



Annual Financial Statements 2021

Short version

Preface – 2021 Financial Report



Welcome to Hamburg Messe und Congress GmbH!

When we addressed you from here last year, the COVID-19 pandemic still had the world in a stranglehold, and we thought that the future could only get better. That was a tragic miscalculation. With its brutal attack on Ukraine, Russia rocked the foundations of the world order in early 2022, causing unfathomable suffering for millions of people and horrifying devastation in Ukraine while inflicting fear and uncertainty upon many countries around the world. We condemn this assault on international law in the strongest terms, and express our urgent hope that the war in Ukraine will be terminated rapidly. Our thoughts are with the innocent victims of this war.



**ENCOUNTERS WITH
OTHERS WERE DEFINITELY
SOMETHING PEOPLE
LONGED FOR THE MOST IN
THE 2021 REPORTING YEAR.**

In another major crisis, establishing Germany's largest vaccination centre in our exhibition halls was a sign of hopefulness at the beginning of 2021. During the peak of the COVID-19 pandemic, after many months of sorrow and involuntary isolation, this brought back some reassurance and hope for a return to normality. Our employees, the people being vaccinated and we ourselves experienced the vaccination centre as a place of positive human interaction.

This is another reason we chose "Encounters" as a heading for this Annual Report – since being able to meet up with others was definitely one of the greatest desires people had in 2021, the year under report. Making encounters possible is the core of our business as trade fair and congress organisers; it is what we do best and enjoy doing the most.

We are deeply convinced that face-to-face encounters are indispensable for mutual understanding and finding solutions together, and that every exchange of business and expert information is at the same time a form of cultural interaction. Trade fairs and congresses are places which promote international encounters – places where solutions for complex problems are conceived and discussed across all borders.

This did happen at Hamburg Messe und Congress – even in 2021 – if with some restrictions. A total of 29 events, six of them digital and two hybrid, were made possible during the year under report. The vaccination centre, open for eight months and welcoming more than 1.5 million visitors – counting staff – inadvertently turned into a record-breaking event.

We are especially proud about having mustered the courage to premiere PHOTOPA Hamburg in the midst of the pandemic, under the theme of “Share Your Vision”. We went to great lengths for this innovative live event for the international imaging industry, for example by arranging 350 shipping containers to form an impressive backdrop. With its varied programme comprising elements of art, culture and personal experience, PHOTOPA Hamburg instantly thrilled the exhibiting companies, the industry audience and countless visitors whose great passion is photography and video filming.

Another great success was celebrated by the ITS World Congress on smart mobility, which, according to the organiser, had never welcomed more visitors in its 35-year history. This was yet more proof that modern mobility must be given a prominent and permanent place on the agenda of Hamburg, which heads the list of German cities in terms of digitalised mobility. We are working on making this a reality.

Another factor which made the mobility congress a very special event in the eyes of Hamburg Messe und Congress was the ITS opening event, which took place in the freshly renovated Hall 1 of the CCH. The CCH – Congress Center Hamburg had been closed in early 2017 to undergo comprehensive revitalisation and modernisation. It was partially opened for the ITS opening event in October 2021 before being fully handed over to Hamburg Messe und Congress by Hamburg’s First Mayor, Dr Peter Tschentscher.

With the new congress building, well established trade fairs, newly developed event formats and a growing range of digital options for state-of-the-art hybrid events, we believe we are extremely well positioned to face future challenges, and we are looking forward to 2022 and the years beyond.

We would like to take this opportunity to express our heartfelt thanks to our employees for their unwavering commitment and willingness to give their best during the two years of pandemic we have now put behind us. Furthermore, we would like to thank our Partner and the Supervisory Board



**WE ARE PARTICULARLY
PROUD TO HAVE BRAVED
A PREMIERE WITH
PHOTOPA HAMBURG
RIGHT IN THE MIDDLE
OF THE PANDEMIC.**

for their cooperation in a great spirit of solidarity, their advice and their strong support during this exceptional time.

Now we are looking forward to a well-filled calendar of events, top-flight congresses and crowded exhibition halls at events focused on a broad range of topics, all of which fascinate and connect people. As a platform focused on networking and innovation, we now, more than ever, provide the “ideal connection” after a two-year pandemic! In this report you will learn more about our plans, our activities and what we have in mind. Enjoy watching, scrolling and reading!

