

BUSINESS REPORT 2023

MCH GROUP





Business Report 2023
Financial Report

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Consolidated Balance Sheet

Assets	Details	31.12.2023		31.12.2022	
		CHF 1000	%	CHF 1000	%
Cash and cash equivalents	2	65 697	–	151 933	–
Trade accounts receivable	3	42 567	–	42 693	–
Other current receivables	3	5 925	–	12 483	–
Inventories and work in progress	4	17 291	–	15 172	–
Prepayments and accrued income	5	17 997	–	29 704	–
Total current assets		149 477	44.4	251 985	56.8
Tangible fixed assets	6	163 086	–	168 492	–
Financial assets	7	8 083	–	10 512	–
Intangible fixed assets	8	15 820	–	12 539	–
Total non-current assets		186 989	55.6	191 543	43.2
Total assets		336 466	100.0	443 528	100.0

Liabilities and shareholders' equity	Details	31.12.2023		31.12.2022	
		CHF 1000	%	CHF 1000	%
Current financial liabilities	9	2 909	–	102 822	–
Trade accounts payable		29 063	–	9 586	–
Advance payments received for work in progress		16 006	–	19 677	–
Other accounts payable		6 683	–	6 253	–
Current provisions	10	6 841	–	1 958	–
Accrued expenses and deferred income	5	42 961	–	48 212	–
Total current liabilities		104 463	31.0	188 508	42.6
Non-current financial liabilities	6/9	128 775	–	133 662	–
Non-current provisions	6/10	4 317	–	8 102	–
Total non-current liabilities		133 092	39.6	141 764	32.0
Total liabilities		237 555	70.6	330 272	74.5
Share capital		31 053	–	31 053	–
Capital reserves		250 669	–	251 136	–
Treasury shares	11	–1 653	–	–2 077	–
Retained earnings		–185 982	–	–171 052	–
Minority interests		4 824	–	4 196	–
Total shareholders' equity		98 911	29.4	113 256	25.5
Total liabilities and shareholders' equity		336 466	100.0	443 528	100.0

Consolidated Income Statement

		2023	2022
	Details	CHF 1000	CHF 1000
Net sales from deliveries and services		372 923	366 458
Other operating income	12	17 807	24 449
Changes in work in progress		2 984	3 143
Total operating income	13	393 714	394 050
Personnel expenses	14/15/20	-123 505	-115 218
Administration		-20 919	-22 893
Maintenance, repairs		-10 986	-12 292
Insurance, ground rent, rents		-21 010	-17 634
Energy		-5 615	-5 406
Furnishing expenses, stand construction		-160 707	-165 756
Exhibition and conference operations		-17 305	-29 777
Advertising, press, public relations		-16 173	-10 764
Other operating expenses		-5 176	-284
Loss from disposal of investments		0	-11
Result before interests, taxes and depreciations (EBITDA)	13	12 318	14 015
Depreciation and impairment on tangible fixed assets	6	-11 181	-16 370
Depreciation and impairment on intangible fixed assets	8	-2 439	-11 370
Operating result (EBIT)	13	-1 302	-13 725
Result of associated organizations		-38	-198
Financial result	16	-6 458	-991
Loss before income taxes		-7 798	-14 914
Income tax	17	-6 246	5 644
Loss for the year		-14 044	-9 270
of which attributable to non-controlling interests		-1 273	-261
of which attributable to the shareholders of the parent company		-12 771	-9 009
Undiluted result per share in CHF	18	-0.41	-0.49
Diluted result per share in CHF	18	-0.41	-0.49

Consolidated Statement of Cash Flows

		2023	2022
Cash flow from operating activities	Details	CHF 1000	CHF 1000
Loss for the year		-14 044	-9 270
Gain on disposal of fixed assets net		-99	-53
Reduction of non-repayable loan not affecting the fund	9	-2 500	-2 500
Depreciation and impairment	6/8	13 620	27 741
Attributable loss of associated companies		38	198
Other non-cash transactions	12	1 856	-5 039
Decrease / (Increase) trade accounts receivable		-2 372	3 050
Decrease / (Increase) other receivables		5 957	-7 355
Decrease / (Increase) inventories and work in progress		-3 549	22 239
Decrease / (Increase) prepayments and accrued income		11 068	-15 718
Decrease / (Increase) active deferred taxes		1 759	-7 570
(Decrease) / Increase trade accounts payable		18 814	-4 930
(Decrease) / Increase other payables		605	-2 243
(Decrease) / Increase liabilities from work in progress		-2 663	-14 386
(Decrease) / Increase accrued expenses and deferred income		-3 329	9 081
(Decrease) / Increase provisions	6	1 270	-2 110
Net cash flow from operating activities		26 431	-8 865

		2023	2022
Cash flow from investment activities	Details	CHF 1000	CHF 1000
Investment in land, buildings and fixed installations, assets under construction		-5 736	-1 791
Investment in other tangible fixed assets	6	-1 001	-3 380
Investment in intangible fixed assets		-5 981	-20 072
Divestment of tangible fixed assets	6	2 640	67
Acquisition of investments	23	-	-291
Net cash flow from investment activities		-10 078	-25 467
		2023	2022
Cash flow from financing activities	Details	CHF 1000	CHF 1000
Capital increase incl. premium		-	73 946
Capital contributions by minority shareholders (of subsidiaries)		2 040	3 385
Increase of current financial liabilities		-	62
Increase of non-current financial liabilities		97	-
Repayment of current financial liabilities		-100 331	-1 373
e.o. Repayment of non-current financial liabilities	6	-2 033	-
Dividends		-121	-
Net cash flow from financing activities		-100 348	76 020
Exchange differences of cash and equivalents		-2 241	-3 481
Net cash flow		-86 236	38 207
		2023	2022
Cash and cash equivalents at the beginning of the financial year	2	151 933	113 726
Cash and cash equivalents at the end of the financial year	2	65 697	151 933

Consolidated Statement of Changes in Equity

CHF 1000	Share capital	Capital reserves	Treasury shares	Retained earnings				Minority interests	Total
				Exchange differences	Hedging reserve	Retained profits	Total retained earnings		
As of 01.01.2022	148 694	58 955	-1 483	-1 029	165	-157 489	-158 353	30	47 843
Exchange differences	-	-	-	-3 223	-	-	-3 223	-34	-3 257
Capital increase	16 183	58 357	-	-	-	-	-	-	74 540
Purchase of own shares	-	-	-594	-	-	-	-	-	-594
Changes from cash flow hedges	-	-	-	-	-165	-	-165	-	-165
Capital reduction	-133 824	133 824	-	-	-	-	-	-	-
Capital contributions minority interests	-	-	-	-	-	-303	-303	4 461	4 158
Loss for the year	-	-	-	-	-	-9 009	-9 009	-261	-9 270
As of 31.12.2022	31 053	251 136	-2 077	-4 252	0	-166 801	-171 053	4 196	113 255
Exchange differences	-	-	-	-2 158	-	-	-2 158	-57	-2 215
Dividends	-	-	-	-	-	-	-	-121	-121
Stamp duty	-	-200	-	-	-	-	-	-	-200
Change from share-based compensation	-	-267	424	-	-	-	-	-	157
Capital contributions minority interests	-	-	-	-	-	-	0	2 079	2 079
Loss for the year	-	-	-	-	-	-12 771	-12 771	-1 273	-14 044
As of 31.12.2023	31 053	250 669	-1 653	-6 410	-	-179 572	-185 982	4 824	98 911

The revenue reserve includes CHF 15.5 million (previous year CHF 15.5 million) general statutory reserves (including the capital contribution reserves) held by MCH Group Ltd. and its subsidiaries, which may not be distributed at present.

In the notes to the Group Accounts, note 19 shows the shareholders' equity with theoretical capitalization of the goodwill at its net book value of CHF 0.4 million (previous year CHF 0.6 million).

The share capital is divided into 31,053,147 registered shares with a nominal value of CHF 1.00 per share (previous year 31,053,147 registered shares with a nominal value of CHF 1.00 per share).

The taxable value per share as at 31.12.2022 is CHF 4.18 (previous year CHF 4.60).

Notes to the Consolidated Financial Statements

1. Consolidation and valuation principles

1.1. Consolidated financial statements

The consolidated financial statements of MCH Group are based on the individual financial statements of the group companies as at December 31, 2022, which have been drawn up in accordance with uniform guidelines and are presented in Swiss francs (CHF). They comply with the specialist recommendations on accounting and reporting (Swiss GAAP FER) and the provisions of Swiss law, and thus satisfy the guidelines of the Swiss stock exchange (SIX Swiss Exchange) in the “Swiss Reporting Standard” segment. They give a true and fair view of the financial position and performance of the Group and are prepared on a going concern basis. They are based on the principle of individual valuation for assets and liabilities and on historical cost.

1.2. Consolidation principles

The consolidated financial statements comprise the annual accounts of MCH Group Ltd. and all the group companies in compliance with the following criteria:

- Companies in which MCH Group Ltd. directly or indirectly holds more than half of the voting rights or which are controlled by MCH Group Ltd. in some other ways are fully consolidated. Even if MCH Group Ltd. holds less than half of the voting rights, control may still exist. In this case, 100 % of the assets, liabilities, income, and expenses are included.
- Companies in which MCH Group Ltd. directly or indirectly holds between 20 % and less than 50 % of the voting rights and which are not controlled by MCH Group Ltd. are included using the equity method. In this context, the share of equity is disclosed under the “Financial assets” item in the consolidated financial statements. The pro rata annual result is disclosed in the consolidated income statement under “Result from associated organizations”.
- Companies in which MCH Group Ltd. directly or indirectly holds less than 20 % of the voting rights are recognized in the consolidated balance sheet at acquisition cost less any allowance necessary for business reasons.

Initial consolidation takes place on the date on which MCH Group acquires control. At the time of acquisition, the assets and liabilities of the acquired company are valued at current values. Any difference between the purchase price and the equity of the acquired company remaining after this revaluation is charged or credited directly to retained earnings as goodwill or negative goodwill, respectively. Upon disposal of an investment, goodwill previously offset against equity is included at original cost to determine the gain or loss on disposal of investments recognized in the income statement. In the statement of changes in equity, this transaction is presented in a separate line. Transaction costs are recognized as an expense.

In performing full consolidation, 100 % of the assets, liabilities, income, and expenses are included. Any minority interests in the equity and profit of the consolidated companies are disclosed separately in the consolidated balance sheet and the consolidated income statement. Intercompany assets and liabilities, and income and expenses arising from intercompany transactions and relationships, as well as intercompany profits arising from intercompany transactions, are eliminated. In the case of sales and purchases of shares to and from minority shareholders, the difference between the sales price and the sold pro rata carrying amount of the net assets is recognized through retained earnings.

