

PIONEER
SINCE 1911



PI•O•NEER

NOUN / ,paɪəˈniə /

Definition: person who breaks
new ground in a specific area.

Synonyms: innovator, pacesetter,
explorer, trailblazer, originator

Paving the way, creating change, and getting people moving. This has always driven us forward, and it always will.

We built more than 100 kilometres of U-Bahn network, pioneered the city buses of today, and hired Germany's first female bus drivers. We opened Europe's most state-of-the-art operations centre and conduct research into automated bus services.

We will remain trailblazers in the future, setting the pace for Hamburg with automated trains every 100 seconds, the world's most climate-friendly U-Bahn service, and all with zero emissions. That's what we stand for.

In other words, we are on the move.
We are HOCHBAHN. PIONEERS SINCE 1911.

CONT

CONTENTS

1	Prologue
4	Editorial by the Chairman of the Supervisory Board
6	Statement of the Management Board
8	Our new line-up
10	UN Global Compact
12	HOCHBAHN in figures
14	Management report
40	Annual financial statements
60	Auditor's report
62	Overview of subsidiaries and investees
64	HOCHBAHN at a glance
66	Publishing information

**DEMANDING, PROMOTING
AND PUSHING FOR
SUSTAINABLE MOBILITY –**

FOR PEOPLE AND PLANET



DEAR READERS,

The world's most important transport conference and exhibition, the UITP Global Public Transport Summit, is coming to Hamburg in 2025 and 2027. As consortium leader, HOCHBAHN has a crucial part to play, not just due to our involvement in the bid to host the event, but most importantly because of the innovations we continually bring to our city and our role as sustainable transport pioneers and the backbone of public mobility in Hamburg.

Our strategy of increasingly moving away from motorised private transport towards environmentally-friendly alternatives consisting of local public transport, networked on-demand services and options for travelling by foot or bicycle have aroused significant interest and recognition from around the globe. We demand, promote and push for sustainable mobility in Hamburg that benefits people and planet alike. Just like the ITS World Congress held in our city in 2021, the UITP Global Public Transport Summit will provide an additional boost to our innovative local public transport strategy and create another important argument for investing in transportation across Hamburg.

This argument is further underscored by the agreement we signed with the Federal Ministry of Transport at the end of 2022 to declare Hamburg a 'Metropolitan Model Region of Mobility' for Germany. One of our first projects under this initiative is to set up a transport system consisting of up to 10,000 autonomous vehicles by 2030. As you may already have guessed, HOCHBAHN is making a key contribution to this project and is once again leading the way by creating its own fleet of shuttles.

**Dr Anjes Tjarks,
Senator for Transport
and Mobility
Transition, Free
and Hanseatic City
of Hamburg**

The same is true when it comes to digitalising the U-Bahn network. The U-Bahn100 project is paving the way for the future automation of existing lines such as U2 and U4, providing passengers with a service at 100-second intervals. A U-Bahn every 100 seconds – talk about service!

Projects like these show how Hamburg, with HOCHBAHN's help, is committed to digital transformation so that it can provide people across the city and wider metropolitan area with modern, sustainable and efficient transport services. We want to achieve this as part of our Hamburg-Takt strategy, which aims to ensure that anyone can access appropriate transport services within five minutes by 2030. It is important to note that we are not committed to digital transformation because it is fashionable, but because we want to harness it to make people's lives and, in this case, journeys easier and more convenient. End of story.

To do this, we also need to expand our rail network. Hamburg is embarking on a decade-long expansion of its rapid transit and regional rail network. Germany's largest urban transport infrastructure project began with the ground-breaking

ceremony for the U5 U-Bahn line. This will form the backbone of our mobility transformation and significantly strengthen the rapid transit and regional rail network. Only by building the U5 can we provide thousands of people with sustainable mobility, shorten journey times, provide entire neighbourhoods with better or entirely new transport links, reshape major routes and markedly ease the burden on our climate.

After all – and this is something I want to emphasise – HOCHBAHN is building Germany's most climate-friendly U-Bahn line with the U5. For the first time, the carbon emissions produced by construction activities were a major factor in this project. We are working with the industry to reduce these carbon emissions by 70 percent and contribute less than 0.4 percent of Hamburg's total carbon emissions per year on average during the construction period. This is a clear indication of how seriously we take the responsibility that comes with building a U-Bahn line.

With genuine innovation and significant investment, we are now providing climate-friendly transport. This means offering the best possible service at the best possible price, as demonstrated by the 9 euro ticket back in summer 2022.

It is also why Hamburg and hmv strongly supported the introduction of its successor, the Deutschlandticket. For 49 euros a month, people across Germany can use not only their local public transport but also travel across the country on regional transport. As if all that was not enough, transport services are set to improve even further in the future – in the 'Metropolitan Model Region' of Hamburg, at least.

I hope I have managed to take you with us on part of our mobility transformation journey and sparked your interest in digging even deeper into HOCHBAHN.

Many thanks and happy travels!

Dr Anjes Tjarks



**Dr. Anjes Tjarks
Senator for Transport and Mobility Transition,
Free and Hanseatic City of Hamburg.
Chairman of the Supervisory Board
of Hamburger Hochbahn AG**

P10NEE

BEING A PIONEER IS ABOUT BEING PROACTIVE – ACTING WITH FORESIGHT AND MAKING PROVISION FOR FUTURE GENERATIONS. THAT IS WHY WE ARE DRIVING FORWARD THE MOBILITY TRANSFORMATION IN HAMBURG SO RESOLUTELY AND SYSTEMATICALLY. EVEN IN TIMES OF CRISIS, IT IS IMPORTANT TO KEEP CLIMATE CHANGE IN MIND AND FACTOR ITS IMPACT INTO OUR ACTIONS.

We firmly believe that innovation is the key to sustainable mobility and liveable cities. More than 100 years ago, HOCHBAHN was already striving to help people move around Hamburg more conveniently. Back then, we called it pioneering spirit. Innovation and sustainable development are therefore embedded in our DNA – and have been since 1911. As a signatory of the UN Global Compact, we organise our actions in compliance with the Sustainable Development Goals (SDG), which are part and parcel of our corporate strategy.

Our goals are twofold: to transform the future of mobility in Hamburg and to become a climate-neutral company by 2030. To this end, we are also upgrading our existing infrastructure with smart innovations, which will help us to act efficiently and minimise our use of resources. The U-Bahn100 project launched in 2022 to implement the automation of the U2 and U4 U-Bahn lines is a shining example of our endeavours. It will increase capacity for the volume of services along the section from Horner Rennbahn to the heart of Hamburg by 50 percent. Simply put, this will mean a U-Bahn train passing in each direction every 100 seconds.

Speaking of automation: By deploying the HOLON Mover we will strike out in entirely new directions in the future and bring autonomous, zero-emission on-demand shuttles to the streets of Hamburg as early as 2024. They will play an important role in achieving the objectives of the Hamburg-Takt and provide a necessary addition to our bus service.

We are in the process of switching over to purely zero-emission drive systems in our buses. And we're not stopping at Hamburg either because sustainable sourcing is an issue that is close to our hearts. After all, products are frequently manufactured in worldwide production processes with global supply chains. Our responsibility for protecting the environment and upholding human rights does not end at our own operating sites but also extends to suppliers of the products and services we procure. That is why sustainability criteria are now relevant for the award of contracts in tenders.

ER 1 NING 1

NEW OPPORTUNITIES

In building the U5 we are also showing our pioneering spirit. Not only that, but with our reduction strategy for what is currently Germany's largest urban transport infrastructure project we are demonstrating how we can implement major projects in a more environmentally friendly manner. Here, regular exchange with representatives of science and industry help us to keep future technological advances and innovations in our sights – and use them to help people and mitigate the effects of climate change.

With apps like hvv switch and hvv Any, we are increasing people's mobility options while radically simplifying access to it. Only by combining infrastructure expansion and digital innovation will we be able to turn the mobility transition into reality.

The next step will be to lock the goals of the Hamburg-Takt and achieving climate neutrality by 2030 into our decision-making and management processes even more holistically so that we maintain our standing as a sustainable, pioneering company.

Ever since 2017 we have been guided by the ten principles of the United Nations Global Compact and the Sustainable Development Goals. As an active member of the UN Global Compact, we particularly like to use the network as a knowledge platform to exchange ideas and information with other pioneers of sustainable development around the world.



Dive into the topic of sustainability – HOCHBAHN's GRI Report



Henrik Falk
Chief Executive Officer of
Hamburger Hochbahn AG

Jens-Günter Lang
Technical division

Helmut König
Finance and Sustainability
division



Der
HOCHBAHN-Vor-
stand ab Juli
2023: Henrik Falk
(v.l.n.r.), Saskia
Heidenberger,
Merle Schmidt-
Brunn und Jens-
Günter Lang.

OUR NEW LINE-UP

MERLE SCHMIDT-BRUNN AND SASKIA HEIDENBERGER ARE THE NEWEST MEMBERS OF HOCHBAHN'S MANAGEMENT BOARD

At the end of April 2023, Merle Schmidt-Brunn took over the Finance and Sustainability division from Helmut König, who stepped down from the HOCHBAHN Management Board for age reasons after 13 years of service. The 37-year-old Hamburg native joins us from Hapag-Lloyd, where she was previously Senior Director of Financial Analytics.

Saskia Heidenberger will become the new Management Board member in charge of Human Resources and Social Affairs on 1 July 2023, after Claudia Güsken resigned from this role for personal reasons on 30 September 2022. Born in Lübeck, Heidenberger was previously Head of Human Resources and authorised signatory at Hamburg rail technology firm Vossloh Rail Services GmbH.

Schmidt-Brunn and Heidenberger join Chief Executive Officer Henrik Falk (since 2016) and Technology division head Jens-Günter Lang (since 2014) on the HOCHBAHN Management Board.

**OUR
FOCUS**

WE SUPPORT





Affordable and clean energy



Decent work and economic growth



Sustainable cities and communities



Industry, innovation and infrastructure



Climate action

On the following pages, we disclose how we advance Hamburg to be more sustainable and contribute to the achievement of the Sustainable Development Goals (SDG) in Hamburg with our offerings. Our focus is on five goals of the UN Global Compact. The legend next to the text shows which goals we support here.

We are also committed to the following issues:



Good health and well-being



Quality education



Gender equality



Responsible consumption and production

You can learn more about the UN Global Compact and its goals here:



HOCHBAHN IN FIGURES

384.1

million passengers
(previous year: 285.8)

324.8

million euros of investment for
passengers and the environment
(previous year: 327.5)

1,514

bus stops and U-Bahn stations
(previous year: 1,545)

1.4

million residents with direct
access to our stops and stations

100

Percent green
electricity

6,389

Jobs for Hamburg
(previous year: 6,284)



MANAGEMENT REPORT

1.	FUNDAMENTAL INFORMATION ABOUT THE COMPANY	15
1.1	The company's business model	15
1.2	Objectives and strategies	16
1.3	Sustainability	16
1.4	Research and development	19
2.	REPORT ON ECONOMIC POSITION	19
2.1	Macroeconomic and sector-specific environment	19
2.2	Course of business	20
2.3	Net assets, financial position and results of operations	23
2.4	Overall assessment	28
2.5	HOCHBAHN employees	28
3.	REPORT ON EXPECTED DEVELOPMENTS, OPPORTUNITIES AND RISKS	30
3.1	Report on expected developments	30
3.2	Report on opportunities and risks	35

1. Fundamental information about the company

1.1 The company's business model

Hamburger Hochbahn AG (HOCHBAHN) is a key member of the Hamburg Public Transport Association (Hamburger Verkehrsverbund – hvv) and as such is one of the leading local public transport companies in Germany. Awarded its contract directly by the Free and Hanseatic City of Hamburg, HOCHBAHN operates four U-Bahn lines, 115 bus lines and several ferry services, thus providing approximately half of all public transport services within the hvv. With over 6,300 employees, HOCHBAHN is one of Hamburg's largest employers. Together with its subsidiaries and investees, including those operating in the areas of U-Bahn network expansion, digital mobility, rolling stock maintenance and security, HOCHBAHN is an integral part of mobility in Hamburg.

Hamburger Hochbahn AG is a company organised and managed according to private sector principles which is wholly-owned by the Free and Hanseatic City of Hamburg via HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (HGV). The company is organised into four divisions:

comprising Finance and Managerial Accounting, Procurement, Information Management, Legal Services and Real Estate as well as the Sustainable Development, Environmental Protection and Occupational Safety. The Technical division, which is headed up by Jens-Günter Lang, consists of Construction Projects, Infrastructure, Bus Technology, Metro Rolling Stock and Metro Operations. Project Metro U5 was transferred to HOCHBAHN U5 Projekt GmbH in 2022. As a wholly owned subsidiary of HOCHBAHN, this company has taken over all planning and construction work for the U5 U-Bahn line.

HOCHBAHN continually supports new mobility concepts. Following the addition of MILES, TIER and SIXT in the previous year, car sharing provider WeShare and a second electric scooter provider called Voi were integrated into the hvv switch app in the 2022 reporting period. Even after MILES acquired Volkswagen subsidiary WeShare in November, three car sharing providers still provide services over hvv switch. This central mobility platform with deep integration of all relevant mobility providers will be expanded again in 2023 to incorporate additional offerings. Together with the over 90 hvv switch points at municipal railway stations and in the local neighbourhoods, a holistic mobility offering has become established in Hamburg. Around 100 more hvv switch points are set to be added by the end of 2024. This substantial

Management Board

Division Corporate Management Chairman Henrik Falk	Division Finance and Sustainability Helmut König	Division Human Resources and Social Affairs Chairman Henrik Falk	Division Technical Jens-Günter Lang
---	---	---	--

The Corporate Management division is led by the Chief Executive Officer, Henrik Falk. In addition to the Hamburg-Takt, Marketing, Corporate Communications as well as Sales and Transport Management, this division also comprises several staff units (Public Affairs and Strategy, Citizen Participation and Information, Internal Auditing). Effective 1 October 2022, Henrik Falk also took on responsibility for the former Human Resources and Operations division. This has now been renamed Human Resources and Social Affairs and comprises the areas of Human Resources as well as Change and Innovation. As of 1 October 2022, Bus Operations were allocated to the Corporate Management division and Metro Operations to the Technology division. Helmut König manages the Finance and Sustainability division

expansion will be made possible by federal funding under the umbrella of the Local Public Transport Model Projects programme, which is co-funding a number of mobility projects in Hamburg under the slogan "Auf dem Weg zum Hamburg-Takt" (On track for Hamburg-Takt).

In founding NMS New Mobility Solutions GmbH as a wholly owned subsidiary in 2022, HOCHBAHN is pushing the digitalisation, automation and electrification of the city's existing transport infrastructure and mobility systems. Innovative, user-centric digital solutions that are also climate-conscious and city-friendly will be developed and the inter-organisational digital transformation of the city's organisations driven forward.

HOCHBAHN also continues to invest in its existing U-Bahn and bus network and is adding new areas of the city to the network in accordance with long-term planning. In 2022, overall planning for the new U5 U-Bahn line was further driven forward. Construction work in the U5 East section began in the autumn. Construction work to extend the U4 U-Bahn line to Horner Geest continued according to schedule, as did planning for extending it to Grasbrook. Our work on improving accessibility for disabled passengers, and our extensive maintenance work have contributed to the future viability of Hamburg's U-Bahn system.

The locally emission-free bus fleet has grown to a total of 140 vehicles by the end of 2022.

1.2 Objectives and strategies

In Hamburg, transport – and local public transport in particular – is one of the most important factors in meeting the city's climate protection goals for 2030. How people in this growing city can stay mobile in the future without owning a car while at the same time helping to mitigate climate change is one of the key issues facing lawmakers and transport companies. Innovative solutions and approaches are continually being developed in collaborative projects for this purpose.

As a key component of Hamburg's municipal economy, HOCHBAHN believes that it has a particular duty to help ensure a high quality of life within the city. In providing an attractive and efficient, yet sustainable transport system, HOCHBAHN is setting the scene for a climate-neutral future and shaping the city's mobility transition.