Sincerely yours,

Bernd Aufderheide

Uwe Fischer

Hamburg Messe und Congress GmbH in Figures

Due to the COVID-19 pandemic, there were event cancellations / postponements and digital events in 2020 and 2021.

	2021	2020	2019	2018	2017
Financial figures (in million euros)					
Revenues	28.0	20.2	67.9	104.3	72.8
Balance sheet total	108.8	103.3	89.7	83.2	81.6
Staff					
Employees (full-time equivalents/FTEs)	254	268	268	255	254
Trainees (average)	21	21	21	20	20
Hamburg Messe (including CCH events on exhibition campus as of 2017)					
Total trade fair exhibitors	1,683	4,307	10,237	14,104	9,983
at HMC-organised events	150	1,504	2,996	8,217	3,452
at guest events	1,533	2,803	6,310	5,736	6,448
at CCH events	0	0	931	151	83
Total trade fair visitors	1,681,733	306,413	696,749	745,769	668,974
at HMC-organised events	11,705	93,767	204,572	377,341	284,485
at guest events	1,669,722	212,496	416,507	345,308	338,119
at CCH events	306	150	75,670	23,120	46,370
Total gross area used (excl. outdoor), m²	338,250	430,708	1,264,036	1,221,888	1,078,561
Number of trade fairs and exhibitions	27+2**	35+1**	73+1*	61+1*	63+1*
HMC-organised events	2+2**	4+1**	7+1*	11+1*	7+1*
guest events	22	30	36	31	31
CCH events	3	1	30	19	25

During the CCH revitalisation phase beginning in 2017, the CCH events held on the exhibition campus are reflected in the Exhibition Campus figures. CCH reopening: From autumn 2021, CCH events were held in both locations, on the exhibition campus and at the new CCH. The CCH indicators are not comparable with those from previous years.

*external event **digital events: WindEnergy 2020, SMM 2021 and IDX_FS powered by INTERNORGA DIGITAL 2021

	2021	2020	2019	2018	2017
Abroad					
Number of trade fairs and exhibitions	8+2**	5	19+1*	15	17+1*
share of joint events	8+2**	5	15	14	16
Total exhibitors	135	38	703	347	702
share of joint events	135	38	468	347	423

In addition, INMEX SMM India took place as a digital trade fair in 2020 and 2021, in 2021 as "INMEX SMM India Digital Confex".
* Expo participation ** 2021 digital formats

CCH - Congress Center Hamburg					
Total events	4				
share of congresses and conferences	4				
share of other events	0				
Total participants	3,736				
share of congresses and conferences	3,736				
share of other events	0				

For the years 2017 to 2021 the CCH figures for events on the exhibition campus can be found above under: Hamburg Messe

Balance Sheet, Profit and Loss Account

2021 Financial Statements of Hamburg Messe und Congress GmbH

(all amounts in thousands of euros)

	2021	2020
BALANCE SHEET – Assets as of 31 December 2021		
(1) Fixed assets	63,192	63,621
(2) Current assets	45,603	39,720
Total ASSETS	108,795	103,341
BALANCE SHEET – Liabilities as of 31 December 2021		
(1) Equity	11,679	11,679
(2) Liabilities	97,116	91,662
Total EQUITY AND LIABILITIES	108,795	103,341
PROFIT AND LOSS ACCOUNT for the fiscal year from 1 January to 31 December 2021		
(1) Total revenue	35,934	21,524
(2) Personnel costs	20,047	18,644
(3) Other costs	63,865	61,070
(4) Profit/loss before loss absorption	-47,978	-58,190

On 4 March 2022, Ebner Stolz GmbH & Co. KG issued an unqualified audit opinion for the complete annual financial statements and management report.

Condensed 2021 Management Report

A. Business and Economic Environment

1. The German trade fair and exhibition market

Similar to the previous fiscal year, the year 2021 was heavily influenced by the restrictions imposed by the COVID-19 pandemic. According to publications by the Association of the German Trade Fair Industry (Ausstellungs- und Messeausschuss der Deutschen Wirtschaft e. V.), only 101 of the 380 trade fairs originally planned for 2021 were able to take place during the third and fourth quarters. Around 60 digital formats took place until September. According to preliminary AUMA calculations, roughly 35,000 exhibitors participated in the events in 2021, occupying a combined stand area of nearly 700,000 square metres. About 2.1 million visitors attended these fairs. Compared to an average pre-pandemic exhibition year, this corresponds to a 85 per cent drop in the number of exhibitors and visitors. Compared to the pre-pandemic business situation, revenues declined by close to 70 per cent.

