

# ANNUAL REPORT 2022



**HUPAC**

# 2022 in figures



**1,104,000**  
road consignments  
shifted to the railways  
-1.8%



**1.5 million tonnes CO<sub>2</sub>**  
saved compared to road



**150 trains per day**  
operated in the  
Hupac Group network



**9,100 rail platforms**  
completely low-noise  
+11.5%



**677 staff members**  
on a full-time basis  
+7.8%



**CHF 668.5 million**  
EUR 665.0 million  
annual turnover  
-2.1%



**CHF 7.6 million**  
EUR 7.6 million  
annual result  
-38.8%



# EDITORIAL



Dear Ladies and Gentlemen  
Dear shareholders, customers, partners and friends of Hupac

Can you continue to invest in the future despite the war in Europe, the energy crisis, inflation and global instability? Yes, you can. In fact, you have to – with a sense of proportion, of course, in these special times. Because the major challenges facing society, such as climate protection, energy transition and sustainable economic development, will become even more important in the future.

Combined transport is part of the answer to these major challenges. It's true that Hupac did not achieve its ambitious transport targets last year: due to the quality deficits of the rail infrastructure and the weak economy in the second half of the year, the transport volume stagnated at 1.1 million road consignments, a slight decrease of 1.8% compared to the previous year. Nevertheless, the Hupac Group achieved a satisfactory financial result with an annual profit of CHF 7.6 million.

In addition to coping with a challenging year with an exceptionally high number of negative external factors – from the consequences of the Corona pandemic to skyrocketing energy costs – Hupac succeeded in reviving its investment activities and fully concentrated on setting the course in line with its Strategy 2026. The

focus was on the expansion of the wagon fleet with extensive investments in own rolling stock, the completion of the Brwinów terminal near Warsaw and the continuation of planning and construction activities at the Milano Smistamento, Piacenza and Novara terminals.

But it is not only investment in own resources that is important for Hupac. Strategic partnerships in the market are just as important. In the year under review, we were able to sign a Memorandum of Understanding with the Italian FS Group, which covers the areas of terminals, traction and maritime traffic from Italy to the north. In opening up new markets, in terminal operations, in traction and in digitalisation projects such as the DXI data platform, Hupac also relies on strategic cooperation with partners – true to the motto “moving together” as an answer to the complexity of the inter-modal service chain.

Internally, the signs are also pointing to the future. Management has been strengthened with the appointment of Benedetta Masciari (47) as Finance Director at Group level and Mathias Leiner (46) as Managing Director of ERS Railways. By taking over the operation of the Köln Nord terminal, we are further strengthening our position in terminal operations – an area which already employs half of Hupac's approximately 700 employees and which plays a key role in the efficient and performance-oriented handling of combined transport.

The current framework conditions with extremely high energy costs for rail traction, together with the economic downturn and persistent quality problems in the rail infrastructure, are putting combined transport under pressure. Hupac is responding to this challenging situation with selective adjustments to its services. At the same time, management and staff are focusing on the consistent further development of the success factors of the business model: lean digitalised processes, maximum productivity of the resources used, promotion of an open rail market.

We can remain optimistic: combined transport is more environmentally, climate and energy friendly than road transport alone and is THE logistics solution for an economically successful, sustainable Europe. With the

end of the current economic downturn, the higher sustainability goals of industry and the planned CO<sub>2</sub> pricing in transport, the framework conditions will again develop in our favour.

On behalf of the Board of Directors, I thank you for your trust.

Hans-Jörg Bertschi  
Chairman of the Board of Directors





## Moving together in a disrupted world

In 2022, the surprises were greater than the normality. The year can be described in three chapters and one constant. Chapter 1 is entitled “Continued growth in a post-COVID environment”. Chapter 2: “War in Ukraine and energy prices”. Chapter 3 I would call “Adapting to a new recessionary economic environment”. And we will come back to the constant later.

While the first quarter was still in the **post-Corona phase** and saw very good demand for transport services, the second quarter was marked by the uncertainty of the war in Ukraine and the start of construction work on the rail network. Dynamic growth was followed by stagnation compared to the previous year. The second half of the year saw a marked slowdown. In particular, production cutbacks in energy-intensive industries and the pressure on rail production due to exploding electricity purchase costs resulted in volumes not matching those of the previous year.

While in 2021 we had planned to respond to the emerging bottlenecks in the German network by building up reserves and making the network more flexible, in 2022 we pushed this flexibility to the limit. Disrupted supply chains due to inconsistent COVID-19 regulation across Europe and global logistics hubs led to congested seaports and subsequently congested hinterland terminals. In the middle of the year, this led to a backlog of loading units at the Busto terminal in the pre- and on-carriage to rail transport. We responded with a series of measures that included more precise control of shipments, adjusted marshalling and the rental of external parking space.

On the other hand, the **war in Ukraine** and the resulting explosion in energy prices in Europe put a strain on the railway system and dramatically increased the cost of purchasing services for railway production. Electricity prices peaked at up to twenty times the traditional unit price. Hupac initially compensated for this internally, only gradually passing on the uncovered additional costs to the market in the course of the year. In addition, the increase in energy prices led to a noticeable reduction in transport volumes for energy-intensive industries. In the last quarter in particular, volumes were significantly lower than in the previous year.

In addition to these more exogenous factors, increasing construction activity in Germany has significantly reduced network capacity, with consequent disruptions throughout the freight corridor. Other weaknesses, such as the persistently high incidence of disruptions, added to the already heavily burdened rail system in this difficult rail year. Despite counteracting with an additional 5% of hired reserves, we recorded cancellation rates of up to 20% of the weekly train volume.

Despite this corrosive cocktail, we were able to maintain the volume of services at a level comparable to the previous year. In an overall slightly declining transport

market through Switzerland, Hupac's total traffic decreased by 1.8% or 20,000 road consignments and transalpine traffic through Switzerland decreased by 2.1% or 12,500 road consignments compared to the previous year. On a positive note, traffic through Austria to northern Italy increased by 9.7% (plus 4,000 consignments) compared to the previous year. Looking at the two transport axes through Switzerland, the development of the Lötschberg axis (-11%) and the Gotthard axis (+2%) can be assessed differently. On the Lötschberg, the capacity of the P400 train paths has reached its limits. A delay from the north can no longer be absorbed and inevitably leads to the cancellation of a train.

Conclusion: transalpine combined transport must open up in its demand for stability and regularity to flexibility in service provision and at the same time guarantee a week's supply. This will only work with strong partners and a strong market in which the above-mentioned undrinkable cocktail is made drinkable by a dash of flexibility.

Finally, in the second half of the year, we began to feel the effects of the **economic downturn**, with a noticeable drop in traffic – a trend that is continuing into the current year, forcing us to adjust the capacity in our network to the reduced demand. This is being done in close consultation with our customers, for example through selective frequency reductions or gateway solutions.

And here, too, what has been a constant throughout 2022 comes to the fore: the tireless commitment of our employees, who every day deal with disruptions on many fronts, finding solutions, coordinating partners and smoothing the way. Whether in the terminal on the crane or at the counter, in the office in the control centre, in the planning team or on the phone with our customers – our employees are the heroes of our service provision and I would like to take this opportunity to thank them in particular.

We are committed to the future of combined transport – together with our customers, shareholders, service partners and each and every one of our employees.

Michael Stahlhut  
CEO

# STRATEGY

## We shape the future of intermodal transport

Our strategy for 2022-2026 is based on concrete figures and clear targets. We want to increase our combined transport volume from 1.1 to 1.6 million trucks per year, thereby relieving road traffic and strengthening the sustainability of freight transport. To achieve this, we are investing CHF 300 million in terminals, digitalisation and wagons. We are continuously expanding our network through organic growth and close partnerships. In the current strategy period, we will build or expand seven major new terminals to ensure the necessary transshipment capacity.

We want to offer our customers a reliable, market-oriented service. The target is 90% punctuality in terms of trains arriving at the terminal with less than 60 minutes delay. We promote talent and diversity to support our future growth. We are also politically committed to creating a better framework for combined transport. We are convinced that this strategy will enable us to strengthen our position as a leading provider of intermodal transport solutions in Europe and ensure our future growth.



# Our employees

## Diversity and intercultural competence: success factors at Hupac

Our human resources strategy is focused on attracting, retaining and developing the best talent in our industry. We believe that our employees are the foundation of our success and we strive to create a supportive and inclusive working environment.

Hupac offers its employees attractive working conditions and development opportunities in order to retain them in the long term. The promotion of young talent plays a central role in this. Hupac invests specifically in the training of young talent to ensure that there will be enough qualified staff in the future.

At the same time, we are aware of the importance of diversity and intercultural competence for the success of the company. Around 30 different nationalities are represented in the Hupac Group's workforce. Hupac promotes the intercultural skills of its employees through language courses, stays abroad and training to enable them to work effectively in an international working environment.

At the end of 2022, the Hupac Group employed 677 people on a full-time basis (previous year: 628) or 692 natural persons (previous year: 644). The increase of 48 persons was mainly due to Hupac SpA (+20 persons to 239), Hupac Intermodal (+11 persons to 253) and ERS Railways (+6 persons to 52). Seven new employees were recruited at Hupac Terminal Brwinów Sp. z o.o. The company started operations at the Brwinów terminal in November 2022 with a team of nine people.

