HHLA key figures

in € million	HHLA Group 2019	2018	Change
Revenue and earnings			
Revenue	1,382.6	1,291.1	7.1 %
EBITDA	382.6	318.5	20.2 %
EBITDA margin in %	27.7	24.7	3.0 pp
EBIT	221.2	204.2	8.3 %
EBIT margin in %	16.0	15.8	0.2 pp
Profit after tax	137.1	138.5	- 1.0 %
Profit after tax and minority interests	103.3	112.3	- 8.0 %
Cash flow statement and investments			
Cash flow from operating activities	322.7	232.7	38.7 %
Investments	224.9	141.3	59.2 %
Performance data			
Container throughput in thousand TEU	7,577	7,336	3.3 %
Container transport in thousand TEU	1,565	1,480	5.7 %

in € million	31.12.2019	31.12.2018	Change
Balance sheet			
Balance sheet total	2,610.0	1,972.9	32.3 %
Equity	578.9	614.8	- 5.9 %
Equity ratio in %	22.2	31.2	- 9.0 pp
Employees			
Number of employees	6,296	5,937	6.0 %

	Port Logistics subgroup[1, 2]			Real Estate subgroup[1, 3]		
in € million	2019	2018	Change	2019	2018	Change
Revenue	1,350.0	1,258.5	7.3 %	40.2	39.3	2.5 %
EBITDA	358.7	297.8	20.5 %	23.9	20.7	15.5 %
EBITDA margin in %	26.6	23.7	2.9 pp	59.4	52.7	6.7 pp
EBIT	204.4	188.4	8.5 %	16.5	15.5	6.5 %
EBIT margin in %	15.1	15.0	0.1 pp	40.9	39.4	1.5 pp
Profit after tax and minority interests	93.6	102.9	- 9.0 %	9.7	9.4	3.0 %
Earnings per share in €[4]	1.34	1.47	- 9.0 %	3.57	3.46	3.0 %
Dividend per share in €[5]	0.70	0.80	- 12.5 %	2.10	2.10	0.0 %

1 Before consolidation between subgroups
2 Listed class A shares
3 Non-listed class S shares
4 Basic and diluted
5 Dividend proposal for 2019

To our shareholders

Ladies and gentlemen,

The crisis triggered by the coronavirus has reached a dimension at the beginning of the 2020 financial year that has rarely been seen before in the recent past. At breath-taking speed, public life has had to be restricted in order to at least slow the spread of the pandemic. The consequences of this necessary interruption to our usual processes cannot yet be reliably estimated. As a service provider for the industrial nation Germany, Hamburger Hafen und Logistik AG (HHLA) has a special responsibility for maintaining supplies to people and companies. Essential goods and commodities are handled via HHLA's container terminals in the ports of Hamburg, Odessa and Tallinn or transported by the trains of our rail subsidiary Metrans. We supply Germany and many parts of Europe – safely and reliably.

> **In its 135-year history, HHLA has mastered many a crisis. With our experience and knowledge, we will once again work with determination and courage for a successful future.**

This is something we once again successfully achieved in the financial year 2019. We not only met the targets set in our guidance, but in some cases even exceeded them. Provided that the Annual General Meeting on June 10, 2020 agrees, we therefore intend to pay you, our shareholders, a dividend of EUR 0.70 per dividend-entitled A share. At 52 percent, the pay-out ratio is once again within the targeted range we have pledged to uphold. We believe that the proposed dividend is at an appropriate level to preserve HHLA's liquidity in view of the unforeseeable risks surrounding the coronavirus pandemic. HHLA has a solid financial footing – something we intend to preserve in spite of the current shocks to global supply chains. We will therefore review our capital expenditure plans and cost structures and adjust them where necessary. We have sufficient liquid funds to meet our payment obligations.

The successful development of our business depends on stable external conditions. Restoring this stability must be the immediate objective. One thing is certain: there will be no return to the way things were before the pandemic. The face of globalisation will continue to change.

Even before the outbreak of the coronavirus pandemic, the basis for our business was already changing at a faster pace than before. Following a period of concentration and consolidation, our customers now have greater market power, and are also exploiting it. As a result, competition between ports has intensified. Although Germany is a leading industrial nation and an important hub for the handling of goods and commodities, this does not automatically mean that trade routes will pass through the port of Hamburg. The volatility of international trade relations also influences our business.

Exceptional circumstances call for exceptional measures. The German government, the EU Commission and the ECB have all promised substantial financial aid for companies. Rapid and, above all, unbureaucratic assistance will be necessary so that economic life can quickly return to normal after successfully combating the corona pandemic. Naturally, this crisis also offers opportunities. We at HHLA want to seize them.

