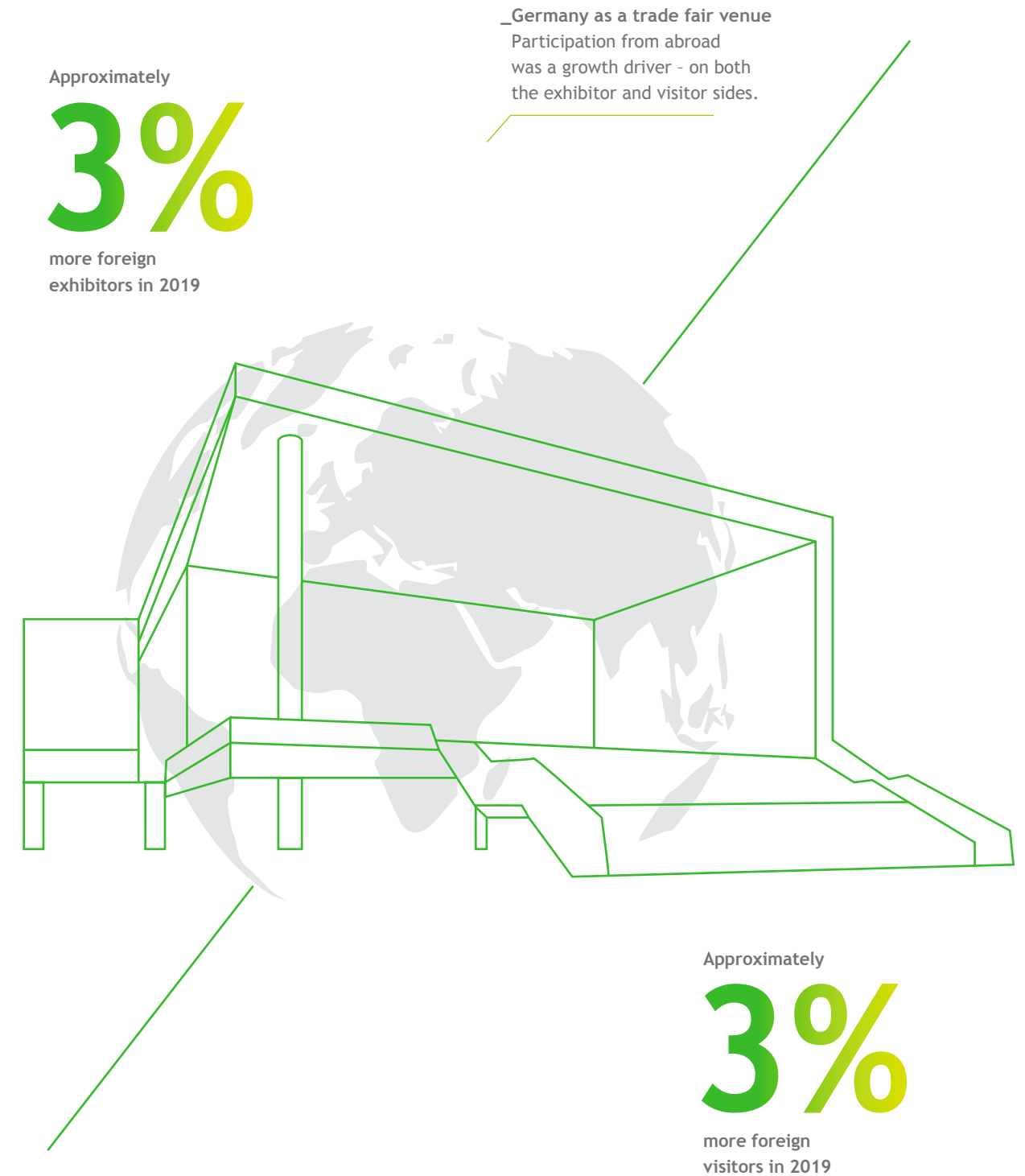
The International Monetary Fund (IMF) has calculated global economic growth of 2.9% for 2019 (2018: 3.6%). According to the German Federal Ministry for Economic Affairs and Energy (BMWi), global indicators point to a trend that is just slightly accelerated but remains positive. At the beginning of 2020, the IMF forecast growth of 3.3% for this year and 3.4% for 2021.

The German economy lost momentum in 2019. According to the German Federal Statistical Office, the economic situation in Germany in 2019 was characterised by economic growth of 0.6% (2018: 1.5%). At the beginning of 2020, the economy gained momentum somewhat compared to the previous year. In light of this, BMWi and the IMF both predicted 1.1% growth in real gross domestic product for Germany in 2020. Due to developments around the coronavirus, a significant weakening in national and international economic trends must be expected in 2020. Consequently, the usual forecasts of the economic institutes cannot be considered a basis for planning.

B. Industry conditions

AUMA - Association of the German Trade Fair Industry reports a stable result in the number of exhibitors and the amount of stand space at trade fairs in Germany in 2019: At the 163 international and national events, approximately 1.0% more exhibitors were registered and about 0.5% more stand space was booked than at the respective previous events. These are the results of preliminary AUMA calculations. Thus both the number of exhibitors and the amount of booked stand space, in turn, increased at a slower pace in 2019 than compared to the previous year (according to the AUMA balance sheet for 2018: 2.0% and 2.0% growth rates respectively). Visitorship was also around 2.0% lower (2018: + 0.1%) - chiefly as a result of the trend in the automotive sector. AUMA cites cloudier economic prospects in many countries as the reason for declining growth rates, but also the different acceptance of current trade fair concepts in individual sectors.

As in previous years, participation from abroad proved a driver of growth on both the exhibitor and visitor side: The number of foreign exhibitors and visitors grew further, by 3% each, demonstrating the attractiveness of German trade fairs. This is a trend already seen during the past 3 years.



2. Trend of business and situation of the Koelnmesse consolidated companies

A. Trend of business of the Koelnmesse consolidated companies

Koelnmesse remains on course for growth: Sales by the consolidated companies amounted to 412.7 million euro, which is 5 million euro higher than planned. The previous record year, 2017, with sales of 357.9 million euro, was significantly exceeded in 2019. The 30.5 million euro in net profit for the year is also well above plan. In operational terms, the good result is attributable to development of Koelnmesse own events and guest events at the Cologne trade fair location and in the leading markets worldwide, as well as to the service business.

The 78 trade fairs and exhibitions held worldwide in 2019 featured more than 45,000 exhibiting companies from 120 countries and around 2.3 million visitors from 218 countries. In addition to this, there were approximately 124,000 participants in congresses that were held outside of the trade fairs and organised by KölnKongress GmbH. 25 own and 24 guest events and 4 special events were held in Germany, all of which took place in Cologne except for art berlin. 25 trade fairs took place abroad. A premiere in the Koelnmesse Group portfolio was celebrated in 2019 by ANUFOOD Brazil in São Paulo, Brazil. CCXP COLOGNE - Comic Con Experience was held for the first time at the Cologne location during the reporting year.

In terms of the three key parameters for trade fairs (exhibitors, visitors and stand area), in 2019 a large share of Koelnmesse's own programme developed at a rate higher than the industry average identified by AUMA - Association of the German Trade Fair Industry. Seven trade fairs were even able to record increases across all three parameters - among them ProSweets Cologne, the supplier fair for the sweets and snacks industry; interzum, the trade fair for furniture production and interior design; and Anuga, the world's largest trade fair for the global food industry.

The Koelnmesse 3.0 investment programme continued to advance in 2019. Between now and 2030, it will prepare the trade fair grounds in Cologne for the high demands of the trade fair sector of the future. This is aimed at significantly increasing efficiency, flexibility and attractiveness while significantly upgrading the amenities.

The cornerstone for the new Hall 1plus was laid in January 2019: With 10,000 m² of exhibition space and optimum connections within the trade fair grounds, the new Hall 1plus offers a high degree of flexibility in terms of functionality and capabilities. Various modernisation work has taken place as well. The second phase of renovation work in Hall 10 was completed, featuring new ventilation technology, a lighting system and grid ceilings. Confex® is set to be launched as the next new construction project; preparatory measures are set to begin in autumn 2020.

Work continued in 2019 on the projects that go to make up the digital transformation. A new and responsive ticket shop was launched for the first trade fairs, making ticket purchases much more intuitive and modern for visitors. In an interdisciplinary team, intensive work continued on the new service shop and online trade fair registration. Both will be available to exhibitors in the course of 2020.

The digital signage project launched in 2018, which Koelnmesse is implementing together with Samsung SDS, was further developed on the trade fair grounds. With the north section of the grounds already outfitted, in 2019 an 80 m² outdoor LED screen was installed at Entrance North, and new screens were added on the Middle Boulevard. Koelnmesse invested several million euro in replacements of Wi-Fi, LAN and telecommunications technology on the trade fair grounds. Initial tests of 5G at DMEXCO and DIGITAL X were also successful.

In 2019, the German Federal Ministry of Transport and Digital Infrastructure approved Koelnmesse's renewed application for funding under the "Immediate Action Programme for Clean Air 2017-2020". This raised the level of funding for the digitalisation of traffic to around 8.5 million euro, with the company itself assuming more than half of this amount. Beginning in 2019, Koelnmesse offered its trade visitors NUNAV navigation, providing routing from the front door to a free parking spot; this is part of an effort to reduce emissions. In 2020, the system will be expanded for additional user groups and will be followed by logistics optimisation and parking space management. Thanks to the new funding, a mobility hub can now also be built in the Car Park Zoobrücke by 2024, linking passenger traffic with environmentally friendly modes of transport.

The CCXP COLOGNE - Comic Con Experience held in Cologne in the summer of 2019 was successfully launched jointly with the Brazilian Omelete Group. This strengthened the area of competence in "Digital Media, Entertainment and Mobility", which will expand further in 2020 with gamescom asia. The importance of digital topics is constantly on the rise in the other areas of competence and sectors at trade fairs as well.

With a total of around 115 smaller and larger events, 2019 was a successful year for the incub8 digital campus that had been launched in 2018. Events such as the Smart Furniture Makeathon or the ISM and ProSweets Cologne Meet-up systematically brought exhibitors from the Cologne trade fairs in contact with start-ups and young creatives - for business matchmaking of a slightly different kind. The trend for trade fairs abroad was a positive one. Compared to the respective previous event, four trade fairs

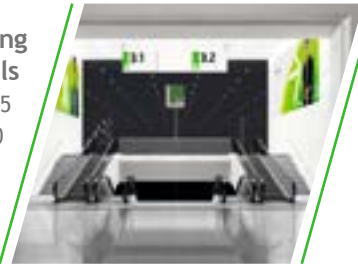
abroad recorded rates of growth above the average identified by AUMA - Association of the German Trade Fair Industry for the three parameters of importance to the trade fair sector - exhibitors, visitors and space. These trade fairs were led by Cibus Tec with overall growth far above the average, and THAIFEX-World of Food Asia.

In 2017, the German Federal Ministry for Economic Affairs and Energy (BMWi) commissioned Koelnmesse to organise and operate the German Pavilion at the World Expo in Dubai. Construction work on the German Pavilion was accelerated further in 2019, a cultural agency was appointed for the content of the pavilion, and recruitment of staff began. The pavilion, designed around the title of "CAMPUS GERMANY", takes up the motto for the Expo - "Connecting Minds, Creating the Future" - and presents the topic of sustainability to the estimated 3 million visitors in an exhibition space spanning 4,600 m². Following Japan in 2005 and China in 2010, Koelnmesse is involved in 3 of this century's 4 major EXPOs.

Koelnmesse 3.0 at a glance

Refurbishment of existing buildings South Halls

Start of refurbishment: 2015
Completion: 2030



Halle 1plus

Beginning of construction: 2019
Completion: end of 2020



Car Park Zoobrücke

Beginning of construction: 2016
Completion: 2018

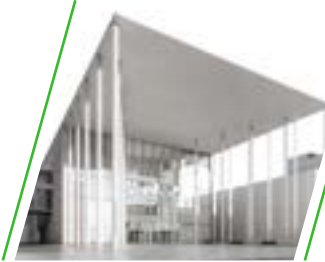


Exterior and facade, Halls 10 and 11

Beginning of construction: 2021
Completion: 2021

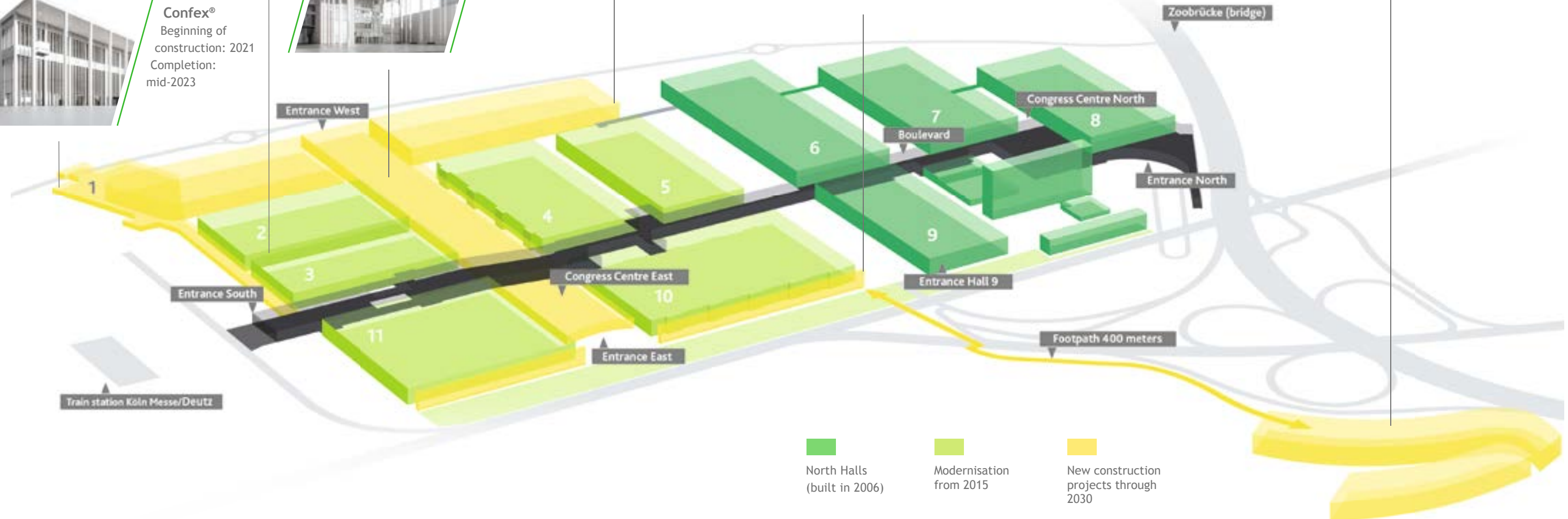


Terminal



Confex®

Beginning of construction: 2021
Completion: mid-2023



913

With a worldwide network of representations in more than 100 countries, the very high rate of participation of foreign exhibitors (72%) and visitors (42%) in trade fairs in Cologne and 30 foreign trade fairs, Koelnmesse is well-positioned internationally. Sales in international business rose to 37.7 million euro in 2019 (previous year: 36.8 million euro). Thus, foreign business accounted for 9.1% of total sales.

