

Annual General Meeting

Hapag-Lloyd AG

on

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Speech of

Rolf Habben Jansen

Chairman of the Board

Hapag-Lloyd AG, Hamburg

Ladies and gentlemen,
dear shareholders,
dear guests,

On behalf of the entire Executive Board, I would like to welcome you to the Annual General Meeting of Hapag-Lloyd AG – here from our corporate headquarters on the Ballindamm in Hamburg.

We are very happy that you have taken the time this morning to look back with us on a successful, but once again extraordinary 2021 financial year.

Together with you, we would like to take a look at the current situation of your company and, in doing so, to present the proposal that we will make for the payment of this year's dividend, which you, dear shareholders, will decide on today in the course of this Annual General Meeting.

We would have liked to welcome you in person again this year. But, for your safety, we have decided to hold the Annual General Meeting virtually once again even though there have been some initial relaxations of the coronavirus restrictions. However, it goes without saying that, as usual, we will keep you thoroughly informed about your Hapag-Lloyd AG.

In what follows, I would like to outline the developments of the last financial year and to give you an outlook for 2022.

Due to the COVID-19 pandemic, the 2021 financial year was characterised by persistently strong demand for consumer goods – and, therefore, container transports – while capacity was tight at the same time due to bottlenecks in the global supply chains.

Strong demand and the extraordinary market environment have led to the best result in the corporate history of your Hapag-Lloyd AG! And you, dear shareholders, should also benefit from this.

In addition, our very good earnings momentum has enabled us to make additional investments – such as in the quality of our services and in projects geared towards sustainability, with which we will continue to significantly decrease our carbon footprint.

But the pandemic has also shown just how closely interconnected global supply chains are and revealed their interdependencies. Nevertheless, container shipping kept global trade afloat – even and especially during the pandemic – and handled a high transport volume despite all the bottlenecks. This was at the same level as before the outbreak of the coronavirus pandemic – and this is also a result of the adaptability of our industry and our very personal passion for container shipping.

What drives Hapag-Lloyd is our corporate values: “We Care. We Move. We Deliver.” As a shipping company, we are an integral part of global trade. But we also view ourselves as part of society. And, as an international company, this holds true for us in all of our locations worldwide. Our commitment to looking after our environment – in other words: “We Care.” – has particularly posed a great challenge to us over the past year.

We have significantly expanded our sustainable engagement in corporate citizenship with our new “Hapag-Lloyd Cares” programme and decided to give each of our more than 14,000 employees worldwide a paid day off for social or sustainability-related projects.

Our colleagues have volunteered in teams, helped those in need, cleared cities and beaches of litter, and advanced numerous initiatives.

In view of Russia’s horrific war of aggression, it became clear to us that we must help the people in and from Ukraine. For example, we have transported relief supplies for the United Nations High Commissioner for Refugees (UNHCR) at no cost, we have offered safe accommodations to Ukrainian families, and we have organised donation drives. Many of our colleagues have also taken part in aid transports as well as in relief activities on the Polish-Ukrainian border. In addition, we continue to face major challenges in logistics, and these are showing up for us in very different areas:

For example, the COVID-19 pandemic has prompted a major shift from spending on services to spending on consumer goods. The items that were particularly purchased were furniture, electronic goods, sports equipment and DIY/home improvement products – all of which are voluminous, mostly produced in Asia, and transported by container.

This high demand led first to congested ports and terminals as well as to bottlenecks on rail and road transport networks worldwide. This also had a negative impact on the schedule reliability of the liner shipping companies and their levels of service quality.

Second, spot rates for container transports in particular have risen sharply. If we look at the Shanghai Containerized Freight Index – that is, the freight rate development for Chinese exports – it averaged 3,768 US dollars per TEU in 2021 – which means that it more than tripled compared to the prior-year rate. This has especially impacted customers who have not concluded long-term transport contracts.

On the other hand, in the same period, our average freight rate increased by 889 to 2,003 US dollars. The bulk of our business is based on long-term volume agreements and contracts with freight rates that are significantly below the levels we have seen in the spot market. At the same time, the costs of liner shipping companies have risen significantly in the past year.

For example, in 2021, our bunker costs rose by 23%. Bunker prices for low-sulphur fuel oil from Rotterdam climbed to 550 US dollars per tonne at the end of last year. These prices saw another significant rise in the first quarter of 2022, to 806 US dollars per tonne. Our container handling expenses increased from 4.7 billion to 5.4 billion euros, which means that they were much higher than in the previous year.