The company's aim is to reduce private car use and bring about a shift towards environmentally friendly modes of transport. This is intended to contribute to a significant reduction in carbon emissions and ensure that the mobility transformation serves to improve quality of life by producing cleaner air and less noise, and offering a broad selection of integrated modes of transport. On the path to the mobility transformation, HOCHBAHN is heavily involved in the two important sets of measures for carbon reduction that are an intrinsic part of the Senate's climate plan: the Hamburg-Takt and the electrification of vehicle fleets.

With the Hamburg-Takt HOCHBAHN is committed to a customer-centric, integrated local public transport offering based on supply and demand which includes on-demand and sharing services for the people of Hamburg. Automation will be part of this, leading to higher levels of service and quality.

This systemic approach provides the opportunity to revolutionise local transport and is therefore an essential ingredient in HOCHBAHN's strategic planning.

Based on the key issues paper on the second update of the Hamburg Climate Plan, one of the stated goals of the Senate of the Free and Hanseatic City of Hamburg is to reduce carbon emissions in Hamburg by 70% before 2030 compared with the 1990 baseline. In its capacity as the key partner in the Hamburg-Takt, HOCHBAHN made a commitment to continue with its climate action and the mobility transformation. The aim is to increase local public transport's share of the modal split from to 30% by 2030. This means that even more people need to switch to local public transport.

1.3 Sustainability

Sustainable corporate governance

Since joining the UN Global Compact in 2017, HOCHBAHN has aligned its corporate governance with the Global Compact's ten principles and the Sustainable Development Goals (SDGs). The issue of sustainability is an integral part of HOCHBAHN's corporate strategy and is anchored in the Finance and Sustainability department at Management Board level. Achievement of sustainability goals is embedded in the targets agreed by the Management Board and senior management. Sustainability targets were set in 2022, not only with a view to achieving sustainable corporate governance (HOCHBAHN's internal management model in conformity with the city's economic strategy), but also in connection with the purchase of locally emission-free buses (review of the sustainable sourcing model) and construction of the U5 U-Bahn line (development of a greenhouse gas reduction strategy for the U5). The achievement of targets is now taken into account when determining the variable portion of remuneration. There are also various formats for raising awareness of sustainability in processes across the company and actively involving employees in the implementation of these issues.

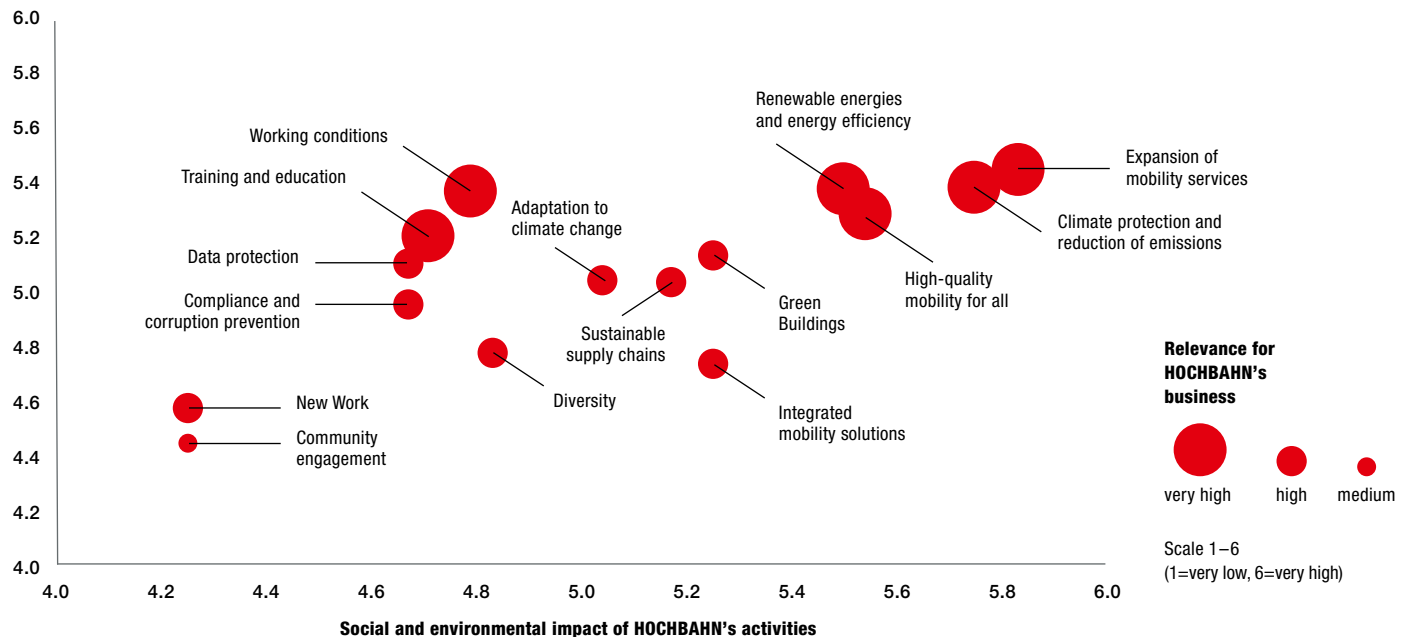
In order to keep stakeholders fully informed of all of our important sustainability activities, since the 2020 financial year HOCHBAHN has published a GRI Report in accordance with the standards of the Global Reporting Initiative (GRI) in addition to its Annual and Sustainability Report. This report also serves as a progress report for the Global Compact and discloses its compliance with the criteria of the German Sustainability Code (DNK) via a DNK Content Index.

Since 2017, HOCHBAHN's sustainability strategy has focused on five prioritised SDGs with special relevance for HOCHBAHN: SDG 7: Affordable and clean energy; SDG 8: Decent work and economic growth; SDG 9: Industry, innovation and infrastructure; SDG 11: Sustainable cities and communities; SDG 13: Climate action.

Materiality matrix

Expectations of stakeholders

(50% employees, 50% customers)



Back in 2020, HOCHBAHN further honed its sustainability strategy within the framework of a materiality analysis and evaluated 15 sustainability topics with relevance for HOCHBAHN in terms of its business and the social and environmental impact of its activities. Both internal and external stakeholders were surveyed for this, including customers, HOCHBAHN employees and recognised experts in the fields of mobility and sustainability. The results of the analysis confirmed HOCHBAHN's current policy of contributing significantly to climate action by developing attractive mobility services and through

the related modal shift, as well as by reducing our own emissions. HOCHBAHN then implemented the main sustainability issues based on target fields and metrics (KPIs) with the intention of integrating these KPIs into corporate governance, management accounting and reporting under a governance model. Sustainability thus became an important internal instrument for management and control of HOCHBAHN's business activities. In this context, the topic of business integration of the required SAP-based data processes was also considered as part of the SAP S/4Hana project.

In Purchasing, the Sustainability Standards for Suppliers and Business Partners have become binding contractual components in HOCHBAHN's procurement processes since 1 May 2019. In 2022, HOCHBAHN's sustainable sourcing model continued to be used in tender processes whose award criteria included sustainability in addition to the usual technical and commercial requirements. Sustainability aspects were applied, for example, in the tender for future DT6 series U-Bahn rolling stock in relation to the criteria of weight, energy requirements and sustainability in the supply chain. The new contracting party will be required to be transparent in its annual disclosures on these sustainability issues. The recycling rate for the rolling stock must be at least 94%.

In preparation for the entry into force of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG) in 2023, HOCHBAHN took the first steps in complying with its duties of care in order to prevent violations of human rights and damage to the environment. These included conducting an abstract risk analysis at product group level and setting up a complaints mechanism for tip-offs about human rights violations and pollution. In 2022, while developing a company-wide strategy for implementing the LkSG requirements, HOCHBAHN also reviewed the existing sustainable sourcing model for battery-powered buses in light of additional requirements from the legislation. For this it enlisted the help of manufacturers as an important stakeholder group. HOCHBAHN's participation in the Low Emission Vehicle Program of Amsterdam-based non-governmental organization Electronics Watch will ensure further exchange of knowledge. The objective of this programme, which runs until 2025, is to promote responsible, sustainable public procurement of locally emission-free vehicles.

Climate action

By adopting its "Climate Neutrality 2030" target in 2019, HOCHBAHN underlined its ambitions and contribution to complying with the Paris Agreement and the Free and Hanseatic City of Hamburg's CO₂ reduction target. Procuring locally emission-free buses and purchasing certified green electricity are significant levers for reducing direct (Scope 1) and indirect (Scope 2) greenhouse gas (GHG) emissions to zero by 2030. Emissions from upstream and downstream processes (Scope 3) are also being analysed and reviewed for additional savings potential. In 2022, HOCHBAHN developed a strategy to reduce GHG emissions arising from construction of the new U5 U-Bahn line, which is a major source of upstream Scope 3 emissions for HOCHBAHN. The strategy is based on comparative GHG accounting, in which current and future reduction measures were evaluated against a baseline scenario. It is expected that this will ultimately cut the carbon emissions emanating from the construction of the U5 U-Bahn line by up to 70% to approximately 850,000 tonnes by 2040. The following baseline assumptions were made for this: planning for minimising carbon emissions and anticipated technological advances in the cement and steel industries.

In addition to striving to provide climate-neutral mobility, HOCHBAHN is contributing significantly to lowering the greenhouse gas emissions generated by mobility activities and is thus supporting the mobility transformation by expanding its range of services.

In order to identify risks arising from extreme weather as a result of climate change, HOCHBAHN, with the support of the scientific community, looked at possible effects that could impact on its operations and infrastructure. Two of the principal areas of focus are heavy precipitation events and flooding. Appropriate measures have already been implemented to counteract these. On this basis, HOCHBAHN will continuously review the effectiveness of these measures in the light of current climate scenarios.

1.4 Research and development

The switch by the HOCHBAHN bus fleet to electric drive systems requires considerable effort, as it also involves putting the necessary electrical infrastructure in place and securing the energy supply. HOCHBAHN is pursuing both of these tasks intensively and is supporting these efforts through scientific activities.

In collaboration with Stromnetz Hamburg GmbH, the Hamburg University of Technology and Helmut Schmidt University, HOCHBAHN launched a research project entitled “Optimized Load Management and Flexibility Coordination for Electrified Urban Public Transport” in mid-2022. This project aims to examine the potential of a flexibly scheduled electricity supply to charge HOCHBAHN’s electric buses at the Alsterdorf depot and to test out new functions for HOCHBAHN’s existing load management.

In the field of hydrogen technology, HOCHBAHN is participating in the Northern German Regulatory Sandbox, a large consortium of partners from industry and the scientific community, which is supervised by Hamburg University of Applied Sciences (HAW) and hySOLUTIONS GmbH and funded by the federal government. According to current information, HOCHBAHN will operate five subsidised fuel cell buses in regular services for this project.

In 2022, HOCHBAHN also developed a project for autonomous driving, for which it intends to apply for funding in 2023. The objective of this project is to develop an on-demand autonomous service in connection with the existing offering and local public transport. Here, for example, self-driving research vehicles from several manufacturers will be integrated into a ride pooling application and can be reserved over booking platforms.

2. Report on economic position

2.1 Macroeconomic and sector-specific environment

Local public transport continued to be influenced in 2022 by extraordinary political and economic developments, particularly the ongoing coronavirus pandemic as well as the energy crisis triggered by Russia’s war of aggression against Ukraine in violation of international law and the sharp rise in inflation.

The rescue package provided by the federal government to compensate for the financial hit the municipalities were experiencing due to the loss of revenue from transport companies triggered by the pandemic was therefore continued in 2022.

Escalating energy costs were a major concern for local public transport companies. The Association of German Transport Companies (Verband Deutscher Verkehrsunternehmen – VDV) anticipates additional spending on energy of around €1.65 billion in 2022. The electricity price cap absorbed only a portion of these additional costs. In addition, supply chain disruption, particularly in relation to electronic components and machinery, led to sourcing problems.

Since spring 2022, the industry has once again recorded ridership and revenue growth, with the surge in demand surpassing the pandemic-related trough. This trend continued as the months went on. It is estimated that average passenger numbers in Germany recovered to around 90% of pre-crisis levels. One of the major contributing factors was the **9-euro ticket** valid nationwide from June to August, when demand climbed steeply thanks to the approximately 52 million tickets sold. On top of the state aid provided for energy and fuel costs, this measure was designed to provide temporary relief to users of public transport in Germany. The huge take-up sparked a debate about a follow-on solution, and a Germany-wide ticket costing €49 per month (**Deutschlandticket**) will now be introduced from 1 May 2023. It is expected that this will generate total costs of at least €3 billion, with the actual costs incurred to be divided equally between the federal and state governments. The **Deutschlandticket** programme will initially run for one year. However, only a longer-term offer beyond this can bring about lasting changes in passengers’ mobility patterns – in favour of a climate-friendly local public transport system that enjoys strong demand and increasingly uses environmentally friendly modes of transport.

2.2 Course of business

The restrictions imposed in connection with the coronavirus pandemic continued to impact on business in early 2022. However, in the course of the year, the corresponding measures were progressively rolled back as infection rates fell. As a result, and also due to campaigns to win back passengers, we gradually came closer to the level of demand recorded before the outbreak of the coronavirus. One extraordinary item was the issue of the €9 public transport ticket valid throughout Germany in the months of June to August that generated a surge in demand but also led to a considerable revenue shortfall. Passenger numbers in the hvv transport region are estimated to have increased by 39%¹ year-on-year in 2022.

HOCHBAHN's vehicles were used by around 384.1 million passengers (including those changing means of transport) in 2022. This corresponds to an increase in demand of 34.4% compared with 2021. HOCHBAHN thus falls somewhat short of hvv's performance. This was mainly due to the protracted construction of the U3 U-Bahn line in the city centre until the end of March and the closure of the U1 line in the Alstertal project from June to September. The construction works extending the U4 line to Horner Geest are on schedule, with activity currently focused on the site of the Horner Rennbahn station. Germany's currently largest U-Bahn project began with the ground-breaking ceremony to mark the start of construction of the U5 line in October 2022. The development and preparatory work here is also proceeding as planned. HOCHBAHN's rolling stock was modernised further with the provision of new DT5 series U-Bahn rolling stock, additions to the fleet of battery-powered buses and continuous withdrawal of diesel units from service. Bus depots are also being renovated or expanded accordingly, and the charging infrastructure is being enlarged.

The barrier-free upgrading of U-Bahn stations is at the final stage of this multi-year project. A total of 86 of the 93 stations have now been modified accordingly. The Hamburg-Takt local public transport strategy and the hvv switch points offering are being expanded further in close collaboration with the City of Hamburg and hvv.

Despite fare increases and the expansion into the Steinburg district, hvv's transport income for 2022 is down 6% year-on-year due to the revenue shortfall attributable to the 9-euro-ticket. The new Deutschlandticket is expected to have a similar effect in 2023. Nevertheless, hvv currently expects transport income to increase by 16% against 2022. HOCHBAHN also estimates that its share of hvv pool income in 2022 is on a level with the previous year.

HOCHBAHN transport performance

	2022 ¹	2021 ²	2020 ²
Number of passengers carried (in thousand)			
U-Bahn	195,802	146,807	163,895
Bus	188,256	138,965	147,142
Total of both divisions (U-Bahn + bus)	384,058	285,772	311,037
Total number company-wide ³	326,450	242,905	264,381
Kilometres per space (in thousand)			
U-Bahn	8,982,663	9,093,963	9,198,359
Bus	4,588,085	4,502,249	4,396,167
Total number company-wide	13,570,748	13,596,212	13,594,526
Passenger kilometres (in thousand)			
U-Bahn	1,168,937	876,438	978,453
Bus	585,677	432,327	457,767
Total number company-wide	1,754,614	1,308,765	1,436,220

¹ Provisional figures

² Updated figures

³ In the line entitled 'Total number company-wide', passengers changing from bus to underground and vice versa are only included once.

¹ based on hvv calculations and information

HOCHBAHN operating performance

U-Bahn	2022	2021	2020
Kilometres per unit in service ² (in thousand)	97,067	97,283	98,020
Kilometres per space ^{1,2} (in million)	8,983	9,094	9,198
Total track length ² (km)	105.8	105.8	105.8
Number of lines	4	4	4
Number of stations ²	93	93	93
Average travel speed (km/h) ²	33.3 ³	33.8 ³	33.1

¹ Standing room calculated at 0.25m² per person

² Including Verkehrsgesellschaft Norderstedt mbH

³ Most popular line, U1: 35.4 km/h

The slight 0.2% decrease in kilometres per unit in service in the U-Bahn business to just under 97.1 million km in 2022 is mainly attributable to high absenteeism attributable to COVID-19, for example. Despite isolated cancelled trips, the planned number of kilometres per unit in service was exceeded by 1%.

