

# Annual Financial Statements 2020

Short version

# Editorial

Welcome to Hamburg Messe und Congress!

“We are optimists!” – this is the title of our Annual Report 2020, in spite of historically poor revenue and earnings for the year and a halt of events reaching well into the year 2021. There is one primary reason for this: the past year, which was dominated by the coronavirus, made it clear how strongly people crave personal interactions, mutual experiences, and just being together with others. So today, we are convinced that the trade fair and congress sector will surely come out of the pandemic having undergone change, but with an even stronger core.

We would like to express our heartfelt thanks to all our colleagues – who have been primarily working remotely for more than a year; who have dealt with all cost-saving measures, from standstills to short-time work, without complaint; and who plan, prepare, and replan events with the same dedication, despite knowing that there is no guarantee that the events will take place. As the management of Hamburg Messe und Congress (HMC), we are also happy that our employees have not had to deal with severe COVID-19 illnesses thanks to their careful and responsible behavior.

In 2020, HMC was given positive news about its future operation of the TV Tower, which we will return to its former glory as an attractive place and tourist magnet of the Hanseatic city in collaboration with our partners from OMR Festival and the project developer Home United. The PHOTOPHIA Hamburg festival will be an additional attraction, with its premiere planned for September 2021. Its novelty lies in that the entire city will become the backdrop for photos and videos of professionals and hobby photographers alike, thus making the city a part of the festival itself.

We took it as significant recognition of our concept and the individual strength of HMC that we were included in the final three cities, from among the seven worthy applicants, in the selection process for hosting a future iteration of IAA MOBILITY. The Hamburg concept received high praise, but it also featured some parts that radically broke with the traditions of the IAA.

# Editorial

Another novelty was that, due to the pandemic, our three leading trade fairs WindEnergy Hamburg, SMM, and INTERNORGA were successfully carried out in digital formats. An impressive recording and broadcast studio was set up in one of our exhibition halls specifically for this purpose, the main goal being to be able to offer the respective industries something even during the coronavirus pandemic and to remain in contact with them. Digitization – despite being given a major boost from the pandemic – is no new topic when it comes to trade fairs and congresses, especially with regard to keeping in touch with target groups year-round. The event formats of the future will surely become more hybrid, more varied, and more interactive.

For more than 650 years, trade fairs and congresses have undergone successful further development in Hamburg. Since its founding, HMC has stood for networking and innovation, and we are working hard during this time with fewer events to prepare ourselves even better for the digital future. We will continue to expand and complement our core competence of organizing and realizing physical events with the increasingly important digital offers.

Nevertheless, we look forward to conference halls filled to capacity and busy exhibition halls in the future. As a long-standing partner to industries, it is important to us to support – to the best of our abilities – the many sectors that place their trust in us in their return to normalcy. As a host, we are happy to welcome our visitors and exhibitors today – gastronomy, many service providers, the hotel industry, and retailers in the Free and Hanseatic City of Hamburg benefit greatly from these guests. The close relationship with many sectors of the city is very important to us, so we are also a little bit proud that our halls are currently home to the vaccination center.

How the trade fair and congress business will develop in the near future now depends heavily on the future progression of the coronavirus pandemic. We sincerely hope that we will be able to realize in-person events once again in the second half of 2021. A reliable revenue forecast is not possible under these circumstances, because we are still “flying blind,” but we would be capable of realizing events with excellent hygiene concepts at a moment’s notice. We do not expect a normalization of business operations until 2023.

# Editorial

We would like to take this opportunity to express our heartfelt thanks to our ownership and the Supervisory Board for the productive partnership as well as their support during these exceptional times.

To you, dear Readers, we wish the best of health.