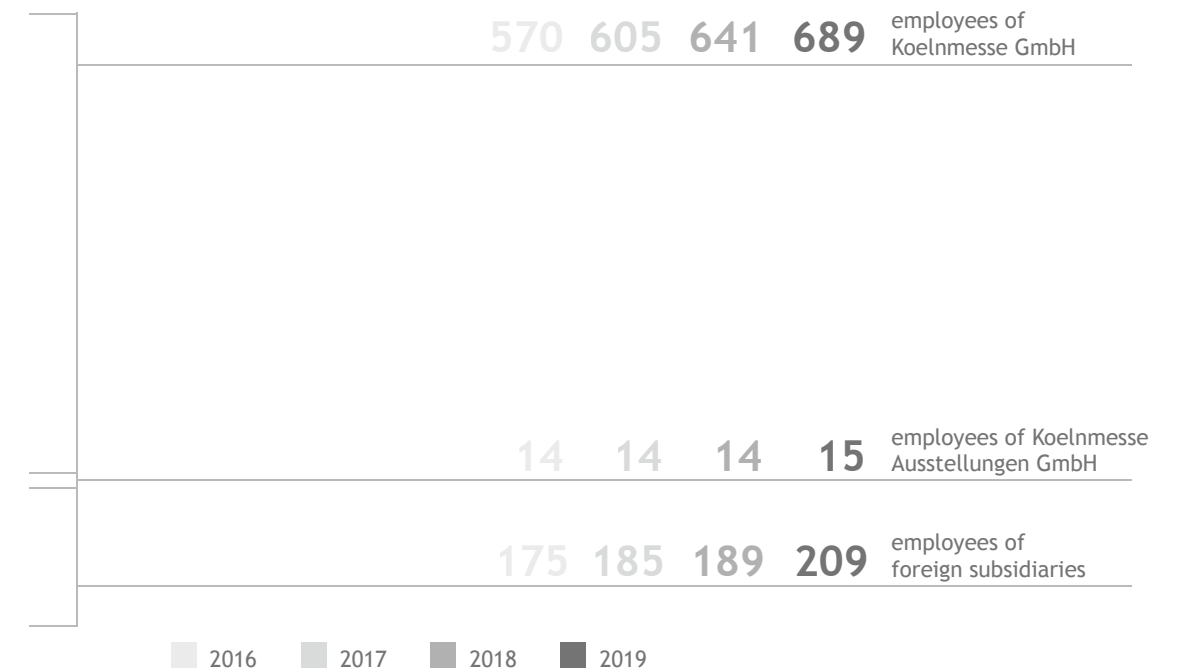
On average, there were a total of 913 employees employed with the Koelnmesse consolidated companies in 2019 (previous year 844). Of these, 689 (previous year 641) worked at Koelnmesse GmbH, 15 (previous year 14) at Koelnmesse Ausstellungen GmbH and 209 (previous year 189) at the foreign subsidiaries of Koelnmesse GmbH. New to the consolidated companies, and not included in the above figures for the consolidated companies, are 40 employees of KölnKongress GmbH at the end of the year as well as 67 employees of KölnKongress Gastronomie GmbH.

Due to personnel requirements and the changing needs of the applicants, staff recruiting requirements for personnel recruitment are consistently

high. With job applications increasingly submitted via smartphone or other mobile devices, in 2019 Koelnmesse designed the website for an online application process with a responsive design that permits applications regardless of the device used.

The number of applications received at Koelnmesse in 2019 increased by more than 33% to around 6,000 applications, thus successfully meeting the renewed increase in personnel requirements with hiring of nearly 100 new colleagues. More than one-third of 120 internal vacancies were also filled internally, thus creating development opportunities for existing staff.

The Koelnmesse also focused on the recruitment and training of young talent in 2019. A total of 35 internships and a variety of jobs for working students were offered. Koelnmesse supports a recipient of the Deutschlandstipendium and is involved research and instruction at the Institute of Trade Fair Management at the University of Cologne. For the first time, Koelnmesse offered a dual degree programme with a focus on business computing and concluded a cooperation arrangement with the Fachhochschule der Wirtschaft (FHDW).



In addition, a trainee programme with different areas concentration as well as a traineeship of the editorial department (7 participants in all), as well as 18 aspiring event managers spanning 3 training years form an important pillar of our effort to recruit young talent.

Koelnmesse also remains active in the promotion of women: For the fourth time, Koelnmesse, together with six other Cologne-based companies, took part in the cross-mentoring programme to promote women's careers - with four mentees involved here, along with four mentors. The company's own "Female Leadership 2.0" network offers in-house, tailor-made information and discussion events for women and supports networking, interaction and career development in this way.

Koelnmesse further expanded its offer in continuing education in 2019. 540 participants received training in more than 60 in-house training sessions. In addition to in-house training offers, some 200 employees participated in external training.

The end of 2019 also marked the starting signal for the Koelnmesse digital learning platform. The "Academy" is another milestone in the redesign of offerings in training and continuing education. For the first time, Koelnmesse is providing an e-learning platform for self-guided learning independent of time or location constraints. Under this arrangement, knowledge of relevance to the company is accessible worldwide, easily and straightforwardly, and also enables targeted training of international teams.

The success of our company is due to our employees. They are committed to providing a unique trade fair experience for our clients. At the same time, they bring motivation and a great deal of expertise to the effort to further develop Koelnmesse and ensure its success in the future. The Management Board expressly thanks all employees for this consistently high dedication throughout 2019.

B. Situation of the Koelnmesse consolidated companies

Net asset position:

Total assets for the consolidated companies significantly increased from 363.3 million euro to 404.9 million euro. On the assets side, the increase is the result of investments in fixed assets, which were higher by a total of 46.4 million euro. Additions in the amount of 66.1 million euro compared with depreciations of 21.7 million euro and disposals of 1.4 million euro. Additions consisted nearly exclusively of investments of Koelnmesse GmbH. Additionally, initial consolidation of KölnKongress GmbH and KölnKongress Gastronomie GmbH resulted in additions in acquisition costs in the amount of 8.1 million euro and depreciation of 4.8 million euro. Fixed assets amounted to 58.3% of total assets (previous year 52.3%). The average depreciation rate (excluding initial consolidation effects) fell from 10.6% the previous year to 9.2%. In addition to investments in fixed assets, the increase in assets was also the result trade accounts receivable, which were 5.4 million euro higher due to cyclical effects. By contrast, other securities were 13.7 million euro lower due to a partial sale of the positions.

On the liabilities side, the 41.6-million-euro increase in total assets is mainly attributable to the 30.9 million-euro increase in equity and 17.4 million euro in provisions, parallel to a decrease of 6.4 million euro in liabilities. The 13.8% increase in equity, to 255.3 million euro, is almost exclusively the result of the net profit for 2019. Owing to the significant increase in equity, the equity ratio rose from 61.8% to 63.1%. The increase in tax provisions is particularly due to provisions for the current assessment period at the parent company. Most of the increase in other provisions also comes from the parent company. The decrease in liabilities is largely based on the 10.4-million-euro decrease in liabilities from advance payments received for purchase orders, due to cyclical effects and the reporting date. For the remainder, we refer to the explanations on the net asset position of Koelnmesse GmbH.

Financial situation:

Cash funds according to the cash flow statement in the amount of 128.4 million euro (previous year 140.3 million euro) include 118.5 million euro in cash and cash equivalents, together with investment securities totalling 9.9 million euro. The decrease in these funds owes mainly to the cash flow from investing activities in fixed assets in the amount of 63.2 million euro (previous year 33.9 million euro). By contrast, the positive cash flow from operating activities stood at 49.9 million euro (previous year 42.6 million euro). This made it possible to finance investments from cash funds, and predominantly from the operating cash flow, a key financial performance indicator; this was again possible without requiring the company to borrow.

Koelnmesse GmbH was in a position to meet its payment obligations at all times throughout the year 2019. Construction and modernisation measures within the scope of the project Koelnmesse 3.0 can lead to medium-term financing requirements at Koelnmesse GmbH. A credit requirement totalling around 120 million euro is expected in the first investment phase, which lasts until 2024. Credit lines of 120 million euro have already been concluded for Koelnmesse 3.0.

Results:

Consolidated sales in 2019 rose year-over-year by 75.3 million euro or 22.3% due to cyclical effects and stood at 412.7 million euro. The forecast sales figure of 407.7 million euro was exceeded by 5.0 million euro. Event-related expenses decreased by 17.2%; this is less steep than the decrease in sales compared to 2018. This results in an increase of 40.0 million euro in gross profit. The gross profit margin is 2.5 percentage points higher and stands at 41.8%. On the other hand, the gross profit determined taking other operating income into account was just slightly higher, by 1.0 million euro, and totalled to 176.8 million euro as a result of the high other income from reversals of rental provisions in the previous year in an amount of more than 40 million euro. The gross profit margin fell from 46.2% to 42.4%.

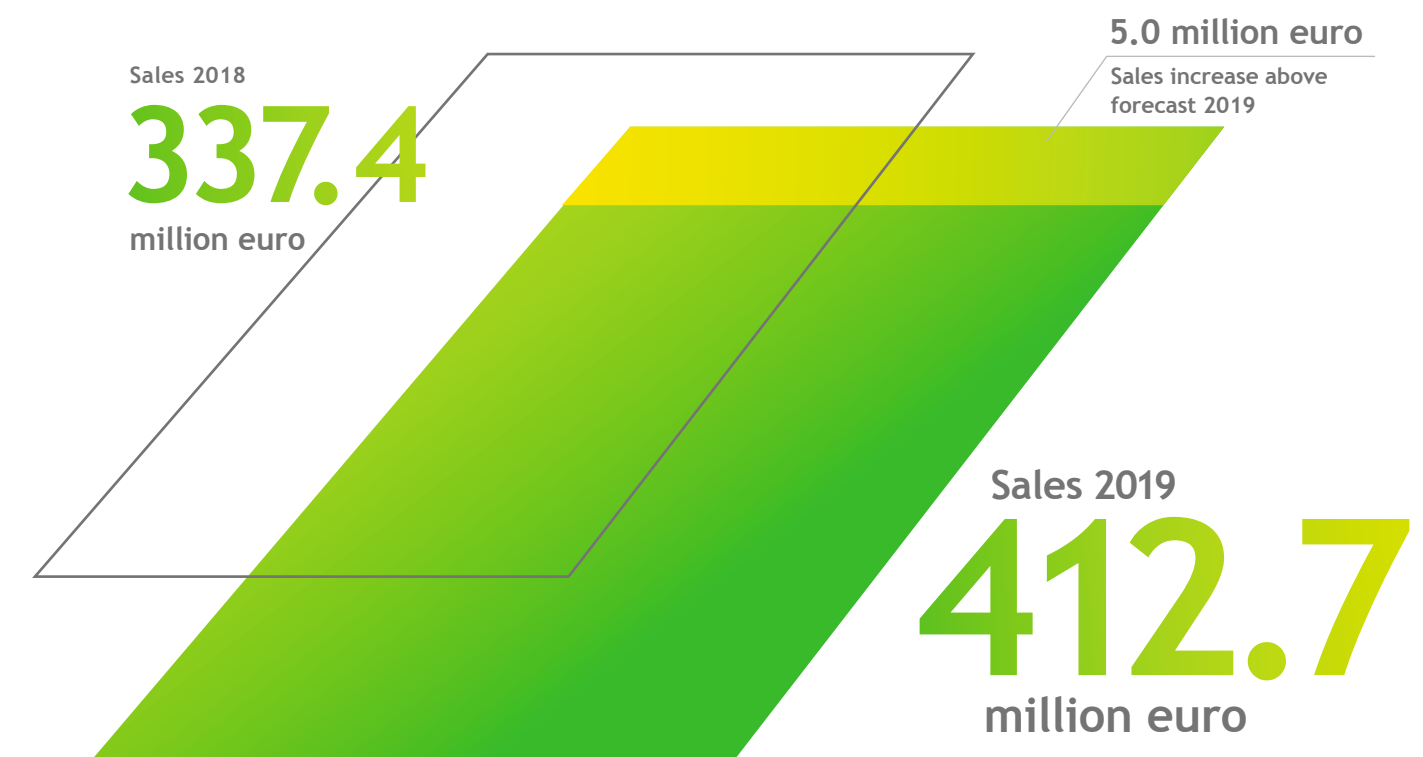
Personnel expenses rose by 5.7 million euro or 9.7%. 5.2 million euro of the increase in personnel expenses in the consolidated companies is attributable to the German companies and 0.5 million euro to the foreign companies and is mainly the outcome of the 8.2% increase in staffing levels within the consolidated companies.

