# MASTERING CHALLENGES **TOGETHER**

BLG LOGISTICS

**Financial Report**
2021

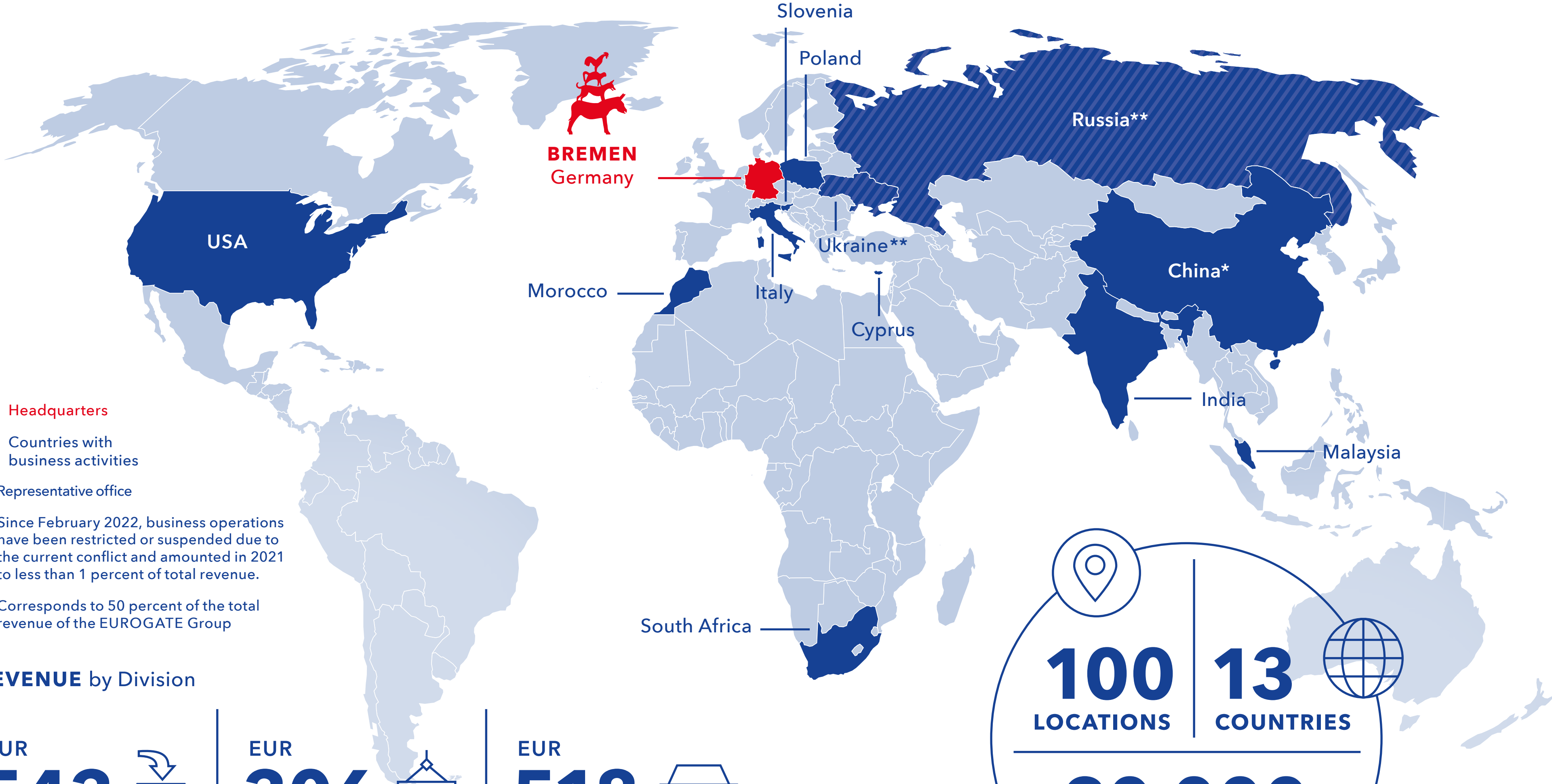
# Short profile

**BLG LOGISTICS is a seaport-oriented logistics service provider with an international network. Since 145 years, we have stood for logistics with heart and mind. For our customers in industry and retailing we shape trends in logistics by developing and delivering innovative, highly complex and sustainable logistics solutions with a high level of specialist competence.**

**Today, the BLG Group has a presence in all the world's growth markets, with more than 100 locations and offices in Europe, America, Africa and Asia. Our AUTOMOBILE and CONTAINER Divisions are leaders in Europe. Our CONTRACT Division is among the leading German providers.**

**BLG LOGISTICS aims to become a climateneutral company by 2030. We are the first German logistics provider with scientifically recognized climate protection targets.**

**As an employer, we therefore take a personal, appreciative and foresightful approach. Including all its shareholdings, BLG LOGISTICS currently offers around 20,000 jobs worldwide. The BLG Group has its headquarters in the Free Hanseatic City of Bremen.**




- Headquarters
- Countries with business activities

* Representative office

** Since February 2022, business operations have been restricted or suspended due to the current conflict and amounted in 2021 to less than 1 percent of total revenue.

[1] Corresponds to 50 percent of the total revenue of the EUROGATE Group

**REVENUE** by Division

| | | |
|---|---|---|
| EUR **543** MILLION **CONTRACT** | EUR **306** MILLION **CONTAINER** [1] | EUR **518** MILLION **AUTOMOBILE** |

**100** LOCATIONS

**13** COUNTRIES

**20,000** JOBS

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**Enhance your experience online!**

The online version contains lots of additional information, video clips and a KPI calculator. Here, you'll also find the Financial Report, Sustainability Report and the Company Magazine.


**reporting.blg-logistics.com/en**

# 01 TO OUR SHAREHOLDERS



**30** cents

**DIVIDEND**

After a very good business performance, we will propose a higher dividend to our shareholders in 2021.

# Key Figures for BLG LOGISTICS[1]

| EUR thousand | | 2021 | 2020 | Absolute change | Percentage change |
|---|---|---|---|---|---|
| **Revenue and earnings** | | | | | |
| Revenue | | **1,050,438** | 1,065,235 | -14,797 | -1.4 |
| EBIT [2] | | **61,507** | -107,670 | 169,177 | 157.1 |
| EBT | | **52,226** | -116,127 | 168,353 | 145.0 |
| EBT margin[2] | Percent | **5.0** | -10.9 | 15.9 | 145.6 |
| **Asset and capital structure** | | | | | |
| Total assets | | **1,218,177** | 1,194,093 | 24,084 | 2.0 |
| Cash investments | | **68,544** | 69,890 | -1,346 | -1.9 |
| Equity | | **156,289** | 59,741 | 96,549 | 161.6 |
| Equity ratio | Percent | **12.8** | 5.0 | 7.8 | 155.9 |
| Net debt | | **578,105** | 676,904 | -98,798 | -14.6 |
| RoCE[2] | Percent | **6.2** | -13.8 | 20.0 | 145.3 |
| **Cash flows** | | | | | |
| Cash flow from operating activities | | **67,565** | 27,264 | 40,301 | 147.8 |
| Cash flow from investing activities | | **34,515** | -32,889 | 67,404 | 204.9 |
| Cash flow from financing activities | | **-26,150** | -14,706 | -11,444 | -77.8 |
| **Key figures for the BLG share** | | | | | |
| Earnings per share | EUR | **0.30** | 0.29 | 0.01 | 3.4 |
| Dividend | EUR | **0.30** | 0.11 | 0.19 | 172.7 |
| | Percent | **11.5** | 4.2 | 7.3 | 172.8 |
| Dividend yield | Percent | **2.7** | 0.9 | 1.9 | 207.9 |
| **Human resources** | | | | | |
| Employees[3] | Number | **11,952** | 11,609 | 343 | 3.0 |
| Jobs worldwide | Number | **20,000** | 20,000 | 0 | 0.0 |

[1] Key figures after reconciliation. The reconciliation is shown in the ▸segment reporting.
[2] Please see the ▸"Fundamental information about the Group" section of the Group management report for information on the calculation of the key figures.
[3] Determined in accordance with Section 267 (5) HGB; incl. the CONTAINER Division.

# Overview of the Divisions

## AUTOMOBILE

The AUTOMOBILE Division is the leading technical and logistics service provider for the international automotive industry. BLG LOGISTICS' AUTOMOBILE Division offers multimodal transport concepts with global logistics reach and dovetails individualized and innovative technical service packages.

| | | **2021** | 2020 |
|---|---|---|---|
| Revenue | EUR thousand | **517,975** | 521,377 |
| EBT | EUR thousand | **-1,076** | -8,998 |
| EBT margin | Percent | **-0.2** | -1.7 |
| Employees | Number | **3,397** | 3,331 |

**518**

Revenue in EUR million

## CONTRACT

The CONTRACT Division manages complex projects and offers our customers reliable upstream and downstream logistics solutions. BLG LOGISTICS works at our logistics centers and our customers' production facilities and plants at over 40 locations in Europe and overseas.

| | | **2021** | 2020 |
|---|---|---|---|
| Revenue | EUR thousand | **542,799** | 552,621 |
| EBT | EUR thousand | **8,717** | -13,891 |
| EBT margin | Percent | **1.6** | -2.5 |
| Employees | Number | **6,599** | 6,287 |

**543**

Revenue in EUR million

## CONTAINER

EUROGATE, in which BLG LOGISTICS holds a 50 percent stake, is Europe's leading shipping line-independent container terminal group. It operates a network of 11 container terminals, in some cases with partners, from the North Sea to the Mediterranean. Secondary services are also available in the form of intermodal and container-related services.

| | | **2021** | 2020 |
|---|---|---|---|
| Revenue | EUR thousand | **305,955** | 263,522 |
| EBT | EUR thousand | **69,825** | -67,274 |
| EBT margin | Percent | **22.8** | -25.5 |
| Employees | Number | **1,582** | 1,618 |

**306**

Revenue in EUR million[1]

[1] Corresponds to 50 percent of the total revenue of the EUROGATE Group

# Report of the Supervisory Board 2021

**Dear Sir or Madam,**

Following the far-reaching economic and social impact of the coronavirus pandemic that broke out in the previous year, the 2021 financial year continued to hold many challenges. In addition to overcoming operational constraints amid pandemic restrictions, the global shortage of components among manufacturers in particular impacted our business. Nevertheless, we were able to close the 2021 financial year better than originally expected. We would therefore like to express our special thanks to all BLG Group employees during this difficult period, as they have played a major role in helping us to master the challenges together.

