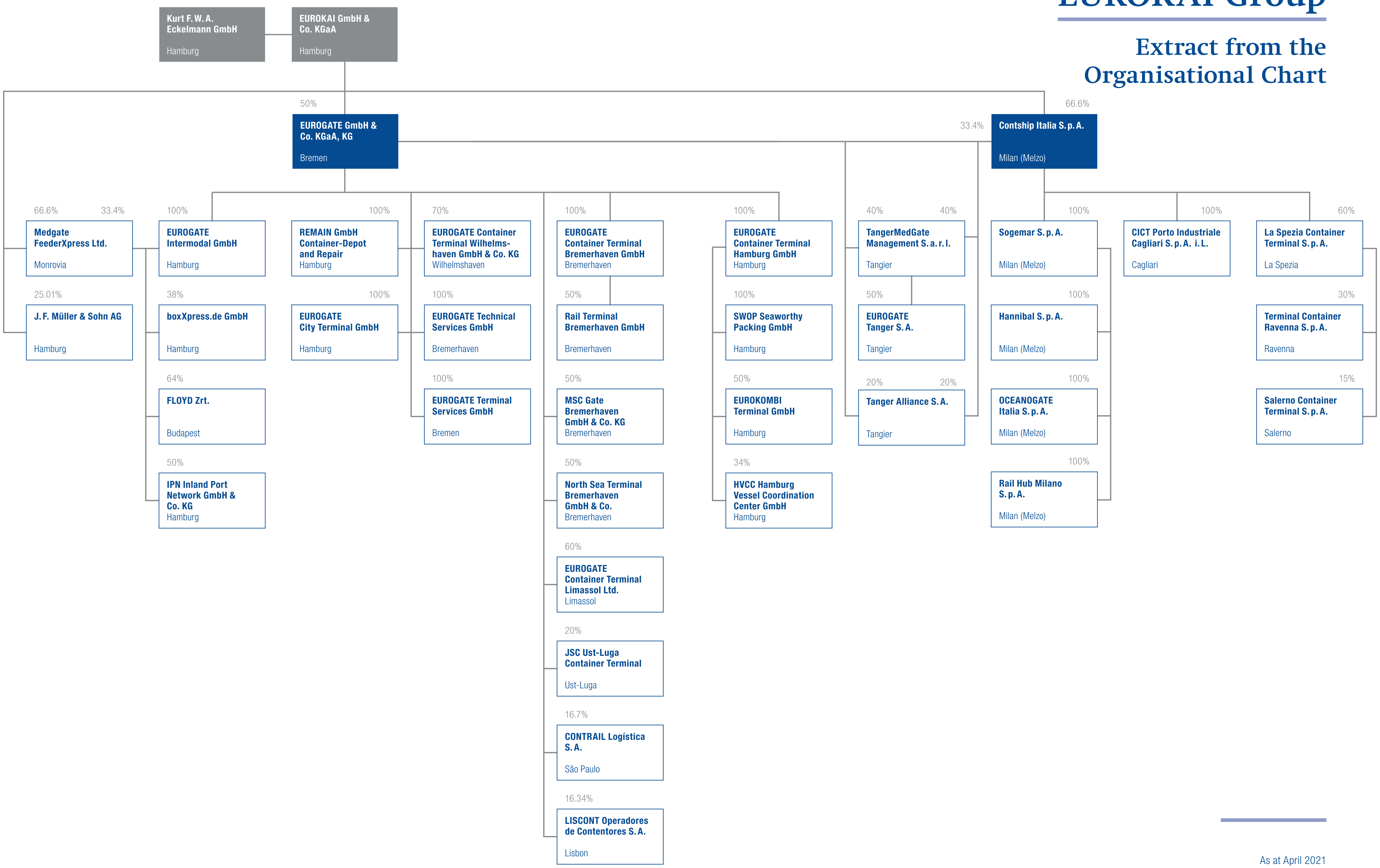
EUROKAI

ANNUAL REPORT 2020

Short Version

EUROKAI Group

Extract from the Organisational Chart



As at April 2021

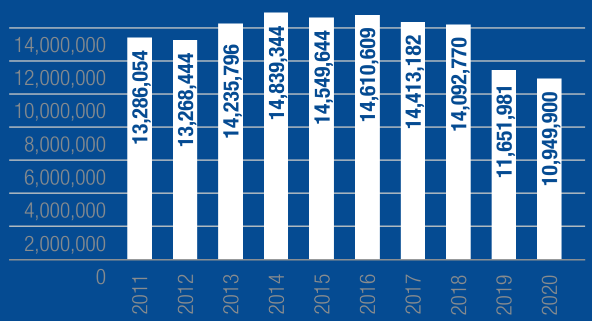
Balance Sheet Figures and Corporate Data

Figures in accordance with IFRSs

	2020	2019
	EUR '000	EUR '000
REVENUE	197,209	260,848
NET LOSS FOR THE YEAR (2019: NET PROFIT)	–30,578	70,228
TOTAL ASSETS	727,765	841,713
EQUITY	403,014	474,556
EQUITY RATIO	55 %	56 %
CAPITAL EXPENDITURE ON INTANGIBLE ASSETS AND PPE (EXCLUDING EFFECTS OF APPLYING IFRS 16)	7,783	6,302
DEPRECIATION AND AMORTISATION EXPENSE	19,054	20,504
CASH FLOW FROM CONTINUING OPERATIONS	45,301	54,213
PERSONNEL EXPENSES	58,420	89,540
EMPLOYEES	980	1,323
EARNINGS PER SHARE IN EUR (UNDER IAS 33)	–2.83	3.11

DEVELOPMENT OF EUROKAI CONTAINER HANDLING

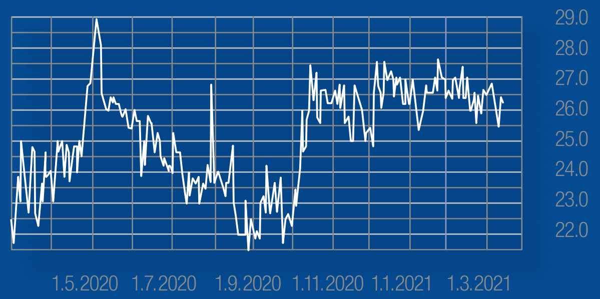
TEUs



SHARE PRICE DEVELOPMENT EUROKAI

PREFERENCE SHARE ISIN DE0005706535

EUR



Since 2019 excluding Medcenter Container Terminal (MCT), Gioia Tauro. The handling volumes of CICT Porto Industriale Cagliari S. p. A. i. L., which is in liquidation, are no longer included in the handling statistics for reasons of comparability.

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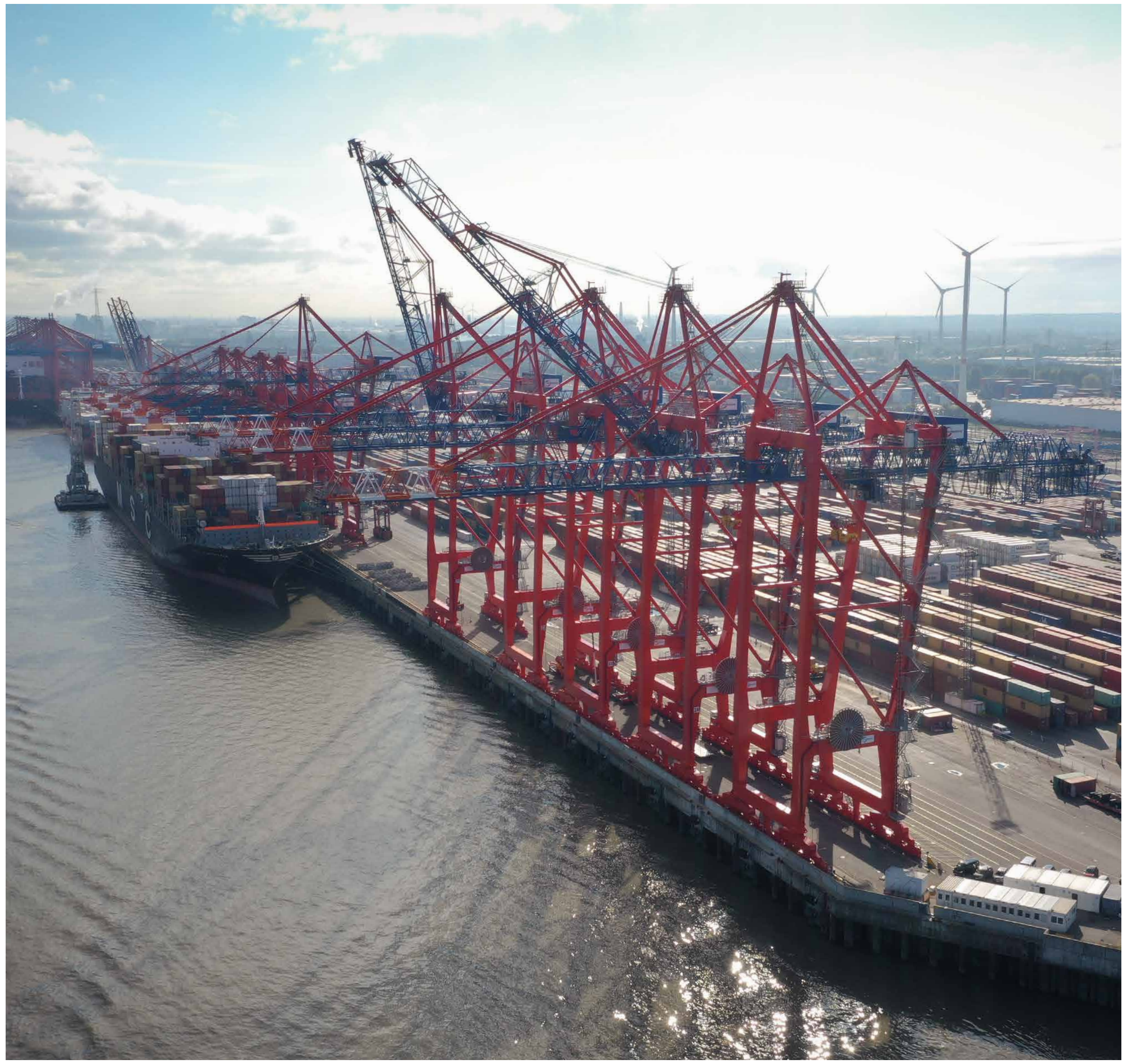
Foreword by the Chairman of the Management Board



Six new container gantries at EUROGATE Container Terminal Hamburg.

THOMAS H. ECKELMANN
Chairman of the Management Board

To all our shareholders,

The financial year 2020, which is the subject of this report, was an exceptional year. It will long be remembered as the year of the COVID-19 pandemic, and is likely to have ramifications for the future that we cannot yet foresee. However, the virus wasn't the only thing to keep us on our toes during this past year; we have also had to make many difficult and landmark decisions in the EUROKAI Group.

The net profit for the financial year shown in the separate financial statements for EUROKAI amounts to EUR 15.8 million (2019: EUR 27.9 million), while consolidated net loss was EUR –30.6 million (2019: consolidated net profit of EUR 70.2 million). Thus the earnings shown in the separate financial statements were in line with the original forecast, albeit significantly below the previous year's result. This can be attributed in particular to the substantial decline in earnings of EUROGATE GmbH & Co. KGaA, KG, which – as was also the case for the EUROGATE Group – posted a substantial loss for the 2020 financial year. Thus, in line with the projection that was revised during the year, consolidated earnings of the EUROKAI Group were also negative.

As a consequence, earnings per share in accordance with IAS 33 decreased to EUR –2.83 (2019: EUR 3.11) and thus also entered negative territory.

Although we managed to keep the operating business of the Group companies afloat in 2020 despite the challenging conditions caused by the coronavirus pandemic, the economic and social repercussions can already be keenly felt. Restrictions in our daily lives as well as at the workplace have significantly changed our way of life, consumption habits, means of communicating and interacting with one another. From today's standpoint, it is almost impossible to assess what the long-term consequences for society and the markets will be, all the more so given that the pandemic is still raging. In light of virus mutations and the different paces at which the vaccines are being rolled out around the world, it is to be feared that we will still not see an end to the pandemic in 2021. However, from today's vantage point, the good liquidity situation of our Group companies provides sufficient financial reserves to at least weather the short- to medium-term fallout and after-effects.

The trading price of the EUROKAI preference shares remained relatively stable during the 2020 calendar year. While at the end of 2019 EUROKAI shares stood at EUR 33.00, the price at the end of 2020 was EUR 26.00. The preference shares are currently trading at EUR 26.00 (as at 26 March 2021).

On the basis of EUROKAI's sound liquidity situation, we propose full distribution of the net profit for 2020 to the shareholders and a dividend payment of EUR 1.00 per ordinary and preference share.

The CONTSHIP Italia Group posted earnings after taxes of EUR 27.6 million for 2020, which was significantly lower than the previous year's level (EUR 65.8 million), mainly due to the one-time gains of EUR 33.9 million from the disposal of the indirectly held equity interest in Medcenter Container Terminal S. p.A, Gioia Tauro in April 2019 included in the previous year's result for the Group. In contrast, the consolidated net profit was burdened in the previous year by the expected expenses in connection with the permanent cessation of the business operations and liquidation of CICT Porto Industriale Cagliari S. p. A. i. L. in the amount of EUR 10 million. Without these one-time effects, the earnings of the CONTSHIP Italia Group remained stable even under COVID-19 conditions. At EUR –121.1 million, the EUROGATE Group posted a substantial net loss year-over-year in 2020 (2019: consolidated net profit of EUR 45.5 million), due to operational losses at the principal companies combined with additional burdens on earnings in the form of restructuring expenses and impairment losses on non-current financial assets.

A YEAR SHAPED BY THE PANDEMIC

At the start of 2020, here in Europe we still had the hope that the outbreak of the COVID-19 virus in China would not turn into a pandemic. We now know that at that time it was already too late, and that the virus had already spread to Europe and other parts of the world. What followed were high infection rates and large numbers of victims in Northern Italy, followed by Spain, France, the UK and also in Germany, although here the first lockdown managed to bring the number of cases and fatalities under control. At the end of the day, however, the virus took hold across the whole of Europe and social and cultural life, the education sector and the economy ground more or less to a halt. With a slight time delay, North and South America suffered the same fate.

During this time, the market reacted accordingly. Global container volumes on the principal trades to and from Asia fell right from the early days of the pandemic, at times by as much as 17.5%. The assumptions that we had to make at the time with respect to our handling volumes for the 2020 financial year were correspondingly –15 to –20% compared with the previous year.

The shipping companies were very quick to adapt their networks to the new cargo volumes and by early March 2020 had removed up to 10.6% of their ship capacities, i. e. 402 ships with a capacity of 2.46 million TEUs, from the market. This scarcity of shipping capacity initially led to numerous cancellations of planned ship calls at our terminals. After the Chinese economy started to gather momentum again from the middle of the second quarter, this additionally led to significantly increasing freight rates on the Far East routes. Today, around 98% of the worldwide shipping capacities are back in service, but shipowners are currently focusing on the trades between Asia and North America in an effort to reduce the backlog of goods between these two continents. As a consequence, ship capacities on the routes between Asia and Europe are still below pre-pandemic levels, posing an enduring challenge for freight forwarding and handling companies.

During the second half of the year the market and cargo volumes started to pick up, and the fourth quarter in particular was characterised by encouraging volume increases at our terminals. We were able to benefit from this in Germany especially, because in addition to the revival of the global economy, additional volumes were shipped here that were actually destined for the UK. The combined effect of Brexit and the pandemic had led to capacity bottlenecks and clearance problems at the English ports, especially in Felixstowe. It was to our advantage that the volumes could not be transhipped in Rotterdam either, so they were transported onwards to Bremerhaven and Hamburg. As a result, EUROGATE Container Terminal Hamburg was even able to increase its handling volumes by 3.3% year-over-year. Germany-wide, the reduction in handling volumes compared to the previous year was ultimately just –3.3%. Across the EUROKAI Group as a whole, the decline in handling volumes totalled –5.6%. Our intermodal transport operations also experienced pandemic-related volume decreases of 6.6% on a year-for-year comparison.

All in all, we have come through the pandemic relatively unscathed so far. During this time, we have taken all possible measures not only to keep our core business going, but also to protect our employees as best we can. In all Group companies, we took steps to ensure that the respective applicable regulations such as social distancing or hygiene rules could be complied with. We set up crisis teams and reporting chains and like this have so far been able to successfully avoid large incidences of infection at our terminals or in our service organisations. My special thanks are due to all those who have worked and continue to work tirelessly to keep our workforces healthy.

CONSOLIDATION AND STRATEGIC EXPANSION OF THE CONTSHIP ITALIA PORTFOLIO

But even if 2020 is set to go down in history as the year of the COVID-19 pandemic, it was mainly entrepreneurial decisions that kept us intensely busy throughout the year.

In Italy, we laid the foundation for restructuring the business activities of the CONTSHIP Italia Group back in 2019. Following the successful disposal of our 50% equity interest in Medcenter Container Terminal (MCT), Gioia Tauro, and the cessation of operations and start of the liquidation procedure at CICT Cagliari International Container Terminal, my wife Cecilia and I continued with the realignment process of the management structures at the other investment holdings in Italy. Since mid-2019, Alfredo Scalisi has been in charge at La Spezia Container Terminal S. p. A., including its equity interests in Ravenna and Salerno. Matthieu Gasselin took over the reins as Managing Director of the SOGEMAR Group in September 2020 and thus succeeded Sebastiano Grasso, who retired on age grounds after 20 years of service.

With both managers, CONTSHIP Italia is well positioned for the future. In addition to the reorganisation of both business segments, this also envisages the eastward expansion of La Spezia Container Terminal and the expansion of intermodal as well as international activities. In total, we will invest a one-off sum of around EUR 2.3 million in the restructuring of the CONTSHIP Italia Group, which in turn will lead to annual savings in the amount of EUR 2.5 to 3 million from 2021.

A real highlight for EUROKAI is the successful commissioning of our new Tanger Alliance Terminal (TC 3) in Tangier, Morocco. Despite some pandemic-related difficulties with the manufacture and delivery of handling equipment, we were able to start operating the terminal at the turn of the year 20/21. Since then, Hapag-Lloyd ships have been calling at the terminal on a regular basis. The full transfer of the Hapag Lloyd services from the adjacent EUROGATE Tanger Terminal will be completed in the coming days. With two terminals at the Tangier location, the EUROKAI Group is now ideally positioned at this strategically important handling hub. Tangier is in the meantime (2020) the largest container port in the Mediterranean region.

CORE BUSINESS IN GERMANY FACES IMPORTANT CHANGES

The current situation with our core business in Germany is anything but ideal. Since the end of 2019, the Group Management Board of EUROGATE has been facing major challenges, together with the Managing Directors of the terminal companies and the Transformation Office that we set up in 2020 to get EUROGATE back on an even keel. The high operating costs coupled with insufficient productivity have led to a lack of profitability as well as a loss of market share in favour of the western ports of Antwerp and Rotterdam. Of particular concern in this context is Container Terminal Wilhelmshaven, which has made persistent losses since it started operations in 2012. This led to substantial impairment losses on non-current financial assets in the 2020 financial year, which is one of the main reasons for EUROGATE's poor year-end result in 2020.

Despite everything, in light of the increasing size of ships to 24,000-TEU vessels and completion of the electrified rail link by the end of 2022, we remain convinced that from 2023 we can achieve a turnaround at the deep-water port in Wilhelmshaven, which is key for successful competition among the German seaports in the North Range, from the western ports to the Baltic Sea ports.

We are currently in negotiations with the works councils at all affected EUROGATE undertakings concerning implementation of the necessary measures relating to the "Future EUROGATE" transformation process; these have been ongoing for a year in constructive agreement concerning their necessity. The target is an annual cost reduction of EUR 84 million across the entire EUROGATE Group. The transformation has an implementation period of a maximum of three years.

AUTOMATION

With respect to the automation of our terminals, I can report that our "STRADegy" research project with driverless straddle carriers was completed at the end of 2020. With the results of this project we are now moving into the implementation phase of the system with preparations for the "go live", as things currently stand starting in Wilhelmshaven.

Another example on the path to digitalisation is the young start-up "driveMybox" from Hamburg, which EUROGATE is funding as a strategic investor. The company has been active with an online platform since 2020 that will initially be used in Germany to broker transport orders for containers on their last mile to the end customer. The goal is to digitise the transport chain within EUROGATE's sphere of influence, i. e. from handling at the container terminal to intermodal road and rail transport to the final consignee or consignor.

OUTLOOK FOR 2021

EUROKAI will continue its stable development. This is due in particular to its foreign investments, which especially in Italy and Morocco have produced consistently positive results even during the pandemic, leading to a dividend proposal for 2020 alone of EUR 1.00/share. EUROGATE's earnings are expected to level out due to the rigorous risk provisioning undertaken in 2020. For "Future EUROGATE", much depends on a constructive course of the transformation negotiations. After almost 46 years now at EUROGATE, I am very confident they will prove fruitful. Dockworkers, with whom I identify not just based on my own background, are undoubtedly not uncomplicated in structure, but at the end of the day their common sense prevails.

I wish to offer my sincere thanks for the trust you have placed in us – also and especially during these challenging times.

I would also like to express heartfelt thanks to all employees of the EUROKAI Group companies, who have once again given their all in an exceptional year and under very difficult circumstances.

Hamburg,
April 2021

Yours,
Thomas H. Eckelmann
Chairman of the Management Board

First call of the shipping line's flagship "CMA CGM Jacques Saadé" at EUROGATE Container Terminal Hamburg on 9 November 2020.

Group Management Report for the 2020 financial year

Handling of the first ship at Tanger Alliance Terminal in Morocco on 1 January 2021.

1. REPORT ON ECONOMIC POSITION

The companies incorporated in the EUROKAI Group are principally engaged in container handling in continental Europe. These companies operate container terminals, in some cases with partners, in La Spezia, Ravenna and Salerno (Italy), in Hamburg, Bremerhaven and Wilhelmshaven (Germany), as well as in Tangier (Morocco), in Limassol (Cyprus), in Lisbon (Portugal) and in Ust-Luga (Russia). The EUROKAI Group also has shareholdings in a number of inland terminals and railway operating companies.

Secondary services are also provided in the form of intermodal services (carriage of sea containers to and from terminals), repairs, depot storage and trading of containers as well as cargomodal services and technical services.

EUROKAI GmbH & Co. KGaA directly holds 66.6% of the shares in the CONTSHIP Italia Group via the holding company Contship Italia S. p. A. and an indirect 16.7% shareholding via EUROGATE GmbH & Co. KGaA, KG, Bremen. Calculated proportionally, EUROKAI GmbH & Co. KGaA thus holds a stake of 83.3% in the CONTSHIP Italia Group.

EUROKAI GmbH & Co. KGaA has a 50% shareholding in the EUROGATE Group via EUROGATE GmbH & Co. KGaA, KG, Bremen. It also has a 50% shareholding in the Personally Liable General Partner of EUROGATE GmbH & Co. KGaA, KG, EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen, as well as its Personally Liable General Partner, EUROGATE Beteiligungs-GmbH, Bremen.

Control of the EUROKAI Group is vested in three business segments, "CONTSHIP Italia" "EUROGATE" and "EUROKAI", whereby the EUROGATE joint venture is recognised in the consolidated EUROKAI financial statements using the equity method of accounting in line with the provisions of IFRS 11.

Against the backdrop of the global impact of the coronavirus pandemic, the business trajectory of all major economies showed a marked downward curve in 2020. The second coronavirus wave once again stopped the temporary upswing seen over the summer in its tracks and continues to shape economic activity.

In the first half of 2020 especially, weakening trade due to the spread of the coronavirus pandemic put further pressure on an already difficult market environment. At the start of 2020, adverse weather conditions leading to ship delays and in the course of the second quarter a pandemic-related high number of capacity reductions in the container shipping companies' network accompanied by correspondingly fewer ships handled as a result of "blank sailings" also took their toll. From midyear 2020, the general handling situation improved again slightly.

In its most recent World Economic Outlook, the IMF revised its forecast for global economic growth this year upwards by 0.3 percentage points. Accordingly, for 2021 the IMF is assuming a plus in global economic output of 5.5%. For the USA, the IMF even raised its forecast by 2.0 percentage points (+5.1%). The projection for the eurozone is less rosy; here the IMF revised its assessment downward by 1.0 percentage point to 4.2%. For China, it has adjusted the forecast minimally from 8.2% to 8.1%.[1] The prerequisite is that the vaccination rollout succeeds and consumers as well as investors gain confidence.

With the disposal of the indirect shareholding in Medcenter Container Terminal S. p. A. in the 2019 financial year and the cessation of operations and liquidation of CICT Porto Industriale Cagliari S. p. A., the foundation was laid for the new structure of the CONTSHIP Italia Group. The Italian group's business volume initially fell sharply with the implementation of these material decisions; however, both the risk profile and the potential earning power of the CONTSHIP Italia Group improved substantially as a result. Nevertheless, in the course of the coronavirus pandemic the CONTSHIP Italia Group, a fully consolidated entity of the EUROKAI Group, has seen temporary negative effects on handling and transport volumes.

