Other notes

45. Leases

Leases as a lessee

For further information about leases within the HHLA Group, please see Notes 12, 14, 16, 23, 38 and 40.

Previous finance leases

The Group has concluded various leases for a number of properties, technical equipment, and operating and office equipment. These agreements relate to, among other things, land, quay walls, lifting and ground-handling vehicles, container wagons and chassis, as well as IT hardware. For the most part, the contracts include renewal options and, in some cases, put options. The renewal options are always for the lessee; the put options can be used by the respective lessor to force a sale.

The Group rents mega-ship berths from the owner of the port areas, the Hamburg Port Authority (HPA), which is a related party, see Note 48. The fixed lease initially runs until 2036, but HHLA anticipates that the lease terms of these assets will extend over 50 years, as in the past. The contracts make provisions for the allocation of liability in the event of nullity and the associated premature termination of the lease as a result of conflict with EU law. The Executive Board of HHLA believes the risk of a conflict with EU law is currently very low.

The METRANS Group rents a terminal facility for a period of 30 years as part of a concession agreement.

Previous operating leases

Contracts exist between the Free and Hanseatic City of Hamburg and/or HPA and the HHLA Group for the lease of land and quay walls in the Port of Hamburg and in the Speicherstadt historical warehouse district by companies in the HHLA Group. The main contracts expire between 2025 and 2036. Under the terms of the contracts, the lease payments are generally reviewed every five years on the basis of price developments in relevant competing ports or based on appropriate rental indices. Provisions are made for the anticipated increases in lease payments. Leasing expenses for the space in the Speicherstadt historical warehouse district are partly linked to the development of Group income from subletting these buildings.

Without the prior approval of the lessor, the leased areas and the buildings on them belonging to HHLA may not be sold or let. Major changes to the terms of subletting agreements also require the approval of the lessor.

There are also leases relating to real estate and movable property at the container terminal in Odessa, Ukraine. On the whole, the rents payable for this are fixed and will only change during the course of the agreement as a result of future inflation. The company will not have purchase options at the end of the lease agreements. The respective lease agreements have remaining terms of between 1 and 33 years.

There are also significant leases for real estate at the container terminal in Tallinn, Estonia. On the whole, the rents payable for this are fixed and will only change during the course of the agreement as a result of future inflation. The company will not have purchase options at the end of the lease agreements. The respective lease agreements will expire in 2062.

The METRANS Group has concluded lease agreements for various motor vehicles and items of technical equipment. These leases have an average term of three to ten years and some include renewal options. The leases concluded for individual items of real estate have a term of up to 30 years and some of them also include renewal options. The lessee takes on no obligations when signing these leases.

Future consideration of existing and new leases

Until 31 December 2018, leases were measured and recognised in accordance with the requirements of IAS 17 and IFRIC 4. This resulted in a distinction being made between operating and finance leases and whether they are recognised in profit and loss or in the balance sheet.

As of 1 January 2019, the previous requirements have been replaced by IFRS 16. According to this standard, all leases are to be recognised on the balance sheet. For more details, please see the explanations under Note 5 and Note 6.

Short-term lease agreements and leases for low-value assets

The Group rents technical equipment, motor vehicles, IT equipment, office furniture, etc. over terms of between one and three years. These lease agreements are either short term or (and) pertain to items of low value. In such cases, HHLA reports neither the rights of use nor lease liabilities. The following table shows the effects of leases on the income statement and other comprehensive income:

Leases in the income statement

in € thousand	2019
Cost of materials and other operating expenses	
Expenses from non-current leases	9,505
Expenses from leases for low-value assets	569
Expenses from variable lease payments	408
Amortisation and depreciation	
Amortisation and depreciation of rights of use	50,259
Financial result	
Interest expenses from leasing liabilities	22,016

Future unrecognized cash outflows

The table below shows the future cash outflows which may be incurred by the lessee and which may not have been recognised when measuring the lease liability:

Future unrecognized cash outflows

in € thousand	31.12.2019
Future variable lease payments	10,644
Extension and termination options	1,213
Residual value guarantees	23
	11,880

Leases as a lessor

The Group has signed lease agreements for letting its investment properties on a commercial basis, see Note 24. HHLA has categorised these leases as operating leases because virtually none of the risks and potential rewards associated with ownership are transferred to the Group. The investment properties consist of office space, facilities and a commercial property not used by the Group. These leases have remaining uncancellable lease terms of between 1 and 16 years. After the end of the uncancellable lease period, some contracts give tenants the option of extending the lease for a period of between two years and a maximum of three times five years. Some leases contain a clause under which the rent can be increased in line with market conditions.