Owing to the current situation, there are no specific plans to change the volume of services offered in 2023. Due to the construction of the new U4 U-Bahn line in the Horner Geest area, service will be interrupted for several months on a jointly used section of the U2 and U4 lines, which is expected to reduce operating performance measured in kilometres per unit in service by 4.6% compared with 2022.

HOCHBAHN operating performance

Bus	2022	2021	2020
Kilometres per unit in service (in thousand)	56,404	55,972	54,194
Kilometres per space ¹ (in million)	4,588	4,502	4,396
Total track length ² (km)	867.8	956.2	944.1
Number of lines ²	115	116	119
Number of stations	1,421	1,452	1,425
Average travel speed (km/h)	18.9	18.8	18.8

¹ Standing room calculated at 0.25m² per person

² Regular services as per Section 42 of the German Public Transport Act (Personenbeförderungsgesetz – PBefG), Line 380 (Arena Shuttle) not included.

Measured in kilometres per unit in service, operating performance in the bus sector increased by 0.8% year-on-year to 56.4 million km in 2022. The increase is attributable to the change in the volume of shuttle services provided by the company itself and by third parties.

There are no plans to increase the range of standard services in 2023. However, due to the closure of the U-Bahn line in the Horner Geest area (U2 and U4), an extensive shuttle service will be provided, which means that the forecast change in operating performance will be attributable exclusively to the shuttle service.

The development of key non-financial sustainability performance indicators in the 2022 reporting period is as follows:

Efficiency of modes of transport and their carbon emissions¹

U-Bahn	2022 ²	2021 ³	2020 ³	Change vs. 2021	
				absolut	%
Specific energy consumption (in kWh/kilometre per space)	0.01258	0.01263	0.01211	-0.00004	-0.3%
Specific CO ₂ emissions (market-based, in g/kilometre per space) ⁴	0.00	0.00	0.00	0.00	
Specific CO ₂ emissions (location-based, in g/kilometre per space) ⁵	4.38	4.39	4.21	-0.02	-0.3%
Specific energy consumption (in kWh/passenger kilometre)	0.10	0.13	0.11	-0.03	-26.2%
Specific CO ₂ emissions (market-based, in g/passenger kilometre) ⁴	0.00	0.00	0.00	0.00	
Specific CO ₂ emissions (location-based, in g/passenger kilometre) ⁵	33.65	45.59	39.61	-11.94	-26.2%

¹ Related to the vehicle drive without considering the upstream chain.

² provisional figures

³ updated figures

⁴ Emission factors for calculating the reduction of CO₂ emissions as part of the Hamburg Climate Plan. Made available by the Department of the Environment, Climate, Energy and Agriculture. Current as of: November 2021. Starting with the 2019 reporting period, the emission factor of 0 g CO₂ per kWh was calculated on the assumption that operation is exclusively based on track power and charge current generated by non-subsidised renewable energy plants with a maximum plant age of 6 years (market-based approach).

⁵ Using regional emission factors (location-based approach).

Bus ¹	2022 ²	2021 ³	2020 ³	Change vs. 2021	
				absolut	%
Specific energy consumption (in kWh/kilometre per space)	0.058	0.061	0.061	-0.003	-4.4%
Specific CO ₂ emissions (market-based, in g/kilometre per space) ⁴	13.77	14.75	14.92	-0.98	-6.6%
Specific CO ₂ emissions (location-based, in g/kilometre per space) ⁵	14.63	15.16	15.13	-0.53	-3.5%
Specific energy consumption (in kWh/passenger kilometre)	0.46	0.64	0.59	-0.18	-28.1%
Specific CO ₂ emissions (market-based, in g/passenger kilometre) ⁴	107.87	153.61	143.25	-45.74	-29.8%
Specific CO ₂ emissions (location-based, in g/passenger kilometre) ⁴	114.59	157.86	145.30	-43.27	-27.4%

¹ Based on timetable data of the concession of HOCHBAHN Sum of diesel, charge current and hydrogen.

² provisional figures

³ updated figures

⁴ Emission factors for calculating the reduction of CO₂ emissions as part of the Hamburg Climate Plan. Made available by the Department of the Environment, Climate, Energy and Agriculture. Current as of: November 2021. Starting with the 2019 reporting period, the emission factor of 0 g CO₂ per kWh was calculated on the assumption that operation is exclusively based on track power and charge current generated by non-subsidised renewable energy plants with a maximum plant age of 6 years (market-based approach).

⁵ Using regional emission factors (location-based approach).

In 2022, the third year of the pandemic, demand rose in both business segments. Demand for U-Bahn services was up 33.4%. Supply fell by 1.2% year-on-year. Specific track power consumption fell by 0.3% per kilometre per space and by 26.2% per passenger kilometre.

The volume of bus services (measured in kilometre per space) grew slightly by 1.9% in the reporting period. The number of electric buses in regular operation increased by 39 units year-on-year. At the same time, the total charge current more than doubled, now accounting for 4.0% of the bus fleet's overall energy consumption. The increasing use of energy-efficient battery-powered buses in the bus fleet reduced service-related energy consumption by 4.4%. Amid the 35.5% rise in demand (measured in terms of passenger kilometres), demand-based energy consumption fell by as much as 28.1%.

Comparing the energy consumption figures with the development of the bus fleet's carbon emissions reveals consistent trends: Carbon emissions decreased by 6.6% per kilometres per space, while falling significantly by 29.8% in terms of passenger kilometres. However, due to the progressive exchange of drive systems, the carbon trend values applying the market-based approach of calculating charge current were lower than the energy efficiency trends. HOCHBAHN intends to increase its overall fleet of electric buses to more than 200 vehicles by the end of 2023 and to continue purchasing certified green electricity for them. Adopting the same strategy as for the U-Bahn system, by exclusively purchasing high-quality certified green electricity HOCHBAHN avoids local carbon emissions for this portion of bus drive power.

HOCHBAHN rolling stock

U-Bahn		2022		2021		2020	
Type	Years built	Carriages	Units	Carriages	Units	Carriages	Units
DT1 ¹	1958–59	6	3	6	3	6	3
DT2	1962–66	2	1	2	1	2	1
DT3	1968–71	39	13	39	13	90	30
DT4 ²	1988–2005	504	126	504	126	504	126
DT5	2012–2021	486	162	444	148	363	121
Total rolling stock held ²	Number	1,037	305	995	291	929	281
	Spaces ³	93,620		90,260		88,119	
Total ready for operation		1,010	296	968	282	894	257

¹ One DT1 unit, with two carriages, is the Hanseat saloon carriage

² Including two units (eight carriages) from Verkehrsgesellschaft Norderstedt mbH

³ Standing room calculated at 0.25m² per person

Buses	2022	2021	2020
City and express buses ¹	521	581	617
Articulated buses ¹	281	295	314
Large-capacity articulated buses ¹	93	93	93
Diesel hybrid articulated buses ¹	20	20	20
Fuel cell battery articulated buses ¹	35	12	2
Fuel cell/hybrid/plug-in buses ¹	23	23	25
Battery-powered buses ¹	100	82	36
All buses			
Number ²	1,073	1,106	1,107
Spaces ²	89,046	91,025	91,583

¹ Low-floor buses

² Standing room calculated at 0.25m² per person

2.3 Net assets, financial position and results of operations

2.3.1 Results of operations

In 2022, HOCHBAHN's transport income rose by €46.1 million year-on-year to €397.1 million. The rise is the result of compensation payments received for the first time for the 9-euro ticket in the amount of €60.0 million. hvv pool income, on the other hand, was down by €14.8 million on the prior-year figure to €284.7 million. This decline in hvv pool income is due to two countervailing effects. While the introduction of the 9-euro ticket led to a reduction in income generated for the months of June to August, this was partly offset by the rise in passenger numbers and the related increase in income generated from membership of hvv in the other months. An increase in hvv fares effective 1 January 2022 by an average of 1.3% also led to increases in revenue, but only to a comparatively small extent.

Revenue from charging on vehicle, personnel and material costs increased by €3.2 million year-on-year to €71.4 million. The main drivers here were an increase in costs being recharged to the subsidiary FFG Fahrzeugwerkstätten Falkenried GmbH (FFG) for bus leasing (+€2.8 million) and an increase in personnel and material costs being recharged (+€0.4 million).

Own work capitalised in the 2022 financial year amounted to €39.3 million, up €6.0 million year-on-year. This is primarily the result of higher staff cost rates for own work due to collectively agreed pay adjustments.

Other operating income fell by €9.3 million year-on-year to €143.8 million, due mainly to lower income from the reversal of provisions (-€8.8 million) and adjustments to valuation allowances for doubtful accounts (-€1.1 million).

Subsidies received, on the other hand, rose by €1.4 million to €137.2 million. In addition to project-related subsidies, for example for planning services associated with expansion of the U-Bahn network, HOCHBAHN received voluntary relief payments for 2022 (€87.4 million) and as subsequent payments for 2021 (€14.1 million) from the federal government and the Free and Hanseatic City of Hamburg to compensate for financial losses in local public transport incurred in connection with the outbreak of the coronavirus pandemic.

Gross revenue improved during the 2022 financial year, increasing by €50.7 million to €675.9 million.

The cost of materials rose by €22.9 million year-on-year to €296.7 million. This is due mainly to the buses' higher diesel costs (+€11.1 million), cost increases stemming from the full-service bus contract with FFG (+€4.2 million), higher expenses for external bus companies (+€2.5 million) and for security and inspection services (+€1.7 million).

Personnel expenses rose by €28.0 million year-on-year to €358.0 million (2021: €330.0 million). This is mainly the result of the rise in personnel costs due to collectively agreed pay increases (+€18.9 million) and the related rise in social security contributions (+€3.9 million) as well as higher expenses for contributions to the employer's liability insurance association (+€4.8 million), which had been suspended in the previous year.

Depreciation and amortisation rose by €15.0 million year-on-year to €116.4 million. This is primarily attributable to higher depreciation charges for 37 electric buses and 14 DT5 units (together +€8.9 million) as well as higher depreciation charges in connection with the construction of new tracks (+€1.8 million), tunnel refurbishments (+€1.1 million), bridge refurbishments (+€0.6 million), the electrification of depots (+€0.6 million), machines and machinery (+€1.2 million) and for operating and office equipment such as telecommunications, passenger TV and information systems as well as passenger information and management system equipment for buses (+€0.8 million).

Other operating expenses increased by €3.2 million in 2022 to €60.0 million. This is due mainly to higher costs for other services (+€2.3 million), consulting and appraisers (+€0.5 million) and insurance (+€0.4 million).

HOCHBAHN's operating profitability decreased year-on-year in 2022. As a result, EBITDA (earnings before loss absorption, net interest income, taxes, depreciation and amortisation) fell by €4.1 million to -€32.8 million. Compared with the previous year, net loss for the year before loss absorption deteriorated by €11.5 million to €162.0 million. This is due primarily to higher materials expense (+€14.8 million), an increase in the cost of purchased services (+€8.1 million) and higher personnel expenses (+€28.0 million). Added to this was the rise in depreciation and amortisation (+€15.0 million), attributable among other things to investments in the vehicle fleet and its electrification. Increases in transport income (+€46.1 million) and lower interest expense (-€6.6 million) had an opposite effect.

In 2022, HOCHBAHN's cost coverage ratio rose by 0.1 percentage points year-on-year, from 80.8% to 80.9%.

In summary, the key financial performance indicators related to earnings are as follows:

€ million, %	Budget		2021	2020
	2022	2022		
EBITDA	-142.2	-32.8	-28.7	2.1
Net loss for the financial year	280.6	162.0	150.5	113.4
Cost coverage ratio	68.0	80.9	80.8	84.7

2.3.2 Financial position

The condensed cash flow statement below shows the source and use of financing resources during the 2022 financial year and is presented in line with DRS 21. The subsidy payments agreed by HOCHBAHN are included in cash flow from investing activities on a net basis.

Cash funds as at 1.1.2022	€237.8 million
Cash flows from operating activities	-€140.7 million
Cash flows from investing activities	-€202.7 million
Cash flows from financing activities	€130.1 million
Cash funds as at 31.12.2022	€24.5 million

The cash funds as at 31 December 2022 consist of liquid funds.

Durable capital goods that cannot be covered by internal financing are generally financed by long-term bank loans. To finance its capital expenditure, HOCHBAHN had issued a €500.0 million green bond maturing at the end of 2031 as part of its financing activities back in 2021. In the 2022 reporting period, €20 million in new borrowings were added.

Loan liabilities at the end of the financial year were €839.1 million, representing a year-on-year decrease of €114.9 million or 12.0%. HOCHBAHN had committed credit lines at German banks with a total volume of €8.0 million. These credit lines can be used freely as part of the company's ordinary business activities and were drawn down in the amount of €5.43 million for guarantee facilities. A portion of €135.1 million of the loan liabilities is due in the short term. Non-current borrowings amounted to €278.0 million at the end of the reporting period.

Short-term financing needs are funded from the cash pool of the HGV Group. HOCHBAHN expects HGV to continue providing it with sufficient access to finance in future.

HOCHBAHN was able to meet its payment obligations at all times during 2022.

As HOCHBAHN is wholly owned by the Free and Hanseatic City of Hamburg via HGV, the supervisory powers of the Free and Hanseatic City of Hamburg together with the control and profit transfer agreement between HGV and HOCHBAHN constitute reasonable assurance for lenders to be able to cover future financing needs on the capital market.

Capital expenditures

In the 2022 financial year, HOCHBAHN incurred gross capital expenditures (before deduction of subsidies) totalling €327.1 million. Comprising 79.8% of total capital expenditures during the reporting period, the company's investing activities once again focused on U-Bahn operations, including infrastructure, with a volume of €259.3 million. Of this amount, €79.7 million went on measures for new U-Bahn construction (extension of the U4 line to Horner Geest, U5 East line) and €53.5 million on the procurement of DT5 units. Larger capital expenditures also included an amount of €18.0 million for the upgrading of U-Bahn stations to enable barrier-free access, €14.9 million for bridge construction projects, €12.9 million for construction work on the south ring of the U3 line, €11.8 million for above-ground construction and €11.0 million for the replacement of the U1 signal boxes. In addition, €5.0 million was invested in the construction of halls 1/2c at the Barmbek depot, €4.9 million in the replacement of communications equipment and €2.5 million in the replacement of escalators. Further investments in the U-Bahn system involved the refurbishment and extension of existing rolling stock and facilities.

A total of €60.3 million was invested in the bus system, including €31.1 million for the purchase of new buses, €13.6 million for the electrification of bus depots, €4.9 million for the construction of the Meiendorf depot, and €4.7 million for the expansion of the Hummelsbüttel bus depot.

Investments in shared facilities totalled €5.2 million, including €1.4 million for the replacement/purchase of SAP licenses, €0.6 million for the purchase of (standard) hardware and software, €0.5 million for the discontinuation of ticket sales by drivers, and €0.5 million for the refurbishment of service points.

The following table shows a summary over several years:

	2022 € million	2022 % share	2021 € million	2020 € million
Capital expenditures				
U-Bahn				
New rolling stock and facilities				
DT5	79.7	24.4	110.6	63.8
Construction of new U4 U-Bahn line	58.2	17.8	29.4	11.1
Construction of new U5 U-Bahn line	21.5	6.6	11.9	7.7
Construction of new Rübenkamp U-Bahn depot	0.4	0.1	0	0
Billstedt U-Bahn workshop	0.3	0.1	1.9	6.8
Existing rolling stock and facilities				
Tracks, trackside equipment, safety installations, construction projects and rolling stock	99.1	30.3	97.6	82.6
U-Bahn subtotal	259.2	79.2	252.2	174.4
Bus				
Rolling stock, fixtures and fittings, facilities and installations at bus depots	60.3	18.4	64.8	41.5
Bus subtotal	60.3	18.4	64.8	41.5
Shared facilities	5.2	1.6	8.3	6.9
Long-term financial assets	2.4	0.7	2.2	1.6
Total capital expenditures	327.1	100.0	327.5	224.4

According to the current business plan, investments are expected to increase significantly to around €532 million in 2023. The primary focus of these investments is the procurement of U-Bahn rolling stock and additional locally emission-free buses.