Against this background, revenue within the EUROKAI Group declined in the reporting period to EUR 197.2 million (2019: EUR 260.8 million). With lower, but still clearly positive, operating profit (EBIT) of EUR 43.4 million (2019: EUR 74.0 million), due in particular to the decline in investment income to a substantially negative EUR –60.0 million, consolidated net profit for the year was down significantly by EUR 100.8 million to EUR –30.6 million (2019: EUR 70.2 million) and was thus in negative territory. The lower operating profit is mainly explained by the gains from the disposal of investments included in the previous year. The decline in investment income was attributable in particular to the pro rata earnings of the EUROGATE Segment, which for the first time were substantially negative.

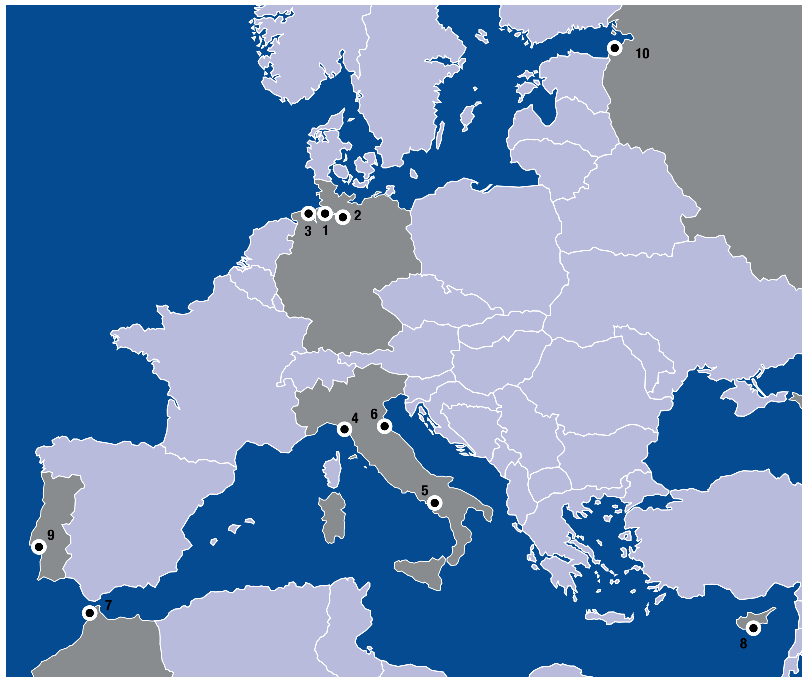
At 10.950 million TEUs, handling volumes at the container terminals of the EUROKAI Group – i. e. the terminals in Italy, Germany, Morocco, Cyprus, Portugal and Russia – were 5.6% lower overall than in the previous year (2019: 11.598 million TEUs).

CONTSHIP ITALIA SEGMENT

Contship Italia S. p. A. of Melzo, Milan, is the holding company of the CONTSHIP Italia Group, which sets corporate strategy and coordinates operating activities. Its main investees are La Spezia Container Terminal S. p. A. as well as Sogemar S. p. A. Melzo/Milan, Hannibal S. p. A., Melzo/Milan and OCEANOGATE Italia S. p. A., La Spezia, and Rail Hub Milano S. p. A., Milan, which are engaged in intermodal business (all in Italy).

[1] https://de.statista.com/infografik/17818/iwf-prognose-zur-weltwirtschaft/.

EUROKAI container terminal sites



	Site	2020	2019	Change
		TEUs	TEUs	%
	Germany			
1	Bremerhaven	4,766,870	4,870,875	–2.1
2	Hamburg	2,161,898	2,092,218	+3.3
3	Wilhelmshaven	423,243	639,084	–33.8
	Total Germany	**7,352,011**	**7,602,177**	**–3.3**
	Italy			
4	La Spezia	1,081,071	1,304,522	–17.1
5	Salerno	386,943	371,665	+4.1
6	Ravenna	164,044	180,918	–9.3
	Total Italy	**1,632,058**	**1,857,105**	**–12.1**
	Other			
7	Tangier (Morocco)	1,446,685	1,527,339	–5.3
8	Limassol (Cyprus)	390,448	408,306	–4.4
9	Lisbon (Portugal)	78,928	141,452	–44.2
10	Ust-Luga (Russia)	49,770	62,082	–19.8
	Total Other	**1,965,831**	**2,139,179**	**–8.1**
	Total	**10,949,900**	**11,598,461**	**–5.6**

Figures show total handling volumes at the respective terminals. Of these, the handling volumes at the fully consolidated terminal in La Spezia are the sole contributor to Group revenue. The handling volumes of CICT Porto Industriale Cagliari S. p. A. i. L., which is in liquidation, are no longer included in the handling statistics for reasons of comparability, as the company already ceased operations at the end of June 2019.

The container terminals in the Italian group recorded a drop in handling volumes overall of 12.1% to 1.632 million TEUs (2019: 1.857 million TEUs), primarily due to the pandemic-related lower handling volumes in La Spezia.

The CONTSHIP Italia Segment generated revenue of EUR 197.2 million in the 2020 financial year (2019: EUR 260.8 million). In addition to lower handling and transport volumes, the disposal and deconsolidation of Medcenter Container Terminal S. p. A. in the previous year and the cessation of operations at CICT Porto Industriale Cagliari S. p. A. with effect from the end of June 2019 had an impact on the development of sales revenues. At EUR 42.4 million (2019: EUR 66.0 million), segment earnings were significantly below the previous year's level primarily due to the positive impact on earnings from the disposal of equity interests included in the 2019 result, but were encouragingly positive despite the temporary influence of the pandemic.

The trend in throughput and earnings under IFRSs for the Italian companies over the period under review was as follows:

Cagliari International Container Terminal – CICT Porto Industriale di Cagliari S. p. A. i. L., in which Contship Italia S. p. A. has a 100% shareholding – is in liquidation. Provisions for the total expenses to be expected in connection with the winding up of the company were already fully recognised in the 2019 annual financial statements and therefore do not lead to any further burden on earnings.

La Spezia Container Terminal S. p. A. is a 60% shareholding of Contship Italia S. p. A. At 1.081 million TEUs (2019: 1.350 million TEUs), the company recorded a 17.1% decline in containers handled due to the coronavirus pandemic and the resulting significant drop in local handling volumes. Correspondingly, the company's year-end result was also down on the previous year, but nevertheless still clearly positive.

The fully-owned CONTSHIP Italia subsidiary Sogemar S. p. A. continues to hold 100% of the shares in Hannibal S. p. A., OCEANOGATE Italia S. p. A. and Rail Hub Milano S. p. A., Milan, Italy, for which it provides leasing, administration and IT services. The company recorded a decrease in operating profit for the 2020 reporting period compared to the previous year due to lower income from investments.

In addition to handling international container transports, Hannibal S. p. A. manages the national truck and rail activities of the CONTSHIP Italia Group. At 0.242 million TEUs, the company recorded a significantly lower intermodal transport volume (2019: 0.313 million TEUs) due to the coronavirus pandemic. The company's year-end result also decreased year-over-year, and was slightly negative.

OCEANOGATE Italia S. p. A. also recorded a substantial decrease in rail freight transport in 2020. Due to the fall-off in transport activities, the company recorded a lower and slightly negative year-end result compared to the previous year.

Rail Hub Milano S. p. A. operates the inland terminals of the CONTSHIP Italia Group in Melzo and Rho. Due to declining handling volumes, the company recorded a significantly lower, albeit still slightly positive, net profit for the period compared to the previous year.

EUROGATE SEGMENT

EUROGATE GmbH & Co. KGaA, KG, Bremen, in which EUROKAI GmbH & Co. KGaA and BLG LOGISTICS GROUP AG & Co. KG of Bremen each have a 50% shareholding, is the EUROGATE Group's holding company. EUROGATE GmbH & Co. KGaA, KG supplies central services for its subsidiaries and affiliated companies. Its principal shareholdings are EUROGATE Container Terminal Hamburg GmbH, Hamburg, EUROGATE Container Terminal Bremerhaven GmbH, North Sea Terminal Bremerhaven GmbH & Co., MSC Gate Bremerhaven GmbH & Co. KG – all of Bremerhaven – and EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG, Wilhelmshaven. The EUROGATE Group also has a 33.4% stake in Contship Italia S. p. A., Italy.

EUROGATE GmbH & Co. KGaA, KG, the EUROGATE Group's holding company, has a 100% shareholding in both EUROGATE Container Terminal Hamburg GmbH and EUROGATE Container Terminal Bremerhaven GmbH. These companies are fully consolidated in the EUROGATE Segment. The joint ventures North Sea Terminal Bremerhaven GmbH & Co. (EUROGATE share: 50%), MSC Gate Bremerhaven GmbH & Co. KG (EUROGATE share 50%), and EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG (EUROGATE share 70%), have been incorporated in the EUROGATE Segment using the equity method.

EUROGATE Container Terminal Hamburg GmbH saw a 3.3% rise in handling volumes from 2.092 million TEUs in 2019 to 2.162 million TEUs. With a handling figure of 4.767 million TEUs (2019: 4.871 million TEUs), the container terminals in Bremerhaven recorded a decline in handling volumes of 2.1%.

Handling volumes at EUROGATE Container Terminal Wilhelmshaven decreased by 33.8% to 0.423 million TEUs as a result of rescheduled liner services and the reduction in the number of inducement calls (2019: 0.639 million TEUs). Thus, taken together, the handling volume of the German terminals was 7.352 million TEUs, which was 3.3% below the previous year's level of 7.602 million TEUs handled.

On the back of the slight increase in handling and transport volumes of the fully consolidated companies in Germany, the EUROGATE Segment saw segment revenue decline by 6.7% to EUR 527.0 million in financial year 2020 (2019: EUR 564.6 million).

In addition to the decline in average revenue and pandemic-related factors affecting the development of handling volumes, the earnings development also reflected disproportionately high cost increases. Significant non-recurring expenses due to the impairment losses on non-current financial assets (mainly EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG) in the amount of EUR 74.0 million as well as extraordinary expenses for the restructuring of the individual group entities (EUR 41.9 million) also impacted heavily on EUROGATE's consolidated earnings in 2020. Consequently, at EUR –31.7 million, the EUROGATE Group's operating result (EBIT) was considerably below the previous year's figure (EUR 52.2 million) and was for the first time negative. With significantly lower and negative net income from associates, the Group recorded a consolidated net loss of EUR –121.1 million for the reporting period (2019: consolidated net profit of EUR 45.5 million). The ownership interests from CONTSHIP Italia included in the segment result must be eliminated in order to determine the income from associates attributable to EUROKAI, as CONTSHIP Italia is fully consolidated within the EUROKAI Group.

The trend in throughput and earnings under IFRSs for the EUROGATE companies operating container terminals in financial year 2020 was as follows:

With a handling figure of 2.162 million TEUs (2019: 2.092 million TEUs), EUROGATE Container Terminal Hamburg recorded a slight increase in handling volumes of 3.3%. In line with this, the market share of handling volumes at the Hamburg location grew to 25.4% (2019: 22.6%). However, despite this positive volume development, the company's operating results were significantly lower due to the deterioration in the consignment structure resulting from the further increase in transhipment volumes, as well as to poorer productivity. Restructuring expenses in connection with a transformation project initiated in the 2020 financial year also burdened the earnings situation in 2020. Thus, the company recognised a significantly lower and negative year-end result before loss transfer to the EUROGATE GmbH & Co. KGaA, KG (EUROGATE holding company).

EUROGATE Container Terminal Bremerhaven GmbH saw a volume increase of 4.3% in the 2020 reporting period, with a handling figure of 0.492 million TEUs (2019: 0.472 million TEUs). The company thus reported an improvement in operating results. However, due to the restructuring expenses taken into account in the 2020 result, total comprehensive income declined significantly compared to the same period of the previous year and the company recognised a negative year-end result before loss transfer to the EUROGATE holding company.

As a dedicated terminal for Mærsk Line shipping company, North Sea Terminal Bremerhaven GmbH & Co. recorded handling figures of 2.883 million TEUs in financial year 2020, a decrease in volume of 1.2% year-over-year (2019: 2.918 million TEUs). However, the company's profit for the year rose significantly year-over-year due to a one-off effect in connection with the settlement of a claim.

With a throughput figure of 1.392 million TEUs (2019: 1.481 million TEUs), MSC Gate Bremerhaven GmbH & Co. KG, a joint venture between the EUROGATE holding company and Terminal Investment Limited Sàrl, Geneva (Switzerland), a related company of Mediterranean Shipping Company S. A. (MSC), Geneva (Switzerland), recorded a decline in handling volumes in 2020 of 6.0% compared with the previous year. Correspondingly, the company's year-end result was also down compared to the same period of the previous year.

EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG is jointly owned by the EUROGATE holding company (70%) and APM Terminals Wilhelmshaven GmbH, an indirectly wholly-owned subsidiary of the A. P. Møller Mærsk Group, Copenhagen (Denmark), with 30%. In the 2020 financial year, handling volumes stood at 0.423 million TEUs, a substantial decline of 33.8% compared to the previous year (2019: 0.639 million TEUs). Against the backdrop of continued capacity underutilisation, the company generated a renewed heavy loss for the period, which also deteriorated significantly compared to the previous year.

Handling volumes at EUROGATE Tanger S. A., Tangier (Morocco), in which the EUROGATE Group and the CONTSHIP Italia Group each indirectly hold a 20% interest, declined to 1.447 million TEUs in the reporting period (2019: 1.527 million TEUs/–5.3%). This led to a slightly lower overall result year-over-year.

The EUROGATE Group holds a 60% interest in EUROGATE Container Terminal Limassol Limited, Limassol (Cyprus). The other consortium partners are Interorient Navigation Company Ltd. (20%), Limassol (Cyprus), and East Med Holdings S. A. (20%), Luxembourg. In the 2020 financial year, the company handled 390,448 TEUs (2019: 408,306 TEUs). Despite the volume decrease of –4.4%, the company's net profit improved slightly due to cost savings.

Following persistent, almost year-long strike action, the handling situation at LISCONT Operadores de Contentores S. A., Lisbon (Portugal), in which the Group holds a 16.34% interest, deteriorated significantly to 78,928 TEUs (2019: 141,452 TEUs/–44.2%) in connection with pandemic-related volume declines. Correspondingly, the company's year-end result was significantly down on the previous year, and even entered negative territory.

JSC Ust-Luga Container Terminal, Ust-Luga (Russia), in which the EUROGATE Group holds a 20% stake, handled only 49,770 TEUs over the period under review (2019: 62.082 TEUs/–19.8%) due to the ongoing Russia crisis and the overcapacities in the greater St. Petersburg area. The handling of coal here since December 2018 has so far proved successful, with nearly 1.4 million tonnes of coal handled in 2020 (2019: 965,000 tonnes). Due to the decline in container handling volumes in conjunction with negative currency effects, the company posted lower net profit year-over-year.

Intermodal transport

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KEY EVENTS IN THE COURSE OF THE FINANCIAL YEAR

CONTSHIP Italia Segment

La Spezia Container Terminal S. p. A. took advantage of the decline in handling volumes in the second quarter of 2020 to temporarily take berths and outdoor areas out of service to carry out repair work. This minimised the structural restrictions and impact on terminal operations.

The liquidation procedure of CICT Porto Industriale Cagliari S. p. A. i. L. is not yet wound up. However, this is not expected to lead to any further burden on earnings.

Tanger Alliance S. A., Tangier, Morocco, in which Contship Italia S. p. A. and EUROGATE International GmbH each have a 20% interest, Société d'Exploitation des Ports S. A. (Marsa Maroc) holds 50% and Hapag-Lloyd AG has a 10% stake, forged ahead in the 2020 financial year with construction measures in preparation for the commissioning of the new TC 3 container terminal.

Due among other things to COVID-19-related delays in the manufacture and delivery of handling equipment, commissioning of the new terminal was delayed by six months until January 2021. Hapag-Lloyd ships have been calling at the terminal since December 2020. The complete transfer of the Tanger Alliance services currently handled at the adjacent EUROGATE Tanger S. A. Terminal is scheduled for the end of March 2021. In the coming years, the terminal will be further expanded in line with volume development.

The new container terminal initially has a quay wall length of 800 m, with a water depth of 18 m and an area of 320,000 m² (with a possible option to expand) and a throughput capacity of 1.5 million TEUs p. a.

With the disposal of the shareholding in Medcenter Container Terminal S. p. A. in the 2019 financial year and the liquidation of CICT Porto Industriale Cagliari S. p. A., the foundation was laid for the new structure of the CONTSHIP Italia Group. Subsequently, the management structure of the Italian group was also aligned. Under the leadership of Ms Cecilia Eckelmann-Battistello (President), Alfredo Scalisi has been in charge at La Spezia Container Terminal S. p. A., including its equity interests in Ravenna and Salerno as well as the storage and repair operations, since mid-2019. Within the scope of a generational handover, Matthieu Gasselin took over the reins as Managing Director of Sogemar along with its intermodal activities in September 2020. He succeeded Sebastiano Grasso, who at the age of 69 and after 20 years of service retired from the Group.

EUROGATE Segment

General

On 27 March 2020, EUROGATE Container Terminal Hamburg GmbH took delivery of the first of six new super post-Panamax container gantries. They were put into operation at Berth 6 of the Waltershof Harbour in the course of the second half of 2020.

On 1 May 2020, the new terminal operating system NAVIS N4 of EUROGATE Container Terminal Bremerhaven GmbH and MSC Gate Bremerhaven GmbH & Co. KG went live in Bremerhaven.

At EUROGATE Container Terminal Hamburg GmbH, the first ship of the newly acquired OCEAN Alliance FAL 1 service, the "CMA CGM Georg Forster", was processed on 15 May 2020. Since then, the ships of this flagship service have called at the terminal on a regular basis.

In May 2020, the transformation project aimed at implementing productivity improvements as well as extensive cost savings across the entire EUROGATE Group got underway. The ramifications outlined in our risk reporting in recent years of the increasing concentration on the customer side with a corresponding increase in market power due to substantial overcapacities on the part of the transhipment companies in the North Range, hand in hand with continued and considerable pressure on rates, already severely impacted on the operating results of the principal companies in the EUROGATE Group in the 2019 financial year. That said, the previous year's results of the various individual companies were additionally propped up by a number of exceptional and one-time effects.

On the expense side, continuous cost increases, uneconomical processes and organisational structures as well as poor, uncompetitive productivity in the operational performance of the main subsidiaries have led to inadequate operating results.

Against this background, at the end of 2019 the consulting firm McKinsey was commissioned to conduct a review of the organisational and operational structure of the principal EUROGATE Group companies as well as other individual undertakings. The purpose of this review was to identify and quantify efficiency improvement and cost-saving potential, as well as prioritise measures for realising this potential. Based on the results of this analysis, a transformation project team was set up in the second quarter of 2020, which is tasked with preparing and overseeing the implementation of a wide range of individual measures under the leadership of the Group Management Board and the Managing Directors of the respective companies. The transformation project is headed up by an experienced interim manager in the role of Chief Transformation Officer.

The individual measures identified in the transformation project were incorporated into detailed implementation-ready concepts, which were presented to the respective employee representatives in the fourth quarter of 2020. The target is to reduce the total costs of the EUROGATE Group in Germany by EUR 84 million p. a. as early as possible, but no later than the 2024 financial year. Provisions for the restructuring expenses that will necessarily be incurred in connection with the transformation were recognised at the level of the individual companies in the 2020 financial year, significantly impacting the earnings situation of the companies concerned.

Against the backdrop of the handling development at the Hamburg location, short-time working arrangements were introduced at EUROGATE Container Terminal Hamburg GmbH, EUROKOMBI Terminal GmbH and EUROGATE Intermodal GmbH for the months of June and July 2020. From mid-2020, short-time work was also introduced at EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG. The same applies for EUROGATE Technical Services GmbH at the Wilhelmshaven location. The Group Management Board and other members of the management have temporarily volunteered to forego their salary.

Standardisation and automation

In financial year 2020, the STRADegy research project for the automation of straddle carriers on the test site at EUROGATE Container Terminal Wilhelmshaven was completed. From 2021, the automation project will be continued by a newly established "EUROGATE Automation" organisational unit as a separate department of the EUROGATE holding company.

The available capacities from the STRADegy project were transferred to this new organisational unit, which will assume responsibility for the ongoing development of all system components necessary for the commercial deployment of automated straddle carriers through to preparation of a rollout.

In December 2018, the "Future" collective agreement was concluded between the German companies included in the EUROGATE Group and the united services union ver.di. This collective agreement governs the long-term management of employment-related changes brought about through automation and digitalisation projects. One key component is the implementation of an automation commission with equal representation, which was set up at the beginning of 2019 to manage important changes in the employment situation at the German locations of the EUROGATE Group companies as a result of automation and digitalisation projects.

Infrastructure aspects

The zoning decision on the adjustment of the Elbe fairway was made legally binding and incontestable at the beginning of October 2018. The required budgetary funding at federal level amounting to almost EUR 500 million has been made available. The Federal Administration began implementation on 23 July 2019.

As things currently stand, construction work on both sections of the so-called passing box outside Hamburg that lie within federal jurisdiction and within the jurisdiction of the City State of Hamburg respectively will be completed and opened for shipping traffic by the end of March 2021.

The WSV (Wasser- und Schifffahrtsverwaltung des Bundes – Federal Waterways and Shipping Administration) will have completed the deepening along the entire length of the upgraded stretch at the latest by the end of the second quarter of 2021, as will Hamburg Port Authority for the Elbe shipping channel that lies within its territory. Whether these new water depths can also be opened for shipping traffic on Hamburg territory is uncertain from today's perspective due to the lack of a secure disposal site for dredged sediment in the area of responsibility of the Hamburg Port Authority.

From today's perspective, complete realisation of the entire project (widening and deepening) can be expected by the end of 2021/early 2022.

Large container ships with transport capacities of over 23,000 TEUs pose ever greater challenges for port and terminal operators. Customers expect their ships to be handled quickly and efficiently. This requires processes to be predictable and reliable. Advancing digitalisation and automation is leading to a changed competitive situation.

EUROGATE cannot afford to ignore these developments if it is to remain competitive. For this reason, we are also placing a long-term focus on standardisation, as well as on the implementation of further digitisation and automation technologies, as well as continuous process optimisation.

Progress on the westward expansion project of EUROGATE Container Terminal Hamburg continues to play an important role for the EUROGATE Group. The project foresees the complete filling of the Petroleumhafen and the direct extension of the Predöhlkai by some 650 m, as well as the creation of an additional 400 m of berths at the Bubendey-Ufer. Another major goal of the measures to improve the nautical conditions at the Port of Hamburg being pursued with the planning approval procedure is the enlargement of the turning basin at the Waltershof Harbour to provide a turning radius of 600 m for large container ships.

According to the current schedule, possible construction measures by the HPA will probably take five years before it is possible to hand over the land to the terminal operator, so that from today's perspective – even with financing still to be secured – construction of the superstructure for the terminal can begin at the earliest from 2027. As a result, commissioning of the entire site is likely to be delayed until 2028 at the earliest.

The number of large container vessels in service has continued to increase. Parallel to this, the container shipping lines have additional large container ships with a capacity currently in excess of 23,000 TEUs on their order books. These figures underscore the present trend towards a highly disproportionate rise in the number of large container vessels in service on the main world trades.

Given this trend, the EUROGATE Group has also seen an increase in the number of ultra-large container ships calling at its terminals.

The nautical difficulties in the approach and departure of these container ships to and from the German North Sea ports of Bremerhaven and Hamburg, particularly given ongoing delays and adjustments to the deepening of the Elbe and Outer Weser shipping channels, have not improved for these ports. This in turn, however, means good prospects for the Wilhelmshaven terminal in the medium to long term.

Exceptional factors

In view of the decline in handling volumes at the Wilhelmshaven location in the 2020 financial year, combined with the prospect that no significant upturn in handling activity is expected here in the foreseeable future, the carrying amount of the EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG equity interest as well as the shareholder loans granted to the company were fully impaired.

The reason for the write-downs is the sustained capacity underutilisation of the container terminal in Wilhelmshaven that has prevailed since the start of operations in 2012 and has led to high losses every year since. In the last two years, the respective targeted volume increases failed to materialise and also for the coming two years there is nothing to indicate that the level of capacity utilisation is set to improve, so that from today's perspective, high losses attributable to the shareholders are the most likely scenario in the short to medium term. Since in our view the container terminal in Wilhelmshaven continues to be predestined for the handling of mega container ships, we are once again redoubling all efforts to acquire additional customers and liner services. However, concrete and reliable negotiation results or the conclusion of contracts are not yet on the table, so that the timing and extent of any future improvement in capacity utilisation cannot be estimated with sufficient reliability to be used as a basis for the valuation of the investment or the shareholder loan. The prevailing loss situation since the start of operations, combined with the current lack of any concrete signs of an improvement, are the basis for assuming an expected permanent impairment of these financial assets.