Owing to the scarce availability of charter vessels, the corresponding rates increased significantly in the past year, while the contract duration became longer at the same time.

Due to higher bunker prices and charter rates as well as increased demurrage and storage fees for containers, transport expenses increased by 13% overall, to reach 10.3 billion euros.

We are also seeing that many of our customers are facing major logistical challenges, as the transport of goods is less predictable due to bottlenecks in the supply chains, which sometimes has a big impact on operations and reliability.

Our employees, both on land and at sea, are working with extraordinarily dedication day after day to keep the supply chains of our customers up and running. Under the given conditions, this also entails a very heavy workload. Thus, I would like to take this opportunity to express my very special gratitude and appreciation to our colleagues, who are doing a fantastic job in these extraordinary times.

Moreover, we have implemented a wide range of measures to support our customers in this challenging market environment.

Looking at our network, we are boosting available capacity, skipping ports to catch up on lost time, speeding up our ships, diverting them to other less congested ports nearby, and adjusting rotations. Every available ship in our fleet has been and continues to be in operation.

In order to meet the very high demand from our customers and to enhance our overall service quality, we were also able to charter in around 50,000 TEU of additional net capacity by the end of 2021 compared to a year earlier.

We purchased or leased 300,000 TEU of new container capacity and continued to expand our fleet overall last year.

Last but not least, we have hired more employees worldwide. We have continued to strengthen our business activities and our customer service, such as by acquiring NileDutch, opening new offices and expanding our Quality Service Centers – thereby welcomed a total of around 1,000 new colleagues on board at Hapag-Lloyd.

In addition, we have made significant investments in IT, customer care and automation to enhance our customer service. We have also continued to roll out and increase usage of new digital products, such as Shipment Guarantees and Detention Freetime packages.

With our new Quality Freight Product (QFP), we are now offering our customers multi-year contracts at fixed rates, which enables them to plan better thanks to guaranteed availability of transport capacity.

Let us now turn our attention to the key figures for 2021.

Due to the strained supply chains mentioned at the beginning and the resulting operational challenges, transport volumes were roughly on a par with the prior-year level, at 11.9 million TEU.

On the other hand, due to demand, our average freight rate increased by roughly 80%, from 1,115 to 2,003 US dollars per TEU. This, in turn, is also reflected in our revenues, which increased by 74% – to reach 22.3 billion euros – in the 2021 financial year.

Let us now take a brief look at the development of earnings.

In 2021, we significantly exceeded the forecasts for EBIT and EBITDA that we gave at the beginning of the financial year.

We boosted our EBIT to 9.4 billion euros, which represents an increase of 8.1 billion euros compared to the previous year. We raised our EBITDA to 10.9 billion euros, which is four times more than a year earlier. Moreover, the Group profit improved to 9.1 billion euros. This means that we achieved the best result in our company's history! This is particularly a result of better freight rates as well as the rigorous implementation of our Strategy 2023.

With its strengthened balance sheet structure, Hapag-Lloyd today ranks among the most financially stable liner shipping companies in the world.

At year-end 2021, Hapag-Lloyd had equity of 16.2 billion euros – a year-on-year increase of 9.4 billion euros. This corresponds to an equity ratio of more than 60%.

In 2021, our net debt was completely paid off. At the end of the year, our liquidity stood at 7.7 billion euros. It thereby significantly exceeded financial debt, with the result that Hapag-Lloyd had net liquidity of around 2.2 billion euros as of the 31st of December 2021.

In March 2021, the rating agencies Moody's and Standard & Poor's (S&P) rewarded the significant improvements in our balance sheet figures by upgrading our credit ratings.

In February 2022, S&P also upgraded Hapag-Lloyd's credit rating again – from "BB" to "BB+" – with a "stable" outlook. This puts us just one notch below an investment grade rating, which underlines Hapag-Lloyd's financial stability once again.

In view of this extraordinarily positive business development, we would like you, dear shareholders, to once again participate in the success of your company.

For this reason, our Executive Board and our Supervisory Board, together with the Annual General Meeting, propose the pay-out of a dividend of 35 euros per share. This corresponds to a share in the Group profit of about 68% per share.

We would be very pleased if the Annual General Meeting would resolve to endorse our proposal for the appropriation of the net profit.

Let me take this opportunity to thank all of you, our shareholders, for your great confidence in and loyalty to Hapag-Lloyd.

