

AIPH

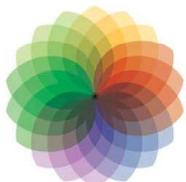
AIPH A1 & B Expo Regulations

September 2022

Main changes recap*

*The world's champion
for the power of plants*

*This review only provides an overview of changes and is not binding. Please refer to the regulations for full and complete understanding of legally binding changes that you agree to.



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Section	Category	Change	Why do it?
<p><u>4: Fees</u></p> <p><u>Split of financial guarantee into:</u></p> <p>a) <u>Application fee</u></p> <p>b) <u>Financial guarantee</u></p>	A1 and B	<p>Total fees unchanged, the change is in process of collection</p> <p>Application fee: €50,000 for A1 applications, €40,000 for B applications to be collected before site inspection, non-refundable.</p> <p>Financial guarantee: remaining amount payable to AIPH within 1 month of approval. €100,000 for A1, €60,000 for B. Refundable after Expo (50% to organizer and 50% to member) if conditions met (as now).</p>	<p>Previously: Financial guarantee in full – cities are reluctant to pay the full amount before a site inspection in case it does not succeed. The alternative of providing bank guarantee is a complex administrative procedure that results in time wasted for AIPH and money for the Organiser.</p> <p>Application fee: covers AIPH time spent on site inspection of a city that does not proceed with an application</p>
<p><u>4: Fees</u></p> <p><u>License fee payment schedule</u></p>	A1 and B	<p>Payable in full within 6 months of approval or at least 6 weeks before the next AIPH General Meeting, whichever is sooner. Non-refundable. If payment not received, then AIPH is free to open the time slot to other cities at the</p>	<p>Previously: Staggered payment dates mean that Organizer still has ‘power’ over AIPH until final payment received. This makes it difficult to influence the Organiser and make sure regulations are respected.</p> <p>Results in:</p> <p>=> failure to deliver Expo to highest standards and leaving it too late to change</p> <p>=> negotiations on ‘force majeure’ and what payments happen in case of cancellation which is unequitable risk</p>



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<u>6 and 8.3:</u> <u>Additional service charges</u>	A1 and B	<p>6. Following the first site inspection (prior to approval), AIPH can require Organisers to use AIPH specified services to be paid for by the Expo; based on the recommendations of AIPH inspection team to the General Meeting. Fees will be specified by Secretariat General.</p> <p>8.3 In the event that inspection visits highlight concerns that could prevent the Organisers from achieving the quality of exhibition, AIPH may require the Expo Organisers to use AIPH specified services to be paid for by the Expo Organisers. Fees will be specified by Secretariat General.</p>	<p>Previously: AIPH advice and recommendations often ignored</p> <p>This will enable AIPH to take more control to ensure high standards. This would be a valuable service for Expos.</p>
<u>11: AIPH Office</u>	A1 and B	<p>The Organisers must provide AIPH with free of charge access to an office space within the Expo Site with a minimum of 2 offices and a lounge/meeting room, around 100sqm in size, available upon AIPH' request.</p> <p>Before the Expo, the Organisers must provide AIPH with free of charge access to an office space at the Expo Organiser's Headquarters.</p> <p>When AIPH Annual meetings are held in the Expo Organiser's city or area during the Expo, the Organisers must provide AIPH with conference rooms and facilities necessary for AIPH meetings free of charge.</p>	<p>This will enable AIPH to welcome potential partners and host coordination meetings with other Expo Organisers.</p> <p>For annual meetings: in most cases the Organisers have those areas at their disposal and can provide access to AIPH → more sustainable use of spaces.</p>



Expos' Commercial activities and Royalty Fees

Context

Concerns around Expos:

- Very different quality as visitor attractions
- Organisers at the closure are at financial loss
 - **Expos' reputation:**

Not great if the quality is not great

Experiences of others play a greater role than media reviews. 25% indicate that a negative review leads to them not visiting.

Day attractions report, Motivaction, 2022

Once awareness grows, negative talk increases as well

Those who Visit:

- Not worth the money
- Not worth the time (not fun)
- Not enough services / not the right services

Those who Do Not Visit:

- Public spend (not the right value/cause)
- Non-optimized customer journey (e.g. problems with tickets)
- Any related promise unfulfilled (infrastructure)



Expos' Commercial activities and Royalty Fees

Why this proposal?