In the 2021 financial year, the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- (BLG AG) actively engaged in the duties assigned to it by law, the Articles of Incorporation and rules of procedure and regularly and extensively discussed the company's position and development. The Supervisory Board continuously monitored and supported the work of the Board of Management in the financial year. The detailed reports made by the Board of Management in written and oral form constituted the basis for this. In addition, the Chairman of the Supervisory Board regularly exchanged information and ideas with the Board of Management, so that the Supervisory Board was always informed promptly and comprehensively about the intended business policy, corporate planning, the current earnings situation, including the risk situation and risk management, as well as the position of the company and the BLG Group.

In accordance with the recommendations and suggestions of the German Corporate Governance Code (Code), the Supervisory Board supported the Board of Management in the management of the company and advised it on management matters.

Whenever management decisions or measures required approval according to law, the Articles of Incorporation or the rules of procedure, the members of the Supervisory Board – prepared by its committees, among others – reviewed the draft resolutions at meetings or adopted them on the basis of written information. In accordance with the recommendations of the Code, the Supervisory Board also meets on a regular basis without the Board of Management, especially relating to matters concerning the Board of Management. The Supervisory Board was intensively involved in decisions of major significance for BLG LOGISTICS from an early stage. The economic and risk situation and the development prospects of BLG LOGISTICS described in the reports of the Board of Management, the separate divisions and business areas as well as major equity investments in Germany and abroad were the subject of detailed discussion.

Dr. Klaus Meier
Chairman of the Supervisory Board

| **Meeting attendance 2021** | Supervisory Board | Investment Committee | Human Resources Committee | Audit Committee | **Total in percent** |
|---|---|---|---|---|---|
| Dr. Klaus Meier | 5/5 | 1/1 | 4/4 | | 100.0 |
| Christine Behle | 5/5 | 1/1 | 4/4 | | 100.0 |
| Sonja Berndt | 5/5 | 1/1 | 4/4 | | 100.0 |
| Karl-Heinz Dammann (until 06/30/2021) | 3/3 | | 3/3 | | 100.0 |
| Heiner Dettmer | 5/5 | | 4/4 | | 100.0 |
| Melf Grantz | 5/5 | | 4/4 | | 100.0 |
| Udo Klöpping | 5/5 | | | | 100.0 |
| Wybcke Meier | 4/5 | | | | 80.0 |
| Dr. Tim Nesemann | 5/5 | | | 2/2 | 100.0 |
| Beate Pernak | 5/5 | 1/1 | | 2/2 | 100.0 |
| Klaus Pollok (until 12/31/2021) | 5/5 | | 4/4 | | 100.0 |
| Jörn Schepull (from 07/01/2021, Human Resources Committee from 09/16/2021) | 2/2 | | | | 100.0 |
| Dr. Claudia Schilling | 5/5 | 1/1 | 4/4 | | 100.0 |
| Dietmar Strehl | 5/5 | 1/1 | | 2/2 | 100.0 |
| Reiner Thau | 5/5 | | | 2/2 | 100.0 |
| Vera Visser | 4/5 | | | 2/2 | 85.7 |
| Dr. Patrick Wendisch | 5/5 | | | 2/2 | 100.0 |
| **Total in percent** | **97.5** | **100.0** | **100.0** | **100.0** | **98.4** |

The Supervisory Board convened at five regular meetings in 2021. Due to the special circumstances created by the coronavirus pandemic, Supervisory Board members had the possibility to participate virtually in individual face-to-face meetings. The overall attendance rate was 98.4 percent; no member of the Supervisory Board took part in fewer than half of the meetings. Average attendance (physical and virtual) at committee meetings in 2021 was again 100 percent. The members of the Supervisory Board elected by the shareholders and by the employees in some cases prepared for the meetings in separate consultations. Details of attendance rates are shown in the above table.

The Mediation Committee (committee in accordance with Section 27 (3) MitbestG (German Codetermination Act)) did not convene in the 2021 financial year. There were no conflicts of interest on the part of members of the Board of Management and the Supervisory Board that required immediate disclosure to the Supervisory Board and about which the Annual General Meeting had to be informed.

The Code requires that members of the Board of Management shall only assume sideline activities, especially supervisory board mandates outside the enterprise, with the approval of the Supervisory Board. The assumed mandates did not give rise to any identifiable conflicts of interest; on the contrary, they were deemed to be consistently in the interest of BLG LOGISTICS.

## Issues discussed in the Supervisory Board

The consultations of the Supervisory Board at its five regular meetings in 2021 repeatedly focused on the current business development and the challenges posed by the coronavirus pandemic and the lack of components in manufacturers' production facilities. Furthermore, important matters regarding the strategy and business activities of BLG LOGISTICS and its divisions, as well as personnel matters, were discussed. In its individual meetings, the Supervisory Board focused on strategic issues and geopolitical assessments, such as the expansion of the industrial logistics, retail logistics, seaport terminals and inland terminals business areas, BLG LOGISTICS' further growth through new businesses, partnerships and investments, the company's current risk exposure, including the risk management system and the risk-aware management of the company's development.

At its meeting on February 25, 2021, the Supervisory Board also discussed the sale of the international forwarding activities and, at its meeting on April 15, 2021, with the new Board of Management remuneration system, which was approved at the Annual General Meeting on June 2, 2021 and introduced with retroactive effect from January 1, 2021. In addition, at its April meeting the Supervisory Board also dealt intensively with the annual and consolidated financial statements, with the agenda for the 2021 Annual General Meeting, and with the preparation of the non-financial Group statement. The declaration of compliance with the Code was issued at the meeting on September 16, 2021.

The Supervisory Board held an extraordinary meeting on June 14, 2021, mainly to decide on the succession of the member of the Board of Management for the CONTRACT Division.

All major business transactions, the position of the company, the development of the financial position, financial performance and cash flows, as well as the budget to actual variance analyses for corporate planning (incl. forecasts) were discussed intensively and in a timely manner with the Board of Management. Corporate planning as well as short-term earnings and financial planning were discussed in detail at the meeting on December 9, 2021. In addition, the heads of the Internal Audit and Compliance departments reported to the Supervisory Board at the meeting.

The composition of the Supervisory Board changed as follows compared with December 31, 2020:

Karl-Heinz Dammann resigned as a member of the Supervisory Board with effect from June 30, 2021. He was replaced by Jörn Schepull. Jörn Schepull was elected as a substitute member for Karl-Heinz Dammann in 2018.

Klaus Pollok resigned as a member of the Supervisory Board with effect from December 31, 2021. He was replaced by Fabian Goiny. Fabian Goiny was elected as a substitute member for Klaus Pollok in 2018.

Vera Visser resigned as a member of the Supervisory Board with effect from February 28, 2022. Martin Peter was appointed to succeed her as a member of the Supervisory Board by court order of the District Court of Bremen on March 11, 2022.

No former members of the Board of Management of BLG AG are represented on the Supervisory Board.

The following changes were made to the composition of the Board of Management in the 2021 financial year:

Jens Wollesen (originally appointed until June 30, 2024), member of the Board of Management for the CONTRACT Division, left the company at his own request with effect from September 30, 2021 to pursue other professional activities. He had been released from his duties since June 30, 2021. He was succeeded from October 1, 2021 by Matthias Magnor, who was appointed at the Supervisory Board meeting on June 14, 2021 for a period of three years.

At its meeting on February 24, 2022, the Supervisory Board decided to extend the contract with Frank Dreeke for two years, until he reaches the standard retirement age for Board of Management members. He is now appointed until December 31, 2024.

## Work of the committees

To perform its duties efficiently, the Supervisory Board has additionally set up four committees. These committees of the Supervisory Board are the Audit Committee, Human Resources Committee, Investment Committee and Mediation Committee in accordance with Section 27 (3) MitbestG (German Codetermination Act). They prepare the resolutions of the Supervisory Board in the plenary session and, where permissible, decide in individual cases in its place. Separate rules of procedure apply to the Audit Committee and the Investment Committee. All committees have equal representation.

The **Audit Committee** held two meetings in the 2021 financial year. The main subject of the meeting on April 13, 2021 was the extensive discussion and examination of the annual financial statements, the consolidated financial statements and the management reports for the 2020 financial year. Representatives from the auditing firm took part in the meeting when the annual financial statements were discussed and they reported on the results of their audit. In addition, the Audit Committee discussed the appropriation of the net retained profits (HGB) as well as the invitation to the Annual General Meeting and submitted resolutions to the Supervisory Board.

The Audit Committee oversees the selection, independence, rotation and efficiency of the auditor as well as the services it provides and is concerned with conducting an evaluation of the quality of the audit process. Any questions in this regard are discussed in the plenary session. In addition, a newly designed questionnaire was used for the first time in the reporting year to review the quality of the audit of the financial statements. No impediments to the selection of PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Bremen, as statutory auditor for the 2021 financial year were identified.

BLG LOGISTICS changes the auditor regularly. Within the scope of the respective tendering process, the Audit Committee considers the expertise, experience and independence of the candidates.

At its meeting on December 7, 2021, the Audit Committee dealt primarily with corporate planning, including medium-term earnings and financial planning, and the approval of non-audit services. A further focus of the activity was on reporting on the audit and on the compliance system.

The **Human Resources Committee** held four meetings in the reporting year. At all meetings, it dealt primarily with personnel matters relating to the Board of Management. One focus of the consultations was on determining and appointing a replacement for the Board of Management position for the CONTRACT Division. At the meeting on April 15, 2021, it dealt in particular with the new remuneration system for the Board of Management that was approved at the Annual General Meeting on June 2, 2021.

The **Investment Committee** held one meeting on October 7, 2021 at which it resolved on investments relating to the expansion of services for a customer.

The **Mediation** Committee (committee in accordance with Section 27 (3) MitbestG (German Codetermination Act)) did not convene in the reporting year.

The meetings and decisions of the committees were prepared on the basis of reports and other information provided by the Board of Management. Members of the Board of Management regularly took part in the committee meetings. The chairs of the committees reported to the Supervisory Board on the activities and their results following the meetings and submitted resolution recommendations.