Other operating expenses were 8.3 million euro or 24.0% higher, mainly as a result of the increase in other provisions at the parent company.

Of the income tax expense of 15.4 million euro for financial year 2019 13.3 million euro came from the parent company, while the joint venture in Italy and the subsidiary in the USA accounted for 0.7 million euro and 0.6 million euro, respectively. Other taxes relate for the most part to property tax for Koelnmesse GmbH.

The consolidated companies' net profit of 30.5 million euro was 9.2 million euro better than the forecast. Earnings before interest, taxes, depreciation and amortization (EBITDA) stand at 67.9 million euro (previous year 81.3 million euro), exceeding targets by 13.0 million euro.

For the remainder, we refer to the explanations on the results and the financial performance indicators of Koelnmesse GmbH.



3. Trend of business and situation of Koelnmesse GmbH

A. Trend of business of Koelnmesse GmbH

Koelnmesse GmbH organised 25 own trade fairs and exhibitions in Germany in 2019. The trend for most events was above average. Compared to the respective previous events, sales were more than 6% higher on average. 5 events report growth in sales in the double-digit percentage range.

Participation in outbound trade fairs supplements Koelnmesse activities in the most important target markets. There were 28 projects (“German pavilions”) realised worldwide in 2019, including 23 by commission of the German Federal Ministry for Economic Affairs and Energy (BMWi) and one on behalf of the German Federal Ministry of Food and Agriculture (BMEL). 4 additional projects were also organised privately.

At 98.2 million euro, the Services division made a significant contribution to sales by the consolidated companies. The aim remains to make an effort to continuously grow this share. Additional services were introduced in 2019 and the sales effort further developed with this purpose in mind.

The Technical Services division achieved sales of 42.6 million euro, and the Catering Services division recorded 18.0 million euro in sales. The Marketing Services division achieved 24.8 million euro in sales. Sales through digital offers are continuously increasing across all business segments. A new, modern product range for telecommunications and data communications is in development and will be available to our clients from 2021. The structures for blanket coverage by the digital signage developed with Samsung SDS have been improved and the roll-out of the marketing package with its products has continued. 22,000 overnight stays were booked through our Hotel/Travel Services, and the portfolio of partner hotels grew to 175. In the area of stand construction systems, around 80,000 m² in stand area was built in 2019, with support provided to more than 4,000 exhibitors. Highlights were the 7,000 m² “Future Park” at DMEXCO and realisation of the Egypt Pavilion at Anuga. Sales for stand construction stood at around 12.3 million euro.

B. Situation of Koelnmesse GmbH

Net asset position:

Koelnmesse GmbH’s total assets increased by 35.2 million euro to 353.7 million euro, chiefly due to the increase in fixed assets by 23.1% or 45.5 million euro to 242.5 million euro. Capital additions to the total amount of 70.3 million euro compared with depreciations to the amount of 23.3 million euro and book value disposals of 1.5 million euro. Of the 62.4 million euro in additions to property, plant and equipment, 20.3 million euro represents additions to operating and office buildings. These amounts are mainly the result of investments in the course of the Koelnmesse 3.0 project, particularly the investments for Hall 10. The additions to assets under construction and advance payments of 38.1 million euro are mainly for Hall 1plus, investments in digitalisation, the Confex® and the south halls. Additions to financial assets totalling 7.6 million euro involve investments in new and existing affiliated companies amounting to 5.6 million euro and the grant of 2.0 million euro in long-term loans to affiliated companies.

Current assets were 10.5 million euro lower year-over-year. While other securities decreased by 13.7 million euro as a result of a partial disposal, trade accounts receivable were 2.7 million euro higher on the year as a result of cyclical and reporting-date effects.

On the liabilities side, the 11.1% increase in total assets can be attributed to greater equity and increased provisions, parallel to a steep decline in liabilities. Equity was higher by the amount of the net profit for 2019 - 38.8 million euro - and stood at 246.2 million euro. The equity ratio increased to 69.6% (previous year 65.1%).

Provisions increased on balance by 16.2 million euro; 8.5 million euro of that amount represents other provisions, and tax provisions account for 7.3 million euro. The increase in other provisions results particularly from the year-over-year uptick in provisions for trade payables, contingent losses and personnel provisions. Tax provisions were higher, particularly as a result of the constitution of

provisions for the 2019 assessment period. Liabilities decreased by a total of 19.4 million euro; in particular, liabilities from advance payments received for purchase orders were 19.4 million euro lower due to cyclical and reporting-date effects. For reasons of cyclicity and reporting date, trade payables and liabilities to affiliated companies were also lower, increasing slightly by 2.1 and 1.3 million euro, respectively, while other liabilities were 3.4 million euro higher.

Financial situation:

At the end of 2019, Koelnmesse GmbH had 67.6 million euro in cash and cash equivalents (previous year 68.5 million euro). The decrease is mainly the result of 70.3 million euro in investments in fixed assets. The positive operating cash flow as well as the partial disposal of investment securities had a countervailing effect. Koelnmesse GmbH was in a position to meet its payment obligations at all times during the year under report. Credit lines of 120 million euro have already been concluded for Koelnmesse 3.0.

Results:

Koelnmesse GmbH’s sales revenue increased by 6% compared to the respective prior events. For the 2019 financial year, it totals to 350.1 million euro (previous year 284.4 million euro). The increase of 65.7 million euro is due to cyclical effects. The sales forecast was missed, however, particularly due to the cancellation of photokina 2019.

Other operating income decreased by 38.8 million euro year-over-year due to reversal in 2018 of the very high provision for rental of the north section of the trade fair grounds.

At 17.2%, the year-over-year rate of increase in event-related expenses was less steep than the rate of increase in sales (23.1%). The reason for this, among other things, is that the fixed costs included in the expenses lead to less fluctuation in event-related expenses in relation to sales.

Personnel expenses were 10.7% or 5.1 million euro higher. The increase resulted in particular from tariff increases in salaries as well as hiring of 48 additional employees, equalling an increase of 7.5%. Koelnmesse GmbH derived 19.5 million euro from distributions of investment dividends and income in the amount of 10.2 million euro from the profit transfer by Koelnmesse Ausstellungen GmbH. The investment in the Brazilian subsidiary was written down in the amount of 3.5 million euro.

Earnings before interest, taxes, depreciation, and amortization (EBITDA), including income through profit transfers, total to 75.9 million euro (previous year 72.4 million euro). Tax charges in 2019 are mainly the result of income taxes for the current year as well as property taxes. Net profit totals to 38.8 million euro and is thus 21.4 million euro higher than the forecast.



4. Trend of business and situation of Koelnmesse Ausstellungen

Sales for Koelnmesse Ausstellungen GmbH surpassed the 20-million-euro mark for the first time since the company's establishment in 2000.

Sales forecasts for 2019 were exceeded by 5.8 million euro or 36.3%. Sales were thus 9.9% higher compared to 2018. Event-related expenses were higher by a comparable amount and increased by 10.3%. At 54.8%, the gross profit margin is at the same level as in the previous year.

Total assets were 1.4 million euro higher on the reporting year and totalled to 3.7 million euro. On the assets side, the increase is mainly due to a 0.9 million euro increase in trade accounts receivable owing to cyclical and reporting-date effects, and to an increase of 0.5 million euro in balances with credit institutions.

The equity ratio decreased to 13.6% in consequence of the higher total assets (previous year 22.2%).

With the realisation of its Koelnmesse 3.0 investment programme, including exhibition hall 1plus with around 10,000 m² of hall space and the new Confex®, Koelnmesse is sending a positive signal to the market. The creation of decentralised entrances, flexible use of hall combinations and the realisation of one of the largest and most state-of-the-art and congress facilities in Germany - its largest hall featuring capacity for up to 4,000 people - will put Koelnmesse and its subsidiary in an even better market position.

The company is included in the cash management system of parent company Koelnmesse GmbH.

In 2020, Koelnmesse Ausstellungen GmbH is set to merge with KölnKongress GmbH retroactively to 1 January 2020 and will be renamed Koelncongress GmbH.

3.0

5. Overall presentation

Koelnmesse concluded the 2019 financial year with record sales and net income of 30.5 million euro. The trend in business also exceeded expectations and led a significant increase in sales and earnings compared to prior events. The trend in international business and guest events for Koelnmesse Ausstellungen GmbH was significantly more favourable than expected.

III. Outlook and assessment of opportunities and risks

1. Assessment of opportunities and risks

The risk-opportunity management system in place within the Koelnmesse consolidated companies ensures that opportunities and risks are monitored and assessed promptly and systematically. Koelnmesse takes measures in response where necessary. A distinction is made between strategic, political/legal and technical risks, market and financial risks, and the relevant opportunities. In some cases, business risks are covered by insurance plans.

At the end of 2019, the shareholders of Koelnmesse GmbH agreed that KölnKongress GmbH and Koelnmesse Ausstellungen GmbH would be united and merged. The aim of the new wholly-owned subsidiary is to bundle sales activities and thus offer single-stop market cultivation for properties close to the city, such as Gürzenich, Flora and Tanzbrunnen, as well as the entire Cologne trade fair grounds with all of its Congress Centres.

The management sees strategic opportunities in the location close to the city centre that is attractive to exhibitors and visitors as well as the company's expertise with regard to digitalisation. The attractiveness of the trade fair grounds is manifested and will be further developed through the measures taken under the Koelnmesse 3.0 investment programme. These investments represent the most comprehensive modernisation programme undertaken in the history of Koelnmesse. Koelnmesse has tackled the challenges concerning the parking and traffic situation through construction of a new car park. With professional planning of the measures with external specialists as well as a special controlling during the Koelnmesse 3.0 programme, the company has taken all steps to keep construction work from adversely affecting events. The boom in the construction sector, however, means that costs will run higher than originally anticipated. To be able to respond to these and other developments throughout the long timeline of project implementation, for years Koelnmesse has pursued a flexible approach to risk and budget management.

In principle, risks can arise as a result of planned or still-incomplete amendments to laws and regulations. These factors include the unsettled situation around impending bans on the operation of diesel-powered vehicles for particularly busy routes in the metropolitan Cologne area. With steps it has taken to date, Koelnmesse has ensured that visitors, exhibitors and suppliers will be in a position to reach the trade fairs optimally at all times in future.



Further improvements in traffic flows at Koelnmesse are the result of introduction of time-slot management for delivery logistics on the trade fair grounds from 2020 onwards. The booking of time slots, digital linkage to the forklift-control system and individual routing of trucks will smooth and simplify logistics processing within and around the trade fair grounds. The system is intended to ensure bottleneck-free truck handling, prevent search traffic in the city

and reduce traffic-related truck emissions as a result.

Market risks exist relative to extensions of event contracts. On the other hand, there are opportunities associated with self-generated and newly acquired events. In certain market segments, there are also risks as a result of increasing competitive pressure.



The at times tense situation in the hotel market, particularly in the 5-star segment for individual events - which can lead to capacity bottlenecks and associated competitive disadvantages in terms of hotel pricing for exhibitors and visitors to Koelnmesse - is a recurrent topic of constructive consultations with hotel directors and their association.

Another risk factor for the fair programme is the tense security situation in terms of international terrorism. Infrastructure such as airports, railway stations and event centres is particularly in focus. Koelnmesse responds to this with individual security concepts and increased cooperation with police and authorities in the context of its events in Cologne.

The coronavirus that emerged in late 2019 has a major impact on events in 2020. Postponements and cancellations of trade fairs and events in Germany or abroad, between March and June, have already occurred and are still possible. To date, these cancellations and postponements have already led to a decline in earnings in 2020 in the medium double-digit millions of euro. Just how quickly the trade fair business will return to normal cannot be predicted at this point in time. The Koelnmesse expects significant sales and earnings losses for 2020 as a whole, with corresponding negative effects for a liquidity situation that was comfortable until recently. To finance its investment programme, the company had already concluded a line of credit for 120 million euro with the European Investment Bank in 2019; that line of credit will now be called up in the short term. This will safeguard the company's liquidity. In the event of further cancellations of events, or if the aforementioned loan from the European Investment Bank cannot be obtained or cannot be obtained in full, the company will either seek additional loans through public loan programmes that have been launched or, alternatively, discuss additional capital measures with its shareholders. In this case, in addition to cost-cutting measures, the company would also consider postponing individual investment projects to the future. The medium-term financial forecast, taking into account the prospects of a 5 or 10% decline in sales, presents a significantly positive operating cash flow that will make it possible to continue invest-

ments that have been planned to date. Overall, then, we firmly expect the financial capacity of the company and the consolidated companies to be ensured at all times.

If, contrary to our expectations - and in spite of the fact that, apart from the coronavirus crisis, Koelnmesse is an economically healthy company that is also owned by the public authorities - the aforementioned loans are not granted in a timely manner or in adequate amounts, the company's continuation as a going concern would be in jeopardy.

Financial risks and opportunities also take the form of currency risks in the event of wide fluctuations in the value of the euro relative to foreign currencies of the Koelnmesse subsidiaries.

In 2002, the company concluded a cross-border leasing agreement for the south halls of the trade fair grounds. The agreement would initially remain in effect until December 2033. Thus far, this transaction has not produced any additional obligations or risks for the company, and none is currently discernible or expected in the medium term.

Koelnmesse GmbH is a member of the supplementary pension fund of the City of Cologne (ZVK). ZVK is responsible for providing its members' employees with a supplementary pension for old age, occupational disability, and surviving dependants. Currently, these supplementary benefits are financed through assessments. Parallel to this, ZVK is setting up capital cover. There is currently a shortfall in coverage in the amount of 38.2 million euro (consolidated companies: 39.6 million euro). If, during the transitional period from financing through assessments to financing with capital cover, ZVK should find itself unable to meet its obligations, Koelnmesse would be required to carry the obligations resulting from a residual shortfall in coverage. Koelnmesse does not anticipate an obligation to pay such additional contributions.

