

Financial Statements 2020

Hapag-Lloyd
Aktiengesellschaft



FINANCIAL STATEMENTS 2020

HAPAG-LLOYD AKTIENGESELLSCHAFT
FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2020

COMBINED MANAGEMENT REPORT

The Management Report of Hapag-Lloyd Aktiengesellschaft has been combined with the Management Report of the Hapag-Lloyd Group in accordance with section 315 sub-section 5 in conjunction with section 298 sub-section 2 of the German Commercial Code (HGB) and is published in the 2020 Annual Report of the Hapag-Lloyd Group.

The Annual Financial Statements and the Combined Management Report of Hapag-Lloyd AG for the fiscal year 2020 are published in the German Federal Gazette.

The Annual Financial Statements of Hapag-Lloyd AG as well as the Annual Report of the Hapag-Lloyd Group for the fiscal year 2020 are also available on the website of Hapag-Lloyd AG at <https://www.hapag-lloyd.com/en/ir/calendar-events/archive-annual-general-meeting.html>

Disclaimer: These financial statements contain statements concerning future developments at Hapag-Lloyd. Due to market fluctuations, the development of the competitive situation, world market prices for commodities, and changes in exchange rates and the economic environment, the actual results may differ considerably from these forecasts. Hapag-Lloyd neither intends nor undertakes to update forward-looking statements to adjust them for events or developments which occur after the date of this report.

This report was published in April 2021.

CONTENTS

2	STATEMENT OF FINANCIAL POSITION
4	INCOME STATEMENT
5	NOTES TO THE FINANCIAL STATEMENTS
5	General notes
5	Accounting and measurement principles
12	Notes to the statement of financial position
23	Notes to the income statement
26	Other notes
30	Annexe I Development of Fixed Assets
32	Annexe II List of Holdings
37	Annexe III Executive Board members
37	Annexe IV Supervisory Board members
39	Annexe V Offices held by members of the Executive Board
42	RESPONSIBILITY STATEMENT
43	INDEPENDENT AUDITOR'S REPORT
51	IMPRINT

STATEMENT OF FINANCIAL POSITION

of the Hapag-Lloyd Aktiengesellschaft, Hamburg, as at 31 December 2020

ASSETS

million EUR	Notes	31.12.2020	31.12.2019
A. Fixed assets	(1)		
I. Intangible assets		983.7	1,045.5
II. Property, plant and equipment		5,233.6	5,232.5
III. Financial assets	(2)	1,789.6	1,874.5
		8,006.9	8,152.5
B. Current assets			
I. Inventories	(3)		
1. Raw materials and supplies		166.0	242.3
2. Unfinished voyages		203.0	147.1
3. Prepayments made		2.9	1.3
4. Payments received on account of orders		-256.7	-22.5
		115.2	368.2
II. Accounts receivables and other assets	(4)		
1. Trade accounts receivable		580.6	351.1
2. Accounts receivable from affiliated companies		919.9	699.3
3. Accounts receivable from associated companies		10.7	2.0
4. Other assets		147.9	203.0
		1,659.1	1,255.4
III. Cash-in-hand, bank balances and cheques	(5)	554.2	347.4
		2,328.6	1,971.0
C. Prepaid expenses	(6)	12.3	13.1
Total assets		10,347.8	10,136.6

EQUITY AND LIABILITIES

million EUR	Notes	31.12.2020	31.12.2019
A. Equity			
I. Subscribed capital	(7)	175.8	175.8
II. Capital reserves	(8)	2,497.9	2,497.9
III. Retained earnings	(8)	1,247.0	431.7
		3,920.7	3,105.4
B. Provisions			
	(10)		
1. Provision for pensions and similar obligations		213.6	191.3
2. Tax provisions		21.8	5.0
3. Other provisions		817.4	778.1
		1,052.8	974.4
C. Liabilities			
	(11)		
1. Bonds		307.1	460.6
2. Liabilities to banks		649.9	1,205.0
3. Trade accounts payable		1,115.3	644.4
4. Liabilities to affiliated companies		1,392.4	2,385.5
5. Liabilities to associated companies		14.8	13.4
6. Other liabilities (thereof for taxes EUR 2,6 million; prior year: EUR 2,5 million) (thereof for social security EUR 0.3 million; prior year: EUR 1.4 million)		1,892.2	1,345.2
		5,371.7	6,054.1
D. Deferred income			
	(12)	2.5	2.7
Total equity and liabilities		10,347.8	10,136.6

INCOME STATEMENT

of the Hapag-Lloyd Aktiengesellschaft, Hamburg,
for the period 1 January to 31 December 2020

million EUR	Notes	1.1.–31.12.2020	1.1.–31.12.2019
1. Revenue	(15)	12,588.8	12,525.8
2. Increase in capitalised expenses for unfinished voyages		55.9	–44.1
3. Other own work capitalised	(16)	8.9	6.0
4. Other operating income	(17)	1,328.3	628.5
		13,981.9	13,116.2
5. Transport expenses	(18)	10,156.0	10,565.4
6. Personnel expenses	(19)	298.1	286.5
7. Amortisation of intangible fixed assets and depreciation of property, plant and equipment	(20)	476.3	451.8
8. Other operating expenses	(21)	1,853.5	1,471.7
		12,783.9	12,775.4
9. Operating result		1,198.1	340.8
10. Income from profit transfer		4.3	4.2
11. Income from investments		80.4	89.5
12. Income from loans within financial assets		3.2	3.8
13. Other interest and similar income		62.0	68.3
14. Amortisation of financial assets		80.2	4.5
15. Expenses from transfer of losses		0.0	0.0
16. Interest and similar expenses		198.7	238.9
17. Financial result	(22)	–129.1	–77.6
18. Taxes on income	(23)	8.4	7.4
19. Result after taxes		1,060.6	255.8
20. Other taxes		52.0	32.9
21. Net loss/profit of the year		1,008.6	222.9
22. Retained earnings brought forward		238.4	208.8
23. Retained earnings carried forward	(8)	1,247.0	431.7

NOTES TO THE FINANCIAL STATEMENTS

of Hapag-Lloyd Aktiengesellschaft, Hamburg,
for the financial year from 1 January to 31 December 2020

GENERAL NOTES

Hapag-Lloyd Aktiengesellschaft, domiciled in Hamburg, is registered in commercial register B of the district court in Hamburg under the number HRB 97937.

The Hapag-Lloyd AG annual financial statements are prepared in accordance with the accounting principles of the German Commercial Code (HGB) for large corporations, taking into account the additional regulations of the German Stock Corporation Act (AktG).

The annual financial statements are published in the online version of the German Federal Gazette. The financial year corresponds to the calendar year.

The annual financial statements, comprising the statement of financial position, the income statement and the Notes, are prepared in euros (EUR); the amounts are quoted in million euros (million EUR).

The income statement is prepared using the total cost method. For clarity of presentation, individual items have been summarised in the statement of financial position and the income statement and are listed separately and explained in the Notes.

ACCOUNTING AND MEASUREMENT PRINCIPLES

The accounting and measurement principles and the structure of the statement of financial position were maintained in the year under review.

Currency translation

Accounts receivable, other assets, cash and cash equivalents, liabilities, provisions and contingencies in foreign currencies are generally recorded using the mean spot exchange rate at the time of the business transaction. Short-term currency items are recognised at the mean spot exchange rate on the balance sheet date in accordance with Section 256 (a) of the German Commercial Code (HGB). Long-term currency items with a remaining term of more than 1 year are translated using the mean spot exchange rate at the time of the business transaction, provided that a higher or lower closing rate is not used when taking into account the lowest / highest value principle. The costs of acquisition of fixed assets purchased in foreign currencies – primarily ships and containers invoiced in US dollars – are calculated by converting them on the basis of the mean spot exchange rates valid at the time of their acquisition.

Fixed assets**Intangible assets**

Intangible assets acquired in return for payment are carried at cost of acquisition, are written off on a straight-line basis over the course of their expected useful lives of between 5 and 8 years and are recorded as a disposal in the year in which they are written off in full. Trademark rights are not subject to amortisation due to the likelihood of an indefinite useful life.

Hapag-Lloyd availed itself of the option to capitalise internally generated intangible assets in accordance with Section 248 (2) of the German Commercial Code (HGB). The capitalised production costs are calculated on the basis of direct costs. The amount recognised in the statement of financial position for internally generated intangible fixed assets is non-distributable, i. e. profits may only be distributed if the freely available reserves – plus retained earnings carried forward and less losses carried forward – remaining after the distribution are at least equal to the amounts recognised overall, less the deferred tax liabilities recognised for them.

Goodwill acquired is written off on a straight-line basis over a useful life of 20 years as well as over a useful life of 10 years. The reason for the duration of 20 years is the longevity of the customer portfolio and of the expected synergy potential from acquiring the business operations of the container liner shipping companies Compañía Sud Americana de Vapores S.A. (CSAV) in 2014 and United Arab Shipping Company Ltd. (UASC) in 2017. The goodwill acquired through mergers is written off over a period of 10 years. The duration is based on the residual useful lives of the ships acquired through the mergers.

Property, plant and equipment

Property, plant and equipment are carried at acquisition and production cost less depreciation or, if applicable, impairment charges. Depreciation is recognised on a straight-line basis over the estimated useful operating life of an asset up to the amount of the anticipated residual/scrap value. Depreciation on additions to property, plant and equipment is recorded on a pro rata basis. Estimation of the residual value is based on the current realisable value for a comparable asset to be sold that has already reached the end of its useful life and which was used under similar circumstances. Ships are depreciated over a useful economic life of 25 years, taking their scrap values into account. Containers are depreciated to a residual value of 10% or 20% of their cost of acquisition depending on the container type over a useful economic life of 13 years. Write-downs are effected if there is likely to be ongoing impairment. Impairment losses are reversed up to the amount of the amortised cost if the reasons for ongoing impairment no longer apply.

Provided that Hapag-Lloyd AG as the lessee bears all the substantial risks and rewards associated with the lease, leased assets are included in the statement of financial position upon recognition at the net present value of the minimum lease payments. They are subject to straight-line depreciation throughout the term of the lease or the useful life of the asset (whichever is longer), provided that it is sufficiently certain at the beginning of the lease that legal ownership of the asset will be transferred to the Company once the contractual term expires.

Low-value assets with an acquisition and production cost of greater than EUR 250 and up to EUR 1,000 are recorded as a collective item for the financial year in accordance with Section 6 (2a) of the German Income Tax Act (EStG), this item being depreciated by 20% for the year.

Financial assets

Shares in affiliated companies and holdings are carried at cost of acquisition or fair value, whichever is lower on the balance sheet date. The fair value is determined using the DCF method. Impairment to a lower value is performed on the balance sheet date if the impairment is likely to be ongoing. Impairment losses are reversed at a maximum up to the amount of the cost of acquisition if the reasons for ongoing impairment no longer apply.

Loans are carried at their nominal value. Appropriate specific valuation allowances are accrued to cover items subject to risk.

Current assets

Raw materials and supplies are carried at acquisition and production cost or at fair value, whichever is lower as at the balance sheet date. Fuel inventories are measured on the basis of a moving average price. A write-down on fuel inventories is recorded at the balance sheet date if the market price is below the carrying amount. Unfinished voyages are measured on the basis of the direct costs plus the minimum overhead costs required pursuant to commercial law; interest on debt is not included. Corrections are made to the capitalised expenses of loss-making unfinished voyages to adjust them for the anticipated losses. Prepayments received are offset against the inventories.

Accounts receivable, other assets and cash and cash equivalents are carried at their nominal value. Identifiable individual risks from receivables are taken into account by means of specific valuation allowances.

