



GATEWAY TO THE
FUTURE

HALF-YEAR FINANCIAL REPORT

2020 HAMBURGER HAFEN UND LOGISTIK AG
JANUARY TO JUNE



Key figures

		HHLA Group		
in € million		1-6 2020	1-6 2019	Change
Revenue and earnings				
Revenue		628.4	693.7	- 9.4 %
EBITDA		140.1	192.9	- 27.4 %
EBITDA margin in %		22.3	27.8	- 5.5 pp
EBIT		55.5	114.3	- 51.5 %
EBIT margin in %		8.8	16.5	- 7.7 pp
Profit after tax		26.1	72.9	- 64.2 %
Profit after tax and minority interests		14.1	54.7	- 74.2 %
Cash flow statement and investments				
Cash flow from operating activities		159.8	173.1	- 7.7 %
Investments		89.0	110.9	- 19.7 %
Performance data				
Container throughput in thousand TEU		3,345	3,770	- 11.3 %
Container transport in thousand TEU		718	782	- 8.2 %

in € million		30.06.2020	31.12.2019	Change
Balance sheet				
Balance sheet total		2,631.8	2,610.0	0.8 %
Equity		589.7	578.9	1.9 %
Equity ratio in %		22.4	22.2	0.2 pp
Employees				
Number of employees		6,252	6,296	- 0.7 %

in € million	Port Logistics subgroup ^{1,2}			Real Estate subgroup ^{1,3}		
	1-6 2020	1-6 2019	Change	1-6 2020	1-6 2019	Change
Revenue	614.2	677.5	- 9.3 %	18.0	19.9	- 9.5 %
EBITDA	130.4	180.7	- 27.8 %	9.7	12.2	- 20.8 %
EBITDA margin in %	21.2	26.7	- 5.5 pp	53.5	61.2	- 7.7 pp
EBIT	49.1	105.6	- 53.5 %	6.1	8.5	- 27.8 %
EBIT margin in %	8.0	15.6	- 7.6 pp	34.0	42.7	- 8.7 pp
Profit after tax and minority interests	10.7	49.8	- 78.6 %	3.4	4.9	- 29.3 %
Earnings per share in € ⁴	0.15	0.71	- 78.6 %	1.27	1.80	- 29.3 %

¹ Before consolidation between subgroups

² Listed class A shares

³ Non-listed class S shares

⁴ Basic and diluted

Contents

To our shareholders **2**

- 2 The HHLA share
- 3 Letter to the shareholders

Interim management report **4**

- 4 Economic environment
- 5 Course of business and economic situation
 - 5 Significant events and transactions
 - 5 Earnings position
 - 6 Financial position
- 7 Segment performance
 - 7 Container segment
 - 8 Intermodal segment
 - 8 Logistics segment
 - 9 Real Estate segment
- 9 Employees
- 10 Business forecast
- 10 Risk and opportunity report

Interim financial statements **11**

- 11 Income statement / Statement of comprehensive income
- 16 Balance sheet
- 19 Cash flow statement
- 22 Statement of changes in equity
- 28 Segment report
- 30 Condensed notes

- 38 Responsibility statement
- 39 Review report

- 41 Financial calendar / Imprint

To our shareholders

The HHLA share

Stock market data

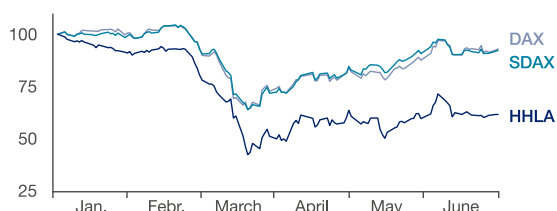
31.12.2019 – 30.06.2020	HHLA	SDAX	DAX
Change	- 38.5 %	- 7.8 %	- 7.1 %
Closing 31.12.2019	24.54	12,512	13,249
Closing 30.06.2020	15.08	11,536	12,311
High	24.54	13,067	13,789
Low	10.37	7,996	8,442

Markets dominated by coronavirus

In the first half of 2020, market trading was fundamentally shaped by the development of the coronavirus pandemic. Following a new all-time high of almost 13,800 points for the German benchmark index in mid-February, stock markets around the world suffered historic collapses in March as a result of the global coronavirus pandemic. In mid-March, the DAX fell to almost 8,200 points during intraday trading. By April, however, the markets were already starting to recover. In addition to the measures put in place by the major central banks, the economic rescue packages of several governments raised hopes that the economic impact of the pandemic could be held in check. However, any positive news – for example regarding reinfection rates – was frequently offset by devastating economic data. In such an environment, investors were highly unsettled. Despite the cautiously positive trend of the second quarter, the indices were always accompanied by a high degree of market anxiety. From June onwards, the DAX stabilised above the 12,000-point mark and closed at 12,311 on 30 June 2020. It was therefore 7.1 % down in the first half-year.

Share price development January to June 2020

Closing prices indexed in %



Source: Datastream

HHLA share under pressure as logistics stock

The HHLA share also suffered from the tremendous turmoil on the financial markets in the opening quarter of 2020, registering a historic low of € 10.37 in mid-March. The dividend proposal published in late March as part of financial reporting for 2019 was positively received by the market. As a result, the share price recovered slightly in April despite the negative

outlook for the 2020 financial year. Shortly before the figures for the first quarter of 2020 were published in mid-May, the share price recovery lost some of its momentum. As expected by the market, the results for the first three months were negative. The guidance for 2020 was confirmed. Although the HHLA share reflected the general market recovery from mid-May onwards, it failed to benefit from the upward trend to the same degree as the benchmark indices. The share price stabilised at around € 15 as of mid-June. At the end of the first half-year, the share was quoted at € 15.08 and was thus 38.5 % down on the start of the year. For more information on the share price performance and on the HHLA share, please visit [hhla.de/en/investors](https://www.hhla.de/en/investors)

Virtual Annual General Meeting

The Annual General Meeting originally planned for 10 June was postponed until 20 August 2020. In order to protect the health of the shareholders and HHLA employees in light of the coronavirus pandemic, the Annual General Meeting will take place virtually this year, without the need for physical attendance by the shareholders or their proxies. This decision is based on the Act to Mitigate the Consequences of the COVID-19 Pandemic, passed on 28 March 2020. The Executive Board will recommend to the Annual General Meeting a dividend of € 0.70 (previous year: € 0.80) per listed class A share. This corresponds to a year-on-year dividend decrease of 12.5 %. This recommendation enables HHLA to remain faithful to the dividend policy it has followed since its initial public offering in 2007, which stipulates a distribution of 50 to 70 % of the net profit. HHLA is also offering shareholders a choice of how to receive their dividend (scrip dividend). Beneficiaries can opt to receive the dividend in cash as usual or in the form of additional shares, thus increasing their stake in the company. For more information about the Annual General Meeting and the scrip dividend, please visit www.hhla.de/agm

Dialogue with capital market actively maintained

The Investor Relations department continued its proactive communication activities in the first half of 2020 and held a large number of discussions with analysts and investors. From March onwards, technical solutions such as video calls or virtual conferencing were used more frequently in order to maintain the close dialogue with capital markets. Discussions focused on the effects of the coronavirus pandemic, e.g. the utilisation of terminals, the handling of planned investments and potential cost-cutting measures. As of 30 June 2020, a dozen financial analysts covered the development of the HHLA share. The level of research coverage thus remained at a good level for an SDAX share. Five of these analysts recommend buying and five holding the HHLA share. Two recommend selling.

Ladies and gentlemen,

We can already justifiably say that 2020 is a historic year. The coronavirus pandemic poses an unprecedented challenge for people, companies and entire countries. And the response to this threat has also been unique in human history.

It starts with every single one of us in our role as private individuals and employees. Together, we can hold the virus in check by observing social distancing rules and maintaining good hygiene. By strictly complying with these rules and displaying both responsibility and tremendous flexibility, our staff are helping to ensure that HHLA remains fully operational.

The same goes for us as a company. Together, we experienced an extensive lockdown of social and economic activity during the second quarter. The resulting impact on the economy is now clearly reflected in our results. Revenue, EBITDA and EBIT all fell strongly during the second quarter. Despite the strains placed on us by the pandemic, we still have sufficient liquidity to meet our payment obligations.

HHLA stands by its promises to shareholders. In spite of a challenging financial year, we still intend to share the success of the previous year with our shareholders.

We have responded to this development by making prudent cost reductions and displaying restraint in our capital expenditure. As a terminal operator and rail logistics company – and thus part of the nation's critical infrastructure – we have ensured the reliable handling of goods at our terminals in Hamburg, Odessa and Tallinn at all times. Despite reduced transport volumes, our trains have reliably criss-crossed Europe with great frequency. We have thus consistently upheld our responsibility to maintain supply routes in Germany and Europe.

By implementing the necessary measures, governments are also doing their part to soften the economic blow, to support companies and consumers and to boost the economy. Hopes of a V-shaped recovery however have turned out to be overly optimistic: economic research institutes are forecasting a more gradual recovery over the second half of 2020 – a scenario that we also regard as more realistic for HHLA.

Besides all the challenges the year has presented us with so far, we have continued to work on securing HHLA's future viability. Over the past few months, the company has become even more digital. As one of the first ports worldwide, we have developed solutions for our Hamburg container terminals that



use machine learning to predict the dwell time of containers at the terminal. We will use these and other technologies to optimise our processes and boost efficiency.

HHLA stands by its promises to shareholders. In spite of a challenging financial year, we still intend to share the success of the previous year with our shareholders. Rather than receiving the usual cash payment of the proposed dividend for our record year 2019, shareholders can opt to receive class A shares in the company instead. In times of zero or negative interest, we want to use this innovative model for dividend distribution to give our shareholders the opportunity to quickly and easily reinvest their capital in the company. The decision to receive the dividend in the form of shares helps preserve HHLA's liquidity and thus provides additional scope for us as a company to drive HHLA's successful development. Our largest shareholder, the Free and Hanseatic City of Hamburg, supports this proposal. I hope that the Annual General Meeting on 20 August will also follow this joint proposal of the Executive Board and Supervisory Board.