In the financial year, income of € 61,552 thousand (previous year: € 59,611 thousand) was earned from letting property, plant and equipment and investment property.

The table below is a maturity analysis of the receivables from operating leases and shows the undiscounted lease payments to be received after the end of the reporting period.

Due dates of receivables from operating leases in accordance with IFRS 16 as of 31 December 2019

in € thousand	
Up to 1 year	32,210
1 year to 2 years	26,599
2 years to 3 years	23,681
3 years to 4 years	14,211
4 years to 5 years	11,139
Over 5 years	35,585
	143,425

Due dates of receivables from operating leases in accordance with IAS 17 as of 31 December 2018

in € thousand	
Up to 1 year	30,707
1 year to 5 years	78,571
Over 5 years	62,950
	172,228

From the lessor's perspective, there are no lease agreements categorised as finance leases.

46. Contingent liabilities and other financial obligations

No provisions were formed for the following contingent liabilities because it was deemed highly unlikely that they would be utilised.

Contingent liabilities

in € thousand	**31.12.2019**	31.12.2018
Guarantees	29,338	29,014
Comfort letters	0	0
	29,338	**29,014**

The following other financial obligations existed on the reporting date:

Other financial obligations

in € thousand	**31.12.2019**	31.12.2018
Outstanding purchase commitments	99,555	106,989
Other	59,415	21,648
	158,970	**128,637**

Of the obligations from outstanding purchase commitments, € 70,398 thousand (previous year: € 69,550 thousand) is attributable to investments in property, plant and equipment and € 1,833 thousand (previous year: € 2,420 thousand) is attributable to investments in intangible assets.

47. Management of financial risks

To finance its business activities, the Group uses short-, medium- and long-term bank loans, lease and hire-purchase agreements, as well as cash and short-term deposits. The Group has access to various other financial assets and liabilities, such as trade payables and receivables which arise directly from its business.

Interest rate and market price risk

As a result of its financing activities, the Group is exposed to an interest rate risk which principally stems from medium- to long-term borrowing at floating rates of interest.

Managing the Group's interest expenses involves a combination of fixed- and floating-rate debt, depending on the market.

The consolidated companies did not hold any interest rate swaps as of the balance sheet date.

As of the balance sheet date, 76.8 % (previous year: 75.7 %) of the Group's borrowing was at fixed interest rates.

The fixed-interest financial instruments are not held at fair value and are therefore not subject to market price risks on the balance sheet.

Market price risks can, however, affect securities and equity investments in particular. Due to the minor scope of these instruments, the risk is deemed insignificant.

A change in the variable interest rate affects the interest expenses arising from floating-rate loans and the interest income from overnight deposits and time deposit investments.

If the variable interest rate had been 0.5 percentage points higher as of the balance sheet date, interest expenses arising from floating-rate loans would have been € 384 thousand p.a. higher (previous year: € 447 thousand p.a.) and interest income from overnight deposits and time deposit investments would have been by up to € 1,265 thousand p.a. higher (previous year: € 1,369 thousand p.a.).

There are no effects on equity.

Exchange rate risk

Due to investments in countries outside the eurozone, changes in exchange rates can affect the balance sheet. Foreign currency risks on individual transactions are hedged by currency futures or currency options if a market analysis requires it. The hedging transactions are in the same currencies as the hedged item. The Group only concludes currency futures contracts when specific claims or obligations exist, or can be expected with reasonable assurance.

On the balance sheet date, there were currency hedging instruments with a volume of € 49.5 million (previous year: € 19.5 million) and maturities of up to 25 months. As of 31 December 2019, the market value was € 1,132 thousand (previous year: € 425 thousand). In the reporting year, changes in value from these currency hedging transactions, which constitute financial assets and/or liabilities held at fair value through profit and loss, were recognised in the income statement. These instruments do not constitute effective hedging relationships as per IFRS 9.

