

Hamburg, 29 December 2020

**Hamburger Hafen und Logistik Aktiengesellschaft**  
**Release of an announcement according to Article 111c of the AktG [the German Stock Corporation Act]**

Hamburger Hafen und Logistik Aktiengesellschaft (“HHLA”) concluded two agreements regarding spaces leased from the Hamburg Port Authority (“HPA”) in the O’Swaldkai terminal on 28 December 2020. These consist of a three-party agreement (“Trilateral Agreement”) with the HPA and the Free and Hanseatic City of Hamburg (“FHH”) and an amendment contract to an existing lease contract between HHLA and HPA (“Amendment Contract”). HHLA’s Supervisory Board has given its consent to the Trilateral Agreement and the Amendment Contract.

The FHH holds around 70.1 % of HHLA’s share capital and voting rights. The HPA is an agency that the FHH established under public law and which the FHH controls via the HPA’s Supervisory Board. Consequently, the FHH and the HPA are both related parties affiliated to HHLA as defined in Section 111a (1) German Stock Corporation Act.

The Trilateral Agreement and Amendment Contract regulate the following: as a result of the FHH’s planned urban development of a the Grasbrook district and with the aim of securing the location for HHLA for the long term, the areas that HHLA leases at the O’Swaldkai terminal will be reduced in size; in exchange, the lease contract for the remaining areas will be extended ahead of time until 2049. During this process, there will also be a partially retroactive, future adjustment of the annual net basic lease fee. HHLA will receive financial compensation, especially for the early return of sub-areas and to carry out necessary modification measures to ensure that its operations at the O’Swaldkai terminal can be maintained at the same level. More specifically, this involves the following:

HHLA has leased an area measuring a total of 588,043 sqm at the O’Swaldkai terminal (located on Dessauer Strasse in the Kleiner Grasbrook district) from the HPA based on a lease contract valid until 30 June 2025 (the “Lease Contract”). HHLA has sublet the entire area to Unikai, FKZ and EDEKA Zentrale AG & Co. KG (“EDEKA”; “Subtenants” when referred to jointly with Unikai and FKZ), which provide port logistics services within the different areas. HHLA holds an approximately 51 % stake each in the nominal capitals of UNIKAI Lagerei- und Speditionsgesellschaft mbH (“Unikai”) and HHLA Frucht- und Kühlzentrum GmbH (“FKZ”).

In an amendment to the lease agreement concluded, the Amendment Contract stipulates that the existing leased space will initially be increased retroactively to around 607,190 sqm as of 1 July 2020 by adding space previously leased under other lease agreements. In doing so, HHLA will return part of the overall area, measuring about 87,456 sqm, thus achieving the intended reduction in area. The area will be returned once modification measures to compensate for the reduction in area agreed under the Amendment Contract are complete in accordance with the progress in planning and construction in Grasbrook and no earlier than 1 January 2022. At the same time, the Amendment Contract shall extend the term of the Lease Contract for the reduced area ahead of time until 30 June 2049. The ultimate aim is for the HPA to lease the space used by the Subtenants directly to them in the future and for the lease agreement to be amended accordingly.

The annual net basic lease fee for the original lease area measuring 588,043 sqm plus the waterfront structures has been increased with retroactive effect between 1 July 2015 and 30 June 2020. An increase has been agreed for the annual lease fee for the area totalling between € 89,873.97 (for the period between 1 July 2015 and 30 June 2017) and € 354,493.32 (for the period between 1 July 2019 and 30 June 2020) and by € 61,996.93 for the waterfront structures

as opposed to the current lease fee of € 2,367,618.58 for the area and € 538,642.64 for the waterfront structures. The annual net basic lease fee for the initially enlarged total area of 607,190 sqm plus waterfront structures has been fixed with effect from 1 July 2020 with staggered increases every year until 30 June 2049. From 1 July 2020, the fee shall amount to € 2,758,224.52 plus the lease fee for the waterfront structures, currently totalling € 600,639.57. The annual increase rates on 1 July every year compared to the previous year's lease fee shall be an average of 3.74 %; the increase scheduled for 1 July 2021 will not be applied due to the Covid-19 pandemic. No specific increases are agreed with regard to the lease fee for the waterfront structures; this fee will generally be reviewed under agreement between the HPA and Unternehmensverband Hafen Hamburg and readjusted where necessary. Taking into account the reduction in area, the present value of lease payments for the term of the amended Lease Contract is € 99.1 million. HPA and HHLA have agreed that the lease fee will be reduced by an appropriate amount in the event of an area being returned to the Lessor. The lease fee is initially based on the rent table applicable to the leasing of port areas; it will then be agreed for the time period on an individual basis. If the European Commission should determine the amount of rent to be in breach of Union law, contrary to the appraisal of the parties involved, an expert shall set the permissible lease fee with retroactive effect to the date when the Amendment Contract was concluded (i.e. 28 December 2020).

Once the Trilateral Agreement is concluded, the FHH shall make a compensatory payment amounting to up to € 120 million to HHLA for the early return of sub-areas and for carrying out the modification measures necessary to maintain operations at the same level at the O'Swaldkai terminal. If the FHH stipulates specific individual measures that go beyond the generally accepted best available techniques or if further unforeseen measures become necessary, this may involve up to a further € 10 million (i.e. a maximum of € 130 million in total) (including any value-added tax incurred) with the specific amount being determined by an independent expert ("Compensatory Payment"). The Compensatory Payment shall include, in particular, compensation for the early relinquishment of leased areas, the construction of a multi-storey car park on the Unikai site to compensate for lost space, costs for demolishing buildings in the area still under lease and compensation for the carrying values for these buildings, land conditioning and restructuring. The modification costs will be around € 115 million according to HHLA's calculations. However, the FHH shall (directly) bear the costs with regard to the requirements for noise protection related to the Grasbrook urban development project. The Compensatory Payment is to be made in three instalments between 2023 and 2025, on 31 March each year. All contractual or other compensation claims on the part of HHLA shall be permanently settled on the payment of the compensation according to the aforementioned provisions. HHLA undertakes not to raise any objections or legal remedies against the planning and implementation of the Grasbrook project. In view of the required permits for relocating a hazardous materials storage facility located on the site and further measures, the parties (including Unikai and FKZ) are obliged to apply for the required permits, provide the necessary documents and give constructive assistance for the procedure to modify permits. Furthermore, the parties have undertaken to cooperate constructively with regard to future negotiations on any further adjustments to the underlying Lease Contract which may be necessary or which one of the parties may request.

The following aspects are also material for evaluating the Amendment Contract and the Trilateral Agreement: the restrictions on operations due to the area being reduced can be compensated by modification measures; there are expected to be no disadvantages for the resident businesses after modification. The FHH will bear the costs of the modification measures up to the aforementioned maximum compensation payments. Extending the term of the Lease Contract associated with the Amendment Contract until 30 June 2049 gives HHLA and its subtenants a long-term perspective for the O'Swaldkai site and thus also planning certainty for future investments.

The Trilateral Agreement is subject to conditions precedent being met, in particular the granting of authorisation in FHH's budget for up to € 10 million that may be required to pay compensation (authorisation has already been given for the amount of up to € 120 million). The Amendment



Contract is also subject to conditions precedent being met, in particular, (i) the granting of all regulatory approvals for unrestricted continuation of Unikai's and FKZ's operations and (ii) the payment of compensation. The conditions specified in the Trilateral Agreement must come into force by 31 December 2023 at the latest; if they do not, they shall be deemed cancelled.