You can rest assured that we will do everything necessary in this current situation to steer HHLA safely through these turbulent waters. Our eyes are firmly trained on the compass, which is set to sustainability, efficiency and growth.

Yours,

Angela Titzrath
Chairwoman of the Executive Board

Interim management report

Economic environment

Macroeconomic development

Global economic activity fell dramatically during the first half of the year as a result of the coronavirus pandemic. According to the latest estimates of the International Monetary Fund (IMF), the economic impact was even more severe than initially expected. While the downturn reached historic proportions in the advanced economies during the first half-year, the effects were not quite so dramatic in the emerging and developing nations due to China's development. The Chinese economy has already pulled out of recession: following a decline of 6.8 % in the first quarter, the Statistical Office in Beijing reported a return to economic growth of 3.2 % for the second quarter. By contrast, the coronavirus is still spreading in other emerging markets such as Brazil and Russia, whose economies have not yet reached their lowest point. The global economic downturn also led to a drastic fall in oil prices, causing oil producers to curb production massively. The World Bank still forecasts growth in Russian gross domestic product (GDP) of 1.6 % for the first quarter of 2020, whereby the full impact is only likely to be felt in the growth rate for the second quarter. The effects of the pandemic are also reflected in global trade: according to IMF estimates, global trade volumes shrank by 3.5 % in the first quarter of 2020.

The measures to contain the pandemic led to the biggest drop in economic activity in the eurozone since it was established. Although most measures only came into force in March, Eurostat estimates that the year-on-year decrease in GDP in the first three months of 2020 already reached 3.1 %. Early indicators released by the Kiel Institute for the World Economy (IfW) signal a double-digit decline of over 13 %. Outside the eurozone, the economic downturn in Central and Eastern Europe in the first quarter of 2020 was less pronounced. This was particularly true in Poland and Hungary with quarter-on-quarter decreases of just 0.4 %. In comparison to the previous year, economic growth slowed to 1.7 % in Poland and to 2.0 % in Hungary. By contrast, GDP in the Czech Republic shrank by 3.3 % quarter-on-quarter and by 2.0 % compared to the first three months of 2019. In Germany, the coronavirus pandemic marks the biggest slump in economic output since the founding of the Federal Republic. In the first quarter of 2020, economic activity shrank by 2.3 % year-on-year. The IfW forecasts an even more drastic decrease in GDP of around 12 % for the second quarter. Sentiment indicators, however, suggest that the crisis has already reached its lowest point. This is also reflected in German exports. Although exports in the period January to May 2020 were down year-on-year by 14.1 % and imports by 10.3 %, there were month-on-month increases in exports (+9.0 %) and imports (+3.5 %) in May.

Sector development

As expected by the experts of the market research institute Drewry, global container throughput decreased markedly in the first half of 2020 as a result of the coronavirus pandemic. Even though the decline in throughput of 2.7 % in the first quarter – measured by container throughput at ports worldwide – was not as drastic as its experts forecast in March, Drewry anticipates a slump in global container throughput of 16.2 % for the second quarter.

Development of container throughput by region

in %	Q2 20	Q1 20
World	- 16.2	- 2.7
Europe as a whole	- 21.3	- 2.8
North-West Europe	- 16.7	- 2.9
Scandinavia and the Baltic region	- 33.3	- 2.4
Western Mediterranean	- 22.6	- 3.4
Eastern Mediterranean and the Black Sea	- 24.1	- 2.3

Source: Drewry Maritime Research, July 2020

The shipping region Europe has been particularly hard hit by the crisis. After forecasting a moderate decrease in volumes at the European ports of 4.1 % for the second quarter in March 2020, Drewry's experts now expect a massive decline of 21.3 %. The shipping regions of North-West Europe, Scandinavia and the Baltic region are also likely to perform much worse in the second quarter than recent forecasts had predicted.

Container throughput in Rotterdam of 7.0 million TEU in the reporting period was 7.0 % down on the first half of 2019. In Antwerp, however, 0.4 % more containers passed over the quayside in the first six months. At the time of reporting, no half-year data was available for the German ports along the North Range. In the first five months of the year, throughput at the Bremen ports amounted to 2.0 million TEU – down 4.4 % on the previous year. The JadeWeserPort in Wilhelmshaven reported throughput of 106 thousand TEU for the first quarter of 2020, which corresponds to a year-on-year decrease of 48.3 % or almost half its handling volume. At 3,058 thousand TEU, throughput at the three container terminals in Hamburg was well below the prior-year level (by 12.0 %) in the first six months of 2020.

Course of business and economic situation

Key figures

in € million	1-6 2020	1-6 2019	Change
Revenue	628.4	693.7	- 9.4 %
EBITDA	140.1	192.9	- 27.4 %
EBITDA margin in %	22.3	27.8	- 5.5 pp
EBIT	55.5	114.3	- 51.5 %
EBIT margin in %	8.8	16.5	- 7.7 pp
Profit after tax and minority interests	14.1	54.7	- 74.2 %
ROCE in %	5.4	11.3	- 5.9 pp

Significant events and transactions

The coronavirus pandemic had a significant impact on HHLA's financial performance in the first half of the financial year. Having said this, it has not resulted in any material effects on the recognition or measurement of the Group's assets and liabilities as of 30 June 2020.

Within the Port Logistics and Real Estate subgroups, both the key economic indicators for the first six months of 2020 and HHLA's actual economic performance were largely in line with the performance forecast in the 2019 combined management report. There were no other particular events or transactions during the reporting period, either in HHLA's operating environment or within the Group, that had a significant impact on its results of operations, net assets and financial position. **Earnings position, financial position**

Earnings position

The development of HHLA's performance data in the first half of 2020 was severely affected by the global coronavirus pandemic. **Container throughput** decreased markedly by 11.3 % year-on-year to 3,345 thousand TEU (previous year: 3,770 thousand TEU). The decline began in the middle of the first quarter, gathered considerable pace over the previous course of the year and was most noticeable at the container terminals in Hamburg. Throughput at the international terminals was only slightly below the prior-year level, although there were strong regional variations in the first half-year. **Container transport** decreased significantly by 8.2 % to 718 thousand TEU (previous year: 782 thousand TEU). Road transport was more heavily affected by the decrease than rail transport.

The 9.4 % decrease in the HHLA Group's **revenue** to € 628.4 million (previous year: € 693.7 million) during the reporting period was roughly on a par with the fall in performance data. All operating segments were significantly affected by the decrease in revenue.

In its Container, Intermodal and Logistics segments, the listed Port Logistics subgroup generated revenue of € 614.2 million in the reporting period (previous year: € 677.5 million). The non-listed Real Estate subgroup posted revenue of € 18.0 million (previous year: € 19.9 million). This decrease at both subgroups was largely in line with the trend for the Group as a whole.

Changes in inventories of € 0.6 million (previous year: € 0.0 million) had no noticeable effect on consolidated profit. **Own work capitalised** amounted to € 2.2 million (previous year: € 3.3 million).

Other operating income totalled € 22.3 million (previous year: € 19.0 million). One liability from a contingent consideration agreed as part of the acquisition of Bionic Production GmbH was derecognised in profit and loss as a result of a new agreement with the seller. This amount had a significant effect on the increase in other operating income.

Operating expenses decreased by 0.6 % to € 598.0 million (previous year: € 601.6 million). This much lower decrease as compared to the performance data and revenue was due to the development of union wage rates, as well as an increase in headcount in the second half of 2019, increased depreciation and amortisation and higher other operating expenses.

The **cost of materials** was reduced by 7.8 % to € 186.1 million during the reporting period (previous year: € 201.7 million). The decrease was not quite as marked as the decline in revenue since energy costs could not be decreased. As a result, the cost of materials ratio increased slightly to 29.6 % (previous year: 29.1 %).

There was a minor year-on-year increase of 0.1 % in **personnel expenses** to € 260.0 million (previous year: € 259.9 million). The strong increase in the personnel expense ratio to 41.4 % (previous year: 37.5 %) was partly due to wage increases in the previous year and to the decrease in revenue with an increase in headcount as a result of the expansion of business activities in rail transport.

Other operating expenses rose considerably by 9.7 % to € 67.3 million in the reporting period (previous year: € 61.4 million). The ratio of expenses to revenue rose from 8.9 % in the previous year to 10.7 %. This was caused by a rise in maintenance costs in the Container segment and increased expenses for consultancy and services.

As a result of reduced volumes, the **operating result before depreciation and amortisation (EBITDA)** fell by 27.4 % to € 140.1 million (previous year: € 192.9 million) The EBITDA margin declined to 22.3 % in the reporting period (previous year: 27.8 %).

Depreciation and amortisation increased significantly by 7.7 % to € 84.6 million (previous year: € 78.6 million) in connection with a value adjustment for goodwill of Bionic Production GmbH and the expansion of rail transport; its ratio to revenue rose to 13.5 % (previous year: 11.3 %).

There was a strong decrease in the **operating result (EBIT)** of € 58.8 million, or 51.5 %, to € 55.5 million during the reporting period (previous year: € 114.3 million). The **EBIT margin** amounted to 8.8 % (previous year: 16.5 %). In the Port Logistics subgroup, EBIT fell by 53.5 % to € 49.1 million (previous year: € 105.6 million). In the Real Estate subgroup, EBIT decreased by 27.8 % to € 6.1 million (previous year: € 8.5 million).

Net expenses from the **financial result** increased by € 2.2 million, or 13.9 %, to € 17.7 million (previous year: € 15.5 million). The main reason for this is the lower earnings from associates accounted for using the equity method.

At 30.9 %, the Group's **effective tax rate** was higher than in the previous year (previous year: 26.3 %).