## Training and self-assessment

The members of the Supervisory Board take responsibility for undertaking any training or professional development measures necessary to fulfill their duties, for example to bring them up to speed with changes in the legal framework and new technologies, and are supported in this by BLG LOGISTICS. In-house training courses or information events for targeted further training are offered as required. In the previous year, in-house training took place on the topics of organization and responsibilities (incl. remuneration of the Board of Management), rights and duties, and liability. New Supervisory Board members have the opportunity to meet with members of the Board of Management and managers from the individual divisions to exchange views on fundamental and topical issues and thus obtain an overview of the main topics relevant to the company (onboarding). To provide additional, deeper insight into the company, it is planned to hold regular meetings also at other company locations, to the extent that the pandemic situation permits.

The Supervisory Board assesses, at regular intervals, how effectively the Supervisory Board as a whole and its committees fulfill their tasks. The results are discussed in depth by the Supervisory Board and, where appropriate, necessary action is taken. The last review based on a questionnaire to be completed anonymously and evaluation of the results in plenary session took place in financial year 2021. This did not give rise to any indications of significant deficits.

## Corporate governance and declaration of compliance

The Supervisory Board worked on the application of the German Corporate Governance Code within the company. The 21st declaration of compliance with the recommendations of the Code, dated September 16, 2021, and prepared by the Supervisory Board and the Board of Management pursuant to Section 161 of the German Stock Corporation Act (AktG), corresponds to the amended version of December 16, 2019, published on March 20, 2020. The joint declaration of compliance is permanently accessible on the BLG LOGISTICS website at www.blg-logistics.com/en/investor-relations in the Download area and is also included in the corporate governance statement.

## Audit of the annual and consolidated financial statements

The representatives of PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Bremen, the auditing firm duly elected as auditor, were present at the Supervisory Board's accounts meeting for the 2021 financial year and at the preparatory meeting of the Audit Committee and reported in detail on the results of their audit.

The annual financial statements, management report and financial statements for the purpose of fulfilling the duty of BLG AG to prepare consolidated financial statements, and the consolidated financial statements and group management report of BLG LOGISTICS have been prepared by the Board of Management in accordance with the statutory provisions and in compliance with German legally required accounting principles and have been audited and issued an unqualified auditor's report by PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Bremen, the auditing firm elected by the Annual General Meeting.

The auditing firm has reviewed the report on relationships to affiliated companies (dependent company report) prepared by the Board of Management for the 2021 financial year and issued the following auditor's report:

"After conducting our audit and assessment in accordance with our obligations, we confirm that

1. the factual statements contained in the report are correct,

2. benefits derived by the company from the legal transactions specified in the report were not unreasonably high."

The annual financial statements and management report, the financial statements for the purpose of fulfilling the duty to prepare consolidated financial statements, including the management report, the consolidated financial statements and group management report as well as the audit reports of the company's auditor were made available to all members of the Supervisory Board in due time.

For its part, the Supervisory Board has reviewed the annual financial statements, the consolidated financial statements, the financial statements for the purpose of fulfilling the duty to prepare consolidated financial statements, the management reports and the group management report of the Board of Management as well as the proposal of the Board of Management concerning the appropriation of the net retained profits (HGB). The Supervisory Board concurs with the result of the audit of the annual financial statements, the consolidated financial statements and the financial statements for the purpose of fulfilling the duty to prepare consolidated financial statements, including the management reports, conducted by the auditing firm. The Supervisory Board has approved and adopted the annual financial statements prepared by the Board of Management. The Supervisory Board has also approved the financial statements for the purpose of fulfilling the duty to prepare consolidated financial statements prepared by the Board of Management and the consolidated financial statements. The Supervisory Board concurs with the management reports and in particular with the evaluation of BLG LOGISTICS' further development. This also applies to the dividend policy and the decisions regarding reserves at BLG AG.

Furthermore, the Supervisory Board has reviewed the report of the Board of Management on the relationships with affiliated companies and the result of the audit of this report conducted by the auditing firm. The Supervisory Board concurs with the result of the audit of the dependent company report conducted by the auditing firm. Based on the final results of the Supervisory Board's review of the dependent company report, there are no objections to the final statement of the Board of Management in the latter report.

## Non-financial report

BLG LOGISTICS has prepared a non-financial Group statement in accordance with Section 315b HGB since the 2017 financial year. This statement for the 2021 financial year is integrated as a separate non-financial report into the 2021 sustainability report and its contents have been reviewed by the Supervisory Board. The review did not give rise to any objections. ➚ *reporting.blg-logistics.com*

In this once again exceptionally challenging year, the Supervisory Board would like to thank the members of the Board of Management and all employees for their high level of commitment and unswerving efforts to keep our company on a path to success. The Supervisory Board is confident that BLG LOGISTICS will continue to master the challenges together going forward and can secure its earnings power on a long-term basis.

Bremen, April 2022

For the Supervisory Board

Meier

Dr. Klaus Meier

Chairman

# Letter from the Board of Management

**Dear Sir or Madam,**

Contrary to what most of us had initially hoped, the coronavirus pandemic was not over in the 2021 reporting year. Additional protection and control measures, supply bottlenecks and interrupted supply chains required us to show a great deal of flexibility and endurance. At the same time, 2021 impressively underscored the systemic relevance of ports, road and rail. Frictionless logistics is the indispensable link between producers, retailers and consumers. Today and in the future.

BLG is a robust and adaptable organization. The positive development of the figures in our financial report speaks for itself. In recent years, we have diversified our business more and more and have established a broad customer base. We continued this policy in 2021.

Together, we succeeded in closing the financial year 2021 with a good result despite the constant hurdles. With EBT in excess of EUR 52 million, we more than achieved our goal of significantly improving our result.

We commissioned new sites and expanded existing ones. We succeeded in winning the long-term loyalty of our customers with compelling services. For example, within the scope of a joint venture, Hyundai Glovis, one of the world's largest shipping companies, chose our Bremerhaven AUTOMOBILE location as a European hub for its automobile transports between Asia and Europe. In the CONTRACT Division, the laying of the foundation stone for the C3 logistics center marked the official start of a groundbreaking logistics real estate project, in which besides the best possible processes for the customer, we are also placing great value on sustainability. In addition to the largest continuous roof-mounted photovoltaic system in Germany, this commitment is also reflected in excellent working conditions for our employees. In addition, our rail transport activities also contribute to climate change mitigation. The CONTAINER Division is making good progress with its transformation program and is well on the way to achieving its long-term target of lowering personnel and material costs by EUR 84 million. Wilhelmshaven container port developed extremely well thanks to inducement calls and higher volumes.

But we have no intention of resting on our laurels. Together, we are continuously working on new solutions to improve our customers' logistics processes. In addition to continuous process optimization across the entire service portfolio, we are working together with various project partners on innovation and digitalization projects.

The situation in Ukraine has given us pause for thought. We are following the developments in Eastern Europe with great concern and are in close contact with our colleagues. We are not yet in a position to say to what extent the effects of the pandemic and the situation in Ukraine will impact our business. But the title of this year's annual report will continue to apply: Mastering challenges together.

We thank you, our shareholders, for your trust.

Frank Dreeke
CEO & Chairman of the Board of Management

Michael Blach
CONTAINER Division

Andrea Eck
AUTOMOBILE Division

Christine Hein
CFO

Matthias Magnor
CONTRACT Division

Ulrike Riedel
Labor Relations Director

# The Board of Management

**Frank Dreeke**
CEO & Chairman of the Board of Management

**Matthias Magnor**
CONTRACT Division

**Andrea Eck**
AUTOMOBILE Division

**Ulrike Riedel**
Labor Relations Director

**Michael Blach**
CONTAINER Division

**Christine Hein**
CFO

# Annual Financial Statements
# BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-

## Income Statement

| EUR thousand | 2021 | 2020 |
|---|---|---|
| 1. Remuneration of BLG LOGISTICS GROUP AG & Co. KG | 1,282 | 1,303 |
| 2. Other operating income | 6,919 | 7,888 |
| | **8,201** | **9,191** |
| 3. Personnel expenses | | |
| a) Wages and salaries | -5,662 | -2,631 |
| b) Social security, post-employment and other employee benefit costs | -689 | -4,274 |
| | **-6,351** | **-6,905** |
| 4. Other operating expenses | -1,133 | -1,566 |
| 5. Other interest and similar income | 731 | 673 |
| 6. Interest and similar expenses | -54 | -44 |
| 7. Taxes on income<br>of which from the recognition of deferred tax assets EUR 48,000 (previous year: EUR 587,000) | -240 | -232 |
| **8. Earnings after taxes/net income for the year** | **1,154** | **1,117** |
| 9. Appropriation to other miscellaneous revenue reserves | -2 | 0 |
| **10. Net retained profits** | **1,152** | **1,117** |

# Balance sheet

| EUR thousand<br>Assets | 12/31/2021 | 12/31/2020 |
|---|---|---|
| A. Current assets | | |
| I. Receivables and other assets | | |
| 1. Receivables from affiliated companies | 24,044 | 24,733 |
| 2. Receivables from other long-term investees and investors | 116 | 861 |
| 3. Other assets | 0 | 5 |
| | **24,160** | **25,599** |
| II. Bank balances | 21 | 21 |
| | **24,181** | **25,620** |
| B. Deferred tax assets | 1,042 | 994 |
| C. Excess of plan assets over post-employment benefit liability | 345 | 0 |
| | **25,568** | **26,614** |

| EUR thousand<br>Equity and Liabilities | 12/31/2021 | 12/31/2020 |
|---|---|---|
| A. Equity | | |
| I. Subscribed capital | 9,984 | 9,984 |
| II. Revenue reserves | | |
| 1. Legal reserve | 998 | 998 |
| 2. Other revenue reserves | 9,121 | 8,424 |
| | **10,119** | **9,422** |
| III. Net retained profits | 1,152 | 1,117 |
| | **21,255** | **20,523** |
| B. Provisions | | |
| 1. Provisions for pensions and similar obligations | 0 | 4,293 |
| 2. Provisions for taxes | 550 | 540 |
| 3. Other provisions | 3,434 | 724 |
| | **3,984** | **5,557** |
| C. Liabilities | | |
| 1. Trade payables | 4 | 66 |
| 2. Other liabilities | 325 | 468 |
| | **329** | **534** |
| | **25,568** | **26,614** |

# Notes

## Notes for the 2021 financial year

The registered office of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- (BLG AG) is in Bremen. The company is entered in the register of the District Court of Bremen under the number HRB 4413.