Despite the drastic deterioration in the market environment, we will therefore continue to work resolutely on achieving our strategic goals. To this end, we will make particular use of the opportunities offered by digitalisation. HHLA is already driving the port’s digital transformation. This is demonstrated by the numerous projects we have developed either alone or with our partners. HHLA turns ideas into initiatives which – in addition to our traditional business fields – will generate future growth.

In its 135-year history, HHLA has mastered many a crisis. That is why I can assure you, ladies and gentlemen, that we will once again work with determination and passion to ensure a successful future for HHLA. The trust placed in us by our shareholders is an important and helpful support on this path.

Yours,

A. Titzrath

Angela Titzrath
Chairwoman of the Executive Board


1


2


3


4

1 **Angela Titzrath**
Chairwoman
(CEO)

Responsibility
Corporate development
Corporate communications
Sustainability
Container sales
Intermodal segment
Logistics segment

2 **Jens Hansen**
Chief Operating Officer
(COO)

Responsibility
Container operations
Container engineering
Information systems

3 **Torben Seebold**
Chief Human Resources
Officer (CHRO)

Responsibility
Human resources
Purchasing and
materials management
Health and safety
in the workplace
Legal and insurance
(including compliance)

4 **Dr. Roland Lappin**
Chief Financial Officer
(CFO)

Responsibility
Finance and controlling
Investor relations
Internal audit
Real Estate segment

Dear shareholders,

In the 2019 financial year, the Supervisory Board dutifully fulfilled the responsibilities entrusted to it by law, the company's articles of association and rules of procedure, and the German Corporate Governance Code (GCGC). We continuously monitored the Executive Board's management of business, provided advice on the further strategic development of HHLA and the HHLA Group as well as on important individual measures, and concluded that the management of the company and risk management strategy in place is lawful, proper, appropriate and cost-effective.

Working relationship between the Supervisory Board and the Executive Board

The Supervisory Board was involved in all decisions of major significance for the company. The Executive Board provided us with regular, prompt and comprehensive information on all major developments, especially the situation of HHLA and the Group, corporate planning, fundamental issues of company policy and strategy, investment plans and personnel. All measures for which the approval of the Supervisory Board or one of its committees was required by law, the articles of association or the Executive Board's rules of procedure were submitted on time. After conducting their own examination and discussions with the Executive Board, the Supervisory Board or Supervisory Board committees approved all such measures. As Chairman of the Supervisory Board, I was also regularly in touch with the Executive Board between meetings and was informed about planning and strategy, the current business situation, significant transactions, the risk position, risk management and compliance.

The work of the Supervisory Board

The Supervisory Board held four routine meetings and three special meetings in the 2019 financial year.

At routine meetings, we regularly look at the current revenue, earnings and liquidity trend and the current business situation of the company and the individual segments, including the risk position, risk management and compliance. During the meetings, the Executive Board informed the Supervisory Board about the economic, financial and strategic position of the company and the Group, the company's strategy, as well as significant developments and events. The other focal points of the meetings during the reporting period can be summarised as follows:

The **financial statements meeting held on 22 March 2019** focused as scheduled on the auditing and approval of HHLA's Annual Financial Statements, including the individual divisional financial statements for the A and S divisions, the Consolidated Financial Statements including the subgroup financial statements, the Combined Management Report of HHLA and the Group, the Supervisory Board report, the reports on transactions with related parties and on the relationship between the A and S divisions and the separate non-financial report, each for the 2018 financial year, as well as the agenda for the 2019 Annual General Meeting, including the Executive Board's proposal on the appropriation of profit and the candidates proposed for the election of the auditor for the 2019 financial year. Representatives of the auditor were present at the meeting. They reported on the main results of their audit and were available to answer questions. As a follow-up to this meeting, the Supervisory Board also agreed on the proposed candidate for the election of a new shareholder representative at the Annual General Meeting on 18 June 2019 by way of a written circular.

In our second regular meeting on **7 June 2019**, we addressed preparations for the Annual General Meeting and issues pertaining to the Executive Board and Supervisory Board.

In the two special meetings on **17 and 18 June 2019**, we also primarily considered issues pertaining to the Executive Board and Supervisory Board, particularly the upcoming extension of Executive Board mandates and personnel changes following the appointment of Prof. Dr. Burkhard Schwenker to the Supervisory Board. We also discussed the upcoming changes due to the Act on the Implementation of the Second Shareholder Rights Directive and the new version of the GCGC.

In our regular meeting on **30 August 2019**, we primarily focussed on current business developments as well as on various internal measures and projects in the Container segment and IT.