No further major risks that could undermine the future development of the company are discernible.

2. Outlook

Koelnmesse aims to continue its sustainable growth, thereby laying the foundation required to invest in its infrastructure and events from its own financial strength in the future. In the wake of the global coronavirus crisis, provided that the global economy remains stable, by 2024 it plans to achieve average annual profit in the double-digit millions and annual sales that regularly exceed 400 million euro.

The first events of 2020 confirm the path to growth at Koelnmesse. Against the trend of other spring trade fairs in the sector, imm cologne experienced an increase in visitorship. In February 2020, ISM, a venerable trade fair in the food sector, celebrated its 50th birthday with record numbers of exhibitors: 1,774 providers from 76 countries. ProSweets Cologne offered an impressive international platform for the industry. The further developments for the 2020 financial year, however, will be significantly influenced by uncertainties in connection with the coronavirus.

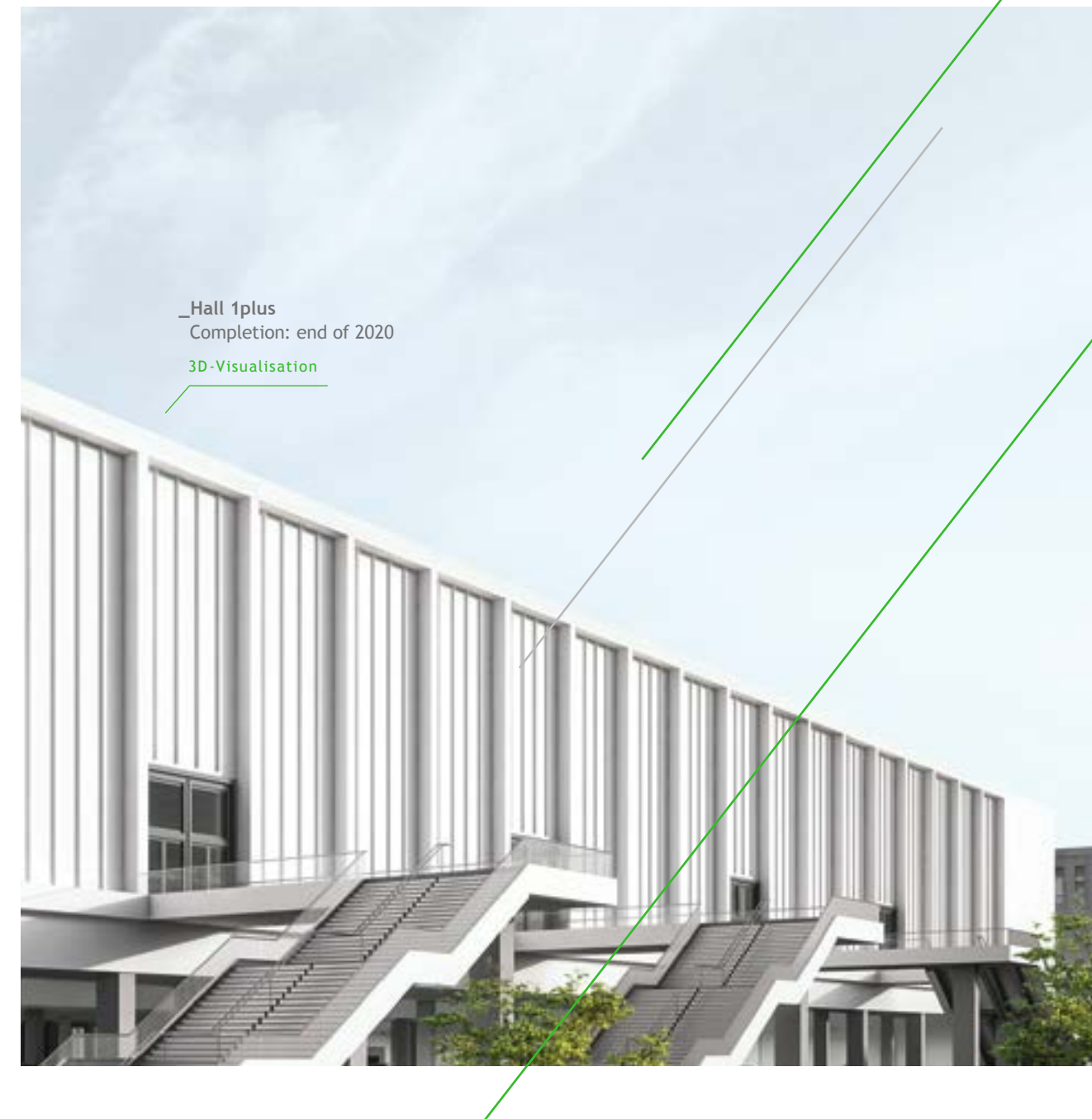
Under original planning before the appearance of the coronavirus, Koelnmesse would have organised 70 trade fairs and exhibitions during the 2020 financial year, including 46 own and 24 guest events as well as special events. 23 trade fairs and exhibitions were to be held abroad. At the 8 venues outside the trade fair grounds, some 2,000 events were scheduled to be held. In addition, 29 outbound trade fairs were to be organised in 2020. gamescom asia will have its premiere in Singapore. An international highlight, the Expo in Dubai with the German Pavilion, was also scheduled to commence on 20 October. This event has been postponed in the meantime.

These plans had to be revised in light of the coronavirus pandemic. As things currently stand, as at early April 2020, we expect that the events planned to take place from August onwards will be able to be held, for a total of 54 events in 2020.

The merger of Koelnmesse Ausstellungen GmbH and KölnKongress GmbH to create the new Koelncongress GmbH will be completed in mid-2020. Combining sales activities and market cultivation into a single entity, the new company will significantly strengthen business for guest events and congresses.

In the case of the Koelnmesse 3.0 investment programme, the new Hall 1plus will be completed in 2020, and preparations will be carried out for new construction of the Confex® facility. In addition, the third phase of renovations to the existing Hall 10 will be carried out, together with the first phase for Hall 2. These activities are contingent upon the securing of requisite liquidity. In this connection, please refer to the comments in the section on opportunities and risks.

Given the economic and business trends expected, based on our original forecasts for 2020, which is weaker due to cyclical effects, the planned sales for 2020 were 363.4 million euro for the consolidated companies and 287.5 million euro for Koelnmesse GmbH. The projected result for the consolidated companies was 0.3 million euro. The loss forecast for Koelnmesse GmbH stood at 5.5 million euro. Plans for the consolidated companies assumed an EBITDA in 2019 amounting to 22.5 million euro. The above planned figures do not include any sales or earnings effects related to the coronavirus, as these effects cannot be estimated at present. Based on what we now know, we anticipate sales of approx. 262 million euro for the consolidated companies and a loss of around 58 million euro. For Koelnmesse GmbH, we now anticipate sales of around 214 million euro and a loss of 55 million euro.



IV. Management statement

In 2015, legislation was passed that calls for equal participation by women and men in leadership positions in the private sector and public service (Participation Act). Since then, the Supervisory Board of Koelnmesse GmbH has been required to set a target for the proportion of women on the Supervisory Board and the Management Board, and to lay down a deadline for achieving these goals. In addition, the Management Board has an obligation to set targets for the proportion of women in the two management levels below the Management Board, and to specify deadlines for achieving these targets.

On 29 June 2017, the Supervisory Board set a target for the proportion of women on the Supervisory Board and on the Management Board of Koelnmesse GmbH of 30%, which - to the extent possible - was to be reached by 30 June 2018.

As at the reporting date of 30 June 2018, the proportion of women on the Supervisory Board of Koelnmesse GmbH stood at 28.57%; on the Management Board, the share was 33.33%.

The next deadline for reviewing the targets set for the respective gender quota on the Supervisory Board and the Management Board is 30 June 2022.

Company management has defined 30 June 2022 as the deadline for reaching the targets for management levels II and III stipulated by Section 36 (4) of the German Limited Liability Companies Act (GmbHG). The current values as at 30 June 2017 (management level II: 12%, management level III: 29.9%) shall be at least maintained through 30 June 2022.

Cologne, 17 April 2020

Gerald Böse Oliver Frese Herbert Marner

Consolidated financial statement for the fiscal year from 1 January to 31 December 2019

Assets	31.12.2019 EUR	31.12.2018 TEUR
A Fixed assets		
I. Intangible assets		
1. Concessions, industrial rights and similar rights and assets as well as licences to such rights and assets purchased	3,907,037.81	5,908
2. Goodwill against payment	7,271,246.61	5,812
	11,178,284.42	11,720
II. Property, plant and equipment		
1. Land, leasehold rights and buildings including buildings on third-party land	151,371,769.68	138,212
2. Technical machinery and equipment	3,345,810.84	3,729
3. Other equipment, plant and office equipment	15,501,029.55	12,658
4. Advance payments and construction in progress	54,776,983.06	23,344
	224,995,593.13	177,943
III. Financial assets		
1. Shares in affiliated companies	2.01	0
2. Participating interests	2,500.00	140
	2,502.01	140
	236,176,379.56	189,803
B Current assets		
I. Inventories		
Supplies	461,979.11	256
II. Receivables and other assets		
1. Trade accounts receivable	16,962,992.85	11,540
2. Receivables from associated companies and other investees	0.00	553
3. Other assets	21,773,779.47	20,224
	38,736,772.32	32,317
III. Securities		
Other securities classified as current assets	9,924,832.00	23,618
IV. Cash on hand and balances with credit institutions	118,468,460.96	116,640
	167,592,044.39	172,831
C Prepaid/deferred items	1,034,571.53	607
D Deferred tax assets	52,216.46	15
	404,855,211.94	363,256

Consolidated balance sheet

Liabilities	31.12.2019 EUR	31.12.2018 TEUR
A Equity		
I. Subscribed capital	51,200,000.00	51,200
II. Capital reserve	42,038,156.35	42,038
III. Retained from earnings		
Other retained earnings	77,018,183.48	77,018
IV. Per contra items from foreign currency translation	-328,982.19	-316
V. Consolidated accumulated profit	84,161,948.07	53,697
VI. Holdings by other shareholders	1,173,859.96	761
	255,263,165.67	224,398
B Provisions		
1. Provisions for pensions and similar obligations	6,848,823.29	6,402
2. Tax provisions	8,843,570.21	940
3. Other provisions	39,501,045.53	30,459
	55,193,439.03	37,801
C Liabilities		
1. Liabilities to banks	567,830.49	0
2. Customer advance payments received for purchase orders	75,013,481.50	85,435
3. Trade accounts payable	8,270,340.62	8,294
4. Residuary liabilities	8,965,726.63	5,457
of which from taxes EUR 893,872.58 (previous year TEUR 733)		
of which with respect to social security contributions EUR 4,511.56 (previous year TEUR 24.7)		
	92,817,379.24	99,186
D Prepaid/deferred items	1,581,228.00	1,871
	404,855,211.94	363,256

Consolidated income statement

	2019 EUR	2018 TEUR
1. Net sales	412,726,004.63	337,395
2. Other operating income	4,435,900.84	43,494
Total output	417,161,905.47	380,889
3. Event-related expenses		
a) Expenses for supplies	-12,173,733.26	-8,792
b) Expenses for purchased services	-228,209,772.90	-196,290
	-240,383,506.16	-205,082
Gross income	176,778,399.31	175,807
4. Personnel expenses		
a) Wages and salaries	-51,407,710.04	-46,879
b) Statutory social security contributions and expenses for pensions of which for pensions EUR 3,941,707.00 previous year TEUR 3,590	-12,780,987.31	-11,618
	-64,188,697.35	-58,497
5. Depreciation of intangible fixed assets and property, plant and equipment	-21,657,565.20	-20,180
6. Other operating expenses	-42,794,647.63	-34,516
7. Other interest and similar income	364,597.03	511
8. Depreciation of investment securities	0.00	-1,192
9. Interest and similar expenses of which expenses associated with interest accrued on provisions EUR 569,705.95 previous year TEUR 616	-753,673.77	-965
10. Earnings before taxes	47,748,412.39	60,968
11. Income taxes of which deferred taxes EUR 37,117.33 previous year TEUR 40	-15,414,797.90	-6,032
12. Profit after taxes	32,333,614.49	54,936
13. Other taxes	-1,416,635.51	-1,212
14. Consolidated companies' net profit before holdings by other shareholders	30,916,978.98	53,724
15. Profit accruing to other shareholders	-451,876.34	-277
16. Consolidated companies' net profit	30,465,102.64	53,447
17. Profit carried forward	53,696,845.43	250
18. Consolidated accumulated profit	84,161,948.07	53,697

Annual financial statement of Koelnmesse GmbH for the fiscal year from 1 January to 31 December 2019

Assets	31.12.2019 EUR	31.12.2018 TEUR
A Fixed assets		
I. Intangible assets		
1. Concessions, industrial rights and similar rights and assets as well as licences to such rights and assets purchased	3,182,283.00	5,319
2. Goodwill against payment	1,116,330.00	1,290
	4,298,613.00	6,609
II. Property, plant and equipment		
1. Land, leasehold rights and buildings including buildings on third-party land	150,882,962.18	138,201
2. Technical machinery and equipment	3,341,008.00	3,721
3. Other equipment, plant and office equipment	12,425,629.00	12,116
4. Advance payments and construction in progress	54,745,225.89	23,344
	221,394,825.07	177,382
III. Financial assets		
1. Shares in affiliated companies	6,552,983.18	5,618
2. Loans to affiliated companies	3,650,000.01	1,900
3. Participating interests	6,600,430.06	5,440
	16,803,413.25	12,958
	242,496,851.32	196,949
B Current assets		
I. Inventories		
Supplies	174,622.61	256
II. Receivables and other assets		
1. Trade accounts receivable	10,579,542.32	7,921
2. Receivables from affiliated companies	4,185,886.46	3,231
3. Receivables from associated companies and other investees	99,097.40	553
4. Other assets	18,232,515.70	17,250
	33,097,041.88	28,955
III. Securities		
Other securities classified as current assets	9,924,832.00	23,617
IV. Cash on hand and balances with credit institutions		
	67,625,693.75	68,536
	110,822,190.24	121,364
C Prepaid/deferred items		
	360,952.04	159
	353,679,993.60	318,472

