

Gemini Cooperation

Hapag-Lloyd & Maersk are entering
into an operational cooperation in 2025

November 2024 | Hamburg



With Strategy 2030 we continue our strive to become the
“Undisputed Number One for Quality“



STRATEGY 2030

Undisputed Number One for Quality

STRATEGIC
DIRECTION

Pureplay-Plus

WHERE-
TO-PLAY

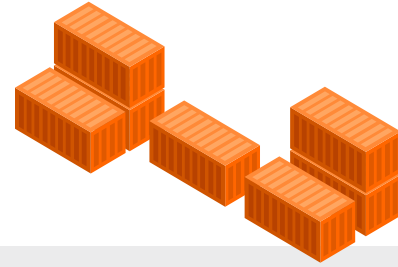
Top 5 Global Player

HOW-
TO-WIN

Undisputed #1
For Quality

Sustainability
Driver

Top Performing
Carrier



The Gemini Cooperation will be
an important enabler to deliver
on our Strategy 2030



Reliability



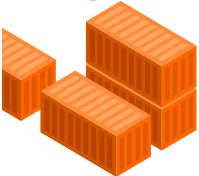
Connectivity



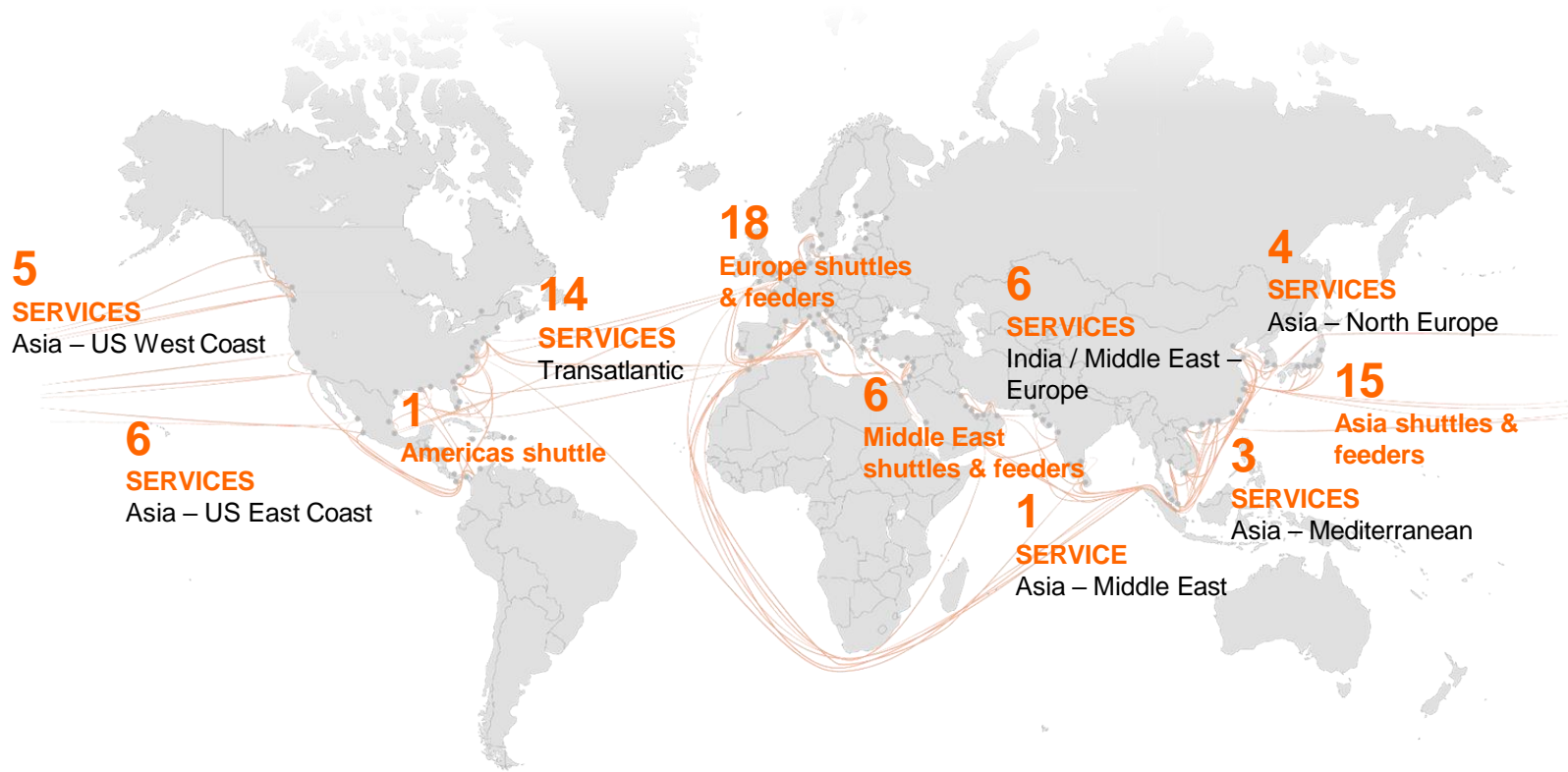
Sustainability

Gemini Cooperation: Hapag-Lloyd will leave THE Alliance and team up with Maersk

- A long-term agreement has been signed with Maersk and will start in February 2025
- Partners have been informed that we will leave THE Alliance end of January 2025



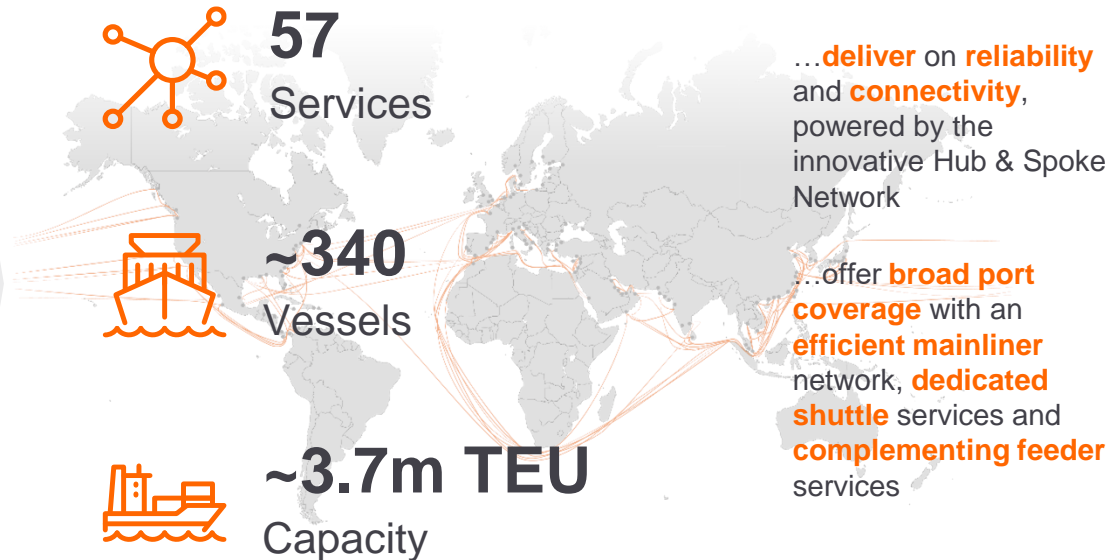
Hapag-Lloyd's East-West Service Network offers a broad coverage across key trades with complementing intra-regional connectivity