The very good business development is also reflected in our share price, which has almost tripled within the last year. For you, dear shareholders, the dividend yield for

2021 was 12.6%. This positive trend has continued in the new year in terms of the development of our share price, which has increased by around 55% (as of the 16th of May 2022) since the 1st of January 2022.

In addition, we have also made very good progress in strategic terms.

Last year, despite an extremely challenging market environment, Hapag-Lloyd was once again able to successfully implement a number of strategic measures.

For example, we achieved all our financial targets earlier than originally planned, and we have made good progress with our Quality Promises. We significantly increased the share of business booked via our Web Channel, and we grew significantly in attractive markets, such as India and Africa.

The successes of the past year have shown that our Strategy 2023 has proved its worth – even in a difficult market – and we will stick to it. But, going forward, we would like to place an even stronger focus on quality and sustainability.

This is why we have added “Sustainability” as a fourth core focus of our strategy, joining our previous core focuses: “number one for quality”, “global growth” and “profitability throughout the cycle”.

Last November, we closely scrutinised and fine-tuned our Strategy 2023. And we determined what our priorities will be in the coming years in order to continue to be successful in the future.

We have translated this into targeted measures and bundled them into a programme called “Prepare For Tomorrow”, with which we will gear our activities towards three focal points:

First – simplify: At its core, this is about improving the customer experience and making it as convenient as possible for our customers to do business with us.

Second – strengthen: We will redouble our efforts aimed at becoming the “number one for quality” for our customers.

Third – invest: In this case, the focus will be on our long-term ability to compete. We will safeguard this by investing in our employees and their skills as well as in sustainable assets.

Allow me to put this in more concrete terms for you.

With the “Simplify” focus, we will specifically address the complexities in supply chains. In doing so, we will orient ourselves even more strongly towards the individual needs of our customers. We will optimise our network and fleet, consolidate transshipment hubs, and reduce the number of our container depots.

One concrete example is our real-time tracking. We have decided to equip our entire container fleet with the necessary devices. This comprises a capacity of approximately 3 million TEU.

Doing this will enable us to supply our customers with pertinent data in real time and to thereby offer them full transparency on all container movements.

At the same time, we will gain the ability to identify delays at an earlier point in time, to automatically inform any impacted partners, and to initiate countermeasures at an early stage.

Starting in 2023, Hapag-Lloyd LIVE will also be available for standard containers. We are the first carrier to take this step, which will advance the digitalisation of container shipping while creating added value for our customers at the same time.

With our “Strengthen” focus, we will be boosting our quality and capacity for innovation. At the same time, we will continue to invest in future-proof core systems and to accelerate digitalisation.

Concrete measures can be seen in the multiple digital solutions that our customers can manage via the Online Business Suite on our website.

With our “Shipping Guarantee”, our customers can safeguard their transport against rebooking with just a few clicks so that their cargo is also guaranteed to arrive at the port of destination on time.

With our digital “Additional Freetime” product, our customers can book extended time allowances online at a discounted price for the return of containers at the port of destination.

With our “Electronic Bill of Lading eB/L” product and the WAVE platform, they can also digitally manage, sign and send one of the most important documents in maritime trade and thereby exchange their original documents with business partners in a secure, convenient and paperless manner.

As mentioned earlier, we have once again significantly boosted the number of bookings made via our Web Channel compared to the prior year. While 13% of our total volume was booked online via our “Quick Quotes” tool in 2020, this figure was already 23% at the end of last year – meaning roughly one out of every four containers. A fantastic success!

Last year, we also added a new product – “Quick Quotes Spot” – for even more planning security: Our customers immediately receive a booking confirmation, guaranteed provision of the required empty containers, and guaranteed loading onto the booked vessel at the ports of loading and transshipment.

These are just a few selected digital products, but all of our innovations share one thing in common: They are always guided by the idea of making it as convenient as possible for our customers to work with us. To us, this is a very important aspect of our relationships with customers – and especially in pandemic times.

Hapag-Lloyd's future ability to compete will directly depend on the skills of all colleagues in the company – and we will continue to invest in them.

Moreover, sustainability is more urgent than ever, and this is something that is also having an impact on our fleet. Our orderbook currently includes 22 state-of-the-art vessels with a combined capacity of more than 400,000 TEU. We will already take delivery of the first of these newbuildings this year.