However, as soon as adequate handling volumes can be acquired for this site, it will be possible not only to considerably reduce the current losses, but also to generate positive income contributions. Thus there is the prospect of being able to reverse the impairment losses on this equity investment.

2. RESULTS OF OPERATIONS

The individual revenues and expenditures of the EUROGATE Segment, which is consolidated using the equity method, are not recognised in the consolidated income statement for the EUROKAI Group. Instead, the contribution to earnings of the EUROGATE Group is shown under investment income. Consequently, the notes to the individual items of the consolidated income statement relate only to the CONTSHIP Italia and EUROKAI Segments.

To show the results of operations, the following table uses an income analysis from a management perspective:

	2020		2019		Change	
	EUR m	%	EUR m	%	EUR m	%
Revenue	197.2	93	260.8	84	–63.6	–24
Other operating income	14.1	7	49.0	16	–34.9	–71
Total operating income	**211.3**	**100**	**309.8**	**100**	**–98.5**	**–32**
Cost of materials	–71.6	–34	–92.3	–30	20.7	–22
Personnel expenses	–58.4	–28	–89.5	–29	31.1	–35
Depreciation and amortisation expense	–19.1	–9	–20.5	–7	1.4	–7
Other operating expenses	–18.9	–9	–33.5	–11	14.6	–44
Operating expenses	**–168.0**	**–80**	**–235.8**	**–76**	**67.8**	**–29**
Net operating profit	**43.4**	**20**	**74.0**	**24**	**–30.6**	**–41**
Interest and similar income	5.7		5.6		0.1	
Finance costs	–9.6		–9.4		–0.2	
Investment income	–60.0		18.7		–78.7	
Other finance costs (income)	0.1		–0.1		0.2	
Earnings before taxes (EBT)	**–20.4**		**88.8**		**–109.2**	
Current tax payables	–16.0		–18.8		2.8	
Deferred taxes	5.8		0.2		5.6	
Consolidated loss for the year (2019: consolidated profit)	**–30.6**		**70.2**		**–100.9**	
Attributable to:						
Equity holders of the parent	–44.9		49.3			
Non-controlling interests	14.3		20.9			
	–30.6		**70.2**			

The 2020 income analysis is only comparable with the previous year's figures to a limited extent.

As a result of the deconsolidation of Medcenter Container Terminal S.p.A. recognised in the 2019 income statement, revenue declined year-over-year by EUR 17.6 million, other operating income by EUR 0.2 million, cost of materials by EUR 4.4 million, personnel expenses by EUR 13.3 million, depreciation, amortisation and impairment losses by EUR 2.2 million, other operating expenses by EUR 2.6 million and finance costs by EUR 0.4 million.

Furthermore, due to the cessation of operations at CICT Porto Industriale Cagliari S.p.A. in June 2019, revenue decreased by EUR 4.4 million, the cost of materials by EUR 0.1 million, personnel expenses by EUR 8.1 million and interest expense by EUR 0.2 million. Depreciation and amortisation expense was EUR 1.3 million higher than in the previous year.

Other significant influences on changes in the individual line items of the income statement are explained below:

External revenue of the EUROKAI Group stood at EUR 197.2 million (2019: EUR 260.8 million) and resulted exclusively from the CONTSHIP Italia Segment. The decline in Group revenue reflects the downward trend in handling and transport volumes at La Spezia Container Terminal S.p.A. and in the intermodal activities of the CONTSHIP Italia Group.

The decrease in other operating income of EUR 34.9 million to EUR 14.1 million is attributable almost entirely to the income included in the previous year from the disposal of the CSM/MCT investment.

The lower cost of materials corresponds to a large extent to the volume-related decline in revenue. Furthermore, lower energy prices had a positive effect.

The reduced handling and transport volumes also led to a reduction in personnel expenses, both for own employees and those on short-term contracts.

In addition to the factors described above resulting from the deconsolidation of Medcenter Container Terminal S. p. A. in the 2019 financial year, the decline in other operating expenses resulted from the reversal of a provision recognised in the previous year for possible contractual penalties, lower allocation to a provision for municipal taxes compared to the previous year and lower consulting expenses.

Operating profit (EBIT) for the 2020 financial year amounted to EUR 43.4 million (2019: EUR 74.0 million), which was significantly lower than the previous year's total. This decrease is largely accounted for by the impact on earnings included in the previous year from the disposal of the CSM/MCT investment in April 2019. Corresponding to the marked downward turn in the volume development, the operating profit at La Spezia Container Terminal S. p. A. was also significantly lower, but remained comfortably in positive territory. In the intermodal business segment, operating profit was down significantly against the backdrop of the pandemic-related temporary decline in transport volumes in Italy compared to the previous year.

Investment income fell sharply by EUR 78.7 million to EUR –60.0 million (2019: EUR 18.7 million) and is well into negative figures. The main changes here relate to the proportionate deterioration in earnings of the EUROGATE Group to EUR –63.3 million (2019: EUR 12.7 million) and of J.F. Müller & Sohn AG to EUR –2.3 million (2019: EUR 0.1 million).

Pre-tax profit (EBT) declined sharply by EUR 109.2 million to EUR –20.4 million (2019: EUR 88.8 million) year-over-year and entered negative territory.

Against the background of the significantly reduced earnings expectations for both the CONTSHIP Italia and EUROGATE Segments, a considerably lower net profit for the Group as a whole compared to the previous year was expected for the financial year 2020.

Due to the impact of the coronavirus pandemic and the still generally difficult market environment, the volume and earnings forecasts were revised in the course of the year. The deterioration in earnings year-over-year compared to the original forecast for 2020 was attributable – besides the decline in handling and transport volumes in Italy – to the sharp decline in profits at EUROGATE. The deviating earnings development coupled with the substantially negative profit situation of the EUROGATE Segment was in turn due to the recognition of provisions for the necessary restructuring measures there, as well as to the impairment losses on non-current financial assets.

Overall, against the background of the pandemic- and volume-related declining operating profit reported by the operating companies, the EUROKAI Group reported a consolidated net loss for the financial year 2020 of EUR –30.6 million (2019: consolidated net profit for the year of EUR 70.2 million). This can be explained by the one-time gains from the disposal of interests in the CONTSHIP Italia Segment included in the previous year's result, coupled with much lower and even negative income from investments mainly attributable to the EUROGATE Segment.

Thus, the net profit for 2020 was significantly below the previous year's forecast.

3. FINANCIAL POSITION

The following cash flows were posted in 2020 and 2019:

	2020	2019
	EUR '000	EUR '000
Net cash inflows from operating activities	45.3	54.2
Cash inflows/outflows from investing activities	–0.1	58.9
Cash outflows from financing activities	–75.6	–79.4
Net increase/decrease in cash and cash equivalents	**–30.4**	**33.7**
Cash and cash equivalents at 1 January	**180.4**	**146.7**
Cash and cash equivalents at end of period	**150.0**	**180.4**
Composition of cash and cash equivalents		
Cash	150.0	180.4
Cash and cash equivalents at end of period	**150.0**	**180.4**

Based on the pre-tax earnings for the 2020 financial year of EUR –20.4 million (2019: EUR 88.8 million), cash flows from ordinary operating activities of EUR 45.3 million (2019: EUR 54.2 million) were generated.

CAPITAL EXPENDITURE AND FINANCING

Capital expenditure by the Group on intangible assets and property, plant and equipment amounted to EUR 7.8 million (2019: EUR 6.3 million) in the 2020 financial year. Capital expenditure related primarily to investments in large-scale equipment.

The Group did not take up any new loans during the 2020 financial year. Scheduled bank loan repayments of EUR 22.6 million were made.

4. NET ASSETS

The structure of assets and equity in 2020 was as follows:

Assets	2020		2019		Change
	EUR m	%	EUR m	%	EUR m
Intangible assets	75.3	10	76.8	9	–1.5
Property, plant and equipment	122.9	17	124.2	15	–1.3
Financial assets	108.0	15	177.7	21	–69.7
Deferred tax assets	21.2	3	15.6	2	5.6
Other non-current assets	156.4	21	169.6	20	–13.2
Non-current assets	**483.8**	**66**	**563.9**	**67**	**–80.1**
Inventories	5.9	1	6.2	1	–0.3
Trade receivables	44.8	6	55.0	7	–10.2
Other current non-financial assets and current tax assets	43.2	6	36.2	4	7.0
Cash and cash equivalents	150.1	21	180.4	21	–30.3
Current assets	**244.0**	**34**	**277.8**	**33**	**–33.8**
Total assets	**727.8**	**100**	**841.7**	**100**	**–113.9**

Equity and liabilities					
Issued capital	13.5	2	13.5	2	0.0
Equity capital attributable to the Personally Liable General Partner and Reserves	107.5	15	102.6	12	4.9
Net retained profit	202.1	27	279.2	33	–77.1
Equity attributable to non-controlling interests	79.9	11	79.3	9	0.6
Equity and reserves	**403.0**	**55**	**474.6**	**56**	**–71.6**
Non-current financial liabilities, net of current portion	14.5	2	22.5	3	–8.0
Non-current portion of deferred government grants	2.5	0	2.7	0	–0.2
Other non-current liabilities	214.2	31	222.7	26	–8.5
Deferred tax liabilities	9.5	1	9.7	1	–0.2
Provisions	17.6	2	16.4	2	1.2
Non-current liabilities	**258.3**	**36**	**274.0**	**32**	**–15.7**
Current portion of non-current financial liabilities	7.8	1	22.4	3	–14.6
Trade payables	30.5	4	33.4	4	–2.9
Current portion of deferred government grants	0.3	0	0.3	0	0.0
Other current liabilities and current tax payables	26.0	4	30.7	4	–4.7
Provisions	1.9	0	6.3	1	–4.4
Current liabilities	**66.5**	**9**	**93.1**	**12**	**–26.6**
Total equity and liabilities	**727.8**	**100**	**841.7**	**100**	**–113.9**

Total assets of the EUROKAI Group declined in the 2020 reporting period by EUR 113.9 million to EUR 727.8 million. This was primarily accounted for by the decrease in financial assets and the decline in cash and cash equivalents.

The sharp decline in financial assets related with EUR 57.2 million mainly to the interest in the EUROGATE Group investment accounted for using the equity method and with EUR 7.8 million to the interest in TangerMedGate Management S. a. r. l.

The increase in deferred tax assets was principally due to the temporary measurement differences in connection with the provisions for restructuring recognised in the EUROGATE Group.

The decline in other non-current assets related in particular to non-current receivables from leases and is explained on the one hand by the payments made by lessees for the current year in the amount of EUR 6.1 million, as well as by adjustments made to existing leases in the reporting year amounting to EUR 5.1 million.

At the balance sheet date, non-current assets were covered in full by equity and non-current financial liabilities.

The decline in trade receivables reflected the downward revenue trend.

The rise in other current non-financial assets and current tax assets of EUR 7.0 million to EUR 43.2 million resulted principally from the increase of a short-term loan to Tanger Alliance S. A. of EUR 17.3 million as well as with the opposite effect from the earnings entitlement and other intercompany allocations with respect to EUROGATE GmbH & Co. KGaA, KG in the amount of EUR 11.2 million.

Cash and cash equivalents of EUR 150.1 million (2019: EUR 180.4 million) reflected the sustained positive liquidity situation of the Group at the reporting date.

The change in net retained profit was accounted for principally by the appropriation based on a resolution of the General Meeting of EUR 7.5 million to retained earnings and the dividend distribution of EUR 24.4 million to the shareholders, as well as by the consolidated net loss of EUR 44.9 million which is attributable to the equity holders of the parent.

Accordingly, equity declined in the 2020 financial year by EUR 71.6 million to EUR 403.0 million (2019: EUR 474.6 million), a decrease of 15.1%. Nevertheless, the equity ratio of the EUROKAI Group remained highly stable at 55% (2019: 56%).

The decline in non-current financial liabilities, including the current portion, corresponded to the repayments on investment loans already made.

Other non-current liabilities were down mainly due to the scheduled repayment of lease liabilities, adjustments made to existing leases in the reporting year and, with the opposite effect, the interest cost of lease liabilities.

The main reason for the decrease in current provisions of EUR 4.4 million to EUR 1.9 million was the partial reversal of the provision recognised in 2019 for possible contractual penalties.

5. PERSONNEL AND WELFARE

Once again in financial year 2020, Group companies provided their staff with further training courses, both internal and external, in order to continue to improve their standard of qualification.

The following shows average employee numbers in the fully consolidated Group companies (excluding Management Board, temporary staff and trainees):

	2020	2019
Industrial workers	502	791
Office staff	478	532
	980	**1,323**

6. EXCERPT FROM THE SEPARATE NON-FINANCIAL GROUP REPORT PURSUANT TO SECTIONS 315 B AND 315 C IN CONJUNCTION WITH SECTIONS 289 C TO 289 E OF THE GERMAN COMMERCIAL CODE (HGB)

The activities of the EUROKAI Group are characterised by profit-driven business practices and responsibility towards staff, society and the environment. Due to the high capacity intensity and long useful lives involved, anyone building up and operating transhipment facilities and hinterland networks needs to think in large dimensions and focus their business on long-term success extending beyond individual economic cycles.

The material non-financial key performance indicators for us affect the environmental (energy consumption and CO_2 emissions) and employee (occupational health and safety) dimension, anti-corruption and anti-bribery and IT security.

ENERGY CONSUMPTION AND CO_2 EMISSIONS

Energy consumption is a key performance indicator for the management of resources and has a direct impact on incurred costs, and hence on our financial performance. At the same time, energy consumption has a significant impact on the environment, because it uses natural resources and produces greenhouse gas emissions. Together with the cost aspect associated with energy consumption, EUROKAI's energy management activities are also driven by efforts to limit climate change and minimise the Group's own carbon footprint.

The key performance indicators for CONTSHIP Italia and EUROGATE are consumption in total megawatt hours and energy consumption per container.

The following table shows the current status of target attainment:

	CONTSHIP Italia*	EUROGATE**
Target	Lower energy consumption	Lower energy consumption per container handled by 20% up to 2020 (compared with 2008)
Status 2019	73,976 MWh (of which 6,680 MWh renewables)	Reduction of 17.8% per container handled
Status 2020	**44,575 MWh (of which 3,912 MWh renewables)**	**Reduction of 15.8% per container handled**
Comment	A reduction was achieved. This was mainly due to the disposal of the indirectly held equity interest in Medcenter Container Terminal, Gioia Tauro, and the cessation of operations at Cagliari International Container Terminal.	The target was not met. The increase in energy consumption in 2020 is mainly attributable to changes in operational processes in connection with managing the COVID-19 pandemic, a decline in container throughput and the switch to a new IT system in Bremerhaven. The new target is to improve energy consumption in % per container handled (compared with the previous year).

* Excluding fuel volumes from purchased intermodal services and excluding heating energy consumption in office buildings in La Spezia.

** When calculating the key figure kWh/container, the container-related consumption figures for the principal companies (EUROGATE container terminals, EUROGATE Technical Services GmbH and EUROGATE holding company) were taken as a basis.

Other key performance indicators for CONTSHIP Italia and EUROGATE are total CO_2 emissions in tonnes of CO_2 (t CO_2) and CO_2 emissions per container.

The following table shows the current status of target attainment:

	CONTSHIP Italia*	EUROGATE**
Target	Lower CO_2 emissions	Lower CO_2 emissions per container handled by 25% up to 2020 (compared with 2008)
Status 2019	22,577 t CO_2	Reduction of 27.3% per container handled
Status 2020	**12,278 t CO_2**	**Reduction of 27.8% per container handled**
Comment	A reduction was achieved. This was mainly due to the disposal of the indirectly held equity interest in Medcenter Container Terminal, Gioia Tauro, and the cessation of operations at Cagliari International Container Terminal.	The target was met in 2017. This was mainly attributable to the implementation of energy efficiency projects. The new target is to reduce CO_2 emissions in % per container handled (compared with the previous year).

* When calculating total CO_2 emissions, direct emissions (Scope 1) from diesel combustion as fuel for the vehicles of the various companies were taken into account, as well as indirect emissions (Scope 2) that result from electricity consumption. The CO_2 emissions resulting from the consumption of natural gas are not included in the calculation due to its limited use (exclusively in the canteens of the intermodal terminals).

** When calculating the key indicator CO_2/container, the container-relevant CO_2 emissions of the principal companies (EUROGATE container terminals, EUROGATE Technical Services GmbH and the EUROGATE holding company) were taken as a basis.

OCCUPATIONAL HEALTH AND SAFETY

Protecting the Group's own employees and employees of external companies against work-related injuries or sickness and safeguarding their health and well-being is a top priority. Most of the work is performed using heavy equipment at the terminals (mainly straddle carriers and container gantries), and is susceptible to prevailing weather conditions. Given the physical nature of this work and the deployment of much of the workforce in a three-shift system, promoting and protecting their health is particularly important.

The key ratios for CONTSHIP Italia and EUROGATE in the area of occupational health and safety are the number of reportable work-related accidents (accidents at the workplace and on the way to/from work) and the number of accidental deaths.

The following table shows the current status of target attainment:

	CONTSHIP Italia*	EUROGATE**
Target	Minimise the number of work-related accidents and to prevent accident-related fatalities	
Status 2019	Work-related accidents: 61	Work-related accidents: 366
	Accident-related fatalities: none	Accident-related fatalities: none
Status 2020	**Work-related accidents: 14**	**Work-related accidents: 326**
	Accident-related fatalities: none	**Accident-related fatalities: none**
Comment	The target to lower the number of work-related accidents was met. As part of the defined monitoring process in the area of occupational safety, measures to counter this development are developed based on the analysis of hazardous situations, accident severity and cause. The drop in the total number of accidents in Italy was additionally attributable to the disposal of the indirect equity interest in Medcenter Container Terminal S. p. A. held by Contship Italia S. p. A. in April 2019 and the cessation of operations at Cagliari International Container Terminal in September 2019. Another reason was the pandemic-related decline in throughput volumes, which led to a reduction in the number of employee hours in 2020.	

* In Italy, accidents must be reported if a person is killed as a result of an accident or injured to a degree that renders them unable to work for more than one day. Some processes at the operating facilities are carried out by external contractors. Their employees account for around 40% of the total workforce on site. The CONTSHIP Italia figure does not include accidents involving temporary contract workers and external contractors.

** In Germany accidents must be reported if a person is killed as a result of an accident or injured to a degree that they are unable to work for more than three days. In addition to the accident figure for its own employees, the EUROGATE figure takes temporary contract workers into consideration. Accidents involving external contractors are not included.

ANTI-CORRUPTION AND ANTI-BRIBERY

Compliant, fair and reliable conduct is a sine qua non for the long-term success of any company. Within the EUROKAI Group, the umbrella term "compliance" relates to the adherence to statutory standards and internal company policies and working towards their observance in the EUROKAI Group companies. These include the relevant policies and principles governing the avoidance of bribery and corruption.

The central key performance indicator at CONTSHIP Italia and EUROGATE in relation to anti-corruption and anti-bribery is the number of confirmed cases of corruption.

The following table shows the current status of target attainment:

	CONTSHIP Italia	EUROGATE
Target	No cases of corruption	No cases of corruption
Status 2019	none	none
Status 2020	**none**	**none**
Comment	The target was met. There were no confirmed cases of corruption in the reporting year.	

IT SECURITY

Secure and reliable IT-assisted processes are the prerequisite to enable a container terminal to operate efficiently. This applies not only from a commercial perspective, but is also important economically. Excellent IT security protects the processes at the container terminal and consequently the entire port system.

The ever-growing number of IT-based business processes that have emerged in recent years, as well as the dovetailing of the CONTSHIP Italia and EUROGATE Segments' systems with those of other providers along the logistics chain, increase the demand for a secure IT infrastructure. Cyber threats are on the increase all the time and are constantly changing. At the same time, the reliance on IT systems is growing, especially in light of the planned automation projects. IT security is therefore crucial to enabling and ensuring efficient business processes across the companies in both Segments.

At CONTSHIP Italia, an IT security management system is currently being established. The implementation is being rolled out and managed by the IT security department of Contship Italia S. p. A., which also has the technical competence regarding this topic. Responsibility for the topic lies with the Group Management Board or the management boards of the respective companies in the CONTSHIP Italia Group. In implementing relevant processes, the Group intends to appoint an IT security officer and define the necessary organisational structures, procedures, roles and accountabilities.

Technical competence for the EUROGATE information security management system (ISMS) lies with the IT department of the EUROGATE holding company. Overall responsibility lies with the Group Management Board and the management boards of the respective companies in the EUROGATE Group. An IT security officer has been appointed. The ISMS covers all German EUROGATE terminals with the exception of North Sea Terminal Bremerhaven GmbH & Co. (NTB), operated as a joint venture between EUROGATE and APMT, which is managed separately. An IT security policy regulates the organisational and technical requirements of the EUROGATE ISMS.

The main focus of the existing concept is on the availability and integrity of the IT systems and data, with the aim of creating a resilient infrastructure based on risk assessment and of minimising potential damage and downtimes. The EUROGATE ISMS was audited in 2020 in accordance with the guidelines of the Federal Office for Information Security (BSI), since EUROGATE is classified as an operator of critical infrastructure (KRITIS) pursuant to the IT Security Act (ITSG). The focus of the audit was to assess the status quo with respect to implementing the BSI guidelines. The deviations and recommendations resulting from the audit will be dealt with within the scope of targeted measures.

Various approaches are being examined for modelling the measurability of the protection achieved through non-financial performance indicators.

The separate non-financial Group report pursuant to Sections 315 b and 315 c in conjunction with Sections 289 c to 289 e of the German Commercial Code (HGB) is published on the corporate website at http://www.eurokai.com/Investor-Relations/Corporate-Governance.

7. REPORT ON EXPECTED DEVELOPMENTS, OPPORTUNITIES AND RISKS AS WELL AS RISK MANAGEMENT SYSTEM

RISK MANAGEMENT SYSTEM

Risk management is regarded within the EUROKAI Group as a permanent task of management and is practised as a system that is actively implemented across all the Group's companies and organisational units. As such, risk management has for years been an integral part of management control. The main aims of risk management within the Group are to recognise and identify critical developments – as well as opportunities – at an early stage, to take measures to remove such risks, and to promote risk-aware and opportunity-led thinking at all levels within the Group. In general, the risk policy is characterised by a conservative approach.

RISK POSITIONS

Via the CONTSHIP Italia Group as well as the EUROGATE Group, the EUROKAI Group is principally exposed to market risks, operational risks and financial risks.

Market risks and operational risks and opportunities

As a financial holding company, EUROKAI Holding is exposed via its subsidiaries and associates to the individual risks of the various business fields. Risks are identified and inventoried as part of the process of preparing the annual financial statements and management report. The subsequent assessment of the impact of these risks on the overriding corporate objectives defined for EUROKAI, taking into account the probability of their occurrence, is condensed into a risk portfolio for each undertaking. The risks documented therein encompass the entire spectrum of operational activities, especially those arising from the operation of several container terminals.

The EUROKAI Group continues to hold that a deepening of the Elbe and Outer Weser Rivers is urgently necessary to secure and position the German seaports in the "North Range" so that ever larger container vessels can operate without problems into and out of Hamburg and Bremerhaven. In the financial year 2020, the nautical problems encountered by the ever-growing number of mega carriers did not improve, especially at the Hamburg location. With the start of construction work on the Elbe fairway adjustment, the nautical difficulties should be mitigated to some extent now that the widening and deepening of the navigation channel has got underway. Should either of these schemes – or both – still fail to materialise, or should they continue to be seriously delayed, this may have a highly adverse effect on future developments in handling volumes at these locations.

With the facilities of EUROGATE Container Terminal Wilhelmshaven, the EUROKAI Group is, however, fortunate in being able to offer its customers an excellent alternative for the handling of mega carriers with corresponding draughts at Germany's only deep-water port.

In addition to general economic trends, the Group is exposed to other factors and risks associated with future transhipment and transport demand and corresponding handling volumes at our container terminals. As in the previous years, these also include

- commissioning additional terminal handling capacities in the North Range and the Baltic,
- commissioning additional large container vessels and the related operational challenges in transhipment handling (peak situations) as well as
- changes in the market, network and processes resulting from changes in the structure of the shipping consortia (mergers or consortium changes),
- price structures in the market.

On the customer side, possible insolvencies could negatively impact the shipping line consortia as well as the structure of services and handling volumes.

After HMM switched from 2M Alliance to THE Alliance in the autumn of 2019, three major consortia have continued unchanged to dominate the market on the customer side:

- 2M with the individual shipping companies Mærsk and MSC
- Ocean Alliance, with the individual shipping companies CMA CGM, COSCO, Evergreen and OOCL
- THE Alliance, with the individual shipping companies Hapag-Lloyd, HMM, ONE and Yang Ming

The trend on the part of the shipping lines to commission the building of additional ultra-large container vessels – in the meantime with capacities in excess of 23,000 TEUs – continues unabated. Given this trend, the EUROGATE Group will also see an increase in the number of ultra-large container ships calling at its terminals.