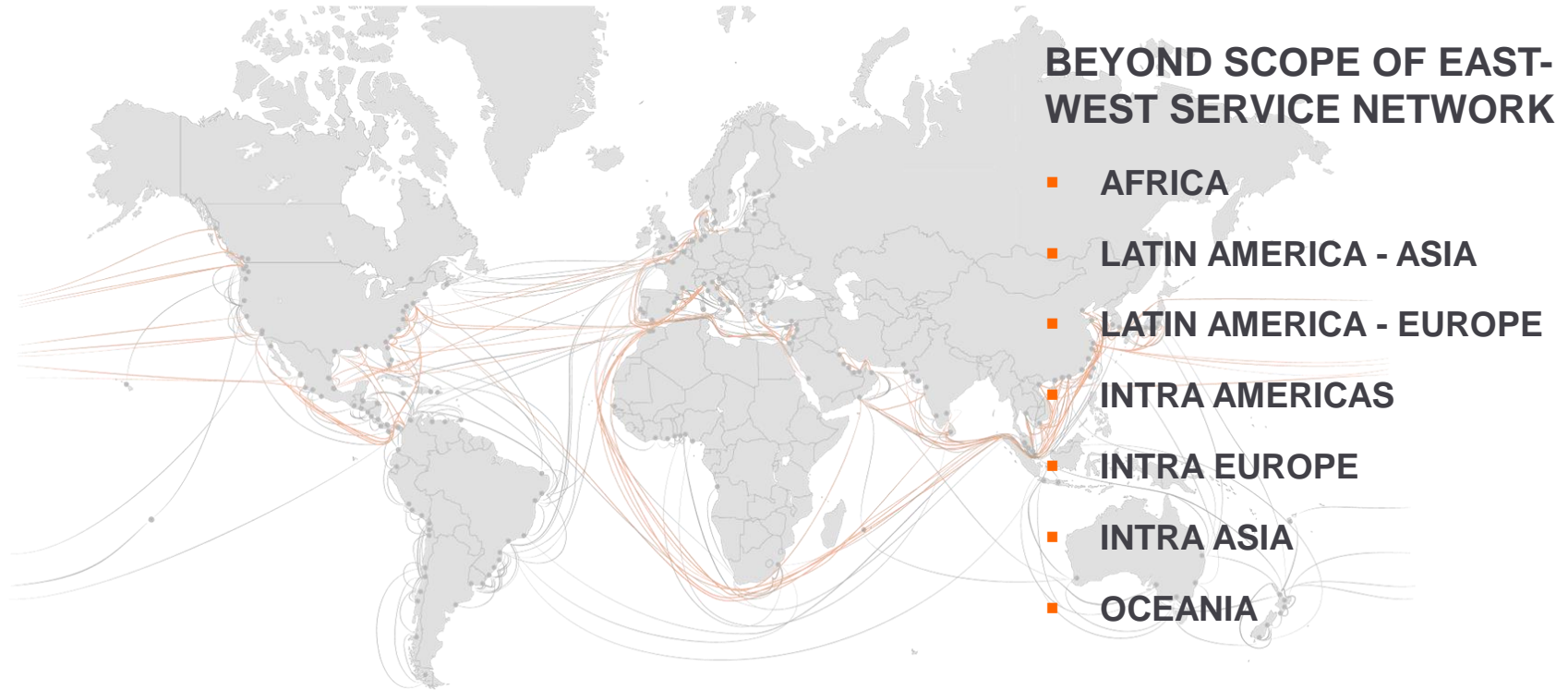
Gemini Cooperation will be an integral part of Hapag-Lloyd's overall East-West Network ...

- After thorough consideration, **Hapag-Lloyd and Maersk have jointly confirmed** the expected **network design** for our **Gemini Cooperation**, which is set to launch on 1 February 2025
- As the situation in the Red Sea remains highly dynamic, we plan to **continue to sail around the Cape of Good Hope**
- The **safety** and well-being of our **seafarers**, our **vessels** and the **cargo** of our customers **are key**
- We will **return to the Red Sea** when it is **safe** to do so

Our Gemini Cooperation Cape Network will...



... and will be an integral part of Hapag-Lloyd's overall network of in total around 120 services globally



Gemini Cooperation will enable us to offer significantly higher quality liner services to our customers

Our value proposition ...



RELIABILITY



CONNECTIVITY



SUSTAINABILITY

... your benefit

- Enable >80% on-time delivery of your cargo
- Link all your relevant markets with fast and resilient transit times
- Accelerate the decarbonization of your supply chains

We will deliver industry leading reliability through an efficient network to ensure on-time delivery of your cargo

RELIABILITY

Industry
leading
schedule
reliability
of >90%



Punctuality Promise

- Strong focus within Gemini Cooperation on schedule reliability¹⁾ to increase on-time delivery on box level from today ~50% to >80% across the Hapag-Lloyd network



Robust & Resilient Network

- Efficient mainliner network with (mostly) controlled hubs & owned shuttles will improve reliability and port coverage



Balanced Partnership

- Strategically aligned partners with equal rights will result in faster decision-making, backed by contractual obligations

Our state-of-the-art operational model will improve how we transport your cargo throughout the entire network

CONNECTIVITY

Excellent
network
coverage with
efficient
connections and
competitive
transit times



Tailored Hub Ports & Controlled Operations

- Network centered around hubs that are mostly jointly controlled and managed by Gemini Cooperation partners



Dedicated Shuttle Network and Complementing Feeders

- Large and dedicated shuttles run by Gemini Cooperation partners will serve an extensive port network
- Smaller sized feeders operated by either Hapag-Lloyd or strategic suppliers will complement the network in specific markets