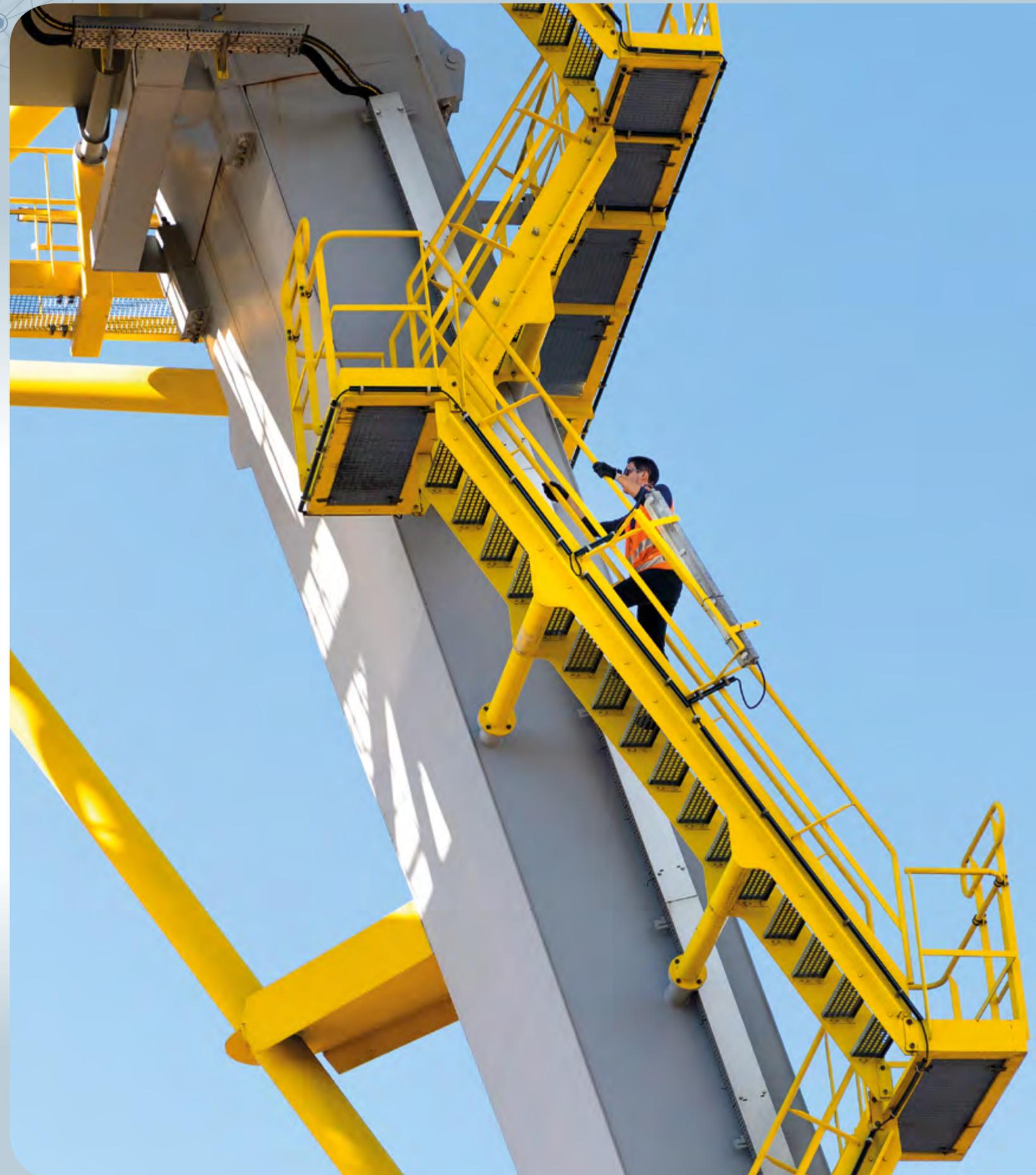
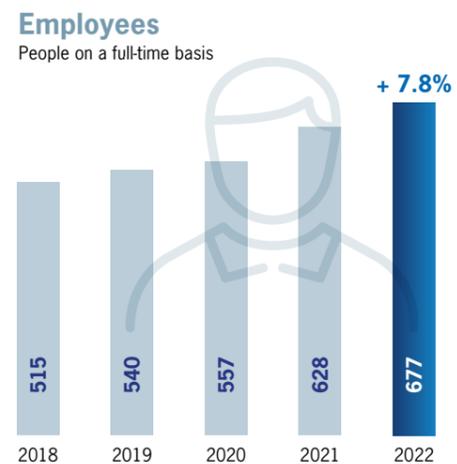
The proportion of women in the workforce remained unchanged at 20%, with large differences between the individual companies. At Hupac Intermodal, based in Switzerland, the proportion of women was 27% (previous year: 26%). At the terminal operator Hupac SpA, based in Busto Arsizio and Pordenone, the proportion of women was 9% (previous year: 11%). The leader is ERS Railways from Hamburg with a female quota of 40% (previous year: 46%).

There is room for improvement in the proportion of women in management. At Hupac Intermodal, women are proportionally underrepresented at all management levels. The promotion opportunities for women will be specifically promoted in the coming years.

In the year under review, numerous training measures were carried out. These included internal foreign language courses as well as courses on safety and rolling stock, market development, IT applications and administrative processes. Hupac attaches great importance to practice-oriented training. New employees go through structured on-boarding programmes that last from a few days to several months, depending on their function. In the year under review, nine employees took part in trainee and job rotation programmes with stays in the external offices and subsidiaries. Hupac Intermodal trained five commercial apprentices.

Last year, some 30 young people and students had the opportunity to complete internships of varying lengths in the companies of the Hupac Group – an important step in familiarising themselves with the challenges and career opportunities of a climate-friendly industry such as combined transport.

The past year has been a time of great challenges, marked by weeks of operational irregularities in traffic management. We would like to pay tribute to the dedication and perseverance of our employees and thank them for their commitment.



# Environment and climate

## Committed to the climate

Combined transport is the preferred system for eco-friendly freight transport. Hupac's mission is to provide the logistics industry with a reliable and competitive network for intermodal transport. The key challenge is efficient management, because eco-friendly transport must not be more expensive or of lower quality than comparable offers.

Together with its partners – railways, terminal operators, rolling stock manufacturers and maintenance companies – Hupac has been committed to the development of combined transport for more than fifty years.

## Positive footprint

Hupac Intermodal's transport network saved around 1.3 million tonnes of CO<sub>2</sub> last year compared to pure road transport. This corresponds to a reduction in CO<sub>2</sub> emissions of almost 90%. The calculation is based on the Ecotransit system. The estimated value for the total transport of the Hupac Group – i.e. including the volumes of ERS Railways for which no equivalent reporting is available – is 1.5 million tonnes of CO<sub>2</sub>.

Energy efficiency is also an important argument for the environmental performance of combined transport. Last year, the savings in the Hupac Intermodal network amounted to around 14.5 billion megajoules compared to pure road transport. The reduction effect is almost 75%. The environmental performance certificate is available to Hupac Intermodal customers online.

## Low-noise freight wagons

Hupac's wagon fleet is completely noise-reduced and thus complies with legal requirements. Since 2016, all wagons have been equipped with low-noise synthetic resin composite brakes. A further reduction in noise

emissions can be achieved with disc brakes. New wagons are preferably procured with this new technology. At the end of the year, 602 Hupac wagon modules were equipped with disc brakes.

## Attention for the environment

Taking environmental aspects into account is a daily reality in the Hupac Group. In the management of the network, the focus is on increasing efficiency. Various IT tools help to make better use of Hupac Intermodal's train capacity and thus reduce the environmental impact, such as the SPEAK planning tool and the arrival forecasts for terminals and customers (ETA Estimated Time of Arrival, ETP Estimated Time of Pick-up). This optimises resources and avoids empty runs.

Through its traction partner boxXpress, ERS Railways uses only CO<sub>2</sub>-free electricity from renewable hydropower, the purchase of which is secured for the coming years. The rail journey for seaport hinterland transports from Hamburg, Bremerhaven and Wilhelmshaven is therefore climate-neutral.

## Active support for the Swiss modal shift policy

In 2022, Hupac achieved a transport volume of 584,984 road consignments or 11.3 million net tonnes in the transalpine transport segment via Switzerland. This makes the company an important player in the Swiss transport policy, whose constitutional objective is to shift transalpine freight traffic from road to rail.

Hupac's corporate strategy is primarily geared to the growth of combined transport in Alpine transit through Switzerland. The opening of the 4-metre corridor at the end of 2020 unlocks the enormous shift potential of large-volume semi-trailers. The supply policy focuses on providing competitive products for this segment.

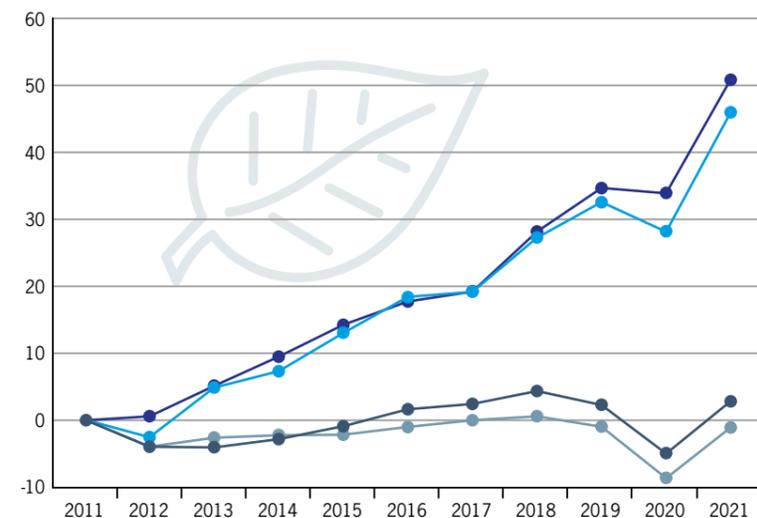
## Green Deal sets ambitious goals

The EU Commission's Green Deal, presented in 2019, focuses on the issues of mobility transition and energy policy. The goals are ambitious: Europe should be climate-neutral by 2050. The transport sector, which is currently responsible for 25% of greenhouse gas emissions, must make a significant contribution to achieving this goal.

Combined transport, with its intelligent linking of different modes of transport, is predestined to play a central role in zero-emission freight transport in the future. Hupac is aligning its growth strategy accordingly and is actively contributing to the development of the necessary transport policy framework.

### Development of combined transport

In % compared to base year 2011



Source: Report on Combined Transport in Europe, 2022, UIC/UIRR

### Environmental performance 2022 of Hupac Intermodal

	Saving	Pure road traffic	Traffic of Hupac Intermodal
<b>CO<sub>2</sub> emissions</b> Gross tonnes in 1000	1,274 89% less CO <sub>2</sub>	1,431	157
<b>Energy consumption</b> In billion megajoules	14.5 74% less energy	19.7	5.2

Source: www.ecotransit.org

No equivalent reporting available for ERS Railways.

# Strategic focus areas

## Own rolling stock creates independence

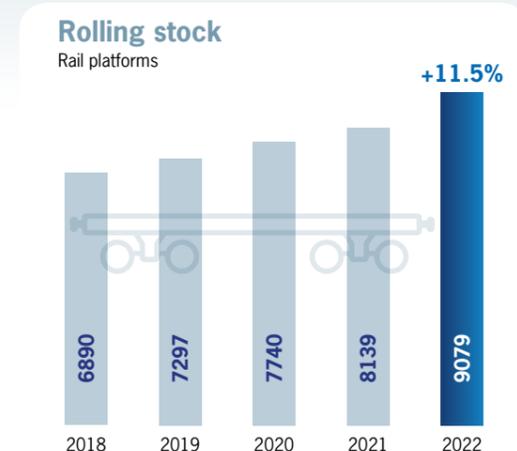
At the end of 2022, the Hupac Group had a wagon fleet of 9,079 platforms. This represents an increase of 11.5% compared to the previous year. The share of rented wagons in the total rolling stock fleet was 22.7%. The wagon fleet of Hupac Ltd has been completely low-noise since the end of 2015.

In the year under review, 33 wagons of type T3000 and 180 six-axle 90-foot container wagons were delivered to Hupac Ltd. This made up for the procurement backlog caused by the Corona crisis. Around 600 wagon modules were rented in order to compensate for the quality deficits in rail operations and to increase resilience through the use of reserve compositions.