Balance sheet of Koelnmesse GmbH

Liabilities	31.12.2019 EUR	31.12.2018 TEUR
A Equity		
I. Subscribed capital	51,200,000.00	51,200
II. Capital reserve	42,038,156.35	42,038
III. Retained from earnings		
Other retained earnings	67,310,133.92	67,310
IV. Consolidated accumulated profit	85,618,906.98	46,846
	246,167,197.25	207,394
B Provisions		
1. Provisions for pensions and similar obligations	6,537,485.00	6,183
2. Tax provisions	7,695,880.00	356
3. Other provisions	35,637,443.62	27,169
	49,870,808.62	33,708
C Liabilities		
1. Customer advance payments received for purchase orders	43,002,216.15	62,372
2. Trade accounts payable	4,876,385.97	7,009
3. Liabilities due to associated companies and other investees	6,089.32	1,295
4. Residuary liabilities	8,176,068.29	4,823
of which from taxes EUR 862,070.90 (previous year TEUR 705)		
of which with respect to social security contributions EUR 458,88 (previous year TEUR 24,7)		
	56,060,759.73	75,499
D Prepaid/deferred items		
	1,581,228.00	1,871
	353,679,993.60	318,472

Income statement of Koelnmesse GmbH

	2019 EUR	2018 TEUR
1. Net sales	350,098,340.66	284,420
2. Other operating income	4,133,722.55	42,970
Total output	354,232,063.21	327,390
3. Event-related expenses		
a) Expenses for supplies	-9,165,948.92	-7,996
b) Expenses for purchased services	-208,672,616.66	-177,943
	-217,838,565.58	-185,939
Gross income	136,393,497.63	141,451
4. Personnel expenses		
a) Wages and salaries	-41,773,825.53	-37,718
b) Statutory social security contributions and expenses for pensions of which for pensions EUR 3,863,005.29 previous year TEUR 3,514	-11,074,517.66	-10,017
	-52,848,343.19	-47,735
5. Depreciation of intangible fixed assets and property, plant and equipment	-19,754,917.39	-18,913
6. Other operating expenses	-36,102,004.64	-29,426
7. Income from participating interests of which from affiliated companies EUR 19,539,158.00 previous year TEUR 0	19,539,158.00	0
8. Income from profit- and loss-sharing agreements of which from affiliated companies EUR 10,196,566.64 previous year TEUR 9,276	10,196,566.64	9,276
9. Income from loans from financial assets of which from affiliated companies EUR 59,003.17 previous year TEUR 60	59,003.17	60
10. Other interest and similar income of which from affiliated companies EUR 0.00 previous year TEUR 0	221,702.07	440
11. Depreciation of investment securities	-3,540,071.40	-1,192
12. Interest and similar expenses of which to affiliated companies EUR 0.00 previous year TEUR 0 of which expenses associated with interest accrued on provisions EUR 568,907.95 previous year TEUR 615	-694,071.35	-929
13. Earnings before taxes	53,470,519.54	53,032
14. Income taxes	-13,339,469.97	-4,998
15. Profit after taxes	40,131,049.57	48,034
16. Other taxes	-1,357,819.10	-1,188
17. Net profit	38,773,230.47	46,846
18. Profit carried forward	46,845,676.51	0
19. Accumulated profit	85,618,906.98	46,846

Notes concerning the consolidated financial statement and the annual financial statement

I. General information

The consolidated financial statement and the annual financial statement of Koelnmesse GmbH, Cologne (District Court of Cologne, Commercial Registry Entry no. HRB 952) have been drawn up in accordance with the provisions of the German Commercial Code and the law concerning limited liability companies.

The following notes pertain to both the consolidated financial statement and the annual financial statement of Koelnmesse GmbH. Unless specifically noted otherwise, these remarks pertain to both financial statements.

Koelnmesse GmbH is a large joint stock company as defined by German commercial law (Section 267 (3) HGB).

The income statements were drawn up in accordance with the gross cost method as laid down in Section 275 (2) HGB. The “material expenses” item was renamed “event-related expenses”, as is usual for the trade fair sector.

The German subsidiary included in the consolidated financial statement, Koelnmesse Ausstellungen GmbH, avails itself of the exemption clause for subsidiaries in Section 264 (3) HGB and thus waives the filing of an annual financial statement.

II. Scope of consolidation

In addition to Koelnmesse GmbH, three German and ten foreign companies were also included in the consolidated financial statement in accordance with the regulations of full consolidation.

The scope of consolidation encompasses the following companies, in the case of each of which Koelnmesse GmbH either directly or indirectly owns 100% (exception: Koelnmesse YA Tradefair

Private Ltd., Mumbai: 75% as well as Expolink Global Network Ltd., Bangkok: 49.17% of the share capital, 55% of the voting rights since 2016) of share capital:

- Koelnmesse Ausstellungen GmbH, Cologne
- Koelnmesse S.r.l., Milan
- Koelnmesse Inc., Chicago
- Koelnmesse Pte. Ltd., Singapore
- Koelnmesse Ltd., Hong Kong
- Koelnmesse Co. Ltd., Beijing
- Koelnmesse Co. Ltd., Tokyo
- Koelnmesse SAS, Bogotá
- Koelnmesse Organização de Feiras Ltda., São Paulo
- Koelnmesse YA Tradefair Private Ltd., Mumbai
- Expolink Global Network Ltd., Bangkok
- KölnKongress GmbH, Cologne
- KölnKongress Gastronomie GmbH, Cologne

For the first time, two subsidiaries - KölnKongress GmbH, Cologne, and KölnKongress Gastronomie GmbH, Cologne - were fully included in the consolidated financial statement as at 31 December 2019. The shareholder, Koelnmesse GmbH, is entitled to earnings from 2020 onwards.

Koelnmesse YA Tradefair Services Private Ltd., Mumbai, has drawn up an interim financial statement for the calendar year, as the local financial reporting closing date for that company is 31 March. The closing date is the same for the financial statements of all of the other included companies, as well as for the consolidated financial statement.

The share in trade fair organiser Expolink Global Network Ltd., Bangkok (share: 49.17%; voting rights: 55%), is held by Koelnmesse GmbH. Due to the majority of voting rights held, a dominant influence is exercised over business policy; consequently, the investment is now included in the consolidated financial statement and fully consolidated for the entire financial year.

The Italian participation Koeln Parma Exhibitions S.r.l., Parma, in which Koelnmesse GmbH holds a 50% share, was proportionally included in accordance with Section 310 HGB.

III. Principles of consolidation

With the exception of equity, which was translated at historic rates, all balance sheet items of the foreign subsidiaries have been translated at the current exchange rate as at the balance sheet reporting date. The translation of the income statements of the foreign subsidiaries was carried out using annual average exchange rates. The translation differences were recorded directly in equity without affecting results.

In accordance with Section 301 HGB, capital consolidation was carried out with the revaluation method (up until and including 2009: carrying value method) by crediting the acquisition costs (initial value) of the holdings to the portion of the consolidated companies' equity as at the date of acquisition or first consolidation. Where Koeln Parma Exhibitions S.r.l., Parma, is concerned, the option of pro rata consolidation in application of Section 310 (1) HGB was exercised.

Within the scope of the debt consolidation, all accounts receivable and payable between the companies included in the consolidated financial statement were offset against one another.

As a result of the consolidation of expenses and income, expenses and income among the Koelnmesse consolidated companies were offset against one another, also taking profit- and loss-transfer agreements into account.

There were no interim results.

IV. Accounting and valuation methods

The annual financial statements of the companies included in the consolidated financial statement, and the consolidated financial statement, have been uniformly drawn up in accordance with the accounting and valuation principles applied by Koelnmesse GmbH, while also taking into account the continuation of business operations. The accounting and valuation principles applied to the previous annual financial statements and the previous consolidated financial statement were retained.

Intangible assets are valued at acquisition cost at the time of transition of economic or legal ownership, less straight-line depreciation. The scope of acquisition cost is in accordance with Section 255 (1) HGB. Acquisition price reductions were deducted. Scheduled depreciation amounts are based on customary useful lives in accordance with the relevant, valid official tables specifying the depreciation allowances. The useful lives for paid-for industrial rights and similar rights and assets range from three to five years. Goodwill is depreciated on a straight-line basis over ten years in the consolidated financial statement, as this corresponds to the expected duration of use. The recoverability of goodwill is reviewed annually using the simple German income approach. If necessary, non-scheduled depreciation is applied. Self-provided intangible assets and development expenditures were not capitalised.

Property, plant and equipment are valued at acquisition cost at the time of transition of economic or legal ownership, less straight-line compound rates. The scope of acquisition cost is in accordance with Section 255 (1) HGB. The useful life of technical machinery and equipment is between 8 and 15 years; for other equipment, plant

and office equipment, it is between 3 and 15 years. Buildings are measured at acquisition cost less linear compound rates, and for purchases prior to first-time application of the German Accounting Law Modernisation Act (BilMoG), less linear or digressive compound rates. Scheduled depreciation amounts are recognised according to the ordinary useful life pro rata temporis and take technical and economic depreciation into account. The useful life of buildings and similar rights is between 24 and 99 years. With regard to buildings on third-party property, Koelnmesse assumes (in line with appraisal reports on Koelnmesse net asset values drawn up by the City of Cologne) an ordinary useful life that can extend beyond the point at which the relevant leaseholds expire. In the year of their addition, low-value assets are recorded as expenses in the year of acquisition if the acquisition cost for each asset does not exceed 250.00 euro. For simplicity's sake, low-value assets the acquisition costs of which are between 250.00 euro and 1,000.00 euro are grouped as a compound item subject to straight-line depreciation over a period of 5 years.

Financial investments are stated at acquisition cost at the time of transition of economic or legal ownership, and in the case of loans at nominal value; where there is expected permanent impairment, they are measured at the lower fair value as at the closing date.

Inventory (supplies) are recorded at acquisition cost taking into consideration the lower of cost or market principle. All storage materials are depreciated at a suitable amount based on the storage period and the item's limited usability. Advertising and mailing materials are assessed at fixed value.

Accounts receivable and other assets are recorded at par value. Default risks in trade accounts receivable are taken into account by means of a lump-sum specific allowance. The lump-sum specific allowance on trade accounts receivable was determined based on a depreciation rate of 70% for receivables more than a year old as at the reporting date and based on a depreciation rate of 10% for receivables more than 6 months old. Receivables dating back less than half a year are depreciated separately at 3% and 5%, respectively, for domestic and foreign receivables. In justified cases, individual allowances are deducted insofar as identifiable risks exist. Receivables and payables are offset if the netting criteria have been met.

Investment securities are assessed at the lower of acquisition cost or current market value.

Cash on hand and balances with credit institutions are valued at par.

Payments made in the fiscal year under review for the following year are recorded as prepaid/deferred items.

Subscribed capital is valued at par and has been completely paid up.

Provisions take into account all identifiable risks and uncertain obligations. Valuation is calculated in accordance with the required settlement amount as determined by a reasonable commercial assessment under consideration of estimated future cost increases. Provisions with a term to maturity of more than one year are discounted at a rate appropriate to their duration based on the average market interest rate as at 31 December 2019, for

the prior seven years (pension provision: 10 years) as published by the German Bundesbank.

Provisions for pensions and similar obligations are calculated in line with the projected unit credit method on the basis of actuarial calculations that utilise Klaus Heubeck's "Richttafeln 2018 G", which take generation-based life expectancies into consideration. These provisions are discounted on the basis of the average market interest rate for the prior 10 years as published by the German Bundesbank on 31 December 2019, whereby this average rate results from an assumed term to maturity of 15 years (Section 253 (2) sentence 2 HGB). This interest rate is 2.71%. As at the reporting date, the difference between recognition of pension provisions based on a flat-rate market interest rate from the past 10 financial years and recognition of provisions based on a flat-rate interest rate from the past 7 financial years stood at 535 Teuro. The yield due to change in the assumed interest rate was allocated to interest expense. Further calculation assumptions were based on pension increases of 0.0% p. a. or 2.0% p. a. Wage and salary increases were not factored in because the group of beneficiaries consists exclusively of pensioners.

Provisions for the employee-anniversary payouts stated under other provisions are constituted in the same way as pension provisions and apply the projected unit credit method. These provisions are discounted on the basis of the average market interest rate for the prior 7 years as published by the German Bundesbank on 31 December 2019, whereby this average rate results from an assumed term to maturity of 15 years (Section 253 (2) sentence 2 HGB). This interest rate is 1.97%.

For 2018, the expense due to change in the assumed interest rate amounts to 16 Teuro and was allocated to interest expenses. Where provisions for employee anniversaries at the company are concerned, assumptions were based on annual wage and salary increases of 3.0% for 2020, 1.8% for 2021 and 2.0% for all subsequent years, as well as a fluctuation rate of 3.92%.

Provisions for contingent losses from events are made on the basis of the coverage contribution 2, taking into account specific administrative and event-related overhead costs.

Overhead costs (particularly the costs for hall rental and depreciation) are assigned to the individual events at an individual cost unit rate for each square metre used.

Liabilities were stated at their settlement amounts.

Business transactions in foreign currencies are valued at the exchange rate on the day of the transaction or at the more unfavourable mean spot rate on the reporting day. Losses from exchange rate movements are valued at the rate on the reporting date. Assets and receivables denominated in foreign currency with a maturity of up to one year are always valued at the mean spot rate on the reporting day.