1.3. Foreign currency conversion

Financial statements of consolidated companies in foreign currencies are translated as follows: Current assets, non-current assets, and liabilities at year-end rates (closing rate); equity at historical rates. The income statement and the cash flow statement are translated at average exchange rates for the year. The resulting currency translation differences are recognized directly in equity.

Items denominated in foreign currencies are translated using the closing rate method. All assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. The effects of foreign currency adjustments are recognized in the income statement. Unrealized exchange rate gains are also recognized in the income statement.

Transactions in foreign currency are translated at the official average exchange rate of the Federal Tax Administration for the corresponding month.

Exchange rates CHF	Average annual rates		Year ending rates	
	2023	2022	2023	2022
USD	0.899	0.955	0.842	0.925
EUR	0.972	1.005	0.930	0.987
HKD	0.115	0.122	0.108	0.119
GBP	1.117	1.179	1.073	1.113
CNY	0.127	0.142	0.119	0.133
AED	0.245	0.260	0.229	0.252
JPY	0.006	–	0.006	–

1.4. Recognition and accounting principles

The consolidated financial statements are drawn up on an accrual basis. Accordingly, the effects of transactions and other events are recognized when they occur and not when cash or cash equivalents are received or paid. This means, inter alia, that expenses and income are recognized on an accrual basis.

For all assets, an assessment is made at year-end as to whether there is any indication that the carrying amount of the asset may exceed its recoverable amount (impairment). If an impairment exists, the carrying amount is reduced to the recoverable amount, with the impairment losses being charged to profit or loss for the period.

1.4.1. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, postal giro and bank accounts, and short-term time deposits (residual term less than 90 days). They are measured at nominal value.

1.4.2. Securities

Securities held for trading purposes are reported under current assets and are valued at current market value. If there is no current value, they are to be valued at no more than acquisition cost less any impairment. The adjustment is made through the income statement.

1.4.3. Trade accounts receivable and allowance for doubtful accounts

Trade receivables are measured at nominal value less any impairment losses (=allowance for doubtful accounts). Individual valuation allowances are first recognized for significant items. The remaining receivables are subject to a lump-sum allowance as follows, based on empirical values, without consideration of the country of origin:

Expiration days	Value adjustment in % of the invoice amount
>360	100%
181-360	50%
91-180	30%
61-90	15%
31-60	5%
0-30	2%

1.4.4. Inventories

Inventories are measured at the lower of acquisition cost and net realizable value. Cost includes all directly attributable material and production costs as well as overheads incurred in bringing the inventories to their present location and condition. If the costs exceed the net fair value, an impairment loss (expense) is recognized in the amount of this difference. This value is determined by means of the current market price on the sales market. Discounts granted are deducted from the cost of goods as purchase price reductions. Subsequent measurement is based on the average cost method.

1.4.5. Work in progress

Work in progress is long-term and/or multi-period construction or stand construction contracts that are identified and measured using the "Completed Contract" method because the requirements for the "Percentage of Completion" method are not cumulatively met. Contract costs incurred are capitalized as work in progress during the construction period. Construction projects are recognized in profit or loss at the time of project acceptance or, in the absence thereof, at the time of delivery to the event or destination. The date of acceptance or the date of delivery is the date on which the risks and rewards pass to the customer. Stand construction projects are recognized in profit or loss at the time the event is held or, in the case of events lasting several days, on the last day of the event. Losses are recognized immediately in profit or loss. Advance payments received are recognized directly in the balance sheet. They are offset against the corresponding long-term contracts for which the advance payment was made, provided there is no right of recovery. Otherwise, they are recognized as a liability.

1.4.6. Other current receivables

Other receivables (including time deposits with a remaining term of more than 90 days) and loans receivable are measured at nominal value less any impairment losses.

1.4.7. Prepayments, accrued income, accrued expense and deferred income

Prepayments, accruals, and deferrals are measured in accordance with the principles applicable to receivables and payables, respectively.

Prepayments and accrued income include both third-party and internal services for trade fairs and events recognized in the reporting year (except for work in progress for both construction and stand construction) for the following year and sales not yet invoiced for the reporting year.

Accrued expense and deferred income include accruals and deferrals relating to income already invoiced for trade fairs and events in the following year, as well as outstanding supplier invoices for goods or services already received. In addition, the accruals for current income taxes are recognized under accrued expense and deferred income.

1.4.8. Tangible fixed assets

Tangible fixed assets are capitalized at acquisition or production cost and valued taking into account scheduled straight-line depreciation and any impairment in value. If the factors that led to an earlier impairment improve significantly, the impairment is reversed in part or in full by means of a reversal of an impairment loss.

Depreciation of tangible fixed assets begins from the first day of use. Assets under construction are accordingly not depreciated. The depreciation period corresponds to the useful economic life and is as follows for:

Depreciation category	Useful life	Fixed asset category
Developed property	No depreciation	Developed property
Buildings	40 years	Buildings
Various investments in extensions to buildings and systems	10 - 20 years	Buildings
Furniture and fittings	3 - 10 years	Other tangible assets
Vehicles	5 - 8 years	Other tangible assets
Sound and lighting equipment	5 - 10 years	Other tangible assets
Hardware	3 - 5 years	Other tangible assets

If it is determined that the useful life of the asset will change, in particular due to technical progress, the condition of the asset or the market, the residual carrying amount of the asset is depreciated over the newly envisaged remaining useful life.

Accompanying own work on investments in property, plant and equipment is generally not capitalized. Exceptions may arise due to major development projects.

Interest expense is capitalized as cost during the construction phase of a tangible fixed asset.

1.4.9. Intangible assets

Intangible assets are non-monetary and have no physical existence. Acquired intangible assets are accounted for using the following categories (incl. useful economic life):

Depreciation category	Useful life	Fixed asset category
Acquired exhibitions and events	3 - 5 years	Intangible assets
Software	3 - 5 years	Intangible assets

Internally generated intangible assets (trade fairs, events, software, or other intangible assets) are generally not capitalized. Exceptions may arise due to major development projects.

1.4.10. Liabilities and loans payable

Liabilities and loans payable are recognized at their respective nominal values. A liability or a loan payable is current if it:

- is to be settled within 12 months after the balance sheet date, or
- is likely to result in a cash outflow from operating activities, or
- is held for trading purposes

All other liabilities are non-current.

1.4.11. Provisions

Provisions are recognized to cover all risks and obligations identifiable at the balance sheet date. Provisions are recognized when there is a probable obligation to a third party because of a past event (prior to the balance sheet date) and the amount of the obligation can be estimated. The amount of the provision is based on the expected outflow of funds to settle the obligation. This corresponding provision amount is reassessed each year.

The amount of the provision is determined on the basis of an analysis of the relevant event in the past and on the basis of events occurring after the balance sheet date, insofar as this helps to clarify the facts.

Impending losses from trade fairs and events are recognized immediately in profit or loss and the portion exceeding the allowance for capitalized costs is included in provisions.

An event that becomes obligatory after the balance sheet date has an impact on provisions if it becomes clear that the origin of the event occurred prior to the balance sheet date.

1.4.12. Goodwill

In the case of an acquisition, the net assets acquired are valued at current values. The excess of the cost of acquisition over the fair value of the net assets acquired represents goodwill. This is offset directly against equity at the time of acquisition. According to Swiss GAAP FER, this is permitted provided that the effects of theoretical capitalization and theoretical amortization on equity and goodwill are presented separately in the statement of changes in equity and in the notes. Goodwill is theoretically amortized over 5 years. If there is an impairment of goodwill, this is presented in the notes. On disposal of an investment, goodwill previously offset against equity is included at original cost to determine the gain or loss recognized in profit or loss.

1.4.13. Treasury shares

Treasury shares are recognized at cost at the time of acquisition and disclosed as a separate deduction in equity. There is no subsequent valuation. If treasury shares are sold, this is done at the moving average price. Any realized increase or decrease in value is credited or charged to capital reserves without affecting income.

1.4.14. Derivative financial instruments

Derivative financial instruments are recognised in the balance sheet as soon as they are cash flow hedges or fair value hedges and fulfil the definition of an asset or liability.

Derivative financial instruments with no direct link to a cash flow are not recognised in the balance sheet. They are disclosed in the notes with the purpose “without hedging”.

A derivative is recognized in the balance sheet when it meets the definition of an asset or liability. The Group uses currency futures and swaps to hedge currency risks. In particular, cash flow hedges are used to reduce the currency risk of highly probable future cash flows from sales in foreign currencies. All open positions from cash flow hedges at the balance sheet date are disclosed in the notes and are recognized in equity through the hedging reserve.

1.4.15. Pension benefit obligations

The pension obligations of the Group companies for retirement, death or disability are based on the local regulations and practices applicable in the respective countries. Except for MC², the most important companies are in Switzerland, where the pension plans are administered by a legally independent foundation. Only a few pension plans are operated abroad. The actual economic impact of all pension plans for the Group is calculated as of the balance sheet date.

Any benefit arising from employer contribution reserves (pension asset) is recognized as an asset. The capitalization of a further economic benefit (from an overfunding in the pension plan) is neither intended, nor are the prerequisites for this given. An economic obligation is recognized as a liability if the conditions for the formation of a provision are met.

1.4.16. Share-based payments

A long-term incentive plan (LTIP) exists for members of the group management team, as well as individual authorized persons defined by the Board of Directors. At the beginning of the three-year plan period, the plan participants receive a defined number of performance share units (PSUs), which are distributed over the vesting periods. The expense is recognized as personnel expense in proportion to the duration of the vesting periods. At the end of the respective vesting period, a certain number of shares are transferred to the plan participants for each PSU granted, depending on target achievement. Between zero and 1.5 shares can be allocated per PSU.

The PSUs are valued at the beginning of the respective plan period at the closing share price of the MCH share on the allocation date. The recording of personnel expenses for the current plan periods is based in each case on the degree of target achievement, which is calculated on the basis of the current actual, budget, forecast and medium-term plan figures.

The shares are freely available to the plan participants after the transfer and are not subject to any further vesting period.

1.4.17. Operating income

MCH Group generates its sales from exhibitions, events, construction projects and stand construction projects.

Sales and the associated expenses for exhibitions and events are recognized in the income statement on the date on which the event is held. The decisive date for recognition in profit or loss is the last day of the exhibition or event.

Construction projects are recognized in profit or loss at the time of project acceptance or, in the absence thereof, at the time of delivery to the event or destination. The date of acceptance or the date of delivery is the point in time at which benefit and risk pass to the customer. Stand construction projects are recognized in profit or loss at the time the event is held.