We will also continue to invest in the quality of our services. For example, we have rolled out the Salesforce customer relationship management tool globally, which enables us to optimise processing times and the customer experience. The results of our most recent customer survey show that we have set the right course on this issue.

But we will also press ahead with our internationalisation. For example, in 2021, we opened new offices in Kenya, Morocco and Senegal in our strategic growth market Africa to better serve our customers doing business in these countries.

We continue to take a very close look at inorganic growth opportunities – especially if they will strengthen our core business.

In March 2021, we acquired the Africa specialist NileDutch and already successfully concluded this transaction in July. With 10 liner services, around 35,000 TEU of transport capacity and a container fleet of around 80,000 TEU, the company connects Europe, Asia and Latin America with West and southern Africa.

Thanks to our acquisition of NileDutch, our customers will benefit from a denser network to and from Africa as well as from a significantly higher frequency of sailings. This has been an outstanding complement to our existing activities on the continent and has strengthened our position there, especially in West Africa.

With the acquisition of Deutsche Afrika-Linien (DAL) at the beginning of this year, we have brought another established container liner shipping company into the Hapag-

Lloyd family. DAL is an especially valuable addition for the range of services we offer to and from South Africa, as it operates four liner services between Europe, South Africa and the Indian Ocean. This enables us to offer our clients a better network and additional port coverage in this region.

Furthermore, we have taken a stake in JadeWeserPort by acquiring 30% of Container Terminal Wilhelmshaven (CTW) and 50% of Rail Terminal Wilhelmshaven (RTW). This stake in JadeWeserPort will help us to enhance our competitive position, especially in the Far East trades, while strengthening the ports in Northern Germany at the same time. This transaction was recently approved by the European Commission and thereby successfully concluded.

In addition, we recently agreed to acquire a 39% stake in a new terminal in Damietta as part of a joint venture. Damietta will become our strategic transshipment hub to strengthen our position in the Eastern Mediterranean. At the same time, we are improving our access to local Egyptian commerce. The new Terminal 2 at the Port of Damietta is expected to enter into operation in 2024 and to have a total handling capacity of 3.3 million TEU.

On the other hand, our 10% stake in the TC3 terminal in Morocco will strengthen our position in the Western Mediterranean and integrate Africa even more strongly into our global network.

Investing in strategic assets like these along the supply chains is and will remain an essential part of our Strategy 2023. This also holds true when it comes to sustainability.

Climate change will continue to be the greatest challenge of our time. Shipping is responsible for roughly 3% of all greenhouse gas emissions. It is therefore absolutely clear that we must and want to play our part in decarbonisation efforts so that the goals of the Paris Climate Accords are achieved.

In November, we published an enhanced sustainability strategy. As part of this strategy, Hapag-Lloyd is stepping up its related efforts and aims to set an example in the industry. Climate neutrality must be achieved as quickly as possible. That is why we have set ourselves concrete goals.

More specifically, the CO_{2e} intensity of our entire fleet is to be reduced by 30% by 2030 compared to 2019. In addition, Hapag-Lloyd aims to be climate-neutral by 2045.

We have certified 16 of our ships to operate using biofuels. By using biofuels, greenhouse gas emissions can be reduced by more than 80% compared to when using conventional fuel – but the availability of these biofuels is still very limited. In 2021, we bunkered around 18,500 tonnes of biofuel; and, this year, we plan to secure 100,000 tonnes. In a next step, we would like to certify additional ship classes to operate on biofuels and to offer our customers transports using biofuel as a commercial product.

Our 22 newly ordered ships will also help us to advance our decarbonisation efforts. Twelve of these units will be 23,500 TEU vessels outfitted with fuel-efficient engines that will be able to operate using liquefied natural gas (LNG) and thereby reduce their CO₂ emissions by between 15 and 25%. Another 10 state-of-the-art 13,000 TEU vessels will also replace smaller and more inefficient vessels.

Incidentally, most of these newbuildings have been financed using so-called green financing transactions, which were concluded according to the Green Loan Principles of the Loan Market Association (LMA).

Furthermore, in March of last year, we issued our first green sustainability-linked bond, which is also linked to a clearly defined sustainability target – namely, the reduction of the CO_{2e} intensity of Hapag-Lloyd's own fleet.

I would now like to turn to the current year.

Despite the impacts of the COVID-19 pandemic, congested supply chains and the war in Ukraine – yet thanks to 84% higher freight rates – Hapag-Lloyd got 2022 off to an exceptionally strong start on the whole.