Synchronized Connections

- Frequent shuttles in synchronized connections with reliable mainliners will half dwell times and allow cargo to reach the desired destination faster

With our Strategy 2030 we aim to become a Sustainability Driver to accelerate the decarbonization of the industry

SUSTAINABILITY

Accelerate decarbonization efforts

Decarbonization is central to our Strategy 2030

- Absolute GHG emission reduction targets to align with 1.5-degree trajectory
- Reduce absolute emissions by over 1/3rd by 2030¹⁾ and net-zero by 2045
- Further enhance green product offerings towards our customers

Levers that will enable decarbonization



Effective Hub & Spoke model



Strategic terminal hubs



Speed optimization



Alternative fuels



Larger ships



Reduced waiting times

Gemini Cooperation is an important enabler to reduce carbon emissions driven by a significantly more efficient network

**Joint
ambitions
with a like-
minded
partner**



Larger vessels in core network

- Hub & Spoke setup allows us to consolidate transport and deploy larger vessels on high-demand routes with higher efficiency

Better utilization of network

- More targeted deployment of vessels for the respective market requirements leveraging the shuttle network with large vessels instead of calling every port

Optimized speed profile and port stays

- Higher reliability and less unproductive times from, e.g., waiting times in ports allow for optimization of service speeds and less speed-ups

With Gemini we are building on a hub & spoke network that will be a key enabler to reach >80% on-time delivery of your cargo

What is Hub & Spoke?

- A network design used in various industries, including transportation and logistics
- Large international airlines are a prominent example who usually operate a Hub & Spoke network
- This model features a number of central hubs connected to multiple spokes
- These central hubs facilitate the movement of goods from the spokes

Why is Gemini building on Hub & Spoke?



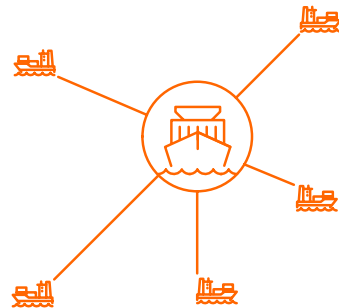
Classic networks are much more vulnerable, leading to operational performances below customer requirements

- Recent years have highlighted the vulnerability of classic network designs to global disruptions
- This causes inefficiencies in global supply chains and lowers industry reliability to 50-60%



A new approach is needed to increase schedule reliability and to bring on-time delivery of cargo to >80%

- Deploying a Hub & Spoke network will boost our schedule reliability and lay the foundation to significantly increase the on-time delivery of cargo



The Gemini Hub & Spoke model will make the joint network much more reliable and resilient, with fast and flexible connectivity

Our network principles...

Efficient mainline rotations

2-3 main port calls per region incl. strategic hubs



...bring strong advantages

Shorter round voyage times, more resilience and less sources of disruption

Controlled hub terminals

Most hub terminals controlled by Hapag-Lloyd or Maersk with close operative interfaces



Consistent high-quality levels and shorter port stays, avoiding hub congestion

Broad shuttle network

Dedicated shuttles with 2-3 port calls and high reliability / plannability



Wide coverage with higher flexibility to adapt to customer demands more quickly

Synchronized connections

Connections from mainliners to shuttles and to shuttles will be synchronized



Clockwork network significantly reducing dwell times for vessels and containers

These principles will also allow us to better adapt to external shocks, e.g. geo-political situations



Our mainliners will become significantly more attractive in the Gemini Cooperation network and direct connections remain a key element

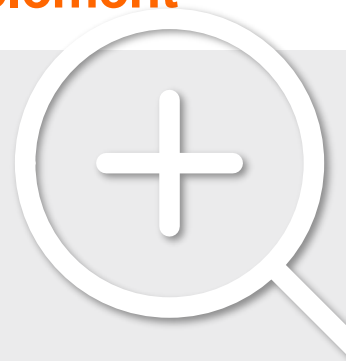
Efficient Mainline Rotations

- Most of today's directly served volumes will remain on direct connections
- The reduced number of port calls make the services less vulnerable to disruption and thus increases reliability
- The round voyage times thereby decrease, creating faster connections on the key trade corridors

More than half of the volume will **remain direct**

Fewer port calls due to **leaner** mainline service structures

>80% of the volume gets **faster or remains same¹⁾**



Hubs play a crucial part in on-time delivery and Gemini will thus be centered around mostly owned and/or controlled terminal hubs