Revenue in the HHLA Group is predominantly invoiced in euros or in the national currencies of the European affiliates. Investments in these countries are largely transacted in euros.

Commodity price risk

The Group is primarily exposed to a commodity price risk when purchasing fuel. Depending on the market situation, the Group can arrange price hedges for part of its fuel requirements. This was not the case at the balance sheet date or on 31 December 2018.

In addition to the market risks mentioned, there are also financial risks in the form of credit and liquidity risks.

Credit risk/default risk

The Group only maintains customer relationships on a credit basis with recognised, creditworthy third parties. Clients who wish to complete transactions with the Group on a credit basis are subject to a credit check. Receivables are also monitored on an ongoing basis and impairment allowances are made if risks are identified, such that the Group is not exposed to any additional significant default risks on receivables. The maximum default risk for the trade receivables and other financial receivables is theoretically the carrying amount for the individual receivable. There is no significant concentration of default risks with individual customers.

In respect of some receivables, the Group may obtain securities in the form of guarantees that may be drawn upon as part of contractual arrangements if the counterparty falls into payment default.

The Group applies the simplified approach pursuant to IFRS 9 in order to measure expected credit losses, i.e. the expected lifetime credit losses are applied for trade receivables and contract assets. In order to measure the expected credit losses, trade receivables and contract assets are consolidated on the basis of shared credit risk characteristics and the number of days overdue.

The contract assets held by HHLA are deemed insignificant.

The expected losses given default are based on the payment profiles of the transactions over a period of twelve months prior to 31 December 2019 and the corresponding historic defaults in this period. On this basis, the following impairment was calculated on trade receivables as of 31 December 2019 and 31 December 2018:

Determination of impairment on trade receivables as of 31 December 2019

in € thousand	not due	1 - 90 days overdue	91 - 180 days overdue	181 - 270 days overdue	271 - 360 days overdue	more than 360 day overdue	Total
Trade receivables before impairment	129,776	37,888	737	420	226	2,299	171,346
Expected losses	0.10 %	0.25 %	6.92 %	100.00 %	100.00 %	100.00 %	
Impairment of the reporting year	130	93	51	420	226	2,299	3,219
Trade receivables after impairment							**168,127**

Determination of impairment on trade receivables as of 31 December 2018

in € thousand	not due	1 - 90 days overdue	91 - 180 days overdue	181 - 270 days overdue	271 - 360 days overdue	more than 360 day overdue	Total
Trade receivables before impairment	128,395	50,952	666	393	193	2,548	183,147
Expected losses	0.14 %	0.92 %	30.48 %	23.92 %	22.80 %	91.80 %	
Impairment of the previous year	176	467	203	94	44	2,339	3,323
Trade receivables after impairment							**179,824**

Impairments on trade receivables showed the following trends:

Development of the valuation allowances on trade receivables

in € thousand	**2019**	2018
Valuation allowances as of 1 January	**3,323**	**3,114**
Additions (valuation allowances recognised as expenses)	1,064	998
Used	- 601	- 268
Reversals	- 567	- 521
Valuation allowances as of 31 December	**3,219**	**3,323**

Trade receivables are derecognised when a reasonable assessment indicates that there is no prospect of them being realised. The indicators that point to no prospect of realisation following a reasonable assessment include the failure of a debtor to commit to a repayment plan agreed with the Group and the failure to make contractually agreed payments for a default period of more than 360 days.

Impairment losses on trade receivables are shown as other operating expenses in the operating result. Amounts that have been written off, but that are then generated in subsequent periods, are recognised as other operating income.

The default risk in the case of derivative financial instruments and cash, cash equivalents and short-term deposits is, in theory, that of counterparty default and is therefore equivalent to the carrying amounts of the individual financial instruments. The risk of default can be considered very low since the Group as a rule only conducts derivative financial transactions and liquid investments with counterparties with very good credit ratings. In addition, credit risks may arise if the contingent liabilities listed in Note 46 are incurred.

Liquidity risk

The Group guarantees sufficient liquidity at all times with the help of medium-term liquidity planning, by diversifying the maturities of loans and leases, and by means of existing lines of credit and funding commitments. If covenants have been agreed for individual loans, they are monitored on an ongoing basis to make sure they are being complied with. HHLA will introduce measures it deems necessary to ensure that the covenants are met.