The focus of this year's strategy meeting on **27 November 2019** was on IT, and IT security in particular, as well as on current and planned IT projects and initiatives.

In our final regular meeting on **13 December 2019**, we routinely dealt with the budget for 2020, the medium-term planning for 2021 to 2024 for the Group and for the two subgroups, the findings of the risk and opportunity inventory and the declaration of compliance with the GCGC. We also discussed two smaller investment plans during this meeting.

As a general rule, regular meetings are attended by all of members of the Supervisory Board and – provided Executive Board matters or internal Supervisory Board topics are not discussed – the members of the Executive Board as well. The average attendance at the meetings of the Supervisory Board and its committees in the reporting period was approximately 89 %. Please see the end of this report for the individual participation ratios.

No conflicts of interest regarding members of the Executive Board or the Supervisory Board arose in the reporting period. The Supervisory Board does not include any former members of the company's Executive Board.

Committee work

The Supervisory Board has set up a total of six committees: the Finance Committee, the Audit Committee, the Real Estate Committee, the Personnel Committee, the Nomination Committee and the Arbitration Committee. Following any committee work, the chairs report to the Supervisory Board about the committees' activities. With the exception of the Nomination Committee, all of the committees include an equal number of shareholder and employee representatives. Corporate governance

The **Finance Committee** held four meetings during the 2019 financial year. At each meeting, the committee deals with the Group's financial performance and its general financial and earnings position. In addition, as in the December meeting, it is concerned with the preliminary review of the budget for the coming year and relevant medium-term planning. In addition, the Finance Committee is responsible for the preliminary review of major financing, investment and participation plans. One area of focus during the reporting period was on the effects of the first-time application of the new leasing standard, IFRS 16.

The **Audit Committee** held five meetings in the reporting period. Its work regularly focuses on monitoring accounting and overseeing the accounting process and the audit. This includes monitoring the effectiveness of the audit, the internal control system, the risk management system, the internal audit system and compliance, along with the compliance management system. The committee oversees the selection of the auditor and the auditor's qualifications, efficiency and independent status, and the admissibility of any additional services provided by the auditor (known as non-audit services). To do this, the Audit Committee has adopted a catalogue of basic approved non-audit services by type and scope. Other key issues at the various meetings held during the reporting period included a detailed discussion and examination of the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report for the 2018 financial year (March meeting). This was followed by an in-depth consideration of the six-monthly financial report for 2019 and its review (August meeting). Other areas of focus were the interim reports for the first and third quarters, the organisation and audit remit of Internal Audit, the determination of key issues for the audit of the Annual Report and Consolidated Financial Statements for the 2019 financial year, the findings of the 2019 risk and opportunity inventory, the plans for the 2020 audit and the preparation of the declaration of compliance with the GCGC. In addition to the representatives of the Executive Board, HHLA's Compliance Officer also regularly attends the meetings of the Audit

Prof. Dr. Rüdiger Grube
Chairman of the Supervisory Board

Committee, where he speaks about his role and keeps the committee abreast of current developments. Other participants, such as representatives of the auditor or Internal Audit, attend meetings as necessary. The Chairman of the Audit Committee is also regularly in touch with the auditor and the Chief Financial Officer between meetings.

The **Real Estate Committee** held two meetings in the reporting period. It focused on the general development of business and the discussion and audit of HHLA's Annual Financial Statements including the separate financial statements of the S division, the Consolidated Financial Statements and the Combined Management Report for the 2018 financial year (March meeting). The committee also dealt with the budget for the 2020 financial year and medium-term planning for 2021 to 2024 (December meeting). In each case, its deliberations related to the Real Estate subgroup (S division).

The **Personnel Committee** held six meetings in the reporting period. In addition to preparation for the upcoming staffing decisions – notably, the extension of Mr. Hansen's mandate – the Personnel Committee focussed on the topic of Executive Board remuneration with regard to the Act on the Implementation of the Second Shareholder Rights Directive and the new version of the GCGC.

The **Nomination Committee** met once during the 2019 financial year in order to prepare for the election of a successor to Mr. Westhagemann on the Supervisory Board at the Annual General Meeting on 18 June 2019.

As in previous years, there was no cause for the **Arbitration Committee** to meet during the reporting period.