Those concerns (quality, finance, reputation) may be addressed within an Expo's integrated commercial strategy, covering:

Sponsoring	Ticketing & marketing	Media partnerships	F&B, Services	Merchandise
<ul style="list-style-type: none">- Revenue- Expertise & services- Awareness raising with joint promotion	<ul style="list-style-type: none">- Customer journey optimisation- Awareness raising with partners	<ul style="list-style-type: none">- Creating momentum- Creating legacy- Revenue generation	<ul style="list-style-type: none">- « Worth the money » = satisfaction- Reasons to visit	<ul style="list-style-type: none">- Exciting feature- Peer advertising

Each of the areas being distinct, even within one area the complexity is such that...

...it is impossible to have a Commercial Director able to manage all these activities successfully!

A commercial strategy rolled-out efficiently...

Sponsoring



« Premium Partner »: 150k € sponsorship and no visibility digitally & on site?

(initial forecast 0,5 - 1mln € per premium partner; 6mln € total, with major sponsor contributing 4mln)

Vs.

Mastercard Offers Expo 2020 Dubai Visitors the Opportunity to Contribute to our #PricelessPlanet



Service
↑

Value
for €

+ Fun

Right
Cause

A commercial strategy rolled-out efficiently...

Booking.com

Hello Elena,

Want to explore Amsterdam? Don't forget that you get offers for the best attractions.

With e-tickets and free cancellation for select attractions, we've got you covered.

See all attractions

Amsterdam and its essentials

Must-see attractions



Admission to the Van Gogh Museum

€21

Discovery of the works and inspirations of Vincent Van Gogh

Get my tickets →

Marketing partners
such as Booking.com

Ticketing &
marketing

Vs.

- No international Marketing partners (only resellers in target countries)

75% ↓
expected visitors



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A commercial strategy rolled-out efficiently...

Media partnerships

Leandro Caires, Director of Media Partnerships, Expo Dubai:
« Media partnerships were crucial for getting visitors to the Expo. »

Criteria

- Onsite broadcast transmission plan throughout the term of the event (6 months), consisting of **a minimum four hours of live broadcasting per day.**
- Visitation drive (i.e. public engagement tools/incite ticket sales/promotions) and
- Value-add services for Expo 2020's programmes (i.e. provision of talent to host/moderate events, conduct and co-curate World Majlis, etc).

CNN

ROAD TO EXPO
MORE THAN 190 NATIONS TO GATHER AT DUBAI'S WORLD EXPO

Road to Expo showcased the progress of Expo 2020

BBC NEWS

GAME CHANGERS

ADVERTISING BY StoryWorks

NOW WATCHING
A plastic waste deposit system

The series explored the art of entrepreneurship and innovation tackling global challenges. (Highlighting Expo's Global Best Practice and Expo Live grantees)

sky NEWS عربية

البرنامج: الرئيس السعودي للتعاون في إنميو دبي أحد المضيف

Bespoke content in Arabic on Expo's key updates.

Discovery CHANNEL

EXPO 2020 DUBAI
SHAPING THE FUTURE
DOCUMENTARY

The Discovery documentary showcased the story of Expo 2020 Dubai, from concept to completion.

View the documentary



A commercial strategy rolled-out efficiently...

Prices calculated based on benchmark on F&B, targeting visitors & how much they are realistically able / willing to spend

F&B, Services



Example of visitor segmentation by NEC group, UK

FAMILY FIRSTS LIFESTYLE

Their lives revolve around their family. Family Firsts pay attention to their weight, like health foods/drinks and enjoy keeping fit.

<p>HEALTH</p> <p>61%</p> <p>Do some form of sport or exercise at least once a week</p>	<p>WHERE THEY SHOP</p> <p>ASDA</p> <p>Morrisons Since 1899</p>	<p>BRANDS THEY BUY</p>
<p>CARS THEY DRIVE</p>	<p>ON THE HIGH STREET</p>	



Service
↑

Value
for €

+ Fun

A commercial strategy rolled-out efficiently...

