

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.

We are very happy that you have taken the time this morning to look back with us on a very successful as well as extraordinary 2022 financial year. And, today, we are particularly pleased to be able to meet with you again in person.

We would like to present to you the current situation of your company and our proposal for the payment of a dividend for the 2022 financial year. You, our shareholders, will decide on this today in the course of this Annual General Meeting.

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

The 2022 financial year started off for us with strong demand for container transports, and this continued in the first half of the year. At the same time, a strong increase in all cost categories put pressure on our per-unit costs.

Starting in the second half of the year, the weakening of the economy was reflected in lower demand for consumer goods. In addition, congestion began to ease in both ports and the hinterland. This was the normalisation in global supply chains expected after the pandemic.

In this market environment, we stabilised our transport volumes and achieved much higher freight rates for the year as a whole.

This enabled us to conclude the 2022 financial year with by far the best result in the company's history.

At the same time, we shouldn't forget that a lot of people around the world have been facing extraordinary challenges since last year. This made expanding our engagement with society a very important priority for us.

"We Care" is one of our core corporate values. This was also particularly true in 2022. After all, since the start of Russia's war of aggression on Ukraine in February 2022, we have been facing a humanitarian catastrophe marked by extraordinary suffering and senseless death on both sides.

From day one, our focus has been on ensuring the safety and well-being of our staff in Ukraine. That is why we have closed our office in Odessa for the time being and offered our colleagues alternative employment opportunities at other Hapag-Lloyd locations.

Second, we have provided support to numerous relief operations in addition to launching our own efforts to help people in Ukraine or people in Europe who have fled from the war.

Among other things, we have provided free shipments of relief supplies to the UN Refugee Agency, offered safe accommodation to Ukrainian families in Hamburg and Gdansk, and organised financial support.

Many of our colleagues have also participated in aid transports as well as in relief operations on the Polish-Ukrainian border.

In the current 2023 financial year, we have also launched an aid programme to help people affected by the devastating earthquakes in Turkey and Syria. In addition to donated materials that could quickly be delivered to the impacted areas, this has also included donation drives and a longer-term financial

commitment to go towards structural initiatives, such as emergency shelters and reconstruction materials.

These are just a few of our many global initiatives, and we will continue to strengthen our social engagement going forward. This is and will remain an integral part of our sustainability strategy.

Despite all these enormous challenges, which are of great concern to us all, I would now like to take a closer look at what happened on the market and how our business performed in the previous financial year.

If we look at the global volume of container transports in the market, the trend in the first half of the year was initially still similar to what we had seen in 2021.

After a robust start to the year and the usual seasonal dip in demand immediately following the New Year's celebrations in Asia in February, demand recovered starting in March.

As the year progressed, the global economy cooled down and demand for container transports fell for a number of reasons – including high inventories at many companies. At the same time, congestion in ports around the world eased to a large extent

owing to the decline in demand and in the number of lockdowns. This then led to a normalisation in global supply chains starting in the second half of the year. On the whole, global transport volumes decreased by around 4 percent in 2022.

This demand pattern was then reflected in the development of short-term freight rates. The Shanghai Containerized Freight Index (SCFI) – meaning the index for spot rates for Chinese exports – initially reached a peak of 5,110 USD/TEU at the beginning of January 2022. The extraordinarily high spot rates impacted customers who had not concluded long-term transport contracts.

As the year progressed, the SCFI steadily declined, and short-term freight rates really plummeted beginning in the second half of the year. At the end of the year, the SCFI stood at just 1,108 USD/TEU, which represents a decline of 78 percent within a single year.

This trend is continuing in the current 2023 financial year: Volumes and rates are still under pressure, and we are adjusting to a significantly changed market environment.

Let us now take a look at the key figures.

Despite some initial supply chain disruptions, we outperformed the market and managed to keep our transport volume almost stable – at 11.8 million TEU – in the 2022 financial year.

At the same time, our average freight rate improved by around 43 percent – from 2,003 to 2,863 US dollars – among other things thanks to the contract rates that we had agreed on with our customers at the beginning of the year owing to the high demand. Nevertheless, since the fourth quarter, we have seen our average freight rate begin to normalise, and this trend has been continuing at the beginning of the current financial year.