Corporate governance

The declaration of compliance with the GCGC in accordance with Section 161 of the German Stock Corporation Act (AktG) was prepared together with the Executive Board at the **Audit Committee meeting on 11 November 2019** and adopted by the Supervisory Board at its **meeting on 13 December 2019**. The current declaration of compliance and further information about corporate governance can be found in the declaration on corporate governance in the Management Report. The current declaration and the declarations relating to previous years can also be viewed on HHLA's website at www.hhla.de/corporategovernance. Corporate governance

Training and further education

HHLA supports the members of the Supervisory Board upon their appointment and in terms of training and further education. When taking up a post, the candidate is generally trained in the work of the Supervisory Board, its tasks and the rights and obligations of its members. If required, further introductions or training sessions are provided to cover HHLA's business activities or other relevant topics. During the course of its work, the Supervisory Board is kept informed of relevant topics such as new legal requirements or accounting standards. During the reporting period, this primarily affected the new tasks under the Act on the Implementation of the Second Shareholder Rights Directive, the new version of the GCGC and the effects of accounting standard IFRS 16.

Audit of financial statements

In line with the Audit Committee's recommendation and the Supervisory Board's nomination, the Annual General Meeting on 18 June 2019 elected PricewaterhouseCoopers GmbH Wirtschaftsprufungsgesellschaft, Hamburg (PwC), to conduct the audit of the Annual and consolidated financial statements for the 2019 financial year and to conduct the review of the Condensed Financial Statements and the interim management report of the Group for the first half of the 2019 financial year. In line with the legal requirements and the recommendations of the GCGC – especially those relating to the auditor's independence – the Audit Committee then assigned the audit and defined its focus areas.

The auditor carried out an audit of HHLA's annual financial statements for the 2019 financial year as provided by the Executive Board, including the divisional financial statements for the A division (Port Logistics subgroup) and the S division (Real Estate subgroup) presented as part of the notes, in line with the provisions of the German Commercial Code (HGB), the consolidated financial statements for the 2019 financial year including the subgroup financial statements for the A and S divisions in accordance with the International Financial Reporting Standards (IFRS) that apply in the European Union and the additional requirements of German commercial law pursuant to Section 315e HGB, and the combined management report for HHLA and the Group for the 2019 financial year. The auditor issued an unqualified opinion with respect to each of the foregoing.

The auditor also audited the report prepared by the Executive Board of HHLA on company transactions with related parties for the 2019 financial year in line with Section 312 AktG, delivered a written report on the audit findings and, having no objections to make, gave the report the following unqualified opinion:

"On the basis of our audit and in our professional opinion we confirm that (1) the factual statements in the report are correct, (2) the consideration paid by the company for the transactions mentioned in the report was not inappropriately high, and (3) the measures detailed in the report give us no grounds to reach a substantially different opinion to that of the Executive Board."

The auditor also audited the report prepared by the Executive Board in line with Article 4 (5) of the articles of association applied analogously to Section 312 AktG on the relationship between the A and the S divisions for the 2019 financial year, delivered a written report on the audit findings and, having no objections to make, gave the report the following unqualified opinion:

"On the basis of our audit and in our professional opinion we confirm that (1) the factual statements in the report are correct, (2) the consideration paid by the company for the transactions mentioned in the report was not inappropriately high."

Finally, the auditor reviewed the combined separate non-financial report in line with Section 289b et seqq. and Section 315b et seq. HGB to achieve a limited degree of certainty, reported the review findings and issued an unqualified opinion.

Each of the above-mentioned financial statements and reports along with the corresponding audit reports was distributed to all members of the Supervisory Board as soon as it had been produced and checked. The documents were subsequently discussed in detail at the meetings of the Audit and Real Estate Committees on 20 March 2020 and at the Supervisory Board's financial statements meeting held on 23 March 2020. Representatives of the auditor took part in the meetings, where they reported on the scope, focal points and key findings of the audit and were available to answer questions. They paid particular attention to the key audit matters described in the certificate along with the audit procedures used and the conclusions regarding the accounting-related internal control and risk management system. Finally, they also reported on the nature and extent of the other services provided by the auditor.

As part of the preliminary review, the Audit and Real Estate Committees closely examined the course of the audit, the auditor's reports and the findings. Once they had completed their examination, they recommended that the Supervisory Board as a whole approve the financial statements and reports. Following a detailed plenary examination of the auditor's reports and findings and the findings of the committees' preliminary review, and based on our own review, we approved the findings of the audit. Following our review, we had no objections to make to the Annual Financial Statements including the divisional financial statements, the Consolidated Financial Statements including the subgroup financial statements, and the Combined Management Report for the 2019 financial year. Accordingly, we approved the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report at our **meeting on 23 March 2020**. HHLA's Annual Financial Statements for the 2019 financial year have therefore been adopted. Following our review, we also had no objections to make to the Executive Board's statements on related parties and on the relationship between the A and S divisions. Finally, following our review, we had no objections to make to the combined separate non-financial report for the 2019 financial year.