The COVID-19 pandemic will continue to have an impact on the trade fair and events business in 2022. During the first six months in particular, far-reaching restrictions for live events should be expected. 390 trade fairs are planned in Germany for the fiscal year 2022. Several cancellations or postponements to the second or third quarter were made in the first quarter. The main reason was the lack of a robust basis for planning.

2. International business

The Federal Ministry of Economics and Energy (BMWi) and the Federal Ministry of Food and Agriculture (BMEL) support German exhibitors at overseas trade fairs through their international trade fair programme. The number of participations in international trade fairs planned for 2021 was 327 (compared to 292 in 2020). Due to the pandemic, many events around the world were again cancelled or postponed in 2021. For the year 2022 the BMWi is currently planning for 338 participations, including 146 in southern, central and eastern Asia. 55 participations in non-EU European countries are planned, and 13 participations are planned within the EU. Furthermore, events are planned for North America (37), the Near and Middle East (30), Africa (32), Latin America (23) and Australia/Oceania (2). The BMEL is planning for 47 participations globally during the year 2022 (2021: 46).

3. The national and international congress and conference business

Since the onset of the COVID-19 pandemic, the congress and conference business has suffered a severe decline both globally and within Germany. In the congress and event market study "Meeting- & EventBarometer Deutschland 2020/2021", the results for Germany indicate a drop in the number of physical events by roughly 71 per cent, and in the number of personal participants by approximately 86 per cent in 2020. The number of international participants shrank by about 2 per cent in 2020. No comprehensive data are available for the development of the congress market in 2021 at this time. The survey mentioned above indicates growing demand for physical events in

2022 and the following years, with an increasing share of hybrid formats and a decline in purely virtual events.

B. Business Development of HMC

In 2021 HMC generated revenues of 28.0 million euros, compared to 20.2 million euros in 2020 and 67.9 million euros in 2019. Revenues were 39.9 million euros lower than in the reference year of 2019. The fiscal year 2021 was the second year influenced by the Covid-19 pandemic. Of an original number of 51 planned events only 29 were actually held and often smaller in scope than originally planned. The resulting losses were only partially compensated by the unscheduled installation of a vaccination and customer service centre inside the exhibition halls. The most significant portion of the revenues, about 72 per cent, was generated by the Guest Events – Trade Fairs sales division.

1. Hamburg Messe division

The Hamburg Messe division staged only four of the eleven events originally scheduled. Both SMM and INTERNORGA took place digitally, while PHOTOPA and THERAPIE HAMBURG were held as physical events. SMM had been rescheduled to 2021 from 2020. All other events were cancelled.

Because of the development of the pandemic, SMM took place from 02 until 05 February 2021. For this purpose, a TV studio was setup in Hall B1 (upper level) from where SMM DIGITAL was moderated live and broadcast entirely in English. Comprising 60 hours of programming and 160 speakers, SMM was for the first time held exclusively as a digital event: 7,000 viewers in 80 different countries watched the new format.

In 2021 INTERNORGA was unable to take place as a physical event for a second time after 2020, and therefore likewise held in digital format. From 15 to 17 March 2021, the “IDX_FS

International Digital Food Services Expo powered by INTERNORGA” for the entire food service and hospitality market was hosted jointly with IDX Events and the Institute of Culinary Art (ICA). 15,000 attendees from 79 countries participated in the programme, which covered around 80 different topics and included 110 speakers on three stages in Hamburg and Cologne.

From 23 to 26 September 2021, PHOTOPA Hamburg celebrated its successful debut as a new multichannel event platform for the Imaging industry despite the pandemic. Featuring an innovative exhibition hall concept involving more than 300 shipping containers, a comprehensive programme on two stages, and impressive appearances of key industry players such as Canon, Sony and Leica, PHOTOPA enjoyed enthusiastic responses from exhibitors and visitors alike and was able to establish itself in the market successfully. Its three components, Photopia Summit, Photopia City and Photopia 365, will be expanded further to drive the growth of the event.

160
SPEAKERS

60
HOURS OF
PROGRAMMING

On 22 and 23 October 2021, THERAPIE HAMBURG took place at the Hamburg exhibition complex for the second time, organised in cooperation with Leipziger Messe. A trade fair and congress for physical, occupational and sports therapists, it counted just over 100 exhibiting companies, a number similar to the inaugural event in 2019.