Derivatives and hedging instruments

As a result of the consolidated financial statements using the US dollar as their functional currency due to the majority of operating activities being processed in USD, currency forward contracts are used in order to hedge against currency risks for the euro from operating expenditures and from financing activities. There is no currency risk in the annual financial statements, which are quoted in EUR. Price risks from the procurement of bunker oil are also hedged with the use of commodity derivatives. Commodity options and swaps are used for this purpose. Interest rate swaps are also used to hedge the interest rate risk.

Provisions are formed for negative fair values of derivative financial instruments through the application of the imparity and realisation principle, provided that no units are formed for these transactions under Section 254 of the German Commercial Code (HGB). The lowest value principle strictly applies with regard to the premiums paid for bunker options. According to this principle, options are written off at the lowest fair value, provided the fair value as at the balance sheet date is lower than the cost of acquisition. Option premiums are recognised under other assets. Units are formed in order to show derivative interest hedges on the balance sheet. They are presented using the net hedge presentation method.

Realised and unrealised gains and losses from currency forward contracts and the measurement of bunker options are shown under other operating income or expenses. Realised gains and losses from options for the purchase of bunker oil are shown under transport expenses. The deferred interest from interest swaps, as well as the realised gains and losses from the interest swaps, are recognised under the interest result.

The measurement of derivative financial instruments and the calculation of market value are recognised depending on the type of instrument in question. Currency forward contracts are measured on the basis of their market-traded forward prices as at the reporting date. The market values of bunker options are calculated using the modified Turnbull & Wakeman model and are based on the current commodity prices, commodity price volatility and forward prices. Currency forward contracts are measured on the basis of their market-traded forward price as at the reporting date. The fair value of the commodity and interest rate swaps is calculated as the present value of the anticipated future cash flows. Estimates of future commodity price payments are based on forward prices associated with the underlying quoted commodity prices. The estimates of future cash flows from variable interest payments are based on quoted swap rates and interbank interest rates.

The bond issued as at the balance sheet date includes an option for early repayment (buy-back option) on the part of the Company. Since the bond structured in this way is associated with other types of risks and opportunities than a bond without a buy-back option (underlying contract), it is recognised separately as an individual asset and liability in accordance with the relevant commercial law requirements. Accordingly, the buy-back option is recognised separately as an embedded derivative. With the acquisition of the bond, the buy-back option in the bond is activated at the market value at the time the acquisition is recognised. The market value of the embedded derivative is calculated using the Hull-White model together with a trinomial decision tree based on current market values. As a result, the buy-back option is carried at its cost of acquisition or the lower market value on the balance sheet date and recognised under other assets, with changes in value recognised under the interest result. The contra item recognised upon the activation of the buy-back option, which is written off on a straight-line basis over the period up to the expiry of the buy-back option under Section 250 of the German Commercial Code (HGB), serves as a means of regulating interest on current interest on the bond.

Prepaid expenses

Expenses prior to the balance sheet date are recognised as prepaid expenses insofar as they constitute expenses for a specific period subsequent to this date.

Provisions

Provisions for pensions are determined in accordance with actuarial principles on the basis of the projected unit credit method, drawing on the 2018 G mortality tables devised by Prof. Klaus Heubeck. The average market interest rate over the past 10 years as published by Deutsche Bundesbank for a remaining term of 15 years is used for discounting. The positive difference between the pension provision method based on the corresponding average market interest rate for the previous 10 financial years and the pension provision method based on the corresponding average market interest rate for the previous 7 financial years is non-distributable if the freely available reserves – plus retained earnings carried forward and less losses carried forward – remaining after the distribution are not at least equal to the difference.

For measurement as at 31 December 2020, the interest rate based on the interest rate information published on 31 October 2020 is used as the basis of a forecast for 31 December 2020. This is 2.30% p. a. (previous year: 2.71% p. a.). This measurement is also based on the following assumptions: a salary trend of 2.5% p. a. (previous year: 2.5% p. a.), a pension trend of 5.5% every 3 years (previous year: 5.5% every 3 years), and a fluctuation rate of 1.0% p. a. (previous year: 1.0% p. a.). Deviating from these figures, the provisions relating to the branch in the Netherlands are calculated using a pension trend of 2.0% p. a. (previous year: 2.0% p. a.) and a fluctuation rate of between 0% and 10% p. a. depending on the age of the employees (previous year: between 0% and 10% p. a.).

Reinsurance agreements exist in relation to some of the pension provisions, these being pledged to the retirees. Accordingly, the provisions and the equivalent amount of the reinsurance with the surrender value according to the insurance are recognised net in accordance with Section 246 (2) of the German Commercial Code (HGB). In addition, there are special-purpose funds in place for another portion of the pension provisions and for obligations relating to employees' pre-retirement part-time employment agreements. These are not available to other creditors. Plan assets are measured at their fair value using market prices from external independent financial service providers and are offset against the underlying provisions. In the event of an excess of obligations, this is recognised under provisions. If the value of the securities exceeds the obligations, they are recognised on the assets side of the statement of financial position as excess of plan assets over post-employment benefit liability. Insofar as the fair value of plan assets is above the historic cost of acquisition, the income generated by these assets is subject to the distribution restriction pursuant to Section 268 (8) (3) of the German Commercial Code (HGB). The earnings components of existing plan assets are uniformly recognised under the interest result and are offset against the interest portion of the pension provisions.

Tax provisions and other provisions are calculated using the settlement amount estimated on the basis of prudent business judgement. All the identifiable risks are taken into account appropriately in the measurement of these provisions. Provisions with a remaining term of more than 1 year are discounted using the average market interest rate which corresponds to their remaining term and which is calculated based on the previous 7 financial years. The discount rates for similar maturities published by the Deutsche Bundesbank for discounting other provisions range from 0.47% to 0.95% in 2020, depending on the remaining term.

In connection with provisions for transport damage, the claims against the insurance reduce the excess obligation to be recognised, so that a provision is only disclosed to the amount of the excess.

Liabilities

Liabilities are recognised at their settlement amount. In the event that the settlement amount of a liability is greater than the issue price, the difference is recognised as a prepaid expense in the income statement on a pro rata basis over the term of the liability. In the event that the settlement amount of a liability is less than the issue price, the difference is recognised as deferred income in the income statement on a pro rata basis over the term of the liability.

If a leased asset is financially attributed to Hapag-Lloyd AG as a lessee, this must be capitalised on the statement of financial position. At the same time, a lease obligation is recognised if it is equivalent to the carrying amount of the leased asset upon recognition. Each lease rate is divided into an interest portion and a repayment element. The interest portion is recognised as an expense in the income statement; the repayment element reduces the lease obligation recognised.

In the framework of financing investments in ships and containers, Hapag-Lloyd AG uses sale-and-lease-back transactions, which essentially correspond to borrowing with assignment of the corresponding investment items as security. The ships or containers are sold to investor groups and leased back over a fixed term with the option/obligation to repurchase them at the end of the term. The resulting liabilities are reported under other liabilities.

Deferred income

Income prior to the balance sheet date is recognised as deferred income insofar as it constitutes income for a specific period subsequent to this date.

Deferred taxes

For differences between the German Commercial Code and tax law with regard to the carrying amounts of assets, liabilities and prepaid expenses that are likely to be offset in subsequent financial years, deferred taxes are determined using the balance sheet concept. When calculating deferred tax assets, tax loss carry-forwards are taken into account in the amount of the losses expected to be offset over the next few years. As Hapag-Lloyd AG has opted for tonnage taxation, temporary measurement differences do not affect taxation, with the result that no deferred taxes are calculated. For domestic income which is not subject to tonnage taxation, a combined income tax rate of 32.3% was used both in 2020 and 2019 to calculate the deferred taxes. A resulting tax burden would be carried as a deferred tax liability in the statement of financial position. As in the previous year, Hapag-Lloyd AG did not avail itself of the option of recognising deferred tax assets due to tax relief generated pursuant to Section 274 (1) (2) of the German Commercial Code (HGB). Overall in the 2020 financial year, there was an unrecognised deferred tax asset. This resulted from a corporate income tax loss carry-forward.

Recognition of revenue

Revenue is recognised in accordance with the end-of-journey principle. This means revenue is only recognised once the ships have reached their predefined destination or turning port. Revenue is recognised on the basis of the journey and not on the basis of individual container transports.

Freight rebates earned from customers in the financial year are deducted from revenue. If the rebates are only determined in the following year on the basis of actual circumstances and granted by payment, their amount is estimated on the balance sheet date, a provision is created and the expected expense is deducted from revenue.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

As at 31 December 2020, there is a change in the accounting of transactions carried out by the subsidiaries in their capacity as agents with third parties in the name and for the account of Hapag-Lloyd AG. Until now, the income and expenses from these transactions were carried in the profit and loss statement of Hapag-Lloyd AG and the corresponding receivables or liabilities have been netted and have been recognised as receivables from or liabilities to affiliated companies in the balance sheet. As at 31 December 2020, trade receivables and payables as well as advance payments received for voyages not yet finished from these business transactions were uniformly carried as such in the balance sheet of Hapag-Lloyd AG. This results in a change in presentation and an extension of the balance sheet. The profit and loss statement was not affected. There is no correction of the previous year's figures. For this reason, the year-on-year comparison for the balance sheet items concerned is only possible to a limited extent.

(1) Fixed assets

Intangible fixed assets of EUR 983.7 million essentially comprise goodwill from acquisition of the business operations of container liner shipping companies CSAV in 2014 and UASC in 2017. In the current financial year, depreciation and amortisation came to EUR 73.8 million (previous year: EUR 74.1 million).

The asset items summarised in the statement of financial position and their development in the 2020 financial year can be found in the statement of fixed assets under Annexe I to the Notes.

(2) Financial assets

In addition to shares in affiliated companies and investments, a long-term loan to an affiliated company is recognised in financial assets. Hapag-Lloyd AG's main indirect and direct investments are outlined in Annexe II to the Notes.

(3) Inventories

As at 31 December 2020, inventories amounted to EUR 115.2 million (previous year: EUR 368.2 million). Of the decrease of EUR 253.0 million, EUR 209.5 million was attributable to the recognition of advance payments received for voyages not yet finished as at the balance sheet date in connection with the change in the accounting treatment of transactions with third parties by the subsidiaries in their capacity as agents in the name and for the account of Hapag-Lloyd AG. For a detailed explanation of this change in accounting, please refer to the presentation at the beginning of the notes to the statement of financial position.

(4) Accounts receivable and other assets

As described in detail at the beginning of the notes to the statement of financial position, the accounting of transactions with third parties carried out by the subsidiaries in their capacity as agents in the name and for the account of Hapag-Lloyd AG was adjusted as at 31 December 2020. The increase in trade receivables by EUR 229.5 million to EUR 580.6 million related to this change in accounting in the amount of EUR 258.8 million less impairment of EUR 8.2 million. Without the adjustment, trade receivables would have decreased by EUR 21.1 million. The share of the increase in receivables from affiliated companies by EUR 220.6 million to EUR 919.9 million that relates to the change was EUR 9.9 million.

Accounts receivable from affiliated companies primarily comprise a shareholder loan made to Hapag-Lloyd Special Finance DAC (“Hapag-Lloyd Special Finance”) in Dublin, Ireland, in the amount of EUR 698.4 million (previous year: EUR 606.8 million) in connection with an existing asset securitisation.

million EUR	31.12.2020	thereof remaining duration > 1 year	31.12.2019	thereof remaining duration > 1 year
Trade accounts receivable	580.6	0.0	351.1	0.0
Accounts receivable from affiliated companies	919.9	3.5	699.3	33.1
thereof from trade accounts receivable	71.1	0.0	35.2	0.0
Accounts receivable from associated companies	10.7	0.0	2.0	0.0
Other assets	147.9	1.5	203.0	2.3
Total	1,659.1	5.0	1,255.4	35.4

Other assets include, among other things, premiums for bunker options paid to hedge against fuel risks. This item also includes a buy-back option for the bond issued as at the balance sheet date. This is recognised separately from the bond. The carrying amount of the buy-back option totalled EUR 1.5 million as at the balance sheet date (previous year: EUR 2.3 million).