The Executive Board's proposal for appropriation of the distributable profit was analysed in detail and discussed with the Executive Board at the meetings of the Audit Committee – for the A division – and the Real Estate Committee – for the S division – on 20 March 2020 and at the Supervisory Board's meeting on 23 March 2020. Following our own review, which paid particularly close attention to earning trends, financial planning, the shareholders' interests and with a view to protecting liquidity, we endorsed the Executive Board's proposal for appropriation of the distributable profit. Together with the Executive Board, we will propose to the Annual General Meeting that a dividend of € 0.70 per dividend- entitled class A share and € 2.10 per dividend-entitled class S share be distributed from distributable profit for the 2019 financial year.

Personnel changes

On the Executive Board, Mr. Torben Seebold took up his position as a member of the Executive Board in the role of Labour Director on 1 April 2019 as the successor to Mr. Heinz Brandt. During the reporting period, we also extended Mr. Jens Hansen's term of office by five years. Mr. Michael Westhagemann stepped down from the Supervisory Board with effect as of 6 February 2019 as a result of his appointment as Senator for Economic Affairs. In line with the Nomination Committee's recommendation and the candidate proposed by the Supervisory Board, the Annual General Meeting on 18 June 2019 appointed Prof. Dr. Burkhard Schwenker, Chairman of the Advisory Council of Roland Berger GmbH, as Mr. Westhagemann's successor for the remainder of his mandate on the Supervisory Board. In addition to the requirements of the German Stock Corporation Act, the GCGC and the Supervisory Board's rules of procedure, the Nomination Committee and Supervisory Board recommendations each took into account the specifications of the profile of requirements issued by the Supervisory Board.

In the course of the personnel changes, Prof. Dr. Schwenker was also appointed the successor to Mr. Westhagemann on the Finance, Audit and Real Estate Committees. Corporate governance

Individual attendance at meetings of the members of the Supervisory Board in 2019

	Supervisory Board	Finance Committee	Audit Committee	Real Estate Committee	Personnel Committee	Nomination Committee	Total
Prof. Dr. Rüdiger Grube	7 / 7	–	–	–	6 / 6	1 / 1	100 %
Berthold Bose	4 / 7	–	–	–	5 / 6	–	69 %
Dr. Norbert Kloppenburg	6 / 7	4 / 4	5 / 5	–	–	–	94 %
Thomas Lütje	7 / 7	–	–	1 / 2	–	–	89 %
Thomas Mendrzik	6 / 7	3 / 4	4 / 5	–	3 / 6	–	71 %
Dr. Isabella Niklas	6 / 7	–	4 / 5	2 / 2	–	–	93 %
Norbert Paulsen	6 / 7	3 / 4	4 / 5	1 / 2	4 / 6	–	75 %
Sonja Petersen	7 / 7	4 / 4	5 / 5	–	–	–	100 %
Dr. Sibylle Roggencamp	7 / 7	4 / 4	–	2 / 2	5 / 6	1 / 1	95 %
Prof. Dr. Burkhard Schwenker (since 18 June 2019)	4 / 4	2 / 2	2 / 3	1 / 1	–	–	90 %
Maya Schwiegershausen-Güth	7 / 7	–	–	–	–	–	100 %
Dr. Torsten Sevecke	5 / 7	–	–	–	3 / 6	1 / 1	64 %

Mr. Westhagemann is not listed above because no meetings took place until his departure on 6 February 2019.

Finally, on behalf of the Supervisory Board, I would like to take this opportunity to thank the members of the Executive Board and our employees for their hard work in the 2019 financial year, and our shareholders and business partners for the trust they have placed in us.

Hamburg, 23 March 2020

The Supervisory Board

Prof. Dr. Rüdiger Grube
Chairman of the Supervisory Board

Members of the Supervisory Board

Prof. Dr. Rüdiger Grube
Chairman of the Supervisory Board
Managing Partner of Rüdiger Grube International Business Leadership GmbH

Berthold Bose
Vice Chairman
Head of ver.di Hamburg

Dr. Norbert Kloppenburg
International investments and financing consultant

Thomas Lütje
Director of sales at HHLA

Thomas Mendrzik
Chairman of the works council of CTA

Dr. Isabella Niklas
Managing Director of HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH

Norbert Paulsen
Chairman of the joint works council and the HHLA Group works council

Sonja Petersen
Clerical employee at CTB

Dr. Sibylle Roggencamp
Head of the Office for Asset and Investment Management at the Hamburg Ministry of Finance

Prof. Dr. Burkhard Schwenker (since 18 June 2019)
Chairman of the Advisory Council of Roland Berger GmbH

Maya Schwiegershausen-Güth
Trade union secretary, ver.di

Dr. Torsten Sevecke
State Secretary at the Hamburg Ministry for the Economy, Transport and Innovation

Michael Westhagemann (until 6 February 2019)
Senator at the Hamburg Ministry for the Economy, Transport and Innovation

For current and past members during the reporting period, as well as committee members, please also refer to the Declaration on corporate governance.