Because the container terminals still have free capacity, at least in the medium term, the market power of the remaining consortia or shipping companies is increasing as a result of consolidation, as is the associated pressure on earnings and the need to identify and further implement sustainable cost reductions and efficiency improvements at the container terminals as well as for standardisation and automation measures.

In the reporting year, the first internal validation and prioritisation steps were taken towards implementing the operational measures planned as part of the transformation process and the relevant employee representatives in the individual companies informed accordingly. From the start of the 2021 financial year, under the working title "Future EUROGATE", this transformation and the accompanying implementation of a wide range of cost-saving measures and negotiation of organisational measures designed to increase efficiency and productivity will take centre stage at the core companies of the EUROGATE Group. These negotiations require the full participation of the management and all employee representatives and a strong sense of responsibility on the part of all those involved in order to achieve the savings target of EUR 84 million p. a. with full recognition through profit or loss as early as possible, but no later than the 2024 financial year, and like this to secure the competitiveness and a viable and sustainable basis for the future of the EUROGATE Group.

Failure to implement the planned cost savings as well as productivity and efficiency improvements in the course of the transformation, or to do so only to a lesser extent, would seriously jeopardise the competitiveness and future viability of the EUROGATE Group. The negotiations began at the start of 2021 and the management is confident of being able to successfully implement the planned measures and associated positive effects within the foreseen timeframe.

Against the background of increasing cyberattacks, the company has for some time now significantly stepped up IT security measures. In addition to the general basic protection of systems, software tools are used to monitor and identify anomalies in system and network behaviour. In the EUROGATE Segment, insurance has also been taken out against cyber risks, as despite all the security measures in place, the risk of suffering economic loss as a result of a cyberattack cannot be entirely ruled out.

Legal risks

Legal risks exist in connection with disputed property taxes relating to La Spezia Container Terminal S. p. A. for the financial years 2013 until 2018. Provisions have been recognised for claims arising in connection with this matter, which from today's perspective are considered probable.

Financial risks

Financial risk management objectives and policies

The Group's principal financial instruments, other than derivatives, comprise loans, finance leases and hire purchase contracts, as well as cash and short-term deposits. The main purpose of these financial instruments is to finance the Group's operations. The Group has access to various other financial instruments, such as trade receivables and payables, that arise directly as part of its operations.

Derivatives for hedging interest rates are only used for the purposes of hedging open risks. Interest derivatives are used exclusively to optimise loan terms and minimise interest rate risks as part of matching-maturity financing strategies. Derivatives are not used for trading or speculation.

The material risks for the Group resulting from financial instruments are interest rate risks, liquidity risks, foreign currency risks and credit risks. In our opinion the aforementioned interest rate risk, foreign currency risk and liquidity risk are also to be viewed as opportunities. The Management Board creates and reviews policies for managing each of these risks, which are summarised below. At Group level, the existing market price risk, as well as the opportunity it represents for all financial instruments, is also monitored. The Group's accounting and measurement policies in relation to financial instruments, as well as quantitative details relating to the financial instruments used within the Group, are set out in Sections 2 and 29 of the Notes to the consolidated financial statements.

Interest rate risk

The Group's exposure to interest rate risks relates primarily to the Group's non-current financial liabilities.

The Group's policy is to manage its interest rate risks with a combination of fixed-interest and variable-interest loan capital. The vast majority of the liabilities to banks are covered by short-dated interest rate agreements on the basis of the 3- or 6-month EURIBOR, plus the agreed credit margin. Furthermore, interest rates were and are to a certain extent hedged by agreeing interest rate swaps.

Giving loans a short-term wrapper on the one hand gives rise to an interest rate risk if interest rates increase. On the other hand, if interest rates drop, this presents the opportunity of lower interest charges. Nevertheless, on expiry of each interest rate period, it is in principle possible to give loans a long-term wrapper and to hedge a certain interest rate level; in this respect, movements in interest rates are continuously monitored.

The stated values of financial instruments are presented in Section 29 of the Notes to the consolidated financial statements.

Foreign currency risk

All fully consolidated entities denominate their invoices exclusively in euros. In this respect, currency risks can only arise in isolated cases, such as from foreign dividend income or the purchase of goods and services from abroad or the granting of foreign currency loans. Currently there are no noteworthy currency risks in the Group arising from such specific cases.

Credit risk

The Group's credit risk mainly results from trade receivables in particular from shipping companies. Significant trade receivables pertain to just a few, internationally operating container shipping lines. The amounts shown in the balance sheet do not include allowance accounts for expected irrecoverable receivables estimated on the basis of historical credit loss ratios and the current economic environment. Due to the current intensive crowding out on the part of the shipping lines, a higher credit risk is assumed. This higher exposure to credit risk is countered across the Group by more intensive monitoring of receivables on all levels – and on management level in particular. Corresponding action plans have been drawn up to minimise any losses in the event of such a risk materialising. Nevertheless, despite appropriate monitoring and warnings, in the current environment the risk of future credit losses cannot be eliminated entirely.

Furthermore, EUROGATE has taken out insurance coverage in order to minimise the risk of credit losses or default on receivables from key account customers. A significant change in the financial situation of individual debtors, the sector as a whole or the market may lead insurers to limit the amount of coverage for new receivables from these debtors or no longer guarantee coverage. The same applies in the event of non-compliance with contractual obligations to cooperate in accordance with the insurance policy.

In the CONTSHIP Italia Segment, the payment performance of the key account customer remained stable, so that it was again decided not to take out insurance against losses from outstanding receivables. Nevertheless, CONTSHIP Italia also places strong emphasis on monitoring outstanding and past-due trade receivables.

The credit risk in respect of cash and cash equivalents and derivative financial instruments is limited, as these are held at banks or transacted with banks which are awarded a high credit rating by international rating agencies.

The Group's maximum credit risk is equivalent to the amount of total financial assets recognised on the balance sheet.

Liquidity risk

The EUROKAI Group's liquidity is ensured by autonomous and independent cash pooling of the subsidiaries with the respective holding companies of the sub-groups, both within the CONTSHIP Italia Group and the EUROGATE Group, as well as by centralised cash management functions within the respective corporate groups.

Due to the control of capital expenditure and credit management, which is also performed centrally in the Segments at holding level, financial resources (loans/leases/rent) can be provided in good time to meet all payment obligations.

There are currently no significant concentrations of financing risk within the Group. No potential risks to the company's continued existence as a going concern, such as excessive indebtedness or insolvency, are currently evident or identifiable.

On the basis of the present estimates, the EUROKAI Group has sufficient liquidity to allow all due payment obligations to be met at all times.

Accounting-related internal control system

The objective of the internal control system (ICS) with regard to the accounting process is to ensure with reasonable certainty that the financial statements are prepared in compliance with the applicable regulations.

With respect to the financial reporting process, the following structures and processes are implemented within the EUROKAI Group, which also apply to the Group financial reporting process:

- The principles, operational and organisational structure, as well as processes underlying the accounting-related internal control and risk management system are laid down in guidelines and operating procedures that are adapted to reflect ongoing internal and external developments.
- Within the EUROKAI Group, as well as within the CONTSHIP Italia and EUROGATE Segments, there is a clear management and corporate structure.
- The functions of the main divisions involved in the reporting process – finances, accounting and cost controlling – are clearly separated. Responsibilities and accountabilities are clearly assigned. The separation of functions and the dual control principle are key principles of control in the accounting process.
- The IT systems used for financial reporting are protected against unauthorised access by means of corresponding security systems.
- Uniform accounting and financial reporting practice is ensured in particular through Group-wide terms of reference (e. g. investment guideline, purchasing guideline, travel expenses guideline). These are regularly updated.
- Reporting-relevant processes are regularly reviewed by external auditors. Furthermore the respective IT processes are subject to external reviews.

The Management Board of the Personally Liable General Partner bears overall responsibility for the internal control and risk management system with respect to the reporting process within the company. This integrates all divisions via a predetermined management and reporting organisation.

To enable a rapid response to unexpectedly arising negative developments, regular – at least once monthly – reports to the Management Board form part of the control and risk management system.

The expectations and goals form the basis of annual medium-term planning, which is presented to the Supervisory Board. For the current financial year, deviations from budgeted values are analysed in the monthly reporting and forecasts are prepared for the current year taking actual values into account. Reporting also covers the operating profit/loss of the company's investees and thus reflects all operating activities of the EUROKAI Group.

8. DISCLOSURE REQUIREMENTS IN ACCORDANCE WITH SECTION 315 A (1) HGB

ISSUED CAPITAL

The issued capital of EUR 13,468,000 has been fully paid up. It is divided into 6,759,480 ordinary voting shares with a nominal value of EUR 1.00 each, 6,708,494 non-voting preference shares with a nominal value of EUR 1.00 each, and one preference voting share with a nominal value of EUR 520.00.

The ordinary voting shares are made out to bearer.

The preference voting share is registered and pursuant to Section 5 of the Articles of Association carries a preference dividend of 15% of the residual profit for the year in accordance with the internal balance sheet pursuant to Section 16 of the Articles of Association, which ranks above dividends from other share classes.

A nominal value of EUR 1.00 for each voting share entitles its holder to one vote.

The non-voting preference shares are made out to bearer and are endowed with a preference profit participation within the scope of Section 139 of the German Stock Corporation Act (AktG), which comprises an advance dividend of 5% (Section 5 (1) of the Articles of Association).

The following entities directly or indirectly hold more than 10% of the voting shares:

- Familie Thomas Eckelmann Verwaltungsgesellschaft mbH, Hamburg
- Familie Thomas Eckelmann GmbH & Co. KG, Hamburg
- Eckelmann GmbH, Hamburg
- Thomas H. Eckelmann GmbH, Hamburg
- J. F. Müller & Sohn AG, Hamburg
- J. F. Müller & Sohn Beteiligungs GmbH, Hamburg

It should be noted that Eckelmann GmbH ceased to exist on 3 September 2020 due to the merger with the acquiring company Thomas H. Eckelmann GmbH and that as a result the voting rights were transferred to Thomas H. Eckelmann GmbH.

Furthermore, Mr Thomas H. Eckelmann indirectly holds more than 10% of the voting shares.

For disclosures relating to the shareholders of the company pursuant to the provisions of the German Securities Trading Act (WpHG) we refer to the information contained in the Notes to the financial statements of EUROKAI GmbH & Co. KGaA.

EQUITY ATTRIBUTABLE TO PERSONALLY LIABLE GENERAL PARTNER

As at 31 December 2020, the Personally Liable General Partner, Kurt F. W. A. Eckelmann GmbH, Hamburg, made a capital contribution of EUR 294,000 pursuant to Section 5 of the Articles of Association. The share of EUR 282,000 of the fixed capital contribution carrying dividend rights participates in the profit for the year proportionately to the share capital of the company, which is calculated on the basis of an internal balance sheet prepared in accordance with Section 16 of the Articles of Association. In the case of future capital increases, under Section 5 of the Articles of Association the Personally Liable General Partner is authorised at any time to raise the fixed capital contribution by up to 20% of the respective amount of the capital increase.

The Personally Liable General Partner may instead of or in addition to the fixed capital contribution also acquire preference shares of the company or convert the already paid in contribution wholly or in part into preference shares of the company.

APPOINTMENT AND TERMINATION OF MANAGEMENT MANDATES AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In the case of a Kommanditgesellschaft auf Aktien (partnership limited by shares), the duties of the Management Board of a stock corporation are incumbent upon the Personally Liable General Partner. In accordance with Section 278 (2) of the German Stock Corporation Act (AktG) in conjunction with Section 164 of the German Commercial Code (HGB), and lacking any specific provisions in the Articles of Association of the company, management is thus incumbent upon the Personally Liable General Partner, Kurt F. W. A. Eckelmann GmbH, represented by its management. The appointment and dismissal of management mandates is governed by Section 6 of the Articles of Association of the company. Under these provisions, the Administrative Board of Kurt F. W. A. Eckelmann GmbH appoints the management for a maximum period of five years. Reappointments or extensions of the term of office – in each case for a maximum of five years – are also permitted.

In the case of exceptional business transactions, the Personally Liable General Partner must seek the prior endorsement of the Supervisory Board.

Amendments to the Articles of Association affecting the organisational framework of the company are made in accordance with Sections 285 and 179 AktG in conjunction with Sections 161 and 119 HGB. Pursuant to Section 179 AktG in conjunction with Section 19 of the Articles of Association, the Supervisory Board has the powers to decide on amendments and additions to the Articles of Association provided these affect this version only.

9. REMUNERATION REPORT

SEPARATE DISCLOSURE OF THE TOTAL COMPENSATION OF THE MANAGEMENT BOARD OF THE PERSONALLY LIABLE GENERAL PARTNER

Section 9 of the EUROKAI's Articles of Association provides that the remuneration of the Managing Directors of the Personally Liable General Partner is determined by the Supervisory Board.

The Management Board of the Personally Liable General Partner receives no compensation for its activities either from EUROKAI or from the Personally Liable General Partner, as the Supervisory Board has not made use of its option to determine remuneration.

Through the fully consolidated CONTSHIP Italia sub-group, the Management Board of the Personally Liable General Partner received remuneration as follows:

Remuneration granted

	EUR
Cecillia E. M. Eckelmann-Battistello, Member of the Management Board	542,500.00
Thomas Eckelmann, Member of the Management Board	57,500.00
Total	**600,000.00**

COMPENSATION OF THE SUPERVISORY BOARD

The compensation of the Supervisory Board is regulated by Section 13 of the company's Articles of Association and is made up principally of the following components:

In addition to reimbursement of all necessary expenses and an attendance fee of EUR 500.00 for each meeting attended, each member of the Supervisory Board receives annual compensation in the amount of EUR 15,000.00. The Deputy Chairman of the Supervisory Board receives one-and-a-half times this amount, the Chairman of the Supervisory Board receives three times the amount. Each member of the Audit Committee additionally receives annual compensation of EUR 2,000.00. The Chairman of the Audit Committee receives twice this amount.

The value added tax for the compensation of the members of the Supervisory Board is reimbursed by the company to the extent that the members of the Supervisory Board are entitled to invoice the value added tax to the company separately and to exercise this right.

Compensation of the Supervisory Board	Fixed compensation 2020	Fixed compensation 2019	Attendance fees 2020	Attendance fees 2019	Total 2020	Total 2019
	EUR	EUR	EUR	EUR	EUR	EUR
Dr Winfried Steeger	47,000	38,250	2,000	2,500	49,000	40,750
Dr Sebastian Biedenkopf	26,500	22,125	2,000	2,500	28,500	24,625
Katja Gabriela Both (née Eckelmann)	17,000	14,083	2,000	2,000	19,000	16,083
Jochen Döhle	15,000	12,083	2,000	2,000	17,000	14,083
Max M. Warburg	15,000	12,083	1,500	1,500	16,500	13,583
Dr Klaus-Peter Röhler (since 27 May 2019)	15,000	9,418	2,000	1,500	17,000	10,918
Raetke H. Müller (until 27 May 2019)	0	3,333	0	1,500	0	4,833
Total	**135,500**	**111,375**	**11,500**	**13,500**	**147,000**	**124,875**

10. EXPECTED DEVELOPMENTS

Despite the temporarily satisfactory shipping rates and low bunker price, the container shipping companies continue to be under high competitive pressure in the short to medium term to sustainably and adequately utilise the increasing tonnage of shipowners. Not least due to the increasing number of ever larger container ships being built, the container terminals face uncertainties as a result of the operational risks described above.

In particular, further cooperation and concentration among the container shipping lines may have an impact here. As a result, continuing price pressure on the container terminals cannot be ruled out.

The development of handling volumes at the EUROGATE locations may be adversely affected by the further development of the coronavirus pandemic, which in turn depends on the development of mass vaccinations and the possible tightening of the current containment measures.

CONTSHIP ITALIA SEGMENT

The further expansion of La Spezia Container Terminal is of particular importance for the CONTSHIP Italia Group. It is planned to increase capacities in line with the development of handling volumes.

In addition to this, attention will focus on completion of the liquidation procedure of CICT Porto Industriale Cagliari S. p. A. i. L.

In the intermodal business segment, the aim is to stabilise and once again reverse the downward transport volume trend of 2020.

In the CONTSHIP Italia Segment, earnings for financial year 2021 are expected to be at the previous year's level.

EUROGATE SEGMENT

From today's perspective, a slight volume increase – albeit with a rising transhipment portion – is anticipated for the 2021 financial year for EUROGATE Container Terminal Hamburg, due to the year-round handling of Ocean Alliance's FAL 1 flagship service, which has only been calling at the terminal since spring 2020.

For the Bremerhaven site, a slight rise in handling volumes in 2021 is currently expected.

Achieving reasonable capacity utilisation of the EUROGATE Container Terminal in Wilhelmshaven remains of high importance for the EUROGATE Group. However, in light of the increasing size of container ships and the associated nautical restrictions of the navigation channels of the Outer Weser and Elbe Rivers – even after completion of the deepening and widening measures there – Wilhelmshaven is increasingly predestined for the handling of large container ships.

In view of the fact that the leading container shipping companies will put additional vessels, now with a capacity in excess of 23,000 TEUs, into operation in the coming years, the Wilhelmshaven site has a good chance of acquiring further liner services over the medium term.

For the Wilhelmshaven site, handling activity is currently not expected to pick up in 2021. An improvement in the capacity utilisation situation will from today's perspective not take place until the medium term at the earliest.

For the individual companies in the EUROGATE Group, the 2021 financial year will be dominated by the transformation, which has the in-house working title "Future EUROGATE", and the accompanying implementation of cost-saving measures and negotiation with the respective employee representatives of organisational measures designed to increase efficiency and productivity.

Given the macroeconomic conditions affecting the subsidiaries and equity investments described above, along with the exceptional items (impairment losses on non-current financial assets and provisions for restructuring expenses) included in the previous year's result, the EUROGATE Group is expected to generate significantly improved net profit in slightly positive territory for 2021. A prerequisite for an improvement in the operating profit is that the implementation of first restructuring measures already leads to corresponding earnings improvements in the 2021 financial year. To some extent – albeit on a low level – restructuring expenses will continue to impact on earnings in 2021 and 2022.

EUROKAI GROUP

Due to the anticipated earnings improvement under the conditions described above, the EUROKAI Group is on the whole expecting to see significantly improved Group earnings in the EUROGATE Segment for 2021.

The Group's overall profit continues to be strongly influenced by the earnings of the container terminals and by handling volumes and throughput rates, which are key determinants here.

Overall, the EUROKAI Group is and remains relatively independent thanks to its diversified European positioning and continues to be well positioned in the competitive environment.

Based on continued sound balance sheet ratios and with an equity ratio of 55%, the EUROKAI Group is well prepared to face the challenges still to come.

Unforeseen developments may cause the actual business trend to deviate from expectations, which are based on assumptions and estimates made by the Group Management Board. We are not under any obligation to update our forward-looking statements in the light of either new information or unexpected events.

REPORT ON POST-BALANCE SHEET DATE EVENTS

No events having a material impact occurred after the balance sheet date.

11. CORPORATE GOVERNANCE STATEMENT PURSUANT TO SECTIONS 289 F AND 315 D HGB

The Corporate Governance Statement pursuant to Section 315 d of the German Commercial Code (HGB) is published on the corporate website at http://www.eurokai.com/Investor-Relations/Corporate-Governance.

12. CLOSING REMARKS

The Personally Liable General Partner has prepared a Dependency Report on legal and business relations with affiliated companies and related parties, containing the following closing remarks:

"We declare that the company has received appropriate compensation for all transactions and activities listed in the report on relations with affiliated companies and related parties, according to the circumstances which were known to us on the date at which the transactions were performed. No action has been taken or omitted on the initiative or in the interest of the companies to be reported on."

Hamburg, Germany,
17 March 2021

Personally Liable General Partner
Kurt F. W. A. Eckelmann GmbH, Hamburg

Thomas H. Eckelmann
Cecilia E. M. Eckelmann-Battistello

The “Mærsk Elba” at EUROGATE Container Terminal Wilhelmshaven with the “COSCO Galaxy” in the background.

Report of the Supervisory Board

EUROGATE Container Terminal Limassol.

DR WINFRIED STEEGER
Chairman of the Supervisory Board

Once again in 2020 the Supervisory Board carried out the duties entrusted to it by law, under the terms of the company's Articles of Association, its own rules of procedure and the German Corporate Governance Code (in the following "Code"). The Supervisory Board regularly advised and continuously monitored all business activities of the Management Board of the Personally Liable General Partner. It was guided in this by the principles of responsible and good corporate governance.

In the course of the 2020 financial year, the Supervisory Board was briefed in a regular, timely and comprehensive manner by the Management Board of the Personally Liable General Partner, through both written and verbal reports, on the current situation and all matters relating to the company and the EUROKAI GmbH & Co. KGaA Group (in the following EUROKAI), as well as joint ventures included in the Group reporting entity. These reports related in particular to significant business transactions and ventures, corporate strategy, business policy, corporate planning (in particular financial, investment and personnel planning), as well as the business development. The Management Board also reported on handling volumes, revenue, the current position of the company and of the Group, the financial and earnings situation, as well as profitability. It also explained in detail any deviations – stating reasons – from the planned operational performance and agreed targets, risk exposure and development, especially transactions having a possible material impact on the profitability or liquidity of the company and of the Group, major investment projects and finally risk management, the internal control system and auditing practices, including the compliance management system. The disclosures made by the Management Board always included information relevant to the non-financial Group report, such as environmental, employee and social matters as well as the fight against corruption and bribery (Section 289 c HGB).

The key focuses of extensive reports and the main issues discussed at the ordinary Supervisory Board meetings in 2020 were

- the current business development of EUROKAI's CONTSHIP Italia S.p.A. and EUROGATE GmbH & Co. KGaA, KG investment holdings, as well as their respective subsidiaries and major affiliates,
- the operational performance and the strategic forward planning of the EUROKAI Group,
- progress reports relating to various port projects,
- continuing infrastructure deficits, especially at the Hamburg location,
- EUROGATE's project for the automation of straddle carriers deployed at container terminals,
- compliance and corporate governance-related issues,
- business development of competitors,
- cost-reduction measures,
- the transformation project and the restructuring measures in the EUROGATE Segment.

The Supervisory Board also consulted regularly with the Management Board of the Personally Liable General Partner on the economic environment and the possible ripple effect for the EUROKAI Group. In-depth consideration was among other things given to

- the impact of the global pandemic caused by the coronavirus outbreak and its significant consequences,
- the impact evident for some years now of the increasing concentration on the customer side with a corresponding increase in market power due to substantial overcapacities on the part of the transhipment companies in the North Range, hand in hand with continued and considerable pressure on rates,
- falling handling volumes despite additionally increasing transhipment rates,
- the marked downturn in the economic development of all major economies against the backdrop of the global impact of the coronavirus pandemic,

- the continuing trend of container shipping companies to commission the building of additional ultra-large container vessels – in the meantime with capacities over 23,000 TEUs – and a corresponding increase in the number of ULCVs docking at the terminals of the EUROKAI Group,
- industry-specific impacts on the handling volumes of the terminals such as
  - start of operations of new terminal handling capacities in the North Range and the Baltic,
  - changes in the market, network and processes arising from the shifts in consortium structures,
  - price structures in the market.

The Supervisory Board continuously monitored the Management Board of the Personally Liable General Partner during the 2020 business year and offered advice on the day-to-day running of the company. It endorsed and monitored adherence to the Management Board's corporate planning, in particular to the realisation of the actions and objectives contained therein. Corporate planning was revised and adjusted in the course of the year due to the impact of the coronavirus pandemic. The Supervisory Board also discussed the corporate strategy as well as its implementation and its impact on the aspects relevant to the non-financial Group report (environmental, employee and social matters and combating corruption and bribery). Based in particular on written and verbal reports, the Supervisory Board discussed deviations of the course of business from the planned targets, as well as significant business transactions for the company and the Group with the Management Board of the Personally Liable General Partner. Regular consideration was given as to whether business transactions required the Supervisory Board's approval in accordance with statutory provisions or the company's Articles of Association, which was the case twice in the reporting period.

The reporting and information requirements of the Personally Liable General Partner vis-à-vis the Supervisory Board are accessible on the website at www.eurokai.com. As in previous years, the Management Board of the Personally Liable General Partner met its obligations to provide information in full and in a timely manner.

MEETINGS OF THE SUPERVISORY BOARD

The Supervisory Board convened four ordinary meetings during the financial year 2020. Due to the coronavirus pandemic, all meetings were held as video/telephone conferences.