Advance payments made by customers or to suppliers for projects in future financial years are accrued for exhibitions and events and are reported as work in progress and payables for construction and stand construction projects.

In the case of cancelled projects (construction and stand construction), as a rule, the cancellation date of the project is considered the realization date and the related contractual modalities must be considered. If, in exceptional cases, special repayment and cancellation modalities are negotiated, the date of agreement/signing of the repayment and cancellation modalities shall be considered the realization date.

In the case of cancelled exhibitions and events, profit is recognized as follows:

- Canceled exhibitions and events without event cancellation insurance:
Recognition in profit or loss takes place after agreement has been reached with the customers on the repayment and cancellation modalities unless the regulation according to the contract is applied.
- Canceled exhibitions and events with event cancellation insurance:
The costs incurred are recognized in the income statement under operating expenses at the time the exhibition or event is cancelled. The insurance benefits are recognized in the income statement either after the insurance company's definitive commitment to pay or when it can be assumed with virtual certainty that the insurance benefits will be paid.

1.4.18. Current and deferred income tax

In accounting for current and future income tax effects, a distinction is made between the determination of current and deferred income tax.

Current income tax is calculated and expensed in accordance with local income tax regulations. The accrual of current income tax is made under deferred income.

Deferred tax arises from valuation differences between the Group's values and the values used for tax purposes and is accrued accordingly. The accrual of deferred income taxes is based on a balance sheet-oriented view and generally considers all future income tax effects. The calculation of deferred income taxes to be accrued is based on the actual expected tax rates. Deferred tax assets on temporary

differences are only capitalized if it is probable that they can be offset against future taxable profits. Deferred tax assets based on tax loss carry forwards are not capitalized. Deferred tax assets are recognized in financial assets, deferred tax liabilities in non-current provisions.

1.4.19. Government grants (Subsidies)

In the context of the “Neubau Messe Basel” project, various subsidies (including investment contributions à-fonds-perdu) were granted by the public authorities (Cantons of Basel-Stadt, Basel-Landschaft and Zurich, as well as the City of Zurich). In the 2012 financial year, MCH Messe Schweiz (Basel) AG received a non-repayable mortgage loan of CHF 50.0 million from the Canton of Basel-Stadt, as a financing contribution à-fonds-perdu, which was structured with a term of 20 years and the obligation to continue operation of the Congress Center Basel (CCB) for 20 years. Under buildings, an acquisition value in the same amount as the non-repayable mortgage loan was excluded. The corresponding part of the building is depreciated annually by CHF 2.5 million and at the same time the non-repayable mortgage loan is reduced by CHF 2.5 million and recognized as other operating income.

1.4.20. Transaction with related parties

Individuals or legal entities are deemed to be related parties if they have the ability, either directly or indirectly, to exert significant influence over an entity in making financial or operational decisions. Entities that are either directly or indirectly controlled by the same related parties are also deemed to be related.

MCH Group regards the following persons or organization as related parties:

- Members of the Board of Directors, members of the Executive Board or members of the Management Board.
- Organizations in which MCH Group has a significant holding.
- Shareholders of the reporting organization who directly or indirectly, alone, or together with others, exercise a share of voting rights exceeding 20 %.
- Organizations that are controlled by related parties.
- Pension plans.

The following persons or organizations are not considered to be related parties, unless further reasons indicate a significant influence:

- Two organizations, only because they have members of the board of directors or management in common
- Public authorities.
- Trade unions, public authorities, and public monopolies.
- Individual customers or suppliers with a close or dominant relationship.
- Insurance companies and banks in the normal course of business with customers.

Transactions with related parties considering the materiality principle are to be disclosed separately.

1.4.21. Contingent liabilities and receivables

The probability and amount of contingent liabilities and contingent assets are assessed at the balance sheet date, measured accordingly, and disclosed in the notes.

1.5 Other

Due to rounding, there may be differences in the totals and percentages in this report.

2. Cash and cash equivalents

CHF 1000	12/31/2023	12/31/2022
Cash, Post Office	2 409	2 720
Bank	63 288	149 213
Total cash and cash equivalents	65 697	151 933

3. Accounts receivable

3.1. Trade account receivables

CHF 1000	12/31/2023	12/31/2022
Trade accounts receivable	51 505	51 961
Bad debt provision	-8 938	-9 268
Total trade accounts receivable	42 567	42 693

Aging	12/31/2023	12/31/2022
Not due	11 449	17 504
Due within 60 days	22 594	16 653
Due after 60 days	17 462	17 804
Total trade accounts receivable	51 505	51 961

3.2 Other account receivables

As at the reporting date, CHF 1.0 million were subject to an ownership restriction (previous year: none).

4. Inventories and work in progress

CHF 1000	31.12.2023 CHF 1000	31.12.2022 CHF 1000
Raw materials	2 054	2 128
Consumables and supplies	62	112
Semi-finished products	1 190	1 092
Merchandise	51	51
Prepayments for inventories	64	28
Value allowance on inventories	-990	-1 088
Total inventories	2 431	2 323
Long-term customer contracts	15 070	12 929
Value allowance on long-term customer contracts	-210	-42
Down payments received for long-term customer contracts	-	-38
Total work in progress	14 860	12 849
Total inventories and work in progress	17 291	15 172

5. Prepayments, accruals and deferrals

Prepayments and accrued income	31.12.2023 CHF 1000	31.12.2022 CHF 1000
Exhibitions and events	9 406	9 540
Stand construction sales not yet invoiced	3 275	15 806
Prepaid rents	434	521
Prepaid income tax	330	–
Other	4 552	3 837
Total of prepayments and accrued income	17 997	29 704

Accrued expenses and deferred income	31.12.2023 CHF 1000	31.12.2022 CHF 1000
Services invoiced in advance for exhibitions and events	22 187	22 885
Staff	11 597	10 966
Accrual for current tax	2 129	1 615
Other	7 048	12 747
Total of accrued expenses and deferred income	42 961	48 213

The amount of prepaid expenses and deferred income is primarily influenced by the trade fair cycle.

Costs of CHF 9.4 million (previous year: CHF 9.5 million) were capitalised under “Exhibition and events” in prepaid expenses. Of this amount, CHF 5.1 million were internal services (previous year CHF 3.8 million).

The item “Services invoiced in advance for exhibitions and events” includes in advance invoiced services for exhibitions and events in Switzerland 2024, as well as the Art Basel fairs 2024.

6. Tangible fixed assets

CHF 1000	Developed Land	Buildings	Tangible fixed assets under construction	Other tangible fixed assets	Total
Purchase costs as of 1.1.2022	4 000	894 411	–	52 640	951 051
Additions	–	1 735	–	3 583	5 318
Change in consolidation scope	–	–	–	–	–
Depreciated values ¹⁾	–	–51	–	–618	–669
Disposals	–	–	–	–14	–14
Reclassification	–	–	–	–	–
Exchange differences	–	145	–	157	302
Purchase values as of 31.12.2022	4 000	896 240	–	55 748	955 988
Accumulated depreciation as of 1.1.2022	–	–722 741	–	–48 779	–771 520
Depreciation	–	–13 978	–	–2 375	–16 353
Impairment	–	–6	–	–11	–17
Reductions in value adjustments ¹⁾	–	51	–	618	669
Exchange differences	–	–117	–	–159	–276
Total accumulated depreciation as of 31.12.2022	–	–736 791	–	–50 706	–787 497
Net book value as of 31.12.2022	4 000	159 449	–	5 042	168 491
thereof mortgaged buildings	–	151 442	–	–	151 442
Purchase costs as of 1.1.2023	4 000	896 240	–	55 748	955 988
Additions	–	165	4 869	1 001	6 035
Change in consolidation scope	–	–	–	–	–
Depreciated values ¹⁾	–	–13 968	–	–483	–14 451
Disposals	–	–	–	–41	–41
Reclassification	–	324	–2 425	2 101	–
Exchange differences	–	–943	–	–1 448	–2 391
Purchase values as of 31.12.2023	4 000	881 818	2 444	56 878	945 140
Accumulated depreciation as of 1.1.2023	–	–736 791	–	–50 706	–787 497
Depreciation	–	–13 598	–	–2 064	–15 662
Impairment reversal	–	4 482	–	–	4 482
Reductions in value adjustments ¹⁾	–	13 968	–	483	14 451
Exchange differences	–	828	–	1 344	2 172
Total accumulated depreciation as of 31.12.2023	–	–731 111	–	–50 943	–782 054
Net book value as of 31.12.2023	4 000	150 707	–	5 935	163 086
thereof mortgaged buildings	–	144 832	–	–	144 832

1) After expiry of the depreciation period, the purchase or production cost value is offset against the accumulated depreciation.

In accordance with the decision of the Cantonal Parliament of 12.03.2008 relating to the financing concept for the new Messe Basel complex (formerly Exhibition Center Basel 2012), security was provided for the non-repayable loan of CHF 50.0 million, secured by a mortgage, that MCH Swiss Exhibition (Basel) Ltd. received as a financing contribution (à fonds perdu) through the issue of a mortgage note for this same amount, charged to the two buildings of the Congress Center Basel.

MCH Group does not own any undeveloped plots of land. The “Developed land” asset category comprises exclusively developed land. The “Buildings” asset category includes all buildings and installations permanently attached to the buildings.

In the reporting year, the City of Zurich exercised its right of first refusal for the Theatre 11 in Zurich. The sale price totalled CHF 2.6 million. The sale price was offset against the existing loans to the Canton of Zurich and the City of Zurich totalling CHF 2.1 million. As part of this transaction, the renovation fund for Theatre 11 was transferred to the new owners with the paid-in amounts of CHF 2.3 million.

The MCH Group carries out an annual review of the value of its exhibition halls. This involves comparing the current book value of the exhibition halls with the realisable value (value in use). The value in use is calculated on the basis of the estimated future cash flows. The future cash flows are in turn based on the estimated future discounted sales and expenses. The value in use of the exhibition halls in Basel and Zurich is calculated on the basis of the achievable hall rental income.

In 2017 and 2018, impairment losses were recognised on the exhibition halls in Basel and Zurich due to the lower estimated future earnings expectations in the national exhibition business at the time. In the years 2019 to 2022, the estimates in this regard had not changed.

Due to the higher future income expectations for the exhibition halls in Zurich in the reporting year, the value in use of the exhibition halls in Zurich will be higher as at 31 December 2023. This results in a reversal of impairment losses of CHF 4.5 million (previous year: none). No reversal of impairment losses was recognized in the financial statements prepared in accordance with statutory law, resulting in deferred tax expenses of CHF 0.8 million on group level in the reporting year (previous year: none).