Derivative financial instruments

The following derivative financial instruments with a positive market value existed as at the balance sheet date:

million EUR	Nominal value as per 31.12.2020	Fair value as per 31.12.2020	Carrying amount as per 31.12.2020
Commodity options	30.4	0.2	0.2
Embedded derivative	0.0	21.6	1.5

The term of the embedded derivative is more than 1 year. Since 15 July 2020, Hapag-Lloyd has been able to exercise the corresponding buy-back option at any time.

(5) Cash in hand, bank balances and cheques

This item encompasses cash in hand, bank balances and other financial investments that can be converted into defined cash amounts at any time. Fully utilised overdraft facilities are not deducted from cash in hand, but rather are shown as liabilities to banks.

(6) Prepaid expenses

This item includes prepayments for charter, ship management, rental and lease agreements that are only recognised in expenses in the subsequent year. The item also includes prepaid bank charges and insurance premiums.

(7) Subscribed capital

Hapag-Lloyd AG has subscribed capital of EUR 175.8 million (previous year: EUR 175.8 million). It is divided into 175.8 million no-par registered shares with equal rights (previous year: 175.8 million). Each individual share represents EUR 1.00 of the share capital (previous year: EUR 1.00).

Disclosures on investments in the capital of Hapag-Lloyd AG

At the time of preparation of the financial statements, the Company had received the following information about investments subject to mandatory disclosure pursuant to Section 160 (1) (8) of the German Stock Corporation Act (AktG). The following voting right notifications do not take account of the total number of voting rights at the end of the reporting period:

HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg, Germany, notified us on 6 November 2015 pursuant to Section 21 (1a) of the German Securities Trading Act (WpHG) that its share of voting rights in Hapag-Lloyd AG, Ballindamm 25, 20095 Hamburg, Germany, as at 4 November 2015 was 71.56% (corresponding to 84,524,291 voting rights). 20.63% of the voting rights (corresponding to 24,363,475 voting rights) are held directly by the Company. 50.94% of the voting rights (corresponding to 60,160,816 voting rights) are attributable to the Company pursuant to Section 22 (2) WpHG through CSAV Germany Container Holding GmbH and Kühne Maritime GmbH.

The Luksburg Stiftung, Vaduz, Liechtenstein, notified us on 5 November 2015 pursuant to Section 21 (1a) WpHG that its share of voting rights in Hapag-Lloyd AG, Ballindamm 25, 20095 Hamburg, Germany, as at 4 November 2015 was 71.56% (corresponding to 84,524,291 voting rights). 40.21% of the voting rights (corresponding to 47,491,548 voting rights) are attributable to the Company pursuant to Section 22 (2) WpHG through Kühne Maritime GmbH and HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH. In accordance with Section 22 (1) (1) (1) WpHG, 31.35% of the voting rights (corresponding to 37,032,743 voting rights) are attributable to the Company through CSAV Germany Container Holding GmbH, Compañía Sud Americana de Vapores S.A., Quiñenco S.A., Andsberg Inversiones Limitada, Ruana Copper A.G. Agencia Chile and Inversiones Orengo S.A., of which 3% or more are assigned in each case.

Inversiones Orengo S.A., Santiago, Chile, notified us on 5 November 2015 pursuant to Section 21 (1a) WpHG that its share of voting rights in Hapag-Lloyd AG, Ballindamm 25, 20095 Hamburg, Germany, as at 4 November 2015 was 71.56% (corresponding to 84,524,291 voting rights). 40.21% of the voting rights (corresponding to 47,491,548 voting rights) are attributable to the Company pursuant to Section 22 (2) WpHG through Kühne Maritime GmbH and HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH. In accordance with Section 22 (1) (1) (1) WpHG, 31.35% of the voting rights (corresponding to 37,032,743 voting rights) are attributable to the Company through CSAV Germany Container Holding GmbH, Compañía Sud Americana de Vapores S.A. and Quiñenco S.A., of which 3% or more are assigned in each case.

Ruana Copper A.G. Agencia Chile, Santiago, Chile, notified us on 5 November 2015 pursuant to Section 21 (1a) WpHG that its share of voting rights in Hapag-Lloyd AG, Ballindamm 25, 20095 Hamburg, Germany, as at 4 November 2015 was 71.56% (corresponding to 84,524,291 voting rights). 40.21% of the voting rights (corresponding to 47,491,548 voting rights) are attributable to the Company pursuant to Section 22 (2) WpHG through Kühne Maritime GmbH and HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH. In accordance with Section 22 (1) (1) (1) WpHG, 31.35% of the voting rights (corresponding to 37,032,743 voting rights) are attributable to the Company through CSAV Germany Container Holding GmbH, Compañía Sud Americana de Vapores S.A. and Quiñenco S.A., of which 3% or more are assigned in each case.

Quiñenco S.A., Santiago, Chile, notified us on 5 November 2015 pursuant to Section 21 (1a) WpHG that its share of voting rights in Hapag-Lloyd AG, Ballindamm 25, 20095 Hamburg, Germany, as at 4 November 2015 was 71.56% (corresponding to 84,524,291 voting rights). 40.21% of the voting rights (corresponding to 47,491,548 voting rights) are attributable to the Company pursuant to Section 22 (2) WpHG through Kühne Maritime GmbH and HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH. In accordance with Section 22 (1) (1) (1) WpHG, 31.35% of the voting rights (corresponding to 37,032,743 voting rights) are attributable to the Company through CSAV Germany Container Holding GmbH and Compañía Sud Americana de Vapores S.A., of which 3% or more are assigned in each case.

Compañía Sud Americana de Vapores S.A., Santiago, Chile, notified us on 5 November 2015 pursuant to Section 21 (1a) WpHG that its share of voting rights in Hapag-Lloyd AG, Ballindamm 25, 20095 Hamburg, Germany, as at 4 November 2015 was 71.56% (corresponding to 84,524,291 voting rights). 40.21% of the voting rights (corresponding to 47,491,548 voting rights) are attributable to the Company pursuant to Section 22 (2) WpHG through Kühne Maritime GmbH and HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH. In accordance with Section 22 (1) (1) (1) WpHG, 31.35% of the voting rights (corresponding to 37,032,743 voting rights) are attributable to the Company through CSAV Germany Container Holding GmbH, of which 3% or more are assigned in each case.

CSAV Germany Container Holding GmbH, Hamburg, Germany, notified us on 5 November 2015 pursuant to Section 21 (1a) of the German Securities Trading Act (WpHG) that its share of voting rights in Hapag-Lloyd AG, Ballindamm 25, 20095 Hamburg, Germany, as at 4 November 2015 was 71.56% (corresponding to 84,524,291 voting rights). 31.35% of the voting rights (corresponding to 37,032,743 voting rights) are held directly by the Company. 40.21% of the voting rights (corresponding to 47,491,548 voting rights) are attributable to the Company pursuant to Section 22 (2) WpHG through Kühne Maritime GmbH and HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH.

Andsberg Inversiones Limitada, Santiago, Chile, notified us on 5 November 2015 pursuant to Section 21 (1a) WpHG that its share of voting rights in Hapag-Lloyd AG, Ballindamm 25, 20095 Hamburg, Germany, as at 4 November 2015 was 71.56% (corresponding to 84,524,291 voting rights). 40.21% of the voting rights (corresponding to 47,491,548 voting rights) are attributable to the Company pursuant to Section 22 (2) WpHG through Kühne Maritime GmbH and HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH. In accordance with Section 22 (1) (1) (1) WpHG, 31.35% of the voting rights (corresponding to 37,032,743 voting rights) are attributable to the Company through CSAV Germany Container Holding GmbH, Compañía Sud Americana de Vapores S.A. and Quiñenco S.A., of which 3% or more are assigned in each case.

Mr Klaus-Michael Kühne, Switzerland, notified us on 6 November 2015 pursuant to Section 21 (1a) WpHG that his share of voting rights in Hapag-Lloyd AG, Ballindamm 25, 20095 Hamburg, Germany, as at 4 November 2015 was 72.20% (corresponding to 85,274,291 voting rights). 51.98% of the voting rights (corresponding to 61,396,218 voting rights) are attributable to Mr Kühne pursuant to Section 22 (2) WpHG through CSAV Germany Container Holding GmbH and HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH. 20.22% of the voting rights (corresponding to 23,878,073 voting rights) are attributable to him pursuant to Section 22 (1) (1) (1) WpHG through Kühne Holding AG and Kühne Maritime GmbH, of which 3% or more are assigned in each case.

Kühne Holding AG, Schindellegi, Switzerland, notified us on 6 November 2015 pursuant to Section 21 (1a) WpHG that its share of voting rights in Hapag-Lloyd AG, Ballindamm 25, 20095 Hamburg, Germany, as at 4 November 2015 was 72.20% (corresponding to 85,274,291 voting rights). 51.98% of the voting rights (corresponding to 61,396,218 voting rights) are attributable to the Company pursuant to Section 22 (2) WpHG through CSAV Germany Container Holding GmbH and HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH. 19.58% of the voting rights (corresponding to 23,128,073 voting rights) are attributable to the Company through Kühne Maritime GmbH pursuant to Section 22 (1) (1) WpHG, of which 3% or more are assigned.

The Free and Hanseatic City of Hamburg, Germany, notified us on 6 November 2015 pursuant to Section 21 (1a) WpHG that its share of voting rights in Hapag-Lloyd AG, Ballindamm 25, 20095 Hamburg, Germany, as at 4 November 2015 was 71.56% (corresponding to 84,524,291 voting rights). 50.94% of the voting rights (corresponding to 60,160,816 voting rights) are attributable to the Company pursuant to Section 22 (2) WpHG through Kühne Maritime GmbH and CSAV Germany Container Holding GmbH. 20.63% of the voting rights (corresponding to 24,363,475 voting rights) are attributable to the Company through HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH pursuant to Section 22 (1) (1) WpHG, of which 3% or more are assigned.

Kühne Maritime GmbH, Hamburg, Germany, notified us on 6 November 2015 pursuant to Section 21 (1a) WpHG that its share of voting rights in Hapag-Lloyd AG, Ballindamm 25, 20095 Hamburg, Germany, as at 4 November 2015 was 71.56% (corresponding to 84,524,291 voting rights). 19.58% of the voting rights (corresponding to 23,128,073 voting rights) are held directly by the Company. 51.98% of the voting rights (corresponding to 61,396,218 voting rights) are attributable to the Company pursuant to Section 22 (2) WpHG through CSAV Germany Container Holding GmbH and HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH.

The Public Investment Fund of the Kingdom of Saudi Arabia, Riyadh, Saudi Arabia, notified us on 24 May 2017 pursuant to Section 21 (1) WpHG that its share of voting rights in Hapag-Lloyd AG, Ballindamm 25, 20095 Hamburg, Germany as at 24 May 2017 was 10.14% (corresponding to 16,637,197 voting rights).