For details on liabilities to banks and other loans, lease liabilities, financial liabilities towards employees and other financial liabilities, please refer to the table of residual maturities for non-current and current financial liabilities in Note 38.

Expected liquidity outflows due to future interest payments

	Up to 1 year		1 to 5 years		Over 5 years		Total	
in € thousand	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Outflow of liquidity for future interest payments on fixed-interest loans	4,710	5,469	15,135	18,126	11,592	15,652	31,437	39,247
Outflow of liquidity for future interest payments on floating-rate loans	438	588	722	1,092	13	81	1,173	1,761
	5,148	**6,057**	**15,857**	**19,218**	**11,605**	**15,733**	**32,610**	**41,008**

The fully consolidated companies did not hold any interest rate swaps as of the balance sheet date, so no interest outflows are anticipated in this regard.

Financial instruments

Carrying amounts and fair values

The tables below show the carrying amounts and fair values of financial assets and financial liabilities, as well as their level in the fair value hierarchy, see also Note 6 and Note 7.

They do not include any information on financial assets held at fair value or financial liabilities which have not been measured at fair value, where the carrying amount serves as a reasonable approximation of the fair value.

Financial assets as of 31 December 2019

	Carrying amount				Fair value			
in € thousand	Amortised cost	Fair value through profit or loss	Fair value through other compre-hensive income	**Balance sheet value**	Level 1	Level 2	Level 3	**Total**
Financial assets measured at fair value								
Financial assets		1,132	6,040	7,172	7,172			7,172
	0	**1,132**	**6,040**	**7,172**				
Financial assets not measured at fair value								
Financial assets	12,584			12,584				
Trade receivables	168,127			168,127				
Receivables from related parties	98,805			98,805				
Cash, cash equivalents and short-term deposits	158,041			158,041				
	437,557	**0**	**0**	**437,557**				

Financial liabilities as of 31 December 2019

	Carrying amount			Fair value			
in € thousand	Amortised cost	Fair value through profit or loss	**Balance sheet value**	Level 1	Level 2	Level 3	**Total**
Financial liabilities measured at fair value							
Financial liabilities			**0**				
	0	**0**	**0**				
Financial liabilities not measured at fair value							
Financial liabilities	**728,686**		**728,686**				
Liabilities from bank loans	331,787		331,787		345,487		345,487
Liabilities from leases	282,783		282,783				
Settlement obligation, non-current	30,492		30,492		30,492		30,492
Settlement obligation, current	35,170		35,170				
Other financial liabilities	48,454		48,454		48,454		48,454
Trade liabilities	**74,879**		**74,879**				
Liabilities to related parties	**522,594**		**522,594**				
Liabilities from leases	509,928		509,928				
Other	12,666		12,666				
	1,326,159	**0**	**1,326,159**				

Financial assets as of 31 December 2018

in € thousand	Carrying amount: Amortised cost	Carrying amount: Fair value through profit or loss	Carrying amount: Fair value through other compre-hensive income	Carrying amount: **Balance sheet value**	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Fair value: **Total**
Financial assets measured at fair value								
Financial assets		425	5,061	5,486	5,486			5,486
	0	**425**	**5,061**	**5,486**				
Financial assets not measured at fair value								
Financial assets	12,194			12,194				
Trade receivables	179,824			179,824				
Receivables from related parties	100,244			100,244				
Cash, cash equivalents and short-term deposits	181,460			181,460				
	473,722	**0**	**0**	**473,722**				

Financial liabilities as of 31 December 2018

in € thousand	Carrying amount: Amortised cost	Carrying amount: Fair value through profit or loss	Carrying amount: **Balance sheet value**	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Fair value: **Total**
Financial liabilities measured at fair value							
Financial liabilities			**0**				
	0	**0**	**0**				
Financial liabilities not measured at fair value							
Financial liabilities	**512,570**		**512,570**				
Liabilities from bank loans	369,656		369,656		371,340		371,340
Liabilities from leases	38,909		38,909		38,909		38,909
Settlement obligation, non-current	32,645		32,645		32,645		32,645
Settlement obligation, current	28,655		28,655				
Other financial liabilities	42,705		42,705		42,705		42,705
Trade liabilities	**87,043**		**87,043**				
Liabilities to related parties	**112,939**		**112,939**				
Liabilities from leases	105,470		105,470		140,337		140,337
Other	7,469		7,469				
	712,552	**0**	**712,552**				

Where there are no material differences between the carrying amounts and fair values of the financial instruments reported under non-current financial liabilities with details of fair value, they are recognised at their carrying amount. Otherwise, the fair value must be stated.