There was no reversal of impairment or impairment loss for the exhibition halls in Basel in the reporting year (previous year: none)

7. Financial assets

CHF 1000	31.12.2023 CHF 1000	31.12.2022 CHF 1000
Other loans	12	8
Pension assets	730	730
Deferred tax assets	5 769	8 153
Equity investment	1 572	1 621
Total financial assets	8 083	10 512

In the United States, deferred tax assets on temporary differences amounting to CHF 8.1 million were capitalised in prior year due to the positive outlook for the future. Due to the positive business performance in the United States, CHF 2.3 million in deferred tax assets were released in the reporting year, resulting in a corresponding deferred tax expense (previous year: deferred tax income).

8. Intangible fixed assets

CHF 1000	Acquired intangible assets	Intangible assets generated internally	Intangible assets under construction	Total
Purchase costs as of 1.1.2022	25 307	–	–	25 307
Depreciated values ¹⁾	–9 344	–	–	–9 344
Additions	17 953	742	–	18 695
Disposals	–	–	–	–
Exchange differences	53	–	–	53
Purchase values as of 31.12.2022	33 969	742	–	34 711
Accumulated depreciation as of 1.1.2022	–20 093	–	–	–20 093
+ Reductions in value adjustments ¹⁾	9 344	–	–	9 344
Depreciation	–2 053	–	–	–2 053
Impairment	–9 317	–	–	–9 317
Exchange differences	–53	–	–	–53
Total accumulated depreciation as of 31.12.2022	–22 172	–	–	–22 172
Net book value as of 31.12.2022	11 797	742	–	12 539
Purchase costs as of 1.1.2023	33 969	742	–	34 711
Depreciated values ¹⁾	–16	–	–	–16
Additions	167	–	5 567	5 734
Disposals	–	–	–	–
Reclassifications	878	–	–878	0
Exchange differences	–391	–	–	–391
Purchase values as of 31.12.2023	34 607	742	4 689	40 038
Accumulated depreciation as of 1.1.2023	–22 172	–	–	–22 172
+ Reductions in value adjustments ¹⁾	16	–	–	16
Depreciation	–2 439	–	–	–2 439
Impairment	–	–	–	–
Exchange differences	377	–	–	377
Total accumulated depreciation as of 31.12.2023	–24 218	–	–	–24 218
Net book value as of 31.12.2023	10 389	742	4 689	15 820

1) After expiry of the depreciation period, the purchase or production cost value is offset against the accumulated depreciation.

Additions in the reporting year relate to investments in digitalisation projects of CHF 3.2 million (previous year: CHF 16.6 million) and general modernisations and expansions of CHF 2.5 million (previous year: CHF 1.4 million).

In the previous year, discontinued digitalisation projects in the amount of CHF 9.3 million were written off.

9. Financial liabilities

CHF 1000	12/31/2023	12/31/2022
Current loans from third parties	409	690
Current loans from participants	2 500	2 567
Current bond	–	99 565
Total current financial liabilities	2 909	102 822
Current loans from third parties	108 775	109 129
Non-current loans from participants	20 000	24 533
Total non-current financial liabilities	128 775	133 662
Total financial liabilities	131 684	236 484
Indebtedness net	65 987	84 551

Net debt (current and non-current financial liabilities less cash and cash equivalents) fell to CHF 66.0 million (previous year: CHF 84.6 million).

CHF 1000	Residual maturity up to 1 year or less	Residual maturity 1–5 years	Residual maturity over 5 years or more	Total	Thereof secured by mortgages	Interest rate
Loans from third parties and banks	690	444	43 685	44 819	40 000	1%-4.12%
Loans from third parties (Canton of Basel-Landschaft)	–	35 000	–	35 000	35 000	3%-3.25%
Interest-free loans from third parties (Canton of Basel-Landschaft) ^{1), 3)}	–	–	30 000	30 000	–	–
Total loans from third parties	690	35 444	73 685	109 819	75 000	
Loans from participants (Canton of Zurich) ⁴⁾	67	268	265	600	600	2.00%
Loans from participants (City of Zurich) ⁴⁾	–	–	1 500	1 500	1 500	2.00%
Non-repayable loan (à fonds perdu) secured with a mortgage ²⁾	2 500	10 000	12 500	25 000	25 000	–
Total loans from involved parties	2 567	10 268	14 265	27 100	27 100	
	99 565	–	–	99 565	–	1,875 %
As of 31.12.2022	102 822	45 712	87 950	236 484	102 100	
Loans from third parties and banks	409	41 289	2 485	44 183	40 000	1%-3.31%
Loans from third parties (Canton of Basel-Landschaft)	–	35 000	–	35 000	35 000	3.25%
Interest-free loans from third parties (Canton of Basel-Landschaft) ^{1), 3)}	–	–	30 000	30 000	–	–
Total loans from third parties	409	76 289	32 485	109 183	75 000	
Non-repayable loan (à fonds perdu) secured with a mortgage ²⁾	2 500	10 000	10 000	22 500	22 500	–
Total loans from involved parties	2 500	10 000	10 000	22 500	22 500	
As of 31.12.2023	2 909	86 289	42 485	131 683	97 500	

1) Interest as a subsidy; the interest-free loans of the cantons of Basel-Stadt and Basel-Landschaft are subordinated.

2) Financing sum, annual amortization of CHF 2.5 million, as a subsidy from 2013 onwards.

3) Repayment will be deferred if the equity ratio of MCH Group Ltd. falls below 30% or if no dividends are paid on account of the result.

4) See Note 6 on the sale of Theater 11

As part of the financing of MCH Group, a CHF bond of CHF 100 million was issued in 2018 with a term from 16 May, 2018 to 16 May, 2023 (5 years) and a coupon of 1.875 %. In the current year, shares totalling CHF 3.1 million were repurchased early (previous year: CHF 0.4 million). The bond was repaid in full on 16 May 2023.

10. Provisions

CHF 1000	As of 01.01.2022	Recogn- nised	Used	Released	Reclassi- fication and currency translation differences	As of 31.12.2022	thereof current
Repairs to exhibition parking spaces	800	-	-	-	-	800	-
Renovation fund Theater 11	2 372	201	-221	-	-	2 352	-
Restructuring	-	-	-	-	-	-	-
Deferred income tax provision	1 083	179	-	-	-	1 262	-
Potential reimbursement claims	5 340	25	-	-3 242	-	2 123	-
Share-based payments	-	456	-	-	-4	452	225
Contractual risks	1 173	250	-164	-	182	1 441	250
Other provisions	1 375	1 094	-260	-428	-152	1 629	1 482
Total provisions	12 143	2 205	-645	-3 670	26	10 059	1 957

CHF 1000	As of 01.01.2023	Recogn- nised	Used	Released	Reclassi- fication and currency translation differences	As of 31.12.2023	thereof current
Repairs to exhibition parking spaces	800	4 200	-	-	-	5 000	5 000
Renovation fund Theater 11 ¹⁾	2 352	37	-2 389	-	-	0	-
Deferred income tax provision	1 262	813	-60	-	-	2 015	-
Potential reimbursement claims	2 123	-	-189	-	-	1 934	-
Share-based payments	452	593	-217	-462	-17	349	107
Contractual risks	1 441	7	-	-250	-107	1 091	1 091
Other provisions	1 629	288	-1 102	-	-46	769	643
Total provisions	10 059	5 938	-3 957	-712	-170	11 158	6 841

1) See Note 6 on the sale of Theatre 11

Due to the termination of a tenancy, contractually owed dismantling measures are due, including the disposal of materials brought in. The amount of the provision was increased to CHF 5.0 million in the reporting year (previous year: CHF 0.8 million) and is now recognised as current.

The provision for the Theatre 11 renovation fund was supplemented annually by CHF 0.2 million plus indexed inflation. This fund is used to finance renovation work on Theatre 11. With the sale of Theatre 11 in the reporting year, funds from the renewal fund were transferred to the new owner. Further details on the transaction can be found in the notes under 6.

Deferred taxes totalling CHF 0.8 million (previous year: none) were recognised for temporary differences between the tax accounts of the individual company and the accounts in accordance with Swiss GAAP FER from the reversal of impairment losses on the exhibition hall in Zurich.

The reclaims relate to provisions for tax risks totalling CHF 1.5 million (previous year: CHF 1.5 million) and warranty guarantees from the Experience Marketing division's project business amounting to CHF 0.4 million (previous year: CHF 0.6 million). In the reporting year, warranty guarantees amounting to CHF 0.2 million were released (previous year: CHF 0.9 million).

In the reporting period, provisions totalling CHF 0.3 million were used for pending legal proceedings in Switzerland and Germany that were recognised in the previous year.

11. Treasury shares

	Number of shares	Book value CHF 1000
Treasury shares as of 01.01.2022	100 000	1 483
Subscription of treasury shares in capital increase	125 000	594
Treasury shares as of 31.12.2022	225 000	2 077
Share-based compensation	-46 028	-425
- Of which not yet paid out	11 306	104
Remuneration of the Board of Directors with shares	-30 445	-281
- Of which not yet paid out	19 228	177
Treasury shares as of 31.12.2023	179 061	1 653

In the previous year, MCH Group Ltd. subscribed to 125,000 treasury shares at an issue price of CHF 4.75 per share as part of the capital increase for the purpose of future remuneration of the Executive Board. The subscription rights to which MCH Group Ltd. was entitled were exercised in full.

12. Other operating income

	2023	2022
	CHF 1000	CHF 1000
Insurance indemnity	–	10 800
Loan waiver	–	5 756
State Grants	7 363	4 895
Sale of Theatre 11 (Zurich)	2 558	–
State Covid-19 Indemnities USA	1 952	295
External rents	2 154	2 228
Other	3 780	475
Total Other operating income	17 807	24 449

In the United States, the “Paycheck Protection Program (PPP)” loans received, which were directly related to covering the operating costs incurred as a result of the Covid–19 pandemic, were unconditionally waived in the amount of USD 2.2 million (CHF 1.9 million) (previous year: USD 0.3 million, CHF 0.3 million) due to local regulations.

In prior year insurance compensation of CHF 10.8 million, as well as CHF 5.8 million from a debt waiver of the Canton Basel-Stadt were collected in the previous year.

The items “Loan waiver” (reporting year: none, previous year: CHF 5.8 million) and “State Covid–19 indemnities USA” (reporting year: CHF 2.0 million, previous year: CHF 0.3 million) are non-cash items. They are recognised in the consolidated cash flow statement under “Other non-cash transactions” in net cash flow from operating activities.

