Detailed index consolidated financial statements

Detailed index notes

Income statement – HHLA Group

in € thousand	Note	2020	2019
Revenue	8.	1,299,831	1,382,625
Changes in inventories	9.	61	131
Own work capitalised	10.	4,587	6,183
Other operating income	11.	50,830	45,583
Cost of materials	12.	- 379,077	- 401,203
Personnel expenses	13.	- 548,098	- 516,119
Other operating expenses	14.	- 138,737	- 134,575
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**289,397**	**382,625**
Depreciation and amortisation	15.	- 165,832	- 161,388
Earnings before interest and taxes (EBIT)		**123,565**	**221,237**
Earnings from associates accounted for using the equity method	16.	3,601	4,458
Interest income	16.	7,241	2,886
Interest expenses	16.	- 35,301	- 42,459
Other financial result	16.	0	0
Financial result	**16.**	**- 24,460**	**- 35,115**
Earnings before tax (EBT)		**99,105**	**186,122**
Income tax	18.	- 24,973	- 49,064
Profit after tax		**74,133**	**137,058**
of which attributable to non-controlling interests	19.	31,558	33,776
of which attributable to shareholders of the parent company		42,575	103,282
Earnings per share, basic and diluted, in €	**20.**		
HHLA Group		0.58	1.42
Port Logistics subgroup		0.50	1.34
Real Estate subgroup		2.70	3.57

Statement of comprehensive income – HHLA Group

in € thousand	Note	2020	2019
Profit after tax		**74,133**	**137,058**
Components which cannot be transferred to the income statement			
Actuarial gains/losses	36.	- 22,376	- 45,625
Deferred taxes	18.	7,221	14,726
Total		**- 15,155**	**- 30,899**
Components which can be transferred to the income statement			
Foreign currency translation differences		- 16,221	8,551
Deferred taxes	18.	- 1	- 26
Other		- 164	79
Total		**- 16,386**	**8,604**
Income and expense recognised directly in equity		**- 31,541**	**- 22,295**
Total comprehensive income		**42,592**	**114,763**
of which attributable to non-controlling interests		31,195	32,706
of which attributable to shareholders of the parent company		11,397	82,057

Income statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the notes	2020 Group	2020 Port Logistics	2020 Real Estate	2020 Consolidation
Revenue	1,299,831	1,269,337	38,106	- 7,612
Changes in inventories	61	60	1	0
Own work capitalised	4,587	3,706	0	881
Other operating income	50,830	45,671	6,745	- 1,586
Cost of materials	- 379,077	- 372,150	- 7,590	663
Personnel expenses	- 548,098	- 545,698	- 2,400	0
Other operating expenses	- 138,737	- 131,494	- 14,896	7,653
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**289,397**	**269,432**	**19,966**	**0**
Depreciation and amortisation	- 165,832	- 159,137	- 7,047	352
Earnings before interest and taxes (EBIT)	**123,565**	**110,295**	**12,919**	**352**
Earnings from associates accounted for using the equity method	3,601	3,601	0	0
Interest income	7,241	7,333	31	- 124
Interest expenses	- 35,301	- 32,662	- 2,763	124
Other financial result	0	0	0	0
Financial result	**- 24,460**	**- 21,728**	**- 2,732**	**0**
Earnings before tax (EBT)	**99,105**	**88,567**	**10,187**	**352**
Income tax	- 24,973	- 21,730	- 3,156	- 87
Profit after tax	**74,133**	**66,837**	**7,032**	**265**
of which attributable to non-controlling interests	31,558	31,558	0	
of which attributable to shareholders of the parent company	42,575	35,278	7,297	
Earnings per share, basic and diluted, in €	**0.58**	**0.50**	**2.70**	

Statement of comprehensive income – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the notes	2020 Group	2020 Port Logistics	2020 Real Estate	2020 Consolidation
Profit after tax	**74,133**	**66,837**	**7,032**	**265**
Components which cannot be transferred to the income statement				
Actuarial gains/losses	- 22,376	- 21,895	- 481	
Deferred taxes	7,221	7,066	155	
Total	**- 15,155**	**- 14,829**	**- 326**	**0**
Components which can be transferred to the income statement				
Foreign currency translation differences	- 16,221	- 16,221	0	
Deferred taxes	- 1	- 1	0	
Other	- 164	- 164	0	
Total	**- 16,386**	**- 16,386**	**0**	**0**
Income and expense recognised directly in equity	**- 31,541**	**- 31,215**	**- 326**	**0**
Total comprehensive income	**42,592**	**35,622**	**6,706**	**265**
of which attributable to non-controlling interests	31,195	31,195	0	
of which attributable to shareholders of the parent company	11,397	4,427	6,970	

Income statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the notes	2019 Group	2019 Port Logistics	2019 Real Estate	2019 Consolidation
Revenue	1,382,625	1,349,962	40,221	- 7,558
Changes in inventories	131	131	0	0
Own work capitalised	6,183	5,359	0	824
Other operating income	45,583	41,258	5,538	- 1,213
Cost of materials	- 401,203	- 393,909	- 7,966	672
Personnel expenses	- 516,119	- 513,905	- 2,214	0
Other operating expenses	- 134,575	- 130,171	- 11,679	7,275
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**382,625**	**358,725**	**23,900**	**0**
Depreciation and amortisation	- 161,388	- 154,300	- 7,433	345
Earnings before interest and taxes (EBIT)	**221,237**	**204,425**	**16,467**	**345**
Earnings from associates accounted for using the equity method	4,458	4,458	0	0
Interest income	2,886	2,994	35	- 143
Interest expenses	- 42,459	- 39,490	- 3,112	143
Other financial result	0	0	0	0
Financial result	**- 35,115**	**- 32,038**	**- 3,077**	**0**
Earnings before tax (EBT)	**186,122**	**172,387**	**13,390**	**345**
Income tax	- 49,064	- 44,979	- 3,999	- 85
Profit after tax	**137,058**	**127,408**	**9,391**	**260**
of which attributable to non-controlling interests	33,776	33,776	0	
of which attributable to shareholders of the parent company	103,282	93,631	9,651	
Earnings per share, basic and diluted, in €	**1.42**	**1.34**	**3.57**	

Statement of comprehensive income – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the notes	2019 Group	2019 Port Logistics	2019 Real Estate	2019 Consolidation
Profit after tax	**137,058**	**127,408**	**9,391**	**260**
Components which cannot be transferred to the income statement				
Actuarial gains/losses	- 45,625	- 45,361	- 264	
Deferred taxes	14,726	14,641	85	
Total	**- 30,899**	**- 30,720**	**- 179**	**0**
Components which can be transferred to the income statement				
Foreign currency translation differences	8,551	8,551	0	
Deferred taxes	- 26	- 26	0	
Other	79	79	0	
Total	**8,604**	**8,604**	**0**	**0**
Income and expense recognised directly in equity	**- 22,295**	**- 22,116**	**- 179**	**0**
Total comprehensive income	**114,763**	**105,291**	**9,212**	**260**
of which attributable to non-controlling interests	32,706	32,706	0	
of which attributable to shareholders of the parent company	82,057	72,585	9,472	

Balance sheet – HHLA Group

in € thousand	Note	31.12.2020	31.12.2019
ASSETS			
Intangible assets	22.	100,840	104,506
Property, plant and equipment	23.	1,677,635	1,677,256
Investment property	24.	197,138	185,149
Associates accounted for using the equity method	25.	17,418	17,193
Non-current financial assets	26.	16,427	16,177
Deferred taxes	18.	141,420	124,071
Non-current assets		**2,150,879**	**2,124,352**
Inventories	27.	25,554	25,242
Trade receivables	28.	166,913	168,127
Receivables from related parties	29.	85,283	98,805
Current financial assets	30.	3,134	3,579
Other non-financial assets	31.	31,133	29,672
Income tax receivables	32.	1,369	2,201
Cash, cash equivalents and short-term deposits	33.	126,858	158,041
Non-current assets held for sale	34.	0	0
Current assets		**440,245**	**485,667**
Balance sheet total		**2,591,123**	**2,610,019**
EQUITY AND LIABILITIES			
Subscribed capital		74,405	72,753
Port Logistics subgroup		71,700	70,048
Real Estate subgroup		2,705	2,705
Capital reserve		164,599	141,584
Port Logistics subgroup		164,093	141,078
Real Estate subgroup		506	506
Retained earnings		487,544	499,683
Port Logistics subgroup		435,320	449,076
Real Estate subgroup		52,224	50,607
Other comprehensive income		- 155,456	- 124,278
Port Logistics subgroup		- 154,553	- 123,702
Real Estate subgroup		- 903	- 577
Non-controlling interests		- 4,089	- 10,880
Port Logistics subgroup		- 4,089	- 10,880
Real Estate subgroup		0	0
Equity	35.	**567,003**	**578,862**
Pension provisions	36.	531,144	503,239
Other non-current provisions	37.	155,658	114,093
Non-current liabilities to related parties	40.	457,149	485,442
Non-current financial liabilities	38.	558,693	626,335
Deferred taxes	18.	22,069	20,704
Non-current liabilities		**1,724,714**	**1,749,813**
Other current provisions	37.	25,581	24,005
Trade liabilities	39.	90,913	74,879
Current liabilities to related parties	40.	39,552	37,152
Current financial liabilities	38.	88,075	102,351
Other non-financial liabilities	41.	37,512	36,767
Income tax liabilities	42.	17,774	6,190
Current liabilities		**299,406**	**281,344**
Balance sheet total		**2,591,123**	**2,610,019**

Balance sheet – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the notes	31.12.2020 Group	**31.12.2020 Port Logistics**	**31.12.2020 Real Estate**	31.12.2020 Consolidation
ASSETS				
Intangible assets	100,840	100,807	33	0
Property, plant and equipment	1,677,635	1,646,536	18,051	13,048
Investment property	197,138	23,462	197,564	- 23,888
Associates accounted for using the equity method	17,418	17,418	0	0
Non-current financial assets	16,427	12,475	3,952	0
Deferred taxes	141,420	152,686	0	- 11,266
Non-current assets	**2,150,879**	**1,953,384**	**219,600**	**- 22,105**
Inventories	25,554	25,485	70	0
Trade receivables	166,913	165,025	1,887	0
Receivables from related parties	85,283	79,147	7,124	- 988
Current financial assets	3,134	3,040	94	0
Other non-financial assets	31,133	29,540	1,593	0
Income tax receivables	1,369	1,369	809	- 809
Cash, cash equivalents and short-term deposits	126,858	126,264	594	0
Non-current assets held for sale	0	0	0	0
Current assets	**440,245**	**429,869**	**12,172**	**- 1,797**
Balance sheet total	**2,591,123**	**2,383,253**	**231,772**	**- 23,902**
EQUITY AND LIABILITIES				
Subscribed capital	74,405	71,700	2,705	0
Capital reserve	164,599	164,093	506	0
Retained earnings	487,544	435,320	60,368	- 8,144
Other comprehensive income	- 155,456	- 154,553	- 903	0
Non-controlling interests	- 4,089	- 4,089	0	0
Equity	**567,003**	**512,471**	**62,676**	**- 8,144**
Pension provisions	531,144	523,866	7,278	0
Other non-current provisions	155,658	152,645	3,013	0
Non-current liabilities to related parties	457,149	445,633	11,516	0
Non-current financial liabilities	558,693	454,635	104,058	0
Deferred taxes	22,069	15,112	20,918	- 13,961
Non-current liabilities	**1,724,714**	**1,591,891**	**146,784**	**- 13,961**
Other current provisions	25,581	25,515	67	0
Trade liabilities	90,913	81,776	9,137	0
Current liabilities to related parties	39,552	36,357	4,182	- 988
Current financial liabilities	88,075	82,686	5,389	0
Other non-financial liabilities	37,512	36,933	579	0
Income tax liabilities	17,774	15,625	2,958	- 809
Current liabilities	**299,406**	**278,891**	**22,312**	**- 1,797**
Balance sheet total	**2,591,123**	**2,383,253**	**231,772**	**- 23,902**

Balance sheet – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the notes	31.12.2019 Group	**31.12.2019 Port Logistics**	**31.12.2019 Real Estate**	31.12.2019 Consolidation
ASSETS				
Intangible assets	104,506	104,465	41	0
Property, plant and equipment	1,677,256	1,640,617	23,169	13,470
Investment property	185,149	27,645	182,165	- 24,661
Associates accounted for using the equity method	17,193	17,193	0	0
Non-current financial assets	16,177	12,254	3,923	0
Deferred taxes	124,071	134,467	0	- 10,397
Non-current assets	**2,124,352**	**1,936,641**	**209,298**	**- 21,588**
Inventories	25,242	25,184	58	0
Trade receivables	168,127	167,174	953	0
Receivables from related parties	98,805	79,871	20,154	- 1,220
Current financial assets	3,579	3,455	124	0
Other non-financial assets	29,672	28,650	1,022	0
Income tax receivables	2,201	3,165	614	- 1,578
Cash, cash equivalents and short-term deposits	158,041	157,259	782	0
Non-current assets held for sale	0	0	0	0
Current assets	**485,667**	**464,758**	**23,707**	**- 2,798**
Balance sheet total	**2,610,019**	**2,401,399**	**233,005**	**- 24,386**
EQUITY AND LIABILITIES				
Subscribed capital	72,753	70,048	2,705	0
Capital reserve	141,584	141,078	506	0
Retained earnings	499,683	449,076	59,016	- 8,409
Other comprehensive income	- 124,278	- 123,702	- 577	0
Non-controlling interests	- 10,880	- 10,880	0	0
Equity	**578,862**	**525,620**	**61,650**	**- 8,409**
Pension provisions	503,239	496,296	6,943	0
Other non-current provisions	114,093	111,127	2,966	0
Non-current liabilities to related parties	485,442	468,408	17,034	0
Non-current financial liabilities	626,335	518,318	108,017	0
Deferred taxes	20,704	13,940	19,943	- 13,179
Non-current liabilities	**1,749,813**	**1,608,089**	**154,903**	**- 13,179**
Other current provisions	24,005	23,996	9	0
Trade liabilities	74,879	70,560	4,318	0
Current liabilities to related parties	37,152	33,337	5,035	- 1,220
Current financial liabilities	102,351	97,254	5,097	0
Other non-financial liabilities	36,767	35,936	831	0
Income tax liabilities	6,190	6,607	1,162	- 1,578
Current liabilities	**281,344**	**267,690**	**16,452**	**- 2,798**
Balance sheet total	**2,610,019**	**2,401,399**	**233,005**	**- 24,386**

Cash flow statement – HHLA Group

in € thousand	Note	2020	2019
1. Cash flow from operating activities			
Earnings before interest and taxes (EBIT)		123,565	221,237
Depreciation, amortisation, impairment and reversals on non-financial non-current assets		165,832	161,388
Increase (+), decrease (-) in provisions		47,245	393
Gains (-), losses (+) from the disposal of non-current assets		185	- 6,043
Increase (-), decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities		- 1,962	12,385
Increase (+), decrease (-) in trade payables and other liabilities not attributable to investing or financing activities		1,108	1,466
Interest received		5,503	2,842
Interest paid		- 28,414	- 30,008
Income tax paid		- 21,347	- 43,596
Exchange rate and other effects		- 505	2,601
Cash flow from operating activities		**291,210**	**322,665**
2. Cash flow from investing activities			
Proceeds from disposal of intangible assets, property, plant and equipment and investment property		1,051	9,878
Payments for investments in property, plant and equipment and investment property		- 174,657	- 169,208
Payments for investments in intangible assets	22.	- 7,955	- 9,961
Payments for investments in companies accounted for using the equity method		- 785	0
Proceeds from disposal of non-current financial assets		45	0
Payments for acquiring interests in consolidated companies and other business units (including funds purchased)		0	- 2,007
Proceeds (+), payments (-) for short-term deposits		5,000	- 22,550
Cash flow from investing activities		**- 177,301**	**- 193,848**
3. Cash flow from financing activities			
Payments for capital procurement costs		- 499	0
Dividends paid to shareholders of the parent company	21.	- 29,549	- 61,719
Dividends/settlement obligation paid to non-controlling interests		- 36,197	- 29,661
Payments for the redemption of lease liabilities		- 47,461	- 45,799
Payments for the redemption of (financial) loans		- 37,211	- 39,733
Cash flow from financing activities		**- 150,917**	**- 176,912**
4. Financial funds at the end of the period			
Change in financial funds (subtotals 1.–3.)		- 37,008	- 48,096
Change in financial funds due to exchange rates		- 2,167	2,129
Financial funds at the beginning of the period		208,022	253,989
Financial funds at the end of the period	43.	**168,847**	**208,022**

Cash flow statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the notes	2020 Group	2020 Port Logistics	2020 Real Estate	2020 Consolidation
1. Cash flow from operating activities				
Earnings before interest and taxes (EBIT)	123,565	110,295	12,919	352
Depreciation, amortisation, impairment and reversals on non-financial non-current assets	165,832	159,137	7,047	- 352
Increase (+), decrease (-) in provisions	47,245	47,382	- 137	
Gains (-), losses (+) from the disposal of non-current assets	185	185	0	
Increase (-), decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	- 1,962	- 244	- 1,486	- 232
Increase (+), decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	1,108	- 3,654	4,530	232
Interest received	5,503	5,596	31	- 124
Interest paid	- 28,414	- 25,844	- 2,694	124
Income tax paid	- 21,347	- 20,923	- 424	
Exchange rate and other effects	- 505	- 505	0	
Cash flow from operating activities	**291,210**	**271,424**	**19,786**	**0**
2. Cash flow from investing activities				
Proceeds from disposal of intangible assets, property, plant and equipment and investment property	1,051	715	336	
Payments for investments in property, plant and equipment and investment property	- 174,657	- 157,009	- 17,648	
Payments for investments in intangible assets	- 7,955	- 7,946	- 9	
Payments for investments in companies accounted for using the equity method	- 785	- 785	0	
Proceeds from disposal of non-current financial assets	45	45	0	
Payments for acquiring interests in consolidated companies and other business units (including funds purchased)	0	0	0	
Proceeds (+), payments (-) for short-term deposits	5,000	5,000	0	
Cash flow from investing activities	**- 177,301**	**- 159,980**	**- 17,321**	**0**
3. Cash flow from financing activities				
Payments for capital procurement costs	- 499	- 499	0	
Dividends paid to shareholders of the parent company	- 29,549	- 23,870	- 5,679	
Dividends/settlement obligation paid to non-controlling interests	- 36,197	- 36,197	0	
Payments for the redemption of lease liabilities	- 47,461	- 41,414	- 6,047	
Payments for the redemption of (financial) loans	- 37,211	- 33,284	- 3,927	
Cash flow from financing activities	**- 150,917**	**- 135,264**	**- 15,653**	**0**
4. Financial funds at the end of the period				
Change in financial funds (subtotals 1.–3.)	- 37,008	- 23,820	- 13,188	
Change in financial funds due to exchange rates	- 2,167	- 2,167	0	
Financial funds at the beginning of the period	208,022	187,240	20,782	
Financial funds at the end of the period	**168,847**	**161,253**	**7,594**	**0**

Cash flow statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the notes	2019 Group	2019 Port Logistics	2019 Real Estate	2019 Consolidation
1. Cash flow from operating activities				
Earnings before interest and taxes (EBIT)	221,237	204,425	16,467	345
Depreciation, amortisation, impairment and reversals on non-financial non-current assets	161,388	154,300	7,433	- 345
Increase (+), decrease (-) in provisions	393	414	- 21	
Gains (-), losses (+) from the disposal of non-current assets	- 6,043	- 6,043	0	
Increase (-), decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	12,385	10,985	969	431
Increase (+), decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	1,466	1,347	550	- 431
Interest received	2,842	2,950	35	- 143
Interest paid	- 30,008	- 27,231	- 2,920	143
Income tax paid	- 43,596	- 40,752	- 2,844	
Exchange rate and other effects	2,601	2,602	- 1	
Cash flow from operating activities	**322,665**	**302,997**	**19,668**	**0**
2. Cash flow from investing activities				
Proceeds from disposal of intangible assets, property, plant and equipment and investment property	9,878	9,876	2	
Payments for investments in property, plant and equipment and investment property	- 169,208	- 161,760	- 7,448	
Payments for investments in intangible assets	- 9,961	- 9,925	- 36	
Payments for investments in companies accounted for using the equity method	0	0	0	
Proceeds from disposal of non-current financial assets	0	0	0	
Payments for acquiring interests in consolidated companies and other business units (including funds purchased)	- 2,007	- 2,007	0	
Proceeds (+), payments (-) for short-term deposits	- 22,550	- 22,550	0	
Cash flow from investing activities	**- 193,848**	**- 186,366**	**- 7,482**	**0**
3. Cash flow from financing activities				
Payments for capital procurement costs	0	0	0	
Dividends paid to shareholders of the parent company	- 61,719	- 56,040	- 5,679	
Dividends/settlement obligation paid to non-controlling interests	- 29,661	- 29,661	0	
Payments for the redemption of lease liabilities	- 45,799	- 42,873	- 2,926	
Payments for the redemption of (financial) loans	- 39,733	- 35,806	- 3,927	
Cash flow from financing activities	**- 176,912**	**- 164,380**	**- 12,532**	**0**
4. Financial funds at the end of the period				
Change in financial funds (subtotals 1.–3.)	- 48,096	- 47,751	- 345	0
Change in financial funds due to exchange rates	2,129	2,129	0	
Financial funds at the beginning of the period	253,989	232,862	21,127	
Financial funds at the end of the period	**208,022**	**187,240**	**20,782**	**0**

Statement of changes in equity – HHLA Group

in € thousand

	Parent company					
	Subscribed capital		Capital reserve		Retained earnings	Reserve for foreign currency translation
	A division	S division	A division	S division		
Balance as of 31 December 2018	**70,048**	**2,705**	**141,078**	**506**	**512,369**	**- 68,410**
Adjustment due to first-time adoption of IFRS 16					- 54,249	
Balance as of 1 January 2019	**70,048**	**2,705**	**141,078**	**506**	**458,120**	**- 68,410**
Dividends					- 61,719	
Settlement obligation to shareholders with non-controlling interests						
First-time consolidation of interests in related parties						
Total comprehensive income					103,282	8,566
Balance as of 31 December 2019	**70,048**	**2,705**	**141,078**	**506**	**499,683**	**- 59,844**
Balance as of 31 December 2019	**70,048**	**2,705**	**141,078**	**506**	**499,683**	**- 59,844**
Dividends					- 54,714	
Capital increase less costs of raising capital not recognized in profit or loss	1,651		23,015			
Settlement obligation to shareholders with non-controlling interests						
Total comprehensive income					42,575	- 16,131
Balance as of 31 December 2020	**71,700**	**2,705**	**164,093**	**506**	**487,544**	**- 75,976**

Other comprehensive income						
Cash flow hedges	Actuarial gains/losses	Deferred taxes on changes recognised directly in equity	Other	Parent company interests	Non-controlling interests	Total equity
438	**- 68,725**	**22,125**	**11,519**	**623,653**	**- 8,812**	**614,841**
				- 54,249	- 4,251	- 58,500
438	**- 68,725**	**22,125**	**11,519**	**569,404**	**- 13,063**	**556,341**
				- 61,719	- 1,005	- 62,723
				0	- 30,492	- 30,492
				0	973	973
	- 44,046	14,198	57	82,057	32,706	114,763
438	**- 112,771**	**36,323**	**11,576**	**589,742**	**- 10,880**	**578,862**
438	**- 112,771**	**36,323**	**11,576**	**589,742**	**- 10,880**	**578,862**
				- 54,714	- 1,027	- 55,741
				24,666	0	24,666
				0	- 23,377	- 23,377
	- 21,973	7,090	- 164	11,397	31,195	42,592
438	**- 134,745**	**43,413**	**11,413**	**571,092**	**- 4,089**	**567,003**

Statement of changes in equity – HHLA Port Logistics subgroup (A division)

in € thousand; annex to the notes

	Parent company			
	Subscribed capital	Capital reserve	Retained earnings	Reserve for foreign currency translation
Balance as of 31 December 2018	**70,048**	**141,078**	**464,805**	**- 68,410**
Adjustment due to first-time adoption of IFRS 16			- 53,322	
Balance as of 1 January 2019	**70,048**	**141,078**	**411,484**	**- 68,410**
Dividends			- 56,039	
Settlement obligation to shareholders with non-controlling interests				
First-time consolidation of interests in related parties				
Total comprehensive income subgroup			93,631	8,566
Balance as of 31 December 2019	**70,048**	**141,078**	**449,076**	**- 59,844**
Balance as of 31 December 2019	**70,048**	**141,078**	**449,076**	**- 59,844**
Dividends			- 49,034	
Capital increase less costs of raising capital not recognized in profit or loss	1,651	23,015		
Settlement obligation to shareholders with non-controlling interests				
Total comprehensive income subgroup			35,278	- 16,131
Balance as of 31 December 2020	**71,700**	**164,093**	**435,320**	**- 75,976**