The rail transport company Hupac SpA has six diesel locomotives for shunting operations, three diesel locomotives for mixed shunting and mainline operations and three leased electric locomotives. With these resources, Hupac SpA provides shunting services at the Busto Arsizio-Gallarate, Pordenone and Piacenza terminals.

nals. The company also operates the Busto ↔ Bologna shuttle train and moves empty wagons between Busto Arsizio and the workshops in north Italy.

Hupac Ltd owns eight Vectron locomotives.



## Strong footprint in the terminal area

In the terminal sector, Hupac resumed its investment activities after the interruption caused by the pandemic. After several years of planning and construction, the Brwinów terminal near Warsaw was inaugurated in September 2022 and put into operation in November. The terminal is designed for 740-metre-long trains and thus meets the parameters of the European freight corridors to ensure maximum train productivity.

In November 2022, Hupac won the tender for the management of the Köln Nord terminal. After various organisational preparations, the new subsidiary Comibconnect Köln Nord GmbH started operations at the beginning of 2023. The team of more than 30 employees of the previous operator HGK was almost completely taken over.

The expansion and maintenance of the Busto Arsizio-Gallarate terminal are of great importance. In the year under review, the renewal of the gantry cranes was planned and started. In the current year, four new cranes will be installed and the same number will be dismantled. This measure will increase the reliability and operational stability of the facility, resulting in higher productivity and less downtime.

At the Terminal Novara CIM, the planning work has started for the expansion of the facility. An essential part of this project is the optimisation of the road access for the use of OCR gantries and the planning of three new arrival and departure tracks. The works will be tendered and started during the current year.

The Piacenza, Milano Smistamento and Brescia terminal projects will be carried out together with the FS Group. In Piacenza, work is progressing but at a reduced rate due to increased construction costs and cost-cutting measures. In the reporting year, three gantry cranes were ordered and will be installed between August and December 2023. Construction of the rail infrastructure within the terminal will start in the current year. Commissioning is scheduled for early 2025.

At the Milano Smistamento terminal, soil remediation has been completed and a public park has been created as a compensatory measure. The actual construction work will start, once the Federal Office of Transport has approved the financing. The Brescia terminal project is in the preparatory phase.



## Progress in digital innovation

With the digital transformation of its business processes, Hupac is strengthening the competitiveness of combined transport. In the year under review, the Train Radar tracking system was equipped with additional functions. The tool provides real-time information on train movements based on data from the railway partners, the terminals and the GPS units installed on the trains. Via the WOLF platform, customers and partners receive reliable forecast data on the arrival time of the trains and the estimated time of pick-up of the loading units at the terminals (ETP Estimated Time of Pick-up). The service is also available via EDI. Around 80% of customers use Train Radar on a daily basis.

In the year under review, a mobile app was developed for the customers of Hupac terminals. The first version of the app was launched in autumn 2022 for the Busto Arsizio-Gallarate terminal. It allows access to information on the status of loading units, interaction with the terminal with indication of the driver's estimated time of arrival and electronic management of access to counters and handling areas. The service will be extended to other terminals this year.

Significant developments have also been made in the EDIGES data exchange system. The technology for data exchange in combined transport, developed by Hupac in 2005, has now become an industry standard throughout Europe. In the year under review, the EDIGES consortium, of which Hupac is a member, launched a new version EDIGES 4.1. It covers additional business processes such as pre- and on-carriage, timetables, terminal slots, ETA and ETP. In the year under review, about 10 million EDIGES data were exchanged. About 50 terminals in Europe have switched to EDIGES. At Hupac Intermodal, 60% of bookings are processed via EDIGES.

EDIGES is also the data exchange protocol for the KV4.0 initiative, a project funded by the German Federal Ministry of Digital Affairs and Transport to develop an interface for data exchange along the entire combined transport process chain. After the successful test run in 2021, the operating company DX Intermodal GmbH was founded by Hupac and other partners in October 2022. The purpose of the company is to disseminate and further develop the DXI data hub as an open platform for simple, standardised data exchange in intermodal transport.

Further progress was also made in the digitalisation of business processes. In 2022, Hupac moved various document management services and support software to the cloud. Investments in cybersecurity to ensure the stability and security of the systems are of great importance.

Data integration is also playing an increasingly important role for the subsidiary ERS Railways. In this respect, ERS can rely on Hupac's systems and know-how. Since 2022, customers have been able to view the free capacity on the trains. In addition, a CO<sub>2</sub> calculator has been developed together with the Fraunhofer Institute, which immediately shows customers the CO<sub>2</sub> consumption on rail and road. Direct online booking will also be possible from 2023.

Hupac is already using AI and machine learning to improve its business processes. Various projects support the optimisation of train operations and the rational management of rolling stock maintenance.

## Rail traction with partners

More than 95% of Hupac Intermodal's traffic is produced according to the principle of international end-to-end traction responsibility. Exceptions are markets that only partially allow this business model.

In the year under review, Hupac Intermodal's main carriers included SBB Cargo International, DB Cargo, Mercitalia Rail, BLS Cargo, SNCF Fret, Captrain, Foxrail, GTS, Gysev Cargo, LTE, Metrains, Railtraxx, Sangritana, Twentyone, WLC and the railway company of Hupac SpA.

ERS Railways cooperates with the railway undertakings boxXpress and Freightliner.

In 2022, Hupac Intermodal continued to order and operate its own railway paths as an access party, thus maintaining direct contact with the infrastructure manager. The "Blauhelm" project, whereby Hupac contracts locomotive drivers and makes them available to railway undertakings in the event of operational difficulties, was further developed – a measure that ensured the quality and reliability of rail transport in a year characterised by the lack of availability of resources on the part of the partners.

In the year under review, further steps were taken to exploit the productivity potential of Alptransit, which is, however, still affected by infrastructure constraints in the north and south.



# Traffic development

## 1.1 million road consignments shifted

In the year under review, the development of transport showed a consolidation compared to the disproportionate growth of the previous year. The Hupac Group transported a total of 1,103,693 road consignments in combined road/rail transport and maritime inland traffic. This corresponds to a slight decrease of 1.8% or about 20,000 road consignments. While this can still be considered positive in the medium term, the development of traffic in 2022 is still below expectations.

The capacity bottlenecks in Germany in particular had a negative impact. After a lively development in the first quarter with monthly growth rates in the high single digits, traffic on Hupac's network collapsed in the months of April and June. This was due to various line closures and capacity restrictions caused by the intensive construction activity on the Rhine-Alpine corridor, such as the complete closure of the Rhine Valley railway in April 2022. The transalpine segment through Switzerland was particularly affected. After a brief recovery in the summer months, the capacity bottlenecks recurred and worsened in autumn. At times, up to 20% of trains could not run for operational reasons.

In the last quarter, some market segments experienced a cyclical downturn, partly due to the unfavour-

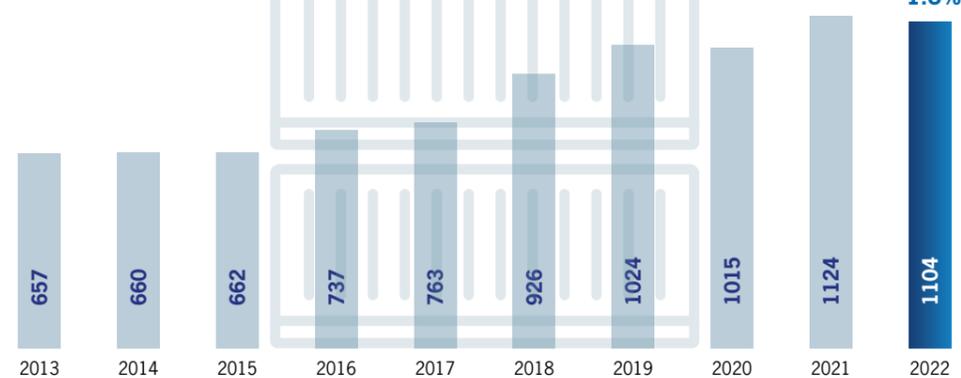
able development of energy costs. Other sectors, such as consumer goods, have seen a steady increase in demand. Maritime inland traffic also continues to be subject to strong fluctuations due to the global situation. Keywords here are the global disruption of supply chains due to COVID-19 with shutdowns in Asia and the uncertainties caused by the war in Ukraine.

The low reliability of the rail network led to major challenges at the terminals. Hupac is doing everything in its power to maintain traffic and minimise the negative impact on its customers. To this end, additional resources such as rail wagons and traction equipment are being deployed and intensive coordination with rail and terminal partners is taking place.

Despite the high market demand, traffic in various areas of the Hupac Group network recorded a noticeable decline. On the high-volume north-south corridor, traffic volumes fell by 2.9% to 766,574 road consignments. Transalpine traffic through Switzerland was particularly affected, with a decline of 2.1% to 584,984 consignments. On the other hand, traffic on the corridor through Austria showed a positive development with an increase of 9.7% to 43,840 consignments.

### Traffic volume

Road consignments in 1000

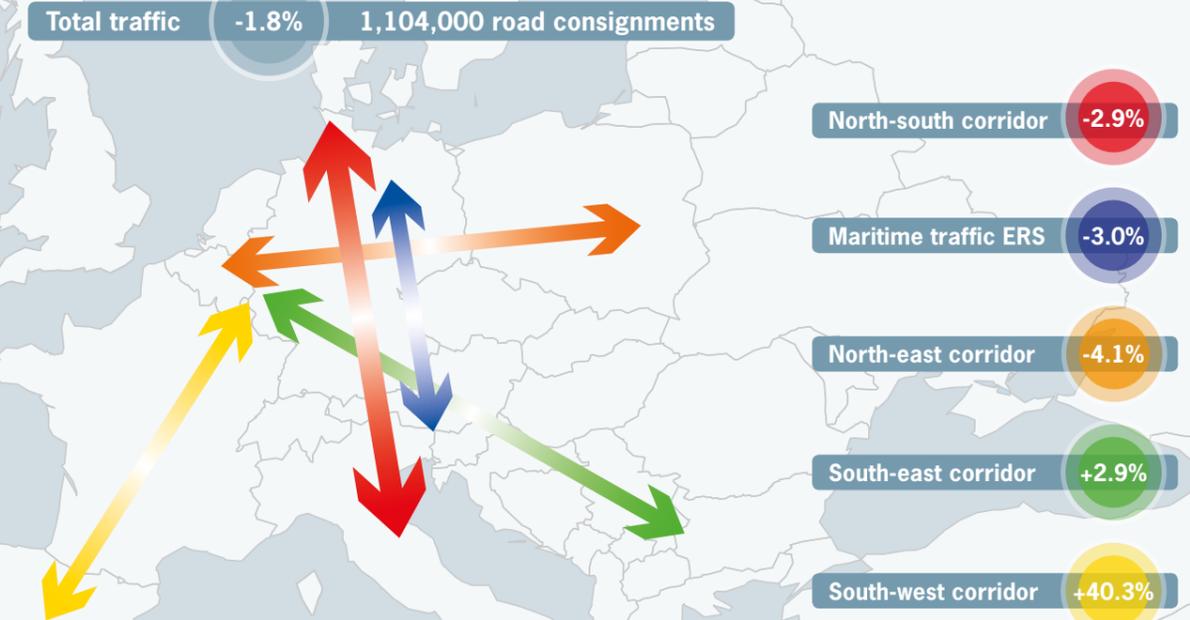


Road consignment: one or two loading units that would be equivalent to one lorry in road transport, e.g. one semi-trailer or two swap bodies up to 7.82 metres long or one heavy tank container or two 20-foot light containers.