Events which had to be cancelled due to the pandemic included OOHH!, the MARINE INTERIORS EXPO, HAMBURG OPEN, the HAMBURG ANCORA YACHTFESTIVAL (in Neustadt/Holstein), SEATRADE EUROPE and SMM INDIA. Furthermore, the HAMBURG PORT ANNIVERSARY, which is usually organised under the auspices of HMC on behalf of the City of Hamburg, was cancelled, as well.

In the Guest Events sales division, 18 events had been planned, of which 12 were able to take place. Major exceptional events included the setting up of a vaccination and customer service centre as well as three ballot counting centres on the exhibition campus during the federal parliamentary elections.

During the 2021 fiscal year, a total of 26 events (compared to 44 in the reference year 2019), including four HMC-organised events (two physical events on HMC premises, two events in digital format) were carried out.

GERMANY'S BIGGEST
VACCINATION CENTRE
WITH MORE THAN

1 M

VACCINATIONS

2. International Events division

Every year HMC organises numerous joint participations in trade fairs, mainly on behalf of the Federal Ministry for Economic Affairs and Energy (BMWi) and the Federal Ministry of Food and Agriculture (BMEL). Focal areas of these participations include the maritime industry, oil and gas, hospitality, food service, and medical technology. In the year under report HMC implemented seven joint participations on behalf of the BMWi, while ten participations were cancelled due to the pandemic. On behalf of the BMEL, HMC staged one German participation, and five participations were cancelled due to the pandemic.

3. CCH division

The CCH was closed for the revitalisation project from 01 January 2017. During the scheduled renovation period, CCH customers were offered an interim solution on the exhibition grounds, the so-called A Solution. Due to various construction delays, the new CCH was not able to open as planned on 1 September 2019 nor in August 2020. Therefore, in an initial step, only about 70 per cent of the entire CCH building was handed over to HMC on 30 September 2021. The first major event held at the CCH was the ITS World Congress from 11 to 15 October 2021. Founders, researchers, subject matter experts and decision makers from the fields of transport, logistics and IT gathered for this specialist congress which counted 13,000 participants in total. Three additional congresses fol-

13,000

PARTICIPANTS COUNTED
AT THE ITS WORLD CONGRESS

lowed at the CCH before the end of the year 2021. Due to the pandemic, many of the congresses originally planned for 2020 and 2021 were rescheduled for 2022 and the following years.

C. Economic Situation

1. Development of revenues

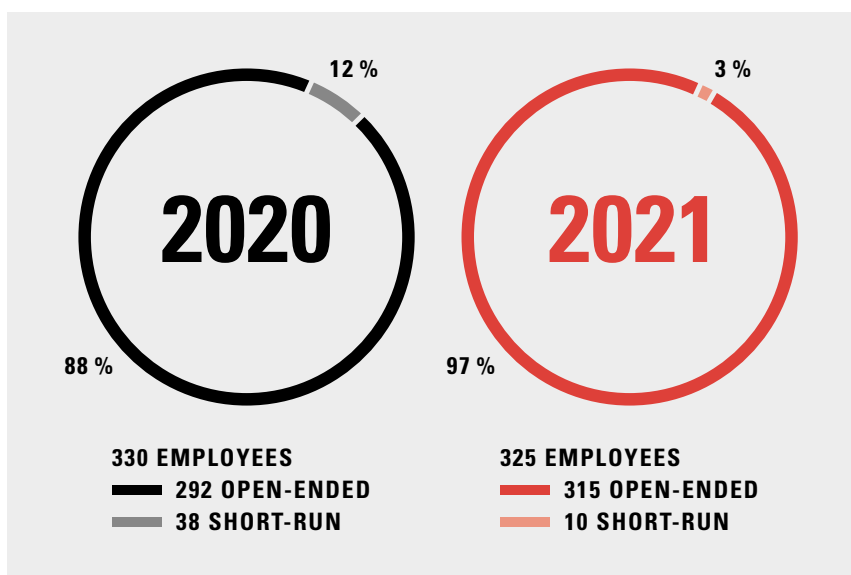
In 2021 HMC generated revenues of 28.0 million euros, compared to 20.2 million euros in 2020, and 67.9 million euros in 2019. The total revenue amount for 2021 is allotted to the individual sales divisions as follows: Trade Fairs – 1.7 million euros; CCH – 0.7 million euros; Guest Events – 20.1 million euros; International Business – 2.3 million euros; and Services – 1.6 million euros. The Property division generated total sales revenues of 1.6 million euros.