Profit after tax decreased by 64.2 %, from € 72.9 million to € 26.1 million. **Profit after tax and minority interests** was significantly lower than in the previous year at € 14.1 million (previous year: € 54.7 million). **Earnings per share** amounted to € 0.19 (previous year: € 0.75). The listed Port Logistics subgroup achieved earnings per share of € 0.15 (previous year: € 0.71). Earnings per share of the non-listed Real Estate subgroup were also down year-on-year to € 1.27 (previous year: € 1.80). The **return on capital employed (ROCE)** amounted to 5.4 % (previous year: 11.3 %).

Financial position

Balance sheet analysis

Compared with year-end 2019, the HHLA Group's **balance sheet total** grew by a total of € 21.8 million to € 2,631.8 million as of 30 June 2020 (31 December 2019: € 2,610.0 million).

Balance sheet structure

in € million	30.06.2020	31.12.2019
Assets		
Non-current assets	2,117.9	2,124.3
Current assets	513.9	485.7
	2,631.8	2,610.0
Equity and liabilities		
Equity	589.7	578.9
Non-current liabilities	1,719.7	1,749.8
Current liabilities	322.4	281.3
	2,631.8	2,610.0

On the assets side of the balance sheet, **non-current assets** decreased by € 6.4 million to € 2,117.9 million, primarily due to the decrease in property, plant and equipment (31 December 2019: € 2,124.3 million). **Current assets** increased by € 28.2 million to € 513.9 million (31 December 2019: € 485.7 million). This was largely due to the increase in cash, cash equivalents and short-term deposits of € 45.0 million and the decrease in trade receivables of € 18.9 million.

On the liabilities side, **equity** rose by € 10.8 million to € 589.7 million compared to the year-end figure for 2019 (31 December 2019: € 578.9 million). This increase stemmed largely from the positive result for the reporting period of € 26.1 million. Interest rate adjustments to pension provisions and the difference from foreign currency translation had an opposing effect. The equity ratio increased slightly to 22.4 % (31 December 2019: 22.2 %).

Non-current liabilities fell by € 30.1 million to € 1,719.7 million (31 December 2019: € 1,749.8 million). This decrease is primarily due to the decline in non-current financial liabilities of € 31.2 million and the decrease in liabilities to related parties. The increase in pension provisions had an opposing effect. **Current liabilities** increased by € 41.1 million to € 322.4 million, primarily as a result of the increase in other liabilities, trade liabilities and current liabilities to related parties (31 December 2019: € 281.3 million).

Investment analysis

Capital expenditure in the reporting period totalled € 89.0 million and was thus 19.7 % below the prior-year figure (previous year: € 110.9 million). Property, plant and equipment accounted for € 85.5 million (previous year: € 106.1 million) of capital expenditure and intangible assets for € 3.5 million (previous year: € 4.8 million). The majority of capital expenditure was for expansion work.

The acquisition by the METRANS Group of locomotives, container wagons and maintenance equipment, as well as the procurement of container gantry cranes, storage cranes and large-scale equipment for horizontal transport at the HHLA container terminals in the Port of Hamburg, and the development of the Hamburg Speicherstadt historical warehouse district accounted for a major share of capital expenditure in the first half of 2020.

Liquidity analysis

Cash flow from operating activities declined by € 13.3 million to € 159.8 million as of 30 June 2020 (previous year: € 173.1 million). This was primarily due to the decrease in EBIT. This was offset by a decrease (previous year: increase) in trade receivables and other assets, as well as lower tax payments than in the same period last year.

Investing activities led to a net cash outflow of € 77.2 million (previous year: € 90.2 million). This was largely due to payments for short-term deposits in the prior-year period. There was an opposing effect from the year-on-year increase in payments for investments in property, plant and equipment.

Cash flow from financing activities of € 38.4 million was € 89.2 million below the prior-year figure of € 127.6 million. This was primarily due to payments in the previous year for the dividend to shareholders of the parent company and for the settlement obligation to a minority shareholder.

Financial funds totalled € 251.1 million as of 30 June 2020 (30 June 2019: € 210.1 million). Including all short-term deposits, the Group's available liquidity at the end of the first half of 2020 amounted to € 296.1 million (30 June 2019: € 260.1 million).

Liquidity analysis

in € million	1-6 2020	1-6 2019
Financial funds as of 01.01.	208.0	254.0
Cash flow from operating activities	159.8	173.1
Cash flow from investing activities	- 77.2	- 90.2
Free cash flow	82.6	82.9
Cash flow from financing activities	- 38.4	- 127.6
Change in financial funds	43.0	- 43.9
Financial funds as of 30.06.	251.1	210.1
Short-term deposits	45.0	50.0
Available liquidity	296.1	260.1

Segment performance

Container segment

Key figures

in € million	1-6 2020	1-6 2019	Change
Revenue	363.4	401.7	- 9.6 %
EBITDA	84.2	120.5	- 30.1 %
EBITDA margin in %	23.2	30.0	- 6.8 pp
EBIT	36.8	71.8	- 48.7 %
EBIT margin in %	10.1	17.9	- 7.8 pp
Container throughput in thousand TEU	3,345	3,770	- 11.3 %

During the first six months of 2020, the **throughput volume at HHLA's container terminals** decreased by 11.3 % to 3,345 thousand standard containers (TEU) (previous year: 3,770 thousand TEU).

At 3,058 thousand TEU, throughput volume at the three **Hamburg container terminals**, was down 12.0 % on the same period last year (previous year: 3,476 thousand TEU). This was mainly due to blank sailings as a result of the coronavirus pandemic. These blank sailings led to a significant decline in cargo volumes from the Far East. Feeder traffic with the Baltic region decreased markedly and could not be offset by growth in the German and British shipping regions. There was a corresponding decline in the proportion of seaborne handling by feeders of 2.3 percentage points to 20.6 % (previous year: 22.9 %).

The **international container terminals** in Odessa and Tallinn recorded a slight decrease in throughput volume of 2.4 % to 286 thousand TEU (previous year: 293 thousand TEU). The decreases in volume primarily due to the coronavirus pandemic could not be offset by the additional traffic in the first quarter.

Revenue decreased year-on-year by 9.6 % to € 363.4 million in the first half of 2020 (previous year: € 401.7 million). This was primarily due to the decreases in volume caused by the

coronavirus pandemic. Average revenue per container handled at the quayside rose by 1.9 % year-on-year. This resulted from an advantageous modal split with a high proportion of hinterland volumes and a temporary increase in storage fees due to longer dwell times brought about by weather-related delays and blank sailings caused by the pandemic.

EBIT costs decreased by 1.0 % year-on-year during the reporting period. Lower material and personnel expenses, partly caused by the reductions in volume, were offset by increased maintenance and service costs. The personnel savings resulted mainly from using less external staff due to the decrease in volumes.

As a result of falling volumes, the **operating result (EBIT)** declined by € 35.0 million, or 48.7 %, year-on-year to € 36.8 million (previous year: € 71.8 million). The EBIT margin decreased by 7.8 percentage points to 10.1 %.

HHLA continued to pursue its long-term modernisation and expansion programme in the first half of 2020 in order to further boost capacity and productivity at its terminals. HHLA Container Terminal Burchardkai (CTB) put an additional large container gantry crane into operation, with two more arriving in early May. The terminal also made progress with the expansion of its block storage system. The other HHLA terminals in Germany and abroad also invested in site expansion and new equipment in order to push ahead with the automation of their handling processes. Moreover, HHLA made further progress with the implementation of its sustainability strategy. For example, the Container Terminal Altenwerder (CTA) continued its switch to battery-powered vehicles for operations at the terminal.

Intermodal segment

Key figures

in € million	1-6 2020	1-6 2019	Change
Revenue	223.2	244.1	- 8.5 %
EBITDA	56.1	70.2	- 20.0 %
EBITDA margin in %	25.1	28.7	- 3.6 pp
EBIT	34.5	50.8	- 32.0 %
EBIT margin in %	15.5	20.8	- 5.3 pp
Container transport in thousand TEU	718	782	- 8.2 %

In the highly competitive market for container traffic in the hinterland of major seaports, HHLA's transport companies recorded significantly lower volumes in the first half of 2020.

Container transport decreased by 8.2 % to 718 thousand standard containers (TEU) (previous year: 782 thousand TEU). The decrease in road transport was much more marked than that of rail transport. Rail transport declined year-on-year by 6.9 % to 568 thousand TEU (previous year: 610 thousand TEU). The significant – and for certain routes dramatic – fall in maritime traffic from both the North German and Adriatic seaports were partially offset by strong growth in continental traffic. The downward trend of the previous quarters continued for road transport. Largely due to weak growth in the Hamburg region and a persistently challenging market environment, road transport volumes fell by 13.0 % year-on-year to 149 thousand TEU (previous year: 172 thousand TEU).

With a significant 8.5 % year-on-year decline to € 223.2 million (previous year: € 244.1 million), the decrease in **revenue** was therefore slightly stronger than the decrease in transport volume. Despite a slight increase in the rail share of HHLA's total intermodal transportation from 78.0 % to 79.2 %, average revenue per TEU decreased as a result of the disproportionately strong decrease in freight flows with longer transport distances.

The **operating result (EBIT)** fell by 32.0 % to € 34.5 million in the reporting period (previous year: € 50.8 million). In addition to falling volumes and revenue, this marked decrease was mainly due to increased fluctuations in import and export cargo with a resulting fall in capacity utilisation of rail systems.

Logistics segment

Key figures

in € million	1-6 2020	1-6 2019	Change
Revenue	25.9	29.7	- 12.9 %
EBITDA	5.2	4.4	18.5 %
EBITDA margin in %	20.2	14.9	5.3 pp
EBIT	- 2.1	1.7	neg.
EBIT margin in %	- 8.2	5.9	neg.
At-equity earnings	0.8	2.1	- 60.8 %

The consolidated companies reported **revenue** of € 25.9 million in the first half-year, down 12.9 % on the prior-year figure (previous year: € 29.7 million). The vehicle logistics division recorded a significant decline in revenue as a result of falling volumes, while consultancy revenue was only slightly down on the previous year. Additive manufacturing technologies were not included in the previous year's figures.