Other comprehensive income						
Cash flow hedges	Actuarial gains/losses	Deferred taxes on changes recognised directly in equity	Other	Parent company interests	Non-controlling interests	Total equity
438	**- 68,138**	**21,935**	**11,519**	**573,276**	**- 8,812**	**564,465**
				- 53,322	- 4,251	- 57,573
438	**- 68,138**	**21,935**	**11,519**	**519,954**	**- 13,063**	**506,892**
				- 56,039	- 1,005	- 57,044
				0	- 30,492	- 30,492
				0	973	973
	- 43,782	14,113	57	72,585	32,706	105,291
438	**- 111,920**	**36,048**	**11,576**	**536,500**	**- 10,880**	**525,620**
438	**- 111,920**	**36,048**	**11,576**	**536,500**	**- 10,880**	**525,620**
				- 49,034	- 1,027	- 50,061
				24,666	0	24,666
				0	- 23,377	- 23,377
	- 21,492	6,935	- 164	4,427	31,195	35,622
438	**- 133,412**	**42,983**	**11,413**	**516,560**	**- 4,089**	**512,471**

Statement of changes in equity – HHLA Real Estate subgroup (S division)

in € thousand; annex to the notes

Balance as of 31 December 2018
Adjustment due to first-time adoption of IFRS 16
Balance as of 1 January 2019
Dividends
Total comprehensive income subgroup
Balance as of 31 December 2019
Plus income statement consolidation effect
Less balance sheet consolidation effect
Total effects of consolidation
Balance as of 31 December 2019
Balance as of 31 December 2019
Dividends
Total comprehensive income subgroup
Balance as of 31 December 2020
Plus income statement consolidation effect
Less balance sheet consolidation effect
Total effects of consolidation
Balance as of 31 December 2020

			Other comprehensive income		Total equity
Subscribed capital	Capital reserve	Retained earnings	Actuarial gains/losses	Deferred taxes on changes recognised directly in equity	
2,705	**506**	**56,231**	**- 587**	**189**	**59,045**
		- 927			- 927
2,705	**506**	**55,305**	**- 587**	**189**	**58,118**
		- 5,679			- 5,679
		9,391	- 264	85	9,212
2,705	**506**	**59,016**	**- 851**	**275**	**61,650**
		260			260
		- 8,669			- 8,669
		- 8,409			**- 8,409**
2,705	**506**	**50,607**	**- 851**	**275**	**53,241**
2,705	**506**	**59,016**	**- 851**	**275**	**61,650**
		- 5,679			- 5,679
		7,032	- 481	155	6,706
2,705	**506**	**60,368**	**- 1,333**	**430**	**62,676**
		265			265
		- 8,409			- 8,409
		- 8,144			**- 8,144**
2,705	**506**	**52,224**	**- 1,333**	**430**	**54,532**

Segment report – HHLA Group

in € thousand; business segments;
annex to the notes

	Container		Intermodal		Logistics	
	2020	2019	**2020**	2019	**2020**	2019
Segment revenue						
Segment revenue from non-affiliated third parties	730,199	792,132	475,208	485,073	43,582	50,551
Inter-segment revenue	7,289	7,605	1,560	1,827	7,807	8,428
Total segment revenue	**737,488**	**799,737**	**476,768**	**486,900**	**51,389**	**58,979**
Earnings						
EBITDA	160,366	240,246	131,829	139,032	6,899	8,457
EBITDA margin	21.7 %	30.0 %	27.7 %	28.6 %	13.4 %	14.3 %
EBIT	65,422	141,274	88,268	99,170	- 3,879	2,523
EBIT margin	8.9 %	17.7 %	18.5 %	20.4 %	- 7.5 %	4.3 %
Assets						
Segment assets	1,282,561	1,295,593	614,537	585,120	51,671	55,845
Other segment information						
Investments in property, plant and equipment and investment property	83,922	69,898	81,271	130,052	2,565	3,573
Investments in intangible assets	1,985	2,884	1,380	821	4,471	767
Total investments	**85,907**	**72,782**	**82,651**	**130,873**	**7,036**	**4,340**
Depreciation of property, plant and equipment and investment property	90,873	93,156	43,274	39,654	5,719	5,506
of which impairment	423	0	0	0	0	0
Amortisation of intangible assets	4,071	5,816	287	207	5,059	429
Total amortisation and depreciation	**94,944**	**98,972**	**43,561**	**39,861**	**10,778**	**5,935**
Earnings from associates accounted for using the equity method	209	576	0	0	3,392	3,882
Non-cash items	67,539	21,746	1,300	1,115	1,380	1,484
Container throughput in thousand TEU	6,776	7,577	—	—		
Container transport in thousand TEU	—	—	1,536	1,565		

			Real Estate subgroup		Total		Consolidation and reconciliation with Group		Group	
	Holding/Other		Real Estate							
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	15,212	17,116	35,630	37,753	1,299,831	1,382,625	0	0	1,299,831	1,382,625
	136,949	137,668	2,477	2,468	156,082	157,996	- 156,082	- 157,996	0	0
	152,161	**154,784**	**38,106**	**40,221**	**1,455,913**	**1,540,621**				
	- 29,076	- 28,401	19,966	23,900	289,983	383,233	- 586	- 609	289,397	382,625
	- 19.1 %	- 18.3 %	52.4 %	59.4 %						
	- 40,739	- 39,806	12,919	16,467	121,991	219,628	1,574	1,609	123,565	221,237
	- 26.8 %	- 25.7 %	33.9 %	40.9 %						
	200,621	234,240	223,317	211,556	2,372,707	2,382,354	218,416	227,665	2,591,123	2,610,019
	2,988	1,423	17,647	10,009	188,393	214,955	0	0	188,393	214,955
	2,236	6,061	9	36	10,081	10,570	- 2,126	- 609	7,955	9,961
	5,224	**7,484**	**17,656**	**10,045**	**198,474**	**225,525**	**- 2,126**	**- 609**	**196,348**	**224,916**
	9,440	9,090	7,031	7,424	156,336	154,831	- 1,734	- 1,731	154,602	153,099
	0	0	0	0	423	0	0	0	423	0
	2,223	2,314	16	9	11,656	8,775	- 426	- 486	11,230	8,289
	11,663	**11,404**	**7,047**	**7,433**	**167,992**	**163,606**	**- 2,160**	**- 2,217**	**165,832**	**161,388**
	0	0	0	0	3,601	4,458	0	0	3,601	4,458
	17,063	17,642	2,533	644	89,815	42,631	66	- 18	89,881	42,613

Notes to the consolidated financial statements

General notes

1. Basic information on the Group

The Group's parent company (hereinafter also referred to as "HHLA" or "the HHLA Group") is Hamburger Hafen und Logistik Aktiengesellschaft, Bei St. Annen 1, 20457 Hamburg, Germany, registered in the Hamburg Commercial Register under HRB 1902. The holding company above the Group is HGV Hamburger Gesellschaft fur Vermögens- und Beteiligungsmanagement mbH, Hamburg (HGV).

The object of the company is, first and foremost, to manage and participate in companies which are active in the provision of services in the areas of transport and logistics, particularly in the economic sectors of sea transport and hinterland traffic, as well as in the acquisition, maintenance, sale, lease, management and development of real estate, particularly real estate in Hamburg's historical Speicherstadt warehouse district and its fish market. In order to support the core area of business described, the company is also authorised to offer and perform services, and develop and manufacture products, systems, installations and solutions (including software), as well as the associated applications, both in this area of business as well as in the additive manufacturing business and information technology as well as related fields. The company is also authorised to carry out all auxiliary transactions and ancillary business related to the object of the company.

Since 1 January 2007, the Group has consisted of the Port Logistics subgroup (A division) and the Real Estate subgroup (S division). The part of the Group that deals with the property in Hamburg's Speicherstadt historical warehouse district and Fischmarkt Hamburg-Altona GmbH is allocated to the Real Estate subgroup (S division). All other parts of the company are allocated together to the Port Logistics subgroup (A division). Individual financial statements are prepared for each division to determine the shareholders' dividend entitlements; these, in line with the company's articles of association, form part of the Notes to the Annual Financial Statements of the parent company.

Information concerning the segments in which the HHLA Group operates is provided in Note 44.

When the shareholders' dividend entitlements are being determined, the expenses and income of HHLA which cannot be attributed directly to one subgroup are divided between the two subgroups according to their shares of revenue. All transfer pricing for services between the two subgroups takes place on an arm's-length basis. Interest must be paid at market rates on liquid funds exchanged between the two subgroups. A notional taxable result is calculated for each subgroup to allocate the taxes paid. The resulting notional tax payment represents the amount of tax which would have been paid had each of the subgroups been separately liable for tax.

To illustrate the results of operations, net assets and financial position of the subgroups, the annex to these Notes contains the income statement, the statement of comprehensive income, the balance sheet, the cash flow statement and the statement of changes in equity for each subgroup.

HHLA's Consolidated Financial Statements for the 2020 financial year were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and applicable in the European Union. The provisions contained in Section 315e (1) of the German Commercial Code (HGB) and additional commercial law regulations were also taken into account. The IFRS requirements have been met in full and result in a true and fair view of the results of operations, net assets and financial position of the Group.

For the most part, the accounting and valuation policies, Notes and disclosures relating to the Consolidated Financial Statements for the 2020 financial year are based on the same accounting and valuation principles used for the 2019 Consolidated Financial Statements, with the exception of the effects of the new IFRS accounting standards stated in Note 5. These became mandatory for the Group on 1 January 2020. The accounting and valuation principles applied are explained in Note 6.

The financial year as reported by HHLA and its consolidated subsidiaries is the calendar year. The Consolidated Financial Statements and the disclosures in the Notes have been prepared in euros. Unless otherwise stated, all amounts are in thousands of euros (€ thousand). Due to the use of rounding procedures, it is possible that some figures do not add up to the stated sums.

These HHLA Consolidated Financial Statements for the financial year ending 31 December 2020 were approved by the Executive Board on 15 March 2021 for presentation to the Supervisory Board. It is the Supervisory Board's responsibility to examine the Consolidated Financial Statements and to state whether or not it approves them.

2. Consolidation principles

The Consolidated Financial Statements include the financial statements of HHLA and its significant subsidiaries as of 31 December of each financial year. The assets and liabilities of the domestic and foreign companies consolidated in full or using the equity method are recognised in accordance with the uniform accounting and valuation principles applied in the HHLA Group.

Capital is consolidated at the time of acquisition by setting off the acquisition costs of the investment against the pro rata fair values of the assets acquired and the liabilities and contingent liabilities assumed by the subsidiaries. Previously unreported intangible assets, which can be included in the accounts under IFRS 3 in conjunction with IAS 38, and contingent liabilities are recognised at fair value.

Any positive difference arising in the course of this initial consolidation is capitalised as goodwill and subjected to an annual impairment test. Following a critical assessment, any negative difference is posted to profit and loss. For a detailed explanation of the impairment testing procedure used, please refer to Note 6 and Note 7.

Equity interests held by third parties outside the Group are shown in the balance sheet under the item non-controlling interests within equity capital, see also Note 3 and Note 35.

The acquisition of additional non-controlling interests in consolidated companies is treated as an equity transaction in line with the entity concept and therefore set off directly against equity, taking into account the reduction in interests.

Gains or losses from the disposal of non-controlling interests in consolidated companies are likewise recognised directly in equity without effect on profit and loss insofar as the transaction does not lead to a loss of control. In the case of a loss of control, the remaining interests are measured at fair value or, if applicable, using the equity method.

The effects of intragroup transactions are eliminated in full.

3. Make-up of the Group

Consolidated companies

The group of consolidated companies at HHLA comprises a total of 33 domestic and 18 foreign companies. For a complete list of equity investments in accordance with Section 313 (2) HGB, see also Note 48. The information provided here about the equity and annual net profit recorded by the various companies is taken from the respective annual financial statements, which were prepared in line with national accounting regulations. Information required under IFRS 12.10 and IFRS 12.21 is also included in the details of shareholdings.

Consolidated companies

	Domestic	Foreign	Total
HHLA AG and fully consolidated companies			
1 January 2020	20	16	36
Additions	2	2	4
31 December 2020	**22**	**18**	**40**
Companies reported using the equity method			
1 January 2020	10	0	10
Additions	1	0	1
31 December 2020	**11**	**0**	**11**
Total 31 December 2020	**33**	**18**	**51**

Subsidiaries

The Consolidated Financial Statements comprise the financial statements for Hamburger Hafen und Logistik Aktiengesellschaft (HHLA) and its significant subsidiaries. Subsidiaries are companies controlled by the Group. The Group is deemed to control a company if it has a risk exposure or right to fluctuating returns resulting from its involvement in the investee and if it can also use its power over the investee to affect these returns. In particular, HHLA controls an investee if – and only if – all of the characteristics listed in IFRS 10.7 apply. Subsidiaries' financial statements are included in the Consolidated Financial Statements from the time control begins until the time control ends.

Non-controlling interests are valued at the time of acquisition using the relevant share of the acquired company's identifiable net assets. Changes in the Group's shareholding in a subsidiary which do not lead to a loss of control are recorded in the balance sheet as equity transactions.

Subsidiaries with substantial non-controlling interests

Subsidiary	Headquarters	Segment	Equity stake	
			2020	2019
HHLA Container Terminal Altenwerder GmbH	Hamburg	Container	74.9 %	74.9 %

Financial information about the subsidiaries with substantial non-controlling interests

	HHLA Container Terminal Altenwerder GmbH	
in € thousand	**2020**	2019
Percentage of non-controlling interests	25.1 %	25.1 %
Non-current assets	200,017	193,003
Current assets	180,216	203,964
Non-current liabilities	190,668	190,389
Current liabilities	124,694	146,552
Net assets	**64,871**	**60,026**
Book value of non-controlling interests	**- 8,170**	**- 16,501**
Revenue	276,635	293,637
Annual net profit	5,639	1,941
Other comprehensive income	- 794	- 3,083
Total comprehensive income	**4,845**	**- 1,142**
of which attributable to non-controlling interests	1,216	- 287
of which attributable to shareholders of the parent company	3,629	- 855
Cash flow from operating activities	88,966	114,902
Settlement obligation to shareholders of non-controlling interests	- 24,584	- 35,170

Interests in joint ventures

The Group holds interests in joint ventures. As per IFRS 11, a joint venture is subject to a joint contractual agreement between two or more parties to carry out an economic activity which is subject to joint control. Joint control is the contractually agreed division of managerial responsibilities for this arrangement. It only exists if the decisions associated with this business activity require the unanimous consent of the parties involved in joint management.

The HHLA Group holds more than half of the voting rights in the companies HHLA Frucht- und Kühl-Zentrum GmbH, Ulrich Stein Gesellschaft mit beschränkter Haftung and HVCC Hamburg Vessel Coordination Center GmbH yet has no controlling influence as the companies are effectively jointly managed. This is due primarily to the equal representation of the essential corporate bodies (management and/or Supervisory Board).

Aggregate financial information about individually not material joint ventures

in € thousand	**2020**	2019
Group share of profit or loss	3,434	3,941
Group share of other comprehensive income	- 43	- 135
Group share of comprehensive income	**3,391**	**3,806**

No unrecorded losses relating to joint ventures were incurred either in the reporting year or on a cumulative basis.

Aggregate book value of joint ventures

in € thousand	31.12.2020	31.12.2019
Aggregate book value	**13,230**	**12,848**

Interests in associated companies

Companies designated as associated companies are those over which the shareholder has a material influence. At the same time, it is neither a subsidiary nor an interest in a joint venture. A material influence is assumed when it is possible to be involved in the associated company's financial and commercial decisions without exercising a controlling influence. This is generally the case when 20 to 50 % of the voting rights are held, either directly or indirectly.

HHLA does not provide information on associated companies as per IFRS 12 because the relevant companies are of minor importance overall for the Group. HHLA does not believe that this has a negative impact on the statement concerning the nature of interests in other companies and the associated risks. The effects of these interests on the results of operations, net assets and financial position of the HHLA Group are insignificant.

Accounting for interests in joint ventures and associates

Interests in joint ventures and associates are accounted for using the equity method. With the equity method, the share in each joint venture and/or associated company is first stated at acquisition cost. Instead of being amortised, any goodwill recognised within the carrying amount of the investment when it is reported in the balance sheet for the first time is subject to an impairment test for the entire carrying amount of the investment if there are any indications of possible impairment.

As from the acquisition date, HHLA's interest in the results of the joint venture or associated company is recorded in the consolidated income statement, while its interest in changes in equity is recorded directly in equity. These cumulative changes affect the carrying amount of the interest in the joint venture or associated company. As soon as HHLA's share in the company's losses exceeds the carrying amount of the investment, however, HHLA records no further shares in the losses unless HHLA has entered into obligations to that effect or has made payments for the joint venture or associated company.

Significant results from transactions between HHLA and the joint venture or associated company are eliminated in proportion to the interest in the company.

Acquisitions, disposals and other changes to the consolidated group

With the partnership agreement of 16 January 2020, HHLA International GmbH, Hamburg, with 25.0 % of the share capital, and SC Container Terminal Odessa, Odessa, Ukraine, with 75.0 % of the share capital, founded the Limited Liability Company "HHLA Intermodal Ukraine", Odessa, Ukraine. The object of the company includes rail freight traffic, freight traffic services for vehicle, maritime and river transport services, warehousing services and auxiliary services for overland transport. Its inclusion in the HHLA group of consolidated companies took place on 30 September 2020 as a fully consolidated subsidiary.

With the partnership agreement of 22 January 2020, the limited liability company "HHLA Intermodal Ukraine", Odessa, Ukraine, with 100 % of the share capital, founded the Limited Liability Company "Ukrainian Intermodal Company", Odessa, Ukraine. The object of the company includes rail freight traffic, freight traffic services for vehicle, maritime and river transport services, warehousing services and auxiliary services for overland transport. Its inclusion in the HHLA group of consolidated companies took place on 30 September 2020 as a fully consolidated subsidiary.

With the partnership agreement of 1 July 2020, Hamburger Hafen und Logistik Aktiengesellschaft (HHLA) founded the company modility GmbH, Hamburg, and acquired all shares in this company. The object of the company is the development and provision of IT-based services in the fields of transport and logistics, specifically the development and operation of an online portal for providing information and making arrangements and bookings in the area of intermodal transport chains and combined transport. Its inclusion in the HHLA group of consolidated companies took place on 31 December 2020 as a fully consolidated subsidiary.

With the partnership agreement of 24 September 2020, METRANS a.s., Prague, Czech Republic, founded the company METRANS Umschlagsgesellschaft mbH, Hamburg. The object of the company is the installation and operation of intermodal container terminals, as well as all related auxiliary transactions and ancillary business. Its inclusion in the HHLA group of consolidated companies took place on 31 December 2020 as a fully consolidated subsidiary.

With the share purchase and transfer agreement dated 17 December 2020, HHLA Sky GmbH, Hamburg, acquired 29.7 % of the shares in Third Element Aviation GmbH, Bielefeld. The object of the company is the development, manufacture and distribution of unmanned flight systems and similar systems, as well as related components and accessories, for commercial, non-military applications, as well as the trading of related components and the provision of related services. Its inclusion in the HHLA group of consolidated companies took place on 31 December 2020 as a joint venture consolidated using the equity method, and it is assigned to the Logistics segment.

On 28 September 2020, HHLA International GmbH, Hamburg, signed a shareholding and partnership agreement for the acquisition of 50.01 % of shares in Piattaforma Logistica Trieste S.r.l., Trieste, Italy (PLT). The object of the company is the planning, construction, maintenance and management of the logistics platform between Scalo Legnami and the former Italsider steelworks in the port centre of Trieste. Among other things, this includes conducting operations as a port company, storing materials and goods on behalf of third parties and the promotion, organisation, management and marketing of all services in connection with the exchange of goods, particularly intermodal exchange by ship, train and overland transport and the use of terminals that are equipped for goods transport and logistics of all kinds. The closing of the transaction (corresponding to the acquisition date) is tied to various closing conditions and took place on 7 January 2021. On the same date, the company was renamed HHLA PLT Italy S.r.l. The first-time consolidation of the company took place on the acquisition date. The purchase price (transferred consideration) was paid in euros.

In connection with the acquisition of the shares, a capital increase of € 12,008 thousand was carried out. The contracts also provide for various options on both the buyer and seller sides, some of which are mutually dependent. In the medium term, HHLA PLT Italy has various options for expanding the existing infrastructure and, as a result, HHLA has the option of successively increasing its stake by taking over shares from the existing shareholders in conjunction with further capital increases. If these options for expansion are not exercised, the existing shareholders have the option of selling their remaining shares to HHLA for € 21,000 thousand or maintaining the status quo. The exercise of the options for expansion and thus their entry into force are subject to the approval of HHLA's Supervisory Board. An overall valuation of the transaction has not yet been carried out.

The following tables depicts the consideration transferred for the acquisition of the company and the values of the assets identified, and liabilities acquired, on the basis of the acquisition of 50.01 % of the shares on the date of acquisition:

Composition of the consideration transferred

in € thousand	
Basic purchase price	5,500
Capital increase (pro rata)	6,003
Consideration transferred	**11,503**

Preliminary fair value of assets and liabilities (identifiable net assets) and derivation of the thus preliminary goodwill

in € thousand	100 %	HHLA stake 50.01 %
Cash and cash equivalents	**536**	**268**
Customer relationships	937	469
Carrying amount of net assets acquired	4,900	2,450
Deferred taxes	- 261	- 131
Preliminary fair value of assets and liabilities (identifiable net assets)	**6,112**	**3,057**
Plus preliminary derived goodwill		8,446
Transferred consideration		**11,503**

The fair values of the acquired assets and assumed liabilities have only been determined on a provisional and possibly incomplete basis, as, for example, the measurement of the underlying figures is taken from the non-audited Consolidated Financial Statements. The final measurement has yet to be completed, meaning that changes to the fair values may still occur. This would result in a change in preliminary goodwill.

The preliminary derived goodwill of € 8,446 thousand based on the acquisition of 50.01% of the shares reflects the future development of the newly built terminal, as well as the existing general cargo activities and the associated establishment and expansion of customer relations. Besides participating in the growth of activities, HHLA has the prospect of further expanding its rail operations in the Intermodal segment in the Mediterranean and offering customers holistic transport solutions. The goodwill has been allocated to the Container segment. It is not anticipated that a portion of the recorded goodwill will be tax deductible.

The acquired customer relations in the amount of € 937 thousand relate to general cargo.

The fair value of trade receivables amounts to € 1,688 thousand and is collectable in full.

The proportionate net assets of the non-controlling interests recognised in the course of the business combination amount to € 3,055 thousand based on the acquisition of 50.01% of the shares. This valuation is based on the same criteria that were used to value the acquired assets and liabilities.

With the shareholding and partnership agreement of 16 December 2020, Hamburger Hafen und Logistik Aktiengesellschaft (HHLA) acquired 80.0 % of shares in iSAM AG, Mühlheim an der Ruhr. The object of the company is the development and distribution of IT software and the distribution of IT hardware; consultancy on the development of internal IT concepts, the design and implementation of system solutions, as well as consultancy, development and production with regard to automation concepts in manufacturing, trading and service companies. The closing of the transaction (corresponding to the acquisition date) is tied to various closing conditions and took place on 19 January 2021. The first-time consolidation of the company took place on the acquisition date.

In the event that existing shareholders wish to sell shares in the company, HHLA has a pre-emptive and co-sale right.

The following table depicts the values of the assets identified, and liabilities acquired, on the date of acquisition:

Preliminary fair value of assets and liabilities (identifiable net assets) and derivation of the thus preliminary goodwill

in € thousand	100 %	HHLA stake 80.0 %
Cash and cash equivalents	**2,745**	**2,196**
Property, plant and equipment	2,852	2,282
Technologies	1,581	1,265
Customer relationships and other intangible assets	1,137	910
Tax loss carryforwards	860	688
Carrying amount of net assets acquired	371	297
Deferred taxes	- 938	- 750
Preliminary fair value of assets and liabilities (identifiable net assets)	**8,608**	**6,886**
Plus preliminary derived goodwill		7,514
Transferred consideration		**14,400**

The fair values of the acquired assets and assumed liabilities have only been determined on a provisional and possibly incomplete basis, as, for example, the measurement of the underlying figures is taken from the non-audited Consolidated Financial Statements. The final measurement has yet to be completed, meaning that changes to the fair values may still occur. This would result in a change in preliminary goodwill.