## General disclosures

The annual financial statements have been prepared in accordance with the provisions of Sections 242 ff. and 264 ff. of the German Commercial Code (HGB) and the relevant provisions of the German Stock Corporation Act (AktG).

The income statement was prepared according to the total cost (nature of expense) method (Section 275 (2) HGB).

To improve the clarity of the presentation, disclosures on entries relating to more than one item were made with explanatory notes on a separate line.

## Disclosures on recognition and measurement

The following accounting policies were applied essentially unchanged for the preparation of the annual financial statements.

Receivables and other assets are reported at their nominal value. Credit risks are taken into account through recognition of specific loss allowances, wherever necessary.

Bank balances are recognized at their nominal value.

Financial assets that are immune from access by all other creditors and that serve exclusively to fulfill post-employment benefit obligations are measured at fair value and netted against provisions for pensions and similar obligations.

Reinsurance cover for pension provisions is recognized using the asset value of the overall claims reported by the insurance companies. In this respect, the asset value corresponds both to the amortized cost (payments received plus accumulated interest and surplus credits) and the fair value as of the balance sheet date.

Pension provisions are measured according to the projected unit credit method using the 2018 G (previous year: 2018 G) mortality tables issued by Prof. Dr. Klaus Heubeck. The average market interest rate, which is calculated for an assumed residual term of 15 years, is used as a standard basis for discounting.

In accordance with Section 246 (2) sentence 2 HGB, these are netted against the present value of the pension obligations under provisions for pensions and similar obligations.

The actuarial valuation was based on the following parameters:

| **Actuarial parameters** | Pensions |
|---|---|
| Discount rate | 1.9% |
| Expected development of salaries and wages | 2.0% |
| Expected pension increases | 2.0% |

The provisions are recognized at the settlement amount necessary to cover all identifiable risks and uncertain liabilities on the basis of prudent business judgment.

Long-term provisions with a residual term of more than one year are discounted using the average market interest rate for matching maturities based on the past seven years, as published by the Deutsche Bundesbank. Long-term provisions for pension obligations with a residual term of more than one year are discounted using the average market interest rate for matching maturities based on the past ten years, as published by the Deutsche Bundesbank.

Liabilities are recognized at their settlement amounts.

Any differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income items according to commercial law and their tax carrying amounts that are expected to be reversed in later financial years are measured at the individual tax rates in the period in which the difference is reversed and the resulting tax burden or relief is recognized as deferred taxes.

The measurement of deferred tax assets depends on the estimation of the probability of the reversal of the measurement differences and the utilization of the loss carryforwards which resulted in deferred tax assets. This is dependent upon the generation of future taxable profits during the periods in which those tax measurement differences are reversed.

The option of recognizing deferred tax assets pursuant to Section 274 (1) sentence 2 HGB was applied.

Deferred taxes are offset and not discounted.

## Balance sheet disclosures

**Receivables and other assets**

Receivables from affiliated companies were owed in full from BLG LOGISTICS GROUP AG & Co. KG, Bremen (BLG KG). EUR 5,227,000 (previous year: EUR 5,227,000) thereof constituted short-term loans. EUR 18,639,000 was attributable to receivables from cash management (previous year: EUR 16,863,000). Another EUR 178,000 (previous year: EUR 2,644,000) related to trade receivables. As in the previous year, all receivables have a residual term of up to one year.

**Excess of plan assets over post-employment benefit liability / Provisions for pensions and similar obligations**

The provisions reported related to pension obligations for the members of the Board of Management.

In the previous year, the pension commitments under individual contracts were adjusted. In amendments dated January 2020, it was agreed with each individual member of the Board of Management that in the event of their leaving the company prematurely without a benefit event occurring, there would no longer be a pro rata reduction in the defined benefit if the vesting conditions were met.

In order to enable insolvency-protected reinsurance cover or refinancing for the higher obligations resulting from the adjustment while continuing the previous reinsurance policies, a two-tier model with additional premium deposits to cover the outstanding premium payments for the reinsurance was introduced. In this model, the outstanding premium payments to the reinsurance are invested as a lump sum in a deposit (see also the following table). The installment premiums to the reinsurer are financed from a corresponding sale of the fund units. Like the reinsurance policy, the fund units are pledged to the beneficiaries.

Overall, this therefore gave rise to an excess of plan assets over post-employment benefit liability in the reporting year:

| EUR thousand | 12/31/2021 |
|---|---|
| Fair value of pension obligations | -10,386 |
| Fair value of reinsurance policies | 6,178 |
| Fair value deposit for outstanding premium payments to the reinsurance | 4,553 |
| **Excess of plan assets over post-employment benefit liability** | **345** |

The difference between the recognition of provisions for pension obligations based on the corresponding average market interest rate for the past ten financial years and the recognition of provisions for pension obligations based on the corresponding average market interest rate for the past seven financial years amounted to EUR 1,035,000.

Interest expenses and interest income from unwinding the discount were recognized in the amount of EUR 169,000 (previous year: EUR 148,000).

**Equity**

The share capital amounted to EUR 9,984,000.00 and was divided into 3,840,000 no-par value registered shares with voting rights. Transfer of the shares requires the approval of the company in accordance with Section 5 of the Articles of Incorporation.

**Revenue reserves**

The legal reserve is allocated in full in an amount of EUR 998,400.00.

In accordance with the resolution of the Annual General Meeting on June 2, 2021, EUR 695,000 was transferred from 2020 net retained profits to revenue reserves. In addition, EUR 2,000 was transferred to revenue reserves from net retained profits for the 2021 financial year.

Existing revenue reserves fully covered the amounts subject to a restriction on distribution of EUR 1,035,000 (previous year: EUR 1,365,000) in accordance with Section 253 (6) HGB (difference relating to the recognition of pension obligations) as well as the amounts subject to a restriction on distribution of EUR 1,043,000 (previous year: EUR 994,000) in accordance with Section 268 (8) sentence 2 and 3 HGB (deferred tax assets and difference between cost and fair market value of the above premium deposit).

**Other provisions**
Other provisions included EUR 3,040,000 (previous year: EUR 241,000) for the variable remuneration of the Board of Management. Of this amount, EUR 1,764,000 (previous year: EUR 0) had a maturity of more than one year.

In the reporting year, other provisions of EUR 215,000 (previous year: EUR 303,000) were recognized for costs in connection with the Annual General Meeting, the publication of the annual financial statements and the consolidated financial statements as well as the audit of the annual financial statements.

EUR 180,000 was set aside for fixed Supervisory Board remuneration (previous year: EUR 180,000).

**Liabilities**
As in the previous year, all liabilities are due after more than one year.

EUR 224,000 of the other liabilities (previous year: EUR 446,000) related to taxes.

**Deferred taxes**
Deferred taxes were measured at the BLG AG tax rate of 15.825 percent.

The deferred tax assets were mainly based on differences from pension provisions.

The option of recognizing excess deferred tax assets was applied.

**Contingent liabilities**
The company is the personally liable general partner of BLG KG. A capital contribution does not have to be paid in. Due to the company's equity base and the positive results expected for BLG KG in subsequent years, there was no identifiable risk of utilization.

**Shareholdings**
The underlying exchange rates for the shareholdings listed below attributable to BLG AG through its subsidiary BLG KG pursuant to Section 285 sentence 1 no. 11 HGB are as follows:

| EUR | Reporting date 12/31/2021 | 2021 average |
|---|---|---|
| 1 US dollar | 0.8829 | 0.8455 |
| 1 Brazilian real | 0.1585 | 0.1568 |
| 1 British pound | 1.1901 | 1.1633 |
| 1 Chinese yuan renminbi | 0.1390 | 0.1311 |
| 1 Indian rupee | 0.0119 | 0.0114 |
| 1 Malaysian ringgit | 0.2119 | 0.2040 |
| 1 Polish zloty | 0.2175 | 0.2190 |
| 1 Russian ruble | 0.0117 | 0.0115 |
| 1 South African rand | 0.0554 | 0.0572 |
| 1 Ukrainian hryvnia | 0.0323 | 0.0310 |

## List of shareholdings pursuant to Section 285 sentence 1 no. 11 HGB

| Name, registered office | Ownership interest in percent | Indirect (I) / Direct (D) interest | Currency | Equity in thousands | Net income for the year in thousands |
|---|---|---|---|---|---|
| BLG LOGISTICS GROUP AG & Co. KG, Bremen | 0.00 | D | EUR | 315,380 | -17,771 |
| **Companies included on the basis of full consolidation (in accordance with consolidated financial statements)** | | | | | |
| BLG AUTO LOGISTICS OF SOUTH AFRICA (Pty) Ltd., Port Elizabeth, South Africa | 84.07 | I | ZAR | 16,434 | 32 |
| BLG Automobile Logistics GmbH & Co. KG, Bremen | 100.00 | I | EUR | 87,404 | 3,828 |
| BLG Automobile Logistics Süd-/Osteuropa GmbH, Bremen | 100.00 | I | EUR | 4,967 | -8 |
| BLG AutoRail GmbH, Bremen | 50.00 | I | EUR | 13,956 | 4,456 |
| BLG AutoTec GmbH & Co. KG, Bremerhaven | 100.00 | I | EUR | 388 | -362 |
| BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven | 100.00 | I | EUR | 12,083 | -11,540 |
| BLG AutoTerminal Cuxhaven GmbH & Co. KG, Cuxhaven | 100.00 | I | EUR | 274 | -455 |
| BLG AutoTerminal Deutschland GmbH & Co. KG, Bremen | 100.00 | I | EUR | 9,207 | 2,024 |
| BLG AutoTerminal Gdansk Sp. z o. o., Gdansk, Poland | 100.00 | I | PLN | 13,126 | 832 |
| BLG AutoTransport GmbH & Co. KG, Bremen | 100.00 | I | EUR | 8,632 | 1,716 |
| BLG Cargo Logistics GmbH, Bremen[1] | 100.00 | I | EUR | 19,683 | 0 |
| BLG Handelslogistik GmbH & Co. KG, Bremen | 100.00 | I | EUR | 1,630 | 7,049 |
| BLG Industrielogistik GmbH & Co. KG, Bremen | 100.00 | I | EUR | 13,283 | 3,385 |
| BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia | 100.00 | I | RUB | 428,369 | 21,254 |
| BLG Logistics of South Africa (Pty) Ltd, Port Elizabeth, South Africa[2] | 84.07 | I | ZAR | 12,957 | 5,901 |
| BLG Logistics Solutions GmbH & Co. KG, Bremen | 100.00 | I | EUR | 1,850 | 461 |
| BLG Logistics, Inc., Atlanta, USA | 100.00 | I | USD | -4,962 | 150 |
| BLG RailTec GmbH, Uebigau-Wahrenbrück[1] | 50.00 | I | EUR | 4,550 | 0 |
| BLG Sports & Fashion Logistics GmbH, Hörsel | 100.00 | I | EUR | -4,956 | -667 |