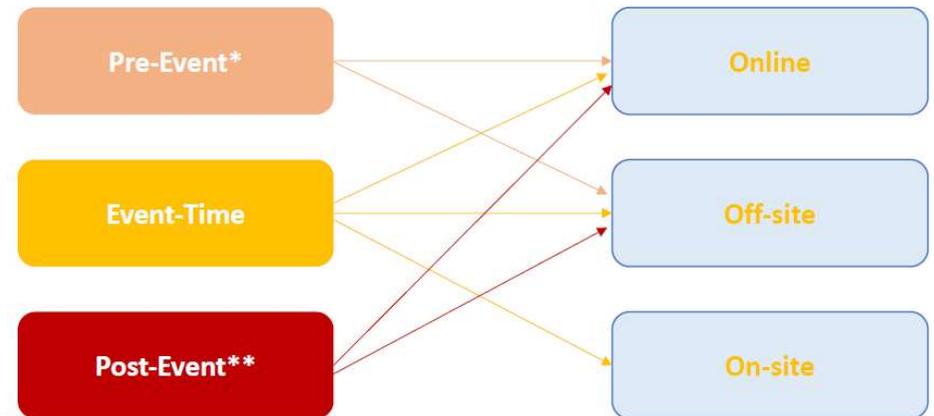
Merchandise

20% of Expo-specific merchandise at the Expo site outlets (physical) only? Unexciting offer (mugs magnets bottles)

Vs.



**Pre-Event sales are pushed through a sales and upsell activities*
***Post-Event sales are pushed through promotions and «last-chance» campaigns*



Expos' Commercial activities and Royalty Fees

And in practice?

- AIPH introduces **mandatory commercial consulting** for all Expo Organizers to make sure their commercial strategy is right and is being implemented.
- This activity needs to be financed and taken seriously. Expo Organizer's success is AIPH's success.
- The Expo Organizer must pay to AIPH a royalty fee for any commercial activity performed on site during the Expo by Participants, Concessionaires and Organizer Outlets such as F&B, Merchandising, Visitor Services, ticketed Events, Venues and Attractions and any other activity that generates revenues. This **must not result in higher prices for consumer**, as benchmarks on F&B and services will be considered and prices per each consumer group set up accordingly.
- AIPH will need to conduct financial audits of the Expo Organizers.
- Cashless options must be preferred (also for sustainability) and AIPH will work towards securing a long-term partnership with a payment provider / system.



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Section	Category	Change	Why do it?
<p><u>16.7 Commercial activities and Royalty Fees application</u></p>	<p>A1 and B</p>	<p>The Expo Organizer must pay to AIPH a royalty fee for any commercial activity performed on site during the Expo by Participants, Concessionaires and Organizer Outlets such as F&B, Merchandising, Visitor Services, ticketed Events, Venues and Attractions and any other activity that generates revenues.</p> <p>2 scenarios:</p> <p>Percentage on sales: The fee is set at a fix rate of 5% on the total income. → payable monthly on all commercial activities on site</p> <p>OR:</p> <p>Minimum Guaranteed Royalty Fee - In this case, no other royalty fees for any commercial activity performed on site during the Expo are due to AIPH.</p> <p>€650.000 for A1 (payable as follows: € 250,000 – 30 days before the Opening Ceremony and € 400.000 – 60 days after the Opening Ceremony)</p> <p>€400.000 for B (payable as follows: € 150,000 – 30 days before the Opening Ceremony and € 250.000 – 60 days after the Opening Ceremony)</p>	<p>AIPH would then introduce mandatory commercial consulting for all Expo Organisers to make sure their commercial strategy is right.</p> <ul style="list-style-type: none"> -Expos to take more seriously their commercial success (common argument: “we are a public organization”) - Better accountability & transparency (no more “we don’t need any consultancy from you”) - Expo’s commercial success impacts the city’s/country’s economy - Impacts Expos’ attractiveness in other regions - Exploration of an unused revenue stream for AIPH to better service the Expos