In the reporting period, changes in value were reported in the income statement on financial assets and/or liabilities in the amount of € 1,132 thousand (previous year: € 425 thousand) that are held at fair value through profit and loss.

Valuation methods and key unobservable input factors for calculating fair value

The table below shows the valuation methods used for level 2 and level 3 fair value measurement and the key unobservable input factors utilised.

Financial instruments not measured at fair value

Type	Valuation method	Key unobservable input factors
Financial liabilities (liabilities from bank loans, lease liabilities, settlement obligations)	Discounted cash flows	Not applicable
Liabilities to related parties (lease liabilities included in this item)	Discounted cash flows: The valuation model utilises the present value, taking into account contractually agreed increases in rent. Discount rates represent an adequate interest rate according to the current risk.	Not applicable

There was no reclassification between the individual valuation levels in the financial year under review.

48. Related party disclosures

IAS 24 defines related parties as companies and individuals which directly or indirectly control or exert significant influence over the Group or over which the Group has control, joint control or significant influence.

The shareholder HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg (HGV) and its shareholder, the Free and Hanseatic City of Hamburg (FHH), companies over which the shareholder or the Free and Hanseatic City of Hamburg has control or significant influence, the members of HHLA's Executive and Supervisory Boards, and the Group's subsidiaries, associates and joint ventures are therefore defined as related parties. HGV is the parent company of HHLA, which publishes Consolidated Financial Statements. These are published in the electronic version of the German Federal Gazette under HRB 16106. Hamburger Hafen und Logistik Aktiengesellschaft (HHLA) is the parent company of the Group.

Transactions with not fully consolidated related parties

	Income		Expenses		Receivables		Liabilities	
in € thousand	**2019**	2018	**2019**	2018	**31.12.2019**	31.12.2018	**31.12.2019**	31.12.2018
Companies with control over the Group	104	33	1,070	553	95,464	96,402	0	0
Non-consolidated subsidiaries	0	1	352	252	79	117	111	42
Joint ventures	20,375	19,267	15,553	14,099	2,472	3,311	6,501	2,209
Associated companies	551	938	0	0	30	0	77	81
Other transactions with related parties	7,119	4,698	9,826	37,918	760	414	515,905	110,607
	28,149	**24,937**	**26,801**	**52,822**	**98,805**	**100,244**	**522,594**	**112,939**

The receivables from companies with a controlling interest relate to receivables from cash clearing with HGV totalling € 95,000 thousand (previous year: € 95,000 thousand). HHLA's receivables accrued interest at a rate of 0.00 % p.a. (previous year: 0.00 % p.a.) in the reporting period. The interest rates for HHLA's liabilities were 0.10 % p.a. (previous year: 0.10 % p.a.).

The transactions with joint ventures pertain to transactions with companies accounted for using the equity method. This primarily affects the companies HHLA Frucht- und Kühl-Zentrum GmbH and Kombi-Transeuropa Terminal Hamburg GmbH.

Expenses reported in the previous year as other transactions with related parties mostly include rent for land and quay walls in the Port of Hamburg and the Speicherstadt historical warehouse district. The decrease in these expenses was due to the introduction of IFRS 16. Detailed information is available in Note 45.

Lease liabilities amounting to € 509,928 thousand (previous year: € 105,470 thousand), primarily for the lease of land and quay walls from the Hamburg Port Authority (HPA), are included in other transactions with related parties. The increase in these liabilities was the result of the initial application of IFRS 16. For more details, see also Note 40 and Note 45.

Furthermore, HGV and the Free and Hanseatic City of Hamburg as parties related to HHLA have provided various comfort letters and guarantees to lender banks for loans granted to companies in the Group. The nominal amount of the associated liabilities from bank loans is € 103,000 thousand (previous year: € 123,000 thousand), of which around € 46,246 thousand was still outstanding on the balance sheet date (previous year: € 65,789 thousand) plus interest.