The State of Qatar, acting through the Qatar Investment Authority, Doha, Qatar, notified us on 24 May 2017 pursuant to Section 21 (1) WpHG that its share of voting rights in Hapag-Lloyd AG, Ballindamm 25, 20095 Hamburg, Germany as at 24 May 2017 was 14.43% (corresponding to 23,663,648 voting rights). All of the aforementioned voting rights are attributable to the State of Qatar, acting through the Qatar Investment Authority, Doha, Qatar, pursuant to Section 22 (1) of the German Securities Trading Act (WpHG). The companies through which the voting rights are held are (starting with the top subsidiary): Qatar Holding LLC, Doha, Qatar, Qatar Holding Luxembourg II S.à.r.l., Luxembourg, Qatar Holding Netherlands B.V., Amsterdam, Netherlands, Qatar Holding Germany GmbH, Frankfurt am Main, Germany.

Authorised capital

Under a resolution approved at the Annual General Meeting on 29 May 2017, the information regarding authorised capital in the articles of association was amended. Accordingly, the Executive Board is authorised, subject to the approval of the Supervisory Board, to increase the Company's share capital by up to EUR 23.0 million in the period to 30 April 2022 by issuing up to 23,000,000 new no-par registered shares in exchange for cash and/or non-cash contributions (Authorised Capital 2017). The amendment to the articles of association was entered on 20 July 2017. As a general rule, subscription rights must be granted to the shareholders. The new shares can also be taken up by one or more banks, with the obligation to offer them to the shareholders for subscription. Under certain circumstances and subject to the approval of the Supervisory Board, the Executive Board is authorised to exclude the subscription rights of the shareholders in order to exclude fractional amounts from the subscription right.

The Executive Board made a decision on 28 September 2017, with the approval of the Supervisory Board on 27 September 2017, to increase the share capital by EUR 11,717,353.00 to EUR 175,760,293.00 utilising the Authorised Capital 2017 entered on 20 July 2017. The capital increase was carried out and entered in the commercial register on 17 October 2017.

The Authorised Capital pursuant to the authorisation granted on 29 May 2017 (Authorised Capital 2017) still amounted to EUR 11,282,647.00 as at 31 December 2020 following partial utilisation.

(8) Capital reserves and retained earnings

The capital reserves were unchanged compared with the previous year and totalled EUR 2,497.9 million as at 31 December 2020.

Taking into account the profit of EUR 238.4 million carried forward from 2019 and an annual net profit of EUR 1,008.6 million, the annual financial statements of Hapag-Lloyd AG reported retained earnings of EUR 1,247.0 million.

A proposal will be made at the Annual General Meeting that the retained earnings of EUR 1,247.0 million be used to pay a dividend of EUR 3.50 per dividend-eligible share and that the retained earnings of EUR 631.8 million remaining after the distribution totalling EUR 615.2 million be carried forward to the subsequent year.

(9) Information regarding non-distributable amounts

The difference between the cost of acquisition and the plan assets of pension provisions as carried at their fair value resulted in a non-distributable amount totalling EUR 6.3 million (previous year: EUR 3.3 million).

The capitalisation of internally generated intangible fixed assets (less the deferred tax liabilities recognised for them) resulted in a non-distributable amount of EUR 17.7 million (previous year: EUR 8.8 million).

The difference between the provision method which uses the average market interest rate for the previous 10 years as at the reporting date of 31 December 2020 (interest rate of 2.30% for an assumed remaining term of 15 years) for discounting purposes and the provision method which uses the average market interest rate for the previous 7 years (interest rate of 1.60% for an assumed remaining term of 15 years) for discounting purposes is EUR 38.8 million.

These non-distributable amounts totalling EUR 62.8 million are offset by freely available reserves in the amount of EUR 1,514.1 million. Freely available reserves comprise the capital reserves pursuant to Section 272 (2) (4) of the German Commercial Code (HGB).

(10) Provisions

Provisions for pensions and similar obligations include pension provisions in the amount of EUR 25.8 million (previous year: EUR 24.6 million) in relation to which the entitlements from reinsurance arrangements at fair value totalling EUR 10.0 million (previous year: EUR 10.2 million) are pledged to the retirees. For pledged reinsurance arrangements, the amortised cost is the same as the fair value. In addition to the expenses relating to the discounting of provisions for pensions totalling EUR 0.3 million (previous year: EUR 0.7 million), there was income from the fair value measurement of the plan assets in the amount of EUR 0.3 million (previous year: EUR 0.4 million).

The settlement amount for the provisions as at 31 December 2020 which had been offset with the remaining plan assets came to EUR 54.3 million (previous year: EUR 49.6 million). The acquisition cost of all offset assets amounts to EUR 36.8 million (previous year: EUR 36.9 million), with their fair value amounting to EUR 43.1 million (previous year: EUR 40.2 million). In addition to the expenses relating to the discounting of provisions for pensions totalling EUR 1.3 million (previous year: EUR 1.4 million), there was income from the fair value measurement of the plan assets in the amount of EUR 3.8 million (previous year: EUR 5.0 million).

The expenses resulting from the change to the discount rate were recognised in the operating result (personnel expenses).

Other provisions totalling EUR 817.4 million (previous year: EUR 778.1 million) include provisions for outstanding invoices in the amount of EUR 518.0 million (previous year: EUR 471.0 million), personnel expenses in the amount of EUR 71.0 million (previous year: EUR 71.0 million), maintenance of leased containers in the amount of EUR 70.0 million (previous year: EUR 67.5 million) and uninsured damage to third-party property and cargo totalling EUR 19.8 million (previous year: EUR 18.1 million) and unreturned containers amounting to EUR 6.3 million (previous year: EUR 2.5 million). These also comprise provisions for other risks totalling EUR 132.2 million (previous year: EUR 147.9 million), which include country-specific risks (EUR 63.7 million; previous year: EUR 73.2 million) and obligations under a guarantee issued for the benefit of a subsidiary for existing pension obligations there (EUR 22.6 million; previous year: EUR 13.6 million). In the previous year, other provisions included provisions for impending losses from currency forward contracts in the amount of EUR 11.6 million. As at 31 December 2020, no provisions for impending losses were formed, as the currency forward contracts, with a nominal volume of EUR 414.4 million, only had positive market values totalling EUR 5.4 million and the commodity swaps, with a nominal volume of EUR 28.5 million, only had positive market values totalling EUR 8.8 million.

(11) Liabilities

million EUR	31.12.2020				31.12.2019			
	thereof with remaining duration				thereof with remaining duration			
	Total	less than 1 year	more than 1 year	thereof more than 5 years	Total	less than 1 year	more than 1 year	thereof more than 5 years
Financial liabilities								
Bonds	307.1	7.1	300.0	–	460.6	10.6	450.0	–
Liabilities to banks	649.9	118.0	532.0	107.9	1,205.0	336.7	868.3	166.0
thereof secured by liens and similar rights	646.7	115.4	531.3	107.9	1,031.6	222.3	809.3	165.5
	957.0	125.1	832.0	107.9	1,665.6	347.3	1,318.3	166.0
Sundry liabilities								
Liabilities to affiliated companies	1,392.4	1,228.8	163.6	28.0	2,385.5	1,466.9	918.6	29.6
thereof trade accounts payable	1,133.1	1,133.1	0.0	0.0	1,406.4	1,406.4	0.0	0.0
Liabilities to associated companies	14.8	14.8	0.0	0.0	13.4	13.4	0.0	0.0
Trade accounts payables	1,115.3	1,115.3	0.0	0.0	644.4	644.4	0.0	0.0
Other liabilities	1,892.2	284.0	1,608.2	718.5	1,345.2	196.4	1,148.8	508.4
thereof for taxes	2.6	2.6	0.0	0.0	2.5	2.5	0.0	0.0
thereof for social security	0.3	0.3	0.0	0.0	1.4	1.4	0.0	0.0
thereof secured by liens and similar rights	1,849.2	248.2	1,601.0	718.5	1,303.4	162.2	1,141.2	508.4
	4,414.7	2,642.9	1,771.8	746.6	4,388.5	2,321.1	2,067.4	538.0
Total	5,371.7	2,768.0	2,603.7	854.5	6,054.1	2,668.4	3,385.7	704.0

Due to the change in the accounting of transactions with third parties by the subsidiaries in their capacity as agents in the name and for the account of Hapag-Lloyd AG, trade payables increased by EUR 615.8 million as at 31 December 2020. Liabilities to affiliated companies decreased by EUR 157.4 million. Without the change in accounting, trade payables would have decreased by a total of EUR 144.9 million and payables to affiliated companies would have decreased by EUR 835.7 million compared to the reporting date of the previous year. We refer to the presentation of this change in accounting at the beginning of the notes to the statement of financial position.

Under the existing agreements for the financing of fixed assets, in particular ships and containers, Hapag-Lloyd AG has committed itself to observing specific restrictions customary on the market with regard to the disposition of the financed assets. The secured liabilities amount in total to EUR 2,495.9 million (previous year: EUR 2,335.0 million).

Of all the ships of which Hapag-Lloyd AG is the owner, 26 had no encumbrances at the reporting date and 17 of these ships were also free of third-party rights. Mortgages were created for the remaining ships of which the Company is the owner.

For other liabilities of EUR 1,093.6 million (previous year: EUR 886.0 million), ownership of the financed containers was transferred to the creditors as collateral. For other liabilities of EUR 755.6 million (previous year: EUR 417.4 million), ownership of the financed container ships was transferred to the creditors as collateral. Since Hapag-Lloyd AG is the beneficial owner of the containers and container ships, they are recognised in the Hapag-Lloyd AG accounts.

Liabilities to affiliated companies comprise liabilities to subsidiaries arising from ordinary operating activities and a liability to Hapag-Lloyd Special Finance in the amount of EUR 765.6 million (previous year: EUR 700.3 million). This liability relates to the receivables securitisation programme.

Hapag-Lloyd is exposed to interest rate risks affecting cash flow, particularly from financial debt based on variable interest rates. In order to minimise the interest rate risk, the Group strives to achieve a balanced combination of liabilities with variable and fixed interest rates. Interest rate swaps are also used to hedge the interest rate risk. In order to reduce interest rate risk, Hapag-Lloyd designates interest swaps as hedges of the variable element of interest rate payments of underlying transactions.

Some interest swaps hedge a proportion of the total nominal volumes. Financial liabilities include liabilities from derivative financial instruments in the amount of EUR 1.2 million to hedge against the interest rate risk of variable interest rate liabilities with nominal volumes in the amount of EUR 826.5 million. The prospective evaluation of the effectiveness of the hedging relationships is done using a sensitivity analysis. The retrospective evaluation of the effectiveness of the hedging relationships is done using the hypothetical derivative method. Interest rate swaps have a term of up to 7 years and have a negative market value of EUR 22.6 million at the balance sheet date as micro hedges.

(12) Deferred income

On the liabilities side, deferred income includes a bond-related difference of EUR 0.8 million (previous year: EUR 1.5 million) pertaining to the buy-back option accounted for separately from the underlying instrument. This difference is spread over the entire term of the bond on a linear basis.

(13) Contingencies

million EUR	31.12.2020	31.12.2019
Liabilities from guarantees	6.1	9.9
Liabilities from warranties	984.4	2,173.9
Total	990.5	2,183.8
thereof in favour of affiliated companies	990.5	2,183.8

Liabilities relating to warranty agreements are above all the result of bank loans taken out by subsidiaries of Hapag-Lloyd AG, primarily to finance containers and ships, for which Hapag-Lloyd AG acts as the guarantor. The acquisition of UASC resulted in EUR 960.4 million of such liabilities. The majority of the loan is secured via the assignment of ships and containers as collateral and via ship mortgages. The equivalent values of these securities exceed the outstanding ship financing loan amounts and the revenues from the utilisation of these securities are sufficient to service any outstanding liabilities. For this reason, the guarantees are not expected to be utilised.