Mostly controlled and/or owned Hub Terminals

- Most terminals are owned and / or controlled by Hapag-Lloyd or Maersk and have been carefully selected for top quality and reliability
- Many of these hub terminals already have industry-leading performance and we will continue to work on innovative concepts like side-by-side connectivity
- Controlling the hubs enables close integration of planning and execution between liners and terminals e.g. allowing preferred berthing and more cranes working the vessel



On-time departure and arrival will create **fast** and **reliable** connections

A broad shuttle network will increase flexibility to adapt to changing demands more quickly and ensures wide coverage

Broad Shuttle Network

- Shuttles will serve 2-3 ports exclusively with aligned and synchronized schedules to the mainliners, reducing dwell times for vessels and containers
- This makes rotations short, more resilient and adaptive to fluctuating market demands
- They will primarily sail from either Hapag-Lloyd or Maersk controlled hubs, with the aim of ensuring the highest level of agility, connecting hubs to strategic markets with clockwork reliability
- The shuttles are mid-size mainline vessels and operated by Gemini Partners with a firm weekly allocation



Our feeder network will enhance our broad connectivity in specific markets

Complementing Feeder Network

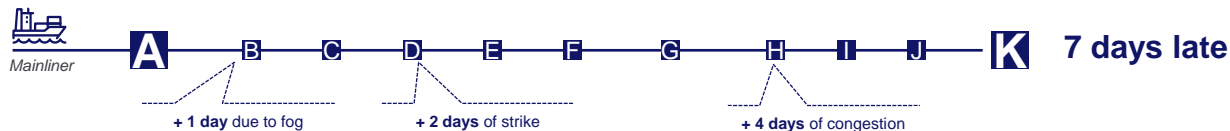
- Smaller sized vessels operated by either Hapag-Lloyd or strategic suppliers
- Extension of our existing hub and shuttle port coverage ensuring seamless connectivity in specific markets
- Next to our mainliner and shuttle network, an integral part to support our customers cargo planning globally
- Supporting the optimization of routes and vessel deployments to contribute further to our reliability goals

Illustrative example for port coverage incl. feeder ports for Region North Europe

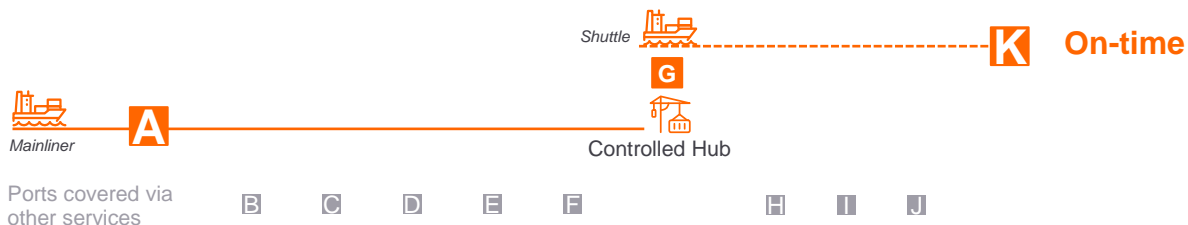


When comparing a classical network to Gemini, along a practical example, the strong advantages become even more visible

CLASSICAL NETWORK



GEMINI NETWORK



Less stops

- Efficient mainline rotations, with significantly less stops

High resilience

- Less vulnerable to disruption, e.g. limits impact of congestions

Synchronized connections

- Significant reduction of dwell time, especially in controlled hubs

Easily adaptable

- Higher flexibility to adapt services to customer demands more quickly

In inevitable cases of disruptions, we have a clear set of jointly defined Recovery Measures to safeguard schedule reliability



The **Recovery Measures** are a jointly developed, clear set of rules and shall apply where a delay is anticipated throughout the entire round-voyage

The **Recovery Measures** include

- **Delay mitigation actions** to avoid or mitigate delays and to safeguard schedule reliability
- **Network reliability escalation measures** to ensure optimal schedule reliability
- **Further recovery plans** and set of specific measures

Such pre-defined actions and Recovery Measures are **essential to optimal network execution** and to **mitigate operational disruptions**

DEFINED RECOVERY MEASURES

Use buffer

- Vessel will speed up as necessary to use the buffer time available to arrive on proforma schedule on-time

Maintain call & optimize moves

- Optimize berth planning in controlled hubs to save time and to bring the vessels back on schedule

Omit port(s)

- Port is not called to recover schedule and alternative routing for cargo is used within the broad network