The preliminary derived goodwill in the amount of € 7,514 thousand reflects the opportunity to participate in the future development of the Group and the leveraging of synergies for HHLA's own operations (process optimisations in the area of container handling, strengthening customer loyalty, cross-selling potential). The goodwill has been allocated to the Logistics segment. It is not anticipated that a portion of the recorded goodwill will be tax deductible.

The acquired technologies in the amount of € 1,581 thousand reflect the software solutions developed and marketed by the company to automate process chains in a variety of industries (steel, transport and logistics, and aviation).

Customer relations exist with big-name companies in the logistics, commodities, mining and aviation industries. Thanks to the company's long history stretching back to 1983, the software solutions sold under the iSAM brand since 2002 together with the corresponding hardware solutions for the automation of process chains are well known in the relevant industries.

Subject to a preliminary assessment pursuant to Section 8c (1) sentence 7 of the German Corporation Tax Act (KStG), it is possible to recognise loss carryforwards that can be used for tax purposes.

The fair value of trade receivables amounts to € 744 thousand and is collectable in full.

The fair value of non-controlling interests recorded during the company acquisition stands at € 1,722 thousand. This valuation is based on the same criteria that were used to value the acquired assets and liabilities.

There were no other acquisitions, disposals of shares in subsidiaries or changes to the group of consolidated companies.

4. Foreign currency translation

Monetary assets and liabilities in the separate financial statements for the consolidated companies, which are prepared in local currency, are converted to a foreign currency at the rate applicable on the balance sheet date. The resulting currency differences are recognised in the result for the period.

Non-monetary items held at historical cost in a foreign currency are translated at the applicable rate on the transaction date. Non-monetary items held at fair value in a foreign currency are translated at the rate applicable on the date fair value was measured.

Exchange rate gains and losses recognised in the income statement on foreign currency items resulted in expenses of € 619 thousand in the financial year, largely due to the exchange rate development of the Polish zloty (previous year: profit of € 538 thousand, largely due to the exchange rate development of the Czech koruna).

The concept of functional currency according to IAS 21 is applied when translating all annual financial statements of foreign affiliates prepared in a foreign currency. As the subsidiaries in question are generally independent in terms of their financial, economic and organisational activities, the functional currency is the respective national currency. As of the balance sheet date, the assets and liabilities of these subsidiaries are converted to euros at the rate prevailing on the reporting date. Income and expenses are translated at the weighted average rate for the financial year. Equity components are converted at their respective historical rates when they occur. Any translation differences are recognised as a separate component of equity outside profit or loss. If Group companies leave the group of consolidated companies, the associated translation difference is reversed through profit and loss.

The proportion of equity attributable to shareholders of the parent company fell, with the change recognised directly in equity, by € 16,131 thousand (previous year: an increase of € 8,566 thousand), largely due to the devaluation of the Ukrainian currency in the amount of € 14,367 thousand (previous year: appreciation of € 8,483 thousand).

Foreign currency translation

		Spot rate = 1€		**Average annual rate = 1€**	
Currency	ISO-Code	**31.12.2020**	31.12.2019	**2020**	2019
Czech crown	CZK	26.242	25.408	26.414	25.666
Georgian lari	GEL	4.023	3.210	3.569	3.164
Hungarian forint	HUF	363.890	330.530	352.200	325.492
Polish zloty	PLN	4.560	4.257	4.452	4.299
Ukrainian hryvnia	UAH	34.740	26.422	30.847	28.991

5. Effects of new accounting standards

Revised and new IASB/IFRIC standards and interpretations that were mandatory for the first time in the financial year under review.

Standard	Content and significance
Amendments to References to the Conceptual Framework in IFRS Standards	In March 2018, the IASB published its revised conceptual framework for financial reporting. The revised version contains extensive amendments to the earlier conceptual framework. The standards affected by the amendments are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC-32. Amendments to the references within the IFRS listed above are particularly affected by the endorsement process, which has an editorial character. The EU enacted these amendments in its legislation with Commission Regulation (EU) 2019/2075 dated 29 November 2019. The effective date is 1 January 2020. First-time application had no impact on the Consolidated Financial Statements.
Amendments to IAS 1 and IAS 8 Definition of Material	In October 2018, the IASB published amendments with regard to the definition of the materiality of information in financial statements in IAS 1 Presentation of Financial Statements and in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. With these changes, a consistent and precisely defined understanding of the materiality of information in financial statements has been created and supplemented with examples. The EU enacted these amendments in its legislation with Commission Regulation (EU) 2019/2104 dated 29 November 2019. The effective date is 1 January 2020. First-time application resulted in no significant changes to the Consolidated Financial Statements.
Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform	The IASB published these amendments in September 2019 in order to dispel uncertainty surrounding the possible implications of the so-called “IBOR reform” for financial reporting. In particular, these amendments relate to certain reliefs in respect of hedge accounting regulations and must be applied to all hedging relationships that are affected by the reform of the benchmark interest rate. Further disclosures are foreseen in respect of the extent to which companies’ hedging relationships are affected by the amendments. The EU enacted these amendments in its legislation with Commission Regulation (EU) 2020/34 dated 15 January 2020. The effective date is 1 January 2020. First-time application had no impact on the Consolidated Financial Statements.
Amendments to IFRS 3 Definition of a Business	In October 2018, the IASB published an amendment to IFRS 3 Business Combinations with regard to the definition of a business. With this amendment, the IASB clarifies that a business consists of a group of activities and assets that covers at least one resource input and a substantial process that, together, result in output. Furthermore, with regard to performance (output), the definition is narrowed to focus on goods and services provided to customers and excludes the reference to cost reductions. The new provisions also include an optional “concentration test”, which aims to facilitate the identification of a business. The amendment is applicable to business combinations where the date of acquisition is either on or after 1 January 2020. First-time application had no impact on the Consolidated Financial Statements.

Amendments to standards that can be applied on a voluntary basis for the financial year under review but were not adopted by HHLA:

Standard	Content and significance
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	The changes in the second phase of the IBOR reform are designed to help reporting parties provide useful information in respect of the upcoming changes in connection with the IBOR reform. They supplement the provisions of the first phase and generally apply in the event that a benchmark interest rate is replaced with another benchmark rate. The EU enacted these amendments in its legislation with Commission Regulation (EU) 2021/25 dated 13 January 2021. The amendments are mandatory for financial years beginning on or after 1 January 2021. Early adoption is permitted.
Amendment to IFRS 16 Covid-19-Related Rent Concessions (Amendment to IFRS 16)	In May 2020, the IASB published an amendment to IFRS 16 with regulations on Covid-19-related rent concessions. The EU enacted these amendments in its legislation with Commission Regulation (EU) 2020/1434 dated 9 October 2020. Under certain circumstances, the amendment provides lessees with a temporary exemption from assessing whether a rent concession granted in connection with the coronavirus pandemic constitutes a lease modification. This makes it possible for the lessee to recognise these rent concessions as though there were no modifications to the lease rather than in accordance with the regulations for lease modifications. This relief shall only be applicable in respect of rent concessions that reduce rent payments due in the period up to 30 June 2021. The provisions of the EU regulation are applicable by 1 June 2020 at the latest for financial years beginning on or after 1 January 2020.

Standards and interpretations that have been passed by the IASB but not yet adopted by the EU and are not applied by HHLA. Early adoption would, however, require an EU endorsement.

Standard	Content and significance
Amendments to IFRS 3, IAS 16 and IAS 37 Annual Improvements 2018–2020	On 14 May 2020, the IASB approved a narrow set of amendments to three standards along with the annual improvements. The resulting amendments serve to clarify the wording or correct minor consequences, errors or conflicts between the requirements in the standards. The **Amendments to IFRS 3** Business Combinations update a reference within IFRS 3 to the Conceptual Framework, without changing the accounting requirements for business combinations. The **Amendments to IAS 16** Property, Plant and Equipment prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing the asset to its intended location or condition (e.g. product samples). Instead, such proceeds and the related costs are to be recognised in profit or loss. The **Amendments to IAS 37** Provisions, Contingent Liabilities and Contingent Assets clarify which costs an entity must consider when assessing whether a contract is onerous. They also regulate the definition of the cost of fulfilling. The **Annual Improvements** result in minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases. All amendments come into force on 1 January 2022. Early adoption is permitted.
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	On 23 January 2020, the IASB published a narrow set of amendments to IAS 1 Presentation of Financial Statements in order to clarify how debt and other liabilities should be classified as current or non-current. The amendments clarify the existing requirements but do not change them, meaning that it is not expected that they will have a significant influence on entities' annual financial statements. They may, however, result in reclassifications. In order to give entities time to prepare for the amendments, the IASB set 1 January 2022 as the effective date. As a response to the coronavirus pandemic, the IASB deferred the effective date by one year on 15 July 2020 in order to give entities more time to implement the classification changes. The amendments are mandatory for financial years beginning on or after 1 January 2023. Early adoption is permitted.
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies	On 12 February 2021, the IASB published the amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2. The amendments will require an entity to only present its "material" accounting policies in the Notes. In order to be "material", the accounting policy must be connected with material transactions or other events and there must be a reason for the presentation. The guidance in Practice Statement 2 has been adapted accordingly. The amendments are mandatory for financial years beginning on or after 1 January 2023. Early adoption is permitted.
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors published by the IASB on 12 February 2021 clarifies how entitles can better distinguish between changes in accounting policies and changes in accounting estimates. It includes the definition that an accounting estimate is always related to a measurement uncertainty for a financial figure in the financial statements. The amendments are mandatory for financial years beginning on or after 1 January 2023. Early adoption is permitted.
Amendment to IFRS 16: Covid-19-Related Rent Concessions after 30 June 2021	In February 2021, the IASB issued a proposal to extend the application period for the amendment to IFRS 16 approved in May 2020 in respect of Covid-19-related rent concessions in order to provide lessees with continued relief in terms of the accounting of concessions, such as rent deferrals or rent reductions, that have been granted as a direct result of the outbreak of the coronavirus pandemic. Due to the ongoing coronavirus pandemic, the proposal is to extend the current applicability to rental payments due on or before 30 June 2022. The amendments will be implemented shortly and are applicable to financial years beginning on or after 1 April 2021. Early adoption is permitted.
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The IASB approved amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in September 2014. These clarify how unrealised gains from transactions between an investor and a joint venture or an associate should be reported. The EFRAG announced in February 2015 that the process of endorsing these amendments had been suspended for the time being because inconsistencies had been identified between the amended standard and the existing IAS 28. The effective date – previously 1 January 2016 – has been postponed indefinitely until the inconsistencies have been resolved.

Standards and interpretations that have no relevance for HHLA's Consolidated Financial Statements.

Standard	Content and significance
IFRS 17	Insurance Contracts

6. Accounting and valuation principles

The annual financial statements of the companies included in the Consolidated Financial Statements are based on uniform accounting and valuation principles. The following specific accounting and valuation principles were applied.

Intangible assets

Intangible assets are capitalised if the assets are identifiable, a future inflow of benefits can be expected and the acquisition and production costs can be ascertained reliably. Intangible assets acquired in return for payment are recognised at acquisition cost. Intangible assets with a finite useful life are amortised over their economic life. The Group reviews the underlying amortisation methods and the useful lives of its intangible assets with a finite useful life as of each balance sheet date.

Intangible assets with an indefinite useful life are subjected to an impairment test at least once a year. If necessary, value adjustments are made in line with future expectations. In the reporting period, there were no intangible assets with an indefinite useful life apart from derivative goodwill.

Internally generated intangible assets are recognised at the costs incurred in their development phase between the time when technological and economic feasibility is determined and production. Costs include all directly attributable costs incurred during the development phase.

The capitalised amount of development costs is subject to an impairment test at least once per year if the asset is not yet in use or if there is evidence of impairment during the course of the year.

Useful life of intangible assets

in years	**2020**	2019
Software	3 – 10	3 – 10

Property, plant and equipment

Property, plant and equipment is reported at cost less accumulated depreciation, amortisation and impairment. The costs of ongoing maintenance are recognised immediately in profit and loss. The production costs include specific expenses and appropriate portions of attributable production overheads. Demolition obligations are included in the acquisition or production costs at the present value of the obligation as of the time when it arises and an equivalent provision is recognised at the same time. The HHLA Group does not use the revaluation method of accounting. The carrying amounts for property, plant and equipment are tested for impairment if there is evidence that the carrying amount of an asset exceeds its recoverable amount.

Depreciation is carried out on a straight-line basis over an asset's economic life.

The following table shows the principal useful lives which are assumed:

Useful life of property, plant and equipment

in years	**2020**	2019
Buildings	10 – 70	10 – 70
Technical equipment and machinery	5 – 25	5 – 25
Other plant, operating and office equipment	3 – 20	3 – 20

Borrowing costs
According to IAS 23, borrowing costs which can be directly attributed to the acquisition or production of a qualifying asset are capitalised as a component of the acquisition or production cost of the asset in question. Borrowing costs which cannot be directly attributed to a qualifying asset are recognised as an expense at the time they are incurred.

Investment property
Investment property consists of buildings held for the purpose of generating rental income or for capital gain, and not for supplying goods or services, for administrative purposes or for sale as part of normal business operations.

IAS 40 stipulates that investment property be held at cost less accumulated depreciation and accumulated impairment losses. Subsequent expenses are capitalised if they result in an increase in the investment property's value in use. The useful lives applied are the same as those for property, plant and equipment used by the Group.

The fair values of these properties are disclosed separately in Note 24.

The carrying amounts for investment property are tested for impairment if there is evidence that the carrying amount of an asset exceeds its recoverable amount.

Impairment of assets
As of each balance sheet date, the Group determines whether there are any indications that an asset may be impaired. If there are such indications, or if an annual impairment test is required, as in the case of goodwill, the Group estimates the recoverable amount. This is ascertained as the higher of the fair value of the asset less selling costs and its value in use. The recoverable amount must be determined for each asset individually unless the asset does not generate cash inflows which are largely independent of those generated by other assets or groups of assets. In this case, the recoverable amount of the smallest cash-generating unit (CGU) must be determined. If the carrying amount of an asset exceeds its recoverable amount, the asset is deemed to be impaired and is written down to its recoverable amount. At HHLA, the recoverable amount is generally calculated based on the fair value less selling costs of the cash-generating unit or asset using the discounted cash flow method. This involves discounting estimated future cash flows to their present value using a discount rate after tax which reflects current market expectations of the interest curve and the specific risks of the asset.

The following table shows the discount rate for each cash-generating unit:

Discount rate per cash generating unit

in %	**2020**	2019
CTT/Rosshafen	4.9	5.1
HCCR	4.9	5.1
METRANS	5.4	5.6
HHLA TK Estonia	5.6	5.8
Bionic	8.7	11.7

The cash flow forecasts in the Group's current plans, which are usually for the next five years, are used to determine future cash flows. If new information is available when the financial statements are produced, it is taken into account. A growth factor of 1.0 % (previous year: 1.0 %) was applied in the reporting year. When forecasting cash flows, the Group takes future market and sector expectations as well as past experience into account in its planning. Cash flows are primarily determined on the basis of anticipated volumes and income along with the cost structure arising from the level of capacity utilisation achieved and the technology used.

On each reporting date, an assessment is made as to whether an impairment loss recognised in prior periods no longer exists or has decreased. If there are such indications, the recoverable amount is estimated. Previously recognised impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is raised to its recoverable amount. This higher carrying amount may not exceed the amount which would have been determined, less depreciation or amortisation, if no impairment losses had been recognised in prior years. Any such reversals must be recognised immediately in profit and loss for the period. Following a reversal, the amount of depreciation or amortisation must be adjusted in subsequent periods in order to write down the adjusted carrying amount of the asset, less any residual value, systematically over its remaining useful life.

Impairment losses on goodwill are not reversed.

Financial assets

Depending on the business model under which assets are held and the composition of related payment flows, financial assets are classified at amortised cost, at fair value through other comprehensive income or at fair value through profit and loss.

Business models

IFRS 9 distinguishes between three kinds of business model:

Hold to collect

The objective of this business model is to hold debt instruments, generate contractual cash flows (e.g. interest income) and, upon maturity, to collect the nominal value. In this business model, subsequent measurement is performed at amortised cost, applying the effective interest rate method.

Hold to collect and sell

If debt instruments are held under this business model, the objective is to collect contractual cash flows or to sell the debt instruments. The debt instruments are measured at fair value, with market value fluctuations recorded in equity.

Hold for trading

If debt instruments are held primarily to generate short-term price gains, they are to be assigned to this business model. This category also includes financial assets that do not meet the requirements of the two business models outlined above. Consequently, the debt instruments are measured at fair value through profit and loss.

Nature of payment flows

Alongside the business model, the nature of the contractual cash flows is material. These should only reflect the time value of money and the credit risk of the counterparty. If the interest payments do not meet these criteria, the related debt instruments are assigned to the business model “Hold for trading”.

Classification of financial assets

Classification in accordance with IFRS 9

	Business model	Measurement categories
Financial assets	Hold to collect and sell	Fair value through other comprehensive income (no recycling)
Financial assets	Hold for trading	Fair value through profit or loss
Financial assets	Hold to collect	Amortised cost
Trade receivables	Hold to collect	Amortised cost
Receivables from related parties	Hold to collect	Amortised cost
Cash, cash equivalents and short-term deposits	Hold to collect	Amortised cost

Impairment of financial assets

Pursuant to IFRS 9, losses will be recorded not only once they occur but also as soon as they are expected, depending on whether the default risk of financial assets has worsened significantly since their acquisition. If there is a significant deterioration and if the default risk is not to be classified as “low” on the balance sheet date, all expected losses over the entire term are to be recorded from this point. Otherwise, only the expected losses over the term of the instrument need to be taken into account that result from potential future loss events within the next twelve months.

Exceptions apply in respect of trade receivables and leasing receivables. For these assets, all expected losses over the entire term must (if they do not contain any significant financing components) or may (if they do contain significant financing components) be taken into account regardless of the change in the default risk.

On each balance sheet date, the Group determines whether a financial asset or a portfolio is impaired. For a detailed description of this method, please see Note 47.

Inventories

Inventories include raw materials, consumables and supplies, work in progress, finished products and merchandise. They are initially recognised at acquisition or production cost. Measurement at the balance sheet date is made at the lower of cost and net realisable value. Standard sequences of consumption procedures are not used for valuation. Work in progress is performed over a period stipulated in the relevant contract. Input-based methods are used to determine the level of progress. As such, HHLA recognises revenues on the basis of the endeavours or inputs of the company to fulfil its performance obligation (e.g. hours worked or costs incurred) in relation to the total inputs expected to fulfil this performance obligation. HHLA only recognises the income of a performance obligation fulfilled over a certain period of time if the progress towards complete fulfilment of the performance obligation can be deemed appropriate.

Liabilities

All financial liabilities are to be measured at amortised cost, applying the effective interest rate method. As soon as HHLA becomes a contracting party, financial liabilities are to be recognised. A liability is derecognised as a result of repayment, buy-back or debt relief. The liability is measured at fair value at the time of acquisition, with acquisition costs constituting the most suitable valuation benchmark. Subsequent measurement of financial liabilities is performed at amortised cost, applying the effective interest rate method.

Throughput-dependent share of earnings attributable to non-controlling interests

Background

A profit and loss transfer agreement is in place between the companies HHLA Container-Terminal Altenwerder GmbH (CTA), Hamburg, and Hamburger Hafen und Logistik Aktiengesellschaft (HHLA), Hamburg. On the basis of this agreement, Hamburger Hafen und Logistik Aktiengesellschaft (HHLA) pledges to pay a financial settlement to the non-controlling interest in the CTA Group for the duration of the agreement. The amount of the financial settlement is based largely on earnings and the throughput handled. Should throughput reach a certain level, it is possible for the proportion of earnings allocated to the financial settlement to exceed the share which would result from the non-controlling shareholder’s stake in the companies. Unless the profit and loss transfer agreement is terminated, it will be extended for a further year at a time.

Classification as a compound financial instrument

As a profit and loss transfer agreement has been concluded, the interest held by the non-controlling shareholder is classified as a compound financial instrument as per IAS 32.28 because it contains both debt and equity components. These components must be split and entered as either equity or borrowed capital depending on their classification.

Initial measurement

When it was first entered in 2010, the amount of equity to be reported for the non-controlling interests was calculated by deducting the fair value of the debt component. The fair value of the debt component in the form of this financial settlement was established by discounting the anticipated resulting cash outflows during the original term of the profit and loss transfer agreement.

When this debt component was first recorded under financial liabilities Note 38, it was recognised directly in equity and reduced non-controlling interests within equity as a result Note 35.

In the event of the profit and loss transfer agreement being extended, this will give rise to an obligation to pay a financial settlement for the following year. The profit and loss transfer agreement was not terminated in 2020. This means the company has a further obligation to pay a financial settlement for the 2021 financial year. This obligation must also be reported at fair value directly in equity within financial liabilities by discounting the anticipated cash outflows in the year under review. It reduces non-controlling interests within equity accordingly.

Subsequent measurement

Financial liabilities arising from the obligation to pay this financial settlement are recorded in the balance sheet at amortised cost. Changes resulting from the expected cash outflows are recognised in profit and loss. The changes result from adjustments to reflect the actual shares in the CTA Group’s earnings and changes in the anticipated future development of the CTA Group. An interest rate of 6.72 % is used for recognising the expected financial settlement for the 2021 financial year in the reporting year (previous year for the 2020 financial year: 6.73 %). Earnings recognised through profit and loss totalling € 5,909 thousand (previous year: expenses of

€ 2,525 thousand) are recorded in financial income Note 16 and only impact non-controlling interests in the CTA Group. This figure includes income of € 7,961 thousand (previous year: expenses of € 736 thousand) from an adjustment to reflect the actual share of earnings and expenses of € 2,052 thousand arising from the discounting payment obligation recognised in the previous year (previous year: € 1,789 thousand).

Development in non-controlling interests held in the CTA Group

in € thousand

As of 31 December 2009 prior to conclusion of the profit and loss transfer agreement	**44,617**
As of 31 December 2018, taking actual share of earnings and adjustments to settlement obligation into account	**- 13,924**
Actual share of earnings for 2019	35,170
Impact on financial income through profit and loss resulting from adjustment of the settlement obligation	- 2,525
Other adjustments	- 4,696
Comprehensive income reported in equity	27,949
Reclassification of the settlement obligation for 2020 to financial liabilities	- 30,492
As of 31 December 2019, taking actual share of earnings and adjustments to settlement obligation into account	**- 16,467**
Actual share of earnings for 2020	24,584
Impact on financial income through profit and loss resulting from adjustment of the settlement obligation	5,909
Other adjustments	1,437
Comprehensive income reported in equity	31,930
Reclassification of the settlement obligation for 2021 to financial liabilities	- 23,377
As of 31 December 2020, taking actual share of earnings and adjustments to settlement obligation into account	**- 7,914**

Development in financial liabilities arising from settlement obligations

in € thousand

As of 31 December 2018 with continuation of settlement obligation	**61,300**
Payment of actual share of earnings for 2018	- 28,656
Impact on financial income through profit and loss resulting from adjustment of the settlement obligation	2,525
Reclassification of settlement obligation for 2020 from non-controlling interests	30,492
As of 31 December 2019 with continuation of settlement obligation	**65,661**
Payment of actual share of earnings for 2019	- 35,170
Impact on financial income through profit and loss resulting from adjustment of the settlement obligation	- 5,909
Reclassification of settlement obligation for 2021 from non-controlling interests	23,377
As of 31 December 2020 with continuation of settlement obligation	**47,959**

Provisions

A provision is formed if the Group has a present (legal or factual) obligation arising from past events, the settlement of which is likely to result in an outflow of resources embodying economic benefits, and if the amount required to settle the obligation can be estimated reliably. The provision is formed for the amount expected to be necessary to settle the obligation, including future increases in prices and costs. If the Group anticipates at least a partial reimbursement of an amount made as a provision (e.g. in the case of an insurance contract), the reimbursement is recognised as a separate asset only if it is virtually certain. The expenses arising from recognising the provision are disclosed in the income statement after the reimbursement has been deducted. If the interest effect is substantial, non-current provisions are discounted before tax at an interest rate which reflects the specific risks associated with the liability. In the event of discounting, the increase in the amount of the provision over time is recognised under interest expenses.