Payments made in the fiscal year under review for the following years are recorded as prepaid/deferred items.

Deferred tax assets and deferred tax liabilities for the parent company Koelnmesse GmbH and for the respective controlled company are stated where

future tax assessments or relief are expected. They are created by differences in reporting requirements for commercial balance sheets and tax balance sheets. They result primarily from the following obligations and generate an active surplus in the separate financial statements and for the consolidated companies as a whole:

- Provisions for contingent losses
- Investments
- Provisions for pensions
- Provisions for pending rental obligations

Loss carryforwards also lead to deferred tax assets if a claim is expected. Given a uniform tax rate of 30% across all of the consolidated companies, deferred taxes among the companies lead to possible deferred tax assets in the amount of 6.9 million euro.

The company did not make use of its option to record deferred tax assets resulting from tax reductions under Section 274 (1) sentence 2 HGB.

Deferred tax liabilities are disclosed in the consolidated fiscal statements in accordance with Section 306 sentence 1 HGB. Deferred tax assets are the result of debt consolidation. Deferred taxes of the previous year have been reversed. Deferred taxes newly incurred in 2019 total to 52 Teuro as at 31 December 2019.

The items pursuant to Section 306 HGB were not summarised with the items pursuant to Section 274 HGB.

Applying the tax rate of approximately 30% applicable in Germany and earnings before tax (but less other taxes) in the amount of 45,917 Teuro, tax expense within the consolidated companies would total to 13,775 Teuro. The difference to the effective tax expense in the amount of 15,452 Teuro amounts to 1,677 Teuro.

This is mainly due to negative results in individual countries that do not contribute to positive tax effects within the consolidated companies due to non-capitalisation of deferred tax assets, and due as well to non-deductible expenses. In individual cases, this can lead to tax rates in excess of 30%. The effective tax rate in 2019 is 33.7%.

V. Notes on the balance sheets

Fixed assets

For the period from 1 January to 31 December 2019, the composition and development of the consolidated companies' fixed assets and the fixed assets of Koelnmesse GmbH are given in the following tables:

Development of consolidated fixed assets as at 31 December 2019

Acquisition cost trend							Depreciation trend					Residual	
	As at 01.01.2019	Addition	Value adjustment/ reclassification	Disposal	Currency differences	As at 31.12.2019	As at 01.01.2019	Addition	Disposal	Currency differences	As at 31.12.2019	As at 31.12.2019	As at 31.12.2018
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets													
1. Concessions, industrial rights and similar rights and assets as well as licences to such rights and assets purchased against payment ¹	32,365,080.52	1,196,230.14	85,165.00	278,303.10	-6,704.37	33,361,468.19	26,457,186.52	3,287,979.82	278,303.10	-12,432.86	29,454,430.38	3,907,037.81	5,907,894.00
2. Goodwill against payment	9,565,699.00	2,902,400.00	0.00	0.00	-12,913.84	12,455,185.16	3,753,214.02	1,448,322.77	0.00	-17,598.24	5,183,938.55	7,271,246.61	5,812,484.98
	41,930,779.52	4,098,630.14	85,165.00	278,303.10	-19,618.21	45,816,653.35	30,210,400.54	4,736,302.59	278,303.10	-30,031.10	34,638,368.93	11,178,284.42	11,720,378.98
II. Property, plant and equipment													
1. Land, leasehold rights and buildings including buildings on third-party land ²	553,097,019.92	21,536,762.75	6,295,007.49	2,071,670.54	0.00	578,857,119.62	414,885,269.74	13,897,517.18	1,297,436.98	0.00	427,485,349.94	151,371,769.68	138,211,750.18
2. Technical machinery and equipment	18,116,250.19	106,122.05	0.00	1,129,252.62	154.10	17,093,273.72	14,387,769.75	488,668.65	1,129,057.15	81.63	13,747,462.88	3,345,810.84	3,728,480.44
3. Other equipment, plant and office equipment ³	63,174,132.64	10,340,744.13	0.00	2,708,246.62	41,510.67	70,848,140.82	50,516,091.09	7,352,932.36	2,554,789.70	32,877.52	55,347,111.27	15,501,029.55	12,658,041.55
4. Advance payments and construction in progress ⁴	23,344,251.40	38,150,967.46	-6,380,172.49	338,063.31	0.00	54,776,983.06	0.00	0.00	0.00	0.00	0.00	54,776,983.06	23,344,251.40
	657,731,654.15	70,134,596.39	-85,165.00	6,247,233.09	41,664.77	721,575,517.22	479,789,130.58	21,739,118.19	4,981,283.83	32,959.15	496,579,924.09	224,995,593.13	177,942,523.57
III. Financial assets													
1. Shares in affiliated companies	216,396.28	0.00	0.00	0.00	2,267.03	218,663.31	216,394.27	0.00	0.00	2,267.03	218,661.30	2.01	2.01
2. Participating interests ⁵	139,650.00	2,500.00	0.00	139,650.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	2,500.00	139,650.00
	356,046.28	2,500.00	0.00	139,650.00	2,267.03	221,163.31	216,394.27	0.00	0.00	2,267.03	218,661.30	2,502.01	139,652.01
	700,018,479.95	74,235,726.53	0.00	6,665,186.19	24,313.59	767,613,333.88	510,215,925.39	26,475,420.78	5,259,586.93	5,195.08	531,436,954.32	236,176,379.56	189,802,554.56

¹ Additions involve 933,730.41 euro in acquisition costs and 417,374.41 euro in cumulative amortisation from changes in the scope of consolidation.
² Additions involve 1,196,843.11 euro in acquisition costs and 713,214.61 euro in cumulative amortisation from changes in the scope of consolidation.
³ Additions involve 5,952,574.05 euro in acquisition costs and 3,687,266.55 euro in cumulative amortisation from changes in the scope of consolidation.
⁴ Additions involve 31,757.17 euro in acquisition costs and 0.00 euro in cumulative amortisation from changes in the scope of consolidation.
⁵ Additions involve 15,250.00 euro in acquisition costs and 0.00 euro in cumulative amortisation from changes in the scope of consolidation.

Development of fixed assets of Koelnmesse GmbH as at 31 December 2019

	Acquisition cost trend					Depreciation trend				Residual	
	As at	Addition	Reclassification	Disposal	As at	As at	Addition	Disposal	As at	As at	
	01.01.2019				31.12.2019	01.01.2019			31.12.2019	31.12.2019	31.12.2018
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets											
1. Concessions, industrial rights and similar rights and assets as well as licences to such rights and assets purchase payment	30,319,285.28	225,393.45	85,165.00	278,303.10	30,351,540.63	25,000,257.28	2,447,303.45	278,303.10	27,169,257.63	3,182,283.00	5,319,028.00
2. Goodwill against payment	1,829,810.11	0.00	0.00	0.00	1,829,810.11	540,074.11	173,406.00	0.00	713,480.11	1,116,330.00	1,289,736.00
	32,149,095.39	225,393.45	85,165.00	278,303.10	32,181,350.74	25,540,331.39	2,620,709.45	278,303.10	27,882,737.74	4,298,613.00	6,608,764.00
II. Property, plant and equipment											
1. Land, leasehold rights and buildings including buildings on third-party land	553,014,655.62	20,339,919.64	6,295,007.49	2,071,670.54	577,577,912.21	414,813,943.44	13,178,443.57	1,297,436.98	426,694,950.03	150,882,962.18	138,200,712.18
2. Technical machinery and equipment	18,072,572.89	103,050.58	0.00	1,129,252.62	17,046,370.85	14,351,659.89	482,760.11	1,129,057.15	13,705,362.85	3,341,008.00	3,720,913.00
3. Other equipment, plant and office equipment	61,197,147.62	3,867,582.14	0.00	2,009,501.86	63,055,227.90	49,081,443.62	3,473,004.26	1,924,848.98	50,629,598.90	12,425,629.00	12,115,704.00
4. Advance payments and construction in progress	23,344,251.40	38,119,210.29	-6,380,172.49	338,063.31	54,745,225.89	0.00	0.00	0.00	0.00	54,745,225.89	23,344,251.40
	655,628,627.53	62,429,762.65	-85,165.00	5,548,488.33	712,424,736.85	478,247,046.95	17,134,207.94	4,351,343.11	491,029,911.78	221,394,825.07	177,381,580.58
III. Financial assets											
1. Shares in affiliated companies	5,794,078.17	4,335,000.00	139,650.00	0.00	10,268,728.17	175,673.59	3,540,071.40	0.00	3,715,744.99	6,552,983.18	5,618,404.58
2. Loans to affiliated companies	1,900,000.00	2,000,000.00	0.00	249,999.99	3,650,000.01	0.00	0.00	0.00	0.00	3,650,000.01	1,900,000.00
3. Participating interests	5,440,080.06	1,300,000.00	-139,650.00	0.00	6,600,430.06	0.00	0.00	0.00	0.00	6,600,430.06	5,440,080.06
	13,134,158.23	7,635,000.00	0.00	249,999.99	20,519,158.24	175,673.59	3,540,071.40	0.00	3,715,744.99	16,803,413.25	12,958,484.64
	700,911,881.15	70,290,156.10	0.00	6,076,791.42	765,125,245.83	503,963,051.93	23,294,988.79	4,629,646.21	522,628,394.51	242,496,851.32	196,948,829.22

Consolidated companies - goodwill

	Capital consolidation ¹	Separate financial	Total
	TEUR	TEUR	TEUR
Acquisition costs			
01.01.2019	5,828	3,738	9,566
Addition	2,902	0	2,902
Currency differences	-13	0	-13
31.12.2019	8,717	3,738	12,455
Accumulated depreciation			
01.01.2019	1,623	2,131	3,754
Addition	953	495	1,448
Currency differences	-18	0	-18
31.12.2019	2,558	2,626	5,184
Residual 31.12.2019	6,159	1,112	7,271
Residual 31.12.2018	4,205	1,607	5,812

Receivables and other assets

Trade receivables as well as other assets with a maturity of more than one year total to 0 Teuro (previous year 0 Teuro) for Koelnmesse GmbH and to 1,034 Teuro (previous year 220 Teuro) in the consolidated financial statement. All other receivables and other assets have a maturity of up to one year. Receivables by Koelnmesse GmbH from associated companies and from other investees are trade receivables and, with regard to Koelnmesse Ausstellungen GmbH, also result from the balance of cash pooling and profit sharing.

Other assets at Koelnmesse GmbH include receivables due from the City of Cologne in the amount of 167 Teuro (previous year 355 Teuro).

Investment securities

The marketable securities consist of a diversified fund. This is a distributing fund.

Equity

Accumulated consolidated profit for Koelnmesse GmbH and the Koelnmesse consolidated companies for the 2019 financial year is the outcome of the respective accumulated profit for 2018 and net profits in 2019.

Provisions

The pension provisions in the amount of 6,849 Teuro posted in the consolidated balance sheet consist primarily of Koelnmesse GmbH's obligations (6,537 Teuro) resulting from the company pension scheme.

The tax provisions in the consolidated financial statement (8,844 Teuro) include 7,696 Teuro in tax provisions by Koelnmesse GmbH and 617 Teuro in tax provisions by Koeln Parma Exhibitions S.r.l., Parma, mainly for income taxes in 2019.

As at 31 December 2019, other provisions consisted of the following:

	Consolidated companies		GmbH	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	TEUR	TEUR	TEUR	TEUR
Rental obligations	1,410	4,110	1,410	4,110
Personnel expenses	10,166	8,561	8,098	7,624
Outstanding invoices	19,406	12,523	19,008	11,964
Contingent losses from pending transactions	5,469	1,235	5,469	1,235
Remaining provisions	3,050	4,030	1,652	2,236
	39,501	30,459	35,637	27,169

¹ Acquisition costs in the amount of 6,345 Teuro, depreciation of 505 Teuro and accumulated depreciation in the amount of 1,892 Teuro are the result of proportionately consolidated subsidiaries.

Liabilities of the consolidated companies by terms of maturity

	Remaining term of up to 1 year TEUR	Remaining term of more than 1 year up to 5 years TEUR	Remaining term of more than 5 years TEUR	Total TEUR
Liabilities to banks	568	0	0	568
Liabilities due to prepayments received on orders	75,013	0	0	75,013
Trade accounts payable	8,270	0	0	8,270
Residuary liabilities				
from taxes	894	0	0	894
within the context of social security	5	0	0	5
remaining liabilities	8,067	0	0	8,067
	92,817	0	0	92,817

The liabilities are not secured by liens or similar rights on the part of the consolidated companies.

Liabilities of Koelnmesse GmbH by terms of maturity

	Remaining term of up to 1 year TEUR	Remaining term of more than 1 year up to 5 years TEUR	Remaining term of more than 5 years TEUR	Total TEUR
Liabilities due to prepayments received on orders	43,002	0	0	43,002
Trade accounts payable	4,876	0	0	4,876
Liabilities due to associated companies and other investees	6	0	0	6
Residuary liabilities				
from taxes	862	0	0	862
within the context of social security	1	0	0	1
remaining liabilities	7,314	0	0	7,314
	56,061	0	0	56,061

Liabilities to affiliated companies consist of trade liabilities.

Other liabilities at Koelnmesse GmbH include liabilities due to the City of Cologne in the amount of 2,085 Teuro (previous year 0 Teuro) (consolidated companies 2,085 Teuro, previous year 0 Teuro).