| Name, registered office | Ownership interest in percent | Indirect (I) / Direct (D) interest | Currency | Equity in thousands | Net income for the year in thousands |
|---|---|---|---|---|---|
| **Companies included on the basis of the equity method (in accordance with consolidated financial statements)** | | | | | |
| ATN Autoterminal Neuss GmbH & Co. KG, Neuss | 50.00 | I | EUR | 3,715 | -1,013 |
| AutoLogistics International GmbH, Bremen | 50.00 | I | EUR | -3,640 | 97 |
| Autoterminal Slask Logistic Sp. z o.o., Dabrowa Gornicza, Poland | 50.00 | I | PLN | -660 | -2,517 |
| BLG CarShipping Koper d.o.o., Koper, Slovenia | 100.00 | I | EUR | 203 | 2 |
| BLG Interrijn Auto Transport RoRo B.V., Rotterdam, Netherlands | 50.00 | I | EUR | 41 | -5 |
| BLG Logistics (Beijing) Co., Ltd., Beijing, People’s Republic of China | 100.00 | I | CNY | 1,622 | -90 |
| BLG Parekh Logistics Pvt. Ltd., Bombay, India | 50.00 | I | INR | 49,353 | 17,404 |
| BLG SWIFT LOGISTICS Sdn. Bhd., Kuala Lumpur, Malaysia[3] | 60.00 | I | MYR | 3,701 | -1,998 |
| BLG ViDi LOGISTICS TOW, Kiev, Ukraine | 50.00 | I | UAH | 127,593 | 3,089 |
| BLG-Cinko Auto Logistics (Tianjin) Co., Ltd., Tianjin, People’s Republic of China | 50.00 | I | CNY | 12 | 44 |
| dbh Logistics IT AG, Bremen[4] | 27.32 | I | EUR | 7,411 | 1,840 |
| DCP Dettmer Container Packing GmbH & Co. KG, Bremen[4] | 50.00 | I | EUR | -1,902 | -1,713 |
| EUROGATE GmbH & Co. KGaA, KG, Bremen | 50.00 | I | EUR | 267,484 | 110,498 |
| Hansa Marine Logistics GmbH, Bremen[4] | 100.00 | I | EUR | 159 | 61 |
| Hizotime (Pty) Ltd, East London, South Africa | 41.19 | I | ZAR | 10,216 | 1,182 |
| ICC Independent Cargo Control GmbH, Bremen[4] | 50.00 | I | EUR | 148 | 35 |
| Kloosterboer BLG Coldstore GmbH, Bremerhaven | 49.00 | I | EUR | 123 | 32 |
| Schultze Stevedoring GmbH & Co. KG, Bremen[4] | 50.00 | I | EUR | 100 | 803 |
| SWIFT MEGA CARRIERS Sdn. Bhd., Kuala Lumpur, Malaysia | 60.00 | I | MYR | -904 | -881 |
| ZLB Zentrallager Bremen GmbH & Co. KG, Bremen[4] | 33.33 | I | EUR | 465 | 1,036 |

| Name, registered office | Ownership interest in percent | Indirect (I) / Direct (D) interest | Currency | Equity in thousands | Net income for the year in thousands |
|---|---|---|---|---|---|
| **Companies not included (in accordance with consolidated financial statements)** | | | | | |
| ATN Autoterminal Neuss Verwaltungs-GmbH, Neuss | 50.00 | I | EUR | 29 | 0 |
| BLG Automobile Logistics Beteiligungs-GmbH, Bremen | 100.00 | I | EUR | 105 | 0 |
| BLG Automobile Logistics Italia S.r.l. i. L., Gioia Tauro, Italy | 98.97 | I | EUR | -481 | -22 |
| BLG AutoTec Beteiligungs-GmbH, Bremerhaven | 100.00 | I | EUR | 27 | 1 |
| BLG AutoTerminal Cuxhaven Beteiligungs-GmbH, Cuxhaven | 100.00 | I | EUR | 12 | 1 |
| BLG AutoTerminal Deutschland Beteiligungs-GmbH, Bremen | 100.00 | I | EUR | 50 | 0 |
| BLG AutoTransport Beteiligungs-GmbH, Bremen | 100.00 | I | EUR | 25 | 0 |
| BLG Freight, LLC, Hoover, USA | 100.00 | I | USD | 27 | 2 |
| BLG Handelslogistik Beteiligungs GmbH, Bremen | 100.00 | I | EUR | 32 | 1 |
| BLG Industrielogistik Beteiligungs-GmbH, Bremen | 100.00 | I | EUR | 33 | 1 |
| BLG Logistics of Alabama, LLC, Vance, USA | 100.00 | I | USD | --- | --- |
| BLG Logistics Solutions Beteiligungs-GmbH, Bremen | 100.00 | I | EUR | 27 | 1 |
| DCP Dettmer Container Packing GmbH, Bremen[4] | 50.00 | I | EUR | 104 | 7 |
| EUROGATE Beteiligungs-GmbH, Bremen | 50.00 | I | EUR | 39 | 1 |
| EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen | 50.00 | I | EUR | 73 | 1 |
| Schultze Stevedoring Beteiligungs-GmbH, Bremen[4] | 50.00 | I | EUR | 31 | 1 |
| ZLB Zentrallager Bremen GmbH, Bremen[4] | 33.33 | I | EUR | 48 | 2 |

[1] Profit and loss transfer due to control and profit and loss transfer arrangements

[2] The share of voting rights amounts to 75.04%; non-voting preference shares are additionally held.

[3] The share of voting rights amounts to 40.00%; non-voting preference shares are additionally held.

[4] Previous year's figures

## Income statement disclosures

**Remuneration from BLG KG**

This item included the liability remuneration governed by the partnership agreement (EUR 1,026,000; previous year: EUR 1,047,000) and the remuneration (EUR 256,000, previous year: EUR 256,000) for the activities as general partner of BLG KG.

**Other operating income**

Other operating income breaks down as follows:

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Income from the recharging of Board of Management remuneration | 5,804 | 2,772 |
| Income from the reimbursement of pension obligations | 687 | 4,270 |
| Income from the recharging of Supervisory Board remuneration | 243 | 233 |
| Income from the recharging of expenses | 56 | 52 |
| Income from the reversal of provisions | 53 | 483 |
| Other | 76 | 78 |
| **Total** | **6,919** | **7,888** |

As in the previous year, income from the reversal of provisions related to prior periods.

**Personnel expenses**

Personnel expenses related to the remuneration for the Board of Management. This item included EUR 0,000 (previous year: EUR 174,000) of prior-period expenses for retroactive payments of variable remuneration. These were reimbursed by BLG KG in the previous year and were included in other operating income in the previous year.

EUR 689,000 in social security, post-employment and other employee benefit costs related to pension costs (previous year: EUR 4,274,000).

**Other operating expenses**

Other operating expenses break down as follows:

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Administrative expenses | 643 | 660 |
| Remuneration for the Supervisory Board | 243 | 233 |
| Legal, advisory and audit fees | 154 | 209 |
| Other personnel expenses | 91 | 96 |
| Expenses for reimbursement of variable remuneration | 0 | 367 |
| Other | 2 | 1 |
| **Total** | **1,133** | **1,566** |

Expenses for reimbursement of variable remuneration in the previous year related to prior periods.

**Other interest and similar income**

As in the previous year, this item related in full to interest income from affiliated companies.

**Interest and similar expenses**

As in the previous year, this item related in full to interest cost.

## Other disclosures

**Off-balance-sheet transactions**

There were no transactions that were not contained in the balance sheet as of December 31, 2021.

**Other financial liabilities**

There were no other financial liabilities as of December 31, 2021.

**Auditor’s remuneration**

The total remuneration for the auditor’s services in the 2021 financial year amounted to EUR 87,000. Of this amount, EUR 79,000 related to the audit (of which EUR 25,000 to prior periods) and EUR 8,000 to other assurance services (audit of the remuneration report pursuant to Section 162 AktG).

## Related party disclosures

**Transactions with shareholders**

### Relationships with the Free Hanseatic City of Bremen (municipality)

As of December 31, 2021, the Free Hanseatic City of Bremen (municipality) was the majority shareholder of BLG AG with a 50.4 percent share of the subscribed capital. The Free Hanseatic City of Bremen (municipality) received a dividend as a result of the resolution on the appropriation of net retained profits for 2020.

### Transactions with affiliated companies, joint ventures and associates

There were no transactions with affiliated companies, joint ventures and associates in the reporting year conducted other than on an arm's length basis.

**Board of Management and Supervisory Board**

**Composition of the Supervisory Board**

In accordance with the Articles of Incorporation, the Supervisory Board of BLG AG comprises 16 members, namely eight Supervisory Board members elected in accordance with the provisions of the German Stock Corporation Act (AktG) and eight Supervisory Board members representing the employees, who are elected in accordance with the provisions of the German Codetermination Act (MitbestG).

The composition of the Supervisory Board and the memberships of the Supervisory Board members in other bodies in accordance with Section 125 (1) sentence 5 AktG are presented in ▸ Annex 1 to the notes.

The composition of the Supervisory Board changed as follows compared with December 31, 2020:

Karl-Heinz Dammann resigned as a member of the Supervisory Board with effect from June 30, 2021. He was replaced by Jörn Schepull. Jörn Schepull was elected as a substitute member for Karl-Heinz Dammann in 2018.

Klaus Pollok resigned as a member of the Supervisory Board with effect from December 31, 2021. He was replaced by Fabian Goiny. Fabian Goiny was elected as a substitute member for Klaus Pollok in 2018.

Vera Visser resigned as a member of the Supervisory Board with effect from February 28, 2022. Martin Peter was appointed to succeed her as a member of the Supervisory Board by court order of the District Court of Bremen on March 11, 2022.