With effect from 18 October 2007, a partial loss compensation agreement was concluded between HHLA and HGV. HGV hereby undertakes to assume each annual deficit posted by the HHLA Real Estate subgroup as per commercial law during the term of the agreement. This applies insofar as the deficit is not compensated for by transferring amounts from retained earnings, other revenue reserves or the capital reserve which were carried forward as profit or transferred to these reserves during the term of the contract in accordance with Section 272 (2) (4) HGB.

Expenses and income from related parties are on standard market terms. The amounts outstanding at year-end are not secured and – with the exception of overnight funds in clearing – do not attract interest.

No loans or comparable benefits were granted to the members of the Executive and Supervisory Boards in the reporting year or in the previous year.

List of HHLA's shareholdings by business sector as of 31 December 2019

Name and headquarters of the company	Share of capital held		Equity	Result for the financial year	
	directly in %	indirectly in %	in € thousand	Year	in € thousand
Port Logistics subgroup					
Container segment					
HHLA Container Terminal Burchardkai GmbH, Hamburg[1, 2, 3b]	100.0		76,961	2019	0
Service Center Burchardkai GmbH, Hamburg[1, 2, 3c]		100.0	26	2019	0
HCCR Hamburger Container- und Chassis-Reparatur-Gesellschaft mbH, Hamburg[1, 2, 3b]	100.0		1,942	2019	0
HHLA Container Terminal Tollerort GmbH, Hamburg[1, 2, 3b]	100.0		34,741	2019	0
HHLA Rosshafen Terminal GmbH, Hamburg[1]		100.0	29,854	2019	2,533
HHLA Container Terminal Altenwerder GmbH, Hamburg[1, 2, 3b]	74.9		80,433	2019	0
SCA Service Center Altenwerder GmbH, Hamburg[1, 2, 3c]		74.9	601	2019	0
Kombi-Transeuropa Terminal Hamburg GmbH, Hamburg[4]		37.5	272	2019	113
HVCC Hamburg Vessel Coordination Center GmbH, Hamburg[4]	66.0		100	2019	0
CuxPort GmbH, Cuxhaven[4]	25.1		14,326	2019	845
Cuxcargo Hafenbetrieb GmbH & Co. KG, Cuxhaven[5]	50.0		39	2019	4
Cuxcargo Hafenbetrieb Verwaltungs-GmbH, Cuxhaven[5]	50.0		13	2019	0
DHU Gesellschaft Datenverarbeitung Hamburger Umschlagsbetriebe mbH, Hamburg[4]	40.4		1,577	2019	800
HHLA International GmbH, Hamburg[1, 2, 3b]	100.0		8,360	2019	0
HHLA TK Estonia AS, Tallinn/Estonia[1]		100.0	59,314	2019	3,085
SC Container Terminal Odessa, Odessa/Ukraine[1]		100.0	58,296	2019	13,653
Intermodal segment					
CTD Container-Transport-Dienst GmbH, Hamburg[1, 2, 3c]	100.0		1,256	2019	0
HHLA Project Logistics LLC, Poti/Georgia[1]		75.0	1,463	2019	224
METRANS a.s., Prague/Czech Republic[1]	100.0		286,439	2019	57,829
METRANS Adria D.O.O., Koper/Slovenia[1]		100.0	1,291	2019	471
METRANS (Danubia) a.s., Dunajská Streda/Slovakia[1]		100.0	108,729	2019	15,600
METRANS (Danubia) Kft., Győr/Hungary[1]		100.0	2,001	2019	465
METRANS Danubia Krems GmbH, Krems an der Donau/Austria[1]		100.0	552	2019	107
METRANS D.O.O., Rijeka/Croatia[1, 5]		100.0	11	2019	3
METRANS DYKO Rail Repair Shop s.r.o., Prague/Czech Republic[1]		100.0	6,607	2019	911
METRANS İSTANBUL STI, Istanbul/Turkey[1]		100.0	- 73	2019	- 5
METRANS Konténer Kft., Budapest/Hungary[1]		100.0	10,246	2019	1,389
METRANS (Polonia) Sp.z o.o, Warsaw/Poland[1]		100.0	9,685	2019	3,494
METRANS Rail s.r.o., Prague/Czech Republic[1]		100.0	3,832	2019	3,331
METRANS Rail (Deutschland) GmbH, Leipzig[1]		100.0	7,025	2019	2,719
TIP Žilina, s.r.o., Dunajská Streda/Slovakia[1]		100.0	- 2,334	2019	- 2,325
UniverTrans Kft., Budapest/Hungary[1]		100.0	2,369	2019	758
METRANS Railprofi Austria GmbH, Krems an der Donau/Austria[1]		80.0	1,260	2019	1,190
IPN Inland Port Network Verwaltungsgesellschaft mbH, Hamburg[5]	50.0		41	2019	2
IPN Inland Port Network GmbH & Co. KG, Hamburg[5]	50.0		63	2019	- 3