Yours sincerely,

Bernd Aufderheide  
President and CEO

Uwe Fischer  
CFO



Bernd Aufderheide (left), President and CEO,  
and Uwe Fischer (right), CFO  
© HMC / anatol Kotte

# Hamburg Messe und Congress GmbH in figures

	2020	2019	2018	2017	2016
<b>Financial figures (in € million)</b>					
Revenue	20,2	67,9	104,3	72,8	110,9
Balance sheet total	103,3	89,7	83,2	81,6	117,2
<b>Staff</b>					
Employees (full-time equivalents (FTEs))	268	268	255	254	262
Trainees (average)	22	21	20	20	20
<b>Hamburg Messe (Incl. CCH as of 2017)</b>					
Total trade fair exhibitors	4.307	10.237	14.104	9.983	15.277
Of which own events	1.504	2.996	8.217	3.452	8.217
Of which guest events	2.803	6.310	5.736	6.448	7.060
Of which CCH events	0	931	151	83	
Total trade fair visitors	306.413	696.749	745.769	668.974	766.314
Of which own events	93.767	204.572	377.341	284.485	443.548
Of which guest events	212.496	416.507	345.308	338.119	322.766
Of which CCH events	150	75.670	23.120	46.370	
Total gross area used (excl. outdoor areas) in m <sup>2</sup>	430.708	1.264.036	1.221.888	1.078.561	1.041.409
Number of trade fairs and exhibitions	35+1**	73+1*	61+1*	63+1*	44+1*
Of which own events	4+1**	7+1*	11+1*	7+1*	10+1*
Of which guest events	30	36	31	31	34
Of which CCH events	1	30	19	25	
* External events, ** Digital Event: WindEnergy 2020					
<b>Abroad</b>					
Number of trade fairs and exhibitions	5	19+1***	15	17+1***	14+1***
Of which joint events	5	15	14	16	14
Total exhibitors	38	703	347	702	404
Of which joint events	38	468	347	423	404
*** Expo participation Additionally, INMEX SMM India took place as a digital trade fair in 2020.					
<b>CCH - Congress Center Hamburg</b> (Information from 2017 under Hamburg Messe)					
Total events					226
Of which congresses and conferences					130
Of which other events					96
Total participants					292.763
Of which congresses and conferences					150.041
Of which other events					142.722

There is no comparability with previous years beginning with 2017. The CCH events realized on the exhibition grounds during the revitalization phase are included in the Hamburg Messe figures.

# Balance Sheet / Income Statement

## 2020 Financial Statements of Hamburg Messe und Congress GmbH

### BALANCE SHEET / Assets

as of December 31, 2020

	2020	2019
(in € thousand)		
1. Fixed assets	63.621	58.574
2. Current assets	39.720	31.140
Total ASSETS	103.341	89.714

### BALANCE SHEET / Liabilities

as of December 31, 2020

(in € thousand)		
1. Equity	11.679	11.679
2. Liabilities	91.662	78.035
Total EQUITY AND LIABILITIES	103.341	89.714

### INCOME STATEMENT

For the Fiscal Year from January 1 to December 31, 2020

(in € thousand)		
1. Total revenue	21.524	69.863
2. Personnel expenses	18.644	21.427
3. Other expenses	61.070	79.753
4. Profit/loss before loss absorption	-58.190	-31.317

On March 4, 2021, Ebner Stolz GmbH & Co. KG issued an unqualified audit opinion for the complete annual financial statements and management report.

# Condensed Management Report 2020

## A. Business and economic environment

### 1. The German Trade Fair and Exhibition Market

The 2020 fiscal year was heavily influenced by the restrictions associated with the coronavirus (COVID-19) pandemic. According to preliminary calculations by the Association of the German Trade Fair Industry (AUMA), trade fair business declined in 2020, dropping by approximately 70% compared to the planned revenue of around 4 billion euros. Only 114 of the 355 international, national, and regional trade fairs were able to be realized. The coronavirus pandemic will also make itself felt by the events business in 2021 as well; in-person events are not expected again until the second half of the year.

### 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 with their international trade fair program. Due to the pandemic, most events around the world were canceled or postponed in 2020.

To date, 327 participations are planned for the BMWi for 2021. The BMEL is planning 46 participations, but a high number of cancellations should be expected due to the pandemic.

### 3. The National and International Congress and Conference Business

The global event economy within the congress sector has also been deeply impacted by the coronavirus pandemic: with regard to the performance of the domestic and international congress market, no complete figures are available yet for 2020.

According to an Extra study on the effects of the coronavirus on the German event market, the volume of events decreased in particular during the months of April (–96.4 percent) and May (–94.1 percent). These losses gradually decreased through September, but they still amounted to around two-thirds (down 67.2 percent) at the end of the period under review. In addition to the cancellation of events, this was exacerbated by restrictions in the realization of the events that were able to take place. For instance, a mere 30 percent of seating was available due to the hygiene regulations. The loss in revenue for event locations is estimated at an average of 65.4 percent for the year 2020.