13. Segment reporting

Operating income by divisions	2023 CHF 1000	%	2022 CHF 1000	%
Community Platforms	185 782	47.2	144 274	36.6
Experience Marketing	262 835	66.8	292 453	74.2
Corporate Functions	-54 903	-13.9	-42 677	-10.8
Total operating income	393 714	100.0	394 050	100.0

EBITDA by divisions	2023 CHF 1000	%	2022 CHF 1000	%
Community Platforms	6 489	52.7	1 434	10.2
Experience Marketing	20 629	167.6	22 075	157.5
Corporate Functions	-14 800	-120.1	-9 494	-67.6
Total EBITDA	12 318	100.0	14 015	100.0

EBIT by divisions	2023 CHF 1000	%	2022 CHF 1000	%
Community Platforms	-3 747	287.8	-8 484	61.8
Experience Marketing	18 575	-1 426.7	5 960	-43.4
Corporate Functions	-16 130	1 238.9	-11 201	81.6
Total EBIT	-1 302	100.0	-13 725	100.0

The segment revenues and results of the business areas are stated prior to consolidation. The division “Community Platforms” comprises the revenues and results of the various physical, hybrid and digital platforms and the associated services of the units “Art & Art Related Industries” and “Exhibition & Events”. “Experience Marketing” includes strategy, creation and implementation of experience marketing services of the “Live Marketing Solutions” division with the brands MCH Global, Expomobilia and MC². The division “Venues” business comprises the rental business (guest events, rental to own exhibitions) and general services (e.g. parking lot revenue) of the Basel and Zurich exhibition venues. “Corporate Functions & Consolidation” takes in Corporate IT, Corporate Finance, Corporate Procurement, Legal Department, Risk Management & Compliance, Corporate HR, Corporate Communications, Group Strategy & Sustainability and the consolidation effects.

Operating income by geographical markets	2023 CHF 1000	%	2022 CHF 1000	%
Switzerland	103 190	26.3	101 812	25.8
Europe without Switzerland	57 108	14.5	63 184	16.0
North and South America	194 988	49.5	175 784	44.6
Asia, Pacific and Africa	38 428	9.8	53 270	13.5
Total operating income	393 714	100.0	394 050	100.0

Operating income by geographical market is presented subsequent to consolidation and thus relates purely to third-party sales.

14. Staff and staff expenditure

Employees	31.12.2023	31.12.2022
Full-time jobs	858	762
Personnel expenses	2023 CHF 1000	2022 CHF 1000
Ordinary personnel expenses	-124 601	-115 477
Short time compensation	1 096	259
Total Personnel expenses	-123 505	-115 218

Personnel expenses include short-time working compensation of CHF 1.1 million (previous year: CHF 0.3 million), all of which was received. The short-time working compensation in the reporting year are back payments for claims from previous years, which are attributable to a federal court ruling in Switzerland. Personnel expenses before short-time working compensation totalled CHF 124.6 million (previous year CHF 115.5 million).

For various services, additional temporary staff are employed as cashiers, cloakroom attendants, guards and office assistants, etc.

15. Share-based payments

Three vesting periods were defined for PSUs from the LTIP 2022–2024. They end as follows:

- On the 1st anniversary of the grant date for one third of the PSUs granted.
- On the 2nd anniversary of the grant date for a further third of the PSUs granted.
- On the 3rd anniversary of the grant date for the final third of the PSUs granted.

Two vesting periods were defined for PSUs from the LTIP 2023–2025. They end as follows:

- On the 2nd anniversary of the grant date for one third of the PSUs granted.
- On the 3rd anniversary of the grant date for two third of the PSUs granted.

The following personnel expenses, including social security benefits, were recognized for the current plan periods

Plan period	Vesting period	Quantity PSU	Value CHF 1000	Personnel expenses	
				2023 CHF 1000	2022 CHF 1000
2022-2024	2022	50 766	248	13	228
	2023	50 766	248	-98	98
	2024	50 778	247	-130	130
2023-2025	2024	53 967	261	63	-
	2025	107 960	522	224	-
Total		314 237	1 526	72	456

In the reporting year, a total of 46,028 shares were transferred to plan participants (previous year: none).

16. Financial result

CHF 1000	2023	2022
Interest income	105	50
Exchange gains	3 718	5 028
Other financial income	291	-
Total financial income	4 114	5 078
Interest on capital	-3 290	-4 703
Bank and credit card charges	-933	-784
Exchange losses	-6 349	-582
Total financial expense	-10 572	-6 069
Total financial result	-6 458	-991

Interest expense (interest on capital) relates to the financing costs for operating loans and various other interest expenses.

17. Taxes

	2023 CHF 1000	2022 CHF 1000
Current income tax	-3 590	-1 746
Deferred income tax	-2 656	7 390
Total income tax	-6 246	5 644
Calculation of average tax rate		
	2023 CHF 1000	2022 CHF 1000
Gain / Loss before income taxes	-7 798	-14 914
Average applicable tax rate in %	-80.1	37.8
Tax loss carryforwards		
	2023 CHF 1000	2022 CHF 1000
Total tax loss carry forward as of 01.01.	383 063	312 464
Loss carry forwards expired	0	-4 656
Change in loss carry forward in the tax balance	935	75 255
Total tax loss carry forward as of 31.12.	383 998	383 063
Entitlement for deferred income taxes on losses carried forward not yet used	54 576	54 884
Average tax rate in %	14.2	14.3

Due to the positive business performance in the United States, deferred tax assets on temporary differences in the amount of CHF 5.8 million are capitalized (previous year CHF 8.1 million). The decrease led to a deferred tax expense in the reporting year. Deferred tax assets from losses carried forward are not capitalized.

	2023 CHF 1000	2022 CHF 1000
Impact of changes in loss carry forwards on income tax		
Income tax prior to allowance for loss carry forwards	-6 024	15 446
Impact of non-capitalization of loss carry forwards	-2 603	-12 052
Impact of the use of non-capitalized loss carry forwards	2 381	2 250
Income tax with allowance for loss carry forwards	-6 246	5 644

The calculation was based on the following assumptions:

Impact of the non-capitalization of losses carried forward: Shows how high the impact of tax losses carried forward would have been on income tax expenditure if these had been capitalized. The theoretical capitalization includes the formation and expiry of tax losses carried forward.

Impact from the use of non-capitalized losses carried forward: Shows how much higher income tax expenditure would have been if it had not been possible to claim any tax losses carried forward.

18. Earnings per share

Basis for calculating earnings per share	2023 CHF 1000	2022 CHF 1000
Loss for the year	-14 044	-9 270
of which attributable to non-controlling interests	-1 273	-261
of which attributable to the shareholders of the parent company	-12 771	-9 009
Basis for the calculation of earnings per share	-12 771	-9 009

Weighted average number of shares	2023 Number of shares	2022 Number of shares
Issued shares at 01.01.	30 828 147	14 769 351
Capital increase at 22.12.2020	-	16 183 796
Purchase of treasury shares from 12.10.2022	-	-125 000
Share-based compensation	46 028	-
- Of which not yet paid out	-11 306	-
Remuneration of the Board of Directors with shares	30 445	-
- Of which not yet paid out	-19 228	-
Issued shares at 31.12.	30 874 086	30 828 147
Weighted average number of issued shares	30 837 682	18 333 084

Result per share	2023 CHF	2022 CHF
Net loss for the year for the calculation of earnings per share	-12 771	-9 009
Average time-weighted number of shares outstanding	30 837 682	18 333 084
Undiluted result per share in CHF	-0.41	-0.49
Net loss for the year for the calculation of earnings per share	-12 771	-9 009
Average time-weighted number of shares outstanding	30 837 682	18 333 084
Adjustment for assumed exercise of share-based payment plans	86 952	177 468
Diluted result per share in CHF	-0.41	-0.49

The undiluted earnings per share are calculated by dividing the consolidated result for the year attributable to the shareholders of the parent company, after taxes, by the weighted average number of shares outstanding.

19. Goodwill

In accordance with the consolidation principles, MCH Group offsets the goodwill acquired directly against equity at the time of initial consolidation or the time of acquisition.

The theoretical net carrying amount of goodwill comprises the acquired company Digital Festival AG (merged with MCH Swiss Exhibition (Zurich) Ltd. on Jan 1, 2022).

If the goodwill had been capitalized, assuming an amortization period of five years, the following values would have been obtained:

Additional disclosure with goodwill charged against equity	2023 CHF 1000	2022 CHF 1000
Loss for the year	-14 044	-9 270
Theoretical amortization of goodwill	-167	-7 155
Result after taxes with capitalization of goodwill	-14 211	-16 425
Acquisition value of the goodwill	2023 CHF 1000	2022 CHF 1000
As of 01.01.	145 036	144 708
Additions	-	328
As of 31.12.	145 036	145 036
Accumulated amortization of the goodwill	2023 CHF 1000	2022 CHF 1000
As of 01.01.	-144 124	-136 969
Amortization	-167	-7 155
Impairment	-	-328
As of 31.12.	-144 291	-144 124
Shareholders' equity as of 31.12.	98 911	113 256
Theoretical net book value of goodwill	417	584
Shareholders' equity with inclusion of goodwill as of 31.12.	99 328	113 840

20. Employee benefits

MCH has various pension schemes and plans, which are based on the local conditions in the countries concerned. The following table provides an overview of the overfunding and underfunding and the economic share attributable to the employer:

CHF 1000	Pension plans with over funding		Pension plans without over-/ under- funding coverage		Total Employee benefits	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Excess/under coverage as at December 31	47 000	42 000	–	–	47 000	42 000
Contributions limited to reporting period	7 200	4 129	2 244	2 734	7 200	4 129
Expenditure for Employee benefits	7 200	4 129	2 244	2 734	7 200	4 129

The pension fund of MCH Group, Switzerland, is shown under the item “Pension plans with overunderfunding. This is a legally independent foundation on whose Board of Trustees the employer and employees are equally represented. The pension fund manages the occupational benefit scheme for the Swiss companies under its own responsibility on a defined contribution basis. The benefits are determined on the basis of the available retirement assets. They therefore depend on the contributions paid, the vested benefits brought in and the buy-ins, including interest in each case. Financing is provided by employer and employee contributions defined in the regulations. Any overfunding or underfunding is determined on the basis of the pension fund's annual financial statements prepared in accordance with Swiss GAAP FER 26 after deduction of the fluctuation reserves. At the end of the reporting year, there was an overfunding of CHF 47.0 million (previous year CHF 42.0 million). This surplus is fully attributable to the beneficiaries of the pension fund, which is why no economic portion is capitalized.