**Composition of the Board of Management**

The composition of the Board of Management and the memberships of the Board of Management members in other bodies in accordance with Section 125 (1) sentence 5 AktG are presented in ▸Annex 2 to the notes.

The following changes were made to the composition of the Board of Management compared with December 31, 2020:

Jens Wollesen (originally appointed until June 30, 2024), member of the Board of Management for the CONTRACT Division, left the company at his own request with effect from September 30, 2021 to pursue other professional activities. He was succeeded from October 1, 2021 by Matthias Magnor, who was appointed at the Supervisory Board meeting on June 14, 2021 for a period of three years.

At its meeting on February 24, 2022, the Supervisory Board decided to extend the contract with Frank Dreeke for two years, until he reaches the standard retirement age for Board of Management members. He is now appointed until December 31, 2024.

**Transactions with the Board of Management and the Supervisory Board**

Transactions with the Board of Management and Supervisory Board were limited to services rendered in connection with the Board positions and employment contracts and the remuneration paid for these services.

The members of the Supervisory Board received remuneration of EUR 286,000 in the 2021 financial year (previous year: EUR 270,000), of which EUR 165,000 (previous year: EUR 165,000) was attributable to fixed components. The meeting allowances came to EUR 63,000 (previous year: EUR 52,000), the remuneration for services on committees to EUR 14,000 (previous year: EUR 14,000) and the remuneration for in-Group Supervisory Board seats to EUR 44,000 (previous year: EUR 39,000).

The members of the Supervisory Board representing the employees received EUR 34,000 (previous year: EUR 31,000) in contributions to statutory retirement plans in the reporting year.

As of December 31, 2021, as in the previous year, members of the Supervisory Board had not been granted any loans or advance payments. As in the previous year, no contingent liabilities were contracted for the benefit of the members of the Supervisory Board. Travel expenses were reimbursed to the customary extent.

For the 2021 financial year, the Board of Management received total remuneration of EUR 3,892,000 (previous year: EUR 2,575,000). This included basic remuneration, fringe benefits and variable remuneration components payable in the short term (including compensation agreed under severance agreements). In addition, provisions of EUR 1,743,000 (previous year: EUR 0,000) were recognized as of December 31, 2021 for long-term variable remuneration components for the 2021 financial year. Of this amount, EUR 698,000 related to the transitional arrangement for Board of Management members appointed before 2020. With the fulfillment of their duties in the reporting year the respective entitlement is fully vested, whereby the actual payment is measured against the target achievement determined by the Supervisory Board on the basis of the applicable remuneration system and is made in 2023 (transitional arrangement) or 2025 (long-term component). The determination is based on financial (70 percent weighting) and environmental and social (30 percent weighting) performance criteria.

The members of the Board of Management were granted pension entitlements, some of which are against companies of the BLG Group. Otherwise, the entitlements are against related parties. Pension obligations toward former Board of Management members are likewise obligations against related parties.

As of December 31, 2021, the present value of pension obligations for active members of the Board of Management amounted to EUR 5,752,000 (previous year: EUR 5,811,000).

The pension commitments provide for a retirement and disability pension of 10 percent of the basic salary. They also provide for a survivor’s pension of 60 percent of the agreed retirement pension. In amendments dated January 2020, it was agreed with each individual member of the Board of Management that in the event of their leaving the company prematurely without a benefit event occurring, there would no longer be a pro rata reduction in the defined benefits if the vesting conditions were met.

Further information and remarks concerning the individual remuneration of the Board of Management and Supervisory Board members is publicly accessible on our website ➚ *www.blg-logistics.com/en/investor-relations* in the Download area.

In the 2021 financial year, the former (as of December 31, 2021) members of the Board of Management received total remuneration (in particular pension benefits) of EUR 175,000. The present value of pension obligations pursuant to IAS 19 for former members of the Board of Management totaled EUR 5,108,000 as of December 31, 2021.

As was the case in the previous year, members of the Board of Management had not been granted any loans or advance payments as of December 31, 2021. As in the previous year, no contingent liabilities were contracted for the benefit of the members of the Board of Management.

The Supervisory Board and Board of Management remuneration systems are available on our website ➚ www.blg-logistics.com/en/investor-relations under Corporate governance.

**Director’s dealings**

According to Article 19 of the EU Market Abuse Regulation, members of the Board of Management, the first tier of management and the Supervisory Board are required as a matter of principle to disclose their own transactions with shares of BLG AG or related financial instruments.

The shareholdings of these persons amount to less than 1 percent of the shares issued by the company. There were no purchases and sales requiring disclosure during the reporting year.

**Voting rights notifications**

The following voting rights notifications from direct or indirect investments in the capital of BLG AG were reported to the Board of Management of BLG AG:

On February 7, 2019, the Free Hanseatic City of Bremen (municipality) notified us pursuant to Section 33 (1) of the

German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) that its share of voting rights in BLG AG amounted to 50.42 percent (corresponding to 1,936,000 voting rights) as of January 31, 2019.

On February 7, 2019, Peter Hoffmeyer notified us pursuant to Section 33 (1) WpHG that the voting rights share of Panta Re AG, Bremen, in BLG AG exceeded the threshold of 10 percent on January 31, 2019, and at that time amounted to 12.61 percent (corresponding to 484,032 voting rights). All voting rights are attributable to Peter Hoffmeyer pursuant to Section 34 (1) sentence 1 no. 1 WpHG.

On November 18, 2016, the Waldemar Koch Foundation, Bremen, notified us pursuant to Section 21 (1) WpHG (old version) that its share of voting rights in BLG AG exceeded the threshold of 5 percent on November 15, 2016, and at that time amounted to 5.23 percent (corresponding to 200,814 voting rights.)

On April 8, 2002, Finanzholding der Sparkasse in Bremen, Bremen, notified us pursuant to Section 41 (2) sentence 1 WpHG (old version) that as of April 1, 2002 its share of voting rights in BLG AG amounted to 12.61 percent (corresponding to 484,032 voting rights).

Further details are published on our website at ➚ www.blg-logistics.com/en/investor-relations/share.

**Proposal on the appropriation of net profit**

The Board of Management and Supervisory Board will submit the following dividend distribution proposal to the Annual General Meeting on June 1, 2022: distribution of a dividend of EUR 0.30 per no-par value registered share (which corresponds to around 11.5 percent per no par value registered share) for the financial year 2021, corresponding to the net retained profits of EUR 1,152,000.

**Consolidated financial statements**

The company, together with BLG KG as the joint parent enterprise, prepared consolidated financial statements as of December 31, 2021 in accordance with IFRSs, as adopted by the European Union, as well as the additionally applicable provisions of German commercial law as set forth in Section 315e (3) HGB in conjunction with Section 315e (1) HGB. Furthermore, it prepared financial statements for the purpose of fulfilling the actual duty to prepare consolidated financial statements (financial statements in accordance with Section 315e HGB). Both sets of financial statements are published in the Federal Gazette and are available at the headquarters of the company in Bremen.

**German Corporate Governance Code**

The 21st declaration of compliance with the Code as amended on December 16, 2019 was issued by the Board of Management on August 31, 2021 and by the Supervisory Board of BLG AG on September 16, 2021. The declaration has been made permanently available on our website: ➚ www.blg-logistics.com/en/investor-relations in the Download area.

**Report on post-balance sheet date events**

The war between Russia and Ukraine, which was started in February 2022, will further impact the world economy, global trade flows and supply chains. Energy prices will also continue to rise. At this stage, the precise implications of the crisis cannot be reliably evaluated. Against this background, the remuneration that BLG AG receives from BLG KG for the Board of Management (remuneration for services) is expected to remain at the minimum amount in 2022. This would not result in any significant change in the financial performance compared with the 2021 financial year.

Bremen, March 29, 2022

BREMER LAGERHAUS-GESELLSCHAFT -
Aktiengesellschaft von 1877-

THE BOARD OF MANAGEMENT

| | |
|---|---|
| Frank Dreeke | Michael Blach |
| Andrea Eck | Christine Hein |
| Matthias Magnor | Ulrike Riedel |

# Management Report

## Fundamental information about the company

BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen (BLG AG), a listed company, is the sole personally liable general partner of BLG LOGISTICS GROUP AG & Co. KG, Bremen (BLG KG). In this function, the company has assumed the management of BLG KG. BLG AG maintains a branch office in Bremerhaven.

BLG AG does not hold any share capital in BLG KG and is also not entitled to participate in the company's profits. All limited partnership shares of BLG KG are held by the Free Hanseatic City of Bremen (municipality). BLG AG receives remuneration for the liability it has assumed and for its company management activities. The business of BLG KG is managed by the Board of Management of BLG AG as a body of the general partner. The Board of Management is fully accountable for managing the business in accordance with Section 76 (1) of the German Stock Corporation Act (AktG) and is not subject to instructions from the shareholders.

For the liability it has assumed, BLG AG receives remuneration from BLG KG in the amount of 5 percent of the equity reported in the annual financial statements for the respective previous year in accordance with Sections 266 ff. of the German Commercial Code (HGB). This liability remuneration must be paid regardless of BLG KG's net income for the year. For its management activities, BLG AG receives remuneration in the amount of 5 percent of the net income of BLG KG prior to deduction of this remuneration. The remuneration amounts to a minimum of EUR 256,000 and a maximum of EUR 2,500,000. In addition, expenses directly incurred by BLG AG in connection with management activities at BLG KG are reimbursed by the latter. Further information on transactions with affiliated companies and related parties can be found in the notes to the financial statements.

**Non-financial report**

BLG LOGISTICS has prepared a non-financial Group statement in accordance with Section 315b HGB since the 2017 financial year. This statement is integrated into the sustainability report as a separate non-financial report, which can be downloaded from ➚ reporting.blg-logistics.com.

## Report on economic position

**Report on financial position, financial performance and cash flows**

In accordance with its corporate function, BLG AG lent all cash funds available to it to BLG KG for proportionate financing of the working capital necessary for the provision of its services. This essentially takes place via the central cash management of BLG KG, in which BLG AG is included. The interest on the funds provided is based on unchanged conditions. As a result of higher balances in cash management, interest income from this increased by EUR 59,000 compared with the previous year.

In the reporting year, BLG AG received liability remuneration (EUR 1,026,000; previous year: EUR 1,047,000) and remuneration for management activities (EUR 256,000; previous year: EUR 256,000) from BLG KG. Remuneration accruing to the members of the Board of Management and Supervisory Board are reimbursed in full by BLG KG.