2.3.3 Net assets

As at 31 December 2022, HOCHBAHN's total assets had decreased by €35.8 million or 1.7% year-on-year to €2,052.0 million. This is mainly attributable to a fall in receivables from the Free and Hanseatic City of Hamburg (-€147.1 million) due to the use of the amount from the green bond invested with the City. In addition, intangible fixed assets were down by €7.8 million. Tangible fixed assets rose by €101.8 million due to the capital expenditures made. At the same time, liabilities to banks

on the liabilities side of the balance sheet declined by €114.9 million. Liabilities to affiliated companies increased due in part to short-term financing obtained from the HGV Group's cash pool.

As at the balance sheet date, equity remained unchanged at €167.4 million. As a result of the decrease in total assets, the equity ratio rose by 0.2 percentage points year-on-year to 8.2%.

Assets	2022 € million	2022 % share	2021 € million	2021 % share
Tangible and intangible fixed assets	1,590.7	77.5	1,496.6	71.7
Long-term financial assets	153.9	7.5	151.7	7.3
Inventories	39.4	1.9	33.2	1.6
Trade receivables	36.3	1.8	20.1	1.0
Cash	4.5	0.2	7.8	0.4
Other current assets and prepaid expenses	227.2	11.1	378.4	18.1
Total assets	2,052.0	100.0	2,087.8	100.0
Equity and liabilities	2022 € million	2022 % share	2021 € million	2021 % share
Equity	167.4	8.2	167.4	8.0
Pension provisions	79.3	3.9	80.5	3.9
Liabilities to banks	839.1	40.9	954.1	45.7
Bonds	500.5	24.4	500.5	24.0
Other provisions	106.9	5.2	101.3	4.8
Trade payables	64.0	3.1	72.8	3.5
Other liabilities and deferred income	294.8	14.4	211.2	10.1
Total equity and liabilities	2,052.0	100.0	2,087.8	100.0

2.4 Overall assessment

In view of the challenging and volatile overall situation caused by the pandemic, the Management Board of HOCHBAHN judges the course of business in the 2022 reporting period to be favourable. The overall result forecast in the previous year (net loss of €280.6 million) was exceeded by €118.6 million thanks to the rescue package received, the compensation payments for the 9-euro-ticket and different cost savings. Key projects to achieve the mobility transformation were successfully implemented or continued at the same time.

2.5 HOCHBAHN employees

As at 31 December 2022, the number of people employed by HOCHBAHN increased by 45 employees year-on-year.

	31.12.2022	31.12.2021	31.12.2020
Full-time employees	5,491	5,469	5,560
Part-time employees	694	656	604
Management Board members	3	4	4
Trainees	141	155	140
Total employees	6,329	6,284	6,308

Collective bargaining policy

In 2022, the company's collective bargaining efforts focused on negotiating and subsequently implementing a new remuneration system for the Technology division. As a result, the wages of technical/industrial employees rose by at least 4.78% and by an average of almost 11%, creating a remuneration system whose pay is largely in line with the market.

Negotiations for the collective bargaining agreement were at the top of the agenda for 2023. This round of negotiations was characterised by prevailing challenges in the overall political and economic situation, particularly those resulting from substantial increases in the cost of living. Against this backdrop, the considerable demands made by the ver.di trade union (€600 increase in basic pay with a term of 12 months) also raised expectations around the outcome of the negotiations, which were accompanied by a 24-hour warning strike. As a result, we reached an agreement with ver.di to increase basic remuneration in two stages, with an initial rise of 4.5% (at least €300) from January 2023 followed by a second increase of 3% (at least

€100) from 1 January 2024. The new collective bargaining agreement runs for 18 months until 30 June 2024. In addition, the annual bonus will be increased by 7.5 percentage points to 87.5% of basic monthly pay from 2023 onwards, while staff will also receive a one-off bonus of €1,500 (€750 for part-time employees working less than 50% of full-time equivalent hours) to compensate for inflation.

Furthermore, discussions regarding the collective bargaining agreement for the remuneration system that were suspended in 2019 in light of the pandemic situation as well as negotiations on the collective bargaining agreement and remuneration system for the Technology division will resume in 2023.

Vocational training/work-study programmes

In 2022, HOCHBAHN trained an average of 141 trainees and work-study programme students ("dual students") in 22 different roles and study programmes, including ten part-time trainees. The proportion of female trainees and work-study programme students was 26% overall, and 16% in technical-industrial apprenticeships.

In 2022, HOCHBAHN expanded its range of training programmes to include the dialogue marketing service specialist apprenticeship in cooperation with the Berufliche Schule für Medien und Kunst (Vocational School for Media and the Arts) in Hamburg. We have taken on two trainees for this programme who are completing their training on a part-time basis. HOCHBAHN also added three new work-study programmes to its portfolio: Engineering (Hamburg University of Applied Sciences – HAW), Computer Engineering (Wedel University of Applied Sciences – FH Wedel) and Architecture (hs21 Buxtehude University of Applied Sciences). Of the 41 trainees and dual students to graduate in 2022, 34 (83%) became HOCHBAHN employees after completing their training. Two of these graduates were named the best in their year by the Hamburg Chamber of Commerce for their training as an electronic engineer for devices and systems and as a track builder.

The two-yearly trainee survey that has been an integral part of the quality assurance system for our vocational training since 2014 was conducted on schedule in November 2022. The results of the survey were then reported back as part of workshops with the trainees in order to identify and implement suitable measures.

Continuing professional education

The personnel development and vocational training (PP3) unit continued to digitalise continuing professional education at HOCHBAHN during the 2022 reporting period. As a result, 60% of more than 450 internal seminars and development initiatives for which BP3 is responsible were carried out online during the year under review. A new learning format, “Führungsimpulse” (“Leadership Boosts”), was also successfully introduced to provide managers with specific remote suggestions for their leadership activities. The e-learning portfolio was also expanded as 18 more web-based training courses and instructional videos on methodology, specialist knowledge and compliance were added to the HOCHBAHN study portal. The new “HOCHBAHN zum Einsteigen” (“HOCHBAHN for New Starters”) digital training module also went live to supplement the onboarding process at HOCHBAHN.

Integration of refugees

After the successful launch of the refugee project in conjunction with DEKRA and the Jobcenter in 2017, HOCHBAHN has employed 103 of the 164 migrants to have taken part in the training programme so far as bus drivers as of 31 December 2022. One further training course with a total of 17 participants began in 2023. The company plans to continue with additional training courses in 2024.

New employer brand

HOCHBAHN redesigned its existing employer brand to ensure that we can continue to respond to increased competition for qualified professionals in the labour market in the future. The new employer brand is being transformed into an “employee brand”, which means that our approach and messaging will focus even more on the needs and perspectives of employees and applicants in future. This will set HOCHBAHN well apart from its competitors in the job market, generate more interest in the company and enhance the appeal of HOCHBAHN’s employer branding.

To ensure that we can address applicants as appropriately as possible by target group, we enlisted the help of our employees in focus group workshops and market research when designing our new branding. Based on the foundations we have developed, all personnel marketing media and channels will be migrated to the new brand identity starting in 2023.

Basic principles of the remuneration system for Management Board members

The remuneration structure determined by the Supervisory Board is governed by the director’s contracts of individual Management Board members. The remuneration is divided into non-performance-related and performance-related components.

The non-performance-related components primarily consists of the base salary. Other benefits are also included in non-performance-related components. They include the taxable monetary value of non-cash benefits such as the private use of company cars as well as reduced-price travel for the spouses and children.

The variable portion of remuneration is paid on a performance-related basis, and its components are determined by the Supervisory Board. Variable performance-related remuneration agreements are concluded with Management Board members each year.

3. Report on expected developments, opportunities and risks

3.1 Report on expected developments

The forecasts and target figures stated below are based on the business plan for 2023 approved by the Supervisory Board on 16 December 2022.

Hamburg-Takt: increasing climate action putting focus back on mobility transformation

The aim of the Hamburg-Takt local public transport strategy is to encourage people in Hamburg to do without their cars as often as possible, ideally altogether, and travel in a climate-neutral, space-saving way that conserves resources to help a vibrant city protect the climate. In December 2022, the Hamburg Senate decided to tighten its climate change mitigation goals further, and has now set itself the target of reducing carbon emissions by 70% instead of 55% by 2030 compared to the 1990 baseline. A second update of the Hamburg Climate Plan will be drafted on this basis in 2023.

The Free and Hanseatic City of Hamburg's continued commitment to intensifying the expansion of the local public transport network, particularly in the second half of the decade, is underlined by high levels of planned investment in the city's infrastructure. It is also generally agreed that the expansion of the Hamburg-Takt offering and the switch to electromobility within the bus fleet requires additional depot space. This means that the city is looking for further space in addition to the latest bus depots planned for Meiendorf and Veddel.

As well as initiatives to expand the bus network, the integration of on-demand services is also gaining momentum. This is due to the commitment by mobility providers MOIA, HOLON and ioki to place self-driving vehicles in Hamburg as part of the local public transport network by 2025 and to expand the fleet to as many as 10,000 shuttles by 2030. This autonomous on-demand transport has the potential to provide an attractive alternative to the benefits of a private car, making it easier for people to make the switch from motorised private transport to local public transport. It is therefore vitally important for HOCHBAHN to balance and coordinate its bus initiatives with the development of autonomous on-demand services.

Barrier-free upgrading of U-Bahn stations

Providing people with limited mobility with access to local public transport is of particular concern for the Senate of the Free and Hanseatic City of Hamburg and HOCHBAHN. In light of this, the Free and Hanseatic City of Hamburg launched a programme to accelerate upgrades in this area in 2011, with 40 U-Bahn stations initially upgraded to facilitate barrier-free access as part of this programme by the end of 2019. HOCHBAHN has accelerated this programme even further over the past three years so that 86 of the 93 stations on the U-Bahn network had already been made barrier-free by the start of 2023. This equates to an upgrade rate of 92%.

Two stations, Alsterdorf and Hudtwalckerstraße, are currently being renovated or expanded to become barrier-free. Building work on the platforms was completed as part of a 13-week service interruption in summer 2022. The two stations are expected to become barrier-free in 2023.

Planning permission for the Messberg station has been granted by the Department of Economic Affairs and Innovation (BWI). Contracts have been awarded for the provision of key services, and construction began in early 2023.

Design planning for the barrier-free conversion of the Saarlandstraße station is complete, and approval plans were drawn up by early 2023. The application for funding for this project has been submitted to the Department of Transport and Mobility Transformation (BVM), with construction scheduled to start in 2024.

Work to convert the Sierichstraße station for barrier-free access has been pushed back to 2028.

U-Bahn network expansion

In line with its customer-centric, demand- and supply-oriented approach, the Free and Hanseatic City of Hamburg is aiming to develop its local public transport network primarily by expanding the existing rapid transit and regional rail network. The following U-Bahn network expansion measures were being prepared at the turn of 2022/2023:

- Construction of a new station for the U3 line at Fuhlsbüttler Straße
- Extension of the U4 line to Grasbrook
- Expansion of the U4 line to Horner Geest
- Construction of a completely new U5 line from Bramfeld to the Volkspark arenas

The application for funding for the determination of planning content, preliminary planning and design planning has been approved for the construction of the new Fuhlsbüttler Straße station on the eastern branch of the U3 U-Bahn line between the Barmbek and Habichtstraße stations. Corresponding contracts have been awarded. Design planning was completed in the third quarter of 2022 based on preliminary design planning and the results of the second citizen participation event. The construction budget is currently being prepared by the BVM based on the design planning, and approval planning began in early 2023.

The second phase of the architectural design competition for engineers and architects is currently underway as part of the granting of €4.4 million in April 2020 to carry out and complete preliminary planning for the extension of the U4 line to Grasbrook. The resulting design and technical preliminary planning variants will then be followed up as part of the planning process. The competition winner is expected to remain attached to the project as a site planner and structural designer.

All surveys and technical design services in project phases 1 (determination of planning content) and 2 (preliminary planning in accordance with fee arrangements for architects and engineers) are currently being advertised for tender, awarded or are already in progress. The entire preliminary planning process should be complete by the end of 2023. The grant application for project phases 3 (design) and 4 (approval planning) was submitted to the BVM in November 2022. This application was approved in February 2023. The various specialist planning areas for project phases 3 and 4 are scheduled to start during 2023 subject to existing financing. The competition and the progress of the planning and tendering processes are set out in the plan.

Work to extend the U4 line to Horner Geest continued according to plan in the fourth quarter of 2022. Structural work continued on the first section (Horner Rennbahn station to junction). We were also able to backfill the construction pits in the area of the newly-built connecting tunnel to the east and west of the new Horner Rennbahn station. Construction of the new Sandkamp kindergarten was completed as planned in mid-2022. Acceptance of and interest in the project remains significant among local residents despite the noise generated and the series of diversions caused by construction work. Preparatory work for the construction of the second section (junction to Horner Geest terminus) is largely complete. Work to enclose construction pits for the new Horner Geest and Stoltenstraße stations began. Plans to reconfigure Manshardtstraße were presented to the relevant authorities in December 2022. The road design process was completed and the dispatch documents sent in March 2023. The three-week service interruption in October 2022 was used to successfully install the turning loop for the third section (turning loop to Burgstraße). The remaining work was completed by early 2023 during overnight service interruptions. To minimise the duration of rail replacement services during the 11-month shutdown period from May 2023 onwards, a double crossover was installed west of the Rauhes Haus station between 2 January and 9 March 2023.

The planning process for the construction of the all-new U5 U-Bahn line totalling approx. 24 km as well as preparatory works on the Bramfeld – City Nord section continued during the period under review. The planning permission for the Bramfeld – City Nord section of the U5 line granted on 30 September 2021 was and remains enforceable. No provisional judicial decisions that would hamper construction have been issued, nor are any expected, as no corresponding application procedures are pending in court. The vast majority of objections do not relate to the project as a whole but instead seek partial supplements or amendments. Six objections to the planning permission were still outstanding at the end of March 2023. According to current estimates, all parties are willing to negotiate to find mutually acceptable solutions.

The first ground-breaking ceremony for the U5 U-Bahn line was celebrated on 30 September 2022, one year after planning permission was granted for the Bramfeld – City Nord section. This officially marked the start of the next phase of rapid transit expansion in Hamburg. Various preparatory construction work (such as tree felling, preparing future site space for shield driving, relocating cables along the entire route, building a new bus overpass in Heukoppel) began in 2022. Implementation planning continued in parallel and tendering procedures for the expanded shell construction (general contractor) of the Bramfeld – City Nord section began. Contracts for the expanded shell construction of the City Nord – Sengelmannstraße section (referred to as Batches 1.1 and 1.2) were awarded to the Züblin/Wayss + Freytag bidding consortium on 27 December 2022. The plan is to award Batch 2 (launch shaft at Sengelmannstraße to the end of the line in Bramfeld) in 2023. The tendering process for the next generation of DT6-A passenger vehicles and the traffic management system for the U5 U-Bahn line also began during the year under review.

As a result of the significant price increases, supply issues and associated market uncertainty caused by the current geopolitical situation, the project for the Bramfeld – City Nord section will be over budget. The grant authorities were informed about this in detail during the fourth quarter of 2022 to enable all parties to work together to agree next steps. This includes supplementary budgeting for the project based on a Hamburg Parliament Bulletin in 2023.

The optimisation of preliminary plans for the U5 Central planning segment (City Nord – Innenstadt – Arenen) relating to costs and construction workflows was completed, and design and approval planning for the City Nord to Jarrestraße section (project name 'U5.1000') was advertised for tender, awarded and begun. The aim is to submit a planning application for the first section of U5 Central in 2024. Preliminary planning for the next section from Beethovenstraße to the end of the line at Arenen was completed in 2022 to take account of planning funds in the 2023/2024 double budget. A corresponding grant application with a call for funds between 2023 and the end of 2029 was submitted to the grant authorities at the end of 2022. A supplementary budget is now also required for this section due to the current situation (see above). The supplementary budgeting process for this project is also scheduled to take place in 2023 in parallel with the Bramfeld – City Nord section via a Hamburg Parliament Bulletin.