A defined contribution savings plan in the USA (401k) is stated under “Pension plans without over-/ underfunding”. There is no over- or underfunding in these plans. Accordingly, no economic interests are capitalized or recognized as liabilities in the balance sheet.

CHF 1000	Nominal value	Application waiver
	31.12.2023	31.12.2022
Nominal value as of 31 December	730	730
Waiver of appropriation as at December 31	–	–
Formation	–	–
Total	730	730

The employer contribution reserve totaled CHF 0.7 million in the reporting year (previous year CHF 0.7 million).

21. Off-balance-sheet transactions

CHF 1000	Due in 1 year or less	Due in 2–5 years	Due in 5 years or more	Total
Rental contracts for business premises	6 957	23 840	13 192	43 989
Rental and maintenance contracts for ICT	60	27	–	87
Lease commitments for vehicles	173	426	–	599
Ground rent	1 570	6 270	42 270	50 110
As of 31.12.2022	8 760	30 563	55 462	94 785
Rental contracts for business premises	6 938	22 552	9 072	38 562
Rental and maintenance contracts for ICT	101	70	–	171
Lease commitments for vehicles	200	332	–	532
Ground rent	1 568	6 270	40 702	48 540
As of 31.12.2023	8 807	29 224	49 774	87 805

22. Derivative financial instruments

CHF 1000	Contract value 2023	Contract value 2022	Replacement value 2023	Replacement value 2022	Purpose
Forward transactions foreign exchange	8 852	-	-175	-	without Hedging
Total derivative financial instruments	8 852	-	-175	-	

For commercial reasons, forward transactions without a hedging purpose were concluded in the reporting year (previous year: none)

23. Investments in subsidiaries

23.1 Investments

Investments in subsidiaries	City	Activity	Consolidation	Share capital in 1000	Investment in % Direct	Investment in % Inirect
Switzerland						
MCH Swiss Exhibition (Basel) Ltd.	Basel	CP, VE	F	CHF 40 000	100.0	
MCH Swiss Exhibition (Zurich) Ltd.	Zurich	CP, VE	F	CHF 13 720	100.0	
MCH Beaulieu Lausanne SA	Lausanne	CP	F	CHF 100	100.0	
MCH Live Marketing Solutions AG	Effretikon	EM	F	CHF 300	100.0	
Arcual AG	Zurich	CP	F	CHF 191	68.1	
Art, Kunstmesse AG, in Basel	Basel	TC	F	CHF 50		100.0
Swisstech Fachmesse AG	Basel	TC	F	CHF 50		100.0
Natura, Internationale Fachmesse und Kongresse AG	Basel	TC	F	CHF 50		100.0
Ineltec Fachmesse AG	Basel	TC	F	CHF 50		100.0
Swissdata, Fachmesse für Datenverarbeitung AG	Basel	TC	F	CHF 50		100.0
Orbit Fachmessen AG	Basel	TC	F	CHF 100		100.0
Esthetica SA in Liq.	Lausanne	TC	F	CHF 100		100.0
Parkhaus Messe Zürich AG	Zurich	VE	E	CHF 5 000		20.0
Germany						
Creative Management Holding GmbH	Hilden	EM	F	EUR 25		100.0
MC2 Europe GmbH	Hilden	EM	F	EUR 200		50.0
Arcual GmbH	Berlin	CP	F	EUR 12		100.0
France						
MCH Group France SAS	Paris	CP	F	EUR 10	100.0	
Great Britain						
Masterpiece London Ltd.	London	CP	F	GBP 19		100.0
Arcual Ltd.	London	CP	F	GBP 1		100.0
Netherlands						
MCH Group Netherlands B.V	Amsterdam	EM	F	EUR 100	100.0	
Singapore						
Art Events Singapore PTE Ltd.	Singapore	CP	A	USD 300	15.0	
United States						
Art Basel U.S. Corp.	Miami	CP	F	USD 100		100.0
MCH US Corp.	Delaware	EM	F	USD 30 000	100.0	
Creative Management Services, Inc.	Missouri	EM	F	USD 0		100.0
Creative Management Services, LLC	Delaware	EM	F	USD 45		100.0

Creative Management Services II, LLC	Missouri	EM	F	USD	0		100.0
Dubfrequency Inc.	Delaware	CP	A	USD	3		0.3
China							
MCH Group Asia Ltd.	Hong Kong	CP	F	HKD	1		100.0
Masterpiece Asia Ltd.	Hong Kong	CP	F	HKD	0		100.0
Expomobilia MCH Global Shanghai Ltd.	Shanghai	EM	F	CNY	1 360		100.0
Japan							
MCH Group Japan KK	Tokyo	EM	F	JPY	11	100.0	
United Arab Emirates							
Expomobilia MCH Global Middle East (Dubai) LLC	Dubai	EM	F	AED	300		49.0

F Full consolidation

E Equity consolidation

A At cost

CP Community Platforms

VE Venues

EM Experience Marketing

TC Trademark company

The reporting date for Art Events Singapore PTE Ltd. is June 30. All other companies in the Group have a reporting date of December 31.

23.2 Change in consolidation scope

MCH Swiss Exhibition (Zurich) Ltd. has absorbed its sister company Digital Festival AG with retroactive effect from January 1, 2022.

MCH Swiss Exhibition (Basel) Ltd. acquired a minority holding of 15 % in Art Events Singapore Pte. Ltd. on 17 January, 2022 for a price of USD 0.3 million.

On March 16, 2022, MCH Group Ltd. founded the company MCH Digital Ventures AG with its registered office in Zurich. The company was renamed Arcual AG on August 30, 2022. On the balance sheet date of December 31, 2023, MCH Group Ltd. held 68.1 % of the participation rights (Prior year: 67.5 %).

MCH Swiss Exhibition (Basel) Ltd. founded the company MCH Group France SAS, based in Paris, France, on March 30, 2022. MCH Swiss Exhibition (Basel) Ltd. holds 100 % of the participation rights.

Arcual AG founded the company Arcual GmbH with registered office in Berlin, Germany, on October 12, 2022. Arcual AG holds 100 % of the participation rights.

Arcual AG founded the company Arcual GmbH with registered office in Berlin, Germany, on October 12, 2022. Arcual AG holds 100 % of the participation rights.

MCH Group AG founded the company MCH Group Japan KK with registered office in Tokyo, Japan, on February 20, 2023. MCH Group AG holds 100 % of the participation rights.

MCH Group AG founded the company MCH Group Netherlands B.V with registered office in Amsterdam, Netherlands, on March 22, 2023. MCH Group AG holds 100 % of the participation rights.

Design Miami Basel AG, in liquidation, which had already been in liquidation in the previous year, was formally deleted from the commercial register in November 2023.

On 23 June, 2022, MCH Swiss Exhibition (Basel) Ltd. acquired a further 31.5 % of the shares in Masterpiece London Ltd. at a price of GBP 59. On 2 February, 2023, MCH Swiss Exhibition (Basel) Ltd. acquired a further 1 % of the shares in Masterpiece London Ltd. at a price of GBP 2. As of this date, MCH Swiss Exhibition (Basel) Ltd. holds 100 % of the participation rights in Masterpiece London Ltd. (previous year: 99 %).

23.3 Further details

By acquiring the shares of Art Events Singapore Pte. Ltd., MCH Swiss Exhibition (Basel) Ltd. also acquired the right to sell back its shareholding in 2024 if the event cannot be staged at all or cannot be staged with economic success.

24. Further details

24.1. Contingent liabilities and receivables

	31.12.2023 CHF 1000	31.12.2022 CHF 1000
Tax refunds	-	1 689
Total contingent assets	-	1 689
Guarantee obligations	2 927	3 007
Covid-19 Hardship programs ¹⁾	9 800	9 800
Other	-	399
Total contingent liabilities	12 727	13 206

In the previous year, the contingent assets related to prospective payments to MC² as part of the employment retention credit (ERC) program in the United States. The ERC is a refundable tax credit for companies that continued to pay their employees during the lockdown due to the COVID-19 pandemic. These were collected in the reporting year.

To secure the contractual obligations of Arcual AG, MCH Group Ltd. has issued a guarantee amounting to CHF 2.1 million (USD 2.5 million) as per 31.12.2023 (previous year: CHF 2.3 million, USD 2.5 million). To secure a rent guarantee for MC², MCH Group Ltd. has issued a guarantee amounting to CHF 0.4 million (USD 0.5 million) as per 31.12.2023 (previous year: CHF 0.7 million, USD 0.8 million). MCH Live Marketing Solutions Ltd. has issued guarantees to secure contractual obligations, which amount to CHF 0.4 million as per 31.12.2023 (previous year: none).

In 2021, a total of CHF 9.8 million as part of the state Covid-19 hardship programs in the canton of Zurich were collected. This amount, which are subject to the Covid-19 Hardship Ordinance of the Swiss Confederation and thus its article on the restriction of use until the end of 2024. The Board of Directors is of the opinion that the restrictions on use have been complied with. As at the date of these financial statements, no other assessment has been made by the authorities that would result in the recognition of a corresponding liability. In the previous year, this matter was explained in Note 12 "Other operating income".

In the previous year, MCH Swiss Exhibition (Zurich) Ltd. had contingent liabilities of CHF 0.4 million in connection with Theater 11 and the renovation of exhibition restaurants.

24.2. Risk management

MCH Group has implemented a risk management system. On the basis of a risk identification conducted by the Executive Board each year, the key risks for the group are rated according to the probability of their occurrence and their impact and evaluated in depth with the Audit Committee. These risks are avoided, reduced or passed on by means of appropriate measures decided on by the Board of Directors. The risks borne by the group itself are consistently monitored. The last risk assessment conducted by the Board of Directors was adopted on 15.12.2023. To allow the group to respond flexibly to changes in the risk environment, the Executive Board is entitled to commission in-depth risk clarifications on an ad-hoc basis.

24.3. Events subsequent to the balance sheet date

No other significant events occurred after the balance sheet date and up to the approval of the annual financial statements by the Board of Directors that could affect the informative value of the 2023 annual financial statements and would therefore have to be disclosed here.

24.4. Approval of the annual accounts

The Board of Directors of MCH Group Ltd. approved the consolidated annual accounts on March 21, 2024.