While the maritime traffic of ERS Railways with transport services from the North Sea ports had to accept a decline of 3.0%, the south-east and south-west corridors continued to develop very positively with growth of 2.9% and 40.3% respectively. Traffic on the north-east corridor fell again, by 4.1%.

In principle, the Hupac Group's network is open to both continental and maritime traffic. There are restrictions with regard to the type of wagons used on connections that are exclusively operated for container transport from the seaports. This is the case for ERS Railways services from German and Dutch seaports. A network for maritime traffic from Italian ports is being developed with partners.

### Traffic development 2022



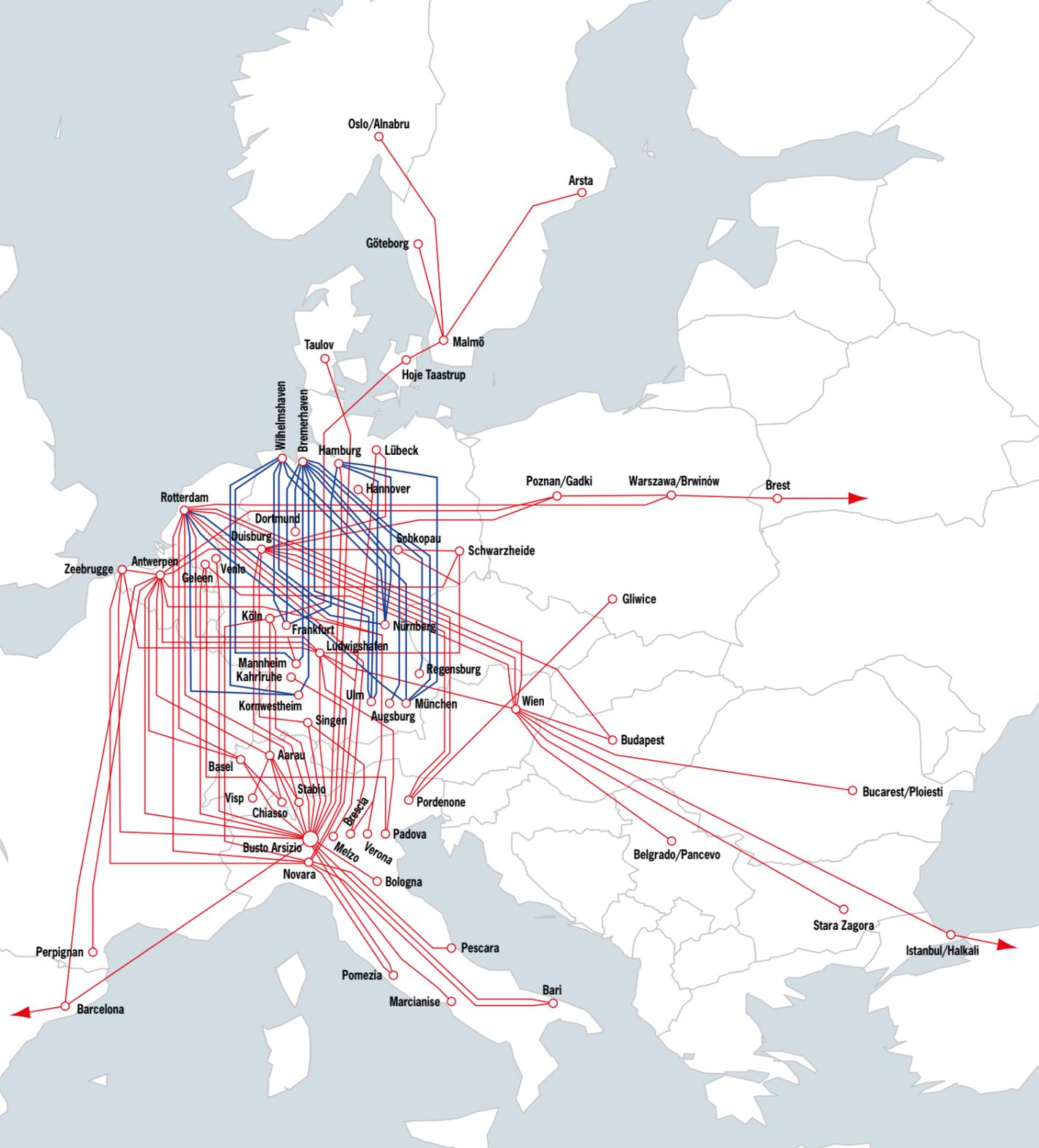
### Traffic by freight corridors

In road consignments	2022	2021	%
North-south corridor	766,574	789,491	-2.9
Maritime traffic ERS	179,503	185,149	-3.0
North-east corridor	54,798	57,161	-4.1
South-east corridor	71,427	69,382	2.9
South-west corridor	31,391	22,379	40.3
<b>Total</b>	<b>1,103,693</b>	<b>1,123,562</b>	<b>-1.8</b>

### Traffic by route

In road consignments	2022	2021	%
Transalpine via Switzerland	584,984	597,512	-2.1
Transalpine via Austria	43,840	39,954	9.7
Transalpine via France	6,644	6,915	-3.9
Non transalpine	468,225	479,181	-2.3
<b>Total</b>	<b>1,103,693</b>	<b>1,123,562</b>	<b>-1.8</b>

■ Hupac Intermodal network  
■ ERS Railways network



Dated 1.4.2023

## Shuttle Net, Europe-wide network

Despite significant capacity constraints on the rail network, the Shuttle Net business unit achieved a traffic volume of 796,078 road consignments, which represents a slight decrease of 1.5% compared to the high-growth of the previous year. Various initiatives in market segments with high development potential for combined road/rail transport contributed to this.

On the north-south axis, the focus was on extending the network southwards to offer the economic areas of central, southern and eastern Italy new opportunities for environmentally friendly combined transport. In February 2022, the Novara ⇌ Pomezia connection was successfully established and increased to a frequency of three roundtrips per week. In transalpine traffic via Switzerland, the new connections Zeebrugge ⇌ Bologna and Venlo ⇌ Busto Arsizio were created. Additional departures were introduced on the Hamburg ⇌ Busto Arsizio and Ludwigshafen ⇌ Novara

routes. Hupac strengthened the transalpine network via Austria with a new connection Pordenone ⇌ Gliwice and an increase in the frequency of shuttle trains between Pordenone, Duisburg and Rotterdam. For the Antwerp ⇌ Novara connection, Hupac obtained homologation for the transport of P400 trailers, which opens up new perspectives for this promising growth market.

On the east-west axis, a new direct connection was established between Antwerp and Poznan/Gadki. In November, Hupac integrated the new Brwinów terminal near Warsaw into the Antwerp/Duisburg-Poland network. In the south-east Europe segment, a shuttle train between Belgrade and Vienna was launched at the beginning of the year. The connections Dörpen ⇌ Duisburg/Ludwigshafen and Antwerp ⇌ Duisburg strengthen the network on the south-east Europe axis with its various gateway connections to Turkey.

## Company Shuttle: solutions for high-volume customers

The Company Shuttle business unit was also affected by the bottlenecks in the European rail infrastructure. After a strong performance in 2021, the unit saw a consolidation to a transport volume of 124,310 road consignments in the year under review, a decrease of

2.4%. The trains are operated on behalf of individual transport companies. The customers assume the utilisation risk and transfer the organisation and operation of the transport to Hupac as operator.

## Landbridge China for Eurasian land transport

Traffic to China continued to develop very positively in the year under review. The business unit successfully organises door-to-door land transport between China

and Europe, with a focus on Italy. The teams based in Chiasso and Shanghai handled some 3,800 road consignments, an increase of 18%.

## ERS Railways strengthens the maritime network

Maritime inland traffic with domestic connections from the seaports of Hamburg, Bremerhaven and Rotterdam also suffered from the precarious situation of the German rail network and hinterland terminals. Despite all efforts, it was not always possible to provide a reliable service to the ports. Combined with a noticeable decline in overseas traffic, this led

to a consolidation of ERS Railways' traffic volume to 339,164 TEU, corresponding to 179,503 (-3.0%) road consignments. At the beginning of the current year, ERS added the deep-sea port of Wilhelmshaven to its network and launched the first connections to Kornwestheim and Nuremberg. Numerous other destinations will follow in due course.



## Terminals: efficient road/rail transshipment

The Hupac Group operates 11 terminals in Switzerland, Italy, Germany, Belgium, the Netherlands and Poland. The operating companies are Hupac Intermodal Ltd for the Aarau, Basel and Chiasso terminals, Hupac SpA for the Busto Arsizio-Gallarate and Pordenone terminals, TPI Terminal Piacenza Intermodale Srl for the Piacenza terminal, Hupac Intermodal BVBA for the Terminal Antwerp HTA, RTC Rail Terminal Chemelot BV for the Geleen terminal, Combiconnect Srl for the Terminal Novara CIM, and the Terminal Singen TSG GmbH joint venture company for the Singen terminal. In November 2022, the subsidiary Hupac Terminal Brwinów Sp. z o.o. started operating the newly built Brwinów terminal near Warsaw.

Around 350 employees work in the Hupac Group companies with a focus on terminal operations. Every day they reload thousands of loading units onto rail wagons and trucks and manage the arrival and departure movements of trains, rail wagons and road vehicles.

In the year under review, the Hupac Group's terminal business decreased compared to the significant increase in the previous year. A total of 955,185 loading units were handled, a decrease of 5% compared to the previous year.

Hupac uses the software solutions GOAL (Global Oriented Application for Logistics) and WOLF (Web Oriented Logistics Framework) to control and manage its terminals. These software solutions support every step of the terminal process and thus enable the creation of uniform standards that are optimised and developed centrally. Customers benefit from increased efficiency, reliability and transparency in the handling of transport processes.

The terminals of the Hupac Group make a significant contribution to stabilising traffic punctuality. Hupac measures the arrival and departure punctuality of trains on selected routes and concludes that trains with sometimes extremely long arrival delays generally depart on time or with a slight delay of less than one hour. The terminals thus serve as a buffer, but this puts a heavy strain on the productivity of the facilities. The high commitment of the employees and the availability of reserve compositions, which are kept in stock especially for this purpose, are indispensable.