The **operating result (EBIT)** in the first half of the year includes planned start-up losses in new growth areas. Vehicle logistics and consultancy were also down on the previous year. Follow-

ing a positive result of € 1.7 million in the previous year, the Logistics segment posted a loss of € 2.1 million in the reporting period.

Revenues of those companies included in **at-equity earnings** decreased significantly in the reporting period. At-equity earnings of € 0.8 million were still positive in the first half-year but well below the prior-year level (previous year: € 2.1 million).

Real Estate segment

Key figures

in € million	1–6 2020	1–6 2019	Change
Revenue	18.0	19.9	- 9.5 %
EBITDA	9.7	12.2	- 20.8 %
EBITDA margin in %	53.5	61.2	- 7.7 pp
EBIT	6.1	8.5	- 27.8 %
EBIT margin in %	34.0	42.7	- 8.7 pp

In the first half of 2020, Hamburg's office rental market recorded a year-on-year decline in revenue as a result of the coronavirus lockdown. According to Grossmann & Berger's latest market report, 165,000 m² of office space was let – approximately 47 % less than the prior-year figure of 310,000 m². The market is expected to remain volatile for the rest of the year.

As a result of the increased availability of office space, the vacancy rate in Hamburg of 3.3 % was slightly up on last year's figure of 3.0 %. A further increase in vacancies is anticipated in the months ahead.

HHLA's properties in the Speicherstadt historical warehouse district and the fish market area were able to buck this negative market trend though with almost full occupancy.

Despite the high occupancy rate, however, **revenue** of € 18.0 million in the first half of 2020 was significantly below the prior-year level (previous year: € 19.9 million). The decline was primarily the result of a revenue correction for expected rent losses as a consequence of the coronavirus pandemic.

Largely due to these expected rent losses, there was therefore a significant year-on-year decline in the cumulative **operating result (EBIT)** of 27.8 % to € 6.1 million (previous year: € 8.5 million).

Employees

Employees

by segments	30.06.2020	31.12.2019	Change
Container	3,149	3,186	- 1.2 %
Intermodal	2,226	2,243	- 0.8 %
Logistics	179	167	7.2 %
Holding/Others	609	612	- 0.5 %
Real Estate	89	88	1.1 %
HHLA Group	6,252	6,296	- 0.7 %

At the end of the first half of 2020, HHLA employed a total of 6,252 people. Compared with the figure as of 31 December 2019, the number of employees decreased by 44.

Employees by segment

In the Container segment, the number of staff decreased by 37 to 3,149. In the Intermodal segment, headcount decreased by 17 to 2,226. In the Logistics segment, the number of employees rose by 12 to 179. Meanwhile, in the strategic management holding segment Holding/Other, the number decreased by 3. Overall, headcount in the Port Logistics subgroup decreased by 45, or 0.7 %. In the Real Estate segment, the number of employees rose by 1 to 89.

Employees by region

In geographical terms, the workforce was concentrated mainly in Germany in the first half of 2020, with 3,616 staff members (31 December 2019: 3,597), the majority of whom worked in Hamburg. This corresponds to a share of 57.8 % (31 December 2019: 57.1 %). The number of staff employed abroad fell by 63, or 2.3 %, to 2,636 in the first half of 2020 (31 December 2019: 2,699). Headcount at the Intermodal companies in the Czech Republic, Slovakia, Slovenia and Hungary decreased correspondingly by 31, or 1.8 %, to 1,721 (31 December 2019: 1,752). The number of staff employed by the subsidiaries in Austria, Poland, Georgia and Estonia declined by 31, or 6.4 %, to 456 (31 December 2019: 487). In Ukraine, the number of employees fell by 1 people to 459 (31 December 2019: 460).

Business forecast

Outlook macroeconomy and sector

As the economic impact of the coronavirus pandemic in the first half of 2020 turned out to be much more severe than expected in April, the International Monetary Fund (IMF) once again downgraded its outlook for 2020 in July. The experts now expect the global economy to shrink by 4.9 % (previously: - 3.0 %). For the first time, it appears that the negative trend is likely to affect all regions around the world. In the industrialised countries, an economic slump of 8.0 % is feared for 2020 (previously: - 6.1 %). For the emerging economies, the organisation downgraded its outlook to a decline of 3.0 % (previously: - 1.0 %). Only China is still expected to achieve growth, albeit at a significantly reduced rate of 1.0 % (previously: 1.2 %). According to the IMF, the economies of all other regions of significance to HHLA will shrink in 2020. For example, the organisation forecasts an economic downturn of 6.6 % for Russia (previously: - 5.5 %). For Central and Eastern Europe, a slump of 5.8 % is expected (previously: - 5.2 %). The IMF currently anticipates a downturn in global trade of 11.9 % for 2020 (previously: - 11.0 %). Its experts had already downgraded their outlook by - 13.9 percentage points in April.

In its latest report, the market research institute Drewry has also drastically reduced its figures for 2020 compared to its most recent sector outlook in March. The expected decline in global container throughput was downgraded significantly to 7.3 % (previously: - 0.5 %). For the European shipping region, Drewry's experts anticipate an even more dramatic fall in throughput of 9.7 % for 2020 (previously: - 0.8 %). The most significant decline in Europe is expected for Scandinavia and the Baltic region with 17.2 % (previously: - 0.2 %). The forecast for the Eastern Mediterranean/Black Sea region has been downgraded to a 10.0 % decline (previously: - 0.6 %). For the Western Mediterranean region, the decrease in container throughput is now expected to reach 10.4 % (previously: - 2.1 %) and for the North-West European shipping region 7.7 % (previously: - 0.5 %).

Expected Group performance

The economic development of HHLA in the first half of 2020 was in line with expectations. The disclosures made in the 2019 combined management report regarding the expected course of business in 2020 therefore continue to apply.

Risk and opportunity report

With regard to the HHLA Group's risk and opportunity position, the statements made in the Management Report section of the 2019 combined management report continue to apply, unless otherwise indicated in this report.

The impact of the coronavirus pandemic is reflected in the volume and earnings forecasts for the current financial year. **Significant events and transactions** As a result of the ongoing pandemic, these forecasts are subject to considerable uncertainty; corresponding risks regarding the future development of volumes and earnings are therefore relevant for the HHLA Group.

The risks identified still do not threaten the ongoing existence of the Group. As far as the future is concerned, there are also no discernible risks at present that could jeopardise the continued existence of the company.

Interim financial statements

Income statement – HHLA Group

in € thousand	1–6 2020	1–6 2019	4–6 2020	4–6 2019
Revenue	628,419	693,655	292,762	346,049
Changes in inventories	565	34	121	- 107
Own work capitalised	2,211	3,261	937	1,586
Other operating income	22,311	18,986	14,003	10,598
Cost of materials	- 186,062	- 201,743	- 85,675	- 99,559
Personnel expenses	- 260,005	- 259,852	- 126,184	- 132,588
Other operating expenses	- 67,345	- 61,402	- 33,329	- 31,448
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	140,094	192,939	62,635	94,531
Depreciation and amortisation	- 84,630	- 78,604	- 43,823	- 39,870
Earnings before interest and taxes (EBIT)	55,464	114,335	18,812	54,661
Earnings from associates accounted for using the equity method	692	2,426	271	1,185
Interest income	1,110	1,852	270	1,232
Interest expenses	- 19,413	- 19,823	- 7,316	- 10,039
Other financial result	- 100	0	0	0
Financial result	- 17,711	- 15,545	- 6,775	- 7,622
Earnings before tax (EBT)	37,753	98,790	12,037	47,039
Income tax	- 11,647	- 25,935	- 3,809	- 12,542
Profit after tax	26,106	72,855	8,228	34,497
of which attributable to non-controlling interests	11,997	18,166	4,260	9,246
of which attributable to shareholders of the parent company	14,109	54,689	3,968	25,251
Earnings per share, basic and diluted, in €				
HHLA Group	0.19	0.75	0.05	0.35
Port Logistics subgroup	0.15	0.71	0.04	0.32
Real Estate subgroup	1.27	1.80	0.36	0.97

Statement of comprehensive income – HHLA Group

in € thousand	1–6 2020	1–6 2019	4–6 2020	4–6 2019
Profit after tax	26,106	72,855	8,228	34,497
Components which cannot be transferred to the income statement				
Actuarial gains/losses	- 8,570	- 51,171	- 54,730	- 14,126
Deferred taxes	2,766	16,516	17,664	4,559
Total	- 5,804	- 34,655	- 37,066	- 9,567
Components which can be transferred to the income statement				
Cash flow hedges	0	0	0	0
Foreign currency translation differences	- 8,483	2,582	2,205	1,245
Deferred taxes	0	- 1	- 7	0
Other	0	1	21	- 2
Total	- 8,483	2,582	2,219	1,243
Income and expense recognised directly in equity	- 14,287	- 32,073	- 34,847	- 8,324
Total comprehensive income	11,820	40,782	- 26,619	26,173
of which attributable to non-controlling interests	11,860	17,400	3,449	8,939
of which attributable to shareholders of the parent company	- 40	23,382	- 30,068	17,234