Pensions and other post-employment benefits

Pension obligations

Pensions and similar obligations include the Group's benefit obligations under defined benefit obligations. Provisions for pension obligations are calculated in accordance with IAS 19 (revised 2011) using the projected unit credit method. Actuarial gains and losses are taken directly to equity and recognised in other comprehensive income, after accounting for deferred taxes. Service expense affecting net income is recognised in personnel expenses and the interest proportion of the addition to provisions is recognised in the financial result.

Actuarial opinions are commissioned annually to measure pension obligations.

Phased early retirement obligations

The compensation to be paid in the release phase of the so-called block model is recognised as provisions for phased early retirement. It is recognised pro rata over the working period over which the entitlements accrue. Since 1 January 2013 and in accordance with IAS 19 (revised 2011), provisions for supplementary amounts have only been accrued pro rata over the required service period, which regularly ends when the passive phase begins.

Actuarial opinions are commissioned annually to measure compensation obligations in the release phase of the block model and supplementary amounts.

If payment obligations do not become payable until after twelve months' time because of entitlements in the block model or supplementary amounts, they are recognised at their present value.

Leases

HHLA is applying IFRS 16 for the first time on the financial year beginning 1 January 2019. A lease is a contract that entitles one party to use an identifiable asset of the other party for a certain period of time in exchange for payment of a fee.

As the lessee

Pursuant to IFRS 16, the Group generally recognises assets for the usage rights of the leased assets, and liabilities for the payment obligations entered into, for all leases on the balance sheet at their present value. The lessee makes the following payments over the course of the usage period for the leased asset:

- Fixed payments without lease incentives
- Variable lease payments that are pegged to an index or interest rate
- Anticipated residual value payments from residual value guarantees
- The exercise price of a purchase option, if exercise thereof is deemed sufficiently certain
- Compensation payments incurred if the lessee exercises a termination option

Lease payments are discounted using the interest rate on which the lease is based, insofar as this rate can be determined. Otherwise, the incremental borrowing rate of the lessee (HHLA Group) will be included in the discounting.

During initial measurement, rights of use are valued at cost on the date of provision. This includes:

- the amount arising from initial measurement of the lease liability;
- the lease payments made at the time of, or prior to, provision, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- costs arising from demolition obligations.

Subsequent measurement shall be based on amortised cost. Amortisation on rights of use is recognised on a straight-line basis over the expected useful life or the term of the lease agreement, whichever is shorter. Lease liabilities are carried at their carrying amount using the effective interest rate method.

Lease payments arising from short-term leases, leases for low-value assets, and variable lease payments are recognised on a straight-line accrual basis as an expense on the income statement.

As the lessor

The HHLA Group lets properties in and around the Port of Hamburg as well as office properties, warehouses and other commercial space. The rental contracts are classified as operating leases, as the main risks and potential rewards of the properties remain with the Group. The properties are therefore held as investment properties at amortised cost.

Rental income from investment properties is recognised on a straight-line basis over the term of the leases.

Recognition of income and expenses

Income is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be determined reliably. The following criteria must also be met for income to be recognised:

Sale of goods and merchandise

A five-step model – in which the contract with a customer, the performance obligation and the transaction price are identified – is used to determine the time and amount at which revenue is to be recorded pursuant to IFRS 15. The model stipulates that revenue is to be recorded at the time control over goods or services passes from the company to the buyer and at the amount to which the company is expected to be entitled (acquisition of power of disposal).

Provision of services

Income from services is recognised in accordance with the extent to which the service has been provided over time or, if not applicable, at a point in time. If recorded over time, the extent to which the service has been provided is determined by the number of hours worked as of the balance sheet date as a percentage of the total number of hours estimated for the project. If the result of a service transaction cannot be estimated reliably, income is recognised only to the extent that the expenses incurred are eligible for reimbursement.

Interest

Interest income and interest expenses are recognised when they are accrued or incurred.

Dividends

Income from dividends is recognised in profit and loss when the Group has a legal right to payment. This does not apply to dividends distributed by companies accounted for using the equity method.

Income and expenses

Operating expenses are recognised in profit or loss when the service is rendered or when the expense is incurred. Income and expenses resulting from identical transactions or events are recognised in the same period. Rental expenses are recognised on a straight-line basis over the lease term.

Government grants

Government grants are recognised when there is reasonable certainty that they will be granted and the company fulfils the necessary conditions. Grants paid as reimbursement for expenses are recognised as income over the period necessary to offset them against the expenses for which they are intended to compensate. If grants relate to an asset, they are generally deducted from the asset's cost of purchase and recognised in profit and loss on a straight-line basis by reducing the depreciation for the asset over its useful life. The conditions for the subsidies include obligations to operate the subsidised equipment for a retention period of 5 to 20 years, observe certain operating criteria and provide the subsidising body with evidence for the use of the funds.

There is sufficient certainty that all the conditions have been or will be fulfilled for the government grants totalling € 58,601 thousand which were paid to HHLA in the period between 2001 and 2020. These grants have been deducted from the cost of purchasing the subsidised investments. The HHLA Group received € 13,416 thousand in government grants in the reporting year. Of this amount, € 8,106 thousand was recognised in other operating income Note 11.

Taxes

Current claims for tax rebates and tax liabilities

Current claims for tax rebates and tax liabilities for the financial year and prior periods are measured at the amount for which a rebate is expected from, or payment must be made to, the tax authorities. The tax rates and tax legislation in force as of the balance sheet date are used to determine the amount.

Deferred taxes

Deferred taxes are recognised by using the balance sheet liabilities method on all temporary differences as of the reporting date between the carrying amount of an asset or liability in the balance sheet and the amount for tax purposes, as well as on tax loss carry-forwards.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences and unused tax loss carry-forwards proportionate to the probability that taxable income will be available to offset against the deductible temporary differences and the unused tax loss carry-forwards.

The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer likely that sufficient taxable profits will be available to use against the deferred tax asset. Unrecognised deferred tax assets are reviewed on each balance sheet date and recognised proportionate to the likelihood that future taxable profits will make it possible to use deferred tax assets.

Deferred tax assets and liabilities are measured using the tax rates expected to apply in the period in which the asset is realised or the liability is met. Tax rates (and tax regulations) are applied if they have already been enacted as of the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity, likewise not affecting net income.

Deferred tax assets and liabilities are netted only if the deferred taxes relate to income taxes for the same tax authority and the current taxes may also be set off against one another.

Derivative financial instruments and hedging transactions

During the reporting period, the Group did not conduct any hedging transactions to hedge fair value or net investments in a foreign operation. Furthermore, no exchange rate transactions were concluded or conducted that constitute an effective hedging relationship.

7. Significant assumptions and estimates

Preparing the Consolidated Financial Statements in accordance with IFRS requires management to make estimates and assess individual facts and circumstances. The estimates made are based on past experience and other relevant factors and on a going concern basis.

The amounts which actually arise may differ from those resulting from estimates and assumptions.

The accounting and valuation principles applied are explained in Note 6. Material assumptions and estimates affect the following issues:

Business combinations

The fair value of the assets acquired and liabilities and contingent liabilities assumed as a result of business combinations must be estimated. For this purpose, HHLA either relies on the opinions of independent external experts or calculates the fair value internally using suitable calculation models. These are normally based on discounted cash flows. Depending on the nature of the assets or the availability of information, market price, capital value and cost-oriented valuation methods are applied.

Goodwill

The Group tests goodwill for impairment at least once a year. This requires an estimate of the fair value generally used at HHLA less selling costs of the cash-generating units to which the goodwill has been allocated. To estimate the fair value less selling costs, the Group must forecast the likely future cash flows from the cash-generating unit and also choose an appropriate discount rate with which to calculate the present value of these cash flows. Unforeseeable changes may mean that the assumptions used during planning are no longer appropriate, making it necessary to adjust plans. An impairment loss could be incurred as a result. For more information, please refer to Note 22.

Investment property

The fair value of investment property must be disclosed in the Notes. HHLA carries out its own calculations to determine the fair value of this property. Industry-standard discounted cash flow methods are applied. The calculations are based on assumptions about applicable interest rates and the amount and time frame of expected future cash flows which these assets can generate. Detailed information is available in Note 24.

Pension provisions

Actuarial opinions are commissioned annually to determine the expenses for pensions and similar obligations. These calculations include assumptions about demographic changes, salary and pension increases, and interest, inflation and fluctuation rates. Because these assumptions are long term in nature, the observations are assumed to be characterised by material uncertainties. More detailed information is available in Note 36.

Demolition obligations

Provisions for demolition obligations result from obligations to be met at the end of the lease term under long-term lease agreements with the Free and Hanseatic City of Hamburg. All HHLA Group companies in the Port of Hamburg are obliged to return leased land free of all buildings owned by them at the end of the lease term. To calculate the amount of the provision, it was assumed that the obligation would be carried out in full for all leased property, with the exception of buildings designated as historical landmarks in the Speicherstadt historical warehouse district. The calculations are based on assumptions concerning the amount of demolition work necessary, interest rates and inflation. For more information, please refer to Note 37.

Restructuring provisions

HHLA has formed provisions for restructuring as part of an efficiency programme in the Container segment. The measures reflected in the provision comprise the conclusion of phased early retirement contracts with a leave of absence during the active phase. The start of the active phase is contingent on a minimum length of service of five years. The measurement of the provision is largely determined by the number of employees to be considered, the overall scope of the phased early retirement model, which is structured as a block model, the leave of absence period during the active phase and the leave of absence quota. HHLA has made estimates based on the announcements and implementation plans. For more information, please refer to Note 37.

Provisions for phased early retirement

All employees who have signed, or are expected to sign, an agreement are taken into consideration when recognising and measuring provisions for phased early retirement. The number of employees expected to sign is an estimate. The appraisal reports are also based on actuarial assumptions. For more information, please refer to Note 37.

Leases

Some lease agreements include renewal options. When determining contractual terms, all facts and circumstances are taken into consideration that offer an economic incentive to exercise renewal options. Changes to the contractual term arising from the exercise of such options are factored into the contractual term if they are sufficiently certain. For more information, please refer to Note 45.

Non-current and current financial liabilities

In addition to liabilities from leases, this item includes financial settlement obligations to shareholders with non-controlling interests in consolidated subsidiaries. These liabilities exist because HHLA has concluded a profit and loss transfer agreement with a subsidiary, which entitles non-controlling interests to receive financial settlements, see Note 6. The parameters used to calculate this amount are subject to significant uncertainties which can cause figures to fluctuate accordingly. More detailed information is available in Note 38.

Calculating fair value

The fair value measured for financial and non-financial assets and liabilities is regularly reviewed by the Group.

The Group also regularly reviews key unobservable input factors and valuation adjustments. When the fair value of an asset or liability is calculated, the Group uses observable market data whenever possible. Based on the input factors used during valuation, the fair values calculated are classified as belonging to different levels of the fair value hierarchy:

Fair value hierarchy

	Content and significance
Level 1	Listed prices (non-adjusted) on active markets for identical assets or liabilities
Level 2	Valuation parameters which do not involve the listed prices included in level 1 but which are observable for the asset or liability either directly (i.e. as a price) or indirectly (i.e. as determined through prices)
Level 3	Valuation parameters for assets or liabilities which are not based on observable market data

The Group records any transfers between the various levels of the fair value hierarchy at the end of the reporting period in which the amendment was made.

For details of the valuation methods and input parameters used to measure the fair value of the various assets and liabilities, please see Note 24 and Note 47.

Notes to the income statement

8. Revenue

In the segment report, the revenue is broken down by segment, including inter-segment revenue. The revenue is broken down by region in Note 44 of the notes to the segment report. This note also contains segment-specific details on the type of revenue.

9. Changes in inventories

Changes in inventories

in € thousand	2020	2019
	61	131

Changes in inventories relate to changes in the inventories of finished products and work in progress.

10. Own work capitalised

Own work capitalised

in € thousand	2020	2019
	4,587	6,183

As in the previous year, own work capitalised results mainly from development activities and from technical work capitalised in the course of construction work.

11. Other operating income

Other operating income

in € thousand	2020	2019
Income from reimbursements	15,627	8,104
Income from compensation	3,130	3,703
Income from reversal of other provisions	2,218	3,078
Income from exchange rate differences	1,402	1,298
Proceeds on disposal of property, plant and equipment	373	6,187
Other	28,080	23,213
	50,830	**45,583**

As in the previous year, income from reimbursements related primarily to costs which were passed on in connection with leases. In the reporting period, higher reimbursed subsidies were received compared to the previous year.

Income from compensation includes income from contractual penalties.

Proceeds from the disposal of property, plant and equipment in the previous year mainly relate to the sale of wagons.

Other operating income includes income from the outsourcing of personnel of € 5,212 thousand (previous year: € 4,628 thousand), income from staff catering of € 2,592 thousand (previous year: € 2,934 thousand) and a gain in the reporting period arising from the derecognition through profit and loss of a liability from a contingent consideration in the amount of € 4,327 thousand that occurred in connection with the acquisition of shares in Bionic Production GmbH, Lüneburg. This liability from the contingent consideration was derecognised as a result of a new agreement with the seller in the second quarter of 2020. The matter comes within the economic context of the development described in Note 22 and the resulting impairment loss in the second quarter. Furthermore, other operating income also includes numerous smaller individual items.

12. Cost of materials

Cost of materials

in € thousand	**2020**	2019
Raw materials, consumables and supplies	92,618	99,617
Purchased service	285,584	300,576
Leasing costs	875	1,010
	379,077	**401,203**

The expenses for purchased services mainly consist of the cost of rail services purchased by the Intermodal segment.

For further details of leases, please refer to Note 45.

13. Personnel expenses

Personnel expenses

in € thousand	**2020**	2019
Wages and salaries	362,775	353,143
Staff deployment	55,831	75,987
Social security contributions and benefits	114,287	71,081
Service expense	14,062	15,097
Other retirement benefit expenses	1,143	811
	548,098	**516,119**

The direct remuneration paid to members of the Executive Board totalled € 3,182 thousand for the financial year 2020 (previous year: € 3,060 thousand). More details on the remuneration paid to the Executive Board and the Supervisory Board can be found in Note 48.

The rise in personnel expenses in the year under review is due to increases in union wage rates and a larger headcount.

Due to the decrease in capacity utilisation at the container terminals in Hamburg, which was mainly caused by the coronavirus pandemic, there was a decline in expenses for staff deployment.

Social security contributions and benefits rose on account of the addition to a provision for restructuring as part of an efficiency programme. Social security contributions include payments towards the public pension scheme amounting to € 30,509 thousand (previous year: € 29,759 thousand) and payments to the German pension insurance scheme.

Service expense includes payments from defined benefit pension commitments and similar obligations, see Note 36.

Average number of employees of fully consolidated companies

	2020	2019
Employees receiving wages	3,359	3,273
Salaried staff	2,869	2,796
Trainees	70	73
	6,298	**6,142**

In addition, the Group used an annual average of 548 employees (previous year: 753) of Gesamthafenbetriebs-Gesellschaft m.b.H., Hamburg (GHB).

14. Other operating expenses

Other operating expenses

in € thousand	2020	2019
Consultancy, services, insurance and auditing expenses	50,229	48,071
External maintenance services	46,775	43,360
Leasing costs	7,211	9,472
Other personnel expenses	3,519	3,479
Travel expenses, advertising and promotional costs	2,982	4,840
Impairment losses on financial assets	2,731	1,064
External and internal cleaning costs	2,529	2,551
Other taxes	2,440	2,924
Postage and telecommunications costs	1,828	1,604
Other venture expenses	1,426	827
Expenses from exchange rate differences	1,353	520
Losses on the disposal of property, plant and equipment	558	144
Other	15,156	15,719
	138,737	**134,575**

Expenses for consultancy, services, insurance and auditing increased, mainly due to an increased need for project-related consultancy.

Expenses for external maintenance services mainly increased due to higher real estate-related maintenance expenses and a greater need for maintenance to the IT infrastructure.

The HHLA Group regards the impairment losses on financial assets listed above as immaterial and has therefore decided not to show them separately in the income statement. The increase in expenses is chiefly attributable to a greater need for adjustments to trade receivables as a consequence of the prevailing coronavirus pandemic in the reporting year.

Other operating expenses also include numerous smaller individual items.

15. Depreciation and amortisation

Depreciation and amortisation

in € thousand	2020	2019
Intangible assets	11,230	8,289
Property, plant and equipment	146,053	144,311
Investment property	8,549	8,788
	165,832	**161,388**

A classification of the depreciation and amortisation by asset category is shown in the fixed asset movement schedule, see Note 22, Note 23 and Note 24.

16. Financial result

Financial result

in € thousand	2020	2019
Earnings from associates accounted for using the equity method	**3,601**	**4,458**
Income from the adjustment of settlement obligations to shareholders with non-controlling interests	5,909	0
Income from exchange rate differences	709	606
Interest income from non-affiliated companies and non-consolidated affiliated companies	579	1,485
Interest income from bank balances	44	90
Income from currency hedging instruments at fair value	0	705
Interest income	**7,241**	**2,886**
Interest included in lease payments	21,581	22,016
Interest expenses on bank liabilities	5,303	6,253
Interest portion of pension provisions	3,520	7,158
Interest expenses to non-affiliated companies and non-consolidated affiliated companies	1,625	1,836
Expenses from exchange rate differences	1,377	845
Interest portion of other provisions	1,012	1,826
Expenses from currency hedging instruments at fair value	883	0
Expenses from the adjustment of settlement obligations to shareholders with non-controlling interests	0	2,525
Interest expenses	**35,301**	**42,459**
Net interest income	**- 28,060**	**- 39,573**
Income from other equity investments	0	0
Other financial result	**0**	**0**
	- 24,460	**- 35,115**

Earnings from companies accounted for using the equity method relate to the pro rata annual earnings of the joint ventures and associates, see also Note 25.

For information on gains (previous year: expenses) from the adjustment of settlement obligations to shareholders with non-controlling interests, see Note 6.

See Note 38 for information about the interest conditions related to interest expenses associated with liabilities to banks.

17. Research and development costs

Research and development costs of € 4,412 thousand were incurred in the 2020 financial year (previous year: € 5,526 thousand). These primarily relate to the development of air-assisted logistics services, as well as research as part of the subsidy programme for Innovative Port Technologies (IHATEC).

18. Income tax

Paid or outstanding income taxes and deferred taxes are shown under the item income taxes. Income taxes are made up of corporation tax, a solidarity surcharge and trade tax. Companies domiciled in Germany pay corporation tax of 15.0 % and a solidarity surcharge of 5.5 % of the corporation tax expense. These companies and German-based subsidiaries in the legal form of limited partnerships are also liable for trade tax, which is imposed at different local rates. Trade tax does not reduce the amount of a limited company's profits on which corporation tax is payable.

Income tax

In € thousand	2020	2019
Deferred taxes on temporary differences	**- 9,357**	**- 759**
of which domestic	- 10,955	- 1,901
of which foreign	1,598	1,142
Deferred taxes on losses carried forward	**452**	**578**
of which domestic	0	0
of which foreign	452	578
Total deferred taxes	**- 8,905**	**- 181**
Current income tax expense	**33,878**	**49,245**
of which domestic	19,511	29,562
of which foreign	14,367	19,683
	24,973	**49,064**

Current income tax expenses include tax expenses from other accounting periods amounting to € 1,189 thousand (previous year: € 1,223 thousand).

Deferred tax assets and liabilities result from temporary differences and tax loss carry-forwards.

Deferred taxes recognised in the balance sheet

	Deferred tax assets		Deferred tax liabilities	
in € thousand	**31.12.2020**	31.12.2019	**31.12.2020**	31.12.2019
Intangible assets	0	0	5,194	5,084
Property, plant and equipment	0	0	28,728	25,724
Investment property	0	0	9,346	10,057
Other assets	1,833	1,867	3,626	1,978
Pension and other provisions	129,874	108,684	1,204	1,374
Other liabilities	35,730	36,674	394	500
Tax losses carried forward	406	859	0	0
	167,843	**148,084**	**48,492**	**44,717**
Netted amounts	- 26,423	- 24,013	- 26,423	- 24,013
	141,420	**124,071**	**22,069**	**20,704**

Reconciliation between the income tax and hypothetical tax based on the IFRS result and the Group's applicable tax rate

in € thousand	2020	2019
Earnings before tax (EBT)	**99,105**	**186,122**
Income tax expense at hypothetical income tax rate of 32.28 % (previous year: 32.28 %)	31,991	60,080
Tax income (-), tax expenses (+) for prior years	1,233	144
Tax-free income	2,331	780
Non-deductible expenses	1,983	2,070
Trade tax additions and reductions	- 624	64
Permanent differences	- 1,498	38
Differences in tax rates	- 12,811	- 14,907
Impairment losses in deferred tax assets	2,393	819
Other tax effects	- 25	- 24
Income tax	**24,973**	**49,064**

Deferred taxes are calculated on the basis of the tax rates currently in force in Germany or those expected to apply at the time of realisation. A tax rate of 32.28 % was used for the calculations in both 2020 and 2019. This is made up of corporation tax at 15.0 %, a solidarity surcharge of 5.5 % of the corporation tax, and the trade tax payable in Hamburg of 16.45 %. Limited partnerships are also liable for trade tax. Due to special rules, property management companies generally do not pay trade tax. Due to rules on minimum taxation, tax loss carry-forwards are only partially usable in Germany. Tax losses of up to € 1 million can be set off against taxable profits without restriction, and higher tax losses up to a maximum of 60 %.

Permanent differences only include items for which no deferred taxes are recognized due to their permanent nature. The change compared to the previous year results, among other things, from the impairment loss recognized in the reporting year on the goodwill of the Bionic CGU, see also Note 22.

The effects of tax rates for domestic and foreign taxes that diverge from the Group parent company's tax rate are reported in offsetting and reconciliation under differences in tax rates.

Deferred tax assets are recognised on tax loss carry-forwards and temporary differences if it is sufficiently certain that they can be realised in the near future. The Group has no domestic corporation tax loss carry-forwards and no domestic trade tax loss carry-forwards for which deferred tax assets are recognised. Deferred taxes of € 406 thousand (previous year: € 859 thousand) are recognised on foreign tax loss carry-forwards of € 2,138 thousand (previous year: € 4,521 thousand). No deferred tax assets are recognised for domestic corporation tax loss carry-forwards of € 7,955 thousand (previous year: € 2,671 thousand), domestic trade tax loss carry-forwards of € 23,956 thousand (previous year: € 13,752 thousand) and foreign tax loss carry-forwards of € 20,950 thousand (previous year: € 14,609 thousand). Under current legislation, tax losses can be carried forward in Germany without restriction.

Deferred tax assets of € 43,459 thousand (previous year: € 36,239 thousand) recognised directly in equity without effect on profit and loss come from actuarial gains and losses on pension provisions and unrealised gains/losses arising from financial assets measured at fair value.

Deferred taxes recognised in the statement of comprehensive income

	Gross		Taxes		Net	
in € thousand	**2020**	2019	**2020**	2019	**2020**	2019
Actuarial gains/losses	- 22,376	- 45,625	7,220	14,727	- 15,156	- 30,898
Unrealised gains/losses on available-for-sale financial assets	- 164	79	0	- 26	- 164	53
	- 22,540	**- 45,546**	**7,220**	**14,701**	**- 15,320**	**- 30,845**

19. Share of results attributable to non-controlling interests

Profits attributable to non-controlling interests amounting to € 31,558 thousand (previous year: € 33,776 thousand) mainly relate to non-controlling shareholders of HHLA Container Terminal Altenwerder GmbH, Hamburg (CTA). Their share of earnings decreased due to CTA's lower actual share of earnings. This was offset by interest revenue (previous year: interest expenses) arising from the measurement of a settlement obligation to a non-controlling shareholder.

20. Earnings per share

Basic earnings per share in €

	Group		Port Logistics subgroup		Real Estate subgroup	
	2020	2019	**2020**	2019	**2020**	2019
Share of consolidated net profit attributable to shareholders of the parent company in € thousand	42,575	103,282	35,278	93,631	7,297	9,651
Number of common shares in circulation (weighted average)	73,240,627	72,753,334	70,536,127	70,048,834	2,704,500	2,704,500
	0.58	**1.42**	**0.50**	**1.34**	**2.70**	**3.57**

In the financial year, a capital increase in return for contribution in kind was carried out in connection with the dividend distribution to holders of Class A shares. As part of this capital increase, 1,651,381 new no-par-value registered Class A shares were issued to holders of Class A shares, with each share representing € 1.00 of the share capital. This was accounted for accordingly in the figures for the reporting year in respect of the weighted average of common shares in circulation for the Group as a whole and for the Port Logistics subgroup. For more information, see Note 21 and Note 35.