At its meeting on 7 April 2020, the Supervisory Board, in the presence of the auditor, dealt in particular with the single-entity and consolidated financial statements, as well as the management report of the company and the Group management report, the Dependency Report and the report of the auditor on their audit of the 2019 single-entity and consolidated financial statements. The Supervisory Board approved the financial statements and management commentaries and agreed to the proposal on the appropriation of net profit. Further points of discussion at this meeting were the result of the audit of the non-financial (Group) report, the Report of the Supervisory Board, as well as the agenda of the General Meeting with the proposal to appoint Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, (in the following Ernst & Young) as independent auditor. All points were approved/adopted based on the recommendation of the Audit Committee. In this context, the Supervisory Board also approved the Executive Board's proposal to hold the 2020 General Meeting as a virtual event without the physical presence of shareholders or their proxies. Furthermore, it was decided at this meeting to start the audit tender for financial statement audits from 2021 onwards, for which Ernst & Young may no longer be appointed due to reaching the maximum permissible audit duration, in the third quarter of 2020. In addition, the Supervisory Board authorised the Executive Board to approve the conclusion of a controlling and profit and loss transfer agreement between EUROGATE GmbH & Co. KGaA, KG and EUROGATE KV-Anlage Bremerhaven GmbH. Following publication of the new version of the German Corporate Governance Code, the objectives of the Supervisory Board for its composition were revised, newly adopted and published on the website.

At its constituent meeting held on 10 June 2020 following the General Meeting, the Supervisory Board by rotation elected its Chairman and Deputy Chairman, as well as the Chairman of the Audit Committee.

As part of its continuous development, the Supervisory Board had a capital market specialist from a renowned international commercial law firm update the Supervisory Board on the latest capital market-related trends at its meeting on 16 September 2020. At the same meeting, the Supervisory Board also dealt with its regular efficiency review.

At the meeting of 7 December 2020, the multi-year operational planning of the EUROGATE Group was routinely presented and discussed. The Supervisory Board took note of the plan and further defined the key areas of the audit of the 2020 single-entity and consolidated financial statements. It also approved EUROKAI's annual planning for 2021 and took note of the 3-year planning for 2021–2023. Furthermore, the Supervisory Board discussed the results of the tendering procedure for the selection of the auditor for the 2021 financial year carried out by the Audit Committee and prepared its proposal to the 2021 General Meeting.

In the 2020 financial year, three resolutions were passed by way of circulation. The Supervisory Board agreed to a loan grant from Contship Italia S.p.A. to EUROKAI and approved the Corporate Governance Statement including Corporate Governance Report and the Declaration of Compliance for the 2019 financial year. Furthermore, it resolved on its new rules of procedure, which in accordance with Recommendation D.1 of the Code are published on the website. These were also updated with respect to transactions with related parties requiring the approval of the Supervisory Board. There were no transactions requiring the approval of the Supervisory Board or publication in the reporting period.

Within the scope of its duties and based on the comprehensive reporting on the internal control system, risk management, internal auditing practices and the compliance management system, the Supervisory Board came to the conclusion that the EUROKAI Group has reliable and effective systems in place to deal with such issues in an appropriately organised manner. The same applies to the reporting of aspects relevant to the non-financial Group report (see above) and their evaluation. It satisfied itself of the legality, regularity and efficiency of the company's management.

The members of the Supervisory Board had adequate opportunity to discuss the documentation submitted and to contribute their own suggestions.

Under the legal structure of EUROKAI, operating business is not conducted by the Management Board, but by the Managing Directors of the Personally Liable General Partner, who are appointed by its Administrative Board, which also concludes their senior executive agreements. Consequently, appointments to the Management Board in accordance with the recommendations of the Code under B. Appointments to the Management Board are not the responsibility of EUROKAI's Supervisory Board, nor are the requirements under Section 87 a of the German Stock Corporation Act (AktG), according to which the supervisory board shall decide on a remuneration system for the management board and submit it to the general meeting for approval. You can find more information about the specific organisational distinctions of the legal form of a KGaA in the Corporate Governance Statement.

COMPOSITION OF THE SUPERVISORY BOARD

Giving consideration to the fact that EUROKAI is a pure financial holding company whose investment holdings operate nationally and internationally almost exclusively in the field of port handling, as well as indirectly in related upstream and downstream areas of activity in the transport sector, the Supervisory Board has specified concrete objectives regarding its composition. These objectives are intended on the one hand to ensure that the Supervisory Board of EUROKAI GmbH & Co KGaA in its entirety is familiar with the sector in which the company operates within the meaning of Section 100 (5) of the German Stock Corporation Act (AktG), and at the same time they define a profile of skills and expertise that its members as a group should possess in accordance with Recommendation C.1 of the Code and describe the diversity concept pursued within the meaning of Section 289 f (2) no. 6 of the German Commercial Code (HGB). These objectives do not, however, constitute binding requirements to be heeded by shareholders eligible to elect members, who remain completely free in making their decisions. Rather, election recommendations made by the Supervisory Board to the General Meeting should take these objectives into account as a basis for implementation by corresponding resolution of the General Meeting.

The diversity concept aims to comply with the recommendation of the Code under Principle 11, namely that the composition of the Supervisory Board has to ensure "that its members collectively possess the knowledge, skills and professional expertise required to properly perform their duties; furthermore, the legal gender quota must be considered". Following the resignation from office of Dr Sebastian Biedenkopf with effect from 31 December 2020, a new financial expert needed to be appointed to the Supervisory Board at short notice, who, due to the relatively small size of the board, is simultaneously required to meet other appointment objectives. Despite intensive efforts to find a female candidate, in Mr Christian Kleinfeldt the Supervisory Board has found a personally independent, competent and professionally qualified successor who covers many of the objectives of the Supervisory Board regarding its composition. The individual objectives of the Supervisory Board in connection with the defined profile of skills and expertise and the diversity concept pursued are described in the Corporate Governance Statement, which also reports on the status of their implementation. The statement is publicly accessible on the EUROKAI website at www.eurokai.com.

Members of the Supervisory Board and members of the Management Board of the Personally Liable General Partner were involved in no conflicts of interest.

Pursuant to Section 11 of the Articles of Association, the Supervisory Board is composed of six members.

Mr Jochen Döhle and Dr Klaus-Peter Röhler were re-elected until the end of the 2023 General Meeting. The periods of office of Dr Winfried Steeger, Dr Sebastian Biedenkopf and Mr Max M. Warburg terminate with the end of the 2024 General Meeting, that of Ms Katja Both with the end of the 2021 General Meeting. At the constituent meeting of the Supervisory Board regularly held following the General Meeting, Dr Winfried Steeger was re-elected as Chairman and Dr Sebastian Biedenkopf as Deputy Chairman of the Supervisory Board on 10 June 2020. Dr Sebastian Biedenkopf resigned from his mandate due to other professional commitments with effect from 31 December 2020. Mr Christian Kleinfeldt was appointed as his successor by court order of 11 March 2021. Mr Christian Kleinfeldt shall be formally elected at the 2021 General Meeting. Dr Klaus-Peter Röhler was elected as Deputy Chairman of the Supervisory Board by circular resolution of the Supervisory Board.

The following table shows the length of office of the individual members of the Supervisory Board in 2020:

Supervisory Board members	Member since
Dr Winfried Steeger, Chairman	15 June 2011
Dr Sebastian Biedenkopf, Deputy Chairman (until 31 December 2020)	20 June 2012
Katja Both	10 June 2015
Jochen Döhle	25 August 1999
Dr Klaus-Peter Röhler	27 May 2019
Max M. Warburg	30 March 2000

ATTENDANCE AND COMPENSATION OF MEMBERS OF THE SUPERVISORY BOARD IN 2020:

The compensation of the Supervisory Board is regulated by Section 13 of the Articles of Association of EUROKAI. Detailed information is provided in the Corporate Governance Statement. The total compensation of the Supervisory Board is also presented in No. 31 of the Notes to the consolidated financial statements.

Member	Attendance	in %	Attendance fee	Supervisory Board compensation	Attendance Audit Committee	in %	Audit Committee compensation	Total
			EUR	EUR			EUR	EUR
Dr Winfried Steeger (Chairman)	4/4	100	2,000	45,000	5/5	100	2,000	49,000
Dr Sebastian Biedenkopf[1] (Deputy Chairman)	4/4	100	2,000	22,500	5/5	100	4,000	28,500
Katja Both	4/4	100	2,000	15,000	4/5	80	2,000	19,000
Jochen Döhle	4/4	100	2,000	15,000				17,000
Dr Klaus-Peter Röhler	4/4	100	2,000	15,000				17,000
Max M. Warburg	3/4	75	1,500	15,000				16,500
Total			**11,500**	**127,500**			**8,000**	**147,000**

[1]Dr Sebastian Biedenkopf resigned from the Supervisory Board on 31 December 2020.

Attendance at the meetings of the Supervisory Board was 96%, at the meetings of the Audit Committee 93%. Mr Max Warburg and Ms Katja Both were each unable to attend one meeting of the Supervisory Board or the Audit Committee. All other members attended all meetings. Both members of the Management Board of the Personally Liable General Partner attended all Supervisory Board meetings. A meeting of the Supervisory Board without the members of the Management Board of the Personally Liable General Partner was not required to be convened in 2020. Furthermore, the Chairman of the Supervisory Board remained in regular contact with the Management Board of the Personally Liable General Partner and was regularly briefed between official meetings on the current business situation and development, as well as on significant business transactions and important pending decisions and consulted on issues relating to strategy, risk exposure and risk management, as well as compliance.

FORMATION OF COMMITTEES

In order to perform its duties effectively, the Supervisory Board has set up an Audit Committee, which has three members. Dr Sebastian Biedenkopf was once again appointed Chairman of the Audit Committee on 10 June 2020. Dr Biedenkopf meets the requirements of an independent financial expert pursuant to Sections 100 (5), 107 (4) of the German Stock Corporation Act (AktG). Consistent with the provisions of the Code, he is independent. As Chairman of the Supervisory Board, Dr Winfried Steeger is also a member of the Audit Committee, along with Ms Katja Both. Since Dr Sebastian Biedenkopf resigned from his mandate with effect from 31 December 2020, Mr Christian Kleinfeldt, who was appointed as a member of the Supervisory Board by court order of 11 March 2021, was elected to the Audit Committee and appointed as its Chairman by circular resolution of the Supervisory Board.

The Audit Committee convened its ordinary meetings during the 2020 financial year on 7 April 2020 and 7 December 2020, which were attended by all members. The Audit Committee dealt in particular with the audit of the company's financial accounting and monitoring of the financial reporting process, including the review of the documents relating to the single-entity annual financial statements and the consolidated financial statements, the management commentaries of the company and the Group and the Dependency Report. The committee also devoted time to the preparation of the decision on the approval of the annual and consolidated financial statements and the proposal on the appropriation of the net retained profits, the single-entity financial statements in accordance with the German Commercial Code (HGB) and the audit, in particular the independence of the auditor and the services additionally provided by the auditor, as well as the fee agreement with the auditor. It also assessed the effectiveness of the internal control system, auditing system and risk management system, including compliance. Furthermore, the Audit Committee gave consideration to the EUROGATE yearly reports of the data protection officer, the compliance officer and the IT security officer. The Audit Committee discussed the 2020 half-yearly financial report with the Management Board of the Personally Liable General Partner. Furthermore, the Audit Committee gave consideration to the key points of the audit as defined by the German Financial Reporting Enforcement Panel (Deutsche Prüfstelle für Rechnungslegung), as well as the internal audit plan for 2021, and deliberated on the non-financial Group report and the related audit report by Ernst & Young (see below).

The Audit Committee also convened three additional meetings on 16 October 2020, 2 November 2020 and 13 November 2020, at which it dealt exclusively with the preparation and organisation of the selection process for the appointment of the future auditor for the financial year 2021. It was responsible for this process from the drafting of the selection process to the public tendering procedure and the recommendation to the Supervisory Board.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Following extensive deliberations by the Audit Committee, the Supervisory Board, in granting the audit mandate, also agreed the audit fees with the auditor, obtained the necessary statement of independence and defined the key audit matters for the audit of the 2020 annual financial statements in accordance with the German Financial Reporting Enforcement Panel.

The financial statements and the management report of the company for the 2020 financial year were drawn up in accordance with the requirements of the German Commercial Code (HGB) and the consolidated financial statements and Group management report were prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU, in conjunction with the supplementary requirements pursuant to the provisions of Section 315 a of the German Commercial Code (HGB). The Articles of Association do not stipulate any supplementary provisions for Group financial reporting. The auditing criteria for the Group management report were Sections 315 and 315 a of the German Commercial Code (HGB). The single-entity financial statements and management report of the company, including the accounts for the financial year 2020 on which they are based, and the consolidated financial statements and management report of the EUROKAI Group, have been reviewed by the auditor, Ernst & Young, in accordance with Section 317 of the German Commercial Code (HGB) and the EU Regulation on specific requirements regarding statutory audits of public-interest entities (APrVO), taking into account German auditing regulations and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer IDW) and each been issued an unqualified audit opinion.

The auditor also confirmed that the Management Board of the Personally Liable General Partner has put in place an appropriate monitoring system as required pursuant to Section 91 (2) of the German Stock Corporation Act (AktG), which is suitable in its design and handling to identify at an early stage developments which could place the continued existence of the EUROKAI Group at risk. The auditor additionally determined the effectiveness of the internal control system for financial reporting.

The auditor has issued the following unqualified opinion for the report on relationships with affiliated companies (Dependency Report) in accordance with Section 312 of the German Stock Corporation Act (AktG):

"Having duly examined and assessed this report, we confirm that

1. the factual statements contained in the report are correct,
2. the company's consideration with respect to all legal transactions stated in the report was not inappropriately high."

The single-entity financial statements and the management report of the company, the consolidated financial statements and Group management report, the proposal on the appropriation of net retained profits, the report on relationships with affiliated companies and the auditor's reports were distributed to all members of the Supervisory Board in a timely manner immediately after their preparation.

Following a detailed preliminary assessment by the Audit Committee, which focused in particular on the key audit matters addressed in the Auditor's Report on the consolidated financial statements and the Group management report, the Supervisory Board at its meeting of 31 March 2021 in the presence of the auditor and the Management Board of the Personally Liable General Partner reviewed the single-entity financial statements of the company and the consolidated financial statements of the Group as at 31 December 2020, as well as the management report/Group management report, the proposal on the appropriation of net profit, the report on relationships with affiliated companies for the financial year 2020 and the findings of the audits of the annual/consolidated financial statements, the management commentaries and the report on relationships with affiliated companies by the auditor. At this meeting, the above documents were discussed in detail with the Management Board of the Personally Liable General Partner in the presence of the auditor.

Ernst & Young reported to the Supervisory Board on the course of its audits and on the main findings, with a particular focus on the key audit matters and the performed audit activities. Following this report, all the Supervisory Board's questions were answered in full by the Management Board of the Personally Liable General Partner and the auditor.

Based on the final results of the comprehensive reviews by the Audit Committee and the Supervisory Board, the Supervisory Board concurred with the financial statements and management report of the company, the consolidated financial statements and Group management report prepared by the company, the proposal on the appropriation of net profit, the report on relationships with affiliated companies, including the closing remarks of the Management Board of the Personally Liable General Partner contained therein, as well as the auditor's findings and reports. It approved the financial statements of EUROKAI and of the Group drawn up by the Management Board as at 31 December 2020. The Supervisory Board approved the proposal on the appropriation of net profit.

In line with the recommendation of the Audit Committee, the Supervisory Board proposes that FIDES Treuhand GmbH & Co. KG, Bremen, be granted the audit mandate for the 2021 financial year and as a precautionary measure also be appointed to review the half-yearly financial report for the 2021 financial year. For this purpose, a statement of independence was obtained from the auditor.

The Supervisory Board, jointly with the Management Board of the Personally Liable General Partner, resolved upon the wording and submission of the Corporate Governance Statement required under Sections 289 f and 315 d of the German Commercial Code (HGB), including the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), for the 2020 financial year.

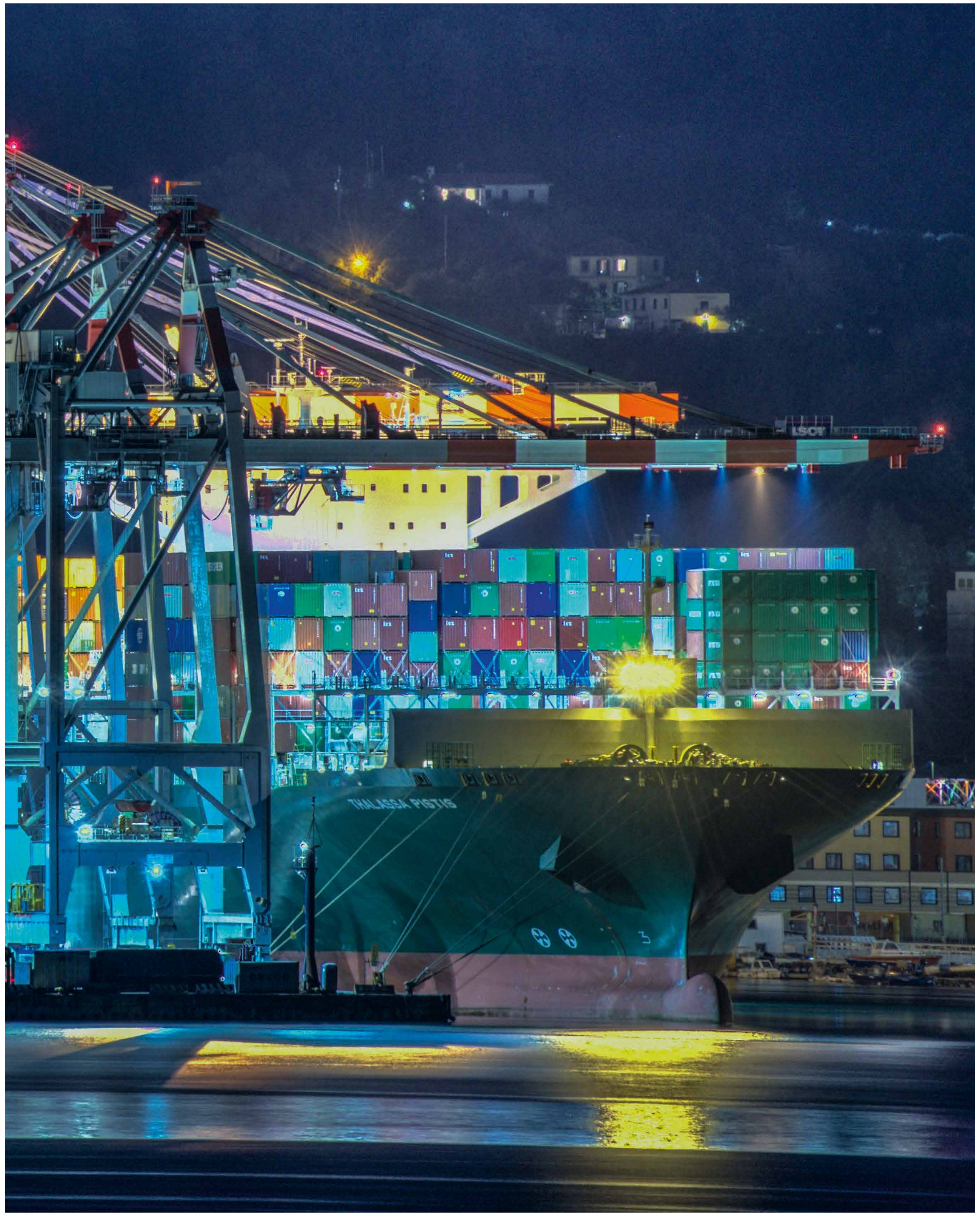
EUROKAI was required to produce a separate non-financial report in accordance with Sections 289 b and 315 b of the German Commercial Code (HGB) for the 2020 financial year. The non-financial reports for EUROKAI and for the EUROKAI Group were combined in a single report. The Supervisory Board commissioned Ernst & Young to conduct an assurance engagement on the non-financial Group report to obtain limited assurance in accordance with IASE 3000 (revised). The non-financial Group report of EUROKAI comprises the CONTSHIP Italia and EUROGATE Segments. All members of the Supervisory Board received in a timely manner the combined separate non-financial report and the independent auditor's report of Ernst & Young on the assurance engagement to obtain limited assurance. The report and the audit opinion of Ernst & Young were discussed at the meeting of the Supervisory Board's Audit Committee of 31 March 2021. The responsible auditor also attended the meeting of the Supervisory Board and presented the audit findings. Due time and attention was also devoted to the non-financial Group report. No objections were raised on the basis of the Supervisory Board's own review and the non-financial report/non-financial Group report was approved.

The Supervisory Board would like to thank the Management Board of the Personally Liable General Partner and all employees in the affiliated companies of EUROKAI in Germany and abroad for their dedicated efforts and constructive collaboration in 2020.

Hamburg, Germany, 31 March 2021
The Chairman of the Supervisory Board

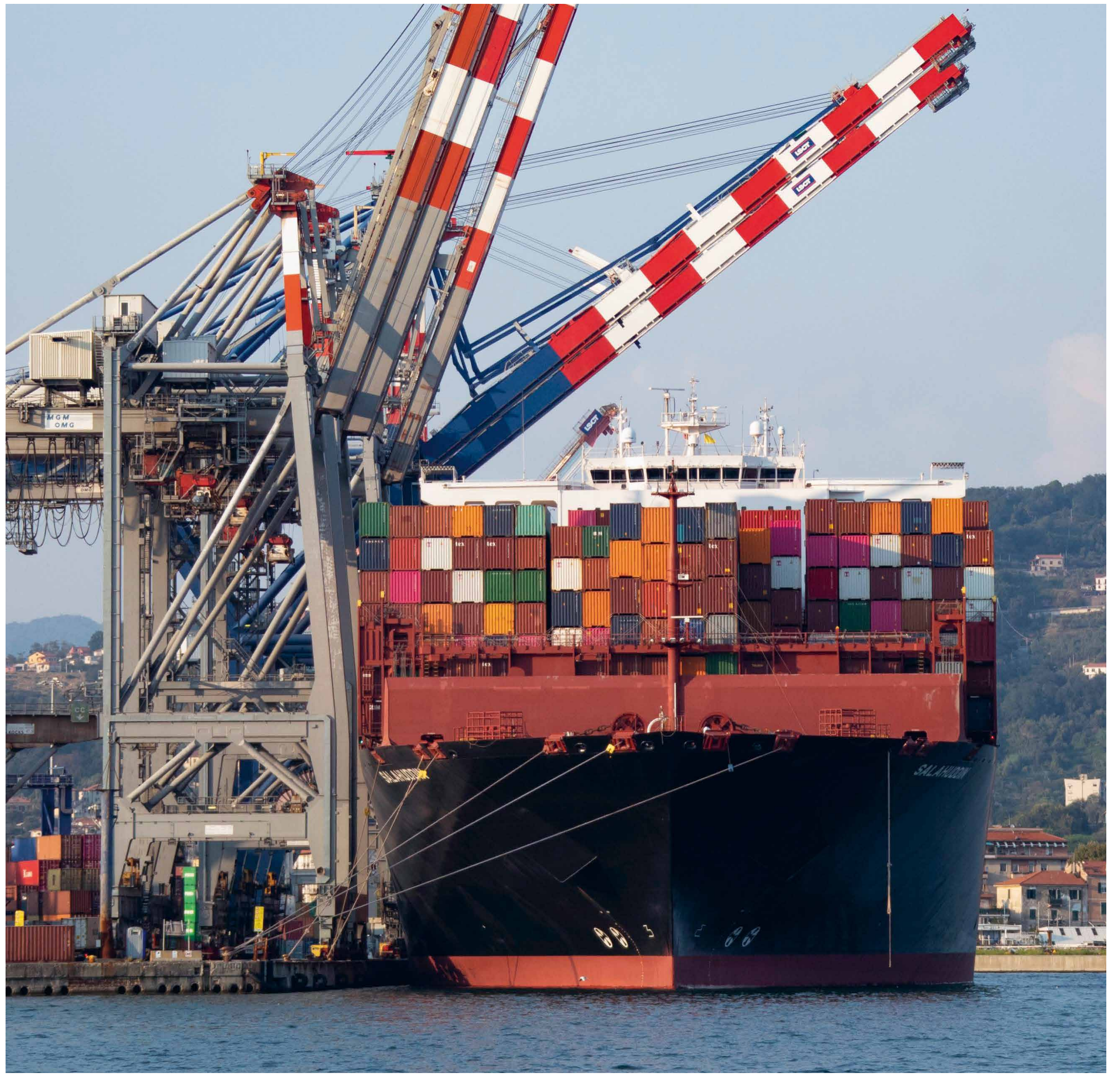
W. Steeger

Dr Winfried Steeger



Evening atmosphere at La Spezia Container Terminal.

Corporate Governance Statement



The “Hapag-Lloyd Salahuddin” at La Spezia Container Terminal.

The following joint Corporate Governance Statement made by the Personally Liable General Partner and the Supervisory Board of EUROKAI GmbH & Co. KGaA (in the following “EUROKAI”) pursuant to Sections 289 f and 315 d of the German Commercial Code (HGB) is the central element of corporate governance reporting in accordance with Principle 22 of the German Corporate Governance Code in the current version of 16 December 2019 published by the German Federal Ministry of Justice in the official section of the Federal Gazette on 20 March 2020 (in the following “Code”). It also includes the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) and is made publicly accessible on the EUROKAI website at www.eurokai.com.