As part of THE Alliance partnership, a trust fund was set up in case one of the partner shipping companies becomes insolvent. In relation to the establishment of the trust fund, all of the participating parties are required to deposit securities. Hapag-Lloyd's share of the securities amounts to USD 16.2 million. In this context, Hapag-Lloyd made a cash payment of EUR 0.9 million (USD 1 million) to the trust fund. It also furnished a guarantee of USD 15.2 million.

Furthermore, the establishment of the trust fund included an agreement among the participating shipping companies which requires them to replenish the fund in the event that a compensation payment uses up the securities deposited by the shipping company in question.

As the probability of insolvency of a partner shipping company is currently estimated to be very low, it is assumed, based on current information, that the securities deposited in the trust fund will not be utilised and that the requirement to replenish the fund will not be exercised.

Letters of comfort / guarantees

In accordance with the Group structure, capital is allocated centrally through Hapag-Lloyd AG, which provides the Group companies with liquidity and manages the issuing of guarantees and letters of comfort for Group companies.

Hapag-Lloyd AG has issued letters of comfort for its foreign subsidiaries Hapag-Lloyd (Malaysia) Sdn. Bhd., Kuala Lumpur, Malaysia, Hapag-Lloyd (U.K.) Ltd., Barking, United Kingdom, Hapag-Lloyd Ships Ltd., Barking, United Kingdom, and Hapag-Lloyd Ships (No. 2) Ltd., Barking, United Kingdom to ensure that the subsidiaries are able to fulfil their contractual obligations at all times. The letters of comfort have a term of at least 12 months from the Company's reporting date. For Hapag-Lloyd (U.K.) Ltd., Barking, United Kingdom, the letter of comfort covers all obligations entered into by the balance sheet date of the Company without any time limit. Hapag-Lloyd AG has also issued a guarantee relating to the purchase of minority interests by a subsidiary.

Hapag-Lloyd AG does not expect its letters of comfort or guarantee to be utilised, as it is assumed that the companies will fulfil the underlying obligations.

(14) Other financial obligations

million EUR	1.1.–31.12.2020	1.1.–31.12.2019
Obligations from rental-, charter- and leasing agreements vessels and containers	2,017.9	1,765.5
Obligations from dry-docking	155.1	163.0
Other financial obligations	322.6	259.9
Purchase order commitments	990.7	89.3
Total	3,486.3	2,277.7
Less than 1 year	1,246.7	1,131.4
1–5 years	2,045.8	1,020.0
More than 5 years	193.8	126.3
thereof from affiliated companies	218.9	247.8

Other financial obligations include charter and lease obligations for ships, and lease and rental obligations for containers. The classification costs result from future obligations due to legally required large-scale repairs. These comprise maintenance and repair measures to the Company's own ships needed for operation which are routinely performed as part of scheduled maintenance to ensure that these ships remain operational. As at the balance sheet date, other financial obligations primarily included obligations to companies from the IT industry, as well as rental obligations connected with business premises.

The purchase obligation primarily relates to 6 new builds ordered in the amount of EUR 811.1 million, of which EUR 106.9 million is due in 2021. In addition, the purchase obligation includes containers that have been ordered but not yet delivered as well as conversion projects for scrubbers, LNG and other measures. The payment obligations relating to these are due in full in 2021.

NOTES TO THE INCOME STATEMENT**(15) Revenue**

Revenues are splitted to trades as follows:

million EUR	1.1.–31.12.2020	1.1.–31.12.2019
Latin America	2,796.7	2,825.5
Atlantic	2,134.4	2,365.4
Transpacific	2,375.7	2,285.2
Far East	1,961.2	1,890.9
Middle East	1,081.5	924.7
EMA (Europe, Mediterranean, Africa)	629.6	626.1
Intra-Asia	440.0	435.4
Revenue not assigned to trades	1,169.7	1,172.6
Total	12,588.8	12,525.8

(16) Other own work capitalised

Research and development costs totalled EUR 49.4 million in the financial year. EUR 8.9 million of this (previous year: EUR 6.0 million) related to the internally generated intangible assets capitalised in accordance with Section 248 (2) of the German Commercial Code (HGB).

(17) Other operating income

million EUR	1.1.–31.12.2020	1.1.–31.12.2019
Exchange rate gains	1,199.4	495.2
Income from the release of provisions	71.2	61.5
Income from the disposal of fixed assets	15.3	21.8
Income from recharged costs	12.2	15.7
Income from the reduction of value adjustments of receivables	3.3	4.5
Other income	26.9	29.8
Total	1,328.3	628.5

Exchange rate gains include income of EUR 1,146.8 million from currency translation (previous year: EUR 481.9 million) and EUR 52.6 million from realised exchange rate gains and the valuation of derivative financial instruments (previous year: EUR 13.2 million).

The income from the release of provisions, from the disposal of fixed assets and from the release of loss allowances on receivables in the amount of EUR 89.8 million (previous year: EUR 87.8 million) which is contained in other operating income relates to other periods.

(18) Transport expenses

million EUR	1.1.–31.12.2020	1.1.–31.12.2019
Costs of raw materials and supplies	1,406.7	1,579.8
Cost of purchased services	8,754.1	8,985.6
Total	10,160.8	10,565.4

Rebates received for port, canal and terminal costs and for container transport costs are deducted from the corresponding transport costs. These rebates totalled EUR 8.4 million (previous year: EUR 4.2 million) and relate to previous years, which means they are classified as relating to other periods. Expenses from the slot charter calculation of EUR 13.5 million (previous year: EUR 4.2 million) are also included. They relate to the previous year, which means they are classified as relating to other periods.

(19) Personnel expenses/employees

million EUR	1.1.–31.12.2020	1.1.–31.12.2019
Wages and salaries	236.4	226.1
Social security, post-employment and other employee benefit costs	61.7	60.4
thereof for pension	22.7	22.7
Total	298.1	286.5

The average number of employees developed as follows:

Annual average	1.1.–31.12.2020	1.1.–31.12.2019
Marine personnel	1,184	1,184
Shore-based personnel	2,205	2,052
Apprentices	211	208
Total	3,600	3,444

(20) Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

million EUR	1.1.–31.12.2020	1.1.–31.12.2019
Scheduled amortisation / depreciation		
Amortisation of intangible assets	73.8	74.1
Depreciation of property, plant and equipment	402.6	377.7
Total	476.4	451.8

(21) Other operating expenses

million EUR	1.1.–31.12.2020	1.1.–31.12.2019
Exchange rate losses, incl. bank charges	998.0	628.8
Commissions/sales expenses	492.2	527.8
IT service expenses	163.7	144.2
Factoring	47.8	44.9
Premium expense from options	36.4	11.3
Legal and consultancy expenses/costs	24.1	27.3
Other socially related material and personnel costs	20.0	12.6
Administrative expenses	15.5	15.5
Rent and lease expenses	15.2	14.9
Usual depreciation on current assets	6.6	3.9
Other expenses	34.1	40.5
Gesamt	1,853.5	1,471.7

Exchange rate losses include EUR 982.5 million from currency translation (previous year: EUR 562.8 million) and EUR 10.7 million from realised exchange rate losses and the valuation of derivative financial instruments (previous year: EUR 61.7 million).

(22) Financial result

million EUR	1.1.–31.12.2020	1.1.–31.12.2019
Income from investments	80.4	89.5
thereof from affiliated companies	44.7	60.3
Income from loans from financial assets	3.2	3.8
thereof from affiliated companies	3.2	3.8
Income from a profit and loss transfer agreement	4.3	4.2
Other interest and similar income	62.0	68.3
thereof from affiliated companies	58.6	57.0
Expenses from the transfer of losses	0.0	0.0
Interest payable and similar expenses	198.7	238.9
thereof from affiliated companies	29.8	47.4
Impairment losses from long-term financial assets	80.2	4.5
Total	-129.1	-77.6

The early partial redemption of a EUR bond resulted in one-off effects for redemption charges, the disposal of the associated derivative and premium amounts, which were recognised at a total of EUR 4.6 million in interest expenses and EUR 0.4 million in interest income. Interest expenses from pension provisions amount in total to EUR 4.8 million (previous year: EUR 6.8 million). The positive result from plan assets amounts to EUR 0.4 million (previous year: EUR 1.0 million). The addition of interest on provisions with a term of more than 1 year results in interest expenses amounting to EUR 0.3 million (previous year: EUR 0.3 million) while the reduction of interest results in interest income of EUR 0.1 million (previous year: EUR 0.0 million).

Income from profit transfer agreements essentially comprises income from Hapag-Lloyd Grundstücksholding GmbH, Hamburg, Germany, of EUR 3.1 million (previous year: EUR 3.1 million) and from Hamburg-Amerika Linie GmbH, Hamburg, Germany, of EUR 1.0 million (previous year: EUR 1.1 million).

The impairment losses from financial assets related to a foreign subsidiary in the 2020 financial year and were made due to a lack of positive earnings prospects, which have been permanently reduced due to the removal of market restrictions in Latin America.

(23) Income taxes

Corporate income tax, the solidarity surcharge, trade tax and paid withholding tax are recognised as income taxes. As in the previous year, a corporate income tax rate of 15.0% and a solidarity surcharge of 5.5% on corporate income tax applied in the 2020 financial year. The trade earnings tax rate, which corresponds to the specific applicable municipal assessment rate, was 16.5% and 3.3% in 2020 and 2019 respectively, insofar as it relates to income from ship operations in international transport. As a liner shipping company, Hapag-Lloyd AG has opted for taxation in accordance with tonnage. Tax liability for tonnage taxation is not calculated using the actual profits, but rather depends on the net tonnage and the operating days of the Company's ship fleet.

Prior-period tax expenses in the amount of EUR 1.0 million are included in the actual income taxes (previous year: tax expense of EUR 0.4 million).

Tax expense/ income does not include any deferred taxes. Overall in the 2020 financial year, there was an (unrecognised) deferred tax asset. This resulted from a corporate income tax loss carry-forward.

OTHER NOTES

(24) Related party transactions

No significant transactions were effected in the financial year or the previous year which were not conducted on the basis of normal market terms and conditions.

(25) Group affiliation

Hapag-Lloyd AG is the parent company for the smallest and largest group of companies for which consolidated financial statements are prepared. The consolidated financial statements of Hapag-Lloyd AG, Hamburg, Germany, as at 31 December 2020 are to be published in the online version of the German Federal Gazette.

(26) Executive Board and Supervisory Board emoluments

The total remuneration granted to active Executive Board members in the financial year was EUR 8.4 million. The previous year's total remuneration came to EUR 7.4 million and included share-based payments with a fair value of EUR 2.6 million on the date when the remuneration was granted. The active Executive Board members were granted 86,800 virtual shares in the 2019 financial year for the last time. An exception to this applied to one former Executive Board member, who was granted virtual shares (7,230 shares) in 2020 for the last time. The total remuneration for former members of the Executive Board and their surviving dependants amounted to EUR 1.0 million in the 2020 financial year (previous year: EUR 0.9 million). The emoluments of the active members of the Supervisory Board amounted to EUR 1.6 million (previous year: EUR 1.4 million).

Pension provisions for former members of the Executive Board amounted to EUR 23.9 million (previous year: EUR 22.8 million).

For details of the basic features of Executive Board and Supervisory Board remuneration and the individual members' emoluments, please refer to the remuneration report, which is an integral component of the combined management report.

Details of the members of the Executive Board and Supervisory Board can be found in Annexes III and IV to the Notes. Membership of other supervisory boards and regulatory committees within the meaning of Section 125 (1) (5) AktG is listed in Annexe V to the Notes.