A comprehensive climate balance for the new U5 U-Bahn line construction project was prepared and presented as part of a state press conference on 13 September 2022. The Transport Committee of the Hamburg Parliament and specialist committees in the affected district assemblies also discussed the climate balance and the current planning status of the new U5 line construction project in September and October 2022.

Further preparations were made for the application for federal funding under the Local Authority Public Transport Financing Act (Gemeindeverkehrsfinanzierungsgesetz – GVFG) for the U5 U-Bahn line. We reached a shared understanding of the key calculation parameters with the Federal Ministry for Digital and Transport (BMDV). As the BMDV only published the revisions to its standardised assessment procedure on 1 July 2022, we will only be able to submit an application for federal funding under the GVFG for the Bramfeld – City Nord section in the first half of 2023.

As a wholly-owned subsidiary of HOCHBAHN, HOCHBAHN U5 Projekt GmbH has been responsible for planning and implementing the entire U5 U-Bahn line on behalf of and for the account of HOCHBAHN since 1 June 2022.

hvv switch project

The hvv switch app recorded around 320,000 downloads by the end of 2022, further expanding its positioning in the market. Contributing factors included the expansion of the products and services offered by car sharing provider WeShare and e-scooter provider Voi. The option to pay by credit card was also added and the hvv ticket range expanded to include a bundle of five daily tickets as well as the temporary 9-euro-ticket. We also tested the hvv Any check-in/be-out functionality extensively and made further preparations for its market launch. During 2022, we steadily increased the number of hvv switch points and pushed ahead with efforts to equip these points with charging infrastructure.

The activities planned for 2023 focus on strengthening the core business on the one hand and expanding complementary mobility and other services on the other. We are planning to process smartphone-based sales of the Deutschlandticket at hvv exclusively via the hvv switch app and the underlying digital sales infrastructure. In addition, a first version of a multimodal directory that encompasses both the local public transport network and complementary sharing services is scheduled for launch during 2023. The official launch of hvv Any is also planned for 2023, as well as widespread marketing of the mobility budget for companies and their employees. We are also planning to integrate additional mobility providers into the hvv switch app, including car sharing provider SHARE NOW.

We intend to significantly expand the hvv switch point model during 2023. This will broaden the network to include locations in less heavily populated areas to allow Hamburg residents in these areas to also make increasing use of car sharing services. In addition, the largest hvv switch point is set to open at Hamburg Airport in the spring and will also feature comprehensive charging infrastructure.

E-Bus system

During 2022, 39 electric buses were put into operation, increasing the electric bus fleet to more than 140 at the end of the year under review. Fifteen solo buses and 15 articulated buses procured in the previous year will be delivered and handed over for operation during the first half of 2023. A further 46 solo buses and four articulated buses planned for delivery in 2023 are then scheduled to arrive from June onwards. The fleet will grow to comprise around 220 electric buses during 2023.

Construction of the first section of the bus depot at Langenfelde was completed and the depot was connected to the network during the second half of 2022. Further charging points will be put into operation at the Langenfelde bus depot in the near future. An additional 68 charging points were put into operation at the bus depot in Hummelsbüttel shortly before the end of 2022 as planned. Although the building application for the bus depot in Meiendorf was submitted in early 2022, no building permit had yet been awarded by the end of the year under review.

In early April 2022, HOCHBAHN received a total of €97.3 million for buses, charging infrastructure and supporting systems as part of a confirmation of funding from the BMDV. This funding covers the procurement of vehicles and charging infrastructure up to and including 2025.

The potential of a flexibly scheduled electricity supply to charge HOCHBAHN's electric buses at the Alsterdorf depot is being examined as part of a project entitled "Optimized Load Management and Flexibility Coordination for Electrified Urban Public Transport". The company received the corresponding confirmation of funding in July 2022, which states that the federal government will cover half of the €2.04 million in pro-rata project costs incurred by HOCHBAHN. The project began on schedule in July 2022. In October 2022, HOCHBAHN also introduced itself to a consortium as part of this project in an effort to obtain what is known as "second-life" battery storage. A decision from the consortium is expected in 2023.

Procurement of U-Bahn rolling stock

Delivery of DT5 units was delayed due to supply chain bottlenecks. As a result, the last three units were only delivered at the end of January 2023 instead of by the end of 2022. As planned, HOCHBAHN now has 163 DT5 units in operation (equivalent to 489 carriages). The figure at the end of 2022 was 486 DT5 carriages.

Together with the DT4 (end of 2022: 504 carriages), the DT5 constitutes the foundation of the U-Bahn fleet. The generation of DT4 vehicles that first came into operation back in 1989 are now reaching the end of their useful life and will be gradually withdrawn from service from the end of the current decade after approximately 40 years of use. In addition to the need to replace the DT4 units, additional vehicles will also be required in future, both for the existing network (lines U1 to U4) due in particular to the potential expansion of services associated with the Hamburg-Takt, as well as for the planned U5 U-Bahn line currently under construction.

The requirements for procuring vehicles for the existing network differ from those for the U5 line. The next generation of vehicles for lines U1 to U4 will be fitted with a driver's compartment at each end as usual (DT6-F), while the new vehicles for the U5 line do not require any driver's compartments as they will be fully automated (DT6-A). This gives them increased passenger capacity. The tendering process for these vehicles began back in 2020 with the qualification of bidders. The actual tender documents (e.g. contract with annexes, specification sheet with annexes, bid conditions) were sent out with the invitation to tender in October 2022. An initial evaluation of bids will be carried out in 2023. The plan is to award the framework contract and call the first two delivery lots totalling 48 vehicles in 2024.

Sustainable capital market instruments

HOCHBAHN expects to invest €2.6 billion in vehicles and in network expansion and modernisation projects in the medium term between 2023 and 2026 to achieve the objectives of the Free and Hanseatic City of Hamburg's Climate Plan and implement the mobility transformation. After taking grants into account, the company plans to borrow more than €1.5 billion in the medium term. Additional investments amounting to billions of euros are likely to be needed by 2030.

By issuing its green bond in February 2021, HOCHBAHN took a first major step towards funding its massive future investment plans and diversifying its financing portfolio. The success of this first bond has encouraged the company to aim for further issues of green financial instruments in the future, with ratings agency Fitch giving the bond its highest rating of AAA in late summer 2022 (stable outlook).

Expected future development of earnings at HOCHBAHN

The expected development of earnings stated below is based on the business plan for 2023 approved by the Supervisory Board on 16 December 2022. In addition to the introduction of the Deutschlandticket, the war in Ukraine will continue to have a severe impact on earnings. An updated business plan is not currently available. For information on the effects on 2023 earnings, please refer to the information presented in the risk report.

As a result, a net loss of €388.0 million is projected for 2023. The forecasts derived from this are EBITDA of -€228.4 million and a cost coverage ratio of 66.4%. The expected deterioration in earnings in 2023 versus 2022 will be largely due to the fact that income of €87.4 million from 2022 was entered in the accounts in the reporting period as a result of notifications with regard to the rescue package. On the other hand, no corresponding effect has been incorporated into the business plan for 2023. Cost increases are also triggered by the procurement of only locally emission-free buses, the electrification of infrastructure, and rises in staff costs, energy costs and interest rates.

For forecasts of other financial and non-financial performance indicators, please refer to sections 2.2 and 2.3.

3.2 Report on opportunities and risks

Risk and opportunity management system

The identification, assessment, management and communication of risks and opportunities arising from the company's business activities is regulated by HOCHBAHN's risk and opportunity management (ROM) system. Taking into account statutory requirements, the fundamental principles of risk and opportunity management are specified by the Management Board of HOCHBAHN and applied throughout the Group. The Management Board and Supervisory Board are informed about the results of inventory processes.

Risks and opportunities are defined as follows: Potential future trends or events that might result in a departure from forecasts or goals that is negative (risk) or positive (opportunity) for the entity. The same instruments and processes are used for the treatment of business opportunities and risks during the inventory processes. Any off-setting of risks and opportunities is excluded. Business risks and

opportunities (operational risks and opportunities) are subject to an observation period of 12 months. They are stated with their expected value (= impact amount x probability of occurrence). Overriding medium-term risks and opportunities (strategic risks and opportunities) cover a time horizon of five years. The assessment methodology is the same as that used to calculate the thresholds for the probability of occurrence and extent of business risks.

The following outlines first the risks and then the opportunities of HOCHBAHN, followed by the overall risk and opportunity position at the end of 2022. Risks and opportunities whose probability of occurrence is specified as improbable are not detailed here, irrespective of their potential impact. The same applies to potential risks with a low potential impact.

The following table summarises the company's opportunities and risks.

Number of corporate risks and Number of corporate opportunities (...)		Expected probability of occurrence per financial year		
		1 – improbable (<15%)	2 – possible (>15% to <75%)	3 – probable (>75% to 100%)
Expected level of damage/ opportunities in € million	1 – low (up to €5m)	17 (0)	5 (1)	1 (1)
	2 – moderate (€5m to €10m)	5 (0)	1 (0)	1 (1)
	3 – high (€10m or more)	2 (0)	2 (0)	1 (0)

Risk reporting

Local/regional/national/EU policy

The decision to introduce the Deutschlandticket is a milestone in Germany's fare landscape and represents an enormous challenge for public transport association and local public transport companies that will create both opportunities and risks. The current hvv scenario assumes that price reductions for season tickets, semester tickets and other tariffs across the Hamburg area can be compensated by the federal funding and capital resources announced by the Free and Hanseatic City of Hamburg. There is a risk to revenue and earnings in the event that this shortfall is not fully covered.

Overall, the expected value of the risks described above is €5.1 million (category: probable/moderate).

Pandemics

From today's perspective, no significant increase in coronavirus pandemic activity is expected, and HOCHBAHN has fundamentally adapted its operations to reflect the consequences of the pandemic. Nevertheless, there are still medium-term risks that could arise from any new pandemics. As well as reduced income, the consequences of the pandemic were particularly reflected in higher personnel expenses caused by the increased absentee rate in operations and key positions as well as the additional costs associated with procuring materials and services, including any time delays. The potential impact of a new pandemic is considered to be possible and high, depending on the extent of the pandemic in question.

Implementation of Mobility Transformation 2030 and Climate Neutrality 2030 strategies

As part of the mobility transformation agreed by the Senate of the Free and Hanseatic City of Hamburg, a bundle of initiatives was developed to encourage more residents to switch from motorised private transport to local public transport. These initiatives include enhanced, customer-focused transport services and greater accessibility. Other plans include developing new low-traffic districts and opening them up with bus or U-Bahn connections. Additional elements of the mobility transformation strategy include promoting "last mile" micromobility to supplement the local public transport network, reinforcing the commitment to environmentally friendly modes of transport, and more comprehensive ride sharing services integrated into hvv switch. The implementation of these initiatives depends on the funds provided

by the Free and Hanseatic City of Hamburg. As a result, there is a medium-term risk that it will not be possible to achieve at least some of these climate policy goals if insufficient budgetary funds are provided. Limited depot space could also have a medium-term impact when it comes to the demand and supply-focused initiatives required for the mobility transformation. The resulting impact on achieving the strategy is classified as possible and high.

Procurement and supplier management

Energy prices for key supplies such as diesel and electricity have increased considerably on the exchanges since the start of the war in Ukraine. There is also significant volatility in prices, which are influenced by political news on a daily basis. However, due to its purchasing policy, HOCHBAHN is not exposed to short-term risks, but to medium-term risks in connection with the sourcing of electricity. On the other hand, there is still short-term uncertainty over diesel procurement, where price changes are impacting company earnings. The procurement of steel and concrete as key components in long-term refurbishment and construction projects, as well as electrical and electronic components for bus and U-Bahn operations, are also subject to a price risk. This risk can be amplified by a strong dependence on individual suppliers, e.g. due to the technical specifications for electrical and electronic components for buses and U-Bahn rolling stock. In extreme cases, supply chain disruption caused by geopolitical crises or pandemics, for example, could result in operational disruptions or project delays. However, the purchasing and inventory strategy adopted by the company means this risk particularly exists where exceptional events occur.

In the area of procurement and supplier management, the expected value of the aforementioned risks is €17.5 million (category: possible/high). There is the potential risk of a further rise in procurement prices for key supplies (including electricity) over the medium-term observation period. This would have a moderate impact on earnings.

Project and investment risks

In the case of major, multi-year construction projects such as the U5 or U4 lines, increases in the price of construction materials and services, project delays or modified requirements can result in higher investment costs. If a project's funding does not cover all costs, this may pose a significant financing risk in the medium term.

Workforce

The commitment period for the current collective bargaining agreement expired at the end of 2022, and a new collective bargaining agreement valid until 30 June 2024 was agreed in the meantime. In light of the general trend in costs and as confirmed by adjustments to collective wages and remuneration at other companies, collective wage negotiations are expected to result in a significant increase in personnel expenses in 2023. Additional costs could also arise from negative impacts on operating processes caused by insufficiently qualified key and specialist personnel. Overall, risks in this category outlined here are assessed to have an expected value of €20.5 million (category: probable/high; probable/low).

The limited availability of key and specialist personnel due to factors such as demographic change, a deterioration in the company's appeal as an employer or insufficiently competitive wages could also have an adverse impact on operating processes in the medium term if the company is unable to recruit the necessary employees in sufficient numbers. This risk is classified as possible with a moderate impact.

Financing

The long period of near-zero interest rates came to an end in 2022, with the European Central Bank expected to announce further rate hikes in 2023. This rise in the base rate will increase the cost of future new and refinancing for HOCHBAHN, and is already affecting the new borrowings planned for spring 2023. The increase will impact existing long-term financing agreements only with regard to follow-up financing. Against this backdrop, the expected value of this financing risk is €3.6 million in the short term (category: possible/moderate) with the risk rising to probable in the medium term.

IT security

There has been an increase in cyberattacks in Germany since the start of the war in Ukraine. Current estimates suggest that at least one in two German companies has already been attacked once. As a company providing critical infrastructure that has a high profile in the Hamburg metropolitan area, HOCHBAHN could be a favourable target for such an attack. Due to the changed risk situation, HOCHBAHN has included a corresponding material risk in its inventory and has valued the potential consequences of any extortion, data loss, etc. arising from cyberattacks at €23 million (category: probable/high).

Operational security

Terrorist attacks and instances of sabotage are increasing in an era of rising geopolitical tension. As part of critical infrastructure, HOCHBAHN is not immune to criminal acts, suicide attacks, acts of terrorism or sabotage. This may result in a reputational and default risk for HOCHBAHN that is considered to be possible with a moderate impact.

Opportunity reporting

Like its risks, HOCHBAHN's opportunities are assessed differently as either business opportunities with potential impacts within the next 12 months or strategic opportunities with medium-term impacts.

Customers, demand and income

The success of the 9-euro ticket in 2022 shows that affordable tickets valid across different networks can enhance the appeal of local public transport. In this respect, the decision to introduce the Deutschlandticket valid across Germany from 1 May 2023 also provides an opportunity to permanently change mobility behaviour in favour of environmentally friendly modes of transport and thus increase demand. The expected value of this opportunity in the short term is approximately €4.5 million. Looking ahead, this is considered to be a possible opportunity with a high impact.

Implementing the mobility transformation strategy

With the second update of the Climate Plan in December 2022, the Senate once again significantly tightened the targets for reducing carbon emissions by 2030 (-70%) and 2045 (climate neutrality). By transitioning the bus fleet to locally emission-free drive technologies and pursuing an approach focused on integrated mobility solutions, HOCHBAHN is making a major contribution to achieving these goals and taking the opportunity to position itself even more clearly within the market.

In addition, the profound transformation in mobility culture is increasingly enhancing the appeal of an integrated local public transport network. People are becoming more and more aware of the need to make sustainable mobility decisions and protect the environment. As a result, there is also a growing interest in emission-free movement and shared mobility services. The energy crisis in the wake of the Ukraine war and high inflation are reinforcing this trend.