Income statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	1–6 2020 Group	1–6 2020 Port Logistics	1–6 2020 Real Estate	1–6 2020 Consolidation
Revenue	628,419	614,203	18,045	- 3,829
Changes in inventories	565	565	0	0
Own work capitalised	2,211	1,750	0	461
Other operating income	22,311	20,096	2,905	- 690
Cost of materials	- 186,062	- 182,558	- 3,810	306
Personnel expenses	- 260,005	- 258,844	- 1,161	0
Other operating expenses	- 67,345	- 64,778	- 6,319	3,752
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	140,094	130,434	9,660	0
Depreciation and amortisation	- 84,630	- 81,297	- 3,521	188
Earnings before interest and taxes (EBIT)	55,464	49,137	6,139	188
Earnings from associates accounted for using the equity method	692	692	0	0
Interest income	1,110	1,158	16	- 64
Interest expenses	- 19,413	- 18,074	- 1,403	64
Other financial result	- 100	- 100	0	0
Financial result	- 17,711	- 16,324	- 1,387	0
Earnings before tax (EBT)	37,753	32,813	4,752	188
Income tax	- 11,647	- 10,142	- 1,458	- 47
Profit after tax	26,106	22,671	3,293	141
of which attributable to non-controlling interests	11,997	11,997	0	
of which attributable to shareholders of the parent company	14,109	10,675	3,434	
Earnings per share, basic and diluted, in €	0.19	0.15	1.27	

Statement of comprehensive income – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	1–6 2020 Group	1–6 2020 Port Logistics	1–6 2020 Real Estate	1–6 2020 Consolidation
Profit after tax	26,106	22,671	3,293	141
Components which cannot be transferred to the income statement				
Actuarial gains/losses	- 8,570	- 8,322	- 248	
Deferred taxes	2,766	2,686	80	
Total	- 5,804	- 5,636	- 168	
Components which can be transferred to the income statement				
Cash flow hedges	0	0	0	
Foreign currency translation differences	- 8,483	- 8,483	0	
Deferred taxes	0	0	0	
Other	0	0	0	
Total	- 8,483	- 8,483	0	
Income and expense recognised directly in equity	- 14,287	- 14,119	- 168	0
Total comprehensive income	11,820	8,554	3,125	141
of which attributable to non-controlling interests	11,860	11,860	0	
of which attributable to shareholders of the parent company	- 40	- 3,306	3,266	

Income statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	1–6 2019 Group	1–6 2019 Port Logistics	1–6 2019 Real Estate	1–6 2019 Consolidation
Revenue	693,655	677,467	19,935	- 3,747
Changes in inventories	34	34	0	0
Own work capitalised	3,261	2,861	0	400
Other operating income	18,986	16,792	2,828	- 634
Cost of materials	- 201,743	- 198,191	- 3,868	316
Personnel expenses	- 259,852	- 258,736	- 1,116	0
Other operating expenses	- 61,402	- 59,484	- 5,583	3,665
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	192,939	180,743	12,196	0
Depreciation and amortisation	- 78,604	- 75,099	- 3,690	185
Earnings before interest and taxes (EBIT)	114,335	105,644	8,506	185
Earnings from associates accounted for using the equity method	2,426	2,426	0	0
Interest income	1,852	1,909	18	- 75
Interest expenses	- 19,823	- 18,081	- 1,817	75
Other financial result	0	0	0	0
Financial result	- 15,545	- 13,746	- 1,799	0
Earnings before tax (EBT)	98,790	91,898	6,707	185
Income tax	- 25,935	- 23,902	- 1,986	- 47
Profit after tax	72,855	67,996	4,721	138
of which attributable to non-controlling interests	18,166	18,166	0	
of which attributable to shareholders of the parent company	54,689	49,829	4,859	
Earnings per share, basic and diluted, in €	0.75	0.71	1.80	

Statement of comprehensive income – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	1–6 2019 Group	1–6 2019 Port Logistics	1–6 2019 Real Estate	1–6 2019 Consolidation
Profit after tax	72,855	67,996	4,721	138
Components which cannot be transferred to the income statement				
Actuarial gains/losses	- 51,171	- 50,343	- 828	
Deferred taxes	16,516	16,249	267	
Total	- 34,655	- 34,094	- 561	
Components which can be transferred to the income statement				
Cash flow hedges	0	0	0	
Foreign currency translation differences	2,582	2,582	0	
Deferred taxes	- 1	- 1	0	
Other	1	1	0	
Total	2,582	2,582	0	
Income and expense recognised directly in equity	- 32,073	- 31,512	- 561	0
Total comprehensive income	40,782	36,484	4,160	138
of which attributable to non-controlling interests	17,400	17,400	0	
of which attributable to shareholders of the parent company	23,382	19,084	4,298	

Income statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	4-6 2020 Group	4-6 2020 Port Logistics	4-6 2020 Real Estate	4-6 2020 Consolidation
Revenue	292,762	286,802	7,901	- 1,941
Changes in inventories	121	121	0	0
Own work capitalised	937	707	0	230
Other operating income	14,003	12,807	1,508	- 312
Cost of materials	- 85,675	- 84,054	- 1,773	152
Personnel expenses	- 126,184	- 125,605	- 579	0
Other operating expenses	- 33,329	- 31,955	- 3,245	1,871
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	62,635	58,823	3,812	0
Depreciation and amortisation	- 43,823	- 42,143	- 1,762	82
Earnings before interest and taxes (EBIT)	18,812	16,680	2,050	82
Earnings from associates accounted for using the equity method	271	271	0	0
Interest income	270	286	16	- 32
Interest expenses	- 7,316	- 6,651	- 697	32
Other financial result	0	0	0	0
Financial result	- 6,775	- 6,094	- 681	0
Earnings before tax (EBT)	12,037	10,586	1,369	82
Income tax	- 3,809	- 3,339	- 449	- 21
Profit after tax	8,228	7,247	919	61
of which attributable to non-controlling interests	4,260	4,260	0	
of which attributable to shareholders of the parent company	3,968	2,988	980	
Earnings per share, basic and diluted, in €	0.05	0.04	0.36	

Statement of comprehensive income – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	4-6 2020 Group	4-6 2020 Port Logistics	4-6 2020 Real Estate	4-6 2020 Consolidation
Profit after tax	8,228	7,247	919	61
Components which cannot be transferred to the income statement				
Actuarial gains/losses	- 54,730	- 53,867	- 863	
Deferred taxes	17,664	17,386	278	
Total	- 37,066	- 36,481	- 585	
Components which can be transferred to the income statement				
Cash flow hedges	0	0	0	
Foreign currency translation differences	2,205	2,205	0	
Deferred taxes	- 7	- 7	0	
Other	21	21	0	
Total	2,219	2,219	0	
Income and expense recognised directly in equity	- 34,847	- 34,262	- 585	0
Total comprehensive income	- 26,619	- 27,014	334	61
of which attributable to non-controlling interests	3,449	3,449	0	
of which attributable to shareholders of the parent company	- 30,068	- 30,463	395	

Income statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	4–6 2019 Group	4–6 2019 Port Logistics	4–6 2019 Real Estate	4–6 2019 Consolidation
Revenue	346,049	337,626	10,183	- 1,760
Changes in inventories	- 107	- 107	0	0
Own work capitalised	1,586	1,359	0	227
Other operating income	10,598	9,491	1,407	- 300
Cost of materials	- 99,559	- 97,741	- 1,976	158
Personnel expenses	- 132,588	- 131,987	- 601	0
Other operating expenses	- 31,448	- 30,628	- 2,495	1,675
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	94,531	88,013	6,518	0
Depreciation and amortisation	- 39,870	- 38,082	- 1,868	80
Earnings before interest and taxes (EBIT)	54,661	49,931	4,650	80
Earnings from associates accounted for using the equity method	1,185	1,185	0	0
Interest income	1,232	1,261	9	- 38
Interest expenses	- 10,039	- 9,033	- 1,044	38
Other financial result	0	0	0	0
Financial result	- 7,622	- 6,587	- 1,035	0
Earnings before tax (EBT)	47,039	43,344	3,615	80
Income tax	- 12,542	- 11,460	- 1,063	- 19
Profit after tax	34,497	31,884	2,552	61
of which attributable to non-controlling interests	9,246	9,246	0	
of which attributable to shareholders of the parent company	25,251	22,637	2,613	
Earnings per share, basic and diluted, in €	0.35	0.32	0.97	

Statement of comprehensive income – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	4–6 2019 Group	4–6 2019 Port Logistics	4–6 2019 Real Estate	4–6 2019 Consolidation
Profit after tax	34,497	31,884	2,552	61
Components which cannot be transferred to the income statement				
Actuarial gains/losses	- 14,126	- 13,860	- 266	
Deferred taxes	4,559	4,473	86	
Total	- 9,567	- 9,387	- 180	
Components which can be transferred to the income statement				
Cash flow hedges	0	0	0	
Foreign currency translation differences	1,245	1,245	0	
Deferred taxes	0	0	0	
Other	- 2	- 2	0	
Total	1,243	1,243	0	
Income and expense recognised directly in equity	- 8,324	- 8,144	- 180	0
Total comprehensive income	26,173	23,740	2,371	61
of which attributable to non-controlling interests	8,939	8,939	0	
of which attributable to shareholders of the parent company	17,234	14,801	2,433	

Balance sheet – HHLA Group

in € thousand	30.06.2020	31.12.2019
ASSETS		
Intangible assets	100,091	104,506
Property, plant and equipment	1,668,371	1,677,256
Investment property	188,743	185,149
Associates accounted for using the equity method	17,910	17,193
Non-current financial assets	16,053	16,177
Deferred taxes	126,736	124,071
Non-current assets	2,117,904	2,124,352
Inventories	27,881	25,242
Trade receivables	149,182	168,127
Receivables from related parties	98,945	98,805
Current financial assets	2,629	3,579
Other assets	31,420	29,672
Income tax receivables	790	2,201
Cash, cash equivalents and short-term deposits	203,069	158,041
Current financial assets	513,916	485,667
Balance sheet total	2,631,820	2,610,019
EQUITY AND LIABILITIES		
Subscribed capital	72,753	72,753
Port Logistics subgroup	70,048	70,048
Real Estate subgroup	2,705	2,705
Capital reserve	141,584	141,584
Port Logistics subgroup	141,078	141,078
Real Estate subgroup	506	506
Retained earnings	513,792	499,683
Port Logistics subgroup	459,751	449,076
Real Estate subgroup	54,041	50,607
Other comprehensive income	- 138,427	- 124,278
Port Logistics subgroup	- 137,683	- 123,702
Real Estate subgroup	- 744	- 577
Non-controlling interests	- 47	- 10,880
Port Logistics subgroup	- 47	- 10,880
Real Estate subgroup	0	0
Equity	589,655	578,862
Pension provisions	519,249	503,239
Other non-current provisions	114,417	114,093
Non-current liabilities to related parties	469,641	485,442
Non-current financial liabilities	595,158	626,335
Deferred taxes	21,231	20,704
Non-current liabilities	1,719,696	1,749,813
Other current provisions	19,959	24,005
Trade liabilities	87,124	74,879
Current liabilities to related parties	46,658	37,152
Current financial liabilities	103,825	102,351
Other liabilities	55,721	36,767
Income tax liabilities	9,183	6,190
Current liabilities	322,470	281,344
Balance sheet total	2,631,820	2,610,019