The higher average freight rate is then also reflected in our revenue, which increased by 55 percent – to 34.5 billion euros – in the 2022 financial year.

Let us now turn to the development of earnings.

As I just mentioned, we significantly increased our revenue in 2022.

But, on the other hand, our transport costs rose sharply, to 13.7 billion euros, which is 33 percent higher than the prior-year figure.

The main reasons for this were a higher average bunker consumption price, higher charter rates and higher container handling expenses.

We boosted our EBIT to 17.5 billion euros, which represents a year-on-year increase of 87 percent.

We increased the Group profit to 17 billion euros – thereby achieving the best result in the 176-year history of our company.

At this point, I would like to express my special thanks and deepest appreciation to our colleagues both on land and at sea. Once again, they have all done a great job keeping the supply chains up and running in a difficult market environment and ensuring every day that we provide the best possible solutions to our customers.

Thanks to these exceptionally strong results, we have also significantly strengthened both our balance sheet and our liquidity position.

At the end of 2022, Hapag-Lloyd reported 27.9 billion euros in equity – an increase of 11.7 billion euros over the prior year.

In 2022, we also significantly boosted our net liquidity. At the end of the year, this amounted to 12.6 billion euros, more than 10 billion euros higher than the previous year.

Thus, our equity and liquidity positions are now well above our long-term strategic targets. On the one hand, this means that we are well equipped to meet the challenges of the current market environment by making targeted investments in quality and sustainability while continuing to pursue our strategic course.

At the same time, we are in a position to once again significantly boost the dividend to you, our valued shareholders.

With a payout ratio of 65 percent, we are at the same level as in previous years and thereby continuing our dividend policy, which is geared towards the company's success.

Accordingly, our Executive Board and our Supervisory Board, together with the Annual General Meeting, propose the pay-out of a dividend of 63 euros per share.

On top of that, in the course of the strong earnings trend, the price of our shares has also developed extraordinarily well in recent years.

So let me take this opportunity to express my heartfelt thanks to all of you, our shareholders, for your great trust and loyalty to Hapag-Lloyd.

Next, I would like to show you the strategic progress we have made.

In the challenging market environment of the past year, our Strategy 2023 once again proved its value. At the same time, our high profits have made additional investments possible. This enabled us to successfully implement a large number of operational measures and strategic initiatives:

As part of this, we have started to simplify our network and reduce complexities.

At the same time, with our new digital solutions, we have made the supply chains even more transparent for our customers.

And with new services and offices as well as through our acquisition of Deutsche Afrika-Linien, we have expanded our position in attractive markets – with a focus on the African market.

Likewise, we have made good progress in our digitalisation efforts and significantly expanded our product portfolio.

With regard to our fleet of ships, we have launched a far-reaching optimisation programme and used more biofuels, thereby making more progress along our path to becoming climate-neutral by 2045.

In addition, we have further enhanced our operational quality, which is reflected not least in the significant increase in customer satisfaction.

Furthermore, we have increased our investments in terminals and infrastructure in the reporting year. This will help us to offer new products and to keep improving the quality of our core business.

Looking at the satisfaction of our customers, we made a lot of progress last year.

Among other things, we were able to reach our targets for almost all of our Quality Promises – for example, when it comes to timely and correct documentation, honouring of volume agreements, resolving cases quickly or the speed of our Customer Service

responses. But, at the same time, it is also clear that we still need to do much better, especially in terms of schedule reliability.

Overall, the improvements we made in our service quality in 2022 are also reflected in customer satisfaction, which we measure using the so-called Net Promoter Score (NPS) – in other words, the recommendation rate. At the end of last year, our NPS rose to a value of 29, which is the highest level we have achieved since we launched our regular customer surveys in 2018. And we will once again boost our customers' satisfaction this year, as well. In fact, the preliminary values of our current survey, which we will conclude next week, once again show a clear improvement.

Optimising our network will make a significant contribution to improving service quality.

To this end, we have launched a programme that targets services which are more strongly focused and use larger vessels.