Annexes reviewed

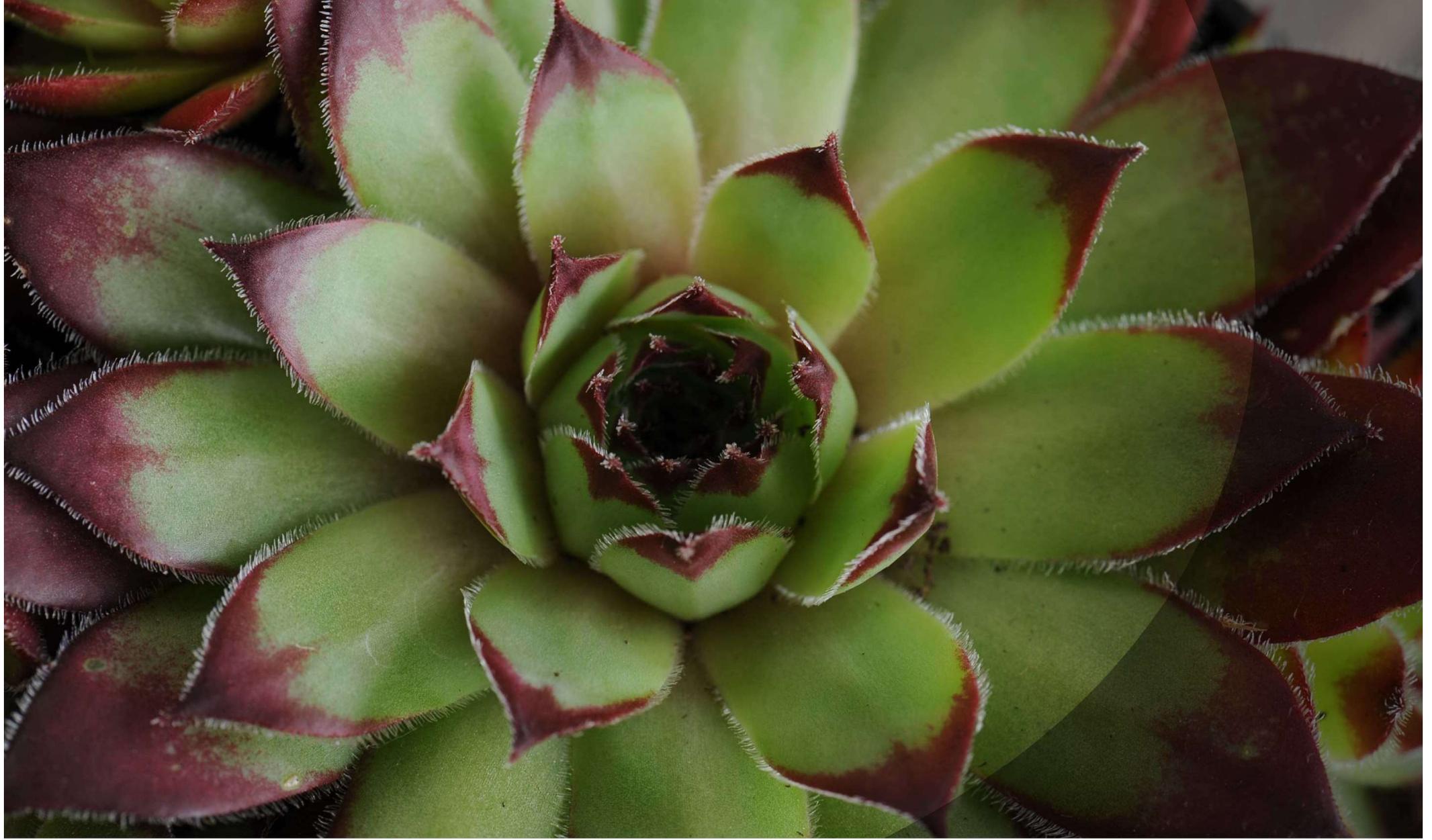
Annex V – final report and valuation questionnaires

- further structured “Sustainability” part of reporting to be aligned with the Expos’ strategies as defined by Expos 3 years before the Opening

Annex VIII – Fees and Guarantees

- changed as discussed





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