Balance sheet – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	30.06.2020 Group	30.06.2020 Port Logistics	30.06.2020 Real Estate	30.06.2020 Consolidation
ASSETS				
Intangible assets	100,091	100,057	34	0
Property, plant and equipment	1,668,371	1,635,962	19,149	13,260
Investment property	188,743	25,395	187,610	- 24,262
Associates accounted for using the equity method	17,910	17,910	0	0
Non-current financial assets	16,053	12,249	3,804	0
Deferred taxes	126,736	137,345	0	- 10,609
Non-current assets	2,117,904	1,928,918	210,597	- 21,611
Inventories	27,881	27,812	69	0
Trade receivables	149,182	147,204	1,978	0
Receivables from related parties	98,945	82,745	18,782	- 2,582
Current financial assets	2,629	2,542	87	0
Other assets	31,420	30,268	1,152	0
Income tax receivables	790	1,138	0	- 348
Cash, cash equivalents and short-term deposits	203,069	201,862	1,207	0
Current assets	513,916	493,571	23,275	- 2,930
Balance sheet total	2,631,820	2,422,489	233,872	- 24,541
EQUITY AND LIABILITIES				
Subscribed capital	72,753	70,048	2,705	0
Capital reserve	141,584	141,078	506	0
Retained earnings	513,792	459,751	62,309	- 8,268
Other comprehensive income	- 138,427	- 137,683	- 744	0
Non-controlling interests	- 47	- 47	0	0
Equity	589,655	533,147	64,775	- 8,268
Pension provisions	519,249	512,134	7,115	0
Other non-current provisions	114,417	111,428	2,989	0
Non-current liabilities to related parties	469,641	457,062	12,579	0
Non-current financial liabilities	595,158	489,111	106,047	0
Deferred taxes	21,231	14,359	20,215	- 13,343
Non-current liabilities	1,719,696	1,584,094	148,945	- 13,343
Other current provisions	19,959	19,800	159	0
Trade liabilities	87,124	81,148	5,976	0
Current liabilities to related parties	46,658	43,595	5,645	- 2,582
Current financial liabilities	103,825	97,858	5,967	0
Other liabilities	55,721	54,545	1,176	0
Income tax liabilities	9,183	8,303	1,228	- 348
Current liabilities	322,470	305,249	20,151	- 2,930
Balance sheet total	2,631,820	2,422,489	233,872	- 24,541

Balance sheet – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed 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 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
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 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	1–6 2020	1–6 2019
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	55,464	114,335
Depreciation, amortisation, impairment and reversals on non-financial non-current assets	84,630	78,604
Increase (+), decrease (-) in provisions	1,442	- 1,935
Gains (-), losses (+) from the disposal of non-current assets	- 261	- 3,267
Increase (-), decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	8,897	- 10,557
Increase (+), decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	27,084	31,878
Interest received	4,564	1,222
Interest paid	- 15,602	- 16,035
Income tax paid	- 6,624	- 19,918
Exchange rate and other effects	249	- 1,228
Cash flow from operating activities	159,843	173,099
2. Cash flow from investing activities		
Proceeds from disposal of intangible assets, property, plant and equipment and investment property	4,916	4,447
Payments for investments in property, plant and equipment and investment property	- 78,159	- 59,590
Payments for investments in intangible assets	- 3,525	- 4,846
Payments for investments in associates accounted for using the equity method	- 400	0
Proceeds from disposal of non-current financial assets	10	0
Payments for the acquisition of interests in consolidated companies and other business units (including funds purchased)	- 55	- 2,650
Proceeds (+), payments (-) for short-term deposits	0	- 27,550
Cash flow from investing activities	- 77,213	- 90,190
3. Cash flow from financing activities		
Dividends paid to shareholders of the parent company	0	- 61,719
Dividends/settlement obligation paid to non-controlling interests	- 1,027	- 29,661
Redemption of lease liabilities	- 26,144	- 22,068
Payments for the redemption of (financial) loans	- 11,247	- 14,164
Cash flow from financing activities	- 38,418	- 127,612
4. Financial funds at the end of the period		
Change in financial funds (subtotals 1.–3.)	44,212	- 44,703
Change in financial funds due to exchange rates	- 1,180	787
Financial funds at the beginning of the period	208,022	253,989
Financial funds at the end of the period	251,054	210,073

Cash flow statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	1–6 2020 Group	1–6 2020 Port Logistics	1–6 2020 Real Estate	1–6 2020 Consolidation
1. Cash flow from operating activities				
Earnings before interest and taxes (EBIT)	55,464	49,137	6,139	188
Depreciation, amortisation, impairment and reversals on non-financial non-current assets	84,630	81,297	3,521	- 188
Increase (+), decrease (-) in provisions	1,442	1,390	52	
Gains (-), losses (+) from the disposal of non-current assets	- 261	- 261	0	
Increase (-), decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	8,897	9,177	- 1,642	1,362
Increase (+), decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	27,084	25,510	2,936	- 1,362
Interest received	4,564	4,612	16	- 64
Interest paid	- 15,602	- 14,883	- 783	64
Income tax paid	- 6,624	- 6,201	- 423	
Exchange rate and other effects	249	249	0	
Cash flow from operating activities	159,843	150,027	9,816	0
2. Cash flow from investing activities				
Proceeds from disposal of intangible assets, property, plant and equipment and investment property	4,916	4,916	0	
Payments for investments in property, plant and equipment and investment property	- 78,159	- 73,221	- 4,938	
Payments for investments in intangible assets	- 3,525	- 3,524	- 1	
Payments for investments in associates accounted for using the equity method	- 400	- 400	0	
Proceeds from disposal of non-current financial assets	10	10	0	
Payments for the acquisition of interests in consolidated companies and other business units (including funds purchased)	- 55	- 55	0	
Proceeds (+), payments (-) for short-term deposits	0	0	0	
Cash flow from investing activities	- 77,213	- 72,274	- 4,939	0
3. Cash flow from financing activities				
Dividends paid to shareholders of the parent company	0	0	0	
Dividends/settlement obligation paid to non-controlling interests	- 1,027	- 1,027	0	
Redemption of lease liabilities	- 26,144	- 21,655	- 4,489	
Payments for the redemption of (financial) loans	- 11,247	- 9,283	- 1,964	
Cash flow from financing activities	- 38,418	- 31,965	- 6,453	0
4. Financial funds at the end of the period				
Change in financial funds (subtotals 1.–3.)	44,212	45,788	- 1,576	0
Change in financial funds due to exchange rates	- 1,180	- 1,180	0	
Financial funds at the beginning of the period	208,022	187,240	20,782	
Financial funds at the end of the period	251,054	231,848	19,206	0

Cash flow statement – HHLA subgroups

in € thousand; Port Logistics subgroup and Real Estate subgroup; annex to the condensed notes	1–6 2019 Group	1–6 2019 Port Logistics	1–6 2019 Real Estate	1–6 2019 Consolidation
1. Cash flow from operating activities				
Earnings before interest and taxes (EBIT)	114,335	105,644	8,506	185
Depreciation, amortisation, impairment and reversals on non-financial non-current assets	78,604	75,099	3,690	- 185
Increase (+), decrease (-) in provisions	- 1,935	- 1,789	- 146	
Gains (-), losses (+) from the disposal of non-current assets	- 3,267	- 3,267	0	
Increase (-), decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	- 10,557	- 10,691	125	9
Increase (+), decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	31,878	31,977	- 90	- 9
Interest received	1,222	1,279	18	- 75
Interest paid	- 16,035	- 15,216	- 894	75
Income tax paid	- 19,918	- 18,242	- 1,676	
Exchange rate and other effects	- 1,228	- 1,228	0	
Cash flow from operating activities	173,099	163,566	9,533	0
2. Cash flow from investing activities				
Proceeds from disposal of intangible assets, property, plant and equipment and investment property	4,447	4,447	0	
Payments for investments in property, plant and equipment and investment property	- 59,590	- 57,187	- 2,403	
Payments for investments in intangible assets	- 4,846	- 4,845	- 1	
Payments for investments in associates accounted for using the equity method	0	0	0	
Proceeds from disposal of non-current financial assets	0	0	0	
Payments for the acquisition of interests in consolidated companies and other business units (including funds purchased)	- 2,650	- 2,650	0	
Proceeds (+), payments (-) for short-term deposits	- 27,550	- 27,550	0	
Cash flow from investing activities	- 90,190	- 87,786	- 2,404	0
3. Cash flow from financing activities				
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	
Redemption of lease liabilities	- 22,068	- 20,605	- 1,463	
Payments for the redemption of (financial) loans	- 14,164	- 12,200	- 1,964	
Cash flow from financing activities	- 127,612	- 118,506	- 9,106	0
4. Financial funds at the end of the period				
Change in financial funds (subtotals 1.–3.)	- 44,703	- 42,727	- 1,976	0
Change in financial funds due to exchange rates	787	787	0	
Financial funds at the beginning of the period	253,989	232,862	21,127	
Financial funds at the end of the period	210,073	190,922	19,151	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	
Total comprehensive income					54,689	2,605
Balance as of 30 June 2019	70,048	2,705	141,078	506	451,090	- 65,805
Balance as of 1 December 2019	70,048	2,705	141,078	506	499,683	- 59,844
Dividends						
Total comprehensive income					14,109	- 8,455
Balance as of 30 June 2020	70,048	2,705	141,078	506	513,792	- 68,299