We will achieve this first by focusing our services even more strongly on important ports in attractive markets and thereby shortening turnaround times.

We have already started to roll out our network optimisation on our Latin America routes and will extend the concept to other trades, as well.

Second, we are deploying several new vessels to improve our services.

With regard to our newbuildings, this year, we will be putting into service the first units of the 12 ultra-large 23,500+ TEU dual-fuel vessels that we have ordered. These state-of-the-art ships will make a very important contribution to the optimisation of our fleet.

In addition, the first new units of the 13,000 TEU vessels we have ordered were already delivered to us last year. More will follow this year and the next.

Furthermore, we have chartered in more than 20 vessels of various classes ranging from 6,800 to 14,000 TEU, with the average contract period being between five and seven years. These long-term charter agreements will enable us to do two things: first, to make solid plans and, second, to offer our customers even more flexible and better products.

Another important issue for us is continuously boosting the efficiency of our existing fleet.

This is why we launched a very extensive optimisation programme last year, with which we are making targeted investments in our fleet.

On the one hand, we are working very hard to increase our slot capacity, such as by expanding lashing bridge systems or increasing the draught of our ships. In this case, we are investing 360 million US dollars to increase our capacity by up to 100,000 TEU. These investments will already have paid for themselves in about two to three years through the resulting efficiency gains.

Secondly, with our Fleet Optimisation Programme, we will significantly reduce the fuel consumption of more than 150 ships. In this case, we are talking about savings of 6 to 7 percent and the associated CO₂ reductions, which means that the investment of 390 million US dollars will have already paid for itself after one to two years.

We will achieve these fuel savings by using upgrades, such as state of the art propellers and flow-optimised bulbous bows. In

addition, we will use optimised engines and improved hull paint that minimises frictional resistance (AKA drag).

We are approaching the issue of decarbonisation step by step, and one of our goals is to reduce the CO₂ intensity of our own fleet by 60 percent by 2030, using 2008 as the reference year. We have been able to make more progress towards this goal and were also below our self-imposed limit in 2022.

In addition to new ships and far-reaching measures to boost the efficiency of our existing fleet, climate-friendly fuels will also play an important role on our path to achieving climate neutrality by 2045.

For example, in 2022, we already bunkered 120,000 tonnes of biofuel. Compared to conventional fuels, pure biofuels can reduce greenhouse gas emissions by more than 80 percent.

We would also like to offer our customers CO₂ savings in the form of a sustainable commercial transport product.

That is why we are launching our new “Ship Green” offering tomorrow – a biofuel-based solution for climate-friendly transports that can be booked online.

With Ship Green, our customers can choose from three options to avoid emissions of CO₂ equivalents: 100 percent, 50 percent, or 25 percent. These Ship Green options are available for confirmed shipments booked via our Online Business Suite on the Hapag-Lloyd website.

This allows us to offer our customers a convenient and flexible way to lower their carbon footprint and make their supply chains more sustainable.

Protecting the climate represents an enormous but necessary task – and not just for shipping. To tackle this challenge, we will have to combine the capabilities of everyone involved.

To this end, Hapag-Lloyd joined the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping and the Global Centre for Maritime Decarbonisation in 2022. In these initiatives, we are working with industry, science, and government agencies to find potential solutions for further decarbonising our industry.

Moreover, we are active in international bodies, such as the World Shipping Council and the European Sustainable Shipping Forum, as well as in various environmental initiatives. After all, if we want

to keep advancing the maritime energy transition, we will also need the right regulatory and economic framework conditions.

Our 22 newly ordered ships will also help us with further decarbonisation. 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 percent. This means that we will be able to immediately reduce emissions to a significant extent, which makes LNG a good bridge fuel for us on the way to zero- or low-emission fuels.

Through a new agreement with Shell, we have secured the needed LNG volumes and barge capacities for these new vessels, the first of which will be delivered to us this year.

We have also entered into a strategic partnership with Shell to accelerate the further decarbonisation of alternative marine fuels – including biomethane and hydrogen-based e-methane.

In 2022, we have once again invested in our IT skills and capacities. For example, we prepared for the opening of our new Technology Center in Chennai, India, while also expanding our Knowledge Center in Gdansk and our IT facilities in Hamburg.