# Condensed Management Report 2020

## B. Business Development of HMC

In 2020, HMC generated revenue of 20.2 million euros; this figure is 84.1 million euros lower compared to the reference year 2018. While the planned event business was still able to continue in the months of January and February, the coronavirus pandemic negatively affected the economic development of HMC beginning in March, causing cancellations and postponements of events.

### 1. Hamburg Messe Division

In the Hamburg Messe Division, only five of the 12 planned events were able to be realized. Except for WindEnergy, which took place digitally in December, all HMC-managed events were held in the first two months of the year. While the realization of SMM was postponed to 2021, all other trade fairs were canceled.

The 17th NORTEC took place from January 21 to 24, 2020, as a trade fair and campus for SMEs. Although the number of exhibitors fell by 11.3 percent compared to the prior year's event due to the difficult development in the industry, the rented area remained largely at the same level. The planned increase in the number of visitors was not achieved. The partnership with solutions.hamburg, the largest digital congress in Hamburg, was successfully continued, with the aim of strengthening the connection between the industrial sector and IT.

The premiere of the HAMBURG OPEN took place on the exhibition grounds from January 22 to 23, 2020. This event is organized by HMC as the financial sponsor in partnership with Studio Hamburg MCI. A total of 130 exhibitors and nearly 1,600 professional visitors came together at this innovation and networking event for the broadcast and media technology industry.

From January 24 to 26, 2020, HOME<sup>2</sup> – an exhibition for real estate, construction, and renovation – took place for the fourth time. While the number of exhibitors and the rented space were at the same level as the previous year, the number of visitors increased by 3.9 percent.



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The third edition of the OOH! The LeisureWorlds of Hamburg Messe – with its individual brands REISEN HAMBURG, KREUZFAHRTWELT HAMBURG, CARAVANING HAMBURG, RAD HAMBURG, FOTOHAVEN HAMBURG, and AUTOTAGE HAMBURG – took place from February 5 to 9, 2020, on the exhibition grounds. OOH!! once again benefited from the positive atmosphere in the caravan industry, which drove up rented space by 13.1 percent compared to the preceding event.

WINDENERGY, which was originally scheduled to take place from September 22 to 25, 2020, took place from December 1 to 4, 2020. Due to the developments in the pandemic, WINDENERGY was realized in a digital format. The goal was to generate revenue through the digital presentation of exhibitor profiles; due to technical difficulties, however, this could not be realized by the beginning of WINDENERGY, so the digital offering consisted of WindTV livestreams.

Pandemic-related cancellations resulted for the events INTERNORGA, HANSEPFERD, HAMBURG ANCORA YACHTFESTIVAL (in Neustadt, Holstein), THERAPIE HAMBURG, and GET NORD. Additionally, the HAFENGEBURTSTAG celebration, whose organization HMC was tasked with by the Free and Hanseatic City of Hamburg, was also canceled.

In the reporting year, a total of 45 events were scheduled to take place in the Guest Event division, of which 30 were realized, 14 were canceled, and one was postponed.

A total of 35 trade fairs and exhibitions were held in 2020 (reference year 2018: 43), including five HMC-managed events (four on the exhibition grounds, one digitally). Around 306,000 visitors attended the realized events; this figure was 723,000 in the reference year 2018. The gross rented space declined compared to the reference year 2018 by 61.6 percent to 418,561 square meters. Additionally, one CCH event was realized on the exhibition grounds with 12,147 square meters (gross) in space.

## 2. International Events Division

Every year, HMC organizes many 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). This year, the focus of the participations was on the maritime, oil and gas, hotel, gastronomy, and medical technology industries. In the reporting year, HMC realized two joint participations on behalf of the BMWi, and another 15 participations were canceled due to the pandemic.

# Condensed Management Report 2020

On behalf of the BMEL, HMC realized three German participations, one of which was an information booth. Another 11 participations were canceled due to the pandemic.