Severity of delay



To sum it up: The Gemini Cooperation will deliver significantly higher quality liner services and help to deliver our Strategy 2030 ambitions



RELIABILITY

Industry leading schedule reliability of >90%

Enable >80% on-time delivery of your cargo



CONNECTIVITY

Excellent network coverage with efficient connections and competitive transit times

Link all your relevant markets with fast and resilient transit times



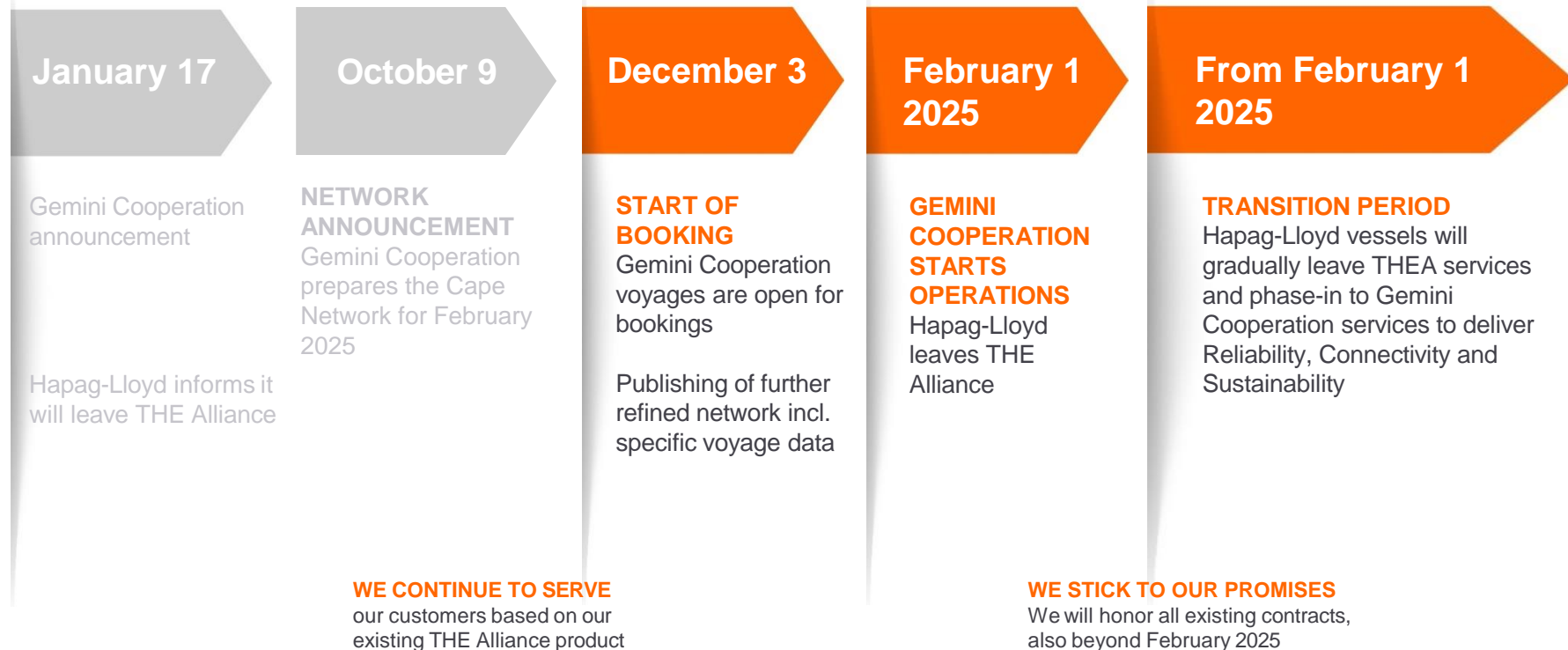
SUSTAINABILITY

Accelerate decarbonization efforts

Accelerate the decarbonization of your supply chains

On December 3, we are opening for bookings on Gemini Cooperation voyages and further prepare for operational start in February 2025

Here is what you can expect until the start in February 2025



FOLLOW OUR STORY



Thank you for your attention!



DISCLAIMER

Disclaimer

This presentation contains forward-looking statements that involve a number of risks and uncertainties. Such statements are based on a number of assumptions, estimates, projections or plans that, by their nature, are subject to significant risks, uncertainties and contingencies. Actual results may differ materially from the Companies' forward-looking statements and expected results.