The ongoing process of digitalisation offers HOCHBAHN an opportunity to attract new customers and retain existing customers with attractive products and services. Passenger requests and requirements can be identified more accurately by analysing e-ticket sales and their use, for example, while work processes can be made more efficient to save costs.

Technological progress is also helping to establish and spread on-demand and sharing models. By introducing new technologies and experimenting with innovative projects such as autonomous driving, HOCHBAHN is promoting mobility that is fit for the future. HOCHBAHN expects attractive new mobility services and the increasing integration of mobility to reduce the barriers to switching from private cars to local public transport.

While new technologies and trends are rapidly developing in the mobility market, there is, more importantly, a growing readiness among lawmakers to invest more heavily in expanding the local public transport network and fundamentally upgrading its infrastructure. Accelerated planning processes, higher funding rates and a more robust increase in funds, as well as numerous projects to promote environmentally friendly modes of transport are just some of the ways in which the federal government, City of Hamburg and transport companies can work together to make the mobility transformation a reality.

As a result of a steady influx of new residents to the Hamburg metropolitan area that is expected to continue in future, HOCHBAHN benefits from generally favourable market development and advantageous conditions for expanding its transport services and products.

The rising number of commuters offers greater potential for local public transport use and an increase in the corresponding share of the modal split comprised by local public transport. HOCHBAHN is ensuring that new residential and commercial districts are connected to the local public transport network in line with the Senate's housing policy. Designing low-traffic districts is also becoming increasingly important. This could allow the company to acquire new customers and test innovative mobility concepts. Finally, the extension of the U4 U-Bahn line to Horner Geest and Kleiner Grasbrook as well as the construction of the new U5 U-Bahn line is opening up other areas of the city with high demand potential and making them more accessible.

Overall, the prospective impact of the opportunities presented is classified as high with a probable occurrence.

Summary of risk and opportunity position

In 2022, two risk and opportunity management (ROM) inventories were conducted within the Group. There were no ad-hoc notifications for sudden and unexpected material risks. The short-term overall risk position is €89.0 million, with an opportunity position of €4.5 million. As in the previous year, the main risks relate to the procurement of goods and services and changes in interest rates. In line with the overall trend, personnel and IT risks are increasingly relevant. The experience gained

from the coronavirus crisis have been transferred to the general possibility of another pandemic event. The number and extent of strategic opportunities outweigh those of operational opportunities.

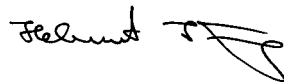
The risks identified do not threaten the continued existence of HOCHBAHN either individually or as a whole. From today's perspective, there are also no developments discernible that can pose going-concern risks in the medium term, either.

Hamburg, 30 March 2023

Hamburger Hochbahn Aktiengesellschaft
The Management Board



Henrik Falk



Helmut König



Jens-Günter Lang

ANNUAL FINANCIAL STATEMENTS

INCOME STATEMENT	41
BALANCE SHEET	42
STATEMENT OF CHANGES IN FIXED ASSETS	44
NOTES	46
Notes to the balance sheet	47
Notes to the income statement	50
Other disclosures	51
Shareholdings of Hamburger Hochbahn Aktiengesellschafts at 31 December 2022	55

Income statement

of Hamburger Hochbahn Aktiengesellschaft for the period from 1 January to 31 December 2022

€	Note	2022	2021
1. Sales	(7)	492,825,157.66	438,884,677.10
2. Other own work capitalised		39,299,611.92	33,269,363.42
3. Other operating income	(8)	143,757,966.43	153,019,498.97
4. Gross revenue		675,882,736.01	625,173,539.49
5. Cost of materials			
a) Cost of consumables and supplies, and of purchased merchandise		-92,250,432.16	-77,459,200.64
b) Cost of purchased services		-204,426,929.69	-196,361,713.26
		-296,677,361.85	-273,820,913.90
6. Personnel expenses	(9)		
a) Wages and salaries		-292,122,799.29	-273,225,184.35
b) Social security, post-employment and other employee benefit costs		-65,888,943.25	-56,781,546.58
		-358,011,742.54	-330,006,730.93
7. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	(10)	-116,407,190.61	-101,434,042.29
8. Other operating expenses	(11)	-60,013,529.24	-56,799,758.08
9. Investment income	(12)	7,368,942.09	7,312,838.42
10. Net interest expense	(13)	-12,784,609.62	-20,378,465.02
11. Earnings after taxes		-160,642,755.76	-149,953,532.31
12. Other taxes		-1,330,600.78	-543,208.32
13. Income from loss absorption		161,973,356.54	150,496,740.63
14. Net income/loss for the financial year		0.00	0.00

Balance sheet

of Hamburger Hochbahn Aktiengesellschaft as at 31 December 2022

ASSETS €	Note	31.12.2022	31.12.2021
A. Fixed assets	(1)		
I. Intangible fixed assets			
1. Purchased concessions, industrial and similar rights and assets		6,065,705.00	4,325,849.00
2. Prepayments		10,174,513.87	19,721,307.59
		16,240,218.87	24,047,156.59
II. Tangible fixed assets			
1. Land, land rights and buildings, including buildings on third-party land		260,478,427.94	228,101,213.94
2. Technical equipment and machinery		1,165,783,958.21	1,085,394,368.21
3. Other equipment, operating and office equipment		30,426,154.70	29,743,084.70
4. Prepayments and assets under construction		117,747,244.41	129,352,370.25
		1,574,435,785.26	1,472,591,037.10
III. Long-term financial assets			
1. Shares in affiliated companies		135,910,465.31	135,830,465.31
2. Loans to affiliated companies		420,555.97	480,241.03
3. Other long-term equity investments		155,990.25	155,990.25
4. Long-term securities		17,445,656.66	15,201,966.69
		153,932,668.19	151,668,663.28
		1,744,608,672.32	1,648,306,856.97
B. Current assets			
I. Inventories			
1. Consumables and supplies		39,353,718.81	33,208,139.56
II. Receivables and other assets			
1. Trade receivables	(2)	36,279,033.93	20,101,251.09
2. Receivables from affiliated companies		15,952,262.66	12,659,528.29
3. Receivables from other long-term investees and investors		1,689,204.04	1,526,776.99
4. Receivables from the Free and Hanseatic City of Hamburg		188,075,319.19	335,186,797.32
5. Other assets		16,861,545.02	19,912,926.00
		258,857,364.84	389,387,279.69
III. Cash in hand, bank balances		4,481,718.60	7,780,713.69
		302,692,802.25	430,376,132.94
C. Prepaid expenses		4,713,977.10	9,090,488.42
		2,052,015,451.67	2,087,773,478.33

EQUITY AND LIABILITIES €	Note	31.12.2022	31.12.2021
A. Equity	(3 + 4)		
I. Subscribed capital		88,938,200.00	88,938,200.00
II. Capital reserves		73,050,144.94	73,050,144.94
III. Revenue reserves			
1. Statutory reserve		4,124,005.57	4,124,005.57
2. Other revenue reserves		1,321,876.04	1,321,876.04
		5,445,881.61	5,445,881.61
		167,434,226.55	167,434,226.55
B. Provisions			
1. Provisions for pensions and similar obligations	(5)	79,280,548.00	80,534,511.00
2. Other provisions		106,906,099.41	101,293,797.47
		186,186,647.41	181,828,308.47
C. Liabilities	(6)		
1. Bonds		500,530,821.92	500,530,821.92
2. Liabilities to banks		839,114,114.24	954,057,110.36
3. Prepayments received on orders		1,280,000.00	1,312,494.50
4. Trade payables		63,967,899.23	72,843,951.06
5. Liabilities to affiliated companies		276,389,777.94	195,256,258.54
6. Liabilities to other long-term investees and investors		401.20	0.00
7. Liabilities to the Free and Hanseatic City of Hamburg		0.00	0.00
8. Other liabilities		17,059,628.89	14,510,189.43
		1,698,342,643.42	1,738,510,825.81
C. Deferred income		51,934.29	117.50
		2,052,015,451.67	2,087,773,478.33

Statement of changes in fixed assets

of Hamburger Hochbahn Aktiengesellschaft for 2022

€						Cost
	Balance on 01.01.2022	Additions	Disposals	Reclassi- fications	Balance on 31.12.2022	
I. Intangible fixed assets						
1. Purchased concessions, industrial and similar rights and assets	39,642,679.26	2,525,634.67	544,349.30	933,327.86	42,557,292.49	
2. Prepayments	19,721,307.59	3,057,298.65	0.00	-12,604,092.37	10,174,513.87	
Total I	59,363,986.85	5,582,933.32	544,349.30	-11,670,764.51	52,731,806.36	
II. Tangible fixed assets						
All divisions (summary)						
1. a) Land, land rights, including office, operating and other buildings	149,597,992.14	4,832,732.69	1.00	0.00	154,430,723.83	
b) Buildings on third-party land						
ba) Rail infrastructure, installations and buildings	232,696,537.65	13,349,245.57	119,122.75	28,639,407.59	274,566,068.06	
bb) Other buildings	126,125,536.68	1,113,843.18	185,090.25	488,066.32	127,542,355.93	
Total 1	508,420,066.47	19,295,821.44	304,214.00	29,127,473.91	556,539,147.82	
2. Technical equipment and machinery						
a) Tracks, trackside equipment and safety installations	511,137,858.01	14,022,535.05	2,886,840.63	32,329,234.94	554,602,787.37	
b) Rolling stock for passenger and goods transport	1,378,555,085.42	72,304,854.95	17,318,222.34	30,701,994.80	1,464,243,712.83	
c) Machines and machinery not classified under a) or b)	124,198,616.50	6,224,914.01	2,525,541.09	12,005,785.03	139,903,774.45	
Total 2	2,013,891,559.93	92,552,304.01	22,730,604.06	75,037,014.77	2,158,750,274.65	
3. Other equipment, operating and office equipment incl. low-value assets	146,517,785.21	8,657,890.81	4,360,733.88	3,524,655.35	154,339,597.49	
4. Prepayments and assets under construction	129,352,370.25	84,651,323.57	238,069.89	-96,018,379.52	117,747,244.41	
Total II	2,798,181,781.86	205,157,339.83	27,633,621.83	11,670,764.51	2,987,376,264.37	
III. Long-term financial assets						
1. Shares in affiliated companies	135,830,465.31	80,000.00	0.00	0.00	135,910,465.31	
2. Loans to affiliated companies	480,241.03	15,193.80	74,878.86	0.00	420,555.97	
3. Long-term equity investments	155,990.25	0.00	0.00	0.00	155,990.25	
4. Long-term securities	15,201,966.69	2,356,402.35	112,712.38	0.00	17,445,656.66	
Total III	151,668,663.28	2,451,596.15	187,591.24	0.00	153,932,668.19	
Fixed assets	3,009,214,431.99	213,191,869.30	28,365,562.37	0.00	3,194,040,738.92	

Depreciation, amortisation and write-downs					Carrying amounts		
Balance on 01.01.2022	Additions	Disposals	Reclassifications	Balance on 31.12.2022	Balance on 31.12.2022	Balance previous year	
35,316,830.26	1,710,715.53	535,958.30	0.00	36,491,587.49	6,065,705.00	4,325,849.00	
0.00	0.00	0.00	0.00	0.00	10,174,513.87	19,721,307.59	
35,316,830.26	1,710,715.53	535,958.30	0.00	36,491,587.49	16,240,218.87	24,047,156.59	
41,354,059.86	4,296,945.52	0.83	0.00	45,651,004.55	108,779,719.28	108,243,932.28	
166,863,112.56	8,685,531.16	119,122.75	0.00	175,429,520.97	99,136,547.09	65,833,425.09	
72,101,680.11	3,056,763.50	178,249.25	0.00	74,980,194.36	52,562,161.57	54,023,856.57	
280,318,852.53	16,039,240.18	297,372.83	0.00	296,060,719.88	260,478,427.94	228,101,213.94	
330,426,815.80	17,150,791.89	2,822,250.53	0.00	344,755,357.16	209,847,430.21	180,711,042.21	
525,947,370.42	62,605,745.61	17,167,477.20	0.00	571,385,638.83	892,858,074.00	852,607,715.00	
72,123,005.50	7,211,974.35	2,509,659.40	0.00	76,825,320.45	63,078,454.00	52,075,611.00	
928,497,191.72	86,968,511.85	22,499,387.13	0.00	992,966,316.44	1,165,783,958.21	1,085,394,368.21	
116,774,700.51	11,450,653.16	4,311,910.88	0.00	123,913,442.79	30,426,154.70	29,743,084.70	
0.00	238,069.89	238,069.89	0.00	0.00	117,747,244.41	129,352,370.25	
1,325,590,744.76	114,696,475.08	27,346,740.73	0.00	1,412,940,479.11	1,574,435,785.26	1,472,591,037.10	
0.00	0.00	0.00	0.00	0.00	135,910,465.31	135,830,465.31	
0.00	0.00	0.00	0.00	0.00	420,555.97	480,241.03	
0.00	0.00	0.00	0.00	0.00	155,990.25	155,990.25	
0.00	0.00	0.00	0.00	0.00	17,445,656.66	15,201,966.69	
0.00	0.00	0.00	0.00	0.00	153,932,668.19	151,668,663.28	
1,360,907,575.02	116,407,190.61	27,882,699.03	0.00	1,449,432,066.60	1,744,608,672.32	1,648,306,856.97	

Notes to the annual financial statements for the 2022 financial year
of HAMBURGER HOCHBAHN AKTIENGESELLSCHAFT
Hamburg Local Court, No. HRB 3072

General disclosures

The 2022 annual financial statements of Hamburger Hochbahn Aktiengesellschaft (HOCHBAHN) were prepared in accordance with the requirements of the German Commercial Code (Handelsgesetzbuch – HGB). The provisions of the German Stock Corporation Act (Aktiengesetz – AktG) were also observed.

The company's financial year is the calendar year.

To improve the clarity of presentation, items are combined in the balance sheet and income statement but disclosed separately in the notes. We provided explanatory notes to the balance sheet and income statement, also for the sake of clarity. In accordance with Section 265 (5) HGB, we further subclassified the items in HOCHBAHN's statement of changes in fixed assets. For the classification, HOCHBAHN observes the Regulation governing the Classification of the Annual Financial Statements of Transport Companies (Verordnung über die Gliederung des Jahresabschlusses von Verkehrsunternehmen). We prepared the income statement using the total cost (nature of expense) format.

HOCHBAHN is not required to prepare consolidated financial statements and a group management report in accordance with Section 291 HGB. The exempting consolidated financial statements and group management report are prepared and published by our parent company, HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg.

Accounting policies

Assets and liabilities have been measured using the same methods as in the previous year.

Intangible and tangible fixed assets are measured at cost and reduced by government grants as well as depreciation, amortisation and write-downs.

In addition to directly attributable costs, proportionate overheads are included in the production cost of internally generated assets. Cost items included in the overheads that cannot be capitalised have been eliminated through the recognition of a percentage discount.

Depreciation and amortisation are calculated over the expected useful life of the asset based on our own experience and standard rates for public transport operators. With the exception of U-Bahn rolling stock and buses, calculations for assets purchased or produced after 30 June 1997 have generally been based on the depreciation table for "passenger and goods transport (by road and rail)" issued by the Federal Finance Ministry from 1 July 1997 in conjunction with the depreciation table for "general-purpose capital goods" valid from 1 January 2001, taking the economic useful lives of the assets in question into account.

Straight-line depreciation or amortisation is applied to all assets purchased after 1 January 2008. Assets purchased before 1 January 2008 are depreciated using the declining balance method, with the exception of intangible assets, buildings, TV surveillance equipment, DT4 U-Bahn units and buses.

The viaducts pertaining to the buildings, station buildings and rail infrastructure are on publicly owned land belonging to the Free and Hanseatic City of Hamburg.

Movable items of finite-lived fixed assets with an acquisition cost of up to €250 that can be used independently are deducted in full as operating expenses.

Movable items of finite-lived fixed assets costing between €250 and €1,000 that can be used independently have been pooled and depreciated or amortised over a period of five years using the straight-line method, reducing profit.

Shares in and loans to affiliated companies, long-term equity investments and long-term securities have been recognised at cost. Permanently impaired assets are measured at fair value.

Non-interest-bearing and low-interest loans were discounted in line with their terms.