Name and headquarters of the company	Share of capital held		Equity	Result for the financial year	
	directly in %	indirectly in %	in € thousand	Year	in € thousand
Logistics segment					
Bionic Production GmbH, Lüneburg[1]	50.1		5,481	2019	- 1,376
HPC Hamburg Port Consulting GmbH, Hamburg[1, 2, 3a]	100.0		1,023	2019	0
UNIKAI Lagerei- und Speditionsgesellschaft mbH, Hamburg[1]	51.0		11,056	2019	1,611
ARS-UNIKAI GmbH, Hamburg[4]		25.5	49	2019	- 13
HHLA Sky GmbH, Hamburg[1]	100.0		336	2019	- 781
HHLA Frucht- und Kühl-Zentrum GmbH, Hamburg[4]	51.0		20,953	2019	625
Ulrich Stein Gesellschaft mit beschränkter Haftung, Hamburg[4]	51.0		955	2019	351
Hansaport Hafenbetriebsgesellschaft mit beschränkter Haftung, Hamburg[3b, 4]	49.0		n/a	2019	n/a
Hyperport Cargo Solutions GmbH i.G., Hamburg[4]	50.0		–	2019	–
Spherie UG (haftungsbeschränkt), Hamburg[4]	25.1		318	2019	- 374
Holding/other					
GHL Zweite Gesellschaft für Hafen- und Lagereiimmobilien-Verwaltung mbH, Hamburg[1, 2, 3c]	100.0		3,609	2019	0
HHLA-Personal-Service GmbH, Hamburg[1, 2, 3b]	100.0		45	2019	0
Real Estate subgroup					
Real Estate segment					
Fischmarkt Hamburg-Altona Gesellschaft mit beschränkter Haftung, Hamburg[1, 2, 3a]	100.0		4,518	2019	0
HHLA Immobilien Speicherstadt GmbH, Hamburg[1, 5]	100.0		96	2019	8
HHLA 1. Speicherstadt Immobilien GmbH & Co. KG, Hamburg[1, 3d]	100.0		14,305	2019	2,326
HHLA 2. Speicherstadt Immobilien GmbH & Co. KG, Hamburg[1, 3d]	100.0		69,185	2019	8,151

1 Controlled companies.

2 Profit and loss transfer agreements were held in these companies in 2019.

3a The non-disclosure option provided for in section 264 (3) of the German Commercial Code (HGB) was used for these companies.

3b The non-disclosure option and the option of non-inclusion in the Management Report provided for in section 264 (3) of the German Commercial Code (HGB) were used for these companies.

3c The non-disclosure option and the option of non-inclusion in the Management Report and the notes provided for in section 264 (3) of the German Commercial Code (HGB) were used for these companies.

3d The non-disclosure option provided for in section 264b of the German Commercial Code (HGB) was used for these companies.

4 Companies recognised using the equity method.

5 Due to the minor importance of these companies, they are not recognised using the equity method in the Consolidated Financial Statements or as non-consolidated companies, but rather as equity investments.

Remuneration for key management personnel

IAS 24 requires the remuneration of key management personnel to be disclosed. This relates to the active Executive Board and the Supervisory Board. Apart from the details provided below, there were no notifiable transactions with related parties or their close relatives in the 2019 financial year.

For further details of the remuneration paid to individual Executive and Supervisory Board members, please see the remuneration report, which forms part of the Combined Management Report.