VI. Notes concerning the income statement

Net sales

Net sales were generated in Germany and abroad as follows

	Consolidated companies		GmbH	
	2019	2018	2019	2018
	TEUR	TEUR	TEUR	TEUR
Domestic	169,847	156,704	151,688	139,385
Abroad	242,879	180,691	198,410	145,036
	412,726	337,395	350,098	284,421

With regard to their sources, net sales break down as follows

	Consolidated companies		GmbH	
	2019	2018	2019	2018
	TEUR	TEUR	TEUR	TEUR
Investment income	231,128	190,940	188,687	151,699
Execution of events	9,741	7,689	9,741	7,697
Admission proceeds/catalogues	38,608	28,706	41,075	30,219
Services	72,610	58,436	67,003	55,672
Other revenues	60,639	51,624	43,592	39,134
	412,726	337,395	350,098	284,421

Other operating income at Koelnmesse GmbH includes income related to other periods from the reversal of provisions amounting to 1,155 Teuro (1,173 Teuro for the consolidated companies) as well as from payments received on written-down claims in the amount of 40 Teuro (40 Teuro for the consolidated companies) and exchange gains from currency translation amounting to 74 Teuro (470 Teuro for the consolidated companies).

Other operating expenses at Koelnmesse GmbH include expenses related to other periods from the charge-off of receivables amounting to 810 Teuro (817 Teuro for the consolidated companies), and from additions to the provisions for contingent losses of 5,469 Teuro (5,469 Teuro for the consolidated companies). In addition to this, other operating expenses also include exchange losses from currency translation in the amount of 79 Teuro (592 Teuro for the consolidated companies).

VII. Commitments and contingencies

Due to the U.S. Cross-Border Leasing transaction conducted in financial year 2002, Koelnmesse GmbH has an external civil commitment to pay rent to the U.S. investor for the entire duration of the rental agreement until such time as the purchase option may be exercised in 2033. With regard to these payment obligations, assumption of the performance obligation is contractually agreed by the party that has committed to perform. As long as the parties that have committed themselves to perform do so, Koelnmesse GmbH will not have to make any payments. There are currently no indications that the party in question might not be able to meet its obligations.

In the years 2006 through 2008, Koelnmesse GmbH issued an indefinite Letter of Comfort/Financial Support to each of its subsidiaries in Japan, Singapore, China and Hong Kong. Under the terms of these letters, Koelnmesse GmbH, as creditor and shareholder, covenants not to require repayment of amounts owed by the respective subsidiary until the company’s resources permit. In addition,

Koelnmesse GmbH covenants to provide ongoing support to the respective subsidiary insofar as it has the capacity to fulfil financial commitments, so that the requirements of a going concern continue to be met. The likelihood of utilisation under these obligations is deemed low; this is substantiated based on past experience and the forecast economic development of the company.

Koelnmesse GmbH is a member of the supplementary pension fund of the City of Cologne (ZVK). ZVK is responsible for providing its members’ employees with a supplementary pension for old age, occupational disability and surviving dependants. The assessment is currently 5.8% of the remuneration subject to supplementary pension payments. To set up a capital cover, a surcharge of 3.2% will be levied for 2019 (unchanged in 2020: 3.2%). As at 31 December 2019, the shortfall in coverage attributable to the company, for which in an exercise of the accounting option under Art. 28 EGHGB no provisions have been created, totals to 42,251 Teuro (consolidated companies: 43,831 Teuro). The distribution-blocked difference amounts to 7,776 Teuro (consolidated companies: 8,061 Teuro). With respect to the consolidated companies, the wages and salaries subject to assessment amounted to 35,763 Teuro in the year under report. With respect to Koelnmesse GmbH, they amounted to 34,921 Teuro. In addition, there are annual liabilities to various pension funds for the pensions of the Executive Vice Presidents and several Vice Presidents. For the upcoming fiscal year, these total to 321 Teuro for the consolidated companies and to 316 Teuro for Koelnmesse GmbH. Given the current shortfall, the likelihood of utilisation is considered to be very low. This assessment results from the fact that the annual reports of ZVK are subject to independent audit, and that the business development was considered to be positive. According to the actuary, the current level of capital cover also exceeds target values. Based on what is known at this time, then, it can be assumed that ZVK is in a position to meet all of its commitments.

<p>VIII. Other financial commitments</p> <p>In December 2018, a new lease was concluded directly between Koelnmesse and the owners of the exhibition halls built in 2005. For Koelnmesse GmbH and the consolidated companies, the rental obligations for the north halls total to 259,044 Teuro plus ancillary costs.</p>	<p>long-term obligations of 76,447 Teuro for the extension of the leasehold agreements for the south section of the trade fair grounds concluded in December 2017 and for the leasehold agreement concluded in December 2018 for the premises of the new car park.</p>
<p>The leases for the Congress Centre North built in 2005, and for the Messehochhaus, give rise to long-term obligations to Koelnmesse GmbH, and at the consolidated-companies level, that total to 48,879 Teuro plus ancillary costs. There are</p>	<p>In addition, there are commitments of 9,329 Teuro (10,833 Teuro for the consolidated companies) from long-term rental and leasing contracts for business and office equipment (company cars, copiers, computers and peripheral equipment, etc.) at Koelnmesse GmbH.</p>

IX. Other notes

Average workforce figures for the year

	Salaried employees	Hourly-paid employees	Total
Consolidated companies ¹	881	32	913
GmbH	657	32	689

Total remuneration of members of management consists of a fixed annual salary, a performance-based bonus and other remuneration components, in particular a company car and the insurance premiums paid into the company pension programme.

There is no public-law pension system in place for members of management and their surviving dependants.

The expenses for remuneration of management for its work during the year under report total to 1,455 Teuro.

The remuneration for Gerald Böse is 867,077.24 euro (of which 397,749.96 euro fixed remuneration, 321,259.50 euro in royalties¹ and 148,067.78 euro in in-kind and other remuneration²) and for Herbert Marner 588,088.49 euro (of which 280,134.36 euro fixed remuneration, 226,262.40 euro in royalties¹ and 81,691.73 euro in in-kind and other remuneration²).

Variable remuneration provisions containing long-term incentives were agreed with Executive Vice Presidents, to take effect beginning with fiscal year 2012. Payment of the bonus is extended over several years. The result-based share of the bonus amounts to 30% for the Chief Operating Officer and the Chief Financial Officer, and to 35% of the total bonus for the President and Chief Executive Officer. This result-based share is subject to a malus provision and paid out based on levels of target achievement in subsequent years. In the event of clear failure to meet the results-based targets, this leads to a retroactive reduction of the bonus amounts. In 2019, the bonus shares subject to this malus provision totalled to 112,440.83 euro for Mr Gerald Böse, and to 67,878.72 euro for Mr Herbert Marner.

The actual expense for members of management totalled to 2,104 Teuro for 2018 and was thus slightly higher than the previous year’s level.

In the event of a premature termination of employment, there are no public-law pension provisions or claims to severance pay in effect for any member of management.

Remuneration for former Executive Vice Presidents and their surviving dependants totalled to 544 Teuro during the financial year under report. Pension provisions of 6,537 Teuro were set aside for former Executive Vice Presidents and their surviving dependants.

The members of the Advisory Board of Koelnmesse GmbH and of Koelnmesse Ausstellungen GmbH each receive a meeting stipend for their work in relation to every meeting attended. The same holds true for the members of the Finance Committee, the Internationalisation Committee, the Executive Committee and the shareholders’ representatives at the general meetings. For members of the respective committees, the stipend for each meeting attended was 250.00 euro; the respective chairperson receives twice this amount and his or her deputy one and a half times this amount. Under the Articles of Association, the Chairperson of the Supervisory Board of Koelnmesse GmbH also receives an additional expense allowance.

During the 2019 financial year at Koelnmesse GmbH, there were seven meetings of the Supervisory Board, two meetings of the Finance Committee, three shareholders’ meetings, three meetings of the Internationalisation Committee, and eight meetings of the Executive Committee. At Koelnmesse Ausstellungen GmbH, there were three meetings of the Supervisory Board and two shareholders’ meetings.

¹ Because exact levels of target achievement remain to be determined, the bonus amounts shown are estimates as at the date the annual financial statement was drawn up. The corrected value will be reported in the next annual financial statement.

² In-kind and other remuneration includes the costs of a premium-based pension plan, among other things.

¹ The employee of the company commensurately included was recognised with the value of 0.5.

Total remuneration for the individual members of the Supervisory Board for meetings in the Supervisory Board Committee, the Finance Committee, the Executive Committee and the Committee on Internationalisation of Koelnmesse GmbH was as follows:

Remuneration for members of the Supervisory Board	
	Total remuneration ¹ TEUR
Henriette Reker (Chairwoman)	20.3
Manfred Richter (1 st Vice Chairman)	4.8
Alexander Stary (2 nd Vice Chairman)	5.6
Axel Kaske	3.2
Matthias Schlüter	2.5
Torsten Weil	2.0
Ulf C. Reichardt	1.7
Ingo Riedeberger	1.7
Kirsten Jahn	0.4
Niklas Kienitz	1.5
Dr. Barbara Lübbecke	4.0
Bernd Petelkau	3.5
Hans-Werner Bartsch	2.5
Dr. Patrick Opdenhövel	1.7
Christian Joisten	1.7
Pia D’Hondt	1.2
Corinna Mülstegen	1.7
Petra Opgenoorth	1.5
Fabian Ströter	1.2
Dr. Michael Henze	3.2
Volker Görzel	1.0
Brigitta von Bülow	1.7
Total ²	68.5

¹ Individual values rounded.

² Total value represents the total of unrounded amounts.

Of the total remuneration at Koelnmesse GmbH, 47 Teuro is attributable to the Supervisory Board, 2 Teuro to the Finance Committee, 15 Teuro to the Executive Committee, and 5 Teuro to the Committee on Internationalisation. The remuneration of the Supervisory Board in the consolidated companies (Koelnmesse GmbH and Koelnmesse Ausstellungen GmbH) totals to 51 Teuro.

The total fee charged by the BDO AG accounting firm in the 2019 financial year stood at 121 Teuro. Of this amount, 76 Teuro applies to the audit of the annual and consolidated financial statements (including 54 Teuro for Koelnmesse GmbH) and 45 Teuro to other services.

No important business under normal market conditions was conducted during the financial year with affiliated individuals or companies not included in the consolidated financial statement as direct or indirect wholly-owned subsidiaries.

The company is included in both its own consolidated financial statement (smallest group of companies or scope of consolidation) and in the communal consolidated financial statement of the City of Cologne (largest group of companies or scope of consolidation). The consolidated financial statement of Koelnmesse GmbH is available at company headquarters and is published in the Federal Gazette [Bundesanzeiger]. It can be accessed online at www.bundesanzeiger.de. The communal consolidated financial statement of the City of Cologne is published on the homepage of the City of Cologne at www.stadt-koeln.de.

Koelnmesse GmbH holds a direct or indirect share of more than 20% in the companies listed below:

	Headquarters	Shareholders’ rate Consolidated companies/GmbH percent	Equity EUR	Last net income EUR
Koelnmesse Ausstellungen GmbH ¹	Cologne	100	500,000.00	0.00
Koelnmesse Inc. ²	Chicago	100	3,250,583.84	1,439,347.65
Koelnmesse S.r.l. ²	Milan	100	1,158,771.96	255,778.89
Koelnmesse Pte. Ltd. ²	Singapore	100	1,433,752.65	447,379.51
Koelnmesse Ltd. ²	Hong Kong	100	5,262,180.82	5,226,251.87
Koelnmesse Co. Ltd. ²	Beijing	100	-1,717,096.48	399,757.90
Koelnmesse Co. Ltd. ²	Tokyo	100	439,844.03	-278,591.67
Koelnmesse Organização de Feiras Ltda. ²	São Paulo	100	-2,317,196.06	-1,581,816.94
Koelnmesse SAS ²	Bogotá	100	1,105,686.49	457,388.93
Koelnmesse YA Tradefair Private Ltd. ²	Mumbai	75	2,752,839.76	322,902.76
Koeln Parma Exhibitions S.r.l. ³	Parma	50	2,863,409.76	1,788,320.69
Expolink Global Network Ltd. ⁴	Bangkok	49,17	896,148.30	730,611.52
Koelnmesse Co. Ltd. ⁵	Bangkok	100	10,704.07	-12,126.39
KölnKongress GmbH ²	Cologne	100	610,000.00	0.00
KölnKongress Gastronomie GmbH ⁶	Cologne	100	25,000.00	0.00

¹ A profit and loss transfer agreement is in place.

² The holdings in these companies are owned by Koelnmesse GmbH. The figures for the holding Koelnmesse YA Tradefair Private Ltd. are based on the interim financial statement for the calendar year that was provided for the consolidated financial statement.

³ The participation is held by Koelnmesse GmbH together with another company. The tabular data concerning the participation contain the proportionate values of Koelnmesse GmbH. In each case, the participation contains proportionate current assets in the amount of 4,452 Teuro, proportionate non-current assets in the amount of 145 Teuro, current obligations of 6,186 Teuro, and no long-term obligations. The participation involved proportionate income of 4,589 Teuro and expenses of 2,801 Teuro. There are no financial obligations.

⁴ Koelnmesse GmbH owns 55% of the voting rights.

⁵ Koelnmesse GmbH owns 50% of this company. The subsidiaries in Singapore and Hong Kong each hold 25%. The company has no longer been included in the consolidated financial statement since 2018.

⁶ Koelnmesse GmbH owns 49% of this company. 51% is held by the subsidiary KölnCongress GmbH. There is a profit- and loss-transfer agreement in effect with KölnKongress GmbH.