**Earnings per share of EUR 0.30**
The earnings per share are calculated by dividing the net income for the year by the average number of shares outstanding during the financial year. Unchanged from the previous year, there were 3,840,000 registered shares outstanding during the 2021 financial year.

In the outlook as of December 31, 2020 and in the interim report as of June 30, 2021, earnings (EBT) for the financial year 2021 were forecast to be at a similar level to or slightly lower than in the financial year 2020. Earnings before taxes in the 2021 financial year were ultimately up slightly year on year by EUR 45,000 and were thus higher than projected. This is explained primarily by the fact that – contrary to assumptions – it will once again not be possible to hold a physical Annual General Meeting in 2022 due to the coronavirus pandemic situation, and that for a virtual Annual General Meeting lower costs are incurred that had to be provisioned for.

Due to accumulated losses brought forward during the coronavirus crisis and low net investment income at BLG KG, the remuneration of the Board of Management of BLG KG was again at the minimum level of remuneration (EUR 256,000; previous year: EUR 256,000).

**New refinancing for pensions**
In the previous year, the pension commitments under individual contracts were adjusted. In order to enable insolvency-protected reinsurance cover or refinancing for the higher obligations resulting from the adjustment while continuing the previous reinsurance policies, a two-tier model with additional premium deposits to cover the outstanding premium payments for the reinsurance was introduced (see also disclosures in the Notes). For this reason, net pension obligations decreased significantly compared with the previous year, resulting in recognition of an excess of plan assets over post-employment benefit liability in the German GAAP financial statements.

**New remuneration system**
Following preparatory work in 2020, the Supervisory Board adopted a new remuneration system for the members of the Board of Management of BLG AG on April 15, 2021, which complies with the requirements of the Second Shareholders' Rights Directive (Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie – ARUG II). At the proposal of the Supervisory Board, the Annual General Meeting of BLG AG on June 2, 2021 approved the remuneration system for the members of the company's Board of Management set out below by a large majority.

The new remuneration system for the Board of Management was introduced retroactively as of January 1, 2021. The previous system was thus also terminated with retroactive effect from December 31, 2020 and the variable compensation components promised under it will accordingly no longer be paid out.

The changeover to the new Board of Management remuneration system in accordance with the requirements of ARUG II with short-term and long-term target components will lead to a significant increase in provisions, as the transfers for the long-term remuneration components will no longer be made in installments over time, but will take full effect upon conclusion of the target agreement. In the reporting year, EUR 2,799,000 more was recognized as provisions for variable remuneration of the Board of Management and termination agreements compared with the previous year. Furthermore, the relevant key performance indicators in the previous year meant that no variable bonus was paid for the 2020 financial year. Moreover, the Board of Management had voluntarily waived payment of a bonus for the 2020 financial year early on. Accordingly, wages and salaries within personnel expenses for the 2021 financial year and the offsetting reimbursement by BLG KG in other operating income also increased.

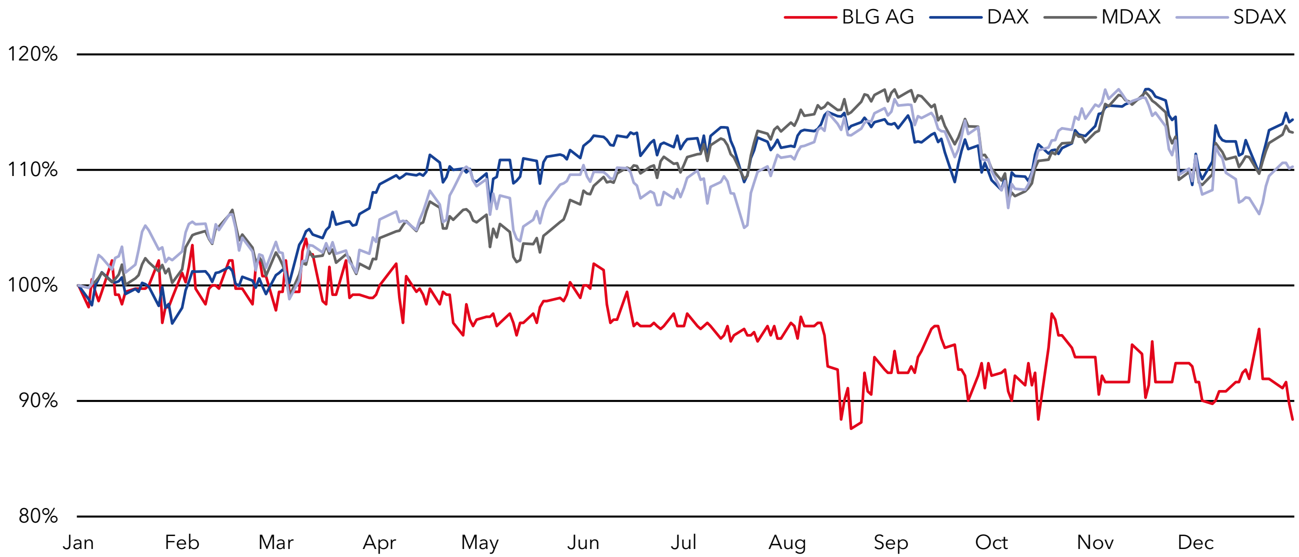
There were no other significant changes in the financial position, financial performance and cash flows compared with the previous year.

# The BLG share

**Turbulent year on the stock exchanges**
2021 was once again dominated by the coronavirus pandemic. The year on the stock markets was also correspondingly turbulent. At the beginning of the year, public life was once again shut down with corresponding contact restrictions. The growing inoculation rate raised hopes, both for public life and for the economy, of soon returning to pre-pandemic normality. In this mood of optimism, the DAX reached one record high after another. But time and again, there were also significant dampers. The shortage of raw materials in industry and supply bottlenecks also in the retail sector affected the economy, inflation led to expectations of a more restrictive monetary policy by central banks and the new Omicron wave caused disruptions on the markets. Despite inflation, the European Central Bank maintained its low interest rate policy and many private investors discovered the opportunities of investing on the stock market in 2021.

In this environment, the German economy grew in 2021 by around 2.8 percent following the decline in the previous year. The DAX grew by around 15.8 percent and closed the year with 15,884 points.

**Performance of BLG share relative to benchmarks**




**BLG share[1] falls 11.6 percent**
After opening the 2021 financial year at EUR 12.37, the BLG share initially moved sideways in line with the major German indices. The highest closing price of the year was EUR 12.87 on March 10, 2021. In the second half of the 2021 financial year, the share price level fell and remained consistently below the opening price. The lowest price of EUR 10.83 was measured on August 20, 2021.

Due to the share's low trading volume, even a small number of transactions can affect the price. The BLG share price fell by a total of 11.6 percent in the reporting year and was thus considerably below the general market level (DAX + around 16 percent, MDAX + around 14 percent, SDAX + around 11 percent). On the basis of the annual closing price of EUR 10.93 on December 30, 2021, market capitalization of the BLG share stood at EUR 42.0 million.

[1] All market prices of BLG AG in this management report indicated as average on the listed stock exchanges

**BLG share reference data**

| | |
|---|---|
| ISIN | DE0005261606 |
| WKN | 526160 |
| Ticker symbol | BLH |
| Share capital | EUR 9,984,000 |
| Authorized capital | 3,840,000 shares |
| Class | No-par value registered shares |
| Listed in | Berlin, Hamburg, Frankfurt |

| | | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|
| Earnings per share | EUR | 0.30 | 0.29 | 0.38 | 0.66 | 0.60 |
| Dividend per share | EUR | 0.30 | 0.11 | 0.40 | 0.45 | 0.40 |
| Dividend | Percent | 11.5 | 4.2 | 15.4 | 17.3 | 15.4 |
| Dividend yield | Percent | 2.7 | 0.9 | 3.1 | 3.8 | 2.8 |
| Share price at year-end | EUR | 10.93 | 12.33 | 12.97 | 11.87 | 14.49 |
| High | EUR | 12.87 | 14.47 | 14.10 | 15.10 | 19.27 |
| Low | EUR | 10.83 | 11.70 | 11.93 | 11.13 | 12.87 |
| Distribution amount | EUR thousand | 1,152 | 422 | 1,536 | 1,728 | 1,536 |
| Distribution ratio | Percent | 99.8 | 37.8 | 105.6 | 68.0 | 66.3 |
| Price/earnings ratio | | 36.4 | 42.4 | 34.3 | 17.9 | 24.0 |
| Market capitalization | EUR million | 42.0 | 47.3 | 49.8 | 45.6 | 55.6 |

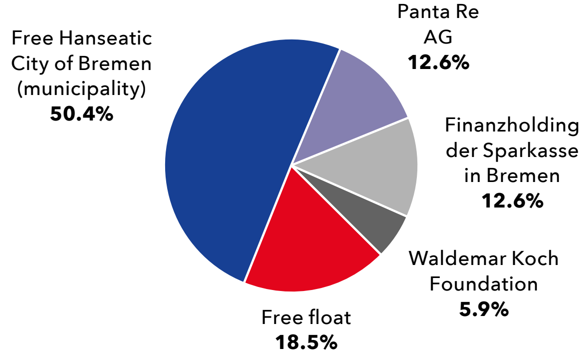
## Dividend of EUR 0.30

Primarily due to the lower remuneration year on year (minimum remuneration amounting to EUR 256,000) from BLG KG and holding the Annual General Meeting virtually for the second time, the annual financial statements of BLG AG showed slightly improved net retained profits in accordance with HGB of EUR 1,152,000 compared with the previous year (EUR 1,117,000). According to German law, net retained profits form the basis for the dividend distribution.

For the 2021 financial year, the Board of Management and the Supervisory Board will propose to the Annual General Meeting on June 1, 2022 that a dividend of EUR 0.30 per share (previous year: statutory minimum dividend of EUR 0.11 per share) be distributed on the dividend-eligible share capital of EUR 9,984,000.00, corresponding to 3,840,000 shares (registered shares). This represents a distribution payout of EUR 1,152,000 and a distribution rate of 99.8 percent. Based on the year-end share price of EUR 10.93, this results in a dividend yield of 2.7 percent for the 2021 financial year.

We will continue in the future to pursue the goal of an earnings-related and consistent dividend policy. Accordingly, we will allow our shareholders to participate appropriately in earnings in line with our business performance.