(27) Declaration of conformity in accordance with Section 161 of the German Stock Corporation Act (AktG)

The declaration required under Section 161 of the German Stock Corporation Act (AktG) was issued by the Executive Board and Supervisory Board in March 2020 and has been made permanently available to shareholders on the Company's website www.hapag-lloyd.com in the "Investor Relations" section under "Corporate Governance" at <https://www.hapag-lloyd.com/en/ir/corporate-governance/compliance-statement.html>

(28) Total external auditors' fees

In the 2020 financial year, the following fees were paid to the external auditors KPMG AG Wirtschaftsprüfungsgesellschaft:

million EUR	31.12.2020	31.12.2019
Audit fees for annual audit	2.0	2.1
Audit fees for other assurance services	0.1	0.0
Audit fees for tax consultancy	–	–
Audit fees for other services	0.0	0.0
Total	2.1	2.1

The fee for audit services rendered by KPMG AG Wirtschaftsprüfungsgesellschaft related primarily to the audit of the consolidated financial statements and the annual financial statements of Hapag-Lloyd AG including legal contractual amendments. Activities integral to the audit were also performed in relation to audit reviews of interim financial statements.

Other attestation services relate primarily to services provided in connection with audit reviews of parts of the internal audit system, Comfort letter issuance activities, agreed investigatory activity relating to financial covenants, and EMIR audits in accordance with Section 32 of the German Securities Trading Act (WpHG).

Other services relate to support services for safeguarding quality.

(29) Events after the balance sheet date

There were no transactions of particular significance to the Company's net assets, financial and earnings position after the end of the 2020 financial year.

Hamburg, 2 March 2021

Hapag-Lloyd Aktiengesellschaft

Executive Board



Rolf Habben Jansen



Mark Frese



Dr Maximilian Rothkopf



Joachim Schlotfeldt

ANNEXE I

Statement of fixed assets of Hapag-Lloyd Aktiengesellschaft for the 2020 financial year

million EUR

	Historical cost				31.12.2020
	1.1.2020	Additions	Reclassifications	Disposals	
I. Intangible assets					
1. Purchased software	35.6	3.6	0.7	–	39.9
2. Purchased concessions, industrial property and similar rights and assets as well as licences in such rights and assets	3.5	–	–	–	3.5
3. Goodwill	1,273.1	0.0	–	–	1,273.1
4. Payments made on account	8.7	8.4	–0.7	–	16.5
	1,320.9	12.0	–	–	1,332.9
II. Property, plant and equipment					
1. Land, similar rights and buildings including buildings on leasehold land	0.0	–	–	–	0.0
2. Vessels	5,007.8	16.6	25.5	–	5,049.8
3. Improvements on leased vessels	7.1	21.2	18.6	1.3	45.6
4. Major spare parts for vessels	3.8	–	–	1.2	2.6
5. Containers, chassis, gensets	2,493.9	319.3	–	54.1	2,759.1
6. Machinery and equipment	9.0	–	–	–	9.0
7. Other equipment and office equipment	23.9	3.9	–	0.4	27.4
8. Payments made on account	63.5	54.8	–44.1	–	74.2
	7,608.9	415.8	0.0	56.9	7,967.8
III. Financial assets					
1. Shares in affiliated companies	1,543.9	0.6	0.0	0.0	1,544.6
2. Investments	321.5	0.2	0.0	–	321.6
3. Loans to affiliated companies	62.1	0.0	–	5.7	56.4
4. Loans to investments	–	–	–	–	–
	1,927.4	0.8	–	5.7	1,922.6
	10,857.3	428.7	0.0	62.6	11,223.4

1.1.2020	Value adjustments		Carrying amounts		
	Amortisation / Depreciation	Total value adjustments regarding disposals	31.12.2020	31.12.2020	31.12.2019
33.6	1.6	-	35.1	4.8	2.1
-	-	-	-	3.5	3.5
241.9	72.2	-	314.1	959.0	1,031.2
-	-	-	-	16.5	8.7
275.4	73.8	-	349.2	983.7	1,045.5
-	-	-	-	0.0	-
1,565.7	201.6	-	1,767.3	3,282.5	3,442.2
2.6	11.3	1.2	12.7	32.9	4.4
2.8	0.1	1.1	1.9	0.7	1.0
779.8	186.6	42.1	924.3	1,834.8	1,714.2
5.4	0.9	-	6.3	2.7	3.6
20.2	2.0	0.3	21.8	5.6	3.6
-	-	-	-	74.2	63.5
2,376.5	402.5	44.7	2,734.3	5,233.6	5,232.5
52.8	80.2	-	133.0	1,411.5	1,491.1
0.0	-	-	-	321.6	321.4
-	-	-	-	56.4	62.0
0.0	-	-	-	-	-
52.8	80.2	-	133.0	1,789.6	1,874.5
2,704.7	556.5	44.7	3,216.5	8,006.9	8,152.5

ANNEXE II

List of the holdings of Hapag-Lloyd AG as at 31 December 2020

Name of the company	Registered office	Currency unit (CU)	Shareholding in %	Equity in TCU ¹⁰	Net profit/loss for the year in TCU ¹⁰
Head office					
Hamburg-Amerika Linie GmbH	Hamburg	EUR	100.00	63	*
Hamburg-Amerikanische-Packetfahrt-Gesellschaft mbH	Hamburg	EUR	100.00	63	*
Hapag-Lloyd Grundstücksholding GmbH	Hamburg	EUR	94.90	30,045	* ¹³
Hapag-Lloyd Schiffsvermietungsgesellschaft mbH	Hamburg	EUR	100.00	26	*
HHLA Container Terminal Altenwerder GmbH	Hamburg	EUR	25.10	80,433	*
Zweite Hapag-Lloyd Schiffsvermietungsgesellschaft mbH	Hamburg	EUR	100.00	26	*
North Europe					
CMR Container Maintenance Repair Hamburg GmbH	Hamburg	EUR	100.00	1,687	329
Hapag-Lloyd (Austria) GmbH	Vienna	EUR	100.00	1,121	79
Hapag-Lloyd (France) S.A.S.	Asnières-sur-Seine	EUR	100.00	4,497	306
Hapag-Lloyd (Ireland) Ltd.	Dublin	EUR	100.00	245	38
Hapag-Lloyd (Schweiz) AG	Basel	CHF	100.00	699	73
Hapag-Lloyd (Sweden) AB	Gothenburg	SEK	100.00	3,637	688
Hapag-Lloyd (UK) Ltd.	Barking	GBP	100.00	4,209	160
Hapag-Lloyd Polska Sp.z.o.o.	Gdansk	PLN	100.00	1,388	866
Hapag-Lloyd Special Finance DAC	Dublin	USD	100.00	166	25
Norddeutscher Lloyd GmbH	Bremen	EUR	100.00	31	*
Oy Hapag-Lloyd Finland AB	Helsinki	EUR	100.00	174	57
UASAC (RUS) LLC	St. Petersburg	RUB	100.00	5,826	-378
South Europe					
Hapag-Lloyd Denizasiri Nakliyat A.S.	Izmir	TRY	65.00	163,761	237,958
Hapag-Lloyd (Egypt) Shipping S.A.E.	Alexandria	EGP	49.00 ⁴	95,707	117,603
Hapag-Lloyd (Italy) S.R.L.	Assago	EUR	100.00	1,027	129
Hapag-Lloyd Portugal LDA	Lisboa	EUR	100.00	198	9
Hapag-Lloyd Spain S.L.	Barcelona	EUR	90.00	645	155
Norasia Container Lines Ltd.	Valletta	USD	100.00	20,561	4527
Tayma Ltd.	Valletta	EUR	100.00	-17	-16
United Arab Shipping Agency Co. (Egypt) S.A.E	Alexandria	EGP	49.00 ¹	-43,545	-15,701
United Arab Shipping Agency Company (Denizcilik Nakliyat) A.S.	Istanbul	TRY	100.00	7,508	465

Name of the company	Registered office	Currency unit (CU)	Share-holding in %	Equity in TCU ¹⁰	Net profit/loss for the year in TCU ¹⁰
Asia					
CSAV Group (China) Shipping Co. Ltd.	Shanghai	CNY	100.00	5,194	-291
Hapag-Lloyd (Australia) Pty. Ltd.	Pyrmont	AUD	100.00	899	-101
Hapag-Lloyd Business Services (Suzhou) Co. Ltd.	Suzhou	CNY	100.00	24,371	6,491
Hapag-Lloyd Business Services (Malaysia) Sdn. Bhd.	Kuala Lumpur	MYR	100.00	**	**
Hapag-Lloyd (Cambodia) Co., Ltd.	Phnom Penh	KHR	100.00	**	**
Hapag-Lloyd (China) Ltd.	Hong Kong	HKD	100.00	5,418	1,032
Hapag-Lloyd (China) Shipping Ltd.	Shanghai	CNY	100.00	109,063	9,616
Hapag-Lloyd (Japan) K.K.	Tokyo	JPY	100.00	206,541	3,607
Hapag-Lloyd (Korea) Ltd.	Seoul	KRW	100.00	1,485,159	184,166
Hapag-Lloyd (Malaysia) Sdn. Bhd.	Kuala Lumpur	MYR	100.00	317	85
Hapag-Lloyd (New Zealand) Ltd.	Auckland	NZD	100.00	261	-18
Hapag-Lloyd Pte.Ltd.	Singapore	USD	100.00	5,404	101
Hapag-Lloyd (Taiwan) Ltd.	Taipei	TWD	100.00	47,429	1,051
Hapag-Lloyd (Thailand) Ltd.	Bangkok	THB	49.90	7,691	57
Hapag-Lloyd (Vietnam) Ltd.	Ho Chi Minh City	VND	100.00	7,251	1,623
Hapag-Lloyd Lanka (Private) Ltd.	Colombo	LKR	40.00	293,145	288,237 ¹²
UASC (Thailand) Ltd.	Bangkok	THB	74.97	7,330	122
UASC Holding (Thailand) Ltd.	Bangkok	THB	49.95	-218	-51
United Arab Shipping Agency Co. (Asia) Pte Ltd.	Singapore	USD	100.00	481	2,207
United Arab Shipping Agency Company (Hong Kong) Ltd.	Hong Kong	HKD	100.00	**	**
United Arab Shipping Agency Company (Thailand) Ltd.	Bangkok	THB	49.00	-639	-79
United Arab Shipping Agency Company (Vietnam) Ltd.	Ho Chi Minh City	VND	100.00	4,730,333	138,503 ¹⁵
United Arab Shipping Co. (Asia) Pte. Ltd.	Singapore	SGD	100.00	732	2,256
Middle East					
Aratrans Transport and Logistics Service LLC	Dubai	AED	49.00 ¹	**	**
Djibouti Container Services FZCO	Djibouti	DJF	19.06 ³	855,002	418,874
Hapag-Lloyd Africa (PTY) Ltd.	Durban	ZAR	100.00	2,492	675
Hapag-Lloyd Bahrain Co. WLL	Manama	BHD	49.00	164	14
Hapag-Lloyd Business Services LLP	Mumbai	INR	100.00	81,445	56,423 ¹²
Hapag-Lloyd (Ghana) Ltd.	Tema	GHS	65.00	984	28
Hapag-Lloyd Global Services Pvt. Ltd.	Thane	INR	100.00	987,665	123,095 ¹²
Hapag-Lloyd India Private Ltd.	Mumbai	INR	100.00	215,355	64,917 ¹²
Hapag-Lloyd (Jordan) Private Limited Company (formerly United Arab Shipping Agencies Company Private Shareholding Company)	Amman	JOD	50.00	204	20