Consumables and supplies are measured at the weighted average cost. Internally generated inventories were measured at production cost including overhead surcharges on wages and materials. Appropriate write-downs were charged for identifiable impairments. Merchandise is measured at a fixed value.

Receivables and other assets are carried at their principal amount. Risks are taken into account through appropriate valuation allowances. Liquid funds are shown at their nominal amount.

Payments made before the balance sheet date are carried as prepaid expenses where these represent expenditure for a specific period after the balance sheet date.

Equity is recognised at nominal value.

Based on actuarial opinions, pension obligations are recognised using the projected unit credit method (PUC) applying Professor Klaus Heubeck's 2018 G mortality tables. The company did not make use of the simplification option provided in Section 253 (2) Sentence 2 and (3) HGB but rather used the discount rate in line with the average duration of the liabilities, which corresponds to an average remaining maturity of 12 years. The interest rate as at 31 December 2022 was 1.62% p. a. (previous year: 1.69% p. a.). The future salary trend (including career advancement) was calculated at 2.75% p. a. (previous year: 2.75% p. a.). The anticipated pension trend of 1.50% p. a. (previous year: 2.50% p. a.) was taken into account. Any effects of employee turnover are not taken into account.

Other provisions include all identifiable risks and uncertain obligations and are recognised at the settlement amount dictated by prudent business judgement. Some of the provisions have been determined on the basis of actuarial opinions. For provisions with a remaining term of more than one year, a salary trend (including career advancement) of 2.75% p. a. (previous year: 2.75%) was taken into account when calculating the settlement amount. For the other price and cost increases, increases of 1.50% p. a. (previous year: 1.50% p. a.) were taken into account. Furthermore, these provisions were discounted in accordance with Section 253 (2) Sentence 1 HGB at the average market interest rates corresponding to their remaining maturity set by the Deutsche Bundesbank at between 0.52% p. a. (previous year: 0.34% p. a.) and 1.44% p. a. (previous year: 1.35% p. a.) Other provisions also include provisions in accordance with Section 249 (2) HGB (old version). The company made use of the option provided in Article 67 (3) Sentence 1 of the Introductory Act to the German Commercial Code (Einführungsgesetz zum Handelsgesetzbuch – EGHGB) to maintain these provisions.

Liabilities are carried at their settlement amount.

Payments received before the balance sheet date are carried as deferred income where these represent income relating to a specific period after the balance sheet date.

Notes to the balance sheet

(1) Fixed assets

The breakdown of fixed assets is shown in the statement of changes in fixed assets (annex to the notes).

(2) Receivables and other assets

in € thsd.	2022	2021
1. Trade receivables	36,279	20,101
2. Receivables from affiliated companies	15,952	12,659
of which trade receivables	(6,475)	(2,097)
of which other receivables	(9,477)	(10,562)
3. Receivables from other long-term investees and investors	1,689	1,527
of which trade receivables	(1,689)	(1,527)
4. Receivables from the Free and Hanseatic City of Hamburg	188,075	335,187
of which trade receivables	(165,081)	(90,843)
of which from other assets	(22,994)	(244,344)
5. Other assets	16,862	19,913
Total	258,857	389,387

Of the other assets, €3,765 thousand have a remaining term of more than one year.

(3) Subscribed capital

HOCHBAHN's subscribed capital amounted to €88,938 thousand on 31 December 2022 and is broken down as follows:

Type of shares	No. of shares (units)	No. of votes	Notional par value in € thsd.
Bearer shares			
Class A no-par value shares	720,172	720,172	37,449
Registered shares			
Class B no-par value registered shares	219,616	219,616	11,420
Class C no-par value registered shares	768,898	768,898	39,982
Class B no-par value preferred shares	1,664	1,664	87
		990,178	51,489
	1,710,350	1,710,350	88,938

All of HOCHBAHN's shares are held by HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg. The Free and Hanseatic City of Hamburg holds 100% of the shares in HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg.

The discounting of the provisions for pensions at the average market interest rate for the past ten years compared with a discounting at the average market interest rate for the past seven years gives rise to a difference of €2,169 thousand at the balance sheet date. In principle, this is subject to a dividend payout restriction in accordance with Section 253 (6) Sentence 2 HGB but not to a transfer restriction.

(4) Statement of changes in equity

in € thsd.	Subscribed capital	Capital reserves	Revenue reserves	Equity
Balance at 1.1.2022/				
Balance at 31.12.2022	88,938	73,050	5,446	167,434

The statutory reserve is €4,124 thousand, the other revenue reserves are €1,322 thousand.

(5) Provisions

in € thsd.	2022	2021
Provisions for pensions and similar obligations	79,281	80,534
Other provisions	106,906	101,294
	186,187	181,828

Provisions for pensions and similar obligations of HOCHBAHN include obligations for the provision of free pensioners' tickets and reduced-price tickets for the spouses of beneficiaries entitled to them that arose after 1 January 1987. There is a deficit of €16,227 thousand for current pensions and similar obligations and of €3,664 thousand for future pensions to beneficiaries and eligible beneficiaries who acquired these entitlements prior to 1 January 1987.

Apart from provisions to ensure competitiveness in the amount of €42,446 thousand, other provisions include obligations for future anniversary bonuses, outstanding holiday entitlements, surpluses on long-term working hours accounts, contributions to the employers' liability insurance association, obligations for third-party insurance with Haftpflichtgemeinschaft Deutscher Nahverkehrs- und Versorgungsunternehmen (HDN), deferred maintenance payments and outstanding invoices.

(6) Liabilities

in € thsd.	Total	of which with a remaining maturity of		
		up to 1 year	1 to 5 years	more than 5 years
1. Bonds	500,531	531	0	500,000
Previous year	500,531	531	0	500,000
2. Liabilities to banks	839,114	135,072	416,809	287,233
Previous year	954,057	132,493	459,187	362,377
3. Prepayments received on orders	1,280	1,280	0	0
Previous year	1,312	1,312	0	0
4. Trade payables	63,968	63,968	0	0
Previous year	72,844	72,844	0	0
5. Liabilities to affiliated companies	276,390	276,390	0	0
Previous year	195,257	195,257	0	0
of which trade receivables	(7,986)	(7,986)	(0)	(0)
Previous year	(79,134)	(79,134)	(0)	(0)
of which other liabilities/receivables	(268,404)	(268,404)	(0)	(0)
Previous year	(116,911)	(116,911)	(0)	(0)
6. Other liabilities	17,060	17,060	0	0
Previous year	14,510	14,510	0	0
of which taxes	(4,010)	(4,010)	(0)	(0)
Previous year	(3,872)	(3,872)	(0)	(0)
of which related to social security	(1,584)	(1,584)	(0)	(0)
Previous year	(1,641)	(1,641)	(0)	(0)
Total	1,698,343	494,301	416,809	787,233
Previous year	1,738,511	416,947	459,187	862,377

Notes to the income statement

(7) Sales

in € thsd.	2022	2021
Ticket sales ¹	397,120	351,045
Rental and leasing agreements	51,058	44,987
Other	44,647	42,853
	492,825	438,885
of which relating to prior periods ²	5,049	4,772

¹ Sales principally comprise income generated from membership of hvv as well as compensation pursuant to Section 45a of the Passenger Transport Act (PBefG) (school transport) and Section 148 of Volume IX of the Code of Social Law (SGB IX) (transport of severely disabled persons).

The definitive allocation of hvv income for 2022 is not yet available. Income generated from membership of hvv has therefore been calculated using a qualified estimate based on preliminary figures of hvv GmbH.

Income from the transport of severely disabled persons (Section 148 SGB IX) is determined in principle using provisional calculations based on the previous year's parameters.

² Sales relating to prior periods mainly comprise adjustments to the estimate of income generated from membership of hvv (€4,575 thousand; previous year: €5,623 thousand).

Sales were generated exclusively in Germany.

(8) Other operating income

in € thsd.	2022	2021
Other operating income	143,758	153,019
of which relating to prior periods	17,474	10,268

(Mainly income from the ex-post settlement of the 2021 rescue package. Also income from the reversal of provisions as well as a reduction of the valuation allowance for doubtful accounts)

Other operating income includes extraordinary income from voluntary relief payments to compensate for losses incurred by local public transport companies in connection with the coronavirus outbreak amounting to €87,405 thousand for 2022.

(9) Personnel expenses

in € thsd.	2022	2021
Wages and salaries	292,123	273,225
Social security, post-employment and other employee benefit costs	65,889	56,782
	358,012	330,007
of which in respect of post-employment benefits	6,189	5,718

(10) Amortisation and write-downs of intangible fixed assets, and depreciation and write-downs of tangible fixed assets

Depreciation, amortisation and write-downs of €116,407 thousand (previous year: €101,434 thousand) were recognised in the financial year. This figure includes write-downs in accordance with Section 253 (3) Sentence 5 HGB in the amount of €238 thousand (previous year: €610 thousand).

(11) Other operating expenses

Other operating expenses amount to €60,014 thousand (previous year: €56,800 thousand) and include prior-period expenses of €234 thousand.

(12) Investment income

in € thsd.	2022	2021
Income from profit transfer agreements	3,653	5,354
Income from long-term equity investments	3,716	3,648
of which from affiliated companies	(3,524)	(3,354)
Expenses for loss absorption	-	-1,689
of which from affiliated companies	(-)	(-1,689)
	7,369	7,313

(13) Net interest income

in € thsd.	2022	2021
Income from long-term loans	26	32
of which from affiliated companies	(26)	(32)
Other interest and similar income	1,080	93
of which from affiliated companies	(151)	(88)
of which from the unwinding of discounted receivables	(24)	(0)
Interest and similar expenses	-13,891	-20,503
of which to affiliated companies	(-610)	(0)
from the unwinding of discounts	(-1,773)	(-2,353)
	-12,785	-20,378

Other disclosures**(14) Auditor's fee**

The fee for services provided by the auditors of the annual financial statements was recognised as expense in the financial year as follows:

Breakdown of auditors' fees (in € thsd.)	2022
Audit services	94
Other assurance services	21
Other services	0
Tax advisory services	0
	123

The other assurance services include €1 thousand for assurance services from the previous year.

(15) Off-balance-sheet transactions**Cross-border lease agreements****General, nature and purpose**

There is a finance lease for 23 items of U-Bahn rolling stock which was agreed to obtain present value benefits.

Benefits, risks and financial effects

HOCHBAHN generated present value benefits from the cross-border lease transaction, which were fully recognised in profit or loss in previous years. No future risks arise for HOCHBAHN.

Interest and currency swap transactions

One loan denominated in NZD (€55,000 thousand) with a variable interest rate was signed. Any currency and interest rate exposures arising in connection with this were hedged with appropriate interest and currency swaps matching the respective amounts and maturities. Swaps are inseparable from the underlying transaction. The fair value of the swaps at the balance sheet date totalled -€801 thousand. The hedges recognised in accordance with Section 254 HGB are micro hedges. The contractual partners for the loan agreements and swap contracts are identical. Since all factors to be applied for measuring the hedged item and the hedging item are identical, this does not give rise to risks for HOCHBAHN according to the critical terms match method.

(16) Contingent liabilities

There are liabilities from guarantees in the amount of €5,434 thousand.

Liabilities from guarantees arise in connection with contractual obligations entered into by former HOCHBAHN investees when the investee has commitments towards its contractual partners under transport and service agreements. It is highly unlikely that such guarantees will be called. In addition, there are further unlimited performance guarantees in favour of third parties. As the parent company, HOCHBAHN monitors the compliance of the investees with their contractual obligations.

(17) Other financial obligations

Other financial obligations amount to €905,600 thousand. This figure includes €29,258 thousand to affiliated companies.

(18) Disclosures on employees

The figures show the average employee numbers for the year.

	2022	2021
Personnel and operations	4,359	4,304
Technical workers	1,007	1,001
Corporate management and finance	505	527
Investees, inactive employment contracts, etc.	314	317
	6,185	6,149
of which part-time employees	694	637
of with female employees	1,015	1,032
Pensioners	71	74
Trainees	141	135

(19) Total remuneration of the Supervisory Board and the Management Board

The members of the Supervisory Board did not receive any remuneration in financial year 2022, only meeting attendance fees.

Total remuneration of the Management Board amounted to €1,331 thousand and is broken down as follows:

in € thsd.	Mr Falk	Mr König	Mr Lang	Ms Güsken
Non-performance-related remuneration components	290	216	216	205
Fringe benefits (remuneration in kind, direct insurance)	21	10	18	45
Performance-related remuneration components	107	70	70	63
Total	418	296	304	313

In addition, there are provisions for pension obligations to active members of the Management Board in the amount of €6,967 thousand and provisions for pension obligations to retired members of the Management Board and their surviving dependants totalling €10,745 thousand. Remuneration of €627 thousand was paid to former members of the Management Board and their surviving dependants in financial year 2022.

(20) Governing bodies of the company**Members of the Supervisory Board****Dr Anjes Tjarks, Hamburg**

Chairman

Senator, Department of Transport and Mobility Transition

Natale Fontana, Hamburg (until 30.09.2022)

Deputy Chairman

Union secretary of ver.di, United Services Union

Irene Hatzidimou, Hamburg

Deputy Chairwoman (since 16.12.2012)

Union secretary, ver.di, United Services Union

Martin Huber, Hamburg

Head of Transport, Department of Transport and Mobility Transition

Dr Sibylle Roggencamp, Hamburg

Head of Asset and Investment Management, Department of Finance

Wolfgang Michael Pollmann, Hamburg

State Secretary, Department of the Environment, Climate, Energy and Agriculture

Martin Bill, Hamburg

State Secretary, Department of Transport and Mobility Transition

Oliver Jensen, Hamburg

Managing Director, HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH

Martina Plag, Hamburg

Managing Director,

Hachenberg und Richter Unternehmensberatung GmbH

Joanna Fisher, Hamburg

Management Director, ECE Projektmanagement GmbH Co.KG

Gabriel Riesner¹ (since 01.11.2022)

Union secretary, ver.di, United Services Union

Klaus Ceglecki¹, Hamburg

Bus driver, Chairman of HOCHBAHN's Works Council

Angelika Jank¹, Hamburg (until 30.04.2022)

Cleaner, TEREK Gebäudedienste GmbH

Bernhard Steinhof¹, Hamburg (since 01.05.2022)

TEREK Gebäudedienste GmbH

Application technician

Chairman of the Works Council of TEREK Gebäudedienste GmbH

Ingomar Spieß¹, Hamburg

Head of Sustainable Development, Environment and Occupational Safety, HOCHBAHN

Stefan Uckert¹, Reinbek

Technical employee, member of HOCHBAHN's Works Council

Torsten Lux-Kremer¹, Hamburg

Technical employee, HOCHBAHN

Jörg Braun¹, Hamburg

Commercial employee, member of HOCHBAHN's Works Council

Members of the Management Board**Henrik Falk, Hamburg, Chairman**

Corporate Management division

Human Resources and Operations division (since 01.10.2022)

Helmut König, Peine

Finance and Sustainability division

Jens-Günter Lang, Hamburg

Technical division

Claudia Güsken, Hamburg (until 30.09.2022)

Human Resources Director and Chief Operating Officer

¹ Employee representative

(21) Name and registered office of the parent company

HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg (HGV), is HOCHBAHN's sole shareholder; the sole shareholder of HGV is the Free and Hanseatic City of Hamburg. HGV is the parent company that prepares the consolidated financial statements for the largest group of companies. In addition, the Free and Hanseatic City of Hamburg prepares consolidated financial statements.

HOCHBAHN has entered into a control and profit transfer agreement with HGV.

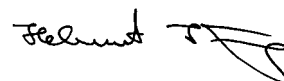
HGV's financial statements are published in the electronic Company Register, while the consolidated financial statements of the Free and Hanseatic City of Hamburg (FHH) are published on FHH's website.