Other comprehensive income					Parent company interests	Non-controlling interests	Total equity
Cash flow hedges	Actuarial gains/losses	Deferred taxes on changes recognised directly in equity	Other				
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	
	- 50,066	16,161	- 8	23,382	17,400	40,782	
438	- 118,791	38,286	11,511	531,067	3,333	534,400	
438	- 112,771	36,323	11,576	589,742	- 10,880	578,862	
				0	- 1,027	- 1,027	
	- 8,408	2,714		- 40	11,860	11,820	
438	- 121,179	39,037	11,576	589,702	- 47	589,655	

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

in € thousand; annex to the condensed 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	
Total comprehensive income subgroup			49,829	2,605
Balance as of 30 June 2019	70,048	141,078	405,274	- 65,805
Balance as of 1 December 2019	70,048	141,078	449,076	- 59,844
Dividends				
Total comprehensive income subgroup			10,675	- 8,455
Balance as of 30 June 2020	70,048	141,078	459,751	- 68,299

Other comprehensive income					Parent company interests	Non-controlling interests	Total equity
Cash flow hedges	Actuarial gains/losses	Deferred taxes on changes recognised directly in equity	Other				
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	
	- 49,238	15,895	- 8	19,084	17,400	36,484	
438	- 117,376	37,830	11,511	482,998	3,333	486,331	
438	- 111,920	36,048	11,576	536,500	- 10,880	525,620	
				0	- 1,027	- 1,027	
	- 8,160	2,634		- 3,306	11,860	8,554	
438	- 120,080	38,682	11,576	533,194	- 47	533,147	

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

in € thousand; annex to the condensed 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 30 June 2019

Plus income statement consolidation effect

Less balance sheet consolidation effect

Total effects of consolidation**Balance as of 30 June 2019****Balance as of 1 December 2019**

Total comprehensive income subgroup

Balance as of 30 June 2020

Plus income statement consolidation effect

Less balance sheet consolidation effect

Total effects of consolidation**Balance as of 30 June 2020**

	Subscribed capital	Capital reserve	Retained earnings	Other comprehensive income		Total equity
				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
			4,721	- 828	267	4,160
	2,705	506	54,346	- 1,415	457	56,599
			138			138
			- 8,668			- 8,668
			- 8,530			- 8,530
	2,705	506	45,816	- 1,415	457	48,069
	2,705	506	59,016	- 851	275	61,650
			3,293	- 248	80	3,125
	2,705	506	62,309	- 1,099	355	64,775
			141			141
			- 8,409			- 8,409
			- 8,268			- 8,268
	2,705	506	54,041	- 1,099	355	56,507

Segment report – HHLA Group

in € thousand; business segments;
annex to the condensed notes

	Port Logistics subgroup					
	Container		Intermodal		Logistics	
	1-6 2020	1-6 2019	1-6 2020	1-6 2019	1-6 2020	1-6 2019
Segment revenue						
Segment revenue from non-affiliated third parties	359,733	398,042	222,465	243,105	21,814	25,743
Inter-segment revenue	3,629	3,696	778	985	4,065	3,975
Total segment revenue	363,362	401,738	223,243	244,090	25,879	29,718
Earnings						
EBITDA	84,179	120,494	56,109	70,150	5,238	4,419
EBITDA margin	23.2 %	30.0 %	25.1 %	28.7 %	20.2 %	14.9 %
EBIT	36,823	71,802	34,503	50,773	- 2,126	1,746
EBIT margin	10.1 %	17.9 %	15.5 %	20.8 %	- 8.2 %	5.9 %
Assets						
Segment assets	1,268,221	1,296,335	586,367	562,559	49,462	42,056
Other segment information						
Investments in property, plant and equipment and investment property	35,843	25,610	40,866	73,803	2,155	1,281
Investments in intangible assets	1,340	1,007	565	390	866	282
Total investments	37,183	26,617	41,431	74,193	3,021	1,563
Depreciation of property, plant and equipment and investment property	45,161	45,895	21,476	19,277	2,862	2,648
Amortisation of intangible assets	2,195	2,797	130	100	4,502	25
thereof impairment	0	0	0	0	4,037	0
Total amortisation and depreciation	47,356	48,692	21,606	19,377	7,364	2,673
Earnings from associates accounted for using the equity method	- 149	280	0	0	841	2,147
Non-cash items	17,210	15,294	525	283	1,245	1,255
Container throughput in thousand TEU	3,345	3,770	—	—		
Container transport in thousand TEU	—	—	718	782		

Holding/Other		Real Estate subgroup		Total		Consolidation and reconciliation with Group		Group	
1-6 2020	1-6 2019	Real Estate		1-6 2020	1-6 2019	1-6 2020	1-6 2019	1-6 2020	1-6 2019
7,600	8,063	16,807	18,702	628,419	693,655	0	0	628,419	693,655
70,182	68,026	1,238	1,233	79,892	77,915	- 79,892	- 77,915	0	0
77,782	76,089	18,045	19,935	708,311	771,570				
- 14,716	- 14,110	9,660	12,196	140,470	193,149	- 376	- 210	140,094	192,939
- 18.9 %	- 18.5 %	53.5 %	61.2 %						
- 20,579	- 19,391	6,139	8,506	54,760	113,436	704	899	55,464	114,335
- 26.5 %	- 25.5 %	34.0 %	42.7 %						
225,705	141,287	214,593	210,997	2,344,348	2,253,234	287,472	338,741	2,631,820	2,591,975
1,720	374	4,938	4,999	85,522	106,068	0	0	85,522	106,068
1,129	3,377	1	1	3,901	5,057	- 376	- 210	3,525	4,846
2,849	3,751	4,939	5,000	89,423	111,125	- 376	- 210	89,047	110,914
4,757	4,359	3,513	3,687	77,769	75,866	- 854	- 852	76,915	75,014
1,106	922	8	3	7,941	3,847	- 226	- 257	7,715	3,590
0	0	0	0	4,037	0	0	0	4,037	0
5,863	5,281	3,521	3,690	85,710	79,713	- 1,080	- 1,109	84,630	78,604
0	0	0	0	692	2,426	0	0	692	2,426
10,157	10,550	614	135	29,751	27,518	13	1	29,765	27,518

Condensed 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 (HHLA AG), Germany, registered in the Hamburg Commercial Register under HRB 1902. The holding company above the Group is HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg (HGV).

To illustrate the earnings, net assets and financial position of the subgroups, the annex to these condensed Notes to the Consolidated Financial Statements 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.

The Condensed Interim Consolidated Financial Statements, and therefore the information in the Notes, are presented in euros (€). For the sake of clarity, the individual items are shown in thousands of euros (€ thousand) unless otherwise indicated. Due to the use of rounding procedures, it is possible that some figures do not add up to the stated sums.

2. Significant events in the reporting period

In early January 2020, China announced that a novel coronavirus had been detected in several patients. What was initially a local outbreak turned relatively quickly into an international pandemic. The coronavirus pandemic had a significant impact on HHLA's financial performance in the first half of the financial year. It has not, however, resulted in any material effects on the recognition or measurement of the Group's assets and liabilities as of 30 June 2020.

There were no other particular events during the period under review that had an impact on the Group's earnings, net assets and financial position.

3. Consolidation, accounting and valuation principles

3.1 Basis for preparation of the financial statements

The Condensed Interim Consolidated Financial Statements for the period from 1 January to 30 June 2020 were prepared in compliance with the rules of IAS 34 *Interim Financial Reporting*.

The IFRS requirements that apply in the European Union have been met in full.

The Condensed Interim Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements as of 31 December 2019.

3.2 Principal accounting and valuation methods

The accounting and valuation methods used for the preparation of the Condensed Interim Consolidated Financial Statements correspond to the methods used in the preparation of the Consolidated Financial Statements as of 31 December 2019.

Due to the anticipated impact of the coronavirus pandemic, the existing expected loss ratio for the 91–180-day range was increased by 30 % for the measurement of the credit risk for trade receivables in accordance with IFRS 9. The impact on the Consolidated Financial Statements is immaterial.

The consideration transferred on 31 July 2019 during the acquisition of shares in Bionic Production GmbH, Lüneburg (Bionic), also included a contingent consideration measured at fair value. This liability from the contingent consideration was derecognised as a result of a new agreement with the seller on 30 June 2020. The derecognition of the liability led to income of € 4,327 thousand being included in the result. Since the facts of the case are in the economic context of the development described below and the resulting impairment charge, the income was allocated to the HHLA-Group's operating result (EBIT) by way of recognition in the item "Other operating income" in the same way as the impairment loss.

Due to the worldwide effects of the corona pandemic and delays in some projects, the Executive Board of HHLA AG, Hamburg, has recalculated the recoverable amount of the Bionic cash-generating unit (CGU) as at 30 June 2020. An impairment loss of €4,037 thousand was recognized for Bionic, so that the carrying amount of Bionic's goodwill was reduced to €4,982 thousand. This is allocated to the Logistics segment.

The recoverable amount was determined using fair value less costs to sell. The valuation is considered level 3 of the fair value hierarchy due to the unobservable input factors used in the valuation.

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 there were no indications of impairment of the other CGUs, the Management Board has not updated the other impairment calculations.

The company started applying the following new standards on 1 January 2020:

- || Amendments to References to the Conceptual Framework in IFRS standards
- || Amendments to IAS 1 and IAS 8 *Definition of Materiality*
- || Amendments to IFRS 9, IAS 39 and IFRS 7 *Interest Rate Benchmark Reform*
- || Amendments to IFRS 3 *Definition of a Business*

No effects on the Consolidated Financial Statements arose from the application of these new provisions.