As a company listed on the German stock exchange and having its head office in Germany, the general Corporate Governance framework for EUROKAI is governed by the applicable laws, the Articles of Association and the Code. Apart from justified exceptions, EUROKAI complies with the recommendations of the German Corporate Governance Code.

EUROKAI is a partnership limited by shares and as such is an independent legal entity pursuant to Section 278 (1) of the German Stock Corporation Act (AktG), in which at least one partner is generally liable with the entirety of its assets vis-à-vis the company’s creditors (Personally Liable General Partner) and the other partners have a stake in the authorised capital, which is divided into shares, without being personally liable for the company’s liabilities (limited liability shareholders).

The Personally Liable General Partner of EUROKAI responsible for running the business of the KGaA is Kurt F. W. A. Eckelmann GmbH, Hamburg. The personally liable managing partner of a KGaA (partnership limited by shares) can be compared to the management board of a stock corporation. Section 283 AktG therefore rules that a number of provisions governing the management board of a stock corporation shall apply analogously to the personally liable general partner of a KGaA. Kurt F. W. A. Eckelmann GmbH is represented by its Managing Directors Mr Thomas H. Eckelmann (Chairman) and Ms Cecilia Eckelmann-Battistello. Contrary to a stock corporation, in which pursuant to Section 84 AktG the Supervisory Board is responsible for the appointment and removal of the management board, the Managing Directors of Kurt F. W. A. Eckelmann GmbH are appointed and removed by its Administrative Board. The latter also concludes the senior executive agreements with the Managing Directors and determines the assignment of duties/rules of procedure of the Management Board. The duty of the supervisory boards of listed companies to set target quotas for women on their executive board required under Section 111 (5) AktG therefore does not apply to the appointment of the Management Board of Kurt F. W. A. Eckelmann GmbH, because this responsibility does not lie with the Supervisory Board. If, regarding the composition of the governing body entitled to represent the company – pertaining here to Kurt F. W. A. Eckelmann GmbH – Section 289 f (2) no. 6 HGB requires a description of the pursued diversity concept, this is not possible for the same reasons; this is a decision taken not by the Supervisory Board of EUROKAI, but autonomously by the Administrative Board of Kurt F. W. A. Eckelmann GmbH. For the same reasons, long-term succession planning as recommended in B.2 of the Code cannot be carried out by the Supervisory Board, nor can the other recommendations set out in Section B of the Code regarding Appointments to the Management Board.

EUROKAI has no employees of its own. Tasks not related to the management structure of EUROKAI, such as finances, financial control and accounting are handled by EUROGATE GmbH & Co. KGaA, KG, Bremen (in the following “EUROGATE”) within the scope of a service agreement.

EUROKAI is a financial holding company. Its principal ownership interests are the 66.6% holding in Contship Italia S. p. A., Melzo/Milan, Italy, as well as the 50% interest in EUROGATE, the holding company of the EUROGATE Group, in which BLG LOGISTICS GROUP AG & Co. KG, Bremen, a company owned by the Free Hanseatic City of Bremen (municipality), also holds 50%. The EUROGATE Group, in turn, has a 33.4% stake in Contship Italia S. p. A. Thus EUROKAI effectively holds a total 83.3% interest in the CONTSHIP Italia Group. Ms Cecilia Eckelmann-Battistello is President of Contship Italia S. p. A. and Mr Thomas H. Eckelmann is Chairman of the Group Management Board of EUROGATE, as well as a member of the Board of Directors of Contship Italia S. p. A.

SHAREHOLDERS AND GENERAL MEETING

The shareholders of EUROKAI exercise their rights at the General Meeting. The ordinary Annual General Meeting held once a year decides on all matters determined by law and the Articles of Association. Contrary to a stock corporation, in which pursuant to Section 172 German Stock Corporation Act (AktG) the Supervisory Board is generally responsible for approving the annual financial statements (for exceptions see Section 173 AktG), in a KGaA, pursuant to Section 286 (1) AktG, the General Meeting resolves upon the approval of the annual financial statements. This ruling requires the consent of the Personally Liable General Partner. Under the provisions of Section 285 (2) AktG, resolutions of the General Meeting also require the consent of the Personally Liable General Partner.

A nominal value of EUR 1.00 for each voting share entitles its holder to one vote.

All shareholders who have registered in due time and who duly prove their entitlement to participate in the General Meeting are entitled to participate in the (virtual) General Meeting. Shareholders entitled to vote may exercise their voting rights in person at the General Meeting or assign their voting rights by proxy to a chosen representative (for example a bank, a shareholders' association or a proxy appointed by the company acting on their instructions) to vote on their behalf. Voting instructions may be given to the respective proxy before and during the General Meeting up until the end of the general debate. Due to the special circumstances arising from the COVID-19 pandemic, the 2020 General Meeting was held as a virtual General Meeting. To take account of this, it was also possible to vote electronically before and during the General Meeting via an online General Meeting portal. Shareholders will again have this option at the virtual General Meeting in 2021.

The convening of the General Meeting as well as the reports and information required for the passing of resolutions are published in compliance with the requirements under stock corporation law and made available on the EUROKAI website at www.eurokai.com.

PERSONALLY LIABLE GENERAL PARTNER

The Management Board of the Personally Liable General Partner is composed of two Managing Directors, Ms Cecilia Eckelmann-Battistello and Mr Thomas H. Eckelmann. Mr Thomas H. Eckelmann is Chairman of the Management Board. Under the rules of procedure for the Management Board, he is responsible for coordinating the activities of the Management Board, representing the company in the public domain, overseeing business communications with the Administrative Board constituted in this company and with the shareholders. Notwithstanding the fact that the Managing Directors are jointly responsible for the management, they carry out independently the duties assigned to them in the schedule of responsibilities. Mr Thomas H. Eckelmann is specifically responsible for EUROGATE, of which he is Chairman of the Group Management Board, and Ms Cecilia Eckelmann-Battistello is specifically responsible for the CONTSHIP Italia Group, of which she is President. Under the rules of procedure, the authorisation to independently conduct the tasks assigned to them reaches its limits where, for example, both areas of responsibility or transactions of material importance are affected, or in the case of measures requiring the consent of the Administrative Board. These and other cases set forth in the rules of procedure require a joint resolution to be adopted by both Managing Directors. Under the provisions set out in the rules of procedure the Managing Directors reach their decisions in meetings that – based on the needs of this pure financial holding company – are held regularly at least twice per month and additionally on a case-by-case basis as required. These are chaired by the Chairman of the Management Board. Use is made of the possibilities to adopt resolutions outside meetings in written or electronic form. Should the Managing Directors not be able to come to an agreement, the Chairman of the Administrative Board shall be responsible for arbitration.

SUPERVISORY BOARD

Composition, objectives, diversity concept and profile of skills and expertise

Pursuant to Section 11 of the Articles of Association, the Supervisory Board of EUROKAI is composed of six members, who are elected by the shareholders. They are appointed for a term of four years. In compliance with the recommendations of the German Corporate Governance Code, Supervisory Board members are elected individually.

Giving consideration to the fact that EUROKAI is a pure financial holding company whose investment holdings operate nationally and internationally almost exclusively in the field of port handling, as well as indirectly in related upstream and downstream areas of activity in the transport sector, the Supervisory Board has specified concrete objectives regarding its composition. These objectives are intended on the one hand to ensure that the Supervisory Board of EUROKAI in its entirety is familiar with the sector in which the company operates within the meaning of Section 100 (5) of the German Stock Corporation Act (AktG), and at the same time they define a profile of skills and expertise that its members as a group should possess in accordance with Recommendation C.1 of the Code and describe the diversity concept pursued within the meaning of Section 289 f (2) no. 6 of the German Commercial Code (HGB). These objectives do not, however, constitute binding requirements to be heeded by shareholders eligible to elect members, who remain completely free in making their decisions. Rather, election recommendations made by the Supervisory Board to the General Meeting should take these objectives into account as a basis for implementation by corresponding resolution of the General Meeting. The current composition of the Supervisory Board and its Audit Committee can be found in the Report of the Supervisory Board.

The diversity concept aims to comply with the recommendation of the Code under Principle 11, namely that the composition of the Supervisory Board has to ensure "that its members collectively possess the knowledge, skills and professional expertise required to properly perform their duties".

The Supervisory Board has specified the following concrete objectives:

1. Irrespective of the gender of the respective person concerned, professional qualifications and personal independence and expertise, as well as discretion and integrity are the most important prerequisites for appointments to seats on the Supervisory Board. When proposing Supervisory Board candidates for election, irrespective of their gender, the Supervisory Board will always give top priority to these prerequisites, which are essential for fulfilling its legal duties.
2. Overall, the Supervisory Board's objective is to be able to optimally meet its monitoring and advisory duties by having a diversity of members. Diversity covers many aspects, which may be weighted differently from time to time. This may, for example, be the case if the profile of the EUROKAI, EUROGATE and/or CONTSHIP Italia Group or that of the respective markets changes, making it necessary to evaluate these aspects at regular intervals. Obviously, not all Supervisory Board members need to satisfy all of these aspects; however, the board as a whole should do so as far as possible. Within the company-specific situation of EUROKAI, these aspects shall reflect internationality, knowledge of the respective product and geographical markets, basic financial expertise (particularly in the areas of financials and reporting), capability to understand and critically scrutinise business decisions and commercial experience gained from practice. To ensure the composition of the Supervisory Board fulfils the overall profile of required skills and expertise, consideration shall be given generally to age, gender, general educational and professional background, as well as the ability to work in a team and motivation. It goes without saying that each Supervisory Board member must ensure that they have sufficient time available to discharge their duties. Lastly, care shall be taken to ensure that there are no potential conflicts of interest and that the Supervisory Board includes an appropriate number of independent members within the meaning of C.II of the Code. In the following, a number of concrete objectives are identified.
3. At least two members of the Supervisory Board shall have international business experience; they do not necessarily have to be foreigners themselves and do not necessarily need to have acquired the relevant experience abroad.
4. At least one Supervisory Board member shall have experience and expertise in the business segments that are significant for the company.
5. At least one member of the Supervisory Board shall possess expertise in the fields of financial accounting or auditing as defined by Section 100 (5) of the German Stock Corporation Act (AktG).
6. The Supervisory Board shall include at least one legal expert with experience in commercial law gained through practice.
7. The members as a group shall be familiar with the business sector in which the company operates.
8. As long as EUROKAI by virtue of its shareholder structure – as is currently the case – can be considered to be a family-owned company, the Supervisory Board shall have at least (i) one family member and (ii) one member who has experience in managing a medium-sized or large family-owned company. The family member shall, if possible, be a member of the Audit Committee.
9. The Supervisory Board shall include what it considers an adequate number of independent members, as defined by C.II of the Code. This recommendation further implies that any other activities and functions exercised by the members of the Supervisory Board shall be such that they are not likely to cause a substantial and not merely temporary conflict of interest. Given that by virtue of its shareholder structure the company can currently be considered to be a family-owned company, the Supervisory Board considers it desirable that at least two of its members are independent, whereby these members shall be independent from both EUROKAI and the family.
10. No one shall be proposed for election to the Supervisory Board who simultaneously serves on a body of or advises a major competitor of the company, or provides consultancy services thereto.
11. The Supervisory Board considers it generally desirable to integrate women into the work of the company, as is currently and has for many years been the case regarding the work of the Management Board of the Personally Liable General Partner, and consequently also the tasks of the Supervisory Board. The Supervisory Board has determined a target to integrate at least one (1) female member into the governing body in the short term, and over the medium term, at the latest by the end of the ordinary General Meeting 2021, two (2) female members, bringing the proportion of seats reserved for women to 1/3.
12. As a general rule, an age limit of 75 shall apply for members of the Supervisory Board. Exceptions are permitted in isolated cases, in the knowledge that age in itself is not a criterion for qualifications and expertise and that the many years of experience accumulated by members of the Supervisory Board constitute a valuable asset to the company.
13. The Supervisory Board reviews these objectives on a regular basis. It publishes its objectives and the status of their implementation annually in the Corporate Governance Statement.

The Supervisory Board is of the opinion that all of the above objectives were satisfied in the 2020 financial year; except for the failure to meet one criterion (no.11 above) this also applies to the current 2021 business year. Dr Sebastian Biedenkopf had to resign from his mandate for professional reasons at the end of 31 December 2020. Mr Christian Kleinfeldt was appointed his successor by the court and will be proposed for election at the upcoming General Meeting. The following remarks therefore refer to both Dr Sebastian Biedenkopf and Mr Kleinfeldt.

The aforementioned objectives under nos. 1–12 are satisfied by the following members of the Supervisory Board, with the exception of no. 11:

This applies with respect to nos. 3 and 4 at any rate Messrs Jochen Döhle, Dr Klaus-Peter Röhler and Max Warburg.

With respect to no. 5 similarly to Dr Sebastian Biedenkopf and his successor Mr Christian Kleinfeldt as well as to Dr Klaus-Peter Röhler.

With respect to no. 6 also to Dr Sebastian Biedenkopf, Dr Klaus-Peter Röhler and Dr Winfried Steeger.

No. 7 is satisfied.

With respect to no. 8 to Ms Katja Both, who is the daughter of the Chairman of the Management Board of the Personally Liable General Partner, Mr Thomas H. Eckelmann, and additionally a co-partner in the Eckelmann family holding company, which indirectly holds a majority interest in EUROKAI. Since 4 April 2018, she has been a member of the Audit Committee. Moreover, Dr Winfried Steeger and Dr Sebastian Biedenkopf, as well as his successor Mr Christian Kleinfeldt, have extensive experience in coaching and managing family-owned companies.

With respect to no. 9 in particular to Dr Sebastian Biedenkopf, Mr Jochen Döhle, Dr Klaus-Peter Röhler, Dr Winfried Steeger and Mr Christian Kleinfeldt; in the assessment of the Supervisory Board also to Messrs Jochen Döhle and Max Warburg, who although members of the Supervisory Board for longer than 12 years are nevertheless to be regarded as completely independent. This is borne out by the discussions at the meetings and telephone conferences of the Supervisory Board, in which both gentlemen have repeatedly demonstrated their independence through objective criticism and questions. The terms of office of the individual members of the Supervisory Board are also detailed in the Report of the Supervisory Board.

Nos. 10 and 12 are satisfied.

This does not apply with effect from 11 March 2021, the day on which Mr Christian Kleinfeldt was appointed to the Supervisory Board by the court for the objective stated in no. 11 to integrate two women into the work of the Supervisory Board. Despite intensive efforts to the contrary, it was not possible to find a suitably qualified female successor to Dr Biedenkopf with sufficient expertise in the fields of financial accounting and auditing as defined by Section 100 (5) of the German Stock Corporation Act (AktG) and who would have been able to take over as Chair of the Audit Committee in Dr Biedenkopf's place as required.

Former Managing Directors of the Personally Liable General Partner of EUROKAI whose appointed term ended less than two years ago are not represented on the Supervisory Board.

The Supervisory Board regularly conducts an efficiency audit of its own work and that of its committee, most recently at its meeting of 16 September 2020.

The objectives defined by the Supervisory Board for its composition are also published on the website at www.eurokai.com under Investor Relations/Corporate Governance and were decided on anew at the meeting of 7 April 2020.

Committees of the Supervisory Board

The Supervisory Board of EUROKAI has set up an Audit Committee, which is composed of three members of the Supervisory Board. Where appropriate, the committee prepares decisions that are deliberated at the meetings of the Supervisory Board and complements the work of the Supervisory Board. In as far as the law and the Articles of Association permit, the Supervisory Board may form additional advisory and decision-making committees as and where necessary.

The principal tasks of the Audit Committee are to discuss the half-yearly financial report with the Management Board of the Personally Liable General Partner, to audit the disclosures included in the single-entity annual financial statements and consolidated financial statements, management commentaries including CSR reporting, Dependency Report and – in consultation with the auditor – the auditor's findings and reports; additionally to prepare the decision of the Supervisory Board on the approval of the single-entity annual financial statements and the consolidated financial statements, the appointment of the auditor, as well as the proposal of the Personally Liable General Partner for the distribution of the net retained profits. Furthermore, the Audit Committee monitors the financial accounting, the accounting process, the effectiveness of the internal control and risk management system including compliance, the internal auditing system and the annual audit, and in particular the selection and independence of the auditor, including preparation of the resolution recommendation to the General Meeting and any services additionally provided by the auditor, determination of the focus points of the audit and fee agreements with the auditor.

Under the rules of procedure, the Chairman of the Supervisory Board is an "automatic" member of the Audit Committee; however, in line with the recommendation under No. D.4 of the German Corporate Governance Code, he is not Chairman of the Audit Committee. The Chairman of the Audit Committee in 2020, Dr Sebastian Biedenkopf, is independent and has gained extensive professional know-how and experience in the application of accounting principles and internal control procedures. Dr Biedenkopf resigned from his mandate on the Supervisory Board due to other professional commitments with effect from 31 December 2020. Mr Christian Kleinfeldt was appointed by court order as his designated successor on the Supervisory Board and on account of his requisite expertise (financial expert) pursuant to Section 100 (5) AktG also elected by the members of the Supervisory Board as Chairman of the Audit Committee. The other members of the Audit Committee are Ms Katja Both and Dr Winfried Steeger.

The Audit Committee usually convenes twice a year.

The Supervisory Board did not form a Human Resources Committee since, due to its function as a pure holding company, EUROKAI has no employees of its own and the appointment and removal of the Managing Directors of the Personally Liable General Partner are the responsibility of its Administrative Board.

Working procedures of the Supervisory Board

The working procedures of the six-member Supervisory Board are based on the Supervisory Board's rules of procedure. These were completely revised in the past business year and can be found on the EUROKAI website at http://www.eurokai.com/The-Company/Supervisory-board under the menu point Downloads. The Supervisory Board usually convenes four ordinary meetings during the year, the dates of which are determined annually in advance. These meetings are regularly also attended by the Management Board of the Personally Liable General Partner; however, where necessary the Supervisory Board also conducts its meetings without the presence of the former. In addition the Supervisory Board where necessary adopts resolutions outside meetings using modern means of communication, so that resolutions in written or electronic form are sufficient. The Supervisory Board has a Chairman, currently Dr Winfried Steeger, who invites members to the meetings, chairs meetings and is responsible for adoption of the resolutions passed. As provided for by law, resolutions require a simple majority and may only be passed on items of the agenda announced beforehand in due form in the convention documents, unless all members of the Supervisory Board consent to the passing of a resolution. The work of the Supervisory Board in the meetings is intensive and characterised by the specialist expertise of its members.

The Chairman of the Supervisory Board maintains regular contact with the Management Board in order to be informed on an ongoing basis about the course of business. The Supervisory Board is also kept regularly informed by the Management Board about the development of the company through legally stipulated reports and special reports, as and when required.

The Supervisory Board regularly conducts an efficiency audit of its own work and that of its Audit Committee. The most recent review was discussed at the meeting of the Supervisory Board on 16 September 2020. The Chairman of the Supervisory Board had asked all members of the Supervisory Board to fill out questionnaires in advance, giving detailed information about various topics. He presented the results at the Meeting of 16 September 2020, followed by an intensive discussion and suggestions for improvement. No deficits were identified. The next review is planned for autumn 2021.

Compensation of the Supervisory Board

The presently valid compensation of the Supervisory Board is specified in Section 13 (1) of the Articles of Association, which was revised at the 2019 ordinary General Meeting and has the following wording:

"In addition to reimbursement of all necessary expenses and an attendance fee of EUR 500.00 for each meeting attended, each member of the Supervisory Board shall receive annual compensation in the amount of EUR 15,000.00. The Deputy Chairman of the Supervisory Board shall receive one-and-a-half times this amount, the Chairman of the Supervisory Board shall receive three times the amount. Each member of the Audit Committee shall additionally receive annual compensation of EUR 2,000.00. The Chairman of the Audit Committee shall receive twice this amount."

The compensation of the Supervisory Board is thus fixed and does not include any performance-based components.

For further information regarding the remuneration of the statutory organs of the company, we refer to No. 9 of the Group Management Report, No. 31 of the notes to the consolidated financial statements and to the Report of the Supervisory Board.

Cooperation between Personally Liable General Partner and Supervisory Board

The Personally Liable General Partner and the Supervisory Board of EUROKAI give high priority to responsible and transparent management committed to corporate responsibility and geared towards long-term success, as well as to the appropriate management of risks. The Personally Liable General Partner informs the Supervisory Board in a regular, timely and comprehensive manner on all matters relevant to the company and the Group, as well as the joint ventures included in the consolidated financial statements, relating to the corporate strategy, business policy, corporate planning, (in particular financial, investment and personnel planning). It also reports on the development of business, especially the revenue performance, the position of the company, the financial and earnings situation, and profitability, and explains in detail any deviations from projections, risk exposure, especially transactions having a possible material impact on the company's profitability or liquidity, as well as risk management, the internal control system and auditing practices, including compliance. Furthermore, it ensures compliance with legal requirements, in particular the measures stipulated in Section 91 (2) of the German Stock Corporation Act (AktG), and uses its influence to ensure their compliance within the Group companies.

The Supervisory Board advises and supervises the Personally Liable General Partner in the running of the company. In the case of exceptional business transactions, the Personally Liable General Partner must obtain the prior approval of the Supervisory Board pursuant to Section 7 of the Articles of Association. Furthermore, it must submit a budget estimate/earnings statement as well as an annual investment and financial plan to the Supervisory Board for approval and report on their implementation on a three-monthly basis. The Supervisory Board reviews and approves the single-entity financial statements and the management report of the company as well as the consolidated financial statements and Group management report, the non-financial report and non-financial Group report, and the management's proposal on the appropriation of net retained profits.

The Chairman of the Supervisory Board coordinates work performed by the Board, chairs its meetings and represents the Board's interests vis-à-vis third parties. Between meetings he regularly consults with the Management Board of the Personally Liable General Partner.

The Supervisory Board has more precisely defined the reporting and information requirements of the Personally Liable General Partner and made them available on the website at www.eurokai.com.

For more information we refer to the Report of the Supervisory Board on page 34 of our Annual Report. The Annual Report is also published on our website at www.eurokai.com under the heading Investor Relations/Financial Reports.

INFORMATION ON CORPORATE GOVERNANCE PRACTICES

Transparency

EUROKAI informs the general public in a regular and timely manner on the economic situation of the Group. The Annual Report and the half-yearly financial report are published within the statutory periods (www.eurokai.com under Investor Relations/Financial Reports). First- and third-quarterly interim statements are also published on a voluntary basis. Newsworthy events and new developments are reported in press releases and, where necessary, ad-hoc announcements, which are subsequently published on the EUROKAI website (www.eurokai.com/Investor-Relations under "Ad-hoc Announcements" and "Further Publications"). The legally stipulated reports, documents and information required for the General Meeting are available on the website together with the agenda of the General Meeting and any counter-motions or nominations on the part of the shareholders that the company is obliged to make accessible to the public.

The planned dates for the main recurring events and publications – such as General Meeting, Annual Report, half-yearly financial report and interim statements – are listed in a financial calendar which is published sufficiently in advance and made permanently available on the EUROKAI website (www.eurokai.com under Investor Relations/ Financial Calendar).

Risk management

EUROKAI regards the responsible management of business risks as an important principle of good and sustainable corporate governance. Early identification of risks and minimisation of risk positions form an integral part of this. EUROKAI employs an internal control and risk management system, including compliance, and an internal auditing system, which identify, assess and control risks. Continuous adaptation of the systems – in particular of the manuals pertaining to the early risk identification system of the CONTSHIP Italia and the EUROGATE Group – to changed general conditions, as well as monitoring their effectiveness, is a permanent task for the Personally Liable General Partner and the Supervisory Board.

The Personally Liable General Partner informs the Supervisory Board regularly and promptly of existing risks and their development.

For further details, we refer to the risk report and outlook under No. 7 of the Group management report.

Compliance management system

Within EUROKAI, the umbrella term "compliance" relates to the adherence to legal norms and internal guidelines and working towards their observance in the EUROKAI Group companies.

This goal is pursued through the establishment, coordination and ongoing development of a Group-wide compliance management system designed as far as possible to prevent compliance violations and avoid damage to EUROKAI's good reputation, liability claims or other legal prejudice to the EUROKAI Group, its employees and governing bodies.

A further objective and at the same time a central task of the compliance management system is to identify and continuously assess significant compliance risks, while implementing appropriate measures and processes to minimise such risks.

Moreover, the compliance management system seeks to raise awareness amongst the employees of the EUROKAI Group of the need to observe the relevant legal regulations and internal guidelines which apply to their work and thus create awareness amongst the workforce of possible compliance risks and strategies for managing such risks.

For the EUROKAI Group companies, the following applies:

Since EUROKAI is a pure financial holding company with, in terms of personnel, only two Managing Directors of the Personally Liable General Partner and two authorised representatives, it has not been deemed necessary to set up a specific compliance management system.