Hamburg, 30 March 2023

Hamburger Hochbahn Aktiengesellschaft
The Management Board



Henrik Falk



Helmut König



Jens-Günter Lang

Shareholdings

of Hamburger Hochbahn Aktiengesellschaft
as at 31 December 2022¹

Name and registered office of the entity	Equity (incl. reserves)	Equity investment		2022 profit/loss	Control and profit transfer agreement
	€ thsd.	name	%	€ thsd.	
FFG Fahrzeugwerkstätten Falkenried GmbH, Hamburg	4,100	HOCHBAHN	100.0	1,681	yes
HADAG Seetouristik und Fährdienst AG, Hamburg	4,096	HOCHBAHN	100.0	0	yes ²
ATG Alster-Touristik GmbH, Hamburg	3,472	HOCHBAHN	100.0	32	yes
HHW Hamburger Hochbahn-Wache GmbH, Hamburg	26	HOCHBAHN	100.0	7	yes
HSF Hamburger Schnellbahn-Fahrzeug-Gesellschaft mbH, Hamburg	775	HOCHBAHN	100.0	229	yes
HOCHBAHN U5 Projekt GmbH, Hamburg	30	HOCHBAHN	100.0	0	yes
NMS New Mobility Solutions Hamburg GmbH, Hamburg	50	HOCHBAHN	100.0	0	yes
Zentral-Omnibus-Bahnhof „ZOB“ Hamburg GmbH, Hamburg ³	1,315	HOCHBAHN	72.1	23	-
HOCHBAHN Grundstücksverwaltungsgesellschaft mbH & Co. KG, Hamburg	39,572	HOCHBAHN	100.0	3,350	-
HOCHBAHN-Verwaltungsgesellschaft mbH, Hamburg	132	HOCHBAHN	100.0	4	-
HOCHBAHN Beteiligungsgesellschaft mbH & Co. KG, Hamburg	74,015	HOCHBAHN	100.0	8,014	-
HSG Hanseatische Siedlungsgesellschaft mbH, Hamburg	11,245	HOCHBAHN	100.0	1,064	yes ³
		Beteiligungsgesellschaft			
TEREG Gebäudedienste GmbH, Hamburg	1,731	HOCHBAHN	56.0	640	yes ³
		Beteiligungsgesellschaft			

¹ Unless insignificant.

² A profit transfer agreement is in place with HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH.

³ A profit transfer agreement is in place with HOCHBAHN.

Independent auditor's report

To Hamburger Hochbahn Aktiengesellschaft, Hamburg

Audit opinions

We have audited the annual financial statements of Hamburger Hochbahn Aktiengesellschaft, comprising the balance sheet as at 31 December 2022 and the income statement for the financial year from 1 January 2022 to 31 December 2022, as well as the notes to the financial statements, including the presentation of the accounting policies. In addition, we have audited the management report of Hamburger Hochbahn Aktiengesellschaft for the financial year from 1 January 2022 to 31 December 2022.

In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to Section 289f (4) German Commercial Code (HGB) (disclosures regarding the quota of women).

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to corporations and in compliance with the German generally accepted accounting principles give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022, and of its financial performance for the financial year from 1 January 2022 to 31 December 2022, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany – IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statements and of the management report" section of our auditor's report.

We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Other information

The executive directors are responsible for the other information. Other information comprises the statement on corporate governance pursuant to Section 289f (4) German Commercial Code (HGB) (disclosures regarding the quota of women).

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

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

- is materially inconsistent with the annual financial statements, the management report 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.

Responsibilities of the executive directors and the Supervisory Board for the annual financial statements and the management report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects with the requirements of German commercial law applicable to corporations and that the annual financial statements, in compliance with the German generally accepted accounting principles, give a true and fair view of the assets, liabilities, financial position and financial performance of the Company. In addition, the executive directors are responsible for such internal control as they, in accordance with German generally accepted accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict with this.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 of the HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the IDW will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems for the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive 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 the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our audit 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 be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with the German generally accepted accounting principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Hamburg, 03 May 2023

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr Dannenbaum
Auditor

Hauschildt
Auditor

Report of the Supervisory Board

The Supervisory Board was regularly briefed on the position of the company and on important management issues during financial year 2022 by means of verbal and written reports from the Management Board. The Supervisory Board formed a Finance Committee, a Transport Committee, an Identification Committee as well as the Arbitration Committee required by law. During financial year 2022 the Supervisory Board held four regular meetings and one circular vote, the Finance Committee two meetings, the Transport Committee two meetings and the Identification Committee five meetings.

The annual financial statements and the management report of Hamburger Hochbahn AG for the year ended 31 December 2022 and the company's accounting records were audited by Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, the auditors elected at the Annual General Meeting. The audit did not give rise to any objections and an unqualified auditor's report was issued.

The audit reports were submitted to the members of the Supervisory Board. In addition, the financial statement auditors reported on the main findings of their audit at the financial statements meeting held by the Finance Committee and the Supervisory Board.

The Supervisory Board examined the annual financial statements and the management report of Hamburger Hochbahn AG and, in agreement with the auditors, raised no objections. It approved and thus adopted the annual financial statements presented by the Management Board.

The Supervisory Board would like to thank Angelika Jank, who left the Supervisory Board, for her dedicated service in this body. Bernhard Steinhof joined the Supervisory Board as her successor effective 1 May 2022.

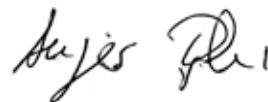
The Supervisory Board would also like to thank the former Deputy Chairman, Mr Natale Fontana, who left the Supervisory Board in the 2022 financial year, for his dedicated work on this body. Mr Gabriel Riesner joined the Supervisory Board as his successor effective 1 November 2022.

Ms Irene Hatzidimou was elected on 16 December 2022 to succeed the previous Deputy Chairman of the Supervisory Board, Mr Natale Fontana. Senator Dr Tjarks was confirmed as Chairman of the Supervisory Board on the same day.

The Supervisory Board would like to extend its thanks to the members of the Management Board and all company employees for their work in 2022.

Hamburg, 15 June 2023

The Supervisory Board



Dr. Anjes Tjarks
Chairman

Declaration of compliance with the Hamburg Corporate Governance Code (Code)

In the period from 1 January 2022 to 31 December 2022,

Hamburger Hochbahn AG (HOCHBAHN)

complied with the regulations of the Hamburg Corporate Governance Code, which is the responsibility of the Management Board and the Supervisory Board (Items 3–7 of the Code and their sub-sections).

The HOCHBAHN subsidiaries

ATG Alster-Touristik GmbH (ATG)
FFG Fahrzeugwerkstätten Falkenried GmbH (FFG)
HADAG Seetouristik und Fährdienst AG (HADAG)
TEREG Gebäudedienste GmbH (TEREG)
HOCHBAHN U5 Projekt GmbH
New Mobility Solutions Hamburg GmbH (NMS)

in the period from 1 January 2022 to 31 December 2022 complied with the regulations of the Hamburg Corporate Governance Code, which is the responsibility of their respective Management and Supervisory Boards, with the following exceptions (Items 3 – 7 of the Code and their sub-sections). The companies departed from the Code in the following items:

- Item 4.2.1 Sentence 1 and Sentence 6 of the Code:**

“The Management Board shall be comprised of at least two persons, who represent the company jointly. By-laws shall govern the cooperation between the members of the Management Board and the allocation of duties among individual Management Board members.”

At the HOCHBAHN subsidiaries ATG, FFG and HADAG there is only one managing director in each case. Due to the small size of these companies, the appointment of only one managing director to ATG, FFG and HADAG is deemed appropriate. In view of this situation, there are no by-laws governing the cooperation between members of the Management Board.

- Item 4.2.9 of the Code:**

“Remuneration to members of the Management Board shall be disclosed on an individual basis – broken down into its non-performance-related and performance-related components – in the notes to the annual financial statements or in the management report. In the case of companies which are not required to publish annual financial statements because they are part of a group, the disclosure of the remuneration shall appear in the declaration of compliance with the Code.”

The subsidiaries FFG, HADAG, TEREG and HOCHBAHN U5 Projekt GmbH are not subject to the obligation to disclose this information. As required by the Code, the remuneration of the management is published here:

in € thsd	Non-performance-related remuneration components	Fringe benefits (remuneration in kind, direct insurance)	Performance-related remuneration components	Total
FFG				
Olaf Lilla	148	36	43	227
ATG				
Dr Tobias Haack	51	9	13	74
HADAG				
Dr Tobias Haack	104	18	26	148
TEREG				
Dirk Kratz	150	11	37	198
TEREG				
Karsten Rakebrandt	160	6	32	198
HOCHBAHN U5 Projekt				
Dr Petra Welge	131	6	0	137
HOCHBAHN U5 Projekt				
Klaus Uphoff	150	13	35	198

- **Item 5.3.1 of the Code:**

“Depending on the specifics of the enterprise and the number of its members, the Supervisory Board shall form committees with sufficient expertise. These serve to increase the efficiency of the Supervisory Board’s work and its handling of complex issues. The respective committee chairpersons shall report regularly to the Supervisory Board on the work of these committees or send the minutes of committee meetings to all Supervisory Board members without delay.”

The Supervisory Boards of ATG, FFG, HADAG, TEREG and NMS have not formed any committees since it was not deemed necessary to do so due to the small size of the companies and the small number of Supervisory Board members in each case.

- **Item 5.3.2 of the Code:**

“The Supervisory Board of larger companies shall form an Audit Committee or instruct their Finance Committee to monitor the company’s financial reporting process, the effectiveness of the internal control system, internal risk management system and internal audit system, and the audit of the financial statements and compliance. At least one member of the Audit Committee/Finance Committee shall have special knowledge and experience in the application of accounting principles and internal control processes and be familiar with auditing financial statements. **The chairperson of the Audit Committee/Finance Committee shall not be a former member of the Management Board of the company and not be the Supervisory Board Chairperson in office.**”

The Supervisory Boards of FFG and TEREG have not formed an Audit Committee, nor have they instructed their Finance Committee as described above, since it was not deemed necessary to do so due to the small size of the companies and the small number of Supervisory Board members in each case.

Hamburg, 20 April 2023

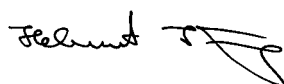


Dr. Anjes Tjarks
Supervisory Board, Chairman

Hamburg 6 April 2023



Henrik Falk
Management Board



Helmut König



Jens-Günter Lang

Overview of subsidiaries and investees



ATG Alster-Touristik GmbH (www.alstertouristik.de)

Shareholders: Hamburger Hochbahn AG 100% | Business purpose: tourist boat cruises, mainly on the Alster Lake and its canals | Number of ships: 18 | Number of employees: 39



FFG Fahrzeugwerkstätten Falkenried GmbH (www.ffg-hamburg.de)

(www.ffg-hamburg.de) Shareholder: Hamburger Hochbahn AG 100% | Business purpose: Maintenance of all types of commercial vehicles, especially buses; technical and commercial fleet management for HOCHBAHN's bus fleet; maintenance of various underground stops; construction and retrofitting of special vehicles | Number of employees: 325



HADAG Seetouristik und Fährdienst AG (www.hadag.de)

Shareholders: Hamburger Hochbahn AG 100% | Business purpose: passenger transport services by ferry in the Port of Hamburg and on the Elbe | Number of ferries: 26 | Number of employees: 114



HHW Hamburger Hochbahn-Wache GmbH

Shareholders: Hamburger Hochbahn AG 100% | Business purpose: Ensuring the security of passengers and employees, protection of rolling stock, facilities and installations. Performance of ticket inspections, collection of fair surcharges
Number of employees: 430



HOCHBAHN U5 Projekt GmbH (www.schneller-durch-hamburg.de/u5)

Shareholders: Hamburger Hochbahn AG 100% | Business purpose: U5 GmbH has taken over the entire commercial and technical project management in connection with planning, construction and system engineering of the U5 U-Bahn line up to commissioning | Number of employees (as of 31.12.2022): 73



HSF Hamburger Schnellbahn-Fahrzeug-Gesellschaft mbH

Shareholders: 100% Hamburger Hochbahn AG, Hamburg | Business purpose: the purpose of the company is the procurement and financing of rail rolling stock and its leasing to rail transport operators, in particular for use in the rapid transit network in the Greater Hamburg Area, as well as the construction, financing and leasing to rail and rapid transit system operators of rolling stock maintenance depots and storage sidings



HSG Hanseatische Siedlungs-Gesellschaft mbH

Shareholders: Hamburger Hochbahn AG via HOCHBAHN-Beteiligungsgesellschaft mbH & Co. KG 100%. Business purpose: Letting of company-owned apartments to employees of the HOCHBAHN Group. Number of apartments: 2,048, number of employees: 44 (44 excluding one employee of HOCHBAHN and excluding the managing director, as presented in the notes.)



HVW Hamburger Verkehrsmittel-Werbung GmbH

Shareholders: Hamburger Hochbahn AG 24.9%, DSM Deutsche Städte-Medien GmbH 75.1% | Business purpose: Set-up, management and letting of advertising space at stations, marketing and design of advertising on board buses and trains | Number of employees: 1



hySOLUTIONS GmbH (www.hysolutions.de)

Shareholders: Hamburger Hochbahn AG 56%, Vattenfall Europe 12.5%, Stromnetz Hamburg 12.5%, VHH Verkehrsbetriebe Hamburg-Holstein 5%, Handelskammer Hamburg 4%, Handwerkskammer Hamburg 4%, Gasnetz Hamburg 3%, Hamburg Port Authority 3% | Business purpose: promotion, support and implementation of hydrogen and fuel cell technology as well as innovative electrical drive and supply systems in Hamburg | Number of employees: 15 excluding the executive management



NMS New Mobility Solutions Hamburg GmbH (www.new-mobility-solutions.de)

Shareholders: Hamburger Hochbahn AG, 100%, | Business purpose: Support FHH in implementing a sustainable transport and mobility transformation, and help shape and advance the digital transformation of the City's organisations and agencies. | Number of employees: 14 excluding the executive management



TEREG Gebäudedienste GmbH (www.tereg.de)

Shareholders: Hamburger Hochbahn AG via HOCHBAHN-Beteiligungsgesellschaft mbH & Co. KG 56%, Vattenfall Europe 44% | Business purpose: Provision of cleaning and related services for sites, buildings, transport facilities and rolling stock, public establishments and industrial plants and facilities, repair of damage to buildings and sites, building management and provision of security and services in the transport sector | Number of employees: 848



Zentral-Omnibus-Bahnhof „ZOB“ Hamburg GmbH (www.zob-hamburg.de)

Shareholders: Hamburger Hochbahn AG 72.2%, Autokraft 11.7%, VHH 10.3%, six further minority stakes 5.8% | Business purpose: Operation of Hamburg's Central Bus Station (ZOB), letting of units for retail and catering outlets | Number of employees: The company does not have staff of its own but staff seconded by HOCHBAHN and 1 employee from VHH

HOCHBAHN AT A GLANCE

	2022	2021	2020
Financial information (€ million)			
Sales	492.8	438.9	458.2
Net loss for the year before loss absorption by HGV	162.0	150.5	113.4
Cost coverage ratio (%)	80.9	80.8	84.7
Fixed assets	1,744.6	1,648.3	1,498.8
Total assets	2,052.0	2,087.8	1,701.0
Gross capital expenditures	327.1	327.5	224.4
Employees ¹	6,330	6,284	6,308
Bus			
Passengers (million)	188.3	139.0	147.1
Passenger kilometres (million)	585.7	432.3	457.8
Capital expenditures (€ million)	60.3	64.8	41.5
Number of buses	1,073	1,106	1,107
Number of lines	115	116	119
Number of stations	1,421	1,452	1,425
Rail			
Passengers (million)	195.8	146.8	163.9
Passenger kilometres (million)	1,169.0	876.4	978.5
Capital expenditures (€ million)	259.3	252.2	174.4
Number of carriages	1,037	995	929
Number of lines	4	4	4
Number of stations	93	93	93

¹ At 31 December, including Management Board and trainees.

Publishing information

Published by

Hamburger Hochbahn AG
Steinstraße 20, 20095 Hamburg
Germany

Phone: +49 (0) 40/32 88-0

Fax: +49 (0) 40/32 64 06

E-mail: info@hochbahn.de
hochbahn.de

Editors

Marketing division

Public affairs and strategy unit

Sustainable Development division

Finance and Controlling division

Concept and design

Silvester Group, silvestergroup.com

Jutta Gathmann, Daniel-Vincent Seeger,

Nils Christopher Kemter

Photography

Thomas Hampel, David Goltz

Hamburger Hochbahn AG
Steinstraße 20, 20095 Hamburg
Germany
hochbahn.de