The HHLA share

Key figures

in €, class A shares, Xetra	2019	2018
Closing price	24.54	17.33
Performance in %	41.6	- 26.8
Highest price	25.26	24.36
Lowest price	17.33	17.08
Average daily trading volume	51,649	82,330
Dividend per class A share[1]	0.70	0.80
Dividend yield as of 31 December in %	2.9	4.6
Number of listed class A shares in thousand	70,048.8	70,048.8
Market capitalisation as of 31 December in € million	1,719.0	1,213.9
Price-earnings-ratio as of 31 December	18.3	11.8
Earnings per share	1.34	1.47

1 Dividend proposal for 2019

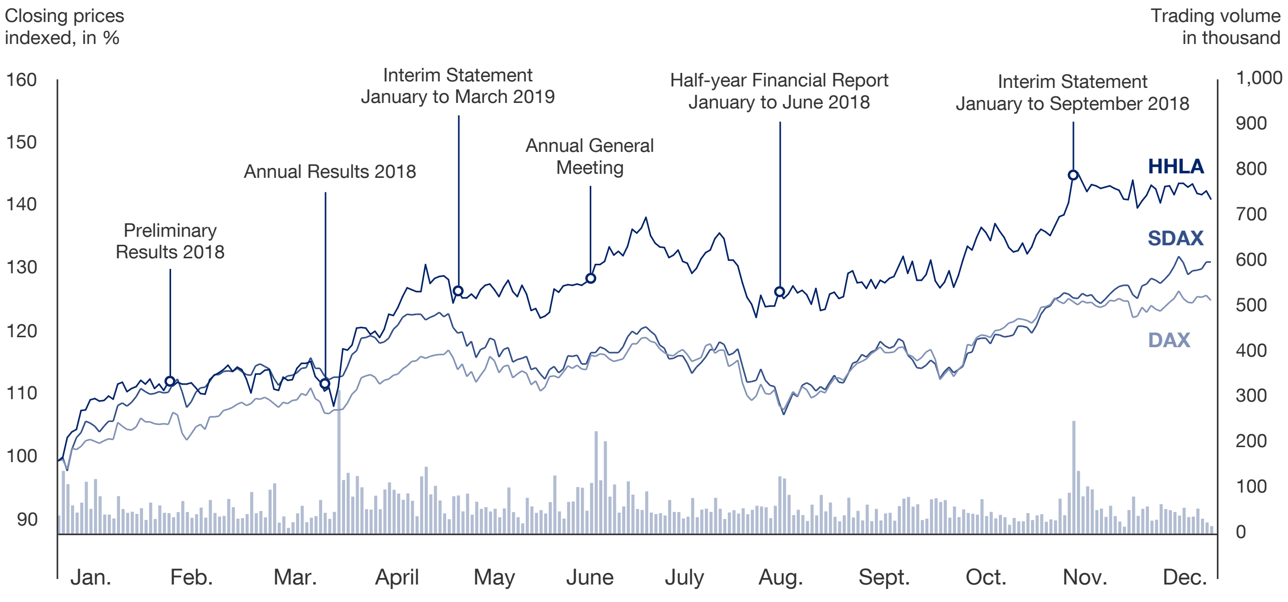
Successful year despite adverse conditions

The economic outlook and political developments seemed to indicate a weak year. But despite fears of recession, the seemingly never-ending tug of war regarding Brexit, growing populism and not least the US-China trade war, 2019 was a surprisingly good year for the world's stock markets. They also benefited from the central banks' decision to step up their expansive monetary policy in the face of flagging economic data. Following a major sell-off at the end of 2018, the German benchmark index started the year in a decidedly upbeat vein. In late March, the DAX gained further momentum following positive economic reports from China and the USA. In May, strong corporate earnings shored up stock prices while the increasingly bitter trade dispute between the USA and China dampened market sentiment. In mid-June, hopes of economic support from the central banks gave the DAX a renewed boost. This mood was further buoyed by positive signs in the tariff dispute. In early July, a series of profit warnings then dampened market sentiment. Share prices were also hit by new tariff threats and a cautious outlook issued by the European Central Bank. It was only in mid-August, after the USA had postponed new tariffs and promised tax breaks, that German shares began to recover. Buoyed by robust corporate earnings and easing tensions in the trade dispute – and in spite of weak economic data in October – this upward trend continued until the end of the year. As a result, the DAX closed at 13,249 points on 30 December 2019, 25.5 % up on the previous year – its highest annual gain since 2013. The SDAX performed even better with an increase of 31.6 % to 12,512 points.