Company bodies

The company bodies are comprised as follows:

Management Board

Gerald Böse, Cologne
President and Chief Executive Officer

Oliver Frese, Gehrden
Chief Operating Officer

Herbert Marner, Dernau
Chief Financial Officer

Supervisory Board

Henriette Reker, MdR¹
Chairwoman
Mayor of the City of Cologne

Kirsten Jahn, MdR¹
1st Vice Chairwoman (ending 21 February 2019)
Certified Geographer

Manfred Richter, MdR¹
1st Vice Chairman (beginning 17 May 2019)
Head of Human Resources, UNICEF Germany

Alexander Stary³
2nd Vice Chairman of the Works Council

Hans-Werner Bartsch, MdR¹
Mayor of the City of Cologne

Pia D'Hondt³
Visitor Manager Art Fairs

Brigitta von Bülow, MdR¹
Teacher

Volker Görzel, MdR¹
Specialist Attorney for Labour Law (Partner)

Dr. Michael Henze
Head of Department, Ministry for Economics,
Innovation, Digitalisation and Energy of the German
State of North Rhine-Westphalia

Christian Joisten, MdR¹
Management consultant

Axel Kaske
Kaufmann

Niklas Kienitz, MdR¹
Certified attorney/Real estate economist

Dr. Barbara Lübbecke
Managing Director of the SPD Group
in the Council of the City of Cologne

Corinna Mülstegen³
Communications Manager

Dr. Patrick Opdenhövel
Secretary of State in the Ministry of
Finance of the State of North Rhine-Westphalia

Petra Opgenoorth³
Sales Manager

Bernd Petelkau, MdL²
Business graduate

Ulf C. Reichardt
Executive Director of the Cologne
Chamber of Industry and Commerce

Ingo Riedeberger³
Director

Matthias Schlüter³
Director

Fabian Ströter³
Director

Torsten Weil
Office manager, State Chancellery of the Free State
of Thuringia, Office of the State Premier

¹ MdR = Member of the Cologne City Council
² MdL = Member of the Landtag of North Rhine-Westphalia
³ Employee representatives at Koelnmesse GmbH

Proposal for the appropriation of net income

The management proposes to the company bodies that the net profit of Koelnmesse GmbH from 2019 be added to the retained earnings.

X. Subsequent events of particular importance after the balance sheet date

The coronavirus that arose in late 2019 in China will have a negative impact on trade fair events in 2020. This results in postponements of trade fairs already announced and even cancellations of events both in Germany and abroad. Postponements and cancellations of trade fairs and events in Germany or abroad, between March and through and including June, have already occurred. These event cancellations/postponements and the lower sales forecast for the events that remain lead to a decrease in sales of around 100 million euro and a decrease in earnings and liquidity of around 60 million euro for 2020. Going forward, the ultimate consequences of the coronavirus pandemic are not foreseeable at this point in time. It remains to be seen whether postponements and cancellations of events at short notice will also have a lasting impact on the trade fair sector.

Beyond this, there were no processes of special importance to the company within the meaning of Section 285 No. 33 HGB after the close of the financial year.

Cologne, 17 April 2020

Gerald Böse Oliver Frese Herbert Marner

Consolidated cash flow statement

	2019 TEUR	2018 TEUR
Consolidated companies' net profit/loss after holdings by other shareholders	+30,465	+53,447
Earnings share of minority shareholders	+452	+277
Depreciation (+) / value adjustments (-) of items from the fixed assets	+21,658	+20,180
Increase (+) / decrease (-) of provisions	+8,659	-6,921
Other expenses (+) / income (-) that do not affect payments	-19	+116
Non-cash effects from companies acquired in previous years and consolidated for the first time	+12	0
Increase (-) / decrease (+) of inventories, trade accounts receivable and other assets not related to investment or financing operations	-4,390	-385
Increase (+) / decrease (-) of trade accounts payable and other liabilities not related to investment or financing operations	-15,707	+27,474
Profit (-) / loss (+) from the disposal of items from the fixed assets	+633	+203
Interest expense (+) / interest income (-)	+389	+454
Expenses (+) / income (-) of exceptional magnitude or exceptional importance	0	-40,147
Income tax expense (+) / income tax income (-)	+15,415	+6,032
Income tax payments (-) / income tax refunds (+)	-7,701	-18,115
Cash flow from ongoing business operations	+49,866	+42,615
Payments for investments in intangible fixed assets (-)	-263	-213
Deposits from the disposal of property, plant and equipment (+)	+634	0
Payments for investments in property, plant and equipment (-)	-62,954	-33,671
Payments for investments in financial assets (-)	-3	0
Deposits due to financial investments within the scope of short-term financial disposition (+)	+190	+430
Interest received (+)	+174	+76
Cash flow from investing activities	-62,222	-33,378
Deposits from the taking out of (financial) loans (+)	+127	0
Interest paid (-)	-184	-349
Dividends paid to other shareholders (-)	-38	0
Cash flow from financing activities	-95	-349
Changes resulting from foreign currency translation	-14	-76
Changes to cash funds that affect payments	-12,465	+8,812
Changes to cash funds due to consolidation	+600	-216
Cash funds at the beginning of the period	+140,258	+131,662
Cash funds at the end of the period	+128,393	+140,258

Cash funds are comprised of cash on hand plus bank balances in the amount of 118,468 Teuro (of which 3,949 Teuro from proportionately consolidated companies), as well as marketable securities in the amount of 9,925 Teuro.

Consolidated shareholders’ equity list

Equity capital of the parent company									Non-controlled shares			Consolidated equity
	Sub-scribed capital	Reserves			Equity differences from currency translation	Profit carried forward	Consolidated income to the parent company	Total	Non-controlling shares before net income	Profit attributable to non-controlled shares	Total	Total
		Capital reserve	Retained earnings	Total								
		TEUR	TEUR	TEUR								
As at 01.01.2018	51,200	42,038	77,018	119,056	-239	0	0	170,017	135	349	484	170,501
Currency translation	0	0	0	0	-76	0	0	-76	0	0	0	-76
Changes in the scope of consolidation	0	0	0	0	0	250	0	250	0	0	0	250
Other changes	0	0	0	0	0	0	0	0	349	-349	0	0
Consolidated companies' net income	0	0	0	0	0	0	53,447	53,447	0	277	277	53,724
As at 31.12.2018	51,200	42,038	77,018	119,056	-315	250	53,447	223,638	484	277	761	224,399
As at 01.01.2019	51,200	42,038	77,018	119,056	-315	250	53,447	223,638	484	277	761	224,399
Distribution	0	0	0	0	0	0	0	0	-39	0	-39	-39
Currency translation	0	0	0	0	-14	0	0	-14	0	0	0	-14
Other changes	0	0	0	0	0	53,447	-53,447	0	277	-277	0	0
Consolidated companies' net income	0	0	0	0	0	0	30,465	30,465	0	452	452	30,917
As at 31.12.2019	51,200	42,038	77,018	119,056	-329	53,697	30,465	254,089	722	452	1,174	255,263

Audit opinion

of the independent auditor

Opinions

We have audited the annual financial statement (consisting of the balance sheet as at 31 December 2019 and the income statement for the financial year from 1 January 2019 to 31 December 2019 and the notes, which are published together with the notes concerning the consolidated financial statement), including the presentation of the accounting and valuation principles of Koelnmesse GmbH, Cologne, and of its subsidiaries (the consolidated companies) (consisting of the consolidated balance sheet as at 31 December 2019, the income statement for the consolidated companies, the consolidated shareholders' equity list and consolidated cash flow statement for the financial year from 1 January 2019 to 31 December 2019, as well as the notes concerning the consolidated financial statement, which is published along with the notes concerning the annual financial statement, including the presentation of the accounting and valuation principles. We also audited the summarised management report (Management Report on Koelnmesse GmbH and the Koelnmesse consolidated companies) of Koelnmesse GmbH for the financial year from 1 January to 31 December 2019. In accordance with German legal requirements, we have not audited the content of the corporate governance statement issued pursuant to Section 289f (4) of the German Commercial Code (HGB). In addition, we have not audited the other parts of the Annual Report presented under "Other information" with the exception of the audited annual financial statement, the audited consolidated financial statement and the summary management report and our audit opinion.

In our opinion, on the basis of the audit's findings,

- the attached annual financial statements comply in all material respects with the provisions of German commercial law applicable to corporations and, in compliance with German generally accepted accounting principles, give a true and fair view of the financial position of the company as at 31 December 2019

and of its results of operations for the financial year from 1 January to 31 December 2019 and

- the attached consolidated financial statement complies in all material respects with the provisions of German commercial law and, in compliance with German generally accepted accounting principles, gives a true and fair view of the financial position of the company as at 31 December 2019 as well as of its results of operations for the financial year from 1 January 2019 to 31 December 2019 and
- the accompanying summarised management report as a whole provides an appropriate view of the position of the company and of the consolidated companies. In all material respects, this summarised management report is consistent with the annual financial statement and the consolidated financial statement, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the summarised management report does not extend to the content of the above-referenced corporate governance statement.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audits have not led to any reservations relating to the legal compliance of the annual financial statement, of the consolidated financial statement or of the summarised management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the summarised management report in accordance with Section 317 HGB and the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW).

Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statement, the consolidated financial statement and

the summarised management report section" of our audit opinion. We are independent of the company and the group companies in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statement, the consolidated financial statement and the summarised management report.

Other information

Management is responsible for the other information. Other information comprises

- the corporate governance statement pursuant to Section 289f (4) HGB
- the remaining parts of the Annual Report, with the exception of the audited annual financial statement, the audited consolidated financial statement and the summarised management report and our audit opinion.

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

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

- is materially inconsistent with the annual financial statement, consolidated financial statement, summarised management report or our knowledge obtained in the audits, or
- otherwise appears to be materially misstated.

Responsibility of management and the Supervisory Board for the annual financial statement, the consolidated financial statement and the summarised management report:

Management is responsible for the preparation of the annual financial statement and the consolidated financial statement in compliance with German commercial law in all material respects, and for ensuring that the annual financial statement and the consolidated financial statement comply with German generally accepted accounting principles, in each case providing a true and fair view of the net assets, financial position and results of operations of the company or group of companies. In addition, management is responsible for such internal controls as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of an annual financial statement or a consolidated financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statement and consolidated financial statement, the management is responsible for assessing the ability of the company or the consolidated companies to continue as a going concern. In each case, they also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for providing an accounting of the company's ability to continue as a going concern on the basis of the accounting policy, insofar as this does not conflict with actual or legal circumstances.

Management is also responsible for drawing up the summarised management report, which provides an accurate overall picture of the situation of the company and the consolidated companies and is consistent in all material respects with the annual financial statement and the consolidated financial statement, complies with the provisions of German

law and accurately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a summarised management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the summarised management report.

The Supervisory Board is responsible for monitoring the financial reporting process of the company and consolidated companies for the preparation of the annual financial statement, the consolidated financial statement and the summarised management report.

Responsibility of the auditor for audits of the annual financial statement, consolidated financial statement and summarised management report:

Our objective is to obtain sufficient assurance as to whether the annual financial statement and/or consolidated financial statement as a whole are free from material - intentional or unintentional - misstatement, and whether the summarised management report on the whole provides an accurate picture of the situation of the company and consolidated companies and is consistent in all material respects with the annual financial statement and the consolidated financial statement as well as with the findings of the respective audit, complies with German law and accurately presents the respective opportunities and risks of future development; as well as to issue an audit opinion that includes our opinions on the annual financial statement, the consolidated financial statement and the summarised management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this annual financial statement, consolidated financial statement and the summarised management report.

We exercise professional judgement and maintain professional scepticism throughout the audits. In addition,

- we identify and assess the risks of material misstatement of the annual financial statement, consolidated financial statement and of the summarised management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- we obtain an understanding of the internal control system relevant to the audit of the annual financial statement and consolidated financial statement and of arrangements and measures relevant to the audit of the summarised management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- we evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- we draw conclusions on the appropriateness of management's use of the respective going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's or consolidated companies' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's

report to the related disclosures in the annual financial statement, consolidated financial statement and summarised management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company or the consolidated companies to cease to be able to continue as a going concern.

- we assess the overall presentation, structure and content of the annual financial statement and the consolidated financial statement, including the disclosures, as well as whether the annual financial statement and the consolidated financial statement present the underlying transactions and events in such a way that the annual financial statement and the consolidated financial statement each provides a true and fair view of the net assets, financial position and results of operations of the company or the consolidated companies, in compliance with German generally accepted accounting principles.
- when auditing the consolidated financial statement, we obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statement and on the summarised management report. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statement. We alone are responsible for our opinions.
- we evaluate the consistency of the summarised management report with the annual financial statement, and the consolidated financial statement, its conformity with German law, and the view of the company and consolidated companies that these provide.
- we perform audit procedures on the prospective information presented by management in the summarised management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by

management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a significant unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Cologne, 17 April 2020

BDO AG
Auditing Company

/signed/Herrlein
Auditor

/signed/Lubitz
Auditor

Supervisory Board report

In the year under review, the Supervisory Board fulfilled the duties entrusted to it according to the applicable laws and regulations and monitored the management of Koelnmesse to ensure it was conducted in an orderly manner. During the past business year, the Supervisory Board regularly advised the Executive Board and monitored its activities in the course of regular and extraordinary meetings. The Supervisory Board was always informed promptly and thoroughly by the Koelnmesse Management Board about the company's business development and its resulting profitability and liquidity. The major transactions that had to be submitted to the Supervisory Board for approval as a result of legal stipulations or the Articles of Association were discussed extensively during several sessions before a decision was made. Important business policy issues were addressed in depth.

The consolidated financial statement, the annual financial statement, and the management report on the situation of Koelnmesse GmbH and the Koelnmesse consolidated companies for the financial year from 1 January to 31 December 2019 were audited by BDO AG, the auditing company commissioned for this purpose at the shareholders' meeting. The auditors issued an unrestricted audit certificate for the financial statements.

The Supervisory Board has approved the corresponding audit reports. The Supervisory Board has reviewed and approved the consolidated companies' financial statement, the annual financial statement, and the report on the situation of Koelnmesse GmbH and the Koelnmesse consolidated companies for the financial year from 1 January to 31 December 2019. The Supervisory Board approves the Management Board's proposal to add the net profit for 2019 to the retained earnings.

The shareholders' meeting will be informed of this decision.

The Supervisory Board thanks the Management Board and all of the Koelnmesse's employees for the work they have accomplished in the past year.

Cologne, May 2020

Henriette Reker
Mayor of the City of Cologne
Chairwoman of the Supervisory Board

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