Hupac's terminals offer non-discriminatory access and are used by a dozen operators.

Terminal	Surface	Cranes	Transshipment tracks	Max. capacity Train pairs per day	Destinations
Busto Arsizio-Gallarate	245,000 m <sup>2</sup>	12 gantry cranes	13 x 540-760 m	33	Germany, Switzerland, Italy, Spain, Netherlands, Belgium, Denmark, Poland
Piacenza	95,000 m <sup>2</sup>	8 mobile cranes	3 x 600 m 1 x 500 m	8	Italy, Germany, Belgium, Poland, Romania, Austria
Pordenone	103,000 m <sup>2</sup>	4 mobile cranes	4 x 750-800 m	8	Italy, Germany, Netherlands, Poland
Novara CIM	152,000 m <sup>2</sup>	5 mobile cranes	7 x 610 m	13	Italy, Germany, Netherlands, Belgium, France
Chiasso	7,000 m <sup>2</sup>	1 mobile crane	1 x 300 m	2	Switzerland
Aarau	33,000 m <sup>2</sup>	3 mobile cranes	4 x 300 m 1 x 200 m	6	Germany, Italy, Belgium, Switzerland
Basel Wolf	17,000 m <sup>2</sup>	2 mobile cranes	1 x 380 m	3	Netherlands, Belgium, Switzerland
Singen	77,000 m <sup>2</sup>	2 gantry cranes 1 mobile crane	4 x 650 m	8	Germany, Italy
Antwerp HTA	53,000 m <sup>2</sup>	3 gantry cranes	5 x 620 m	10	Italy, Switzerland
Geleen	65,000 m <sup>2</sup>	1 gantry crane	1 x 700 m	6	Italy, Netherlands, Austria
Brwinów	42,000 m <sup>2</sup>	2 mobile cranes	1 x 650 m 1 x 750 m	5	Poland, Germany, Belgium, Belarus

# MANAGEMENT REPORT



# Business development

After 2021, which saw a recovery from the pandemic, 2022 again presented many challenges. In the first half of the year, the impact of COVID-19 was still evident due to quarantine regulations in various countries. In February, diesel and energy prices exploded with the start of the war in Ukraine. In the middle of the year, the Swiss franc strengthened against the euro and the exchange rate fell below the euro parity.

In the first quarter, turnover excluding direct costs increased by around 5% compared with the previous year. In April, however, this advantage was eroded by major construction work on the railway network in the Rhine valley. The railways struggled to recover from this and all subsequent events, resulting in a very high number of train cancellations; this instability affected the entire production system.

Maritime traffic also suffered from irregularities in the supply chain, exacerbated by strikes in the main northern ports. All these effects created bottlenecks in continental and port terminals and affected their smooth operation; external storage space had to be found and additional wagon reserves created to compensate for delays and train cancellations.

From the autumn onwards, there was a further slow-down in traffic linked to the onset of the global recession and the continuing geopolitical tensions. This situation, characterised by high inflation rates, put pressure on prices throughout the rail sector.

Last year the Hupac Group transported 1.103 million road consignments. This represents a decrease of 1.8% compared to the previous year. The Group's turnover amounted to CHF 668.5 million, a decrease of 2.1%. This decline, which was recorded in both continental and maritime traffic, was due to volume decreases (-1.8%) and currency effects (-4%), which were offset by the product mix and the partial passing on of additional costs to the market.

As expected, operating contributions decreased significantly by CHF 16.3 million to CHF 58 million (-21.9%).

The cost of the services fell in line with the decline in revenue. This reflects a loss of productivity, which is mainly due to the high number of train failures in the year under review and the necessary countermeasures. The gross profit margin fell by two percentage points to 20.2% compared to 22.2% in the previous year.

Personnel expenses rose disproportionately to CHF 53.9 million (+7.5%). This is due, among other things, to the charging of the entire annual personnel costs of Combiconnect Srl Novara, which was integrated into the Hupac Group in October 2021, as well as to the commissioning of the newly built terminal in Poland in November 2022 with the recruitment of operating personnel.

Depreciations and value adjustments decreased by 25.4%; this item is made up of part of the depreciation, which has increased compared to the previous year due to the resumption of investments, and part of the value adjustments, which are not significant as no costs for specific risks were recorded in 2022.

The result from associated companies made a negative contribution of CHF 1.6 million to the Group result. Here, too, the difficult market and operating situation had an impact.

Interest expenses are lower due to a repayment in 2021, which also had an impact in the year under review.

The net result of foreign exchange losses and realised foreign exchange gains was CHF -3.5 million, reflecting the strengthening of the Swiss franc against the euro as a liquidity effect.

After a very positive ordinary operating result of CHF 15.8 million was achieved in 2021 following a loss year, this year's result is CHF 6.9 million (-56%).

The annual result before taxes improved significantly to CHF 12.7 million (-23.7%) thanks to the sale of three locomotives with an extraordinary gain of CHF 3.6 million.

The expense for direct taxes amounts to CHF 5.0 million, an increase by CHF 1.4 million compared to the previous year; part of this change is due to extraordinary refunds in 2021.

The annual result after taxes for 2022 is CHF 7.6 million (-38.8%).

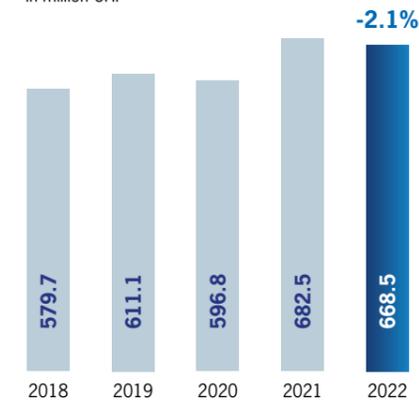
At CHF 63.4 million, EBITDA is on a par with the previous year. At CHF 77.4 million, investments in tangible assets were significantly higher than in the previous year due to the resumption of investment activities after the pandemic-related interruption.

The balance sheet total as of 31.12.2022 was CHF 585.7 million, an increase of CHF 14.8 million. On the assets side, tangible fixed assets increased by CHF 27.7 million. On the liabilities side, account payables from supplies and services increased by CHF 9.7 million and loans from third parties by CHF 11.2 million. The equity ratio decreased from 21% to currently 19.5%.

The operating cash flow amounted to CHF 60.5 million and the outflow of funds for investments to CHF 82.3 million. New loans of CHF 18.7 million were taken out to compensate for this.

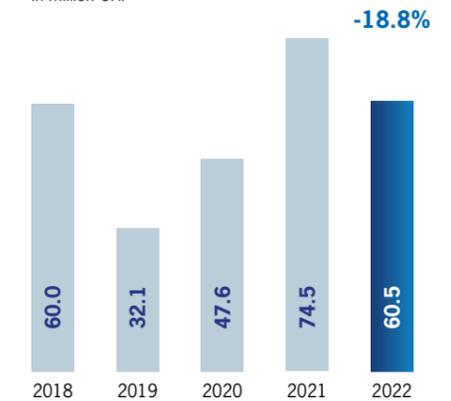
## Annual turnover

In million CHF



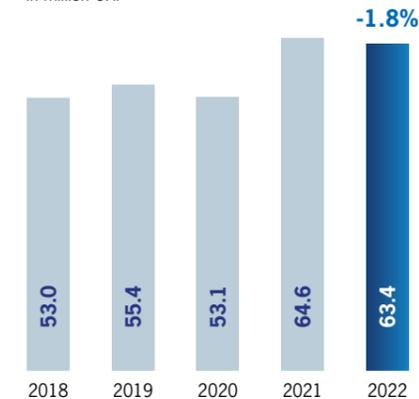
## Operating cash flow

In million CHF



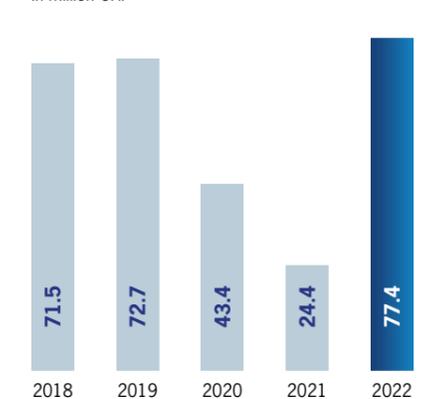
## EBITDA

In million CHF



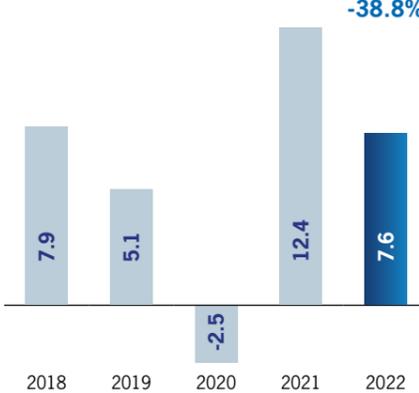
## Purchase of tangible assets

In million CHF



## Annual result

In million CHF



Amounts in 1000 CHF	2022	2021	%
Net income from supplies and services	668,521	682,526	-2.1
Other income	58,051	74,308	-21.9
Cost of the services	591,840	605,029	-2.2
Gross profit	134,732	151,805	-11.2
Annual result of the Group	7,599	12,410	-38.8
EBITDA	63,415	64,554	-1.8

# Swiss public subsidies

The Swiss Confederation provides various subsidies to encourage the transfer of freight traffic from road to rail. On the one hand, funds from the mineral oil tax are used to contribute to the financing of terminal infrastructure, since the economic viability of transshipment facilities is not guaranteed if they are financed on the capital market. On the other hand, operators of intermodal transport, especially in Alpine transit, are not able to fully cover the costs with market revenues. On the basis of various legal provisions, the Swiss Confederation therefore grants financial support to intermodal transport service providers.

Numerous investment projects for the terminal infrastructure of Termi Ltd, Termi SpA and Hupac Intermodal BVBA have been partially subsidised by the Swiss government. The following projects have been completed:

- Busto Arsizio terminal
- Gallarate connection sidings
- Singen terminal
- Extension of the Busto Arsizio terminal into the municipal area of Gallarate
- HTA Hupac Terminal Antwerp
- Completion of the Busto Arsizio-Gallarate terminal (according to the final accounts of 2012).

The Hupac Group has to repay a significant part of the subsidies, amounting from 2022 to 2041 to around CHF 37.9 million. In the same period, estimated interest of around CHF 0.4 million will be payable to the Swiss Government (see table).

Further terminal projects are in the planning stage. They concern sites in Brescia, Piacenza, Milano Smistamento and Basel Nord.

The Federal government's funding model for operating subsidies is degressive. With decreasing absolute funds, growing transport volumes are to be shifted. The operating contributions per road consignment in transalpine traffic through Switzerland have been reduced in 2022 compared to 2021 in line with the reduction in the funds made available.