HHLA share outperforms strong market

The HHLA share started 2019 at a year-low price of € 17.33. Within the first few weeks, the share was already outstripping the strong performance of the benchmark indices. Following publication of HHLA's figures for 2018 in late March, the share price temporarily decoupled from the benchmark indices and significantly exceeded the gains achieved by both the DAX and SDAX. It subsequently maintained this lead, even though the share was unable to fully escape market fluctuations over the course of the year. Following publication of the nine-month

Share price development 2019



Source: Datastream

results and an upgrading of guidance for container handling and transport, as well as EBIT growth at segment level for the 2019 financial year in mid-November, the HHLA share reached its year-high of € 25.26 in late November. On the last trading day of the year, 30 December, the HHLA share stood at € 24.54 – and thus 41.6 % above the previous year's closing figure. It exceeded the strong performance of the SDAX by 10 percentage points.

Basic data HHLA class A share

Type of shares	**No-par-value registered shares**
ISIN / SIC	**DE000A0S8488 / A0S848**
Symbol	**HHFA**
Stock exchanges	**Frankfurt am Main, Hamburg**
Segment	**Prime Standard**
Sector	**Transport & Logistics**
Index affiliation	**SDAX**
Bloomberg / Reuters	**HHFA:GR / HHFGn.de**

Annual General Meeting

The Annual General Meeting of HHLA was held at the Hamburg Messehallen convention centre on 18 June 2019. The Executive Board's invitation was accepted by around 700 shareholders and guests, representing 84.8 % of nominal capital (previous year: 81.8 %).

In her upbeat speech to the shareholders, the Chairwoman of HHLA's Executive Board, Angela Titzrath, stressed that HHLA had asserted its position as a leading European logistics group and had once again achieved profitable growth. Following the acquisition of Estonia's largest terminal operator, TK, the company had also become more international. Titzrath also cited the numerous initiatives with which HHLA was now driving the digital revolution. She highlighted in particular the company's efforts in terms of climate protection and the prudent use of resources.

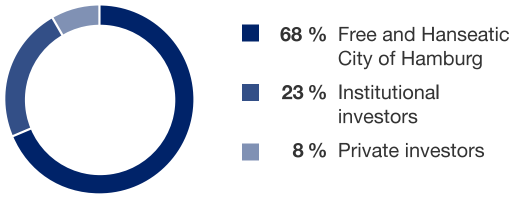
The shareholders formally approved the actions of HHLA's Executive Board and Supervisory Board for the 2018 financial year and appointed Prof. Dr. Burkhard Schwenker, Chairman of the Advisory Council of Roland Berger GmbH, as a new member of the Supervisory Board. The proposal to increase the dividend to € 0.80 (previous year: € 0.67) per listed class A share was also approved. HHLA thus distributed dividends totalling € 56.0 million (previous year: € 41.3 million). This corresponded to a payout ratio of approximately 54 % of the Port Logistics subgroup's net profit after minority interests for the year. The dividends were paid out to the shareholders on 21 June 2019. Based on its closing price of € 22.38 on the day of the Annual General Meeting, the HHLA share achieved a dividend yield of 3.6 %, putting it in the top 20 of the SDAX.

Shareholder base still widely spread

HHLA's shareholder base remained largely stable in 2019. In terms of the listed class A shares, the Free and Hanseatic City of Hamburg remained the company's largest shareholder with an unchanged stake of 68.4 %. The free float portion amounted to 31.6 %. According to the voting rights notifications submitted to HHLA at the end of 2019, no single investor held more than 3 % of the remaining free float shares at this time.

Shareholder structure

as of 31.12.2019



As of the reporting date, ownership shifted slightly in favour of institutional investors. They continued to hold the majority of free float shares at year-end, accounting for 23.2 % of all shares (previous year: 22.9 %). The proportion of nominal capital held by private investors amounted to 8.4 % (previous year: 8.7 %). Overall, HHLA's share capital remained widely distributed among some 26,000 registered shareholders. In regional terms, the largest free float shareholders were based primarily in Germany, the USA, the UK and other countries in continental Europe.