Due to congested ports and strained hinterland infrastructures – and the associated longer turnaround times for ships and containers – the transport volume of 3.0 million TEU was admittedly lower than it was in the same quarter of the previous year.

However, we still managed to achieve a significantly better average freight rate of 2,774 US dollars per TEU. As a result, we were able to increase our revenues by about 33% in the first quarter of 2021, to 8 billion euros.

On the other hand, the result was negatively impacted by significantly increasing expenses for container handling and a roughly 60% higher average bunker consumption price. In the first quarter, this stood at 613 US dollars per tonne (as opposed to 384 US dollars per tonne in the first quarter of 2021). Nevertheless, we achieved extraordinarily strong results at the start of the year.

Hapag-Lloyd increased its EBIT to 4.3 billion euros in the first quarter of 2022. The EBITDA climbed to around 4.7 billion euros. The Group profit rose to roughly 4.2 billion euros.

With these exceptionally strong results, we look back on a very good first quarter overall – in fact, it was the best quarter ever in our company's history.

But what is our assessment regarding the further course of the current year?

Demand has remained at a high level at the beginning of 2022, and supply chain congestion is also persisting. However, we currently expect to see things start to normalise in the second half of the year.

Of course, more capacity will be entering the market in 2023 owing to deliveries of newly ordered vessels. However, after a normalisation of demand and a simultaneous stabilisation of the supply chains, we expect that the scrapping of old ships will more

likely be at a higher level in the next few years. This will also be driven by the IMO's higher efficiency requirements, which will take effect beginning in 2023.

On the whole, we continue to expect a balanced relationship between supply and demand in the medium term.

We have started 2022 with a lot of tailwind and, on the basis of our current business performance, the second quarter is also likely to exceed previous expectations. This prompted us to adjust our forecast for the current financial year on the 28th of April.

Due to the persistent bottlenecks in the global supply chains, we expect transport volumes in 2022 to remain at the previous year's level. At the same time, we expect a significantly rising average bunker consumption price this year as well as a significantly rising average freight rate.

Due to the strong earnings momentum at the beginning of the year, we expect that EBITDA and EBIT for the current financial year will clearly surpass the prior-year level. For 2022, an EBITDA in the range of 13.6 to 15.5 billion euros and an EBIT in the range of 11.7 to 13.6 billion euros are now expected. However, given the ongoing COVID-19 pandemic and the war in Ukraine, this forecast remains subject to a high degree of uncertainty.

Allow me to briefly summarise now.

2021 was a very strong and successful year for us. At the same time, we have started 2022 off with an exceptionally strong result and tailwind.

Our main focus continues to be ensuring the safety and well-being of our employees as well as keeping the supply chains of our customers intact.

We will rigorously implement our Strategy 2023 and our “Prepare For Tomorrow” programme and invest several billion euros over the next few years. But, in doing so, we will especially concentrate on quality and sustainability.

The focuses will be on additional investments in our fleet, continued digitalisation, an even better customer experience, and the skills of our colleagues. In addition, we will continuously monitor the market and look for attractive growth opportunities that will strengthen our core business.

Regarding our growth in attractive markets, after the successful closing of the acquisition, we are preparing the seamless integration of Deutsche Afrika-Linien to ensure a smooth transition for our customers. At the same time, we will continue pursuing our prudent financial policy based on a solid liquidity reserve and positive free cash flow.

We remain conscious of the fact that we bear a very great responsibility when it comes to climate protection. That is why we will work hard to achieve our new sustainability goals and to thereby make our contribution to the Paris Climate Accords.

Dear shareholders, thank you for your trust and support!

At the same time, I would like to express my special thanks to all employees on board and on shore for their extraordinary commitment, to the members of our Supervisory Board, to my colleagues on the Executive Board, to our managers worldwide, but also to our partners and customers who are standing by us in these challenging times.

Dear members of the audience, in 48 hours, it will be the 175th anniversary of the founding of Hapag. At 4:45 in the afternoon of 27 May 1847, a group of Hamburg merchants signed the founding document of the Hamburg-Amerikanische Packetfahrt-Actien-Gesellschaft – or Hapag, for short. This very special anniversary makes us proud and grateful. 175 years of shipping history, 175 years of expertise, and 175 years of lasting change have made us strong and resilient.

Rest assured that we will remain as passionate and committed as the founding fathers were back then, so that Hapag-Lloyd can confidently and unswervingly continue on its course of success.

Thank you very much!