## 3. CCH Division

Since January 1, 2017, the CCH has been closed for the revitalization prescribed by the Free and Hanseatic City of Hamburg in 2014. During the scheduled renovation period, CCH customers were offered an interim solution on the exhibition grounds, the so-called A Solution. Due to a delay in construction, the new CCH was not able to open as planned on September 1, 2019. The opening was scheduled for a world medical congress in August 2020. Work being done at the CCH construction site went forward in fixed teams due to the hygiene and distancing regulations in light of the pandemic as well as work processes; however, the necessary work and deliveries were not completed on schedule. Planning and realization of the events booked for 2020 were thus no longer possible.

The majority of the planned congresses and events were rescheduled for 2021 or the following years, while other bookings were canceled. The only CCH event in 2020 was the annual conference of the Association of German Jurists, planned with 3,000 participants, which was realized at the beginning of September as a hybrid meeting under the strictest of hygiene and distancing regulations with 200 people at the exhibition grounds. More than 5,000 participants took part in the accompanying digital program.

## C. Economic Situation

### 1. Development of Revenue

In 2020, HMC recorded revenue of 20.2 million euros (2018: 104.3 million euros). The total revenue of 2020 breaks down to the individual divisions as follows: Exhibition: 6.1 million euros; CCH: 0.1 million euros; Guest Events: 7.2 million euros; International Business: 1.5 million euros; Services: 2.9 million euros. Revenue from the Property division totaled 2.4 million euros.

# Condensed Management Report 2020

## 2. Profit/Loss for the Year

The 2020 fiscal year ended with a loss for the year of 58.2 million euros before loss absorption by HGV. Due to the pandemic, the result for the year 2020 was 49.3 million euros lower than forecast.

## 3. Employees

At the end of 2020, not including student interns, HMC had 330 (2019: 319) employees, of which 292 had permanent and 38 temporary contracts (2019: 298 permanent and 21 temporary contracts). Expressed in FTEs, HMC had more than 268 as of year-end, representing no change compared to the previous year. In addition, HMC provided 22 apprenticeships for prospective event, office, and IT administrators, event technology specialists, and Bachelor of Arts (BA) students participating in dual-study programs.

HMC would like to keep expanding the share of women in management positions. As of the end of 2020, women accounted for 44 percent of the management positions.

## 4. Net Assets

Total assets increased by +13.6 million euros to 103.3 million euros in the year under review, resulting in a fall in the equity ratio from 13.0 percent to 11.3 percent.

## 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.

## **D. Outlook, Risks and Opportunities of Future Development**

### 1. Outlook

Like the preceding year, the 2021 fiscal year will once again be significantly characterized by the ongoing coronavirus pandemic. Although SMM, which was

# Condensed Management Report 2020

postponed from 2020, took place as a digital event in February 2021, and INTERNORGA was also held as a digital event in March, a large number of events – including guest events in particular – were canceled. This also includes the HAFENGEBURTSTAG birthday celebration of Hamburg’s port that takes place each May, whose organization HMC was tasked with. More and more events should be taking place starting in September, some as postponements from 2020 or the first half of 2021. The coronavirus pandemic will also continue to have residual effects over the coming years, because planned price increases will likely only be able to be implemented with delays due to the cancellation of events.

HMC plans to continue its profitable growth. Hence, a strategy entitled “ROAD TO 2025” was developed, which describes the challenges, goals, and fields of action to reach this goal. Growth will be primarily achieved through the expansion of HMC’s own trade fairs, the acquisition of profitable guest events, and the realization of additional events in the CCH once it has reopened. Collaborations with other domestic and international trade fair organizers will also be considered and larger numbers of events acquired for the uneven years wherever possible. HMC is currently carrying out a strategy review, which takes current trends and developments into account. The topics of growth, digitization, and increasing maintenance expenses for exhibition halls represent particular challenges in this regard.

## 2. Earnings

For the 2021 fiscal year, HMC budgeted for revenue of 45.5 million euros, which represents a decrease of 22.4 million euros compared to the reference year. This decrease in revenue is primarily attributable to the ongoing impairment of the event industry due to the pandemic, which was particularly prevalent in the first half of the year. Planning assumes a loss for the year before loss absorption in the amount of around 58.0 million euros, which is due in particular to the restrictions associated with the pandemic and the significant costs arising from the real estate lease for the Neue Messe. At the present time, the full extent of the negative effects of the coronavirus pandemic cannot yet be estimated.