MCH Group Ltd., Basel

**Statutory Auditor's Report
to the General Meeting on the
Consolidated Financial Statements 2023**

KPMG AG
Basel, 21 March 2024



Statutory Auditor's Report

To the General Meeting of MCH Group Ltd., Basel

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MCH Group Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023 and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (chapter Financial Report, with subchapter Group Account including Balance Sheet, Income Statement, Cash Flow Statement, Shareholders' Equity and Notes) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters



VALUATION OF PROPERTY, PLANT AND EQUIPMENT (EXHIBITION HALLS)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



VALUATION OF PROPERTY, PLANT AND EQUIPMENT (EXHIBITION HALLS)

Key Audit Matter

As at 31 December 2023, MCH Group Ltd. has developed land, buildings and assets under construction in the amount of CHF 154.7 mio., of which CHF 93.6 mio. correspond to exhibition halls situated in Basel and CHF 30.5 mio. correspond to exhibition halls situated in Zurich.

Management examines on a yearly basis whether there are indicators of impairments of the exhibition halls and whether a value adjustment recognized during previous reporting periods must be fully or partly reversed.

In this respect, the carrying amount is compared to the recoverable amount (higher of the net selling price and the value in use).

The value in use is based on the estimated and discounted forecast cash flows, which are determined mainly by the estimated future revenues and expenses as well as the discount rate.

The net selling price is the price realisable in a transaction between independent third parties less related expenses in connection with the sale.

Our response

Our audit procedures included, amongst others, evaluating the methodical and mathematical accuracy of the model used for the impairment tests, the appropriateness of the assumptions used, and the methodology used by management to evaluate the forecast cash flows. We involved our valuation specialists in order to support our audit procedures.

We performed amongst others the following audit procedures:

- comparing business plan data against the latest management approved forecasts and Board approved plans;
- challenging the robustness of the key assumptions used to determine the value in use, including forecast cash flows, long-term growth rates and discount rates by comparing them with publicly available data as well as based on our understanding of the commercial prospects of the related assets;
- assessment of the method used and verification of the appropriateness of the key assumptions applied in determining the net selling price;
- comparing the sum of the recoverable amount to the carrying amount of the corresponding assets and examining the recording of any value adjustments.

We also considered the appropriateness of disclosures in the consolidated financial statements.

For further information on the valuation of property, plant and equipment refer to the following:

- 1.4. Recognition and accounting policies
- 1.4.8 Tangible fixed assets
- 6. Tangible fixed assets

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 opinion. 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 control.
- Obtain an understanding of internal control relevant to the audit 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 the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Claudio Boller
Licensed Audit Expert
Auditor in Charge

Andreas Lövenich
Licensed Audit Expert

Basel, 21 March 2024

KPMG AG, Grosspeteranlage 5, CH-4002 Basel

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MCH Group Ltd.

Balance sheet

Statutory accounts of the holding company

Assets	Details	31.12.2023		31.12.2022	
		CHF 1000	%	CHF 1000	%
Cash and cash equivalents		761	-	84 037	-
Trade accounts receivable from third parties		16	-	-	-
Trade accounts receivable from holdings		791	-	8 328	-
Other receivables from third parties		470	-	71	-
Other receivables from holdings		46	-	-	-
Prepayments and accrued income from third parties		236	-	177	-
Prepayments and accrued income from participants		501	-	136	-
Total current assets		2 821	0.8	92 749	19.9
Financial assets interest-bearing to holdings	2.5	55 526	-	83 980	-
Financial assets non-interest-bearing loans to holdings	2.5	53 016	-	72 213	-
Investments	2.1	222 915	-	217 387	-
Total non-current assets		331 457	99.2	373 580	80.1
Total assets		334 277	100.0	466 329	100.0

Liabilities and shareholders' equity	Details	31.12.2023		31.12.2022	
		CHF 1000	%	CHF 1000	%
Trade accounts payable towards third parties		786	-	-	-
Trade accounts payable towards holdings		10 078	-	7 415	-
Other payables towards third parties	2.2	771	-	-	-
Other payables towards related parties	2.2	15 149	-	16 050	-
Accrued expenses and deferred income towards third parties		12 293	-	8 071	-
Accrued expenses and deferred income towards holdings		1 577	-	37	-
Current provisions		-	-	567	-
Current liabilities	2.6	-	-	99 565	-
Total current liabilities		40 655	12.2	131 705	28.2
Non-current interest-bearing liabilities towards holdings		88 960	-	97 796	-
Non-current provisions		61	-	109	-
Total non-current liabilities		89 021	26.6	97 905	21.0
Share capital	2.3	31 053	-	31 053	-
Statutory capital reserves	2.3	224 577	-	224 817	-
Statutory retained earnings		5 600	-	5 600	-
Voluntary retained earnings		-	-	47 600	-
Treasury shares	2.4	-1 653	-	-2 077	-
Accumulated losses					
- Loss carried forward		-22 674	-	-59 456	-
- Loss for the year		-32 302	-	-10 818	-
Total shareholders' equity		204 602	61.2	236 719	50.8
Total liabilities and shareholders' equity		334 277	100.0	466 329	100.0

MCH Group Ltd. Income statement

Statutory accounts of the holding company

		2023	2022
	Details	CHF 1000	CHF 1000
Other financial income from holdings		2 354	3 992
Other financial income		4 110	71
Management fee from holdings		5 475	7 747
Other operating income	2.7	211	5 756
Revenue reductions		0	-1
Total operating income		12 150	17 565
	Details	CHF 1000	CHF 1000
Financial expense from bond		-742	-1 896
Financial expense from holdings		-6 866	-7 354
Other financial expenses		-2 957	-188
Personnel expenses	2.8	-6 636	-9 243
Other operating expenses			
- Administration		-4 949	-5 619
- Insurance		-801	-920
- Furnishing expenses		-269	-235
- Advertising, press, public relations		-270	-206
- Other operating expenses		-962	-
Debt waiver on loans	2.5	-20 000	-2 722
Total operating expenses		-44 452	-28 383
Total result before taxes		-32 302	-10 818
Income tax		-	-
Loss for the year		-32 302	-10 818

Notes to the Annual Accounts

1. Principles

1.1. General Information

The present annual accounts of MCH Group Ltd. with head office in Basel have been drawn up in accordance with the Swiss commercial accounting and financial reporting legislation (Title 32 of the Swiss Code of Obligations). The main accounting and valuation principles applied that are not prescribed by law are described below.

1.2. Recognition and accounting principles

Assets are valued at no more than acquisition cost. All assets and liabilities denoted in foreign currencies are translated at the exchange rates applicable on the balance sheet date. The resulting exchange rate differences are included on the income statement. Unrealized exchange gains are deferred and reported under the item "Accrued expenses and deferred income". Income and expenses denominated in foreign currencies and all transactions in foreign currencies are translated at the exchange rates applicable on the individual transaction dates.

1.3. Non-inclusion of a cash flow statement and further details in the notes

MCH Group Ltd. draws up group accounts in accordance with a recognized accounting standard (Swiss GAAP FER). In accordance with the statutory provisions, it has thus dispensed with the provision of details of interest-bearing liabilities and auditing fees and also with the presentation of a cash flow statement in the notes to the present annual accounts.

1.4. Treasury shares

Treasury shares are recognized at cost at the time of acquisition and disclosed as a separate deduction in equity. There is no subsequent valuation. If treasury shares are sold, this is done at the moving average price. Any realized increase or decrease in value is credited or charged to capital reserves without affecting income.

1.5. Share-based payments

A long-term incentive plan (LTIP) exists for members of the group management team, as well as individual authorized persons defined by the Board of Directors. At the beginning of the three-year plan period, the plan participants receive a defined number of performance share units (PSUs), which are distributed over the vesting periods. The expense is recognized as personnel expense in proportion to the

duration of the vesting periods. At the end of the respective vesting period, a certain number of shares are transferred to the plan participants for each PSU granted, depending on target achievement. Between zero and 1.5 shares can be allocated per PSU.

The PSUs are valued at the beginning of the respective plan period at the closing share price of the MCH share on the allocation date. The recording of personnel expenses for the current plan periods is based in each case on the degree of target achievement, which is calculated on the basis of the current actual, budget, forecast and medium-term plan figures.

The shares are freely available to the plan participants after the transfer and are not subject to any further vesting period.

1.6. Other

Due to rounding, there may be differences in the totals and percentages in this report.

2. Disclosures on balance sheet and income statement positions

2.1. Investments

The indirect holdings are listed in the “Group Account” section of the Financial Report under “23.

Investments in subsidiaries”

– Online: [Link](#)

– Download pdf: Page 103

The capital share corresponds to the voting share.

Direct investments

	City	Activity	Share capital as of 31.12.2023 in 1000	Holding as of 31.12.2023 in %	Share capital as of 31.12.2022 in 1000	Holding as of 31.12.2022 in %
MCH Swiss Exhibition (Basel) Ltd.	Basel	CP, VE	CHF 40 000	100.0	CHF 40 000	100.0
MCH Swiss Exhibition (Zurich) Ltd.	Zurich	CP, VE	CHF 13 720	100.0	CHF 13 720	100.0
MCH Beaulieu Lausanne Ltd.	Lausanne	CP	CHF 100	100.0	CHF 100	100.0
MCH Live Marketing Solutions Ltd.	Effretikon	EM	CHF 300	100.0	CHF 300	100.0
MCH US Corp.	Delaware	EM	USD 80 000	100.0	USD 80 000	100.0
MCH Group Japan KK ¹⁾	Tokyo	EM	JPY 1 500	100.0	–	–
MCH Group Netherlands B.V. ¹⁾	Amsterdam	EM	EUR 100	100.0	–	–
Arcual Ltd.	Zurich	CP	CHF 166	67.5	CHF 105	100

CP Community Platforms

VE Venues

EM Experience Marketing

1) Im Geschäftsjahr 2023 gegründet 1) Founded in financial year 2023

2.2. Other payables

Other current liabilities to participations include insurance compensation for exhibition cancellations amounting to CHF 15.1 million (previous year: CHF 15.9 million) that has already been received but not yet transferred to the participations. The event cancellation insurance was taken out by MCH Group Ltd. The insurance compensation is thus collected in advance by MCH Group Ltd., which then transfers it to those participations that bear the loss due to the exhibition cancellations.

Liabilities to pension funds amount to CHF 0.2 million (previous year: none)

2.3. Shareholders' equity

The share capital is divided into 31,053,147 registered shares with a par value of CHF 1.00 each (previous year 31,053,147 registered shares with a par value of CHF 1.00 each).

Of the reported reserves from capital contributions of CHF 224.6 million (previous year: CHF 224.8 million), CHF 32.2 million have been confirmed by the tax authorities. The capital contributions from the capital reduction of CHF 133.8 million and capital contributions from the capital increase 2022 of CHF 58.4 million have been reported to the tax authorities, but the confirmation is still pending. The amount of CHF 0.4 million, which has not been confirmed since 2013, relates to issuing costs of the capital increase in 2011. A transfer within equity has not yet been made.