We have continued to invest in our digital infrastructure and solutions, and we now offer more than 20 digital products. These have made it even more convenient for customers to transport their goods with us.

They can manage these digital offerings using our Online Business Suite, which was in high demand in 2022, with almost 80 million online sessions.

We were once again able to significantly boost the number of bookings made via our web channel compared to the prior year. While 23 percent of our total volume was booked online via our “Quick Quotes” product line in 2021, this figure was already 28 percent at the end of last year – meaning more than one out of every four containers.

We have also pledged to use only standardised electronic bills of lading (eBLs) by 2030. This is part of a joint initiative of the Digital Container Shipping Association, whose members include nine of the world’s largest liner shipping companies – including Hapag-Lloyd. Our 100-percent target will be an important part of the digitalisation of global supply chains and will require a concerted, sector-wide effort to make it a reality.

These are just a few selected digital products and initiatives, but all of our innovations share one thing in common: They are always in keeping with the idea of making working with us as easy as possible for our customers.

This also includes creating more transparency in the supply chains.

With Hapag-Lloyd LIVE, our customers have already been able to receive data on reefer transports in real time since 2019 and thereby monitor their sensitive cargo in our refrigerated containers – for example, via GPS tracking or with information on temperature, humidity or CO₂ levels.

Last year, we also started to equip all our standard containers with these innovative trackers. By the end of the year, we would like to have equipped the majority of our standard containers with this technology and then to complete this very large-scale project next year.

This will soon enable us to provide even more track-and-trace data in real time and thereby offer our customers full transparency on all container movements worldwide.

Hapag-Lloyd is the first liner shipping company to equip all its owned and leased containers with this technology. And we will continue to ramp up our efforts to offer our customers even more flexible online solutions, while taking their specific needs into account.

Regarding our international growth, we acquired another established liner shipping company in 2022 with our purchase of Deutsche Afrika-Linien (DAL). DAL is an especially valuable addition for the range of services we can now offer to and from South Africa.

Besides the acquisition of DAL's container liner business, investments in terminals and infrastructure were a major strategic focus in the reporting year.

By investing in terminals, we can improve our access to important markets as well as the quality of the services we provide to our customers. We achieve this by securing access to capacity, which enables us to manage our network even more flexibly and to further optimise container handling.

By acquiring a 49 percent stake in the Italy-based Spinelli Group, we have bolstered our business in Europe.

The investment, which includes terminal and logistics activities, will help us to enhance our competitive position in the Mediterranean. Furthermore, we are strengthening our hinterland activities.

The acquisition of this minority stake was approved by the relevant antitrust authorities in January 2023.

With our planned acquisition of SM SAAM Ports & Logistics, we will also be investing 1 billion US dollars in Latin America – one of our core markets.

The terminal business of SM SAAM Ports & Logistics consists of 10 terminals in six countries in North, Central and South America, employs around 4,000 people, and had a container throughput of around 3.5 million TEU in 2021.

The transaction will help us to strengthen our business and to build up a robust and attractive terminal portfolio.

In addition, in January 2023, we agreed to acquire a stake in J M Baxi Ports & Logistics Limited – one of the leading private providers of terminal and inland transportation services in India.

The company employs around 5,400 people and handles a container volume of around 1.6 million TEU each year.

Thanks to our investment in J M Baxi Ports & Logistics, we will also be participating even more strongly in the dynamic growth in India.

The transaction was approved by the responsible antitrust authority in March 2023 and successfully concluded in April.

Looking ahead, what is our assessment regarding the further course of the current year?

The global orderbook currently stands at 28 percent. This is a relatively high value. On the other hand, we see that ship orders have fallen by a lot since their peak of 4.2 million TEU capacity in 2021.

The idle fleet, on the other hand, has grown to now make up 2 percent of the world fleet.

During the coronavirus pandemic, every ship was in demand owing to capacity constraints.

With the normalisation of the global supply chains, many shipping companies are now having ships overhauled in shipyards or taking inefficient units out of service – although this also has to do with stricter emission requirements, rising per-unit costs and the efficiency improvements they make necessary.