## Repayment of public financial aids and interest: indicative cash flow burden per year

Values in 1000 CHF

Years	2022	2023-2026	2027-2030	2031-2035	2036-2041	2022-2041 Total
Loan repayment	3,548	3,548 - 3,548	2,505 - 2,505	1,551 - 2,108	65 - 1,470	37,865
Interest	104	30 - 86	3 - 18			377
<b>Total</b>	<b>3,652</b>	<b>3,578 - 3,634</b>	<b>2,508 - 2,523</b>	<b>1,551 - 2,108</b>	<b>65 - 1,470</b>	<b>38,242</b>

# Development of operative shareholdings

Hupac holds minority interests in several companies active in combined transport. Below is an overview of the contribution of these companies to the Group.

## SBB Cargo International Ltd, Olten

Since the beginning of 2011, Hupac has held a minority stake of 25% in the Swiss carrier for international block train and combined transport on the north-south axis. By integrating private-sector logistics know-how, SBB Cargo International is establishing itself as a strong, lean freight railway. This stimulates the market and creates further shift impulses.

## boxXpress GmbH, Hamburg

Through its subsidiary ERS Railways, the Hupac Group has held a 47% stake in the rail transport company boxXpress since June 2018. The Hamburg-based company has 36 locomotives and around 1121 flat wagons and provides transport services between German and Dutch seaports and the main German economic regions.

## Mercitalia Intermodal SpA, Milan

Since the 1970s, Hupac has maintained close collaboration with the Italian combined transport operator Mercitalia Intermodal. At the end of the reporting year, Hupac held an unchanged capital share of 34.48%.

## Eurogateway Srl, Novara

Through the companies CIM SpA, Hupac Ltd and Hupac Intermodal NV, the Hupac Group holds a 46.49% stake in the terminal operator Eurogateway. The transshipment facility handles around 20 Hupac Intermodal and third-party trains per week.

## RAAlpin Ltd, Olten

Together with SBB and BLS, Hupac is shareholder of the combined transport operator established in 2001 for accompanied combined transport through Switzerland. Its capital share remained unchanged at 33.11% at the end of the reporting year. On behalf of RAAlpin, Hupac carries out numerous tasks such as customer service, dispatching and invoicing of the Rolling Highway. In addition, Hupac provides agency services at the Novara terminal through its subsidiary Fidia SpA. In the year under review, Hupac Ltd leased 419 low-loader wagons to RAAlpin.

## Terminal Singen TSG GmbH, Singen

The joint venture company, founded in 1999, operates the Singen terminal together with DB Intermodal Services. Around 45 trains pass through this hub every week.

## KTL Kombi-Terminal Ludwigshafen GmbH, Ludwigshafen

Hupac has held a 15% share in the operating company of the Kombi-Terminal Ludwigshafen since 2005. The KTL acts as a central hub in Hupac's network for the bundling of consignments between Germany, Italy, Belgium, the Netherlands and east Europe. Around 90 Hupac trains are handled in this hub every week.

## DIT Duisburg Intermodal Terminal GmbH, Duisburg

The trimodal Duisburg Intermodal Terminal, in which Hupac has held a 10% stake since 2003, serves as an inland hub for the major North Sea ports of Rotterdam and Antwerp. In the year under review, Hupac ran around 20 trains a week via this terminal, including for transports to Austria and Hungary.

## Combinant NV, Antwerp

Hupac holds a share of 35% in the Combinant NV terminal operator, which was founded in 2009. Other shareholders are BASF and Hoyer. In the year under review, Hupac handled 50 trains per week via the Combinant terminal.

## RSC Rail Service Center, Rotterdam

Since the end of 2014, Hupac has been represented in the owner consortium of the RSC terminal of Rotterdam with a share of 16.33%. Hupac handles 120 departures per week via the RSC terminal.

## WienCont Container Terminal GmbH, Vienna

Hupac has held a 4.16% share in the WienCont terminal since 2021, underlining the strategic importance of this location for the further development of transport on the south-east Europe axis.

## DX Intermodal GmbH, Frankfurt am Main

DXI is the new company for the use of a data hub, which for the first time connects all players in combined transport with each other in terms of data technology. The shareholders of the company, which was founded in July 2022, are Hupac with a 44% share and other companies from the combined transport sector.

## CIS Cesar Information Services Scarl, Brussels

Hupac is a founding shareholder of Cesar Information Services, established in 2004, with a capital share of 25.1%. The service company based in Brussels, in which various other combined transport operators hold shares, manages and develops the CESAR customer information system.

# Risk assessment

Hupac regularly carries out a risk analysis in order to identify risks ex ante, perform a correct risk assessment and implement appropriate mitigation measures. The aim is to protect the Group from economic losses, non-compliance with regulations, operational safety issues, events affecting the health and safety of employees, currency risks, cyber incidents and other critical issues. Department heads, branch managers and all employees are involved in the risk assessment process. A regular report is submitted to the Board of Directors.

Hupac monitors all Group activities with the risk management system ERM (Enterprise Risk Management) and analyses risks throughout the organisation on an ongoing basis. For this purpose, additional KPIs with thresholds will be defined for risk control and trends will be monitored in the different business areas.

ERM looks at risk not only as a critical and negative aspect, but also as a positive one. This makes it possible to identify all the possibilities within the organisation to minimise losses and maximise opportunities in a logic of long-term returns.

Hupac's ERM brings together all the management systems available in the Group and thus enables effective control. These include the ISO systems (quality, environment, health and safety), the internal control system, the ECM, cybersecurity and the legal aspects.

With regard to rolling stock, the ERM provides for the use and application of Regulation RE 402/2013, which lays down specific arrangements for the safe operation of rolling stock.

The safety management system is also integrated into the ERM. The objective is "zero critical incidents under Hupac's responsibility in the different areas of activity". To this end, plans and tools are drawn up to manage the main operational risks. These concern handling in the terminals, rail traction with loading units and rolling stock, dangerous goods, construction activities and IT systems. This objective was achieved in the year under review.

In 2022, audits were carried out with the support of external specialists. In addition, various improvements were made to make the system more robust and better structured overall.

The internal control system is regularly reviewed to ensure continuous improvement and risk mitigation. Each year, specific areas are identified and subjected to detailed analysis to ensure the effectiveness of the system in a constantly changing organisational and technological environment.

# Outlook

## Positive future prospects

The Board of Directors and the Management Board consider the medium to long-term future prospects for the Hupac Group to be very good, driven by further growth opportunities and continuous investments in our sustainable, climate-friendly business model. The commissioning of the 4-metre corridor through Switzerland opens up further opportunities which Hupac is systematically exploiting. The ever-increasing global awareness of sustainability will continue to create favourable framework conditions in the long term.

In the current situation, with various geopolitical uncertainties and a slowdown in economic growth, we see some risks. The main uncertainty stems from high inflation rates and the ongoing dynamics in global commodity prices and production costs. The resulting shift to more restrictive monetary policies and rising interest rates could lead to financial turmoil or a slowdown in global economic growth. Another risk is a significant

shift in the location of production, and consequently logistics flows, driven by energy policy, which could entail some adjustment difficulties. Finally, the ongoing construction work on the rail network, with line closures and diversions lasting for weeks, represents a burden that should not be underestimated.

In the current economic downturn, Hupac is relying on strict cost control and investment restraint. At the same time, strategic projects such as the expansion of terminal capacity are being consistently pursued. This is because European environmental and climate policy, which aims at a broad shift of transports from road to rail, continues to dominate. It is also quite possible that the current changes in global logistics and supply chain, with partial relocation of production sites back to Europe, will offer additional growth opportunities. Hupac remains well positioned and ready to take advantage of the market opportunities that arise.



# GOVERNANCE



# Structure of the Hupac Group

## Company

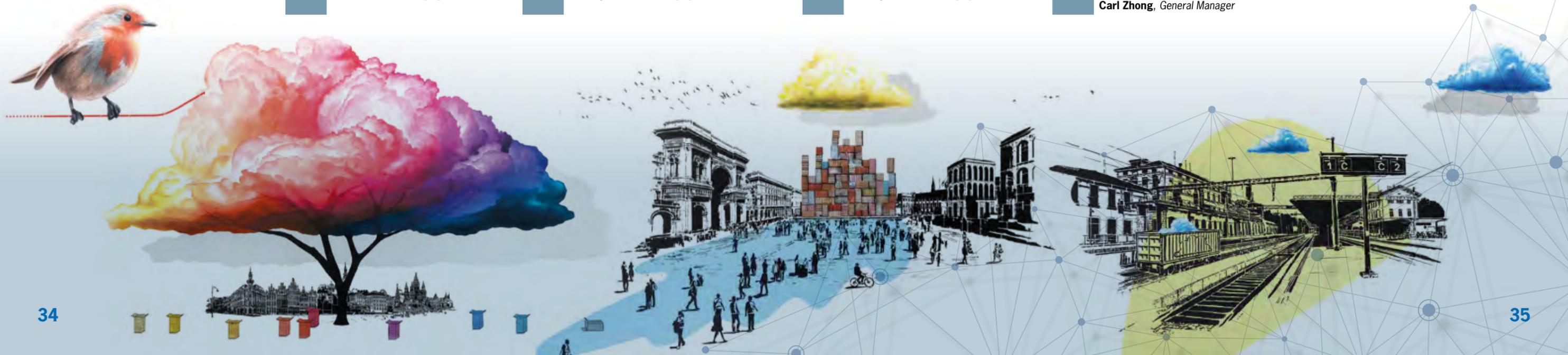
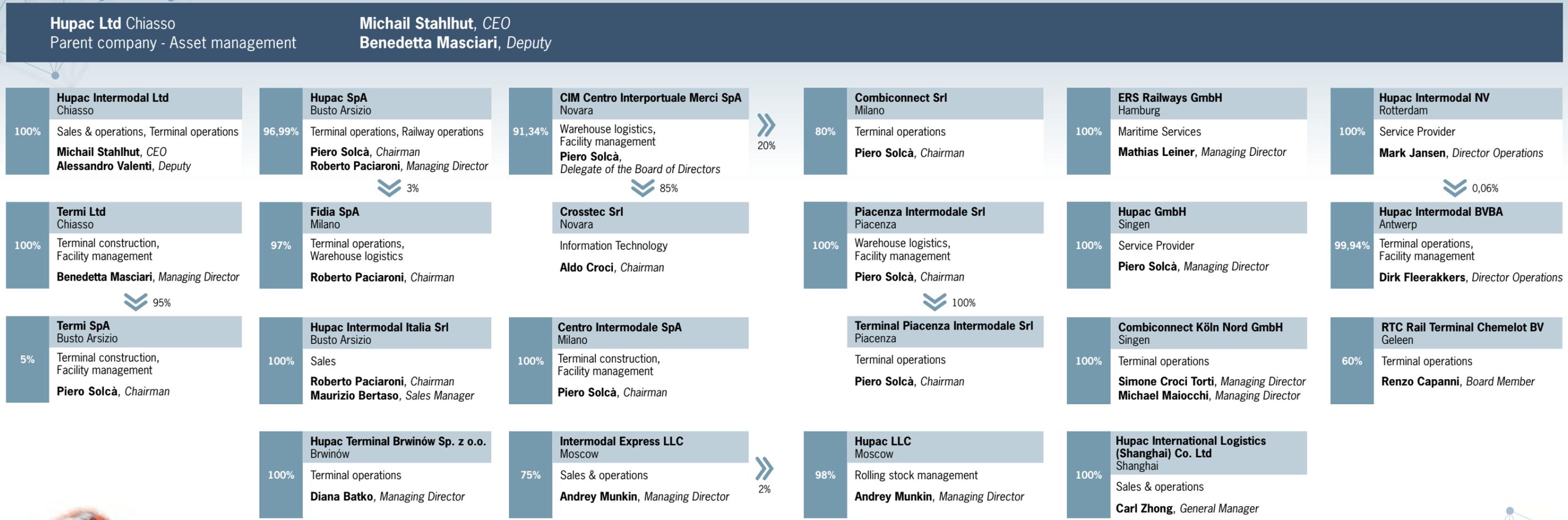
At the end of 2022, the Hupac Group consisted of 23 companies with locations in Switzerland, Italy, Germany, the Netherlands, Belgium, Poland, Russia and China. With this structure, the Chiasso based Hupac Ltd opens up various markets with interesting growth potential.