2. Profits/losses for the year

The fiscal year 2021 ended with a loss for the year of 48.0 million euros before loss absorption by HGV (2020: -58.2 million euros). The result for the year 2021 was 10.0 million euros better than forecast.

3. Employees

By the end of the year 2021, 325 employees were working at HMC, not counting student interns (2020: 330). 315 of these had permanent contracts, and 10 had temporary contracts (2020: 292 permanent and 38 temporary contracts). Expressed in FTEs, HMC had more than 254 FTEs as of year-end (2020: 268 FTEs). Furthermore, HMC provided 21 apprenticeships to prospective event, office, and IT clerks, event technology specialists, and Bachelor of Arts (BA) students participating in dual-study programmes.



The business success and corporate value of HMC are not only determined by financial performance indicators but also by non-financial indicators, such as support for women in management positions. By the end of the year 2021, women accounted for 44 per cent of management positions.

4. Net assets

Total assets increased by 5.5 million euros to 108.8 million euros in the year under review, resulting in a fall in the equity ratio from 11.3 per cent to 10.7 per cent.

5. Financial position

A control-and-profit transfer agreement and a group clearing agreement exist with the parent company HGV. The liquidity of the company is thereby guaranteed at all times.

5 %

INCREASE OF
TOTAL ASSETS IN 2021

D. Outlook, Risks and Opportunities for Future Development

1. Outlook

Similar to the two preceding years, the fiscal year 2022 will once again be significantly influenced by the continued coronavirus pandemic. Several HMC-organised and guest events were cancelled in January and February. More events should be able to take place as of the second quarter. The COVID-19 pandemic will continue to have residual effects over the coming years since planned price increases are likely to be implemented with delays due to event cancellations.

HMC plans to continue its profitable growth. To this end a strategy entitled "ROAD TO 2025" was developed which describes the challenges, goals, and fields of action towards this goal. Growth will be primarily achieved through the expansion of HMC's own trade fairs, acquisition of profitable guest events, and the implementation of additional events at the CCH once it reopens. Cooperation partnerships with other domestic and international event organisers are being considered, and efforts will be undertaken to acquire more events for uneven years.

2. Earnings

For the fiscal year 2022 HMC has budgeted for revenues of 97.1 million euros, which represents an increase of 76.9 million euros from the reference year 2020. This increase in revenues is primarily attributable to a reduced negative impact of the pandemic on the events business, especially during the second half of the year. The budget plan assumes a loss for the year before loss absorption in the amount of around 24.7 million euros due to the restrictions associated with the pandemic and the significant costs arising from the real estate lease for the "Neue Messe". Property leasing costs will continue to have a negative impact on earnings in the coming years.

HGV will absorb the expected losses pursuant to the existing profit-and-loss transfer agreement.

3. Risk management

HMC maintains a risk management system which enables a timely and systematic analysis and evaluation of the company's risk exposure as well as the development of countermeasures. The subjects of the analyses and assessments are both strategic and operational risks.

At present, HMC is unaware of any risks that could jeopardise its future development.

No financial risks are apparent.

Hamburg, 03 March 2022

Bernd Aufderheide
CEO

Uwe Fischer
CFO

Report of the Supervisory Board

The Supervisory Board reviewed the situation and development of Hamburg Messe und Congress GmbH regularly during the past fiscal year. In the year under review, it performed the duties incumbent upon it by law and the Articles of Association. The Supervisory Board advised and monitored the Management Board of Hamburg Messe und Congress GmbH in its management of the company continuously.

The Supervisory Board complied with the requirements of the Hamburg Code of Corporate Governance and issued a Statement of Compliance together with the company's Management Board.

The Management Board informed the Supervisory Board regularly, in a timely manner, and comprehensively in written and oral form about the relevant issues of corporate planning, strategic development, and the results achieved in the company, including the risk situation.

The Supervisory Board held four ordinary meetings during the year under review. Three of these meetings were held digitally due to the persistent COVID-19 pandemic. Furthermore, three Supervisory Board resolutions were passed by circulation of documents. The Financial Committee and the Building Committee each met twice digitally. Two ordinary sessions of the Human Resources Committee were held in digital format.