2.4. Treasury shares

	Number of shares	Book value CHF 1000
Treasury shares as of 01.01.2022	100 000	1 483
Subscription of treasury shares in capital increase	125 000	594
Treasury shares as of 31.12.2022	225 000	2 077
Share-based compensation	-46 028	-425
- Of which not yet paid out	11 306	104
Remuneration of the Board of Directors with shares	-30 445	-281
- Of which not yet paid out	19 228	177
Treasury shares as of 31.12.2023	179 061	1 653

In the previous year, MCH Group Ltd. subscribed treasury shares at an issue price of CHF 4.75 per share as part of the capital increase for the purpose of future remuneration of the Group Management Team. The subscription rights to which MCH Group Ltd. is entitled were exercised in full. On the balance sheet date of 31.12.2023, 46,028 shares were allocated to the Executive Board for remuneration purposes (previous year: none). The issue of shares to the Executive Board is not subject to any conditions.

In the reporting year 30,445 shares were allocated to the Board of Directors for remuneration (previous year: none).

2.5. Debt waiver and subordination of loans

In connection with the restructuring of a subsidiary, a debt waiver of CHF 20.0 million (prior year: CHF 2.0 million) and a subordination of the loan of CHF 20.0 million were granted (Prior year: CHF 20.0 million).

In connection with the necessary restructuring of foreign subsidiary a complete debt waiver of CHF 0.7 million was granted on the asset loan in the previous year.

2.6. Bond

As part of the financing of MCH Group Ltd., a CHF 100 million new issue (bond) was raised in 2018 with a term from 16.05.2018 to 16.05.2023 (5 years) and a coupon of 1.875 %. The financing was repaid in full on 16.05.2023.

2.7. Other operating income

	Details	2023	2022
		CHF 1000	CHF 1000
Loan waiver		–	5 756
Other		211	–
Other operating income		211	5 756

In prior year CHF 5.8 million from a debt waiver of the Canton Basel-Stadt were collected in the previous year.

2.8. Share-based payments

Three vesting periods were defined for PSUs from the LTIP 2022–2024. They end as follows:

- On the 1st anniversary of the grant date for one third of the PSUs granted.
- On the 2nd anniversary of the grant date for a further third of the PSUs granted.
- On the 3rd anniversary of the grant date for the final third of the PSUs granted.

Two vesting periods were defined for PSUs from the LTIP 2023–2025. They end as follows:

- On the 2nd anniversary of the grant date for one third of the PSUs granted.
- On the 3rd anniversary of the grant date for two third of the PSUs granted.

The following personnel expenses, including social security benefits, were recognized:

Plan period	Vesting period	Quantity		Value CHF 1000	Personnel expenses	
		PSU			2023 CHF 1000	2022 CHF 1000
2022-2024	2022	24 266		118	6	108
	2023	24 266		118	–47	47
	2024	24 270		119	–62	62
2023-2025	2024	18 594		90	12	–
	2025	37 197		180	42	–
Total		128 593		625	–49	217

In this year, a total of 46,028 shares were transferred to the plan participants, of which 20,454 shares were transferred to employees of MCH Group Ltd.

3. Further details

3.1. Full-time employees

The number of full-time employees averaged over the year was between 10 and 50 in both the reporting year and the previous year.

3.2. Collateral provided for third-party liabilities

To secure the contractual obligations of Arcual AG, MCH Group Ltd. has issued guarantees amounting to CHF 2.1 million (previous year CHF 2.3 million) as per 31.12.2023. A guarantee of CHF 0.4 million (USD 0.5 million) (previous year CHF 0.7 million, USD 0.8 million) was issued to secure a rent guarantee for MC².

3.3. Contingent liabilities

As the parent company, MCH Group Ltd. guarantees the fulfilment of the contracts (investment contributions and loans earmarked for a specific purpose) with the public-sector entities (the Cantons of Basel-Stadt, Basel-Landschaft and Zurich and also the City of Zurich) by means of an abstract payment guarantee.

MCH Group Ltd. is jointly and severally liable with MCH Swiss Exhibition (Basel) Ltd. for a credit facility of CHF 40.0 million (previous year CHF 40.0 million), which was taken up for a sum of CHF 40.0 million (previous year CHF 40.0 million) by MCH Swiss Exhibition (Basel) Ltd. on the balance sheet date.

3.4. Maximum dividend payment

The financing concept with the public-sector entities (the Cantons of Basel-Stadt, Basel-Landschaft and Zurich and also the City of Zurich) provides for a maximum dividend payment of 5 % over the full financing term.

3.5. Key shareholders

At the end of 2023, 2,210 registered shareholders were entered in the share register (previous year 2,240).

Shareholding in excess of 0.5 % as of 31.12.2023 (31.12.2022)

- Lupa Investment Holdings LP: 38.52 % (38.52 %)
- Canton of Basel-Stadt: 37.52 % (37.52 %)
- LLB Swiss Investment AG: 1.47 % (2.09 %)
- Canton of Zurich: 0.77 % (0.77 %)
- City of Zurich: 0.72 % (0.72 %)
- Youngtimers AG; 0.71 % (-)
- Montagsklub Zürich; 0.63 % (0.63 %)

3.6. Disclosure of participation rights

Shares held by members of the Board of Directors

	Number of shares CHF 1.00 and percentage of voting rights 31.12.2023		Number of shares CHF 1.00 and percentage of voting rights 31.12.2022	
Andrea Zappia, Chairman ¹⁾	130 000	0.42%	86 409	0.28%
Marco Gadola, Vice Chairman	39 807	0.13%	35 000	0.11%
Christoph Brutschin ⁵⁾	-	-	0	0.00%
Markus Breitenmoser ²⁾	26 657	0.09%	26 657	0.09%
Dr. Balz Hösly ⁵⁾	-	-	0	0.00%
Dr. Dagmar Maria Kamber Borens	3 205	0.01%	0	0.00%
Eleni Lionaki ⁵⁾	-	-	0	0.00%
James R. Murdoch ³⁾	0	0.00%	0	0.00%
Jeffrey Palker ³⁾	0	0.00%	0	0.00%
Raphael Wyniger ⁶⁾	3 205	0.01%	-	-
Total	202 874	0.65%	148 066	0.48%
Shares held by related parties				
of James R. Murdoch ¹⁾	11 963 130	38.52%	11 963 130	38.52%

1) Allocation of 9,614 shares as remuneration portion 2023 with value date after 31.12.2023.

2) Allocation of 3,205 shares as remuneration portion 2023 with value date after 31.12.2023.

3) Allocation of 3,205 shares as remuneration portion 2023 with value date after 31.12.2023, held by Lupa Investment Holdings LP

4) Lupa Investment Holdings LP; allocation of 6,410 shares as remuneration portion 2023 of J. Murdoch and J. Palker with value date after 31.12.2023.

5) Member of the BoD until 04.05.2023.

6) Member of the BoD since 04.05.2023.

The members of the Board of Directors and related parties hold shares to the value of kCHF 50,854 (previous year kCHF 55,712). The taxable value per share is CHF 4.18 (previous year CHF 4.60). The allocation of a further 19,228 shares as the 2023 remuneration component took place with a value date after 31.12.2023.

Shares held by members of the Executive Board

	Number of shares CHF 1.00 and percentage of voting rights 31.12.2023		Number of shares CHF 1.00 and percentage of voting rights 31.12.2022	
Florian Faber	11 844	0.04%	0	0.00%
Michael Hüsler	26 460	0.09%	20 000	0.06%
Total	38 304	0.12%	20 000	0.06%

The members of the Executive Board and related parties hold shares to the value of kCHF 160 (previous year kCHF 92). The taxable value per share is CHF 4.18 (previous year CHF 4.60).

3.7. Events after the balance sheet date

No significant events have occurred after the balance sheet date and up to the adoption of the financial statements by the Board of Directors on March 21, 2024, which could affect the informative value of the 2023 financial statements and would therefore have to be disclosed here.

Proposal to carry forward of the accumulated losses

	2023
	CHF 1000
Loss carried forward	-22 674
Net loss	-32 302
Total at the disposal of the General Meeting	-54 976

The Board of Directors propose the Annual General Meeting the accumulated losses to be carried forward:

Balance carried forward	
- Accumulated losses	-54 976



MCH Group Ltd., Basel

**Statutory Auditor's Report
to the General Meeting on the
Financial Statements 2023**

KPMG AG
Basel, 21 March 2024



Statutory Auditor's Report

To the General Meeting of MCH Group Ltd., Basel

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MCH Group Ltd. (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (chapter Financial Report, with sub-chapter MCH Group Ltd. Including balance sheet, income statement and notes) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters



INVESTMENTS IMPAIRMENT

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



INVESTMENTS IMPAIRMENT

Key Audit Matter

As at 31 December 2023, MCH Group Ltd. holds investments in the amount of CHF 222.9 mio.

The value adjustments recorded on investments during the year 2023 amount to CHF 0 mio.

MCH Group Ltd. holds direct and indirect investments in various industries. These are recorded on the balance sheet at most at acquisition cost less the necessary value adjustments. Management examines on a yearly basis if there are signs of investments impairment. If such signs exist, the carrying amount is compared to the recoverable amount (value in use). The value in use is based on the estimated and discounted forecast cash flows, which are determined mainly by the estimated future revenues and expenses as well as the discount rate.

Our response

Our audit procedures included, amongst others, evaluating the methodical and mathematical accuracy of the model used for the impairment tests, the appropriateness of the assumptions used, and the methodology used by management to prepare its cash flow forecasts. For the investments' carrying amounts, we performed amongst others the following audit procedures:

- comparing business plan data against the latest management approved forecasts and Board approved business plans;
- challenging the robustness of the key assumptions used to determine the recoverable amount, including forecast cash flows, long-term growth rates and discount rates by comparing them with publicly available data as well as based on our understanding of the commercial prospects of the respective companies;
- comparing the sum of discounted forecast cash flows to the investments' carrying amounts and examining the recording of any value adjustments.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 opinion. 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 control.
- Obtain an understanding of internal control relevant to the audit 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the carry forward of the accumulated losses complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Claudio Boller
Licensed Audit Expert
Auditor in Charge

Andreas Lövenich
Licensed Audit Expert

Basel, 21 March 2024

KPMG AG, Grosspeteranlage 5, CH-4002 Basel

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Art Basel Miami Beach 2023
Meridians, Gallery Hyundai
(Seung-taek Lee, „Earth Play“)

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in German and English.
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