Basic earnings per share are calculated in accordance with IAS 33 by dividing the profit after tax and minority interests attributable to the shareholders of the parent company by the average number of shares.

The diluted earnings per share are identical to the basic EPS, as there were no conversion or option rights in circulation during the financial year.

21. Dividend per share

The dividend entitlement for the share classes is based on the portion of the distributable profit attributable to the relevant division. This is calculated in accordance with the German Commercial Code (HGB).

A resolution was passed at the Annual General Meeting held on 20 August 2020 to distribute a portion of the distributable profit for the 2019 financial year through the payment of a dividend to holders of common shares in the amount of € 0.70 per Class A share and € 2.10 per Class S share. On the basis of a subscription offer to all holders of Class A shares, Class A shareholders were granted the right to assert the dividend entitlements arising from the resolution on the appropriation of net income on a pro rata basis in the amount of € 0.49 (pro rata dividend entitlement) as a contribution in kind for the granting of new Class A shares from a capital increase from Authorised Capital I (Section 3 [4] of the articles of association) (share dividend). The remaining portion of the dividend in the amount of € 0.21 was paid in cash – irrespective of the exercise of the option right by Class A shareholders. No corresponding option right was granted to holders of Class S shares.

The option right in favour of the share dividend was exercised for a total of 51,357,949 Class A shares. On the basis of the subscription ratio, the subscription price and further regulations governing the share dividend, a total of 1,651,381 new Class A shares, each representing € 1.00 of the company's share capital, were issued from Authorised Capital I. The share capital of Hamburger Hafen und Logistik Aktiengesellschaft (HHLA) now amounts to 74,404,715 shares: 71,700,215 Class A shares and an unchanged 2,704,500 Class S shares. For further information, please refer to Note 35. The cash payment of the dividend totalling € 23,869 thousand was made following expiry of the subscription period on 15 September 2020.

The remaining undistributed profit was carried forward to new account.

For the reporting period, the Executive Board and the Supervisory Board will propose to the Annual General Meeting on 10 June 2021 the distribution of a scrip dividend of € 0.45 (previous year: € 0.70) per dividend-entitled listed Class A share and a cash dividend of € 2.10 (previous year: € 2.10) per non-listed Class S share. Based on the number of dividend-entitled shares as of 31 December 2020, this is equivalent to a distribution of € 32,265 thousand for the Port Logistics subgroup and € 5,679 thousand for the Real Estate subgroup.

Notes to the balance sheet

22. Intangible assets

Development of intangible assets

in € thousand	Goodwill	Software	Internally developed software	Other intangible assets	Payments made on account	Total
Carrying amount as of 1 January 2019	**46,517**	**5,221**	**26,066**	**9,424**	**2,525**	**89,753**
Acquisition or production cost						
1 January 2019	46,517	62,775	74,182	11,479	2,525	197,478
Additions	9,019	1,365	6,933	666	997	18,980
Disposals		- 3,762	- 8,784			- 12,546
Reclassifications		2,001		298	- 2,415	- 116
Changes in scope of consolidation/consolidation method		47		4,001		4,048
Effects of changes in exchange rates		458		- 12	37	483
31 December 2019	**55,536**	**62,884**	**72,331**	**16,432**	**1,144**	**208,327**
Accumulated depreciation, amortisation and impairment						
1 January 2019	0	57,554	48,116	2,055	0	107,725
Additions		3,162	3,994	1,133		8,289
Disposals		- 3,758	- 8,784			- 12,542
Reclassifications						0
Changes in scope of consolidation/consolidation method						0
Effects of changes in exchange rates		346		3		349
31 December 2019	**0**	**57,304**	**43,326**	**3,191**	**0**	**103,821**
Carrying amount as of 31 December 2019	**55,536**	**5,580**	**29,005**	**13,241**	**1,144**	**104,506**
Carrying amount as of 1 January 2020	**55,536**	**5,580**	**29,005**	**13,241**	**1,144**	**104,506**
Acquisition or production cost						
1 January 2020	55,536	62,884	72,331	16,432	1,144	208,327
Additions		1,630	3,049	290	2,986	7,955
Disposals		- 295		- 4	- 5	- 304
Reclassifications		526		187	- 715	- 2
Changes in scope of consolidation/consolidation method						0
Effects of changes in exchange rates		- 784		- 152	- 67	- 1,003
31 December 2020	**55,536**	**63,961**	**75,380**	**16,753**	**3,343**	**214,973**
Accumulated depreciation, amortisation and impairment						
1 January 2020	0	57,304	43,326	3,191	0	103,821
Additions	4,037	2,336	3,187	1,670		11,230
Disposals		- 295		- 4		- 299
Reclassifications						0
Changes in scope of consolidations/consolidation method						0
Effects of changes in exchange rates		- 601		- 18		- 619
31 December 2020	**4,037**	**58,744**	**46,513**	**4,839**	**0**	**114,133**
Carrying amount as of 31 December 2020	**51,499**	**5,217**	**28,867**	**11,914**	**3,343**	**100,840**

Carrying amounts for goodwill by segments

in € thousand	31.12.2020	31.12.2019
Container	45,005	45,005
Intermodal	1,512	1,512
Logistics	4,982	9,019
	51,499	**55,536**

The goodwill of the cash-generating unit (CGU) CTT/Rosshafen in the amount of € 35,525 thousand, the CGU HHLA TK Estonia in the amount of € 7,587 thousand and the CGU HCCR in the amount of € 1,893 thousand is attributable to the Container segment.

The goodwill attributable to the Logistics segment resulted from the acquisition of Bionic Production GmbH, Lüneburg (Bionic). Due to the global impact of the coronavirus pandemic and delays to certain projects, the Executive Board of Hamburger Hafen und Logistik Aktiengesellschaft (HHLA) recalculated the recoverable amount of the CGU Bionic in the second quarter at € 15,628 thousand. An impairment loss in the amount of € 4,037 thousand was recorded for the CGU Bionic, reducing the carrying amount of the goodwill attributable to the CGU Bionic to € 4,982 thousand (previous year: € 9,019 thousand). The matter comes within the economic context of the derecognition through profit and loss of a liability arising from a contingent consideration measured at fair value, which results in other operating income in the amount of € 4,327 thousand, see also Note 11.

The recoverable amount was determined using the fair value less costs of sale. The measurement is classed as level 3 of the fair value hierarchy due to the non-observable inputs used in the measurement.

The management approach and key assumptions for determining fair value less costs to sell

Unobservable input factor	Values assigned to the key assumption as of 30 June 2020 (31 December 2019)	Approach to determining the assumption
Disposal costs	319 thousand € (516 thousand €)	Estimated on the basis of the company's experience with the sale of assets
Cash flow forecast period	9 years (10 years)	9-year forecast approved by the Executive Board of HHLA AG, prepared by the management
Capitalisation interest rate	9.12 % (11.65 %)	Illustrates the specific risks
Long term growth rate	1 % (1 %)	Denotes the weighted average growth rate used to extrapolate cash flows beyond the forecast period

As of the measurement date of 31 December 2020 and as part of the annual review of goodwill for the CGU Bionic, the recoverable amount was once again calculated as the fair value less costs of sale using the discounted cash flow method. The discount rate after tax is 8.7 % (previous year: 11.7 %). A growth factor of 1.0 % (previous year: 1.0 %) was applied.

Based on the estimate used, the recoverable amount for the CGU Bionic is approx. € 1.6 million higher than the carrying amount for valuation purposes. As the recoverable amount is close to the carrying amount, the management considers it possible that there could be a change in material assumptions which would lead to the carrying amount exceeding the recoverable amount.

The overview below shows the necessary change in the various material valuation parameters which would lead to the recoverable amount being the same as the carrying amount:

Valuation parameters

in % / pp	Necessary change
Discount rate	+ 0.5 pp
Growth factor	- 1.3 pp
EBIT*	- 6.5 %

* Change applies to the detailed planning for the first 9 years and the going concern value.

Additions of internally developed software in the reporting period mainly relate to the migration of a new terminal management system.

23. Property, plant and equipment

Development of property, plant and equipment

in € thousand	Land and buildings	Technical equipment and machinery	Other plant, operating and office equipment	Payments on account and plants under construction	Total
Carrying amount as of 1 January 2019	**955,605**	**306,303**	**268,996**	**72,237**	**1,603,140**
Acquisition or production cost					
31 December 2018	848,812	906,166	561,699	81,504	2,398,181
Adjustment due to first-time adoption of IFRS 16	502,405	208	49,532	- 9,267	542,878
1 January 2019	1,351,217	906,374	611,231	72,237	2,941,059
Additions	54,055	19,943	65,479	73,890	213,367
Disposals	- 3,713	- 42,792	- 30,621	- 606	- 77,732
Reclassifications	8,961	12,361	17,770	- 38,976	116
Changes in scope of consolidation/consolidation method	328	84	142		554
Effects of changes in exchange rates	5,699	3,443	961	1,836	11,939
31 December 2019	**1,416,547**	**899,413**	**664,962**	**108,381**	**3,089,303**
Accumulated depreciation, amortisation and impairment					
1 January 2019	395,612	600,071	342,235	0	1,337,919
Additions	61,975	40,384	41,952		144,311
Disposals	- 3,501	- 41,879	- 28,529		- 73,909
Reclassifications					0
Changes to scope of consolidation/consolidation method					0
Effects of changes in exchange rates	1,162	2,139	425		3,726
31 December 2019	**455,248**	**600,715**	**356,083**	**0**	**1,412,046**
Carrying amount as of 31 December 2019	**961,299**	**298,698**	**308,879**	**108,381**	**1,677,257**
Carrying amount as of 1 January 2020	**961,299**	**298,698**	**308,879**	**108,381**	**1,677,257**
Acquisition or production cost					
1 January 2020	1,416,547	899,413	664,962	108,381	3,089,303
Additions	13,780	35,173	65,013	53,660	167,626
Disposals	- 2,340	- 10,293	- 24,202	- 112	- 36,947
Reclassifications	16,058	43,767	23,160	- 82,983	2
Changes in scope of consolidation/consolidation method					0
Effects of changes in exchange rates	- 11,563	- 6,048	- 1,871	- 4,104	- 23,586
31 December 2020	**1,432,482**	**962,012**	**727,061**	**74,842**	**3,196,398**
Accumulated depreciation, amortisation and impairment					
1 January 2020	455,248	600,715	356,083	0	1,412,046
Additions	62,080	41,306	42,667		146,053
Disposals	- 1,942	- 10,006	- 20,295		- 32,243
Reclassifications					0
Changes to scope of consolidation/consolidation method					0
Effects of changes in exchange rates	- 2,572	- 3,611	- 911		- 7,094
31 December 2020	**512,814**	**628,404**	**377,544**	**0**	**1,518,763**
Carrying amount as of 31 December 2020	**919,668**	**333,607**	**349,517**	**74,842**	**1,677,635**

See Note 45 for further details regarding the existing restrictions in connection with leases.

Additions in the reporting period primarily comprise capital expenditure for the procurement of handling equipment and the expansion of warehouse capacities at the Hamburg container terminals, as well as the capital expenditure of the METRANS Group for the acquisition of locomotives and wagons in order to increase performance capability and the reach of hinterland connections.

Disposals in the reporting period mainly relate to the sale/scrapping of handling equipment.

The effects of changes in exchange rates mainly include the exchange rate changes of the Ukrainian currency.

Impairment losses on property, plant and equipment totalling € 423 thousand (previous year: € 0 thousand) were recognised in the reporting year.

Buildings, surfacing and movable non-current assets with a carrying amount of € 4,755 thousand (previous year: € 5,251 thousand) have been pledged as collateral in connection with loans taken up by the Group.

As of the balance sheet date, the Group had obligations of € 85,030 thousand (previous year: € 87,529 thousand) from outstanding purchase commitments attributable to investments in property, plant and equipment.

Development of rights of use included in property, plant and equipment

in € thousand	Land and buildings	Technical equipment and machinery	Other plant, operating and office equipment	Total
Carrying amount as of 1 January 2019	**593,690**	**14,804**	**84,057**	**692,552**
Acquisition or production cost				
31 December 2018	108,197	16,860	45,618	170,675
Adjustment due to first-time adoption of IFRS 16	502,405	208	49,532	552,145
1 January 2019	610,602	17,068	95,150	722,820
Additions	46,334	495	9,577	56,406
Disposals			- 2,562	- 2,562
Reclassifications		2,036		2,036
Changes in scope of consolidation/consolidation method	328			328
Effects of changes in exchange rates	1,352	11	97	1,460
31 December 2019	**658,617**	**19,609**	**102,262**	**780,488**
Accumulated depreciation, amortisation and impairment				
1 January 2019	16,912	2,264	11,093	30,268
Additions	31,013	1,928	17,318	50,259
Disposals			- 1,679	- 1,679
Reclassifications		- 197		- 197
Changes in scope of consolidation/consolidation method				0
Effects of changes in exchange rates	72		36	108
31 December 2019	**47,997**	**3,995**	**26,768**	**78,760**
Carrying amount as of 31 December 2019	**610,620**	**15,614**	**75,494**	**701,729**
Carrying amount as of 1 January 2020	**610,620**	**15,614**	**75,494**	**701,729**
Acquisition or production cost				
1 January 2020	658,617	19,609	102,262	780,488
Additions	912	642	6,188	7,742
Disposals	- 151	- 5	- 8,925	- 9,081
Reclassifications		- 628		- 628
Changes in scope of consolidation/consolidation method				0
Effects of changes in exchange rates	- 4,052	- 54	- 292	- 4,398
31 December 2020	**655,326**	**19,564**	**99,233**	**774,123**
Accumulated depreciation, amortisation and impairment				
1 January 2020	47,997	3,995	26,768	78,760
Additions	31,271	2,011	15,757	49,039
Disposals	- 15		- 5,154	- 5,169
Reclassifications		- 101		- 101
Changes in scope of consolidation/consolidation method				0
Effects of changes in exchange rates	- 268	- 12	- 86	- 366
31 December 2020	**78,985**	**5,893**	**37,285**	**122,163**
Carrying amount as of 31 December 2020	**576,341**	**13,671**	**61,948**	**651,960**

24. Investment property

Development of investment property

in € thousand	Investment property	Payments on account and plants under construction	Total
Carrying amount as of 1 January 2019	**181,059**	**3,665**	**184,724**
Acquisition or production cost			
1 January 2019	341,095	3,665	344,760
Additions	2,478	6,743	9,221
Disposals		- 8	- 8
Reclassifications			0
31 December 2019	**343,573**	**10,400**	**353,973**
Accumulated depreciation, amortisation and impairment			
1 January 2019	160,036	0	160,036
Additions	8,788		8,788
Disposals			0
Reclassifications			0
31 December 2019	**168,824**	**0**	**168,824**
Carrying amount as of 31 December 2019	**174,749**	**10,400**	**185,149**
Carrying amount as of 1 January 2020	**174,749**	**10,400**	**185,149**
Acquisition or production cost			
1 January 2020	343,573	10,400	353,973
Additions	308	20,532	20,840
Disposals		- 302	- 302
Reclassifications	365	- 365	0
31 December 2020	**344,246**	**30,265**	**374,511**
Accumulated depreciation, amortisation and impairment			
1 January 2020	168,824	0	168,824
Additions	8,549		8,549
Disposals			0
Reclassifications			0
31 December 2020	**177,373**	**0**	**177,373**
Carrying amount as of 31 December 2020	**166,873**	**30,265**	**197,138**

Investment property mainly relates to warehouses converted to office space and other commercial real estate in Hamburg's Speicherstadt historical warehouse district, as well as logistics warehouses and surfaced areas.

The additions in the reporting period relate mainly to conversion costs in connection with changes of use.

Rental income from investment property at the end of the financial year was € 51,847 thousand (previous year: € 52,870 thousand). The direct operating expenses for investment property, which are fully attributable to rental income, amounted to € 17,988 thousand in the reporting year (previous year: € 18,919 thousand).

Fair value is calculated and measured annually by HHLA's Real Estate segment. The associated inputs are classified as level 3 in the fair value hierarchy, see Note 7.

Fair value reconciliation

in € thousand	2020	2019
As of 1 January	625,006	618,616
Change in fair value (not realised)	- 20,517	6,390
As of 31 December	**604,489**	**625,006**

The valuation method used to measure the fair value of investment property as well as the key unobservable input factors applied

Valuation method	Key unobservable input factors	Relationship between key unobservable input factors and measurement at fair value The estimated fair value would increase (fall) if
Fair values are measured by applying the discounted cash flow method (DCF method) to the forecast net cash flows from managing the properties. This method is based on detailed forecasts of ten years or up to the end of the useful lives of properties with a remaining useful life of less than ten years. The cash flows are discounted using standard market interest rates. Property-specific fair value is determined on the basis of property-specific measurement criteria.	Contractually agreed rental income	the contractually agreed rental income was higher (lower)
	Expected rent increases	the expected rent increases were higher (lower)
	Vacancy periods	the vacancy periods were shorter (longer)
	Level of occupancy	the level of occupancy was higher (lower)
	Rent-free periods	the rent-free periods were shorter (longer)
	Possible termination of the tenancy agreement	tenancy agreements were not terminated (were terminated)
	Re-leasing	the property was re-leased sooner (later)
	Operating, management and maintenance costs	operating, management and maintenance costs were lower (higher)
	Rent for the land	the rent was lower (higher)
	Discount rate (4.13 to 7.51 % p.a.)	the risk-adjusted discount rate was lower (higher)

Regarding existing restrictions on the disposal and use of buildings in connection with the renting of the associated properties from the Free and Hanseatic City of Hamburg, see the explanatory remarks on leases in Note 45.

25. Associates accounted for using the equity method

Associates accounted for using the equity method

in € thousand	31.12.2020	31.12.2019
Interests in joint ventures	13,230	12,848
Interests in associates companies	4,188	4,345
	17,418	**17,193**

Interests in joint ventures comprise Hansaport Hafenbetriebsgesellschaft mit beschränkter Haftung, HHLA Frucht- und Kühl-Zentrum GmbH, Ulrich Stein Gesellschaft mit beschränkter Haftung, ARS-UNIKAI GmbH, Kombi-Transeuropa Terminal Hamburg GmbH, HVCC Hamburg Vessel Coordination Center GmbH, Spherie UG (haftungsbeschränkt) and Hyperport Cargo Solutions GmbH i. G. Third Element Aviation GmbH has been included in the HHLA Consolidated Financial Statements as of the fourth quarter of 2020.

Interests in associated companies include the shares in CuxPort GmbH and the shares in DHU Gesellschaft Datenverarbeitung Hamburger Umschlagsbetriebe mbH.

The higher interests reported than in the previous year are largely due to the earnings recorded in financial income for the various companies at equity less the dividends received, see Note 16.

For more information, please refer to Note 3.

26. Non-current financial assets

Non-current financial assets

in € thousand	31.12.2020	31.12.2019
Securities	5,779	5,677
Shares in affiliated companies	54	54
Other equity investments	98	309
Other non-current financial assets	10,496	10,137
	16,427	**16,177**

In the reporting year – as in the previous year – the securities relating to insolvency insurance for phased early retirement entitlements were netted out against the corresponding phased early retirement obligations because they fulfil the conditions for plan assets as per IAS 19 (revised 2011). The securities portfolio recognised as plan assets in the financial year amounted to € 143 thousand (previous year: € 173 thousand), see Note 37. Before offsetting, this results in a securities portfolio of € 5,922 thousand (previous year: € 5,850 thousand).

The shares in affiliated companies include shares in companies which are of minor importance for giving a true and fair view of the Group's results of operations, net assets and financial position and are therefore not consolidated.

Other long-term equity investments include shares in companies which are included in the Consolidated Financial Statements neither as an affiliate nor using the equity method due to their minor importance. Such shareholdings are usually up to 50 %. The year-on-year change results mainly from one-off valuation allowances.

Other non-current financial assets primarily include receivables from a graduated rent totalling € 3,687 thousand (previous year: € 4,006 thousand), as well as receivables from relief funds totalling € 2,614 thousand (previous year: € 2,625 thousand).

27. Inventories

Inventories

in € thousand	**31.12.2020**	31.12.2019
Raw materials, consumables and supplies	22,257	22,005
Work in progress	2,323	2,579
Finished products and merchandise	974	658
	25,554	**25,242**

Impairment losses on inventories recognised as an expense amount to € 1,616 thousand (previous year: € 1,111 thousand). This expense is reported under cost of materials, see Note 12.

28. Trade receivables

Trade receivables

in € thousand	**31.12.2020**	31.12.2019
	166,913	**168,127**

Trade receivables are receivables from customers that are fulfilled in connection with normal business operations. In respect of the overwhelming majority of customers, they are usually due within 30 days and are therefore classed as current.

No trade receivables were assigned as collateral for financial liabilities, either in the year under review or in the previous year. Collateral for trade receivables is only held to a minor extent (e.g. rental guarantees).

Details of the structure and valuation allowances for trade receivables can be found in Note 47.

29. Receivables from related parties

Receivables from related parties

in € thousand	**31.12.2020**	31.12.2019
Receivables from HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (HGV)	82,000	95,000
Receivables from HHLA Frucht- und Kühl-Zentrum GmbH	1,099	952
Receivables from Kombi-Transeuropa Terminal Hamburg GmbH	1,022	1,194
Receivables from Free and Hanseatic City of Hamburg (FHH)	262	464
Receivables from other related parties	900	1,195
	85,283	**98,805**

Receivables from HGV include € 82,000 thousand from existing cash clearing (previous year: € 95,000 thousand).

30. Current financial assets

Current financial assets

in € thousand	**31.12.2020**	31.12.2019
Current receivables from employees	1,405	1,393
Current reimbursement claims against insurers	104	250
Other current financial assets	1,625	1,936
	3,134	**3,579**

31. Other non-financial assets

Other non-financial assets

in € thousand	**31.12.2020**	31.12.2019
Current tax credit	14,451	17,051
Credits issued due to contractual arrangements	4,050	103
Payments on account	2,729	3,061
Other	9,903	9,457
	31,133	**29,672**

Current tax credits fell year-on-year, mainly due to lower value added tax receivables.

32. Income tax receivables

Income tax receivables

in € thousand	**31.12.2020**	31.12.2019
	1,369	**2,201**

Income tax receivables consist of tax receivables resulting from tax assessments and advance tax payments.

33. Cash, cash equivalents and short-term deposits

Cash, cash equivalents and short-term deposits

in € thousand	**31.12.2020**	31.12.2019
Cash and cash equivalents with a maturity of up to 3 months	5,975	23,131
Short-term deposits with a maturity of 4–12 months	40,000	45,000
Bank balances and cash in hand	80,883	89,910
	126,858	**158,041**

Cash, cash equivalents and short-term deposits are made up of cash in hand and various bank balances in different currencies.

Cash and short-term deposits of € 3,679 thousand (previous year: € 9,147 thousand) are subject to foreign exchange outflow restrictions.

As of the balance sheet date, the Group had unused lines of credit amounting to € 54,309 thousand (previous year: € 3,063 thousand) and had met all the conditions for their use. Due to sufficient liquidity, the line of credit in the amount of € 50,000 thousand was not used.

34. Non-current assets held for sale

There were no non-current assets held for sale either in the reporting period or in the previous year.

35. Equity

Changes in the individual components of equity for the reporting period and the previous year are shown in the statements of changes in equity.

Subscribed capital

As of the balance sheet date, HHLA's share capital consists of two different share classes: Class A shares and Class S shares. Subscribed capital totals € 74,405 thousand (31 December 2019: € 72,753 thousand), divided into 71,700,215 Class A shares (31 December 2019: 70,048,834 Class A shares) and 2,704,500 Class S shares; each no-par-value share represents € 1.00 of the share capital on paper. The share capital has been fully paid in.

In the course of the stock flotation on 2 November 2007, 22,000,000 Class A shares were placed on the market. This corresponds to a free float of approx. 30 % of the company's share capital. As of the balance sheet date, the Free and Hanseatic City of Hamburg holds 70.11 % of the voting rights through the company HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg (31 December 2019: 69.58 %).

In the financial year, a capital increase was carried out in connection with the dividend distribution to holders of Class A shares. A resolution was passed at the Annual General Meeting held on 20 August 2020 to distribute a portion of the distributable profit for the 2019 financial year through the payment of a dividend to holders of common shares in the amount of € 0.70 per Class A share and € 2.10 per Class S share. On the basis of a subscription offer to all holders of Class A shares, Class A shareholders were granted the right to assert the dividend entitlements arising from the resolution on the appropriation of net income on a pro rata basis in the amount of € 0.49 (pro rata dividend entitlement) as a contribution in kind for the granting of new Class A shares from a capital increase from Authorised Capital I (Section 3 [4] of the articles of association) (share dividend). The remaining portion of the dividend in the amount of € 0.21 was paid in cash – irrespective of the exercise of the option right by Class A shareholders. No corresponding option right was granted to holders of Class S shares.