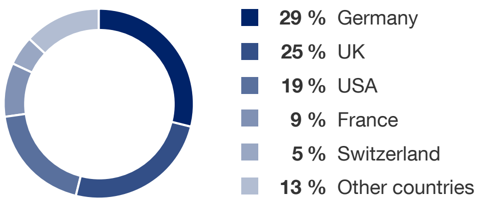
Dialogue with capital market maintained

Rapid reaction times, an ability to provide comprehensive information and an open dialogue with financial analysts and investors remained key to HHLA's investor relations activities in 2019, given the consistently volatile industry environment. In order to serve the needs of both institutional and private investors, HHLA attended a number of investor conferences in the key financial cities of New York, Frankfurt, London and Paris, as well as various private investor events in Germany. These initiatives were supplemented by roadshows in London, Paris and Munich. Investors were also invited to a large number of meetings at the company's headquarters in Hamburg. Furthermore, the Executive Board provided details on business developments during quarterly conference calls. There was considerable interest in the information provided and the opportunities offered for discussion. HHLA also presented its new business fields and innovative products at this year's Capital Markets Day. Under the heading "Transport streams join data streams", HHLA project managers and managing directors gave an insight into their pioneering work and answered detailed questions from financial analysts and investors. Angela Titzrath, Chairwoman of the Executive Board, stressed the competitive advantage for its customers that HHLA's development of digital solutions offered.

With its proactive approach to communications, the Investor Relations department maintains a close dialogue with shareholders and potential investors. In addition to informing interested members of the public, the team also responds to issues of particular relevance to investors. In the 2019 financial year, HHLA's investors showed great interest in the dredging of the river Elbe, a crucial project for HHLA. In the wake of new shipping alliances and the resulting schedule changes, there were also numerous enquiries about the shifts in volume which might ensue. Other key topics for the capital market were the effects of punitive tariffs being imposed and the development of the Intermodal business.

Contacts with investors

by region in 2019



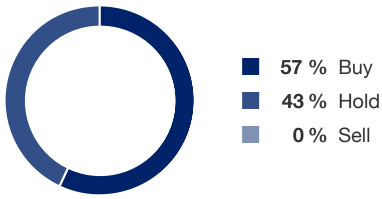
HHLA has provided a full HTML version of its Annual Report since 2016. Online reporting enables all stakeholders to navigate information interactively, search for content in a targeted manner and compile this information as desired. The dedicated investor portal of HHLA's fully revamped website provides a wealth of information on the HHLA share performance, including an interactive share chart and a personalised portfolio calculator. In addition, there is an online service that allows users to register for e-invites to the Annual General Meeting. HHLA also uses the social media channel Twitter to publicise current and future notifications from the company.

HHLA share still of interest for analysts

Despite changes in the macroeconomic environment resulting from more stringent MiFID II regulations, the HHLA share continues to enjoy broad and well-informed coverage by financial analysts. This gives potential investors the possibility to find out about HHLA's business model and environment through independent analyses. The Executive Board and Investor Relations department therefore remain in close contact with all financial analysts in order to ensure a broad set of opinions.

Recommendations by financial analysts

as of 31.12.2019



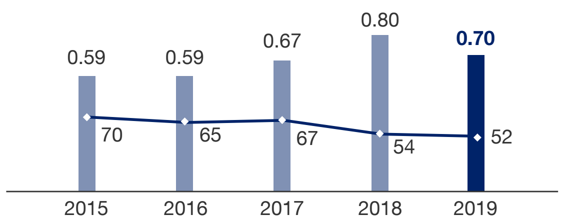
A total of 14 financial analysts covered HHLA's business development and issued reports and recommendations concerning the share. This means that the HHLA share has considerable coverage for an SDAX company. On the reporting date, eight analysts recommended buying the share. They particularly emphasise the successful Intermodal business and growth potential resulting from the forthcoming dredging of the navigation channel. Those analysts who recommend holding the share primarily see risks arising from the fact that the river Elbe has still not been dredged, as well as the low level of cost flexibility. Analyst sentiment is also tempered by increasingly fierce competition among North Range ports and the potential worsening of current trade conflicts. There were no sell recommendations as of the reporting date.

Dividend proposal for 2019

On the basis of the earnings achieved in 2019, the Executive Board and Supervisory Board will propose a dividend of € 0.70 per class A share at the Annual General Meeting to be held on 10 June 2020. A total of € 49.0 million would therefore be distributed (previous year: € 56.0 million). At 52 %, the payout ratio would be roughly on the previous year's level (previous year: 54 %). HHLA therefore continues to pursue its dividend policy of distributing between 50 and 70 %, where possible, of the Port Logistics subgroup's relevant net profit for the year to its shareholders.

Dividends per listed class A share

in € / payout ratio in %



2019: Dividend proposal