saw and subsequently took over the operation of the terminal. The first train started in November 2022.

In the year under review, Hupac Ltd increased its shareholding in CIM Centro Interportuale Merci SpA, in which it already held a majority stake, to 91.34%. Major investments are planned for the Terminal Novara CIM to increase capacity and productivity.

In September 2022, Hupac Terminal Brwinów Sp. z o.o. completed the construction of the terminal near War-

Dated 01.04.2023



## Board of Directors

The Board of Directors of Hupac Ltd consists of seven members. According to the statutes, Hupac's shareholders are primarily transport companies that are actively committed to the further development of combined transport. Accordingly, the majority of the Board of Directors of Hupac Ltd are entrepreneurs or delegated board members of such companies. With Germany and Italy, two important geographical markets

are covered. In its current composition, the members of the Board of Directors together represent more than two thirds of the voting rights of all shareholders. The composition of the Board of Directors of Hupac Intermodal Ltd and Termi Ltd corresponds to that of Hupac Ltd. In the other companies of the Hupac Group, the majority of the members of the Board of Directors are members of the management of the parent company.

## Organisational regulations

The organisational regulations of the Hupac Group regulate the constitution and passing of resolutions as well as the tasks and responsibilities of the Board of Directors, the Chairman of the Board of Directors, the

Committee of Chair of the Board and Managing Director as well as the Management Board. These regulations apply not only to the parent company, but in important matters to all companies of the Hupac Group.

## Capital structure

In the year under review, Hupac Ltd had a share capital of CHF 20 million. Approximately 100 shareholders hold shares in the company. 72% of the capital is held by transport and logistics companies from Switzerland,

Germany, Italy, France, Belgium, Austria and the Netherlands, 28% by railway companies. This ensures proximity to the market and guarantees independence from the railways.

## Shareholdings

Terminal Singen TSG GmbH, based in Singen, is a joint venture company. The company's shareholders are Hupac Ltd and DB Intermodal Services GmbH. Terminal Alptransit Srl (Teralp) is a joint venture between Mercitalia Logistics SpA and Hupac Ltd. The main purpose of the company is the design and construction of transshipment facilities in Italy.

panies SBB Cargo International and boxXpress, the data processing service providers CIS Cesar Information Services and DX Intermodal, and the terminal planning company Gateway Basel Nord.

Hupac has smaller shareholdings in the terminal operators KTL Kombi-Terminal Ludwigshafen, DIT Duisburg Intermodal Terminal and RSC Rail Service Center (Rotterdam) and WienCont Container Terminal, in the operator Kombiverkehr, in the terminal planning company Duisburg Gateway Terminal, and in the industry association UIRR.

Hupac has significant minority shareholdings in various companies in the combined transport activity sector. These include the combined transport operators Mercitalia Intermodal and RALpin, the terminal companies Eurogateway and Combinant, the rail transport compa-

### Board of Directors of Hupac Ltd

Name	Age	Position	Nationality	First nomination	Expiry of mandate
Dr. Hans-Jörg Bertschi	65	Chairman since 1993	Switzerland	1987	2025
Dr. Thomas Baumgartner	68	Member	Italy	1990	2025
Thomas Hoyer	72	Member	Germany	1988	2023
Bernhard Kunz	65	Member	Switzerland	2020	2025
Ing. Nicolas Perrin	63	Member	Switzerland	2008	2025
Nils Planzer	51	Member	Switzerland	2008	2025
Erich Staake	68	Member	Germany	2020	2025
Jörg Berner	36	Secretary	Switzerland	2019	2025

Dated 31.12.2022

## Certifications

The quality management system of the Hupac Group has been ISO 9001 certified since 1995. Since 1997, the environmental management system of the Hupac Group has also been certified according to ISO 14001. In September 2022, the Hupac Group companies concerned successfully passed the recertification audit and were thus able to acquire a new certificate valid until October 2025.

to OHSAS 18001 upgraded and also obtained ISO 45001 certification. Group certification in this area is valid until October 2025.

In 2020, Hupac Intermodal Ltd and other Group companies were certified for the first time according to ISO 45001 for occupational health and safety. A number of Italian companies previously certified

For the rolling stock sector, Hupac Ltd was already certified in 2010 as an Entity in Charge of Maintenance in accordance with the Memorandum of Understanding (Brussels, 2009). In 2013 the wagon management system of Hupac Ltd was certified in accordance with Regulation (EU) No. 445/2011. In August 2018, the company successfully passed the recertification. The new certificate is valid until August 2023.



# FINANCIAL STATEMENT



# Financial statement

## Consolidated income statement

Amounts in 1 000 CHF	2022	2021
Net income from supplies and services	668 521	682 526
Other income	58 051	74 308
Cost of the services	-591 840	-605 029
Gross profit	134 732	151 805
Payroll expenses	-53 855	-50 080
Other operating expenses	-18 395	-17 523
Depreciations and value adjustments	-50 534	-67 708
Operating result before financial positions	11 948	16 494
Financial income	1 367	615
Dividend income	976	548
Financial expenses	-2 346	-3 149
Result from associates	-1 574	4 382
Foreign exchange differences	-3 478	-3 115
Ordinary operating result	6 893	15 775
Non-operating income	610	750
Non-operating expenses	-51	-44
Extraordinary income	869	594
Gain from disposal of fixed assets	4 061	653
Extraordinary expenses	-546	-1 076
Loss from disposal of fixed assets	-110	-53
Dissolution of provisions	949	14
Annual result before taxes	12 675	16 613
Direct taxes	-4 993	-3 578
Annual result	7 682	13 035
Minority interest	-83	-625
Annual result of the Group	7 599	12 410

## Consolidated balance sheet

Amounts in 1 000 CHF	31.12.2022	31.12.2021	Amounts in 1 000 CHF	31.12.2022	31.12.2021
<b>ASSETS</b>			<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Cash and cash equivalents	89 709	96 142	Account payables from supplies and services	58 689	68 030
Receivables from supplies and services	95 877	92 266	- Third parties	56 680	67 975
- Third parties	83 072	77 178	- Shareholders	2 009	55
- Shareholders	12 805	15 088	Onerous short-term debts	1 971	1 984
Other short-term receivables	17 369	12 468	- Third parties	1 971	1 984
- Third parties	17 369	12 468	Other short-term debts	9 872	7 402
Stocks and services non invoiced	11 364	9 021	- Third parties	9 872	7 402
- Stocks	3 501	3 444	Accrued expenses	57 030	40 449
- Services not invoiced	7 863	5 577	Short-term provisions	284	253
Accrued income	18 890	33 644	Total short-term liabilities	127 846	118 118
Total current assets	233 209	243 541	Onerous long-term debts	138 932	132 436
Financial fixed assets	2 993	938	- Third parties	138 932	132 436
- Long-term receivables from third parties	2 985	932	Other long-term debts	49 955	45 277
- Other financial fixed assets	8	6	- Third parties	49 955	45 277
Investments	45 548	46 709	Long-term provisions	150 797	151 478
Tangible fixed assets	287 260	259 595	Deferred tax liabilities	3 932	3 850
- Assets under construction	41 203	21 074	Total long-term liabilities	343 616	333 041
- Technical equipment	12 161	12 992	Total liabilities	471 462	451 159
- Rolling stock	92 338	90 802	Share capital	20 000	20 000
- Plants on third parties' lands	4 723	5 376	Statutory capital reserves	20 864	18 978
- Terminals, buildings and land	126 788	120 275	Statutory retained earnings	56 637	55 762
- Other tangible fixed assets	10 047	9 076	Voluntary retained earnings	45 968	42 483
Intangible fixed assets	11 921	15 323	Translation difference	-32 376	-26 199
Deferred tax assets	4 743	4 749	Treasury shares	-66	-398
Total fixed assets	352 465	327 314	Total Hupac shareholders' equity	111 027	110 626
Total assets	585 674	570 855	Minority interests	3 185	9 070
			Total shareholders' equity	114 212	119 696
			Total liabilities and shareholders' equity	585 674	570 855

## Consolidated cash-flow statement

Amounts in 1 000 CHF	2022	2021
Annual result of the Group	7 599	12 410
Depreciation of tangible assets	42 022	39 174
Depreciation of intangible assets	7 822	6 858
Change in value of investments	876	-156
Variation of provisions	-58	22 206
Other non monetary items	-2 119	-2 482
Net result from sale of tangible assets	-3 950	-600
Income from associated companies	1 574	-4 348
Minority interests	-6 217	580
Variation of inventories	-149	-282
Variation of short-term receivables	2 094	-16 126
Variation of short-term liabilities	10 966	17 235
Cash flows from operating activities	60 460	74 469
Purchase of tangible assets	-77 409	-24 365
Proceeds from sale of tangible assets	4 369	695
Purchase of intangible assets	-4 654	-2 202
Proceeds from sale of intangible assets	142	5
Purchase of investments	-2 201	-781
Variation of financial receivables	-2 520	-1 551
Cash flows from investing activities	-82 273	-28 199
Variation of financial loans	18 701	-32 190
Treasury shares	332	404
Dividends payment	-1 583	-788
Cash flows from financing activities	17 450	-32 574
Variation	-4 363	13 696
Cash at beginning of the year	96 142	83 522
Foreign exchange differences on cash	-2 070	-1 076
Cash at end of the year	89 709	96 142

## Principles applied in these financial statements

These financial statements have been prepared in accordance with the provisions on commercial accounting laid down in articles 957 – 963b Swiss Code of Obligations (CO) (effective 1 January 2013).