Name of the company	Registered office	Currency unit (CU)	Share-holding in %	Equity in TCU ¹⁰	Net profit/loss for the year in TCU ¹⁰
Hapag-Lloyd Kenya Ltd	Nairobi	KES	100.00	0	0
Hapag-Lloyd Middle East Shipping LLC	Dubai	AED	49.00 ¹	892	105
Hapag-Lloyd Nigeria Shipping Limited	Lagos	NGN	100.00	0	0
Hapag-Lloyd Pakistan (Pvt.) Ltd.	Karachi	PKR	100.00	633,087	1,050,240
Hapag-Lloyd Qatar WLL	Doha	QAR	49.00	11,460	7,554
Hapag-Lloyd Quality Service Center Mauritius	Ebène	MUR	100.00	0	0
Hapag-Lloyd Saudi Arabia Ltd.	Jeddah	SAR	60.00	3,253	1,975
Hapag-Lloyd Shipping Company – State of Kuwait (K.S.C.C.)	Kuwait City	KWD	49.00 ¹	252	36
Middle East Container Repair Company LLC	Dubai	AED	49.00 ²	46,958	31,451
United Arab Shipping Agencies Co. LLC	Dubai	USD	49.00 ¹	0	0
United Arab Shipping Company Ltd.	Dubai	USD	100.00	2,314,490	75,200
United Arab Shipping Company for Maritime Services LLC	Baghdad	IQD	100.00	236,394	-28,637
United Arab Shipping Company Services DMCCO	Dubai	AED	100.00	0	0
North America					
Florida Vessel Management LLC	Wilmington	USD	75.00	**	**
Hapag-Lloyd (America) LLC	Wilmington	USD	100.00	6,212	1,965 ¹⁴
Hapag-Lloyd (Canada) Inc.	Montreal	CAD	100.00	1,170	174
Hapag-Lloyd USA LLC	Wilmington	USD	100.00	318,788	-45,256 ¹⁴
Texas Stevedoring Services LLC	Wilmington	USD	50.00	**	**
Latin America					
Agencias Grupo CSAV Mexico S.A. de C.V.	Mexico City	MXN	100.00	**	**
Andes Operador Multimodal Ltda.	São Paulo	BRL	100.00	**	**
Compañía Libra de Navegación (Uruguay) S.A.	Montevideo	UYU	100.00	**	**
Consortio Naviero Peruano S.A.	Lima	USD	47.93 ⁵	4,656	-1,208
CSAV Austral SpA	Santiago de Chile	USD	49.00	129,374	7,349
CSAV Ships S.A.	Panama City	USD	100.00	**	**
Hapag-Lloyd Argentina S.R.L.	Buenos Aires	ARS	100.00	122,438	75,327
Hapag-Lloyd Bolivia S.R.L.	Santa Cruz de la Sierra	BOB	100.00	1,806	1,704
Hapag-Lloyd Chile SpA	Valparaíso	USD	100.00	4,648	626
Hapag-Lloyd Colombia Ltda.	Bogotá	COP	100.00	7,130,222	6,707,076
Hapag-Lloyd Costa Rica S.A.	San José	CRC	100.00	**	**
Hapag-Lloyd Ecuador S.A.	Guayaquil	USD	45.00	**	**
Hapag-Lloyd Guatemala, S.A.	Guatemala City	GTQ	100.00	2,654	535
Hapag-Lloyd Mexico S.A. de C.V.	Mexico City	MXN	100.00	401,888	55,074
Hapag-Lloyd (Peru) S.A.C.	Lima	USD	60.00	1,293	13,138
Hapag-Lloyd Quality Service Center Bogotá S.A.S.	Bogotá	COP	100.00	-213	-214
Hapag-Lloyd Uruguay S.A.	Montevideo	UYU	100.00	38,731	28,566
Hapag-Lloyd Venezuela C.A.	Caracas	VEF	100.00	**	**

Name of the company	Registered office	Currency unit (CU)	Share-holding in %	Equity in TCU ¹⁰	Net profit/loss for the year in TCU ¹⁰
Libra Serviços de Navegação Limitada	São Paulo	BRL	100.00	157,006	59,069
Norasia Alya S.A.	Panama City	USD	100.00	**	**
Rahue Investment Co. S.A.	Panama City	USD	100.00	**	**
Servicios Corporativos Portuarios S.A. de C.V.	Mexico City	MXN	100.00	-11,656	-4,901
Servicios de Procesamiento Naviero S.R.L. i.L.	Montevideo	USD	100.00	**	**
UASAC Uruguay (S.A.)	Montevideo	UYU	60.00	**	**
Other					
Aiff Ltd.	Majuro	USD	100.00	0	1
Ain Esnan Ltd.	Valletta	EUR	100.00	0	1
Al Dahna Ltd.	Valletta	EUR	100.00	0	1
Al Dhail Ltd.	Majuro	USD	100.00	0	1
Al Jasrah Ltd.	Majuro	USD	100.00	0	1
Al Jmelyah Ltd.	Majuro	USD	100.00	0	1
Al Jowf Ltd.	Valletta	USD	100.00	35,378	1,411
Al Madinah Ltd.	George Town	USD	100.00	-38	-8
Al Mashrab Ltd.	Majuro	USD	100.00	0	1
Al Murabba Ltd.	Majuro	USD	100.00	0	1
Al Muraykh Ltd.	Valletta	EUR	100.00	-50	-29
Al Mutanabbi Ltd.	George Town	USD	100.00	-50	-9
Al Nasriyah Ltd.	Majuro	USD	100.00	0	1
Al Nefud Ltd.	Valletta	EUR	100.00	0	1
Al Oyun Ltd.	George Town	USD	100.00	-40	-8
Al Qibla Ltd.	Valletta	USD	100.00	35,773	1,424
Al Riffa Ltd.	Valletta	EUR	100.00	-5,771	-2,001
Al Wakrah Ltd.	George Town	USD	100.00	-38	-8
Al Zubara Ltd.	Valletta	EUR	100.00	0	1
Alula Ltd.	Valletta	EUR	100.00	-17	-16
Ash-Shahaniyah Ltd.	George Town	USD	100.00	**	**
Barzan Ltd.	Valletta	EUR	100.00	0	1
Brunswick Investment Co. Inc.	Nassau	USD	100.00	**	**
Busaiten	George Town	USD	100.00	-39	-8
Chacabuco Shipping Ltd.	Majuro	USD	100.00	**	**
CSBC Hull 898 Ltd.	Douglas	USD	100.00	**	**
CSBC Hull 900 Ltd.	Douglas	USD	100.00	**	**
Dhat Al Salasil Ltd.	George Town	USD	100.00	-54	-12
Hapag-Lloyd Ships (No. 2) Ltd.	Barking	EUR	100.00	-13	-4
Hapag-Lloyd Container (No. 3) Ltd.	Barking	EUR	100.00	4	1
Hapag-Lloyd Ships Ltd.	Barking	EUR	100.00	96	-4
Hira Ltd.	George Town	USD	100.00	-48	-8
Hull 1975 Co. Ltd.	Majuro	USD	100.00	3,355	0 ¹¹
Hull 1976 Co. Ltd.	Majuro	USD	100.00	1,934	0 ¹¹
Hull 1794 Co. Ltd.	Majuro	USD	100.00	**	**
Hull 2082 Co. Ltd.	Majuro	USD	100.00	**	**

Name of the company	Registered office	Currency unit (CU)	Share-holding in %	Equity in TCU ¹⁰	Net profit/loss for the year in TCU ¹⁰
Jebel Ali Ltd.	Valletta	EUR	100.00	-5,645	-2,047
Linah Ltd.	Majuro	USD	100.00	0	1
Malleco Shipping Co. S.A.	Panama City	USD	100.00	**	**
Manamah Ltd.	George Town	USD	100.00	-50	-9
Maule Shipping Co. S.A.	Panama City	USD	100.00	**	**
Onayzah Ltd.	Valletta	EUR	100.00	-17	-16
Palena Shipping Ltd.	Majuro	USD	100.00	**	**
Qurtuba Ltd.	George Town	USD	100.00	571	-932
Sajid Ltd.	Majuro	USD	100.00	-12	-11
Salahuddin Ltd.	Majuro	USD	100.00	0	1
Ship Management (No. 1) Ltd.	Dubai	USD	99.80	2,409	-117
Ship Management (No. 2) Ltd.	Dubai	USD	99.80	1,852	-120
Tihama Ltd.	Valletta	EUR	100.00	0	1
UASC Ships (No. 1) Ltd.	Dubai	USD	100.00	508,659	-1,226
UASC Ships (No. 4) Ltd.	Dubai	USD	100.00	104,197	-64
UASC Ships (No. 5) Ltd.	Dubai	USD	100.00	106,378	-58
UASC Ships (No. 7) Ltd.	Dubai	USD	100.00	25,121	-41
UASC Ships (No. 8) Ltd.	Dubai	USD	100.00	55,237	-71
Umm Qarn Ltd.	Majuro	USD	100.00	0	1
Umm Salal Ltd.	Valletta	EUR	100.00	0	1

¹ Additional 51.00% are held by a trustee on behalf of Hapag-Lloyd Group.

² Additional 5.64% are held by a trustee on behalf of Hapag-Lloyd Group.

³ Additional 2.19% are held by a trustee on behalf of Hapag-Lloyd Group.

⁴ Additional 16.0% are held by a trustee on behalf of Hapag-Lloyd Group.

⁵ Additional 2.07% are held by a trustee on behalf of Hapag-Lloyd Group.

¹⁰ TCU = in thousands of currency units; financial statements as at 31. December 2019 unless otherwise stated

¹¹ Financial statements as at 30 September 2019

¹² Financial statements as at 31 March 2020

¹³ Financial statements as at 31 December 2020

¹⁴ IFRS Package as at 31 December 2020

¹⁵ Financial statements as at 24 March 2020

* Profit and loss transfer agreement

** No financial statements were available for these companies.

ANNEXE III**Executive Board members of Hapag-Lloyd Aktiengesellschaft
in the 2020 financial year****Rolf Habben Jansen**

Member of the Executive Board / Chief Executive Officer (CEO), Hamburg

Nicolás Burr (until 29. February 2020)

Member of the Executive Board / Chief Financial Officer (CFO), Hamburg

Mark Frese (since 25 November 2019)

Member of the Executive Board (since 1 March 2020 Chief Financial Officer (CFO)), Hamburg

Dr. Maximilian Rothkopf

Member of the Executive Board / Chief Operating Officer (COO), Hamburg

Joachim Schlotfeldt

Member of the Executive Board / Chief Personnel and Global Procurement Officer (CPO),
Hamburg

ANNEXE IV**Members of the Supervisory Board of Hapag-Lloyd AG:****Michael Behrendt**

(Chairman of the Supervisory Board)

Klaus Schroeter

Tariff Coordinator, Federal Department of Transport, Federal Administration ver.di – Vereinte
Dienstleistungsgewerkschaft (service workers' union), Berlin
(First Deputy Chairman of the Supervisory Board)

Karl Gernandt

Executive Chairman
Kühne Holding AG, Schindellegi, Switzerland
(Second Deputy Chairman of the Supervisory Board until 10 June 2020)

Oscar Eduardo Hasbún Martínez

Chief Executive Officer
Compañía Sud Americana de Vapores S.A., Santiago de Chile, Chile
(Second Deputy Chairman of the Supervisory Board since 10 June 2020)

Felix Albrecht

Chairman of the Marine Works Council
Hapag-Lloyd AG, Hamburg

Turqi Alnowaiser

Head of International Investments
Public Investment Fund, Riyadh, Kingdom of Saudi Arabia

H. E. Sheikh Ali bin Jassim Al-Thani

Advisor to the CEO
Qatar Investment Authority, Qatar

Jutta Diekamp (until 30 June 2020)

Marine Works Council
Hapag-Lloyd AG, Hamburg

Nicola Gehrt

Director
Head of Group Investor Relations
TUI Group, Hanover

Dr Rainer Klemmt-Nissen (until 5 June 2020)

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

Annabell Kröger

Commercial Clerk
Hapag-Lloyd AG, Hamburg

Arnold Lipinski

Head of Marine Human Resources
Hapag-Lloyd AG, Hamburg

Sabine Nieswand

Chairwoman of the Works Council
Hapag-Lloyd AG, Hamburg

Dr Isabella Niklas (since 5 June 2020)

Spokeswoman of the Management, HGV Hamburger Gesellschaft für Vermögens-
und Beteiligungsmanagement mbH, Hamburg

José Francisco Pérez Mackenna

Chief Executive Officer
Quiñenco S. A., Santiago de Chile, Chile

Maya Schwiegershausen-Güth

Head of Treaty Office of the ITF “flag of convenience” campaign
Federal Department of Maritime Economy, ver.di Bundesverwaltung, Berlin

Svea Stawars (since 31 July 2020)

Commercial Clerk
Hapag-Lloyd AG, Hamburg

Uwe Zimmermann

Commercial Clerk
Hapag-Lloyd AG, Düsseldorf

ANNEXE V**Offices held by members of the Executive Board in supervisory boards and other comparable supervisory bodies of commercial companies****Rolf Habben Jansen**

Stolt-Nielsen Limited
World Shipping Council – Deputy Chairman

Mark Frese

x+bricks S.A. (since 23 November 2020)

Dr Maximilian Rothkopf

The Britannia Steam Ship Insurance Association Ltd.