Remuneration for active members of the Executive and Supervisory Boards

Remuneration for active members of the Executive and Supervisory Boards

	Executive Board		Supervisory Board	
in € thousand	**2019**	2018	**2019**	2018
Short-term remuneration	3,060	2,955	306	309
of which is non-perfomance-related	1,565	1,557	–	–
of which is perfomance-related	1,495	1,398	–	–
Benefits due after termination of the contract	3,050	868	–	–
	6,110	3,823	306	309

The performance-related portion of the Executive Board's remuneration had not been paid as of the balance sheet date.

In the 2019 financial year, the short-term benefits payable to the Supervisory Board totalled € 306 thousand (previous year: € 309 thousand). Fixed basic salaries accounted for € 192 thousand (previous year: € 199 thousand) of this, remuneration for committee work made up € 75 thousand (previous year: € 69 thousand) and € 39 thousand (previous year: € 41 thousand) consisted of meeting fees.

The past service cost resulting from pension provisions for active members of the Executive Board is reported as post-employment benefits. As of the reporting date, the associated obligation stood at € 9,831 thousand (previous year: € 9,797 thousand).

The Executive Board members' individual pension entitlements as per HGB are as follows:

Individual pension claims of members of the management board in accordance with German Commercial Code (HGB)

in € thousand	**31.12.2019**	31.12.2018
Angela Titzrath	2,451	472
Dr. Roland Lappin	3,756	3,123
Heinz Brandt	0	3,667
	6,207	**7,262**

Former members of the Executive Board

Benefits totalling € 1,097 thousand (previous year: € 1,009 thousand) were paid to former members of the Executive Board and their surviving dependants. The defined benefit obligation for current pensions calculated in accordance with International Financial Reporting Standards amounts to € 28,784 thousand (previous year: € 23,239 thousand).

49. Board members and mandates

The members of the company boards and their mandates are listed in the Combined Management Report under corporate governance in the Corporate Governance Declaration.

50. German Corporate Governance Code

HHLA has based its corporate governance on the recommendations of the German Corporate Governance Code (the Code) as published on 7 February 2017. Information on corporate governance at HHLA and a detailed report on the amount and structure of the remuneration paid to the Supervisory Board and Executive Board can be found in the Combined Management Report and Note 48 of this report. The Executive Board and Supervisory Board discussed matters of corporate governance in 2019 and on 13 December 2019 issued the 2019 declaration of compliance in accordance with Section 161 AktG, which is permanently available to shareholders on the company's website at www.hhla.de.

51. Auditing fees

In both the reporting year and the previous year, fees for auditing the financial statements primarily consisted of fees for the audit of the Consolidated Financial Statements, the audits of the financial statements of Hamburger Hafen und Logistik Aktiengesellschaft (HHLA) and its domestic subsidiaries, and the review of the interim financial statements. They also cover the project-related reviews relating to the introduction of IFRS 16. The other certification services primarily encompass the review of the non-financial report pursuant to ISAE 3000 (Revised). Other services were also rendered in the form of workshops relating to strategic projects. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft was appointed as the auditor for the 2019 financial year, as in the previous year.

Auditing fees

in € thousand	**2019**	2018
Audit of financial statements	536	514
Other certification services	43	81
Tax advisory services	0	0
Other services	37	1
	616	**596**

52. Events after the balance sheet date

In early January 2020, China announced that a novel coronavirus had been detected in several patients. However, the initial local outbreak of the virus developed relatively quickly into an international pandemic. HHLA evaluated the potential impact of the coronavirus pandemic on the development of business – based on the current state of knowledge – and took this into account in its forecast for expected earnings in 2020. Estimates regarding the further development of the coronavirus pandemic, however, are subject to considerable uncertainty and earnings may therefore differ significantly from the forecast. Please see the business forecast, which forms part of the Combined Management Report. The outbreak of the virus has not resulted in any effects on the recognition or measurement of the Group's assets and liabilities as of 31 December 2019.

There were no other events of special significance after the balance sheet date 31 December 2019.

Hamburg, 23 March 2020

Hamburger Hafen und Logistik Aktiengesellschaft

Angela Titzrath　　Jens Hansen　　Dr. Roland Lappin　　Torben Seebold