The CONTSHIP Italia Group established a code of conduct in 2012, which was further developed as part of a Group-wide revision of the regulatory system in 2018, and states that all activities of the CONTSHIP Italia Group shall be in compliance with the legislative framework, the principles of fair competition, honesty, integrity, fairness, good faith, and respect the legitimate interests of its customers, staff, shareholders, business and financial partners. Principles are also established in particular in respect of compliance-relevant issues such as conflicts of interest, money laundering and the giving or accepting of undue advantage. Internal company policies define additional principles for dealing with compliance issues. The CONTSHIP Italia Group implemented an anonymous whistleblower system in 2019, which is supervised by an external ombudsman. No cases of corruption were reported through the whistleblower system in 2020.

Responsibility for compliance with compliance-relevant issues rests with the Management Board of Contship Italia S. p. A., the holding company of the CONTSHIP Italia Group, and the management boards of the respective companies within the CONTSHIP Italia Group. Internal audits support the identification of improvement potential with regard to compliance with the Group's guidelines. On the basis of the audit results, the respective company develops an action plan in cases where significant deviations are found. The compliance supervisory bodies introduced in 2018 are responsible for monitoring compliance with the guidelines.

The compliance management system for the EUROGATE Group companies is laid down in the compliance policy that came into force on 1 January 2017, which is permanently available to employees of the EUROGATE Group for download on the intranet. EUROGATE has also implemented an anti-corruption policy and a code of conduct, which are accessible on the intranet and on the EUROGATE website at http://www1.eurogate.de/en/SERVICE/Downloads under the point Compliance. They also contain the contact details of the compliance officer and the external ombudsman to whom employees and third parties can turn, anonymously if they so wish. The compliance policy describes in detail the relevant duties and responsibilities within the Group. The duties are performed interdisciplinarily by various bodies, with the compliance officer being involved in each case. Additionally, the responsibilities of the governing bodies, relating in particular to the Supervisory Board and the Group Management Board, on each of which a central contact is named, and of the compliance officer are defined. In order to guarantee the independence and objectivity of the compliance officer, his or her appointment may only be countermanded for cause through application of Section 626 of the German Civil Code (BGB). Once a year, the compliance officer submits an internal report to the Group Management Board and the supervisory bodies. This contains, among other things, an inventory of the main compliance risks as well as proposals for new measures or changes.

Technical responsibility for the compliance management system lies with the legal department in Hamburg. In 2020, one compliance case was identified at EUROGATE Container Terminal Hamburg, which was initiated by the Federal Criminal Police Office (Bundeskriminalamt) and is still being investigated. Two suspected compliance cases at REMAIN GmbH Container Depot and Repair, Hamburg, proved to be unfounded.

Reporting and audit of the annual financial statements

EUROKAI prepares its consolidated annual financial statements in accordance with International Financial Reporting Standards (IFRSs) such as they apply in the EU. The single-entity annual financial statements are prepared according to the requirements of the German Commercial Code (HGB). They are audited by the auditor as well as by the Supervisory Board. The half-yearly financial report is reviewed by the Audit Committee together with the Personally Liable General Partner prior to being published.

The consolidated financial statements and single-entity financial statements of EUROKAI were audited and each issued an unconditional audit certificate by the auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, which was appointed by the 2020 General Meeting. In 2020, two new auditors were selected by the Audit Committee through an audit tender process and presented to the Supervisory Board. At the General Meeting 2021, in line with the recommendation of the Audit Committee, the Supervisory Board will propose that FIDES Treuhand GmbH & Co. KG, Bremen, be granted the audit mandate for the single-entity financial statements and the consolidated financial statements for the 2021 financial year and, as a precautionary measure, also be appointed to review the half-yearly financial report for the 2021 financial year.

DECLARATION OF COMPLIANCE OF EUROKAI GMBH & CO. KGAA WITH THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

Pursuant to Section 161 of the German Stock Corporation Act (AktG), the Management Board of Kurt F. W. A. Eckelmann GmbH, Hamburg, as Personally Liable General Partner, and the Supervisory Board of EUROKAI GmbH & Co. KGaA, Hamburg (hereinafter "EUROKAI"), taking into account the specific organisational distinctions of the legal form of a partnership limited by shares (KGaA) as set out in the following (cf. Section I), and the structuring of this legal form through EUROKAI's Articles of Association, declare that, with the exception of the deviations set out in the following (cf. Section II), in the period since the last Declaration of Compliance of February 2020, EUROKAI has complied with and will continue to comply with the recommendations of the "Government Commission German Corporate Governance Code" in the version dated 16 December 2019 and published in the Federal Gazette on 20 March 2020 (hereinafter the "Code").

I. SPECIFIC ORGANISATIONAL DISTINCTIONS OF THE LEGAL FORM OF A PARTNERSHIP LIMITED BY SHARES (KGAA)

- EUROKAI is a Kommanditgesellschaft auf Aktien ("KGaA" – partnership limited by shares). In a KGaA, the duties of the management board of a stock corporation ("AG") are the responsibility of the personally liable general partner. The sole Personally Liable General Partner of EUROKAI is Kurt F. W. A. Eckelmann GmbH, Hamburg, whose Management Board is thus responsible for conducting the business of EUROKAI. EUROKAI does not hold an interest in the Personally Liable General Partner. The sole shareholder of the Personally Liable General Partner is Familie Thomas Eckelmann GmbH & Co. KG, Hamburg, which is controlled entirely by the family of Mr Thomas H. Eckelmann.
- In comparison with the supervisory board of a German stock corporation, the role of a supervisory board of a KGaA is limited. In particular, the Supervisory Board of EUROKAI is not responsible for appointing or dismissing general partners or for regulating the terms and conditions of their contracts. For this reason, the Supervisory Board is not able to fulfil the recommendations in Section B of the Code regarding Appointments to

the Management Board. Similarly it is not within the competence of the Supervisory Board to issue rules of procedure for the Management Board or determine business transactions requiring approval. For this reason, Section 7 of EUROKAI's Articles of Association requires that the Personally Liable General Partner obtain the prior approval of the Supervisory Board for all extraordinary transactions. To this end, Section 7 of the Articles of Association contains a catalogue of business transactions requiring approval. The duty of the management board of a stock corporation to report to and inform the supervisory board, as governed by Section 90 AktG, applies analogously to EUROKAI as a KGaA. EUROKAI has also separately regulated the information and reporting duties of the Personally Liable General Partner. These can be found on the company's website under Corporate Governance.

- The general meeting of a KGaA fundamentally has the same rights as the general meeting of an AG; it additionally resolves on the adoption of EUROKAI's annual financial statements. Many of the resolutions made by the General Meeting require the consent of the Personally Liable General Partner; particularly the adoption of EUROKAI's annual financial statements.
- Although the concrete wording of the recommendations of the Code does not in all instances take into account the specific organisational distinctions of the legal form of a KGaA, the Personally Liable General Partner, Kurt F. W. A. Eckelmann GmbH, and the Supervisory Board have agreed to currently and in future comply with the recommendations of the Code as far as possible. The deviations from the recommendations of the Code are presented in Section II below.

II. DEVIATIONS FROM THE RECOMMENDATIONS OF THE CODE

The following are the only provisions of the Code that were not applied and will not be applied in the future:

II.1 No. C.2 – Specification of an age limit for Supervisory Board members

Both the Personally Liable General Partner and the Supervisory Board believe that setting a fixed age limit is detrimental due to its lack of flexibility. They consider a regular limit to be sufficient.

II.2 No. D.5 – Nomination Committee

Pursuant to Recommendation D.5 of the Code, the Supervisory Board shall form a nomination committee, composed exclusively of shareholder representatives, which names suitable candidates to the Supervisory Board for its proposals to the General Meeting.

The Personally Liable General Partner and the Supervisory Board are of the opinion that a nomination committee is not required since the Supervisory Board is composed of only six representatives of the shareholders and is therefore in a position to directly and efficiently make election recommendations to the General Meeting.

II. 3 No. D.7 – The Supervisory Board shall also meet on a regular basis without the Management Board

The Supervisory Board will meet without the Management Board of the Personally Liable General Partner as is deemed necessary. The Supervisory Board believes regular meetings at fixed intervals are not required.

II.4 No. F.2 – Financial Reporting

Pursuant to Recommendation F.2 of the Code, the consolidated financial statements and the group management report shall be made publicly accessible within 90 days from the end of the financial year, while mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period.

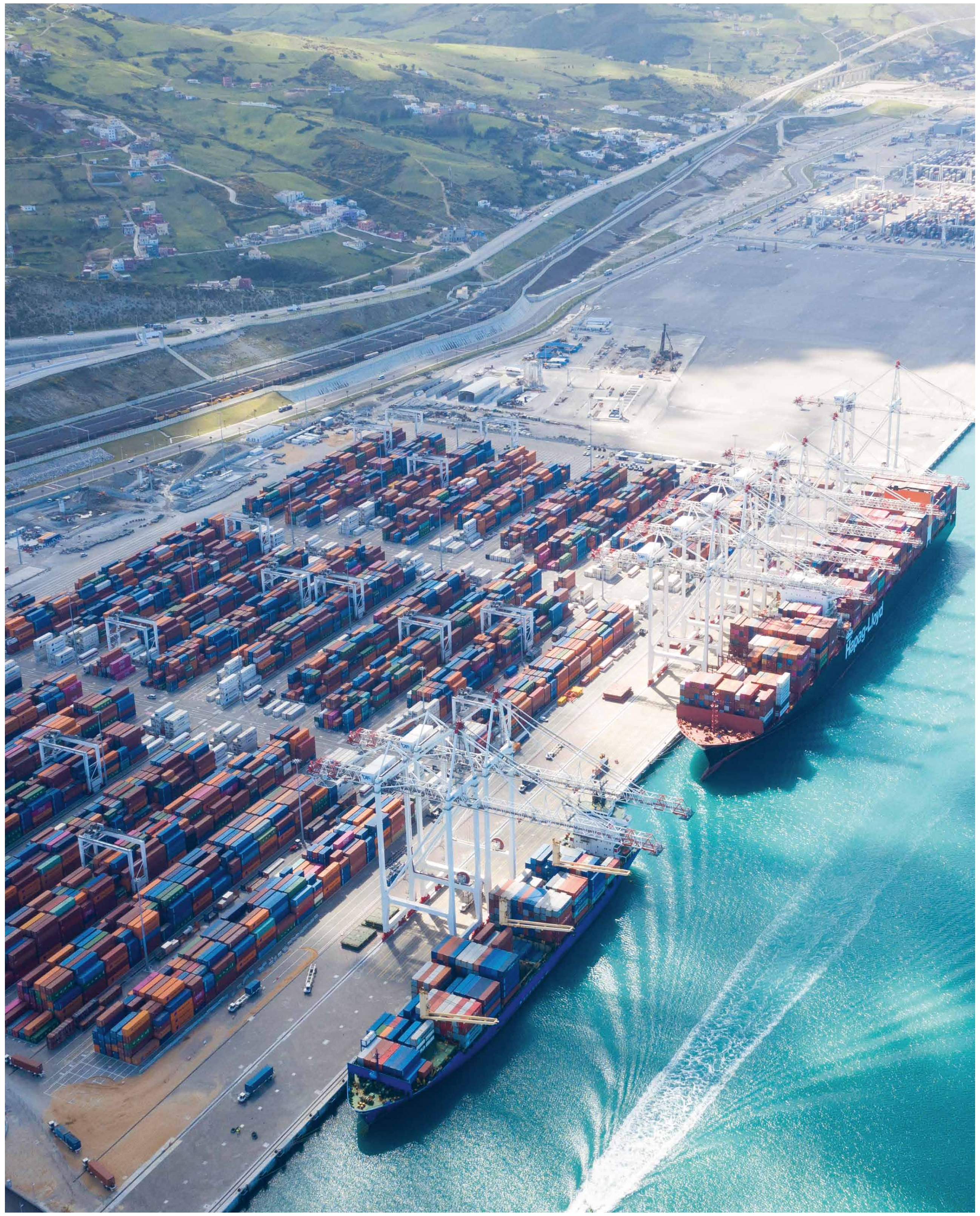
EUROKAI does not apply this recommendation, and practically is not in a position to do so. EUROKAI is a pure financial holding company and therefore relies on the figures provided by its investment holdings, which it regularly does not receive in time to comply with the recommendation. The consolidated financial statements are published pursuant to the requirements of Section 325 (4) of the German Commercial Code (HGB) and the half-yearly report pursuant to the requirements under Section 115 of the German Securities Trading Act (WpHG).

Hamburg, Germany,
March 2021

Personally Liable General Partner
Kurt F. W. A. Eckelmann GmbH, Hamburg

Thomas H. Eckelmann
Cecilia E. M. Eckelmann-Battistello

Supervisory Board
Dr Winfried Steeger



Aerial view of Tanger Alliance Terminal in Morocco.

Consolidated Financial Statements in accordance with IFRSs

The “Hapag-Lloyd Al Jmeliyah” at Tanger Alliance Terminal in Morocco.

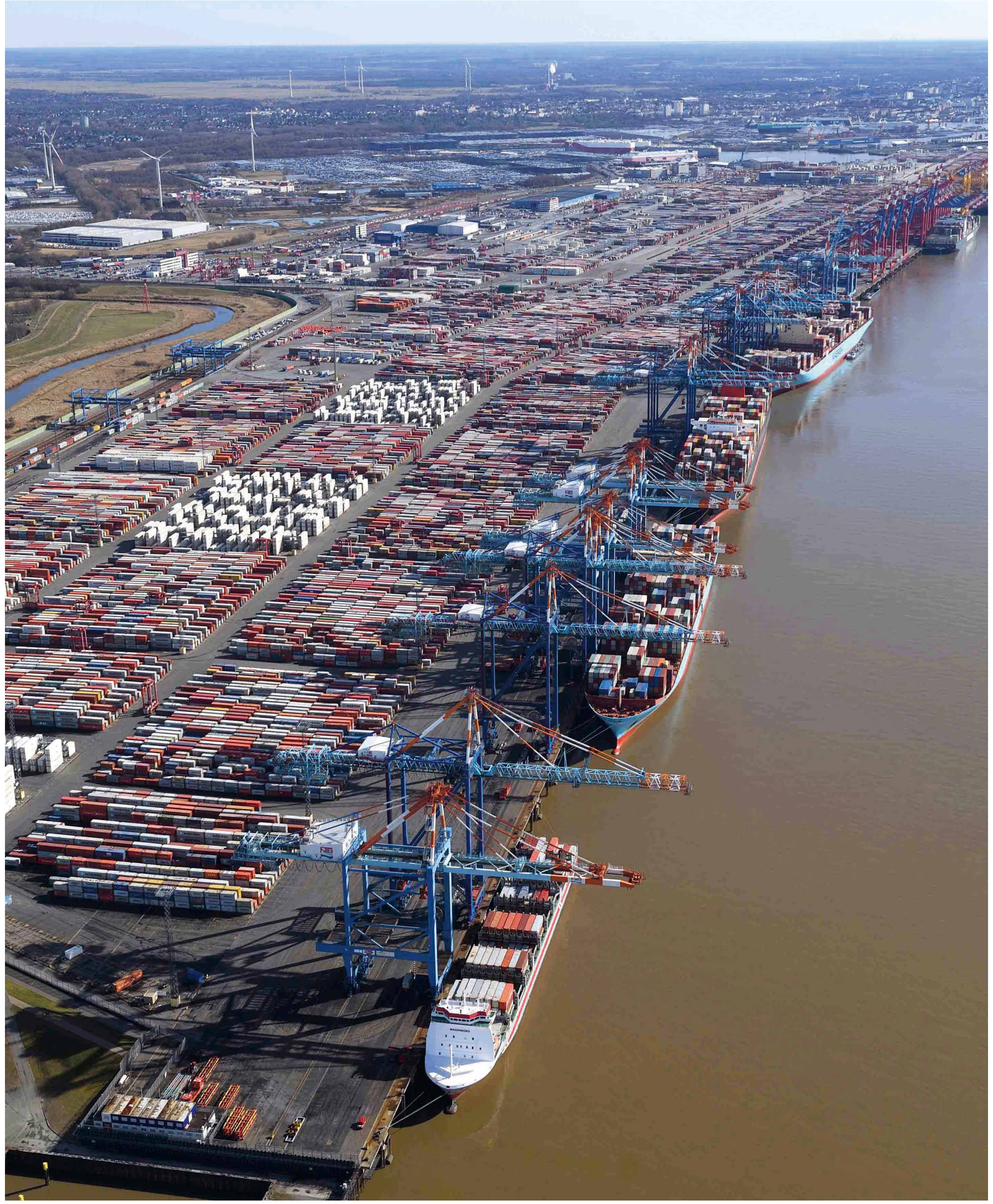
EUROKAI

Consolidated Income Statement

	2020	2019
	EUR '000	EUR '000
Revenue	197,209	260,848
Other operating income	14,122	48,958
Cost of materials	–71,589	–92,278
Personnel expenses	–58,420	–89,540
Depreciation and amortisation expense	–19,054	–20,504
Other operating expenses	–18,904	–33,496
Profit before income from investments, interest and taxes (EBIT)	**43,364**	**73,988**
Interest and similar income	5,656	5,638
Finance costs	–9,575	–9,402
Profit/loss from equity investments accounted for using the equity method	–59,965	18,727
Other finance costs (income)	107	–122
Profit before taxes (EBT)	**–20,413**	**88,829**
Income tax expense	–10,165	–18,601
Consolidated loss for the year (2019: consolidated profit)	**–30,578**	**70,228**
Attributable to:		
Equity holders of the parent	–44,869	49,355
Non-controlling interests	14,291	20,873
	–30,578	**70,228**
Diluted and basic earnings per share (in EUR)	**–2.83**	**3.11**

Consolidated Statement of Comprehensive Income

	2020	2019
	EUR '000	EUR '000
Consolidated loss for the year (2019: consolidated profit)	**–30,578**	**70,228**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement of financial instruments	–99	–336
Deferred taxes on remeasurement of financial instruments	27	93
Actuarial gains/losses from defined benefit pension plans from joint ventures	670	–12,341
Actuarial gains/losses from defined benefit pension plans	–131	–482
Deferred taxes on actuarial gains/losses	–176	4,121
	291	**–8,945**
Items that are or may be subsequently reclassified to profit or loss		
Remeasurement of financial instruments from joint ventures	126	109
Deferred taxes on remeasurement of financial instruments	–41	–36
Exchange differences on translation of joint ventures	–2,711	1,448
Exchange differences on translation of foreign operations	–310	234
	–2,936	**1,755**
Other comprehensive income (after tax)	**–2,645**	**–7,190**
Total comprehensive income	**–33,223**	**63,038**
Attributable to:		
Equity holders of the parent	–47,470	42,330
Non-controlling interests	14,247	20,708
	–33,223	**63,038**



North Sea Terminal Bremerhaven with a total of ten new Liebherr container gantries.

EUROKAI

Consolidated Balance Sheet

Assets	2020	2019
	EUR '000	EUR '000
Non-current assets		
Intangible assets		
Other intangible assets	75,314	76,805
Property, plant and equipment		
Land, land rights and buildings including buildings on third-party land	62,184	60,042
Plant and machinery	53,848	56,446
Other equipment, fixtures and fittings	5,270	4,705
Prepayments and assets under construction	1,645	3,012
	122,947	**124,205**
Financial assets		
Equity investments accounted for using the equity method	106,911	176,569
Other equity investments	1,067	1,139
	107,978	**177,708**
Deferred tax assets	21,224	15,633
Other non-current financial assets	155,505	167,680
Other non-current non-financial assets	893	1,849
Total non-current assets	**483,861**	**563,880**
Current assets		
Inventories	5,905	6,192
Trade receivables	44,752	55,043
Other current financial assets	27,034	20,711
Other current non-financial assets	12,305	12,665
Current tax receivables	3,856	2,808
Cash and cash equivalents	150,052	180,414
Total current assets	**243,904**	**277,833**
Total assets	**727,765**	**841,713**

Equity and liabilities	2020	2019
	EUR '000	EUR '000
Equity and reserves		
Issued capital	13,468	13,468
Equity attributable to Personally Liable General Partner	294	294
Capital reserves	1,801	1,801
Reserve from the fair value measurement of financial derivatives	0	–9
Reserve from other equity transactions of equity-accounted entities	–29,033	–26,918
Foreign currency reserves	119	377
Retained earnings	134,436	127,044
Net retained profit	202,072	279,157
Equity attributable to equity holders of the parent	**323,157**	**395,214**
Equity attributable to non-controlling interests	79,857	79,342
Total equity and reserves	**403,014**	**474,556**
Liabilities and provisions		
Non-current liabilities and provisions		
Non-current financial liabilities, net of current portion	14,512	22,477
Government grants	2,547	2,671
Other non-current financial liabilities	214,099	221,604
Other non-current non-financial liabilities	49	1,122
Deferred tax liabilities	9,511	9,660
Provisions		
Provisions for pensions and other post-employment benefits	7,360	7,545
Other non-current provisions	10,171	8,886
	258,249	**273,965**
Current liabilities and provisions		
Current portion of non-current financial liabilities	7,824	22,446
Trade payables	30,459	33,374
Government grants	267	321
Other current financial liabilities	18,061	19,324
Other current non-financial liabilities	5,171	9,945
Current tax payables	2,788	1,446
Provisions		
Provisions for pensions and other post-employment benefits	800	1,602
Other current provisions	1,132	4,734
	66,502	**93,192**
Total liabilities and provisions	**324,751**	**367,157**
Total equity and liabilities	**727,765**	**841,713**

Consolidated Cash Flow Statement

	2020 EUR '000	2019 EUR '000
1. Cash flows from operating activities		
Earnings before income tax	–20,413	88,829
Depreciation, amortisation and impairment of non-current assets	19,054	20,504
Gain/loss on disposals of intangible assets and property, plant and equipment	–113	–611
Deconsolidation gain	0	–33,890
Foreign exchange losses/gains	36	121
Non-cash change in investments accounted for using the equity method	47,406	–32,278
Interest income/loss	3,919	3,765
Operating profit/loss before change in net working capital	**49,889**	**46,440**
Change in trade receivables	10,291	2,379
Net change in other financial and non-financial assets	7,169	28,496
Change in inventories	287	53
Income from the release of government grants	–84	–193
Change in provisions (excluding accrued interest and additions from capitalised demolition costs) recognised in profit or loss	–3,492	3,658
Change in trade payables including other financial liabilities and non-financial liabilities	–6,024	–11,288
Cash inflows from change in net working capital	**8,147**	**23,105**
Interest received	5,154	4,207
Interest paid	–9,063	–7,867
Cash receipts from repayments of finance lease receivables	5,546	6,365
Cash inflow from income tax refunds	646	0
Taxes on income and earnings paid	–15,018	–18,037
Interest and income taxes paid	**–12,735**	**–15,332**
Net cash inflow from operating activities	**45,301**	**54,213**
2. Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment and intangible assets	1,512	1,563
Cash payments for cash investments in property, plant and equipment and intangible assets	–7,770	–6,302
Proceeds from the disposal of interests in consolidated companies less cash and cash equivalents disposed of	0	44,349
Cash receipts from the repayment of advances and loans granted	0	6,000
Cash payments into the equity capital of associates	0	–11,400
Cash payments for advances and loans granted to associates	–17,917	–4,000
Dividends received	24,068	28,717
Cash inflows from investing activities	**–107**	**58,927**

	2020 EUR '000	2019 EUR '000
3. Cash flows from financing activities		
Dividends paid to equity holders	–24,385	–27,656
Repayments of financial loans	–22,587	–16,521
Repayments of finance lease liabilities	–14,968	–14,764
Dividends paid to non-controlling interests	–13,616	–20,460
Net cash used in financing activities	**–75,556**	**–79,401**
Net increase/decrease in cash and cash equivalents (subtotal of 1 to 3)	–30,362	33,739
Cash and cash equivalents at 1 January	180,414	146,675
Cash and cash equivalents at end of period	**150,052**	**180,414**
Composition of cash and cash equivalents		
Cash and cash equivalents	150,052	180,414
Cash and cash equivalents at end of period	**150,052**	**180,414**

Segment Reporting

For purposes of corporate management, the Group continues to be organised into business units according to services and geographical segments and has the following three business segments that are subject to segment reporting:

- The "EUROKAI" Segment includes the EUROKAI business entity, whose focus is on the leasing of operating areas and quay walls in Germany.
- The "CONTSHIP Italia" Segment comprises the business entities of the Italian CONTSHIP Italia Group.
- The "EUROGATE" Segment comprises the proportionate shareholding (50%) in the EUROGATE Group, which generates its revenue in Germany.

The operating result of the business units is monitored separately by the management to enable it to take decisions relating to the distribution of resources and determine the profitability of the units. Profitability of the segments is assessed on the basis of the operating result. Inter-segment transfers are accounted for on an arm's length basis.

Segment assets and liabilities include all operating assets and liabilities that are used by or result from a segment's operating activities and whose positive or negative balance determines the operating profit or loss, respectively. Segment assets include principally intangible assets, property, plant and equipment and investments in companies shown using the equity method, as well as trade and other receivables and inventories. Segment liabilities principally consist of liabilities to banks, government grants, trade and other payables as well as provisions. Segment capital expenditure comprises additions to intangible assets and property, plant and equipment.