The option right in favour of the share dividend was exercised for a total of 51,357,949 Class A shares. On the basis of the subscription ratio, the subscription price and further regulations governing the share dividend, a total of 1,651,381 new Class A shares, each representing € 1.00 of the company's share capital, were issued from Authorised Capital I. The share capital of Hamburger Hafen und Logistik Aktiengesellschaft (HHLA) now amounts to 74,404,715 shares: 71,700,215 Class A shares and an unchanged 2,704,500 Class S shares. For further information, please refer to Note 21. The remaining undistributed profit was carried forward to new account.

In September 2020, shareholder dividend entitlements in the amount of € 25,165 thousand were thus asserted from Authorised Capital I. Following deduction of the incurred transaction costs recognised directly in equity, capital reserves rose by € 23,015 thousand to € 164,599 thousand.

Authorised capital

As of the balance sheet date, the company has Authorised Capital I for the issue of Class A shares and Authorised Capital II for the issue of Class S shares.

Authorised Capital I

Using Authorised Capital I (cf. Article 3 [4] of the articles of association) and subject to the approval of the Supervisory Board, the Executive Board is still authorised – following the partial utilisation of Authorised Capital I in connection with the scrip dividend – to increase the company's share capital until 20 June 2022 by up to € 33,373,036.00 by issuing up to 33,373,036 new registered Class A shares for subscription in cash and/or in kind in one or more stages. The statutory subscription rights of holders of Class S shares shall be excluded. The Executive Board is additionally authorised, subject to the approval of the Supervisory Board, to exclude the statutory subscription rights of holders of Class A shares in those cases covered in more detail in the resolution, such as issue for contributions in kind. Furthermore, the issue of new Class A shares while excluding the subscription rights of Class A shareholders is limited to a total of 20 % of the share capital attributable to Class A shares. All Class A shares issued or that could be issued under other authorisations with the exclusion of subscription rights count towards this 20 % limit.

Authorised Capital II

Using Authorised Capital II (cf. Article 3 [5] of the articles of association), the Executive Board is authorised, subject to the approval of the Supervisory Board, to increase the company's share capital until 20 June 2022 by up to € 1,352,250.00 by issuing up to 1,352,250 new registered Class S shares for subscription in cash and/or in kind in one or more stages. The statutory subscription rights of holders of Class A shares shall be excluded. The Executive Board is authorised, with the approval of the Supervisory Board, to exclude the statutory subscription rights of holders of Class S shares as is necessary to equalise fractional amounts.

Other authorisations

The Annual General Meeting of HHLA held on 18 June 2019 authorised the Executive Board, subject to the approval of the Supervisory Board, to issue on one or more occasions up to 17 June 2024 bearer or registered bonds with warrants and/or convertible bonds or combinations of these instruments (hereinafter known collectively as “debenture bonds”) with a total nominal value of up to € 300,000,000.00 and to grant the bearers or creditors of the debenture bonds warrants or conversion rights for up to 10,000,000 new registered Class A shares in the company, each representing € 1.00 of the share capital, subject to the detailed terms of the bonds with warrants and/or convertible bonds. The respective terms may also provide for a warrant or conversion obligation as well as an issuer put option to provide Class A shares in the company as of the end of the term or at an earlier date. The detailed terms of the resolution state that shareholders' subscription rights may also be excluded when the debenture bonds are issued. As per Article 3 (6) of the articles of association, conditional capital of € 10,000,000.00 is available to service warrants and conversion rights and obligations as well as any tender rights. This is made up of 10,000,000 new registered Class A shares.

The Annual General Meeting held on 16 June 2016 additionally authorised the company's Executive Board to purchase Class A treasury shares up to a maximum of 10 % of the portion of the company's share capital accounted for by Class A shares at the time of the resolution or, if lower, at the time the authorisation is exercised. In addition to being sold on the stock exchange or offered to all shareholders in line with their shareholdings, the Class A treasury shares acquired under this authorisation or previous authorisations may – subject to the approval of the Supervisory Board – be used in the cases stipulated by the resolution excluding other shareholders' subscription rights and/or be redeemed either in whole or in part without the need for an additional resolution by the Annual General Meeting. This authorisation expires on 15 June 2021. The authorisation may be used for any legally permissible purpose, except for trading in treasury shares.

HHLA does not currently hold any treasury shares. There are no plans to buy back shares.

Capital reserve

The Group's capital reserve includes premiums from share issues and the associated costs of issue, which are deducted from the capital reserve. It also comprises premiums from capital increases at subsidiaries with non-controlling interests, premiums from a reserve increase from an employee stock purchase plan and premiums from a capital increase in connection with a dividend distribution for Class A shares for contributions in kind.

Retained earnings

Retained earnings include net profits from prior years for companies included in the Consolidated Financial Statements, insofar as these were not distributed as dividends. This item also encompasses differences between HGB and IFRS as of 1 January 2006 (the transitional date).

Other comprehensive income

In accordance with the currently applicable version of IAS 19 (revised 2011), the HHLA Group's other comprehensive income includes all actuarial gains and losses from defined benefit pension plans. This item additionally comprises changes in the fair value of hedging instruments (cash flow hedges) and the corresponding tax effects.

The reserve for translation differences enables the recognition of differences arising on the translation of financial statements for foreign subsidiaries.

Non-controlling interests

Non-controlling interests comprise outside interests in the Group companies' consolidated equity.

As per the provisions of IAS 32, non-controlling interests are reduced mainly by the reclassification of a minority shareholder's future estimated entitlements to financial settlements as financial liabilities for the term of the profit and loss transfer agreement, see Note 6 and Note 38. This was chiefly offset by the inclusion of current total comprehensive income.

Notes on capital management

Capital management at the HHLA Group aims to ensure the Group's long-term financial stability and flexibility in order to safeguard the Group's growth and enable its shareholders to reasonably participate in its success. Balance sheet equity is the primary benchmark in this regard. The key value-oriented performance indicator at the HHLA Group is the return on capital employed (ROCE). The equity ratio is also monitored in order to maintain a stable capital structure.

Equity ratio

in %	**31.12.2020**	31.12.2019
Equity in € thousand	567,003	578,862
Total assets in € thousand	2,591,123	2,610,019
	21.9 %	**22.2 %**

The decline in equity is primarily attributable to the dividend payouts of € 55,741 thousand, the reclassification of a future financial settlement totalling € 23,377 thousand as a non-current financial liability, the interest-related change of € 15,155 thousand in actuarial losses including tax effects not recognised in profit or loss and the change of € 16,221 thousand in the reserve for translation differences. This was offset by the capital increase from the dividend payment in return for non-cash contributions amounting to € 24,666 thousand and the pandemic-related decline in net income of € 74,133 thousand in the reporting period.

External minimum capital requirements were fulfilled at all agreed audit points throughout the reporting year. See Note 38 for more information.

36. Pension provisions

Pension provisions

Provisions for pensions and similar obligations are formed for commitments arising from both vested rights to future pension payments and current payments to active and former members of HHLA Group companies in Germany and any surviving dependants who are entitled to receive such benefits. A distinction is made between defined benefit and defined contribution company pension plans.

Defined benefit pension plans

In the case of defined benefit plans, the Group is obliged to make the agreed payments to current and former employees. HHLA's pension scheme is financed by both provisions and funds.

Company retirement benefits are paid on the basis of various entitlements. As well as individual agreements, this is primarily the collective company pension agreement (BRTV). As part of the harmonisation of existing pension schemes, the "HHLA capital plan" labour agreement has also been introduced with effect from 1 January 2018.

The BRTV is a total benefit plan. HHLA guarantees the participating employees a certain amount of benefits, which are made up of the statutory pension and the company pension. The amount of total benefits is determined by a variable percentage (according to years of service) of a fictitious net payment in the final wage or salary band based on the applicable social security data contribution levels for the year 1999. The current contribution assessment ceiling is always taken into account.

The HHLA capital plan provides employees with a uniform and transparent pension scheme that offers a high degree of flexibility, both in terms of paying in and in the payout/benefit phase. Payments made into the HHLA capital plan are funded from gross income (deferred compensation). As such, the employees forgo a part of their untaxed income at the time they pay into the scheme in favour of future retirement savings. 27.50 % is added to the contributions paid in as part of the deferred compensation scheme. Furthermore, an annual interest rate of 3.00 % is guaranteed in respect of the contributions.

Based on these pension plans, the Group forms provisions for pensions and similar obligations for the amount of expected future retirement and surviving dependants' pensions and/or savings for future retirement and surviving dependants. External actuaries calculate the amount of the obligation using the projected unit credit method.

Amounts recognised for pension commitments

in € thousand	**31.12.2020**	31.12.2019
Present value of pension obligations	530,771	502,874
Obligations from working lifetime accounts	373	365
	531,144	**503,239**

Pension obligations

The balance sheet shows the full present value of pension obligations including actuarial gains and losses. The reported pension obligation relates to an unfinanced plan.

Development of the present value of pension obligations

in € thousand	**2020**	2019
Present value of pension obligations as of 1 January	**502,874**	**448,161**
Contributions of capital plan participants	7,899	6,247
Current service expense	13,891	12,627
Past service expense	168	2,466
Interest expense	3,537	7,191
Pension payments	- 20,053	- 19,781
Actuarial gains (-), losses (+) due to amendments in experience-based assumptions	- 8,407	- 12,077
Actuarial gains (-), losses (+) due to amendments in financial assumptions	30,862	58,040
Present value of pension obligations as of 31 December	**530,771**	**502,874**

Present value of the defined benefit pension obligations split by various groups of beneficiaries

in %	**2020**	2019
Current employees	39.9	40.3
Former employees	1.4	1.3
Pensioners	58.7	58.4
	100.0	**100.0**

As of 31 December 2020, the weighted average term of the defined benefit obligation was 13.4/17.4 years (previous year: 13.9/18.3 years).

In addition, reimbursement rights of € 2,672 thousand (previous year: € 2,625 thousand) were concluded to cover the corresponding pension obligations. The expected income from these reimbursement rights amounts to € 18 thousand in the year under review, whereas the actual income amounts to € 184 thousand. In the 2020 financial year, € 137 thousand was paid out in reimbursement rights.

Pension obligations recognised in the income statement

in € thousand	2020	2019
Current service expense	13,891	12,627
Past service expense	168	2,466
Interest expenses	3,537	7,191
	17,596	**22,284**

Development of actuarial gains / losses from pensions obligations

in € thousand	2020	2019
Actuarial gains (+), losses (-) as of 1 January	**- 114,657**	**- 68,694**
Changes in the financial year due to amendments in experience-based assumptions	8,407	12,077
Changes in the financial year due to amendments in financial assumptions	- 30,862	- 58,040
Actuarial gains (+), losses (-) as of 31 December	**- 137,112**	**- 114,657**

Key actuarial assumptions to determine the present value of the pension obligations

in %	31.12.2020	31.12.2019
Discount rate (capital plan)	0.30	0.80
Discount rate (others)	0.20	0.70
Projected salary increase	2.00	3.00
Adjustment of current pensions (excluding BRTV)	2.00	2.00
Adjustment of social security pension according to pension insurance report of the year	2020	2019

The biometric data is drawn from the 2018 G mortality tables by Professor Klaus Heubeck.

For shorter maturities, HHLA derives the interest rates used for discounting from high-quality corporate bonds. For longer maturities, the forward projection of the interest rate curve reflects the Deutsche Bundesbank's curve for German government bonds.

Sensitivity analysis: pension obligations

	Change in parameter			Effect on present value		
		31.12.2020	31.12.2019	in € thousand	**31.12.2020**	31.12.2019
Discount rate	Increase of	0.5 %	0.5 %	Decrease of	35,183	32,990
	Decrease of	0.5 %	0.5 %	Increase of	39,268	36,781
Payment trend	Increase of	0.5 %	0.5 %	Increase of	2,078	2,675
	Decrease of	0.5 %	0.5 %	Decrease of	2,050	2,634
Adjustment to social security	Decrease of	20.0 %	20.0 %	Increase of	829	1,145
Expected mortality	Decrease of	10.0 %	10.0 %	Increase of	13,629	12,696
Contributions of capital plan participants	Increase of	50.0 %	50.0 %	Increase of	9,746	7,490
	Decrease of	50.0 %	50.0 %	Decrease of	9,380	7,306
Adjustment of current pensions (excluding BRTV)	Increase of	0.5 %	0.5 %	Increase of	776	756
	Decrease of	0.5 %	0.5 %	Decrease of	713	695

Actuarial calculations for the valuation parameters classed as material are performed in isolation, i.e. if several parameters change simultaneously, the individual effects are not cumulative due to correlation. In the case of a change to the parameters, a linear trend for the defined benefit obligation cannot be drawn from the sensitivities stated.

Payments for pension obligations

In the 2020 financial year, HHLA made pension payments for plans totalling € 20,053 thousand (previous year: € 19,781 thousand). HHLA anticipates the following payments for pension plans over the next five years.

Expected pension payments

in years in € thousand	
2021	20,602
2022	20,658
2023	20,553
2024	20,253
2025	19,927
	101,993

Obligations from working lifetime accounts

In the 2006 financial year, the affiliated companies in Germany undertook to set up working lifetime accounts due to collective labour agreements. Staff could elect to have time and remuneration components deposited in money market or investment funds by the Group until 31 December 2013. Capital has been invested within the company since 1 January 2014. The funds saved in the employee's account are used to give them paid leave before they enter retirement. The amount of pay to which employees are entitled during their early retirement depends on the amount of funds saved, which in turn depends on the performance of the fund assets – based on the model for contributions up to 31 December 2013 and taking the 3.00 % return guaranteed in the collective labour agreement into account for contributions as of 1 January 2014 – plus other contractually agreed social benefits during the early retirement phase.

The portion of the obligation covered by the funds saved is reported at the funds' fair value. The additional benefits arising from collective labour agreements which are not covered by the funds saved are reported at the full present value of the obligation including actuarial gains and losses.

As part of the harmonisation of existing pension schemes, which was completed in 2018, the existing funds from working lifetime accounts were largely transferred to the HHLA capital plan. The obligations arising from the remaining existing funds will fall steadily over time.

Allocation of benefit commitments from working lifetime accounts

in € thousand	**31.12.2020**	31.12.2019
Present value of obligations from working lifetime accounts	607	626
Present value of plan assets from working lifetime accounts (fund shares)	- 234	- 261
Uncovered allocations	**373**	**365**

Development of the present value of the obligations from working lifetime accounts

in € thousand	**2020**	2019
Present value of the obligations from working lifetime accounts as of 1 January	**626**	**1,124**
Current service expense	3	4
Interest expenses	2	7
Actuarial gains (-), losses (+) due to amendments in experience-based assumptions	20	- 229
Actuarial gains (-), losses (+) due to amendments in financial assumptions	8	8
Capital payments	- 52	- 288
Present value of the obligations from working lifetime accounts as of 31 December	**607**	**626**

As of 31 December 2020, the weighted average term of the defined benefit obligation was 5.9 years (previous year: 6.3 years).

Development of the fair value of plan assets from working lifetime accounts

in € thousand	2020	2019
Fair value of plan assets from working lifetime accounts as of 1 January	**261**	**355**
Expected income from plan assets	1	2
Actuarial gains (+), losses (-) due to amendments in experience-based assumptions	4	46
Capital payments	- 32	- 142
Fair value of plan assets from working lifetime accounts as of 31 December	**234**	**261**

The plan assets consist solely of shares in money market and investment funds. Losses of € 27 thousand were recorded on the plan assets in the financial year (previous year: € 93 thousand).

Obligations from working lifetime accounts recognised in the income statement

in € thousand	2020	2019
Current service expense	3	4
Interest expenses	2	7
Expected income from the plan assets	- 1	- 2
	4	**9**

Development of actuarial gains/losses of obligations from working lifetime accounts

in € thousand	2020	2019
Actuarial gains (+), losses (-) as of 1 January	**178**	**- 89**
Changes in the financial year due to amendments in experience-based assumptions	- 16	275
Changes in the financial year due to amendments in financial assumptions	- 8	- 8
Actuarial gains (+), losses (-) as of 31 December	**154**	**178**

Key actuarial assumptions to determine obligations from working lifetime accounts

in %	31.12.2020	31.12.2019
Discount rate	- 0.10	0.30
Projected salary increase	2.00	3.00

The biometric data is drawn from the 2018 G mortality tables by Professor Klaus Heubeck, taking into account age-related fluctuation.

Sensitivity analysis: obligations from working lifetime accounts

	Change in parameter			Effect on present value			
		31.12.2020	31.12.2019	in € thousand	**31.12.2020**		31.12.2019
Discount rate	Increase of	0.5 %	0.5 %	Decrease of	9	Decrease of	10
	Decrease of	0.5 %	0.5 %	Increase of	10	Increase of	11
Expected mortality	Decrease of	10.0 %	10.0 %	Decrease of	16	Decrease of	18

Actuarial calculations for the valuation parameters classed as material are performed in isolation, i.e. if several parameters change simultaneously, the individual effects are not cumulative due to correlation. In the case of a change to the parameters, a linear trend for the defined benefit obligation cannot be drawn from the sensitivities stated.

Until 31 December 2013, the obligations from working lifetime accounts were financed by paying a portion of employees' remuneration into the unit-linked pension plan. Capital has been invested within the company since 1 January 2014.

Portfolio for obligations from working lifetime accounts

in %	**2020**	2019
Money market funds/Annuity funds	100	99
Mixed funds	0	1
	100	**100**

Payments for obligations from working lifetime accounts

In the financial year under review, HHLA made payments for plans totalling € 52 thousand (previous year: € 288 thousand). In return, the company acquired corresponding securities holdings worth € 32 thousand (previous year: € 142 thousand). The outflow of funds therefore amounted to € 20 thousand in the year under review (previous year: € 146 thousand).

Expected payments for obligations from working lifetime accounts related to the existing pension scheme which are not hedged by securities

in years in € thousand	
2021	45
2022	27
2023	21
2024	16
2025	18
	127

Defined contribution pension plans

In the case of defined contribution plans, the relevant companies merely make payments to dedicated funds. There are no further obligations. HHLA does not incur any financial or actuarial risks arising from these commitments.

The costs incurred in connection with pension funds which are to be regarded as defined contribution pension plans amounted to € 3,196 thousand in the reporting year (previous year: € 3,518 thousand).

HHLA paid € 30,509 thousand (previous year: € 29,759 thousand) into the state pension system as its employer’s contribution.

37. Other non-current and current provisions

Other non-current and current provisions

	Non-current provisions		Current provisions		Total	
in € thousand	**31.12.2020**	31.12.2019	**31.12.2020**	31.12.2019	**31.12.2020**	31.12.2019
Demolition obligations	86,490	83,100	0	0	86,490	83,100
Restructuring reserve	52,883	15,475	8,551	6,030	61,434	21,505
Bonuses and single payments	0	0	9,220	8,832	9,220	8,832
Insurance excesses	0	0	4,073	2,496	4,073	2,496
Anniversaries	3,496	3,262	241	167	3,737	3,429
Legal fees and litigation expenses	0	0	1,110	620	1,110	620
Phased early retirement	98	81	90	67	188	148
Other	12,691	12,175	2,296	5,793	14,987	17,968
	155,658	**114,093**	**25,581**	**24,005**	**181,239**	**138,098**

Demolition obligations

The demolition obligations relate to HHLA's Container, Logistics and Real Estate segments and are discounted at a rate of 1.5 % p.a. (previous year: 1.5 % p.a.). In the reporting year, an anticipated price increase of 2.0 % (previous year: 2.0 %) was used to calculate the provisions shown. This rate is derived from the German construction cost index. The outflow of these resources is expected in the period 2025–2045.

Restructuring provisions

The restructuring provisions relate to reorganising the Logistics segment and organisational restructuring in the Container segment. The outflow of funds will take place between 2021 and 2031. For further information on the additions, please refer to Note 13.

Bonuses and single payments

Provisions for bonuses and one-off payments largely consist of provisions for Executive Board members and other senior staff. The funds will become payable in the 2021 financial year.

Insurance excesses

This obligation relates to provisions largely created by the Group's parent company to allow for potential cases of damage or loss which go beyond the existing insurance cover. The funds will become payable in the 2021 financial year.

Anniversaries

The provisions for anniversaries relate to Group employees' contractual entitlement to anniversary gratuities. The amount recognised is determined by an actuarial opinion. A discount rate of 0.20 % p.a. (previous year: 0.70 % p.a.) was used for the calculation. The outflow of these resources is expected to take place in the period 2021–2060.

Legal fees and litigation expenses

As of the balance sheet date and as in the previous year, the obligations reported consisted mainly of provisions for legal risks associated with pending proceedings. The outflow of these resources is expected in the 2021 financial year.

Phased early retirement

Provisions for phased early retirement consist of HHLA's obligations from the entitlements accrued during the beneficiaries' working period, plus a supplementary amount added pro rata temporis.

The securities holdings acquired in connection with phased early retirement contracts are classified as plan assets under IAS 19 (revised 2011). They were therefore offset against the phased early retirement obligations included in the provisions. The corresponding figure of € 143 thousand (previous year: € 173 thousand) therefore reduces the provisions reported, see Note 26. In addition to this, pledged bank balances serve to cover the obligations in existence as of the balance sheet date. The amount of the provision was determined using a discount rate of - 0.2 % p.a. (previous year: - 0.2 % p.a.). The outflow of these resources is expected in the period 2021–2026.

Other

Other provisions relate largely to obligations arising from individual contractual agreements with members of staff. The main outflow of funds will take place between 2021 and 2028.

Development of other non-current and current provisions

in € thousand	01.01.2020	Additions	Accured interest	Used	Reversed	Currency translation effects	31.12.2020
Demolition obligations	83,100	3,093	977	421	258		86,490
Restructuring reserve	21,505	44,376	5	3,130	1,323		61,434
Bonuses and single payments	8,832	9,220		8,543	289		9,220
Insurance excesses	2,496	2,276		676	22		4,073
Anniversaries	3,429	595	24	311			3,737
Legal fees and litigation expenses	620	490					1,110
Phased early retirement	148	303		262			188
Other	17,968	4,211	6	6,873	326		14,987
	138,098	**64,565**	**1,012**	**20,217**	**2,218**	**0**	**181,239**

38. Non-current and current financial liabilities

Non-current and current financial liabilities as of 31 December 2020

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	Total
Liabilities from bank loans	22,569	125,497	147,034	295,100
Lease liabilities	22,811	80,416	161,286	264,513
Liabilities arising from settlement obligations	24,584	23,377	0	47,961
Other loans	0	656	15,000	15,656
Liabilities towards employees	10,069	0	0	10,069
Other non-current and current financial liabilities	8,042	5,126	301	13,469
	88,075	**235,072**	**323,621**	**646,768**

Non-current and current financial liabilities as of 31 December 2019

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	Total
Liabilities from bank loans	22,771	115,071	193,945	331,787
Lease liabilities	26,017	98,924	157,842	282,783
Liabilities arising from settlement obligations	35,170	30,492	0	65,662
Other loans	0	282	15,500	15,782
Liabilities towards employees	10,223	0	0	10,223
Other non-current and current financial liabilities	8,170	14,118	161	22,449
	102,351	**258,887**	**367,448**	**728,686**

Amounts due to banks include interest of € 938 thousand accrued up to the balance sheet date (previous year: € 1,017 thousand).

The liabilities from leases represent the discounted value of future payments for movable non-current assets.

More information on the settlement obligation can be found in Note 6 and Note 35.

Other loans chiefly comprise a € 5,500 thousand loan granted to a minority shareholder (previous year: € 6,000 thousand) as well as promissory note loans of € 9,500 thousand (previous year: € 9,500 thousand) issued to other creditors.

Buildings, surfacing and movable non-current assets with a carrying amount of € 4,755 thousand (previous year: € 5,251 thousand) have been pledged as collateral for interest-bearing loans. The collateral agreements provide that the assets are transferred to the banks until the loans and interest have been repaid in full and that they have a right to dispose of the assets if the borrower is in arrears with payments of interest and principal.

The liabilities towards employees consist primarily of wages and salaries.

Terms of liabilities from bank loans

Interest condition	Interest rate	Currency	Remaining fixed interest period	Nominal value in TCU[1]	Carrying amount as of 31.12.2020 in € thousand
fixed	0,00 – 2,36 %	EUR	2025 and later	193,966	170,011
fixed	n/a	EUR	2024	0	0
fixed	1.46 %	EUR	2023	15,000	15,000
fixed	1,28 – 4,22 %	EUR	2022	102,926	43,735
fixed	2.83 %	EUR	2021	34,257	13,703
floating	floating + margin	EUR	2021	123,791	51,713
					294,162

1 TCU = Thousand Currency Units

The floating interest rates are EURIBOR rates with maturities of one to six months.