Joachim Schlotfeldt

HHLA Container Terminal Altenwerder GmbH

Offices held by members of the Supervisory Board in other supervisory boards and other comparable supervisory bodies of commercial companies**H. E. Sheikh Ali bin Jassim Al-Thani**

SCI Elysees 26
Libyan Qatari Bank – Deputy Chairman
Qatar Holding LLC
Al Rayan Bank

Turqi Alnowaiser

Lucid Motors
Noon Investment
Sanabil Investments (since 1 July 2020)
Saudi Information Technology Company (SITCO)

Michael Behrendt

Barmenia Versicherungen a.G. – Deputy Chairman
Barmenia Allgemeine Versicherungs-AG – Deputy Chairman
Barmenia Krankenversicherung AG – Deputy Chairman
Barmenia Lebensversicherung a.G. – Deputy Chairman
EXXON Mobil Central Europe Holding GmbH
MAN SE
MAN Energy Solutions SE
MAN Truck & Bus SE
Renk AG (until 6 October 2020)

Nicola Gehrt

TUI Deutschland GmbH

Karl Gernandt

Hochgebirgsklinik Davos AG – President
Kühne + Nagel International AG – Deputy Chairman
Kühne Holding AG – President / Chairman
Kühne + Nagel (AG & Co.) KG – Chairman
Kühne & Nagel A.G., Luxembourg – Chairman
Kühne Holding (Management) AG – Chairman (until 22 May 2020)
Kühne Logistics University – Chairman
Kühne Real Estate AG – Chairman
Signa Prime Selection AG (since 23 September 2020)

Oscar Eduardo Hasbún Martínez

Florida International Terminal LLC
Invexans S.A.
Nexans S.A.
SAAM Logistics
SAAM Ports S.A.
SAAM Puertos S.A.
San Antonio Terminal Internacional S. A.
San Vicente Terminal Internacional S. A.
SM-SAAM S.A. – Chairman
Sociedad Portuaria De Caldera (SPC) S.A.
Sociedad Portuaria Granelera De Caldera (SPGC) S.A.

José Francisco Pérez Mackenna

Banchile Corredores de Seguros Limitada

Banco de Chile

Compañía Cervecerías Unidas S.A.

Compañía Cervecerías Unidas Argentina S.A.

Cervecera CCU Limitada

Central Cervecera de Colombia SAS

Compañía Pisquera de Chile S.A.

Compañía Sud Americana de Vapores S.A. – Chairman

Embotelladoras Chilenas Unidas S.A.

Empresa Nacional de Energía Enx S.A. – Chairman

Enx Corporation Ltd

Enx CL Ltd

Invexans S.A. – Chairman

Invexans Ltd.

Inversiones IRSA Limitada

Inversiones LQ-SM Limitada

Inversiones y Rentas S.A.

LQ Inversiones Financieras S.A.

Nexans S.A.

Sociedad Matriz SAAM S.A.

Tech Pack S.A. – Chairman

Viña San Pedro Tarapacá S.A.

Zona Franca Central Cervecera S.A.S.

Dr Isabella Niklas (since 5 June 2020)

Stock Exchange Council of the Hanseatic Stock Exchange Hamburg

GMH Gebäudemanagement Hamburg GmbH

HADAG Seetouristik und Fährdienst AG

HHLA Hamburger Hafen und Logistik AG

Stromnetz Hamburg GmbH

Wärme Hamburg GmbH

SBH Schulbau Hamburg

Maya Schwiegershausen-Güth

HHLA Hamburger Hafen und Logistik AG

The Executive Board and Supervisory Board members not listed above do not hold any offices on other legally required supervisory boards or comparable supervisory bodies of commercial companies.

RESPONSIBILITY STATEMENT

RESPONSIBILITY STATEMENT PURSUANT TO SECTION 264 (2) AND SECTION 289 (1) OF THE GERMAN COMMERCIAL CODE (HGB)

We confirm that, to the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements of Hapag-Lloyd AG give a true and fair view of the net asset, financial and earnings position of Hapag-Lloyd AG and that Hapag-Lloyd AG's combined management report includes a fair review of the development and performance of the business and the position of Hapag-Lloyd AG, together with a description of the principal opportunities and risks associated with the expected development of Hapag-Lloyd AG.

Hamburg, 2 March 2021

Hapag-Lloyd Aktiengesellschaft

Executive Board



Rolf Habben Jansen



Mark Frese



Dr Maximilian Rothkopf



Joachim Schlotfeldt

INDEPENDENT AUDITOR'S REPORT

To Hapag-Lloyd Aktiengesellschaft, Hamburg

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Opinions

We have audited the annual financial statements of Hapag-Lloyd Aktiengesellschaft, Hamburg, comprised of the balance sheet as at 31 December 2020, and the income statement for the financial year ended 31 December 2020, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Hapag-Lloyd Aktiengesellschaft and the Group (combined management report) for the financial year ended 31 December 2020.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

In our opinion, based on 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 give a true and fair view of the assets, liabilities and financial position of the Company as of 31 December 2020, and of its financial performance for the financial year from 1 January to 31 December 2020, in accordance with German legally required accounting principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

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

Basis for the Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") 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 Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year ended 31 December 2020. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Accounting for unfinished voyages

For details on the accounting policies applied, please see the disclosures in the "Accounting policies – Current assets and revenue recognition" section in the notes to the financial statements.

The financial statement risk

Transport expenses incurred for unfinished voyages as at the reporting date are capitalised by Hapag-Lloyd under inventories as unfinished voyages. Trade receivables and revenue from transport contracts already recorded and which are attributable to unfinished voyages are cancelled. Expected losses from unfinished voyages reduce the capitalised expenses as part of the loss-free valuation.

Determining the transport costs incurred in connection with the unfinished voyages as at the reporting date and the margins underlying the expected loss is a highly complex process.

There is the risk for the financial statements that the revenue and transport costs for unfinished voyages are not accurately recognised in respect of the cut-off reporting date and the valuation of unfinished voyages is not appropriate.

Our audit approach

We assessed the design, implementation and effectiveness of the controls to ensure accurate recognition cut-off of revenue and transport expenses as at the reporting date. In addition, we investigated whether the policies defined by Hapag-Lloyd for recognising cut-off are appropriately structured to ensure the recognition of revenue and transport expenses on an accrual basis. We assessed the reliability of the analyses from the accounting system on an accrual basis by examining representative samples of the underlying documents and the actual voyage data. We also verified that the amount of revenue and transport expenses for unfinished voyages determined on the basis scheduled travel data did not differ materially from the amount determined according to the actual travel data. We assessed the method of calculating the margins for the valuation of unfinished voyages and the required cut-off procedures at the reporting date and inspected the model for computational accuracy.

Our conclusions

Hapag-Lloyd's approach with respect to revenue recognition cut-off and transport expenses is appropriate.

Other Information

The Executive Board and the Supervisory Board, respectively, are responsible for the other information. The other information comprises the following parts of the combined management report, whose content was not audited:

- the separate combined non-financial report of the Company and the Group referred to in the combined management report, but which will probably not be provided to us until after the date of this audit opinion and
- the combined corporate governance statement for the Company and the Group referred to in the combined management report.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an 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, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Board and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The Executive Board is responsible for the preparation of 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 give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the Executive Board is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Executive Board is 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, it is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the Executive Board is responsible for the preparation of the combined 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 Board is responsible for such arrangements and measures (systems) as it has considered necessary to enable the preparation of a combined 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 combined 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 combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance on whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined 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 opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (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 based on these annual financial statements and this combined 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 combined 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one 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 combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the Executive Board and the reasonableness of estimates made by the Executive Board and related disclosures.
- Conclude on the appropriateness of the Executive Board's 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 combined management report or, if such disclosures are inadequate, to modify our respective opinions. 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 German legally required accounting principles.
- Evaluate the consistency of the combined 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 Board in the combined management report. On the basis of sufficient and appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the Executive Board 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 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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Assurance Report in accordance with Section 317 (3b) HGB on the Electronic Reproduction of the Annual Financial Statements and the Combined Management Report Prepared for Publication Purposes

We have performed an assurance engagement in accordance with Section 317 (3b) HGB to obtain reasonable assurance about whether the electronic reproduction of the annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the file that can be downloaded by the issuer from the electronic client portal with access protection, "JA_2020_hapaglloydag.zip" (SHA 256-Hashwert: 850db72cda2df247e-50c45b62606317d44d90ed2a1e508e2daff7df453b96f64) and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance engagement only extends to the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the annual financial statements and the combined management report contained in the above-mentioned electronic file, which can be downloaded by the issuer from the electronic client portal with access protection and prepared for publication purposes, complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance conclusion and our audit opinion on the accompanying annual financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2020 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above.

We conducted our assessment of the reproduction of the annual financial statements and the combined management report contained in the above-mentioned electronic file in accordance with Section 317 (3b) HGB and the Exposure Draft of the IDW Assurance Standard: Assurance in accordance with Section 317 (3b) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (ED IDW AsS 410). Accordingly, our responsibilities are further described below. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company's Executive Board is responsible for the preparation of the ESEF documents including the electronic reproduction of the annual financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB.

In addition, the Company's Executive Board is responsible for the internal controls it considers necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format, whether due to fraud or error.

The Company's Executive Board is also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited annual financial statements and audited combined management report as well as other documents to be published to the operator of the German Federal Gazette [Bundesanzeiger].

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error. We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance conclusion.
- Obtain an understanding of internal control relevant to the assessment of the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the electronic file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited annual financial statements and the audited combined management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor at the annual general meeting on 5 June 2020. We were engaged by the Chairperson of the Audit and Finance Committee of the Supervisory Board on 11 September 2020. We have been the auditor of Hapag-Lloyd Aktiengesellschaft, Hamburg, without interruption since financial year 2015.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Dr Victoria Röhrich.

Hamburg, 5 March 2021

KPMG AG

Wirtschaftsprüfungsgesellschaft

Madsen	Dr. Röhrich
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

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