Inter-segment transactions are eliminated in the Consolidation/reconciliation column.

Inter-segment revenues are recognised at prices corresponding to fair market prices.

In segment reporting, the EUROGATE GmbH & Co. KGaA, KG joint venture is proportionately consolidated as the EUROGATE Segment in line with the 50% equity interest held, and not included using the equity method of accounting as in the consolidated financial statements.

At 31 December 2020 the segments were broken down as follows:

31 December 2020	EUROKAI	CONTSHIP Italia	EUROGATE	Subtotal	Consolidation and reconciliation to IFRS 11	Total
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Revenue	0	197,209	263,523	**460,732**	–263,523	**197,209**
of which external revenue	0	197,209	263,523	**460,732**	–263,523	**197,209**
Interest revenue	5,195	461	950	**6,606**	–950	**5,656**
Interest expense	–5,238	–4,337	–9,604	**–19,179**	9,604	**–9,575**
Profit/loss of entities accounted for using the equity method	–2,147	5,480	–8,291	**–4,958**	–55,007	**–59,965**
Dividends from other segments	16,017	0	0	**16,017**	–16,017	**0**
EBT	12,846	42,411	–69,831	**–14,574**	–5,839	**–20,413**
Segment assets	169,941	308,626	504,534	**983,101**	–444,732	**538,369**
Segment liabilities	162,978	149,474	539,361	**851,813**	–539,361	**312,452**
Depreciation and amortisation expense	0	–19,054	–33,369	**–52,423**	33,369	**–19,054**
Capital expenditure	0	7,770	23,593	**31,363**	–23,593	**7,770**

At 31 December 2019 the segments were broken down as follows:

31 December 2019	EUROKAI	CONTSHIP Italia	EUROGATE	Subtotal	Consolidation and reconciliation to IFRS 11	Total
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Revenue	0	260,848	282,304	**543,152**	–282,304	**260,848**
of which external revenue	0	260,848	282,304	**543,152**	–282,304	**260,848**
Interest revenue	5,515	123	1,042	**6,680**	–1,042	**5,638**
Interest expense	–5,588	–3,814	–11,454	**–20,856**	11,454	**–9,402**
Profit/loss of entities accounted for using the equity method	128	5,913	–2,960	**3,081**	15,646	**18,727**
Dividends from other segments	18,615	0	0	**18,615**	–18,615	**0**
EBT	18,458	65,991	13,648	**98,097**	–9,268	**88,829**
Segment assets	195,969	319,333	557,475	**1,072,777**	–445,572	**627,205**
Segment liabilities	173,085	182,966	543,417	**899,468**	–543,417	**356,051**
Depreciation and amortisation expense	0	–38,186	–32,774	**–70,960**	50,456	**–20,504**
Capital expenditure	0	6,305	63,169	**69,474**	–63,169	**6,305**

Consolidated Statement of Changes in Equity

	Issued capital	Equity attributable to Personally Liable General Partner	Capital reserves	Reserve from the fair value measurement of financial derivatives	Foreign currency reserves	Reserve from other equity transactions of equity-accounted entities	Generated equity: Retained earnings	Generated equity: Net retained profit	Equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total equity
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Balance at 1 January 2019	**13,468**	**294**	**1,801**	**–9**	**182**	**–20,032**	**119,923**	**264,586**	**380,213**	**91,903**	**472,116**
Changes in 2019 financial year											
Remeasurement of derivative financial instruments	–	–	–	–	–	73	–	–	73	–	73
Remeasurement of equity investments to fair value	–	–	–	–	–	–	–146	–	–146	–97	–243
Remeasurement of pension obligations	–	–	–	–	–	–8,407	–227	–	–8,634	–68	–8,702
Currency translation	–	–	–	–	234	1,448	–	–	1,682	–	1,682
Consolidated profit for the year	–	–	–	–	–	–	–	49,355	49,355	20,873	70,228
Net profit for the period	**–**	**–**	**–**	**–**	**234**	**–6,886**	**–373**	**49,355**	**42,330**	**20,708**	**63,038**
Dividends paid to equity holders	–	–	–	–	–	–	–	–27,656	–27,656	–	–27,656
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–20,460	–20,460
Appropriations to retained earnings	–	–	–	–	–	–	7,500	–7,500	–	–	–
Capital share of non-controlling interests	–	–	–	–	–39	–	–6	–	–45	45	–
Disposal of investments in subsidiaries	–	–	–	–	–	–	–	372	372	–372	–
Disposals of non-controlling interests due to deconsolidation	–	–	–	–	–	–	–	–	–	–12,482	–12,482
Balance at 31 December 2019	**13,468**	**294**	**1,801**	**–9**	**377**	**–26,918**	**127,044**	**279,157**	**395,214**	**79,342**	**474,556**

Consolidated Statement of Changes in Equity

							Generated equity				
	Issued capital	Equity attributable to Personally Liable General Partner	Capital reserves	Reserve from the fair value measurement of financial derivatives	Foreign currency reserves	Reserve from other equity transactions of equity-accounted entities	Retained earnings	Net retained profit	Equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total equity
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Balance at 1 January 2020	**13,468**	**294**	**1,801**	**–9**	**377**	**–26,918**	**127,044**	**279,157**	**395,214**	**79,342**	**474,556**
Changes in 2020 financial year											
Remeasurement of derivative financial instruments	–	–	–	9	–	86	–	–12	83	2	85
Remeasurement of equity investments to fair value	–	–	–	–	–	–	–43	–	–43	–29	–72
Remeasurement of pension obligations	–	–	–	–	–	456	–76	–	380	–17	363
Currency translation	–	–	–	–	–310	–2,711	–	–	–3,021	–	–3,021
Consolidated loss for the year	–	–	–	–	–	–	–	–44,869	–44,869	14,291	–30,578
Net loss for the period	**–**	**–**	**–**	**9**	**–310**	**–2,169**	**–119**	**–44,881**	**–47,470**	**14,247**	**–33,223**
Dividends paid to equity holders	–	–	–	–	–	–	–	–24,385	–24,385	–	–24,385
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–13,616	–13,616
Appropriations to retained earnings	–	–	–	–	–	–	7,500	–7,500	–	–	–
Capital share of non-controlling interests	–	–	–	–	52	54	11	–	117	–116	1
Other	–	–	–	–	–	–	–	–319	–319	–	–319
Balance at 31 December 2020	**13,468**	**294**	**1,801**	**0**	**119**	**–29,033**	**134,436**	**202,072**	**323,157**	**79,857**	**403,014**

Consolidated Statement of Changes in Non-current Assets

	Historical cost							Accumulated amortisation/depreciation				Carrying amounts	
	1.1. 2020	Additions	Modifications	Disposals	Reclassifications	Other changes in investments in associates	31.12. 2020	1.1.2020	Additions	Disposals/ Reclassifications	31.12.2020	31.12.2020	31.12.2019
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Intangible assets													
Concessions, software, rights and prepayments (own)	115,342	636	0	–524	0	0	115,454	–79,467	–886	259	–80,094	35,360	35,875
Concessions, software, rights and prepayments (leased)	41,906	1	0	0	0	0	41,907	–976	–977	0	–1,953	39,954	40,930
Property, plant and equipment													
Land, land rights and buildings (own)	114,777	1,858	0	0	1,114	0	117,749	–70,332	–3,623	0	–73,955	43,794	44,445
Land, land rights and buildings (leased)	17,003	0	4,654	–266	0	0	21,391	–1,406	–1,603	8	–3,001	18,390	15,597
Machinery (own)	189,728	2,973	0	–5,510	1,942	0	189,133	–140,563	–6,100	4,700	–141,963	47,170	49,165
Machinery (leased)	12,793	3,239	1,960	–2,053	–1,808	0	14,131	–5,512	–3,895	1,954	–7,453	6,678	7,281
Other equipment, fixtures and fittings (own)	43,096	2,203	0	–3,593	85	0	41,791	–39,137	–1,337	3,455	–37,019	4,772	3,959
Other equipment, fixtures and fittings (leased)	1,237	348	0	–396	147	0	1,336	–491	–634	287	–838	498	746
Prepayments and assets under construction	3,012	113	0	0	–1,480	0	1,645	0	0	0	0	1,645	3,012
	381,646	**10,734**	**6,614**	**–11,818**	**0**	**0**	**387,176**	**–257,441**	**–17,192**	**10,404**	**–264,229**	**122,947**	**124,205**
Financial assets													
Investments in associates	176,625	3,768	0	0	0	–73,426	106,967	–56	0	0	–56	106,911	176,569
Equity investments	1,170	0	0	–72	0	0	1,098	–31	0	0	–31	1,067	1,139
Other financial assets	0	0	0	0	0	0	0	0	0	0	0	0	0
	177,795	**3,768**	**0**	**–72**	**0**	**–73,426**	**108,065**	**–87**	**0**	**0**	**–87**	**107,978**	**177,708**
Total non-current assets	**674,783**	**15,138**	**6,614**	**–12,414**	**0**	**–73,426**	**610,695**	**–336,995**	**–18,078**	**10,663**	**–344,410**	**306,239**	**378,718**

Tanger Alliance Terminal in Morocco.

Financial Statements

EUROKAI GmbH & Co. KGaA, Hamburg (shortened) in accordance with the German Commercial Code (HGB)

EUROGATE Intermodal at the EUROKOMBI Terminal.

The following disclosures are based on the single-entity financial statements of EUROKAI GmbH & Co. KGaA (in the following referred to as EUROKAI), which have been prepared according to the requirements of the German Commercial Code (HGB).

The detailed financial statements as at 31 December 2020, for which Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft issued an unqualified audit report, and the management report of EUROKAI for 2020 are published in the electronic version of the Federal Gazette (Bundesanzeiger) and deposited in the Commercial Register.

Income statement	2020		2019	
	EUR '000	%	EUR '000	%
Sales	11,240		9,483	
Other operating income	46		1,159	
Operating income	**11,286**	**100**	**10,642**	**100**
Cost of materials	–10,999	–98	–10,444	–98
Personnel expenses	–97	–1	–83	–1
Other operating expenses	–1,264	–11	–1,406	–13
Operating expenses	**–12,360**	**–110**	**–11,933**	**–112**
Operating result	**–1,074**	**0**	**–1,291**	**–12**
Net income from financing activities	–63		–95	
Net income from investments	17,153		32,310	
Taxes on income	–210		–3,040	
Net income for the period	**15,806**		**27,884**	

Balance sheet	2020		2019	
	EUR '000	%	EUR '000	%
Assets				
Fixed assets	244,690	72	240,923	70
Receivables from long-term investees and investors	0	0	11,221	3
Other assets, prepaid expenses and liquid funds	93,132	28	92,959	27
	337,822		**345,103**	
Equity and liabilities				
Equity	334,315	99	342,893	99
Provisions	1,474	0	1,334	1
Other liabilities	2,033	1	876	0
	337,822		**345,103**	

RESULTS OF OPERATIONS

EUROKAI is a financial holding company and, as such, no longer carries on any operating activities. Its business operations are restricted to the administration of its financial investments and to the subletting of quay walls and properties leased from the Free and Hanseatic City of Hamburg/Hamburg Port Authority to the companies of the EUROGATE Group.

This subletting brings rental income from quay walls, operating areas and other inter-company charges of EUR 11.2 million (2019: EUR 9.5 million). Sales revenues for 2020 are set against leasing expenses in a comparable amount.

For the financial year 2020, investment income of EUR 17.2 million (2019: EUR 32.3 million) was recognised. EUROKAI also recognised dividend income from Contship Italia S. p. A., Melzo/Milan, Italy, in the amount of EUR 16.0 million (2019: EUR 18.6 million), from Medgate FeederXpress Ltd., Monrovia, Liberia, in the amount of EUR 1.0 million (2019: EUR 1.0 million) and from J. F. Müller & Sohn AG, Hamburg, in the amount of EUR 0.1 million (2019: EUR 0.1 million). Due to the net loss generated for the 2020 financial year of EUR 301.4 million (100%), no profit allocation was made from EUROGATE GmbH & Co. KGaA, KG, Bremen (2019: EUR 12.6 million).

The decrease in net income for the period is thus mainly attributable to the profit development of the affiliated companies and equity investments of EUROGATE GmbH & Co. KGaA, KG. The results of the core companies in the EUROGATE Group were burdened with significant expenses in the 2020 financial year for the recognition of provisions for necessary restructuring measures as well as for write-downs of long-term financial assets. The write-downs of long-term financial assets in the amount of EUR 253.1 million (100%) related to EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG.

The decrease in other operating income was due in particular to the reversal of provisions amounting to EUR 1.0 million included in the previous year.

Other operating expenses primarily cover the profit share of the Personally Liable General Partner, administrative costs, legal and consulting fees, as well as remuneration of the Supervisory Board and Administrative Board.

Tax expenses decreased by EUR 2.8 million to EUR 0.2 million mainly due to the negative taxable profit attributable to EUROGATE GmbH & Co. KGaA, KG.

For the financial year 2020, net income of EUR 15.8 million (2019: EUR 27.9 million) was recognised. This decline was mainly due to the non-allocation of profit from EUROGATE GmbH & Co. KGaA, KG.

FINANCIAL POSITION

Based on the result achieved in the 2020 financial year of EUR 15.8 million (2019: EUR 27.9 million), a cash flow from continuing operations was generated of EUR –1.6 million (2019: EUR –6.1 million).

NET ASSETS

The increase in fixed assets of EUR 3.8 million was mainly accounted for by the renewed allocation of previously distributed profits to EUROGATE GmbH & Co. KGaA, KG, Bremen.

The receivables from long-term investees and investors recognised in the previous year were almost exclusively accounted for by the profit share in EUROGATE GmbH & Co. KGaA, KG, Bremen, for the 2019 financial year.

Other assets, liquid funds and prepaid expenses primarily included receivables from income taxes of EUR 3.1 million (2019: EUR 1.5 million) as well as call accounts and fixed-term deposits and bank balances amounting to EUR 90.0 million (2019: EUR 91.4 million).

The company's equity ratio at the end of the financial year 2020 remained unchanged at 99% (2019: 99%).

PROPOSAL ON THE APPROPRIATION OF NET PROFIT

The Management Board of the Personally Liable General Partner and the Supervisory Board will propose that for 2020 the General Meeting approve a dividend payment of 100% (2019: 150%) on the nominal value of ordinary and non-voting preference shares from the net retained profits of EUR 169.731 million and the allocation of an amount of EUR 7.5 million to other revenue reserves.

The driveMybox start-up from Hamburg.

Other Disclosures

SUPERVISORY BOARD

The following persons were members of the Supervisory Board during the financial year 2020:

Dr Winfried Steeger, Hamburg, Germany
Chairman
- Managing Director Jahr Holding GmbH, Hamburg, Germany (until 30 September 2020)
- Lawyer (since 1 October 2020)

Dr Sebastian Biedenkopf, Stuttgart, Germany (until 31 December 2020)
Deputy Chairman
- General Counsel Robert Bosch GmbH, Stuttgart, Germany (until 30 November 2020)
- Managing Director BIEDENKOPF & ASSOCIATES Strukturierungsberatung GmbH, Hamburg, Germany
- Member of the Management Board of Fresenius Management SE, Bad Homburg, Germany, responsible for Legal, Compliance, Insurance and Human Resources, and Labour Relations Director (since 1 December 2020)

Christian Kleinfeldt, Hamburg, Germany (since 11 March 2021)
- CFO of Jahr Holding GmbH, Hamburg, Germany

Katja Gabriela Both (née Eckelmann), Hamburg, Germany
- Commercial employee EUROGATE GmbH & Co. KGaA, KG, Bremen, Germany

Jochen Döhle, Hamburg, Germany
- Personally Liable General Partner Peter Döhle Schiffahrts KG, Hamburg, Germany

Max M. Warburg, Hamburg, Germany
- Banker

Dr Klaus-Peter Röhler, Munich, Germany
Deputy Chairman (since 15 March 2021)
- Chairman of the Board of Management of Allianz Deutschland AG, Munich, Germany (until 31 March 2020)
- Member of the Board of Management of Allianz SE (since 1 April 2020)

The members of the Personally Liable General Partner's Management Board and the Supervisory Board are also members of the following governing bodies:

Thomas H. Eckelmann
- Contship Italia S. p. A., Melzo/Milan, Italy, Member of the Board of Directors
- Sogemar S. p. A., Melzo/Milan, Italy, Chairman of the Board of Directors
- La Spezia Container Terminal S. p. A., La Spezia, Italy, Chairman of the Board of Directors
- EUROGATE Container Terminal Bremerhaven GmbH, Bremerhaven, Germany, Member of the Supervisory Board
- EUROGATE Container Terminal Hamburg GmbH, Hamburg, Germany, Member of the Supervisory Board
- EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG, Wilhelmshaven, Germany, Member of the Advisory Board
- EUROGATE Technical Services GmbH, Hamburg, Germany, Member of the Supervisory Board
- boxXpress.de GmbH, Hamburg, Germany, Chairman of the Advisory Board (since 1 July 2020)
- Tanger Alliance S. A., Tangier, Morocco, Chairman of the Supervisory Board
- EUROGATE Tanger S. A., Tangier, Morocco, Member of the Supervisory Board
- EUROGATE Container Terminal Limassol Ltd., Limassol, Cyprus, Chairman of the Supervisory Board

Cecilia E. M. Eckelmann-Battistello
- Contship Italia S. p. A., Melzo/Milan, Italy, Chairwoman of the Board of Directors
- La Spezia Container Terminal S. p. A., La Spezia, Italy, Deputy Chairwoman of the Board of Directors
- Sogemar S. p. A., Melzo/Milan, Italy, Deputy Chairwoman of the Board of Directors
- CICT Porto Industriale Cagliari S. p. A., Cagliari, Italy, Chairwoman of the Board of Directors
- Terminal Container Ravenna S. p. A., Ravenna, Italy, Deputy Chairwoman of the Board of Directors
- Tanger Alliance S. A., Tangier, Morocco, Member of the Supervisory Board
- EUROGATE Tanger S. A., Tangier, Morocco, Deputy Chairwoman of the Supervisory Board

Dr Winfried Steeger
- Verwaltungsgesellschaft Otto mbH (co-determined GmbH of the Otto Group), Hamburg, Germany, Member of the Supervisory Board
- August Prien Verwaltung GmbH, Hamburg, Germany, Chairman of the Supervisory Board
- Symrise AG, Holzminden, Germany, Chairman of the Supervisory Board (until 17 June 2020)
- EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen, Germany, Member of the Supervisory Board
- Kurt F. W. A. Eckelmann GmbH, Hamburg, Germany, Deputy Chairman of the Administrative Board
- Familie Thomas Eckelmann GmbH & Co. KG, Hamburg, Germany, Deputy Chairman of the Administrative Board
- Familie Thomas Eckelmann Verwaltungsgesellschaft mbH, Hamburg, Germany, Deputy Chairman of the Administrative Board
- Blue Elephant Energy AG, Hamburg, Germany, Member of the Supervisory Board
- HMNC Holding GmbH, Munich, Germany, Member of the Supervisory Board (since 20 April 2020)

Jochen Döhle
- Ernst Russ AG, Hamburg, Germany, Member of the Supervisory Board
- EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen, Germany, Member of the Supervisory Board
- Familie Thomas Eckelmann Verwaltungsgesellschaft mbH, Hamburg, Germany, Member of the Administrative Board
- Familie Thomas Eckelmann GmbH & Co. KG, Hamburg, Germany, Member of the Administrative Board
- Kurt F. W. A. Eckelmann GmbH, Hamburg, Germany, Member of the Administrative Board

Dr Sebastian Biedenkopf
- Bosch Sicherheitssysteme GmbH, Grasbrunn, Germany, Member of the Supervisory Board (until 30 November 2020)
- Robert Bosch Automotive Steering GmbH, Schwäbisch Gmünd, Germany, Member of the Supervisory Board (until 30 November 2020)
- EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen, Germany, Member of the Supervisory Board (until 31 December 2020)

Katja Gabriela Both (née Eckelmann)
- Contship Italia S. p. A., Melzo/Milan, Italy, Member of the Board of Directors (non-executive)

Max M. Warburg
- EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen, Germany, Second Deputy Chairman of the Supervisory Board
- Familie Thomas Eckelmann Verwaltungsgesellschaft mbH, Hamburg, Germany, Chairman of the Administrative Board
- Familie Thomas Eckelmann GmbH & Co. KG, Hamburg, Germany, Chairman of the Administrative Board
- Kurt F. W. A. Eckelmann GmbH, Hamburg, Germany, Chairman of the Administrative Board

Dr Klaus-Peter Röhler
- Kurt F. W. A. Eckelmann GmbH, Hamburg, Germany, Member of the Administrative Board
- Familie Thomas Eckelmann Verwaltungsgesellschaft mbH, Hamburg, Germany, Member of the Administrative Board
- Familie Thomas Eckelmann GmbH & Co. KG, Hamburg, Germany, Member of the Administrative Board
- Allianz Lebensversicherungs-AG, Munich, Germany, Chairman of the Supervisory Board
- Allianz Versicherungs-AG, Munich, Germany, Chairman of the Supervisory Board (since 1 April 2020)
- Allianz Private Krankenversicherungs-AG, Munich, Germany, Chairman of the Supervisory Board
- Allianz Beratungs- und Vertriebs-AG, Munich, Germany, Chairman of the Supervisory Board
- Allianz Suisse Versicherungs-Gesellschaft AG, Zurich, Switzerland, Member of the Administrative Board (since 28 April 2020)
- Allianz Suisse Lebensversicherungs-Gesellschaft AG, Zurich, Switzerland, Member of the Administrative Board (since 28 April 2020)
- Versicherungsombudsmann e. V., Berlin, Germany, Member of the Board of Management and the Advisory Board (until 28 September 2020)
- InsurTech Hub Munich e. V., Munich, Germany, Member of the Advisory Board (until 31 July 2020)

Christian Kleinfeldt
- EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen, Germany, Member of the Supervisory Board (since 17 February 2021)

Supervisory Board remuneration amounted to EUR 147,000.00 in financial year 2020. Dr Steeger received EUR 49,000.00 thereof, Dr Biedenkopf EUR 28,500.00, Mr Warburg EUR 16,500.00, Ms Both EUR 19,000.00, Mr Döhle EUR 17,000.00 and Dr Röhler EUR 17,000.00.

There were no payments to former members of the Supervisory Board or their surviving dependents.

There were also no termination settlements, share-based payments, advances or loans, or other long-term benefits. For separate disclosure of the total compensation of the Management Report of the Personally Liable General Partner, please refer to Item 9. of the Group management report.

PERSONALLY LIABLE GENERAL PARTNER

Personally Liable General Partner of EUROKAI is Kurt F. W. A. Eckelmann GmbH, Hamburg, Germany, with a share capital of EUR 100,000.00. Managing Directors of the Personally Liable General Partner are:

Thomas H. Eckelmann, Hamburg, Germany
Chairman

Cecilia E. M. Eckelmann-Battistello, Limassol, Cyprus

The Management Board of the Personally Liable General Partner receives no remuneration for its services, either from EUROKAI or from the Personally Liable General Partner.

AUDIT AND CONSULTING FEES

The Group auditor's fees, which are recognised as an expense, amounted to EUR 108,000 (2019: EUR 89,000), EUR 9,000 for tax consulting services (2019: EUR 11,000) and EUR 5,000 (2019: EUR 26,000) for other services.

CORPORATE GOVERNANCE

The Declaration of Compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" as required pursuant to Section 161 of the German Stock Corporation Act (AktG) was issued by the Management Board and the Supervisory Board of the Personally Liable General Partner and made permanently accessible to the shareholders in the electronic version of the Federal Gazette (Bundesanzeiger) and on EUROKAI's website (www.eurokai.com).

Hamburg, Germany,
17 March 2021

Personally Liable General Partner
Kurt F. W. A. Eckelmann GmbH, Hamburg, Germany

Thomas H. Eckelmann
Cecilia E. M. Eckelmann-Battistello

OCEANOGATE train travelling through Italy.

Responsibility Statement (Group)

RESPONSIBILITY STATEMENT (GROUP)

We hereby affirm that, to the best of our knowledge, and in accordance with the applicable financial reporting principles, the consolidated financial statements present a true and fair view of the net assets, financial position and results of operations of the Group and that the Group management report presents a true and fair view of the development and performance of the business and the position of the Group, and describes the principal opportunities and risks associated with the expected development of the Group.

Hamburg, Germany,
17 March 2021

Personally Liable General Partner
Kurt F. W. A. Eckelmann GmbH, Hamburg

Thomas H. Eckelmann
Cecilia E. M. Eckelmann-Battistello

Contact

This Annual Report contains a shortened version of the Consolidated Financial Statements. All references to the Notes to the Consolidated Financial Statements relate to the full version. The full version can be obtained – in German – from:

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