Financial liabilities for which fair value is not equivalent to the carrying amount

	Carrying amount		Fair value	
in € thousand	**31.12.2020**	31.12.2019	**31.12.2020**	31.12.2019
Fixed-interest bearing loans	**242,449**	**253,927**	**243,277**	**267,627**

Interest rates of 1.5 to 2.4 % p.a. (previous year: 0.5 to 1.4 % p.a.) were used to measure the fair value of fixed interest-bearing loans. The interest rates are derived from the risk-free rate depending on maturity plus a premium according to the credit rating and maturity. They therefore constitute market rates. The average interest rate for the reported liabilities from bank loans was 1.6 % in the reporting year (previous year: 1.6 %).

As a result of borrowing, certain affiliates have covenants linked to key balance sheet figures and collateral. Violating these covenants would authorise the lender to demand additional collateral, a change to the conditions or the repayment of the loan. In order to prevent such steps, HHLA constantly monitors compliance with the covenants and, where required, implements measures to ensure that all conditions of the loan are met. As of the balance sheet date, the corresponding borrowings totalled € 45,601 thousand (previous year: € 72,401 thousand).

Maturity of bank loans

in € thousand	
Up to 1 year	21,630
1 year to 2 years	38,713
2 years to 3 years	27,922
3 years to 4 years	12,826
4 years to 5 years	46,037
Over 5 years	147,034
	294,162

For more details of the liquidity risk, please refer to Note 47.

39. Trade liabilities

Trade liabilities

in € thousand	31.12.2020	31.12.2019
	90,913	**74,879**

Trade liabilities from the financial year are only owed to third parties. As in the previous year, the total amount is due within one year.

40. Non-current and current liabilities to related parties

Non-current and current liabilities to related parties as of 31 December 2020

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	Total
Liabilities from leases to HPA	27,295	94,700	350,932	472,927
Liabilities from leases to FEG Fischereihafenentwicklungsgesellschaft mbH & Co. KG	860	3,576	2,780	7,216
Liabilities from leases to Landesbetrieb Immobilienmanagement und Grundvermögen	1,229	3,563	1,598	6,390
Liabilities from leases to related parties	**29,384**	**101,839**	**355,310**	**486,533**
Other Liabilities to HHLA Frucht- und Kühl-Zentrum GmbH	5,000	0	0	5,000
Other liabilities to other related parties	5,168	0	0	5,168
Other liabilities to related parties	**10,168**	**0**	**0**	**10,168**
	39,552	**101,839**	**355,310**	**496,701**

Non-current and current liabilities to related parties as of 31 December 2019

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	Total
Liabilities from leases to HPA	21,897	94,306	374,102	490,305
Liabilities from leases to Landesbetrieb Immobilienmanagement und Grundvermögen	1,741	5,871	3,947	11,559
Liabilities from leases to FEG Fischereihafenentwicklungsgesellschaft mbH & Co. KG	848	3,522	3,694	8,064
Liabilities from leases to related parties	**24,486**	**103,699**	**381,743**	**509,928**
Other liabilities to HPA	3,691	0	0	3,691
Other Liabilities to HHLA Frucht- und Kühl-Zentrum GmbH	3,044	0	0	3,044
Other liabilities to related parties	5,931	0	0	5,931
Other liabilities to related parties	**12,666**	**0**	**0**	**12,666**
	37,152	**103,699**	**381,743**	**522,594**

The decline in recognised liabilities is primarily due to the planned redemption of lease liabilities and the expiry of lease terms. For more details, see also Note 45 and Note 48.

For more details of the liquidity risk, please refer to Note 47.

41. Other non-financial liabilities

Other non-financial liabilities

in € thousand	**31.12.2020**	31.12.2019
Liabilities to employees	14,627	13,817
Tax liabilities	9,827	9,931
Employers' liability insurance premiums	4,540	4,663
Social security payables	2,559	2,618
Advance payments received for orders	2,759	2,104
Port workers' welfare fund (Hafenfonds)	1,216	1,342
Other	1,984	2,292
	37,512	**36,767**

Liabilities towards employees include liabilities arising from accrued leave and outstanding bonus payments.

All other non-financial liabilities have a remaining term of up to one year.

42. Income tax liabilities

Income tax liabilities

in € thousand	**31.12.2020**	31.12.2019
	17,774	**6,190**

Income tax liabilities result from expected additional payments for corporation tax, solidarity surcharge and trade tax.

When preparing the Annual Financial Statements, provisions are made for the corresponding amounts of corporation tax, solidarity surcharge and trade tax on the basis of the tax and legal situation known at the time of preparation.

Notes to the cash flow statement

43. Notes to the cash flow statement

Free cash flow

The balance of the cash inflow from operating activities and the cash outflow from investing activities makes up the free cash flow. This indicates what cash resources are available for dividend distribution or the redemption of existing loans. The free cash flow fell year-on-year by € 14,908 thousand to € 113,909 thousand. Significant changes resulted from both the cash flow from operating activities and the cash flow from investing activities. The fall in cash flow from operating activities was mainly due to the year-on-year decline in the operating result (EBIT). This was offset by the year-on-year increase in provisions and the reduction in income tax payments. The cash outflow from investing activities was lower than in the previous year. This decline was mainly the result of payments received for short-term deposits (previous year: payouts). The decrease in payments received for the disposal of intangible assets, property, plant and equipment and investment property had an opposing effect.

Change in liabilities from financing activities

The balance of the proceeds from the issuance of bonds and the taking out of (financial) loans, as well as the balance of payments for the redemption of (financial) loans, produces the change in liabilities from financing activities pursuant to IAS 7. In the reporting year, the Group made payments for the redemption of (financial) loans in the amount of € 37,211 thousand (previous year: € 39,733 thousand). The change in the liabilities from financing activities is reflected in the decrease in liabilities to banks in the amount of € 36,687 thousand (previous year: € 37,869 thousand), see also Note 38. The balance of the proceeds from the issuance of bonds and the taking out of (financial) loans, as well as the balance of payments for the redemption of (financial) loans to other lenders, has been recognised as a change in the liabilities from financing activities in the amount of € 603 thousand (previous year: € 1,853 thousand). Exchange rate effects and other effects are insignificant.

Financial funds

Financial funds include cash in hand and bank balances with a remaining term of up to three months and receivables and liabilities relating to HGV. Receivables from HGV are overnight deposits available on demand. They are recognised at nominal value.

Financial funds

in € thousand	**31.12.2020**	31.12.2019
Cash and cash equivalents with a maturity up to 3 months	5,975	23,131
Short-term deposits with a maturity of 4–12 months	40,000	45,000
Bank balances and cash in hand	80,883	89,910
Cash, cash equivalents and short-term deposits	**126,858**	**158,041**
Receivables from HGV	82,000	95,000
Overdrafts	- 11	- 19
Short-term deposits with a maturity of 4–12 months	- 40,000	- 45,000
Financial funds at the end of the period	**168,847**	**208,022**

Notes to the segment report

44. Notes to the segment report

The segment report is presented as an annex to the Notes to the Consolidated Financial Statements.

The Group's segment report is prepared in accordance with the provisions of IFRS 8 and requires reporting on the basis of the internal reports to the Executive Board for the purpose of controlling commercial activities. The segment performance indicator used is the internationally customary key figure EBIT (earnings before interest and taxes), which serves to measure the success in each segment and therefore aids internal control.

The accounting and valuation principles applied for internal reporting comply with the principles applied by the Group described in Note 6 "Accounting and valuation principles".

In line with the Group's reporting structure for management purposes and in accordance with the definition in IFRS 8, the following four independently organised and managed segments were identified:

Container

The Container segment pools the Group's container handling operations. The Group's services in this segment consist primarily of handling container ships and transferring containers to other carriers (e.g. rail, truck or feeder ship). HHLA operates three container terminals in Hamburg (Altenwerder, Burchardkai and Tollerort) and further container terminals in Odessa, Ukraine, and Tallinn, Estonia. The portfolio is rounded off by supplementary container services, such as maintenance and repairs provided by its subsidiary HCCR.

The Container segment mainly generates handling revenue at points in time. It also generates rental income over time. Furthermore, individual HHLA customers have contractual rebate entitlements arising from income generated at points in time.

Intermodal

As a core element of HHLA's business model, which is vertically integrated along the transportation chain, the Intermodal segment provides a comprehensive seaport-hinterland rail and truck network. The rail company METRANS and the trucking firm CTD complete HHLA's range of services in this field.

As transport income, the revenue of this segment is classed as income generated at points in time. There are also rebate obligations in respect of individual customers.

Logistics

The Logistics segment encompasses specialist handling services, digital business activities and consulting. Its service portfolio comprises stand-alone logistics services and entire process chains for the international procurement and distribution of merchandise. The segment also provides consulting and management services for clients in the international port and transport sectors. Additive manufacturing and airborne logistics services round off the portfolio.

The revenue generated from special handling services is classed as revenue generated at points in time. This segment also generates income over time, chiefly from consultancy and letting services. Immaterial rebate obligations apply in respect of individual customers.

Real Estate

This segment is equivalent to the Real Estate subgroup. Its business activities encompass services such as the development, letting and management of properties. These include real estate in the Speicherstadt historical warehouse district and on the northern banks of the river Elbe (fish market area). Furthermore, industrial logistics properties and land in and around the Port of Hamburg are managed by the Holding/Other division.

The revenue from this segment is rental income generated over time.

The Holding/Other division used for segment reporting does not represent an independent business segment as defined by IFRS 8. However, it has been allocated to the segments within the Port Logistics subgroup in order to provide a complete and clear picture.

Due to the structure of the Group, it is necessary to issue a large number of invoices for inter-segmental services. These predominantly relate to the use of real estate, IT services, administrative services, workshop services and staff provided by the holding company. As a rule, services are valued at cost price. Transfer prices may not exceed the market price of the service in question. If the company providing the service predominantly sells the relevant service on the market outside the Group, it may charge the market price, even if the cost price is lower.

The details of the reconciliation of the segment variables with the corresponding Group variables are as follows:

Earnings

The reconciliation of the segment variable EBIT to consolidated earnings before taxes (EBT) incorporates transactions between the segments and the subgroups for which consolidation is mandatory, along with the proportion of companies accounted for using the equity method, net interest income and the other financial result.

Reconciliation of the segment EBIT with consolidated earnings before taxes (EBT)

in € thousand	**2020**	2019
Total segment earnings (EBIT)	**121,991**	**219,628**
Elimination of business relations between segments and subgroups	1,574	1,609
Group earnings (EBIT)	**123,565**	**221,237**
Earnings from associates accounted for using the equity method	3,601	4,458
Net interest	- 28,060	- 39,573
Earnings before tax (EBT)	**99,105**	**186,122**

Segment assets

The reconciliation of segment assets to Group assets incorporates not only items and financial investments for which consolidation is mandatory, but also claims arising from current and deferred income taxes and financial funds which are not to be assigned to segment assets.

Reconciliation of the segment assets with Group assets

in € thousand	**31.12.2020**	31.12.2019
Segment assets	**2,372,707**	**2,382,354**
Elimination of business relations between segments and subgroups	- 734,184	- 745,757
Current assets before consolidation	665,383	671,553
Financial assets	17,570	17,556
Deferred tax assets	141,420	124,071
Tax receivables	1,369	2,201
Cash, cash equivalents and short-term deposits	126,858	158,041
Group assets	**2,591,123**	**2,610,019**

Other segment information

The reconciliation to Group investments totalling € - 2,126 thousand (previous year: € - 609 thousand) eliminates the internal invoices for services to generate intangible assets between segments.

In relation to the reconciliation of depreciation and amortisation amounting to € - 2,160 thousand (previous year: € - 2,217 thousand), the entire amount is attributable to the elimination of inter-company profits between the segments and the subgroups.

The reconciliation of non-cash items amounts to € 66 thousand (previous year: € - 18 thousand).

Information about geographical regions

For information by region, the segment revenue and disclosures on non-current segment assets are broken down in accordance with the affiliates' respective locations.

Information about geographical regions

	Germany		EU		Outside EU		Total		Reconciliation with Group assets		Group	
in € thousand	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Segment income	800,118	866,962	462,077	471,074	37,636	44,589	1,299,831	1,382,625	0	0	1,299,831	1,382,625
Non-current segment assets	1,243,894	1,252,953	699,163	670,883	48,832	59,740	1,991,889	1,983,576	599,234	626,443	2,591,123	2,610,019
Investments in non-current segment assets	106,798	81,182	82,371	130,545	7,179	14,040	196,348	225,767	0	851	196,348	224,916

The reconciliation of long-term segment assets to Group assets includes, in addition to consolidation items between the segments, in particular current assets, financial assets as well as current and deferred income taxes.

Information about key clients

Revenue of € 216,888 thousand (previous year: € 245,320 thousand) from a single client exceeds 10 % of Group revenue and relates to the Container and Intermodal segments.

Other notes

45. Leases

Leases as a lessee

For further information about leases within the HHLA Group, please see Notes 6, 12, 14, 16, 23, 38 and 40.

Basic recognition of leases

Pursuant to IFRS 16, all leases are to be recognised on the balance sheet. The following significant leases currently exist within the HHLA Group:

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

Leases recognised under liabilities to related parties

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 agreements 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.

Agreements 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 agreements expire between 2025 and 2036. Under the terms of the agreements, 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. The expected rent increases for the past periods are included in the liabilities from leases. The rent increases for 2020 have been postponed to July 1, 2021. The postponement did not have any material impact on the consolidated financial statements. 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 may not be relet 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.

Leases recognised under non-current and current financial liabilities

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

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 in the income statement:

Leases in the income statement

in T€	2020	2019
Cost of materials and other operating expenses		
Expenses from non-current leases	7,004	9,505
Expenses from leases for low-value assets	785	569
Expenses from variable lease payments	297	408
Amortisation and depreciation		
Amortisation and depreciation of rights of use	49,039	50,259
Financial result		
Interest expenses from leasing liabilities	21,581	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 recognized when measuring the lease liability:

Future unrecognized cash outflows

in € thousand	31.12.2020	31.12.2019
Future variable lease payments	10,006	10,644
Extension and termination options	761	1,213
Residual value guarantees	19	23
Leases not yet begun	119	0
	10,905	**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 15 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 € 58,504 thousand (previous year: € 61,552 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 € thousand	31.12.2020	31.12.2019
Up to 1 year	32,412	32,210
1 year to 2 years	27,739	26,599
2 years to 3 years	17,633	23,681
3 years to 4 years	13,666	14,211
4 years to 5 years	11,177	11,139
Over 5 years	43,021	35,585
	145,648	**143,425**

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	31.12.2020	31.12.2019
Guarantees	38,820	29,338
Comfort letters	0	0
	38,820	**29,338**

Within a one-year period from 31 December 2020, HHLA can make use of the existing guarantees up to a maximum amount of € 56,480 thousand.

The following other financial obligations existed on the reporting date:

Other financial obligations

in € thousand	31.12.2020	31.12.2019
Outstanding purchase commitments	125,009	119,166
Other	53,420	59,415
	178,429	**178,581**

Of the obligations from outstanding purchase commitments, € 85,030 thousand (previous year: € 87,529 thousand) is attributable to investments in property, plant and equipment and € 3,425 thousand (previous year: € 1,833 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, 82.4 % (previous year: 76.8 %) 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 € 259 thousand p.a. higher (previous year: € 384 thousand p.a.) and interest income from overnight deposits and time deposit investments would have been € 1,038 thousand p.a. higher (previous year: € 1,265 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 € 26.0 million (previous year: € 49.5 million) and maturities of up to 13 months. As of 31 December 2020, the market value was € 249 thousand (previous year: € 1,132 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 2019.

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 2020 and the corresponding historic defaults in this period. Furthermore, HHLA factors anticipated changes to the economic environment into its calculations of these losses given default. Due to the continued uncertainty in the macroeconomic environment, HHLA has increased the existing expected loss ratio for trade receivables in the 91–180-day range by 30 %. Furthermore, HHLA has observed trade receivables on a case-by-case basis and made valuation allowances where necessary. The impact on the Consolidated Financial Statements is immaterial. On this basis, the following impairment was calculated on trade receivables as of 31 December 2020 and 31 December 2019:

Determination of impairment on trade receivables as of 31 December 2020

in € thousand	not due	1 - 90 days overdue	91 - 180 days overdue	181 - 270 days overdue	271 - 360 days overdue	more than 360 days overdue	Total
Trade receivables before impairment	131,370	35,678	1,849	10	321	994	170,222
Expected losses	0.45 %	0.85 %	58.57 %	100.00 %	100.00 %	100.00 %	
Impairment of the reporting year	597	304	1,083	10	321	994	3,309
Trade receivables after impairment							**166,913**

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 days 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 previous year	130	93	51	420	226	2,299	3,219
Trade receivables after impairment							**168,127**

Impairments on trade receivables showed the following trends:

Development of the valuation allowances on trade receivables

in € thousand	**2020**	2019
Valuation allowances as of 1 January	**3,219**	**3,323**
Additions (valuation allowances recognised as expenses)	2,731	1,064
Used	- 1,263	- 601
Reversals	- 1,378	- 567
Valuation allowances as of 31 December	**3,309**	**3,219**

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 after being in arrears for 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 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 of the maturities of financial liabilities and liabilities to related parties, please refer to the table of residual maturities for non-current and current financial liabilities under Note 38 and the summary of non-current and current liabilities to related parties under Note 40.

Expected liquidity outflows due to future interest payments for loans and for liabilities from leases

	Up to 1 year		1 to 5 years		Over 5 years		Total	
in € thousand	**31.12.2020**	31.12.2019	**31.12.2020**	31.12.2019	**31.12.2020**	31.12.2019	**31.12.2020**	31.12.2019
Outflow of liquidity for future interest payments on fixed-interest loans	4,437	4,710	13,598	15,135	8,692	11,592	26,727	31,437
Outflow of liquidity for future interest payments on floating-rate loans	127	438	197	722	0	13	324	1,173
For liabilities from leases	20,633	21,854	74,059	79,625	241,557	263,081	336,249	364,560
	25,197	**27,002**	**87,854**	**95,482**	**250,249**	**274,686**	**363,300**	**397,170**

The 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 value of financial assets and financial liabilities, as well as their level in the fair value hierarchy, see also Note 6 and Note 7.

For financial assets and financial liabilities not held at fair value, there is no disclosure of the fair value in the fair value hierarchy where the carrying amount serves as a reasonable approximation of the fair value.

Financial assets as of 31 December 2020

	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		249	5,931	6,180	6,180			6,180
	0	**249**	**5,931**	**6,180**				
Financial assets not measured at fair value								
Financial assets	13,381			13,381				
Trade receivables	166,913			166,913				
Receivables from related parties	85,283			85,283				
Cash, cash equivalents and short-term deposits	126,858			126,858				
	392,435	**0**	**0**	**392,435**				

Financial liabilities as of 31 December 2020

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	**646,768**		**646,768**				
Liabilities from bank loans	295,100		295,100		295,929		295,929
Liabilities from leases	264,513		264,513				
Liabilities from Settlement obligation, non-current	23,377		23,377			23,377	23,377
Liabilities from Settlement obligation, current	24,584		24,584				
Other financial liabilities, non-current	21,083		21,083		21,083		21,083
Other financial liabilities, current	18,111		18,111				
Trade liabilities	**90,913**		**90,913**				
Liabilities to related parties	**496,701**		**496,701**				
Liabilities from leases	486,533		486,533				
Other Liabilities to related parties	10,168		10,168				
	1,234,382		**1,234,382**				

Financial assets as of 31 December 2019

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		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

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		**4,113**	**4,113**			**4,113**	**4,113**
	0	**4,113**	**4,113**				
Financial liabilities not measured at fair value							
Financial liabilities	**724,573**		**724,573**				
Liabilities from bank loans	331,787		331,787		345,487		345,487
Liabilities from leases	282,783		282,783				
Liabilities from Settlement obligation, non-current	30,492		30,492			30,492	30,492
Liabilities from Settlement obligation, current	35,170		35,170				
Other financial liabilities, non-current	30,061		30,061		30,061		30,061
Other financial liabilities, current	14,280		14,280				
Trade liabilities	**74,879**		**74,879**				
Liabilities to related parties	**522,594**		**522,594**				
Liabilities from leases	509,928		509,928				
Other Liabilities to related parties	12,666		12,666				
	1,322,046	**0**	**1,322,046**				

If 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.

Changes in value were reported under financial income in the income statement on financial assets in the amount of € 249 thousand (previous year: € 1,132 thousand) that are held at fair value through profit and loss, see Note 16.

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 and other financial liabilities, non-current)	Discounted cash flows	Not applicable
Financial liabilities (liabilities from settlement obligations, non-current)	Discounted cash flows	Annual result (estimated)

There was no reclassification between the individual valuation levels in the reporting year.

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 subsidiaries, associates and joint ventures in the Group 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	**2020**	2019	**2020**	2019	**31.12.2020**	31.12.2019	**31.12.2020**	31.12.2019
Companies with control over the Group	1,286	104	780	1,070	82,262	95,464	0	0
Non-consolidated subsidiaries	0	0	353	352	0	79	51	111
Joint ventures	19,582	20,375	15,299	15,553	2,344	2,472	8,651	6,501
Associated companies	200	551	0	0	79	30	77	77
Other transactions with related parties	6,024	7,119	9,429	9,826	598	760	487,922	515,905
	27,092	**28,149**	**25,861**	**26,801**	**85,283**	**98,805**	**496,701**	**522,594**

The receivables from companies with a controlling interest mainly relate to receivables from cash clearing with HGV, see Note 29. HHLA's receivables accrued interest at a rate of 0.00 % p.a. (previous year: 0.00 % p.a.) in the reporting period.

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.

Lease liabilities, primarily for the lease of land and quay walls from Hamburg Port Authority (HPA), are included in other transactions with related parties. 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: € 103,000 thousand), of which approx. € 40,453 thousand was still outstanding on the balance sheet date (previous year: € 46,246 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.

On 28 December 2020, HHLA concluded two agreements related to spaces leased by HHLA from HPA in the O'Swaldkai terminal. These consist of a three-party agreement ("Trilateral Agreement") with HPA and FHH and an amendment contract to an existing lease contract between HHLA and HPA ("Amendment Contract"). HHLA's Supervisory Board has given its consent to the Trilateral Agreement and the Amendment Contract.

The Trilateral Agreement and Amendment Contract regulate the following:

As a result of FHH's planned urban development of the Grasbrook district and with the aim of securing the location for HHLA for the long term, the areas that HHLA leases at the O'Swaldkai terminal will be reduced in size; in exchange, the lease agreement for the remaining areas will be extended ahead of time until 2049. During this process, there will also be a partially retroactive, future adjustment of the annual net basic lease fee. Taking into account the reduction in area, the present value of lease payments for the term of the amended lease agreement is € 99.1 million. HHLA will receive financial compensation, especially for the early return of sub-areas and to carry out necessary modification measures to ensure that its operations at the O'Swaldkai terminal can be maintained at the same level. The compensation is capped at a maximum of € 120 million, including value added tax. Under certain circumstances, this amount may be increased by up to € 10 million, including value added tax. The precise amount will be determined by an independent appraiser. The Trilateral Agreement and Amendment Contract are contingent upon conditions precedent being met.

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.

The disclosures on the amount of equity and the earnings of the individual companies published in the list of shareholdings in the 2020 financial year will be included with the previous year's dates for foreign companies. This is due to a delay in the preparation process for the Consolidated Financial Statements.