On 29 June 2021, the Annual General Meeting of Hamburg Messe und Congress GmbH appointed Ebner Stolz GmbH & Co. KG (Ebner Stolz) to audit the company's annual financial statements and to ensure the company's due and proper conduct of business for the fiscal year from 1 January to 31 December 2021.

Ebner Stolz audited the annual financial statements – consisting of the balance sheet, income statement, and notes – together with the bookkeeping system and the Management Report for the fiscal year from 1 January to 31 December 2021.

The audit has not led to any reservations. In the opinion of EbnerStolz based on the findings of its audit, the annual financial statements comply with the legal requirements and give a true and fair view of the company's net assets, financial position, and results of operations in accordance with the German principles of proper accounting. The Management Report is consistent with the annual financial statements, provides a correct overview of the company's situation, and duly presents the opportunities and risks of future development.

The Finance Committee at its meeting on 31 May 2022, and the Supervisory Board at its meeting on 9 June 2022 examined the annual financial statements, the Management Report, and the report from Ebner Stolz in detail. The Supervisory Board has no objections to these documents and agrees with

the results of the auditor's report. The Supervisory Board approves both the management report and the annual financial statements as of 31 December 2021.

The Supervisory Board would like to thank both the company's management and all employees for their dedication and hard work during the 2021 fiscal year which was dominated by the COVID-19 pandemic.

Hamburg, June 2022

State Secretary Andreas Rieckhof
Chairman of the Supervisory Board

Supervisory Board

Andreas Rieckhof	Hamburg Ministry for Economics and Innovation
Brigitte Engler	City Management Hamburg
Jeanette Gonnermann	Hamburg Chamber of Commerce (dismissed on 22 September 2021)
Jutta Hartung	Hamburg Financial Authority (dismissed on 20 April 2021)
Dr Malte Heyne	Hamburg Chamber of Commerce (first appointed on 23 September 2021)
Kai Hollmann	Gastwerk Hotel Hamburg Verwaltungsgesellschaft mbH
Oliver Jensen	Hamburg Gesellschaft für Vermögens- und Beteiligungsmanagement mbH
Martin Köppen	Hamburg Ministry for Economics and Innovation (dismissed on 30 June 2021)
Dr Bettina Schomburg	Hamburg Financial Authority (first appointed on 21 April 2021)
Dr Christopher Schwieger	Hamburg Ministry for Economics and Innovation (first appointed on 01 July 2021)
Julia Wöhlke	Iwan Budnikowsky GmbH & Co. KG, Hamburg
Matthias Balz	Hamburg Messe und Congress GmbH
Hartmut Hofmann	Hamburg Messe und Congress GmbH
Loretta Marsh	Hamburg Messe und Congress GmbH
Frank Minak	Hamburg Messe und Congress GmbH

Statement of Compliance

with the Hamburg Code of Corporate Governance (HCGK)

The Management Board and the Supervisory Board of Hamburg Messe und Congress (HMC) hereby declare:

“During the fiscal year 2021 Hamburg Messe und Congress GmbH complied with all regulations of the Hamburg Code of Corporate Governance which are subject to the responsibility of the Management Board and Supervisory Board, with three exceptions. The following three items were not observed:

Section 3.7:

Due to a change of insurance company for D&O coverage, setting a management excess (retention of at least 10% of the damage, up to at least 1.5 times the fixed annual compensation) was inadvertently omitted in 2021. The insurance policy will be updated to reflect the proper excess at the earliest time possible.

Section 5.1.5:

The six-week period for distributing the minutes regarding resolutions made by the Supervisory Board could not be adhered to at all times as the draft minutes had to be approved prior to execution and the approval processes were not completed in time.

Section 5.4.8:

One member of the Supervisory Board personally participated in half of the Supervisory Board sessions only during the fiscal year 2021.“

During the fiscal year 2021, Mr Aufderheide received total gross compensation in the amount of 288,833.72 euros, and Mr Fischer received total gross compensation in the amount of 279,802.08 euros. The breakdown of the total compensation can be viewed online at hamburg-messe.de.

Hamburg, June 2022

State Secretary Andreas Rieckhof
Chairman of the Supervisory Board

Bernd Aufderheide
CEO

Uwe Fischer
CFO