The following new amendments to standards can be applied on a voluntary basis for the financial year under review:

No amendments to standards had been voluntarily adopted as of the balance sheet date.

3.3 Changes in the group of consolidated companies

No changes in the group of consolidated companies took place during the reporting period.

4. Purchase and sale of shares in subsidiaries

There were no acquisitions or disposals of shares in subsidiaries in the first six months of 2020.

5. Earnings per share

Basic earnings per share in €

	Group		Port Logistics subgroup		Real Estate subgroup	
	1-6 2020	1-6 2019	1-6 2020	1-6 2019	1-6 2020	1-6 2019
Share of consolidated net profit attributable to shareholders of the parent company in € thousand	14,109	54,689	10,675	49,829	3,434	4,859
Number of common shares in circulation	72,753,334	72,753,334	70,048,834	70,048,834	2,704,500	2,704,500
	0.19	0.75	0.15	0.71	1.27	1.80

The diluted earnings per share are identical to basic earnings per share since there were no conversion or option rights in circulation during the reporting period.

6. Segment reporting

The segment report is presented as an annex to the condensed 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. For further information, please refer to the Consolidated Financial Statements as of 31 December 2019.

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 the Notes to the Consolidated Financial Statements as of 31 December 2019.

The HHLA Group still operates in four business units: the Container, Intermodal, Logistics and Real Estate segments. "Holding/Other" still does not constitute its own segment under IFRS 8.

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	1-6 2020	1-6 2019
Segment earnings (EBIT)	54,760	113,436
Elimination of business relations between the segments and subgroups	704	899
Group earnings (EBIT)	55,464	114,335
Earnings from associates accounted for using the equity method	692	2,426
Net interest income	- 18,303	- 17,971
Other financial result	- 100	0
Earnings before tax (EBT)	37,753	98,790

7. Equity

The development of the individual components of HHLA's equity for the period from 1 January to 30 June of the years 2020 and 2019 is presented in the Statement of Changes in Equity.

8. Pension provisions

Provisions for pensions include pension obligations and liabilities from working lifetime accounts.

The calculation of pension obligations as of 30 June 2020 was based on an interest rate of 0.50 % (31 December 2019: 0.70 %; 30 June 2019: 0.70 %). The calculation of pension obligations was also based on an interest rate of 0.70 % as stated in the HHLA capital plan as of 30 June 2020 (31 December 2019: 0.80 %; 30 June 2019: 0.90 %).

The actuarial assumption behind the remuneration trend changed from 3.00 % on 31 December 2019 to 2.00 % on 30 June 2020.

Actuarial gains/losses from provisions for pensions changed as follows. These are recognised in equity without effect on profit and loss.

Development of actuarial gains/losses from pension provisions

in € thousand	2020	2019
Cumulative actuarial gains (+)/losses (-) as of 1 January	- 114,479	- 68,783
Changes in the financial year due to a change in interest rates and experience-based adjustments	- 8,614	- 51,040
Cumulative actuarial gains (+)/losses (-) as of 30 June	- 123,093	- 119,823

9. Investments

As of 30 June 2020, total capital expenditure throughout the HHLA Group amounted to € 89.0 million (previous year: € 110.9 million).

The largest investments up to the end of the first half of 2020 were made in the Container and Intermodal segments and are primarily categorised as investments for expansion work.

As of 30 June 2020, the Container and Intermodal segments accounted for the bulk of investment commitments at € 86.9 million.

10. Financial instruments

The tables below show the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

Financial assets as of 30 June 2020

in € thousand	Carrying amount				Fair Value			
	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Balance sheet value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Financial assets		0	7,064	7,064	7,064			7,064
	0	0	7,064	7,064				
Financial assets not measured at fair value								
Financial assets	11,618			11,618				
Trade receivables	149,182			149,182				
Receivables from related parties	98,945			98,945				
Cash, cash equivalents and short-term deposits	203,069			203,069				
	462,814	0	0	462,814				

Financial assets as of 31 December 2019

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

Financial liabilities as of 30 June 2020

in € thousand	Carrying amount			Fair Value			Total
	Amortised cost	Fair value through profit or loss	Balance sheet value	Level 1	Level 2	Level 3	
Financial liabilities measured at fair value							
Financial liabilities		336	336	336			336
	0	336	336				
Financial liabilities not measured at fair value							
Financial liabilities	698,647		698,647				
Liabilities from bank loans	322,020		322,020		323,228		323,228
Liabilities from leases	272,376		272,376				
Settlement obligation, non-current	30,492		30,492		30,492		30,492
Settlement obligation, current	35,170		35,170				
Other financial liabilities	38,589		38,589		38,589		38,589
Trade liabilities	87,124		87,124				
Liabilities to related parties	516,299		516,299				
Liabilities from leases	494,157		494,157				
Other	22,142		22,142				
	1,302,070	0	1,302,070				

Financial liabilities as of 31 December 2019

in € thousand	Carrying amount			Fair Value			Total
	Amortised cost	Fair value through profit or loss	Balance sheet value	Level 1	Level 2	Level 3	
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				
Settlement obligation, non-current	30,492		30,492		30,492		30,492
Settlement obligation, current	35,170		35,170				
Other financial liabilities	44,341		44,341		44,341		44,341
Trade liabilities	74,879		74,879				
Liabilities to related parties	522,594		522,594				
Liabilities from leases	509,928		509,928				
Other	12,666		12,666				
	1,322,046	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.

In the reporting period, changes in the value of financial liabilities at fair value through profit or loss amounting to € 336 thousand as of the reporting date (as of 31 December 2019: financial assets of € 1,132 thousand and financial liabilities of € 4,113 thousand) were recognised in the income statement.

The valuation methods and key unobservable input factors for calculating fair value are described in the Notes to the Consolidated Financial Statements as of 31 December 2019.

11. Transactions with respect to related parties

There are various contracts between the Free and Hanseatic City of Hamburg and/or the Hamburg Port Authority and companies in the HHLA Group for the lease of land and quay walls in the Port of Hamburg and in the Speicherstadt historical warehouse district. Moreover, the HHLA Group lets office space to other enterprises and public institutions affiliated with the Free and Hanseatic City of Hamburg. Further information about these business relationships can be found in the Consolidated Financial Statements as of 31 December 2019.

As of 30 June 2020, both the amounts reported for receivables from related parties and liabilities to related parties remained largely the same as those recorded as of 31 December 2019.

12. Events after the balance sheet date

With the partnership agreement of 1 July 2020, HHLA AG set up 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 is scheduled to take place on 30 September 2020 as a fully consolidated subsidiary.

In a special meeting on 2 July 2020, the Supervisory Board of HHLA AG agreed to submit to the Annual General Meeting on 20 August 2020 an adjusted proposal for the appropriation of the balance sheet profit for the financial year 2019 in the form of an offer of an election dividend.

There were no other significant events after the balance sheet date of 30 June 2020.

Hamburg, 7 August 2020

Hamburger Hafen und Logistik Aktiengesellschaft

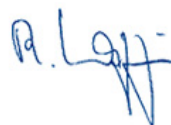
The Executive Board



Angela Titzrath



Jens Hansen



Dr. Roland Lappin



Torben Seebold

Responsibility statement

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the Interim Consolidated Financial Statements give a true and fair view of the earnings, net assets and financial position of the Group, and the Interim Management Report of the Group 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 remainder of the financial year.

Hamburg, 7 August 2020

Hamburger Hafen und Logistik Aktiengesellschaft

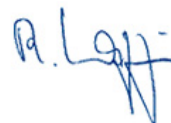
The Executive Board



Angela Titzrath



Jens Hansen



Dr. Roland Lappin



Torben Seebold

Review report

To Hamburger Hafen und Logistik Aktiengesellschaft, Hamburg

We have reviewed the condensed consolidated interim financial statements – comprising the statement of financial position, income statement, statement of comprehensive income, statement of cash flows, statement of changes in equity and selected explanatory notes – and the interim group management report of Hamburger Hafen und Logistik Aktiengesellschaft, Hamburg, for the period from January 1 to June 30, 2020 which are part of the half year financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Hamburg, 7 August, 2020

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Christoph Fehling
Wirtschaftsprüfer
(German Public Auditor)

ppa. Martin Kleinfeldt
Wirtschaftsprüfer
(German Public Auditor)

Financial calendar

Imprint

25 March 2020

2019 Annual Report
Analyst Conference Call

12 May 2020

Interim Statement January–March 2020
Analyst Conference Call

12 August 2020

Half-Yearly Financial Report January–June 2020
Analyst Conference Call

20 August 2020

Virtual Annual General Meeting

12 November 2020

Interim Statement January–September 2020
Analyst Conference Call

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This **Interim Statement** was published on **12 August 2020**.

<http://report.hhla.de/half-year-financial-report-2020> 

The **2019 Annual Report** is available online at:

<http://report.hhla.de/annual-report-2019> 

This Half-year Financial Report, including its supplemental financial information, should be read in conjunction with the 2019 Annual Report of Hamburger Hafen und Logistik Aktiengesellschaft (HHLA). You can find basic information about the Group and its consolidation, accounting and valuation principles in the HHLA 2019 Annual Report. This document also contains forward-looking statements that are based on the current assumptions and expectations of the HHLA management team. Forward-looking statements are indicated through the use of words such as expect, intend, plan, anticipate, assume, believe, estimate and other similar formulations. These statements are not guarantees that these predictions will prove to be correct. The future development and the actual results achieved by HHLA and its affiliated companies are dependent on a wide range of risks and uncertainties and may therefore deviate greatly from the forward-looking statements. Many of these factors are outside of HHLA's control and therefore cannot be accurately estimated, such as the future economic environment and the actions of competitors and others involved in the marketplace. HHLA neither plans nor undertakes any special obligation to update the forward-looking statements.

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