Given these factors, we expect to see the laid-up fleet to continue to grow this year.

While we were still able to see strong demand in the first half of the year in 2022, in the current year we are experiencing a fundamentally changed market environment as a result of much lower demand and increasing ship capacity at the same time.

Many warehouses of companies in the US and Europe are still well stocked and, in the current economic environment, a lot of our customers are working to reduce their inventories. This is reflected in declining demand for container transports.

In addition, more new ships will be delivered in the next few years, which will significantly boost capacity on the supply side.

This is being offset by delayed deliveries of new ships as well as increasing scrapping of old ships and slower cruising speeds, which are associated with new regulatory requirements for the energy efficiency of the global shipping fleet.

However, on balance, capacity growth is expected to exceed demand growth in 2023 and 2024, which is likely to weigh on the profitability of the sector as a whole.

Thanks to our long-term contracts, we have got the current financial year off to a decent start, but we are feeling growing pressure on our margins. This is also reflected in the forecast we published on the second of March.

For 2023 as a whole, we expect to be able to slightly increase our transport volume in line with the market. Beyond that, however, we expect to see a significant decline in the average freight rate.

At the same time, costs will remain at an elevated level owing in large part to inflation, even though we do expect to at least see a significant easing in bunker costs.

All in all, for the current financial year, we anticipate that the development of earnings will continue to normalise over the course of the year.

For 2023, an EBITDA in the range of 4 to 6 billion euros and an EBIT in the range of 2 to 4 billion euros are now expected.

However, given the ongoing war in Ukraine, other geopolitical conflicts and the impacts of high inflation, this forecast remains subject to considerable uncertainty.

Looking forward, we will be working very intensively this year on formulating the strategic course that we will pursue until 2030.

We published our Strategy 2023 in 2018, and then we fine-tuned and adapted it to a much-changed market environment in 2021 – including in order to add sustainability as its fourth strategic focus.

We have been extremely successful in implementing our Strategy 2023 and will now rigorously further develop it.

We started this process at the end of last year, and we will take time this year to formulate our new medium-term strategy in detail.

Then, beginning in 2024, we will systematically implement the new strategic course that we will pursue until 2030.

It goes without saying that, while doing so, we will keep the interests of our shareholders and customers – as well as of our employees – firmly in mind.

To summarise, 2022 was a very special and exceptionally strong year for us at the same time. We recorded the most successful financial year in the history of our company – and this was a very special gift for us in the year that also marked our 175th anniversary.

In 2023, we will be building on the success of our Strategy 2023 and vigorously further developing it. In doing so, our strategic agenda will continue to focus on quality and customer satisfaction.

On the demand side, however, we are also returning to a normalised market environment and a lower rate level.

Furthermore, we are seeing a significant increase in our costs due to inflation. So we will keep a close eye on them, take appropriate measures to counteract them, and strengthen our long-term ability to compete.

We will vigorously pursue our goal of becoming climate-neutral by 2045 and gradually implement additional decarbonisation measures. This will include, for example, putting state-of-the-art ships into service, optimising our existing fleet and increasing our use of biofuels.

We will expand our terminal portfolio and thereby boost the quality of our services. At the same time, we will continuously monitor the market and look for additional attractive growth opportunities that will strengthen our core business.

Since we are convinced that Hapag-Lloyd's success is directly linked to our colleagues worldwide, we are investing more and more in their skills. As part of this effort, we have founded an in-house academy that will focus on suitable offerings for continuing education and opportunities for HR development.

In addition, we will bring our Strategy 2023 to a successful conclusion this year and seamlessly continue along our current path as we develop our new strategy.

At the same time, we will continue pursuing our prudent financial policy based on a solid liquidity reserve and positive free cash flow.

Dear shareholders, thank you very much for your trust and support! In good times and bad, we have always been able to count on your special bond with Hapag-Lloyd. We are therefore very pleased to have concluded this financial year on an exceptionally strong note. You, in particular, should benefit from this.

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.

I would like to assure you all of this: We will stay passionate, engaged and vigilant to ensure that your Hapag-Lloyd remains on course and continues along its long and extraordinary path of success.

Thank you very much.