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Property costs will continue to have a negative impact on earnings in the coming years.

HGV will absorb the losses that are expected within the scope of the existing profit-and-loss-transfer agreement.

## 3. Risk Report

### Risk Management

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

At present, HMC is unaware of any risks that could jeopardize its future development. Due to the prevalence of the coronavirus pandemic, fewer events will be taking place or more will be postponed in the 2021 fiscal year, which will have a negative impact on revenue and earnings for the 2021 fiscal year.

No financial risks are apparent.

Hamburg, March 04, 2021

Bernd Aufderheide  
CEO

Uwe Fischer  
CFO

# Report of the Supervisory Board

The Supervisory Board regularly reviewed the situation and development of Hamburg Messe und Congress GmbH in 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 continuously advised and monitored the Management Board of Hamburg Messe und Congress GmbH in its management of the company.

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

The Management Board informed the Supervisory Board regularly, timely, and comprehensively in written and verbal 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 in the reporting year. Three Supervisory Board resolutions were also passed by circulation of documents. The Finance Committee as well as the Construction Committee both met twice. One ordinary meeting of the Human Resources Committee took place and two resolutions were passed by circulation of documents.

On June 17, 2020, the Annual General Meeting of Hamburg Messe und Congress GmbH appointed Ebner Stolz GmbH & Co. KG (EbnerStolz) 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 January 1 to December 31, 2020.

EbnerStolz audited the annual financial statements – consisting of balance sheet, income statement, and notes – together with the bookkeeping system and the management report for the fiscal year from January 1 to December 31, 2020.

The audit has not led to any reservations. In the opinion of EbnerStolz and 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 suitable overview of the company's situation, and suitably presents the opportunities and risks of future development.

# Report of the Supervisory Board

The Finance Committee at its meeting on May 19, 2021, and the Supervisory Board at its meeting on June 9, 2021 – both of which took place as videoconferences due to the coronavirus pandemic – examined the annual financial statements, the management report, and the report from EbnerStolz 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 December 31, 2020.

The Supervisory Board would like to thank both the company’s management as well as the executives and all employees for their dedication and hard work during the 2020 fiscal year that was dominated by the coronavirus pandemic.

Hamburg, June 2021

State Secretary Andreas Rieckhof  
Supervisory Board Chairman

# Supervisory Board

Andreas Rieckhof	Hamburg Ministry for Economics and Innovation (since July 15, 2020)
Dr. Torsten Sevecke	Hamburg Ministry for Economics, Transport, and Innovation (until June 30, 2020)
Brigitte Engler	City Management Hamburg
Jeanette Gonnermann	Hamburg Chamber of Commerce
Jutta Hartung	Hamburg Financial Authority
Kai Hollmann	Gastwerk Hotel Hamburg Verwaltungsgesellschaft mbH
Oliver Jensen	Hamburg Gesellschaft für Vermögens- und Beteiligungsmanagement mbH
Martin Köppen	Hamburg Ministry for Economics and Innovation
Julia Wöhlke	Iwan Budnikowsky GmbH & Co. KG, Hamburg
Hartmut Hofmann	Hamburg Messe und Congress GmbH
Matthias Balz	Hamburg Messe und Congress GmbH
Loretta Marsh	Hamburg Messe und Congress GmbH
Frank Minak	Hamburg Messe und Congress GmbH



# Statement of Compliance

## with the Hamburger Corporate Governance Code (HCGK)

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

“With one exception, Hamburg Messe und Congress GmbH complied with all the regulations of the Hamburg Corporate Governance Code, for which the Management Board and Supervisory Board were responsible during the 2019 fiscal year. The following item was not observed:

- 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 their publication and the approval processes were not completed in time.

In the 2020 fiscal year, Mr. Aufderheide received total gross compensation of 313.711,32 euros, and Mr. Fischer received total gross compensation of 269.029,68 euros. The breakdown of the total compensation can be viewed online at [hamburg-messe.de](http://hamburg-messe.de).”

Hamburg, June 2021

State Secretary Andreas Rieckhof  
Chairman of the Supervisory Board

Bernd Aufderheide  
CEO

Uwe Fischer  
CFO



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