## Accounting policies

### Consolidation principles

The consolidated financial statements of Hupac Ltd have been prepared using the purchase price method, in line with the following principles and in accordance with the provisions of Swiss company law.

The consolidated financial statements of Hupac Ltd are based on the individual annual accounts of the Group's foreign subsidiaries, which have been prepared in accordance with uniform, generally accepted accounting and valuation principles, as well as on the statutory financial statements of the Swiss subsidiaries. The consolidated financial statements as at 31 December 2022 also include an additional general risk provision of CHF 12.2 million.

### Consolidated companies

The consolidated financial statements include the annual results of Hupac Ltd and its Swiss and foreign subsidiary companies in which the parent company has a direct or indirect shareholding of more than and with 50% or a relative majority, has the voting majority and exercises a predominant influence on the conduct of the company.

Associated companies in which the parent company has more than 20% and up to 50% of the voting rights are consolidated using the equity method. Interests of minor significance are not included in the consolidation.

### Method of consolidation

Assets and liabilities as well as revenue and expenditure of the consolidated companies are included in full. The purchase method is used for capital consolidation. This involves capitalizing - as goodwill from acquisitions - the difference between the purchase price of a company and the fair market value of the net assets thus acquired, which is amortized on a straight-line basis over a period between five and twenty years.

All balances, transactions and unrealized profits existing between Group companies are eliminated during the consolidation process. Dividends paid by consolidated companies are set off and allocated to the reserves. Minority shareholders' share of equity and profits appear separately on the balance sheet and income statement, respectively.

### Conversion and transactions in foreign currencies

Transactions in foreign currencies by subsidiaries are converted and booked using the rate of exchange prevailing at the time of the transaction. Exchange rate differences are included in the income statement. Foreign currency balances at the end of the year are converted at the respective year-end exchange rate. Any resulting realized exchange gain is included in the income statement. Unrealized exchange gains are not being recognized.

In the consolidated financial statements the assets and liabilities of foreign subsidiaries are converted into Swiss francs using the year-end exchange rate. The average exchange rate for the respective year is used to convert the income statement. Any translation differences resulting from converting the balance sheet at year-end exchange rates and the income statement at average exchange rates are credited or debited to equity under "Translation differences" and thus do not affect profit.

### Revenues from supplies and services

Turnover resulting from supplies and services is booked at the time of performance. Turnover is shown without VAT and after deduction of any discounts and price reductions granted to customers. Revenues from supplies and services comprises sales to customers, UIRR companies and third parties for services performed on the transport network of Hupac, as well as for the hiring-out of wagons outside this transport network, logistics services and miscellaneous.

### Other income

In this position are disclosed the governmental grants.

### Cost of supplies and services

The cost of supplies and services is made up of the charges invoiced to Hupac for the provision of the necessary supplies and services (including freight charges, leasing of wagons, maintenance, terminal charges, operational insurance premiums and miscellaneous) for achieving the turnover with customers, UIRR companies and third parties.

The following companies were fully consolidated:

Company		Share or company capital	Interests as %	
			31.12.2022	31.12.2021
Hupac Ltd, Chiasso	CHF	20 000 000		
Hupac Intermodal Ltd, Chiasso	CHF	250 000	100.00	100.00
Hupac SpA, Busto Arsizio	EUR	2 040 000	96.99	96.99
Sub-interests of Hupac SpA, Busto Arsizio:				
- Fidia SpA, Milan	EUR	550 000	3.00	3.00
Hupac GmbH, Singen	EUR	210 000	100.00	100.00
Termi Ltd, Chiasso	CHF	2 000 000	100.00	100.00
Sub-interests of Termi Ltd, Chiasso:				
- Termi SpA, Busto Arsizio	EUR	2 000 000	95.00	95.00
Termi SpA, Busto Arsizio	EUR	2 000 000	5.00	5.00
Fidia SpA, Milan	EUR	550 000	97.00	97.00
Centro Intermodale SpA, Milan	EUR	2 769 700	100.00	100.00
Hupac Intermodal Italia Srl, Busto Arsizio	EUR	100 000	100.00	100.00
Hupac Intermodal BVBA, Antwerp	EUR	1 601 000	99.94	99.94
Hupac Intermodal NV, Rotterdam	EUR	200 000	100.00	100.00
Sub-interests of Hupac Intermodal NV, Rotterdam:				
- Hupac Intermodal BVBA, Antwerp	EUR	1 601 000	0.06	0.06
Intermodal Express LLC, Moscow	RUB	3 000 000	75.00	75.00
Sub-interests of Intermodal Express LLC, Moscow:				
- Hupac LLC, Moscow	RUB	150 000 000	2.00	2.00
Hupac LLC, Moscow	RUB	150 000 000	98.00	98.00
Hupac Terminal Brwinów Sp. z o.o., Brwinów	PLN	100 000	100.00	100.00
Hupac International Logistics (Shanghai) Co. Ltd, Shanghai	CNY	5 000 000	100.00	100.00
Piacenza Intermodale Srl, Piacenza	EUR	8 430 300	100.00	100.00
Sub-interests of Piacenza Intermodale Srl, Piacenza:				
- Terminal Piacenza Intermodale Srl, Piacenza	EUR	52 000	100.00	100.00
ERS Railways GmbH, Hamburg	EUR	200 000	100.00	100.00
Combiconnect Srl, Milan <sup>1)</sup>	EUR	500 000	80.00	80.00
Centro Interportuale Merci CIM SpA, Novara	EUR	24 604 255	91.34	67.03
Sub-interests of CIM SpA, Novara:				
- Crosstec Srl, Novara	EUR	100 000	85.00	85.00
- Combiconnect Srl, Milan	EUR	500 000	20.00	20.00
Combiconnect Köln Nord GmbH, Singen <sup>2)</sup>	EUR	50 000	100.00	100.00
Rail Terminal Chemelot (RTC) BV, Geleen	EUR	1 378 000	60.00	60.00

1) In 2021 a 20% share in Combiconnect was sold from Hupac Ltd to CIM SpA

2) In 2022 the company TIN Terminal Intermodal Nord GmbH changed its name to Combiconnect Köln Nord GmbH

The following companies were consolidated using the equity method:

Company	Registered in	Interests as %	
		31.12.2022	31.12.2021
Mercitalia Intermodal SpA	Milan (Italy)	34.48	34.48
Terminal Alptransit Srl	Milan (Italy)	42.00	42.00
RAlpin Ltd	Olten (Switzerland)	33.11	33.11
SBB Cargo International Ltd	Olten (Switzerland)	25.00	25.00
Cesar Information Services Scarl	Brussels (Belgium)	25.10	25.10
Combinant NV	Antwerp (Belgium)	35.00	35.00
Terminal Singen TSG GmbH	Singen (Germany)	50.00	50.00
Gateway Basel Nord AG	Basle (Switzerland)	33.33	24.50
boxXpress GmbH	Hamburg (Germany)	47.00	47.00
Eurogateway Srl	Novara (Italy)	46.49	46.49
DX Intermodal GmbH	Frankfurt am Main (Germany)	44.00	-

## Table of currency conversion

	Balance sheet		Income statement	
	31.12.2022	31.12.2021	2022	2021
CHF/EUR	0.98386	1.03391	1.00534	1.08140
CHF/RUB	0.01265	0.01218	0.01427	0.012406
CHF/PLN	0.20980	0.22487	0.21470	0.236912
CHF/CNY	0.13313	0.14363	0.14201	0.141709

## Shareholders' equity movements

Amounts in 1 000 CHF	Share capital	Reserves and Group results	Treasury shares	Translation differences	Total	Minority interests
Balance at 1 January 2021	20 000	106 198	-802	-21 272	104 124	8 887
Translation differences				-3 843	-3 843	-397
Translation differences of associated companies				-1 084	-1 084	
Net equity adjustment		-597			-597	-45
Movements of treasury shares			404		404	
Parent company dividend		-788			-788	
Consolidated profits 2021		12 410			12 410	625
Balance at 31 December 2021	20 000	117 223	-398	-26 199	110 626	9 070
Translation differences				-5 084	-5 084	331
Translation differences of associated companies				-1 093	-1 093	
Net equity adjustment		230			230	-6 299
Movements of treasury shares			332		332	
Parent company dividend		-1 583			-1 583	
Consolidated profits 2022		7 599			7 599	83
Balance at 31 December 2022	20 000	123 469	-66	-32 376	111 027	3 185

## Treasury shares

Registered shares	2022	2021
Initial holdings on 01.01.	218	290
- Purchase	18	5
- Sale	-72	-77
Final holdings on 31.12.	164	218

The transactions were concluded on market-based condition.

	2022	2021
Personnel - average number of full-time equivalents	653	615

Amounts in 1 000 CHF	31.12.2022	31.12.2021
Extraordinary expenses	546	1 076
The most significant items are: 2022: Various costs including adjustments from previous years 2021: Creation of accrued expenses for risks related to litigation with former terminal service provider and settlement of social security charges related to previous years		
Extraordinary income	869	594
The most significant items are: 2022: Release of provisions no longer required and adjustment of contributions 2021: Settlement of social security charges, release of provisions no longer required and settlement of costs paid in previous years		
Other information in accordance with legal requirements		
Debts from leasing obligations with remaining duration of more than twelve months from the balance sheet date	6 648	8 297
Debts towards personnel foundations	968	738
Total amount of collateral pledged for liabilities of third parties	31 014	22 205
Pledges on assets to secure own liabilities	70 037	75 456
Details of Onerous long-term debts		
- 1 - 5 years	106 366	87 369
of which leasing	6 505	6 849
- > 5 years	32 566	45 067
of which leasing	0	1 330
Details of tangible fixed assets		
Tangible fixed assets	287 260	259 595
of which leasing	4 524	6 281
Auditor's fees		
Audit services	179	178

## Report on the audit of the consolidated financial statements

### Opinion

We have audited the consolidated financial statements of Hupac Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements comply with Swiss law and the valuation and consolidation principles set out in the notes.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### Other information

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

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

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

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

### Board of Directors' responsibilities for the consolidated financial statements

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

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

### Auditor's responsibilities for the audit of the consolidated financial statements

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTSUISSE's website at: <https://www.expertsuisse.ch/en/audit-report>.

This description forms an integral part of our report.

## Report on other legal and regulatory requirements

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

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

Mazars AG

**Roger Leu**  
14. April 2023

Qualified Electronic Signature by  SwissID

Roger Leu  
Licensed audit expert  
(auditor in charge)

**LISA CAVUOTI**  
14 aprile 2023

Qualified Electronic Signature by  SwissID

Lisa Cavuoti  
Licensed audit expert

Zurich, 14 April 2023

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