List of HHLA's shareholdings by business sector as of 31 December 2020

Name and headquarters of the company	Share of capital held directly in %	Share of capital held indirectly in %	Equity in € thousand	Result for the financial year: Year	Result for the financial year in € thousand
Port Logistics subgroup					
Container segment					
HHLA Container Terminal Burchardkai GmbH, Hamburg[1, 2, 3b]	100.0		76,961	2020	0
Service Center Burchardkai GmbH, Hamburg[1, 2, 3c]		100.0	26	2020	0
HCCR Hamburger Container- und Chassis-Reparatur-Gesellschaft mbH, Hamburg[1, 2, 3b]	100.0		1,942	2020	0
HHLA Container Terminal Tollerort GmbH, Hamburg[1, 2, 3b]	100.0		34,741	2020	0
HHLA Rosshafen Terminal GmbH, Hamburg[1, 2, 3a]		100.0	26,208	2020	0
HHLA Container Terminal Altenwerder GmbH, Hamburg[1, 2, 3b]	74.9		80,433	2020	0
SCA Service Center Altenwerder GmbH, Hamburg[1, 2, 3c]		74.9	601	2020	0
Kombi-Transeuropa Terminal Hamburg GmbH, Hamburg[4]		37.5	320	2020	135
HVCC Hamburg Vessel Coordination Center GmbH, Hamburg[4]	66.0		100	2020	0
CuxPort GmbH, Cuxhaven[4]	25.1		14,421	2019	940
Cuxcargo Hafenbetrieb GmbH & Co. KG, Cuxhaven[5]	50.0		42	2020	4
Cuxcargo Hafenbetrieb Verwaltungs-GmbH, Cuxhaven[5]	50.0		13	2020	0
DHU Gesellschaft Datenverarbeitung Hamburger Umschlagsbetriebe mbH, Hamburg[4]	40.4		1,148	2020	371
HHLA International GmbH, Hamburg[1, 2, 3b]	100.0		8,360	2020	0
HHLA TK Estonia AS, Tallinn/Estland[1]		100.0	59,314	2019	3,085
SC Container Terminal Odessa, Odessa/Ukraine[1]		100.0	60,033	2019	13,408
Intermodal segment					
CTD Container-Transport-Dienst GmbH, Hamburg[1, 2, 3c]	100.0		1,256	2020	0
HHLA Project Logistics LLC, Poti/Georgien[1]		75.0	1,667	2019	423
LLC "HHLA Intermodal Ukraine", Odessa/Ukraine[1]		100.0	–	2019	–
LLC "Ukrainian Intermodal Company", Odessa/Ukraine[1]		100.0	–	2019	–
METRANS a.s., Prag/Tschechien[1]	100.0		286,442	2019	57,829
METRANS Adria D.O.O., Koper/Slowenien[1]		100.0	1,291	2019	471
METRANS (Danubia) a.s., Dunajská Streda/Slowakei[1]		100.0	108,729	2019	15,600
METRANS (Danubia) Kft., Győr/Ungarn[1]		100.0	2,001	2019	465
METRANS Danubia Krems GmbH, Krems an der Donau/Österreich[1]		100.0	552	2019	107
METRANS D.O.O., Rijeka/Kroatien[1, 5]		100.0	11	2019	3
METRANS DYKO Rail Repair Shop s.r.o., Prag/Tschechien[1]		100.0	6,670	2019	928
METRANS İSTANBUL STI, Istanbul/Türkei[1]		100.0	- 73	2019	- 5
METRANS Konténer Kft., Budapest/Ungarn[1]		100.0	10,254	2019	1,325
METRANS (Polonia) Sp.z o.o, Warschau/Polen[1]		100.0	8,850	2019	3,459
METRANS Rail s.r.o., Prag/Tschechien[1]		100.0	3,832	2019	3,331
METRANS Rail (Deutschland) GmbH, Leipzig[1]		100.0	9,111	2020	2,088
METRANS Umschlagsgesellschaft mbH, Hamburg[1]		100.0	22	2020	- 3
TIP Žilina, s.r.o., Dunajská Streda/Slowakei[1]		100.0	- 2,334	2019	- 2,325
UniverTrans Kft., Budapest/Ungarn[1]		100.0	2,369	2019	758
METRANS Railprofi Austria GmbH, Krems an der Donau/Österreich[1]		80.0	1,260	2019	1,190
IPN Inland Port Network Verwaltungsgesellschaft mbH, Hamburg[5]	50.0		43	2020	2
IPN Inland Port Network GmbH & Co. KG, Hamburg[5]	50.0		60	2020	- 3

Name and headquarters of the company	Share of capital held directly in %	indirectly in %	Equity in € thousand	Result for the financial year Year	in € thousand
Logistics segment					
Bionic Production GmbH, Lüneburg[1]	50.1		3,167	2020	- 2,314
HPC Hamburg Port Consulting GmbH, Hamburg[1, 2, 3a]	100.0		1,023	2020	0
UNIKAI Lagerei- und Speditionsgesellschaft mbH, Hamburg, Hamburg[1]	51.0		9,993	2020	548
ARS-UNIKAI GmbH, Hamburg[4]		25.5	36	2020	- 14
HHLA Sky GmbH, Hamburg[1]	100.0		54	2020	- 2,282
Third Element Aviation GmbH, Bielefeld[4]		29.7	356	2020	- 11
modility GmbH, Hamburg[1]	100.0		1,428	2020	- 322
HHLA Frucht- und Kühl-Zentrum GmbH, Hamburg[4]	51.0		20,366	2020	38
Ulrich Stein Gesellschaft mit beschränkter Haftung, Hamburg[4]	51.0		914	2020	311
Hansaport Hafenbetriebsgesellschaft mit beschränkter Haftung, Hamburg[3b, 4]	49.0		n/a	2020	n/a
Hyperport Cargo Solutions GmbH i.G., Hamburg[4]	50.0		–	2020	–
Spherie UG (haftungsbeschränkt), Hamburg[4]	25.1		316	2019	- 375
Holding/other					
GHL Zweite Gesellschaft für Hafen- und Lagereiimmobilien-Verwaltung mbH, Hamburg[1, 2, 3c]	100.0		3,609	2020	0
HHLA-Personal-Service GmbH, Hamburg[1, 2, 3b]	100.0		45	2020	0
Real Estate subgroup					
Real Estate segment					
Fischmarkt Hamburg-Altona Gesellschaft mit beschränkter Haftung, Hamburg[1, 2, 3a]	100.0		4,518	2020	0
HHLA Immobilien Speicherstadt GmbH, Hamburg[1, 5]	100.0		37	2020	- 59
HHLA 1. Speicherstadt Immobilien GmbH & Co. KG, Hamburg[1, 3d]	100.0		14,305	2020	1,263
HHLA 2. Speicherstadt Immobilien GmbH & Co. KG, Hamburg[1, 3d]	100.0		69,185	2020	6,647

1 Controlled companies.

2 Profit and loss transfer agreements were held in these companies in 2020.

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 overall minor importance of these companies, they are not recognised in the consolidated financial statements or accounted for using the equity method, instead, they are reported as shares in affiliated companies or as other participations.

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 2020 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	**2020**	2019	**2020**	2019
Short-term remuneration	3,182	3,060	312	306
of which is non-perfomance-related	1,620	1,565	–	–
of which is perfomance-related	1,562	1,495	–	–
Benefits due after termination of the contract	1,537	3,050	–	–
	4,719	**6,110**	**312**	**306**

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

In the 2020 financial year, the short-term benefits payable to the Supervisory Board totalled € 312 thousand (previous year: € 306 thousand). Fixed basic salaries accounted for € 197 thousand (previous year: € 192 thousand) of this, remuneration for committee work made up € 77 thousand (previous year: € 75 thousand) and € 38 thousand (previous year: € 39 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 € 11,471 thousand (previous year: € 9,831 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	**31.12.2020**	31.12.2019
Angela Titzrath	3,260	2,451
Dr. Roland Lappin	4,017	3,756
	7,277	**6,207**

Former members of the Executive Board

Benefits totalling € 1,139 thousand (previous year: € 1,097 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 € 30,329 thousand (previous year: € 28,784 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 16 December 2019. 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 2020 and on 11 December 2020 issued the 2020 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. The other certification services primarily encompass the review of the non-financial report pursuant to ISAE 3000 (revised), the review of the compliance management system as well as the review of key financial figures, in particular according to the Renewable Energy Sources Act (EEG) and the Combined Heat and Power Act (KWKG). The tax advisory services include training services on reporting obligations in connection with international tax structuring. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft was appointed as the auditor for the 2020 financial year, as in the previous year.

Auditing fees

in € thousand	**2020**	2019
Audit of financial statements	557	536
Other certification services	68	43
Tax advisory services	10	0
Other services	0	37
	635	**616**

52. Events after the balance sheet date

The acquisition by HHLA International GmbH of 50.01 % of shares in the multi-function terminal Piattaforma Logistica Trieste (PLT) in Trieste, Italy – as announced in September 2020 – was completed on 7 January 2021. The handling facility will operate as HHLA PLT Italy.

Furthermore, the acquisition by Hamburger Hafen und Logistik Aktiengesellschaft (HHLA) of 80.0 % of shares in iSAM AG, Mülheim an der Ruhr, was completed after the balance sheet date on 19 January 2021.

Both companies will be included in HHLA's group of consolidated companies as of 31 March 2021. For further information, please refer to Note 3.

There were no other events of special significance after the balance sheet date of 31 December 2020.

Hamburg, 15 March 2021

Hamburger Hafen und Logistik Aktiengesellschaft

The Executive Board

Angela Titzrath | Jens Hansen | Dr. Roland Lappin | Torben Seebold

Annual financial statements of HHLA AG

The Annual Financial Statements and Combined Management Report of Hamburger Hafen und Logistik Aktiengesellschaft, Hamburg, for the 2020 financial year have been prepared according to the provisions of German commercial law and have been endorsed with an unqualified auditor's opinion by the auditors of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

Income statement for the period from 1 January to 31 December 2020

in €	**2020**	2019
Revenue	133,493,943.37	135,967,384.49
Increase or decrease in work in progress	105,468.11	109,495.96
Own work capitalised	655,771.79	1,957,070.30
Other operating income	1,984,131.21	1,975,209.15
of which income from translation differences	35,790.60	27,699.45
Cost of materials	13,289,876.55	12,976,431.36
Expenses for raw materials, consumables, supplies and purchased merchandise	6,649,719.08	6,117,010.40
Expenses for purchased services	6,640,157.47	6,859,420.96
Personnel expenses	105,629,192.12	104,517,016.02
Wages and salaries	92,061,979.17	93,420,439.17
Social security contributions and expenses for pension and similar benefits	13,567,212.95	11,096,576.85
of which for pensions	- 1,688,757.89	- 4,040,547.65
Depreciation and amortisation on intangible fixed assets and property, plant and equipment	4,741,915.26	4,284,374.49
Other operating expenses	84,428,005.94	45,419,995.05
of which expenses from translation differences	42,539.21	45,202.10
Income from profit transfer agreements	62,462,586.74	76,635,365.54
Income from equity participations	52,975,480.68	75,927,461.35
of which from affiliated companies	48,731,638.03	71,322,068.73
Other interest and similar income	3,910,849.49	3,273,618.09
of which from affiliated companies	3,868,910.52	3,257,748.45
Depreciation and amortisation on financial assets	166,488.30	1,354.41
Expenses from assumed losses	20,541,820.77	9,180,190.35
Interest and similar expenses	27,636,182.32	31,813,989.43
of which from accrued interest	24,219,021.54	28,635,598.85
Taxes on income	- 11,860,691.87	11,730,494.82
of which income from the change unrecognised taxes	23,136,730.52	5,970,245.62
Profit after tax	**11,015,442.00**	**75,921,758.95**
Other taxes	160,501.03	163,378.44
Net profit for the year	**10,854,940.97**	**75,758,380.51**
Profit carried forward from the previous year	219,363,530.44	205,323,667.13
Dividend distributed	54,713,633.80	61,718,517.20
Unappropriated profit	**175,504,837.61**	**219,363,530.44**

Balance sheet as of 31 December 2020

in €	31.12.2020	31.12.2019
ASSETS		
Intangible assets		
Internally generated industrial and similar rights and values	7,554,946.10	8,292,258.01
Purchased software	667,840.50	1,297,897.46
Assets in development	15,360,344.10	14,038,255.68
	23,583,130.70	**23,628,411.15**
Property, plant and equipment		
Land, equivalent land rights and buildings, including buildings on leased land	4,308,873.28	5,021,265.41
Technical equipment and machinery	969,190.94	1,033,230.27
Other plant, operating and office equipment	3,272,261.95	2,723,386.93
Payments made on account and plant under construction	385,148.22	0.00
	8,935,474.39	**8,777,882.61**
Financial assets		
Interests in affiliated companies	426,119,324.71	428,621,877.58
Loans to affiliated companies	5,500,000.00	6,000,000.00
Equity investments	9,364,387.19	9,165,875.49
Non-current securities	715,785.13	688,137.55
	441,699,497.03	**444,475,890.62**
Non-current assets	**474,218,102.12**	**476,882,184.38**
Inventories		
Raw materials, consumables and supplies	245,314.50	177,887.75
Work in progress	747,312.27	641,844.16
	992,626.77	**819,731.91**
Receivables and other assets		
Trade receivables	1,079,427.43	1,562,395.25
Receivables from the Free and Hanseatic City of Hamburg	250.00	0.00
Receivables from the HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg	82,000,000.00	95,000,000.00
Receivables from affiliated companies	468,521,236.06	436,698,236.72
Receivables from investee companies	0.00	30,000.00
Other assets	8,211,348.89	9,494,861.65
thereof with a maturity of more than one year	66,568.00	11,204.00
	559,812,262.38	**542,785,493.62**
Cash and cash equivalents	**92,754,484.24**	**112,276,338.48**
Current assets	**653,559,373.39**	**655,881,564.01**
Accruals and deferrals	**1,024,319.17**	**678,921.92**
Deferred tax assets	**86,642,059.56**	**61,963,762.26**
Balance sheet total	**1,215,443,854.24**	**1,195,406,432.57**

in €	31.12.2020	31.12.2019
EQUITY AND LIABILITIES		
Equity		
Subscribed capital		
Port Logistics subgroup	71,700,215.00	70,048,834.00
Real Estate subgroup	2,704,500.00	2,704,500.00
	74,404,715.00	**72,753,334.00**
Capital reserve		
Port Logistics subgroup	160,285,484.69	136,771,470.63
Real Estate subgroup	506,206.26	506,206.26
	160,791,690.95	**137,277,676.89**
Statutory reserve		
Port Logistics subgroup	5,125,000.00	5,125,000.00
Real Estate subgroup	205,000.00	205,000.00
	5,330,000.00	**5,330,000.00**
Other earnings reserves		
Port Logistics subgroup	57,218,380.36	56,105,325.36
Real Estate subgroup	1,322,353.86	1,322,353.86
	58,540,734.22	**57,427,679.22**
Retained earnings	**63,870,734.22**	**62,757,679.22**
Unappropriated profit		
Port Logistics subgroup	137,107,716.31	181,303,432.76
Real Estate subgroup	38,397,121.30	38,060,097.68
	175,504,837.61	**219,363,530.44**
Equity	**474,571,977.78**	**492,152,220.55**
Provisions		
Provisions for pensions and similar obligations	334,760,818.15	330,109,748.67
Tax provisions	2,107,471.28	3,433,423.21
Other provisions	87,512,153.67	47,072,415.24
	424,380,443.10	**380,615,587.12**
Liabilities		
Liabilities from bank loans	166,180,586.77	166,203,904.87
Payments on account	709,028.27	586,458.16
Trade liabilities	3,428,756.93	3,484,713.57
Liabilities towards the Free and Hanseatic City of Hamburg	9,946.67	558.79
Liabilities towards affiliated companies	82,738,215.55	78,202,268.88
Liabilities towards investee companies	6,254,298.23	3,892,730.35
Other liabilities	47,348,407.76	60,874,308.88
of which from taxes	8,467,933.09	2,656,592.42
of which for social security	291,858.39	453,238.79
	306,669,240.18	**313,244,943.50**
Deferred tax liabilities	**9,822,193.18**	**9,393,681.40**
Balance sheet total	**1,215,443,854.24**	**1,195,406,432.57**

Independent auditor's report

The following copy of the auditor's report also includes a "Report on the audit of the electronic renderings of the financial statements and the management report prepared for disclosure purposes in accordance with § 317 Abs. 3b HGB" ("Separate report on ESEF conformity"). The subject matter (ESEF documents) to which the Separate report on ESEF conformity relates is not attached. The audited ESEF documents can be inspected in or retrieved from the Federal Gazette.

To Hamburger Hafen und Logistik Aktiengesellschaft, Hamburg

Report on the audit of the consolidated financial statements and of the group management report

Audit Opinions

We have audited the consolidated financial statements of Hamburger Hafen und Logistik Aktiengesellschaft, Hamburg, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Hamburger Hafen und Logistik Aktiengesellschaft, which is combined with the Company's management report, for the financial year from January 1 to December 31, 2020. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2020, and of its financial performance for the financial year from January 1 to December 31, 2020, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") 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 Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities 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) point (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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

1. Recoverability of goodwill
2. Recognition and measurement of pension obligations and other termination benefits as well as plan assets
3. Restructuring measures

Our presentation of these key audit matters has been structured in each case as follows:

1. Matter and issue
2. Audit approach and findings
3. Reference to further information

Hereinafter we present the key audit matters:

1. Recoverability of goodwill

1. In the Company’s consolidated financial statements goodwill amounting in total to EUR 51,499 thousand (2.0 % of total assets) is reported under the "Intangible assets" balance sheet item. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. Impairment testing is carried out at the level of the groups of cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally calculated on the basis of fair value less costs of disposal. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. The present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. These projections also factor in expectations as to the future development of the market and assumptions as to the development of macroeconomic variables, as well as the expected impacts of the ongoing coronavirus crisis on the Group’s business. The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. The impairment test determined that, even after taking into account the fair value less costs of disposal, it was necessary to recognize write-downs amounting to a total of EUR 4,037 thousand with respect to the Bionic cash-generating unit.

The outcome of this valuation is dependent to a large extent not only on the estimates made by the executive directors with respect to the future cash inflows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions but also the impacts of the coronavirus pandemic, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

2. As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash inflows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In this context, we also assessed the executive directors’ estimate as to the impact of the coronavirus pandemic on the Group’s business and evaluated how this was taken into consideration in calculating the future cash inflows. In addition, we assessed the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we also focused our testing on the parameters used to determine the discount rate applied, and assessed the calculation model.

In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. We verified that the necessary disclosures were made in the notes relating to the cash-generating unit for which a reasonably possible change in an assumption would result in the recoverable amount falling below the carrying amount of the cash-generating unit including the allocated goodwill.

Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

3. The Company’s disclosures on goodwill are contained in the section entitled "Intangible assets" of the notes to the consolidated financial statements.

2. Recognition and measurement of pension obligations and other termination benefits as well as plan assets

1. In the Company’s consolidated financial statements obligations from pensions, capital plans and working lives amounting to EUR 531,144 thousand (20.5 % of total assets) are reported under the "Pension provisions" balance sheet item, comprising the net amount of the obligations from various pension plans and obligations from capital plans and working lives amounting to EUR 531,378 thousand and the fair value of plan assets amounting to EUR 234 thousand. The majority of these provisions relate to old-age and transitional pension commitments in Germany. Obligations under defined benefit plans are measured using the projected unit credit method. This requires assumptions to be made in particular about long-term rates of growth in salaries and pensions, average life expectancy, and staff turnover. The average life expectancy was calculated as of December 31, 2020 based on the mortality tables published by Heubeck-Richttafeln GmbH (Heubeck 2018 G mortality tables). Furthermore, the discount rate must be determined by reference to the yield on high-quality corporate bonds with matching currencies and consistent maturities. This usually requires the data to be extrapolated, since sufficient long-term corporate bonds do not exist. The plan assets are measured at fair value, which in turn involves estimation uncertainties.

From our point of view, these matters were of particular significance in the context of our audit because the recognition and measurement of this significant item in terms of its amount are based to a large extent on estimates and assumptions made by the Company’s executive directors.

2. As part of our audit we evaluated the actuarial expert reports obtained and the professional qualifications of the external experts, among other things. We also examined the specific features of the actuarial calculations and assessed the numerical data, the actuarial parameters and the valuation methods on which the valuations were based for compliance with the standard and appropriateness, in addition to other procedures. In addition, we analyzed the development of the obligation and the cost components in accordance with actuarial expert reports in the light of changes occurring in the valuation parameters and the numerical data, and assessed their plausibility. For the purposes of our audit of the fair value of the plan assets, we obtained bank and fund confirmations.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

3. The disclosures relating to pension obligations and other post-employment benefits as well as plan assets are contained in the section entitled "Pension provisions" of the notes to the consolidated financial statements.

3. Restructuring measures

1. The Company resolved restructuring measures in financial year 2020 as part of an efficiency program to enhance its competitiveness. In the consolidated financial statements restructuring provisions amounting to EUR 44,376 thousand (1.7 % of total assets) in respect of these measures are reported under the "Other provisions" balance sheet item. This efficiency program is designed to permanently reduce personnel expenses. Among other measures set out in the program, the number of employees will be reduced. In financial year 2020, the Company reached agreement with the employee representative committees on a program to implement the restructuring in a socially responsible manner by means of partial retirement arrangements. These partial retirement arrangements, with pro rata release from duties while still in the active phase, form the basis of the Company’s planned staff reductions. In order for a restructuring provision to be recognized, the general recognition criteria for provisions pursuant to IAS 37.14 must be satisfied, which are further specified for restructuring measures within the meaning of IAS 37.10 by the regulations in IAS 37.70 *et seq.* The provisions of IAS 19.153ff. are to be applied for the valuation of the partial retirement arrangements on which the restructuring is based. The Company consequently recognized a restructuring provision after reaching an agreement with the employee representative committees in 2020. In our view, this matter was of particular significance in the context of our audit as the recognition of restructuring provisions is to a large extent based on estimates and assumptions made by the executive directors and these have a significant influence on the recognition and/or amount of any provisions to be recognized.

2. As part of our audit, we assessed whether the individual recognition criteria were met and whether the measurement of the restructuring provision was appropriate. To that end, we obtained and evaluated relevant evidence from the executive directors of the Company. We also assessed the information that the employee representatives had received from the executive directors. In addition, we considered the measurements of the individual components of provisions carried out by the Company with respect to their appropriateness and methodology and the transparency of the values determined. At the same time, we obtained an understanding of the underlying source data, value parameters and assumptions made, evaluated those factors critically and assessed whether they lay within a reasonable range. We furthermore reviewed on a test basis the correctness of the source data input into the calculations. We were able to satisfy ourselves that the matter and the estimates and assumptions made by the executive directors in connection

with the recognition and measurement of a restructuring provision were sufficiently documented and substantiated. Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

3. The Company's disclosures relating to restructuring provisions are contained in the section entitled "Other non-current and current provisions" in the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in the "Corporate Governance" section of the group management report
- the separate non-financial report pursuant to § 289b Abs. 3 HGB and § 315b Abs. 3 HGB.

The other information comprises further the remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

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

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

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

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

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 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 on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than 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 consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit 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 Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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 consolidated 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 § 317 Abs. 3b HGB on the Electronic Reproduction of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes

Reasonable Assurance Conclusion

We have performed an assurance engagement in accordance with § 317 Abs. 3b HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the attached electronic file hhlaag_KA_LB_ESEF-2020-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 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 consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within this reproduction nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the group management report contained in the above-mentioned attached electronic file and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 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 electronic file beyond this reasonable assurance conclusion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 1 to December 31, 2020 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above.

Basis for the Reasonable Assurance Conclusion

We conducted our assurance engagement on the reproduction of the consolidated financial statements and the group management report contained in the above mentioned attached electronic file in accordance with § 317 Abs. 3b HGB and the Exposure Draft of IDW Assurance Standard: Assurance in Accordance with § 317 Abs. 3b HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (ED IDW AsS 410) and the International Standard on Assurance Engagements 3000 (Revised). Accordingly, our responsibilities are further described below in the "Group Auditor's Responsibilities for the Assurance Engagement on the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The executive directors of the Company are also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited consolidated financial statements and audited group 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.

Group Auditor's Responsibilities for the Assurance Engagement on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance engagement. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 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 assurance engagement on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance 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 the Delegated Regulation (EU) 2019/815 in the version applicable as at the balance sheet date on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on August 20, 2020. We were engaged by the supervisory board on December 21, 2020. We have been the group auditor of Hamburger Hafen und Logistik Aktiengesellschaft, Hamburg, without interruption since the financial year 2016.

We declare that the audit 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 Christoph Fehling.

Hamburg, March 17, 2021

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Christoph Fehling
Wirtschaftsprüfer
(German Public Auditor)

sgd. ppa. Martin Kleinfeldt
Wirtschaftsprüfer
(German Public Auditor)

Assurance of the legal representatives

To the best of our knowledge, and in accordance with the applicable accounting principles for financial reporting, the Consolidated Financial Statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the coming financial year.

Hamburg, 15 March 2021

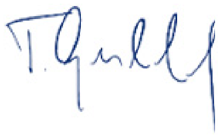
Hamburger Hafen und Logistik Aktiengesellschaft

The Executive Board

Angela Titzrath

Jens Hansen

Dr. Roland Lappin



Torben Seebold