**Shareholder structure of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- as of December 31, 2021**




The share capital of BLG AG amounted to EUR 9,984,000.00 and was divided into 3,840,000 no-par value registered shares with voting rights (registered shares). Transfer of the shares requires the approval of the company in accordance with Section 5 of the Articles of Incorporation.

As of December 31, 2021, the Free Hanseatic City of Bremen (municipality) was the main shareholder of BLG AG with a share of 50.4 percent. Other large institutional investors are Finanzholding der Sparkasse in Bremen and Panta Re AG, Bremen, each with a share of 12.6 percent, and the Waldemar Koch Foundation, Bremen, with a share of 5.9 percent. 18.5 percent of shares are in free float, corresponding to around 710,000 shares. 1.1 percent of the free float is held by institutional investors; the remaining 17.4 percent is held by private investors.

## Corporate governance statement

In accordance with German statutory requirements, the auditor only audited the existence of disclosures on corporate governance within the meaning of Section 289 HGB. To avoid duplication, these are reported elsewhere in the financial report together with the corporate governance statement pursuant to Section 289f HGB; see ▸Chapter 04 “Further Information”.

**Takeover-related disclosures in accordance with Section 289a (1) HGB**
Takeover-related disclosures are also reported in the corporate governance statement; see ▸Chapter 04 “Further Information” of the financial report.

## Remuneration report and remuneration system

The applicable remuneration system of the Board of Management pursuant to Section 87a (1) and (2) sentence 1 of the German Stock Corporation Act (AktG), which was approved by the Annual General Meeting on June 2, 2021, and the system for the remuneration of the members of the Supervisory Board (Section 113 (3) AktG), which was also approved by the Annual General Meeting on June 2, 2021, are publicly available under ↗ *www.blg-logistics.com/ir* (under Corporate Governance). The remuneration report, including the auditor’s audit opinion pursuant to Section 162 AktG, is made publicly available in the download area at the same Internet address.

## Risk report

**Opportunity and risk management**
Corporate activity is accompanied by opportunities and risks. Responsible handling of potential risks is a key element of sound corporate governance for BLG AG. At the same time it is important to identify and take advantage of opportunities. Our opportunities and risks policy aims to increase the company’s value without taking any inappropriately high risks.

The Board of Management of BLG AG assumes responsibility for formulating risk policy principles and earnings-oriented management of overall risk. The Board of Management regularly informs the Supervisory Board of decisions holding potential risk in connection with the dutiful discharge of its responsibilities under company law.

Potential risks are identified at an early stage within the framework of continuous risk controlling and a risk management and reporting system geared to the corporate structure under company law. In this regard, we give special consideration to risks to the company’s continued existence as a going concern arising from strategic decisions. Currently no going concern risks can be identified in the context of an overall analysis. Our financial base in tandem with expanding the range of services in all strategic divisions of the Group continues to offer good opportunities for BLG AG’s stable corporate development.

**Description of the main features of the internal control and risk management system with regard to the accounting process in accordance with Section 289 (4) HGB**

**Definition and elements of the internal control and risk management system**
BLG AG’s principles of risk management are documented in a policy guideline. The regulations and necessary documentation as well as reporting cycles defined there are supported by standard software to ensure a uniform process standard.

The internal control system of BLG LOGISTICS with regard to the accounting process includes all principles, procedures and measures to ensure the correct and legally compliant recognition, measurement and presentation of business transactions in the financial statements. The aim is to avoid any material misstatements in financial accounting and external reporting.

Since the internal control system is an integral component of the risk management system, they are presented in summarized form.

The internal monitoring and management systems are components of the internal control system. The Board of Management of BLG AG has assigned responsibility for the internal management system in particular to the Financial Controlling, Finance and Accounting departments (Financial Services).

The internal monitoring system comprises controls that are both integrated into and independent of the financial reporting process. The controls integrated into the process particularly include the dual control principle and IT-supported controls, as well as the involvement of internal departments such as Legal or Tax departments and of external experts.

Controls that are independent of the process are carried out by the Internal Audit department, the Quality Management department and the Supervisory Board, in the latter case principally through its Audit Committee. The Audit Committee concerns itself in particular with the accounting for the company and the Group, including reporting. The activities of the Audit Committee also focus on the risk situation, monitoring the further development of risk management and on compliance issues. This also includes the effectiveness of the internal control system.

Process-independent audit activities are also performed by external auditing bodies such as the auditing company or the tax auditor. With regard to the financial reporting process, the audit of the annual and consolidated financial statements and the financial statements pursuant to Section 315e HGB by the auditing company forms the main component of the process-independent review.

**Accounting-related risks**

Accounting-related risks can arise, for example, through the conclusion of unusual or complex business dealings or the establishment of business combinations as well as the processing of non-routine transactions.

Potential risks also result from discretionary scope in the recognition and measurement of assets and liabilities, or from the effect of estimates on the annual financial statements, such as for provisions or contingent liabilities.

**Accounting process and measures to ensure its correctness**

Business transactions are generally accounted for in the single-entity financial statements of the subsidiaries of BLG AG using the standard software SAP R/3.

BLG AG has issued accounting guidelines for financial reporting in accordance with the International Financial Reporting Standards (IFRSs) to ensure consistent recognition and measurement. In addition to general principles, these guidelines cover in particular accounting principles and policies and regulations on the statement of profit or loss and other comprehensive income, consolidation principles and special topics. To ensure the implementation of consistent, standardized and efficient accounting and financial reporting, guidelines for uniform Group-wide accounting have also been drawn up. In addition, a code of practice for the notes and the management report has also been defined that aims to ensure consistent reconcilability of the various sets of financial statements.

Impairment tests for the Group’s cash-generating units are carried out centrally. This ensures that consistent and standardized measurement criteria are used. The same applies to the specification of the parameters to be used for the measurement of pension provisions and other provisions based on expert opinions.

When preparing the debt consolidation, internal balances are regularly reconciled in order to clarify and remedy any differences in good time.

Special software is used for tax accounting. Current and deferred taxes are calculated at the level of the individual subsidiaries and the recoverability of the deferred tax assets is tested. Current and deferred taxes to be recognized are thus calculated at the Group level in the statement of financial position and in the statement of profit or loss and other comprehensive income taking into account the effects of consolidation.

The audited financial statements in accordance with Section 315e HGB are converted into the ESEF-compliant format for submission to the German Federal Gazette (Bundesanzeiger) using dedicated software, and the necessary checks are carried out and documented in accordance with a published ESEF technical concept based on the dual control principle.

**Qualifying notes**

The internal control and risk management system ensures the correctness of the accounting process and compliance with the relevant legal requirements.

Discretionary decisions, controls containing errors or malicious acts may, however, limit the effectiveness of the internal control and risk management system, with the effect that the systems established cannot guarantee with absolute certainty that the risks will be identified and managed.

**Risks and opportunities of future development**
Risks for the company result from its position as general partner of BLG KG, Bremen. There is no identifiable risk of being subject to claims. A risk but also an opportunity arises from the development of earnings of BLG KG, including its equity investments, on which the amount of the company's remuneration for management activities depends. Market, macroeconomic, political and other risks (e.g. high competitive pressure, economic development, supply chain disruption, ongoing effects of the coronavirus crisis) can have a direct impact. In this regard, we also refer to the group management report prepared by BLG AG and BLG KG as part of their jointly prepared consolidated financial statements for the 2021 financial year. A credit risk results from the receivables from loans and cash management with respect to BLG KG. There is currently no identifiable credit risk.

Due to the coronavirus crisis, the remuneration for the Board of Management (remuneration for services) fell in the previous year to the minimum level of EUR 256,000, with a corresponding negative impact on the income of BLG AG. Due to accumulated losses brought forward and lower investment income from subsidiaries, the minimum level remained in place in the 2021 financial year. For 2022, earnings risks for BLG KG are again expected due to the war in Ukraine and its effects on the domestic and global economy, as well as due to the sharp rise in energy prices (see also ▸Outlook). Further isolated risks for BLG AG are currently not apparent, as its business activities essentially consist of the liability and management function for BLG KG. Based on what is known at present, climate change and the related legal restraints as well as the ongoing phase of low interest rates similarly have no isolated impact on the risk assessment for BLG AG.

## Outlook

**Report on forecasts and other statements regarding expected development**
Besides the Omicron wave of the coronavirus pandemic that was prevalent at the beginning of the year, the other central issue now is the war between Russia and Ukraine. This has given rise to a renewed high level of insecurity concerning planning for the 2022 financial year. It is still too early to accurately measure the impact this will have on the world economy, global trade flows and BLG LOGISTICS' customers, so that it is again not possible to make a reliable forecast for the current year.

Based on what we know to date, BLG AG forecasts that due to the war between Russia and Ukraine, a shortage of components for industry, delivery disruptions and turbulence in global supply chains as well as significantly higher energy prices will again pose challenges for BLG KG's business development and earnings in the 2022 financial year. Exports to and imports from the affected regions are also expected to decline or even stop completely. As with the management of the coronavirus crisis, BLG LOGISTICS has set up a crisis committee to continuously assess the situation from a social and financial perspective and initiate the necessary steps.

Against this backdrop, it is to be expected that there will be no material change in BLG AG’s financial performance because, besides the liability remuneration, the remuneration for the Board of Management is likely to remain at a similar level (minimum remuneration). In addition, it is still not certain whether it will be necessary to provision for higher expenses in the coming year for an in-person Annual General Meeting compared to a virtual Annual General Meeting. BLG AG’s earnings (EBT) for 2022 will therefore likely be at a similar level to 2021 or slightly lower. With respect to the dividend, we will continue in the future to allow our shareholders to participate appropriately in earnings in line with our business performance.

Apart from historical financial information, this annual report contains forward-looking statements on the future development of the business and the operating performance of BLG AG, which are based on estimates, forecasts and expectations, and can be identified by wording such as “assume,” “expect” and similar terms. These statements may, of course, vary from actual future events or developments. We are not under any obligation to update these forward-looking statements with new information.

**Final statement of the Board of Management in accordance with Section 312 (3) of the German Stock Corporation Act**

BLG AG received appropriate consideration for each legal transaction indicated in the report on relationships with affiliated companies. No other measures were taken or omitted. This assessment is based on the circumstances known to us at the time the reportable transactions were conducted.

Bremen, March 29, 2022

BREMER LAGERHAUS-GESELLSCHAFT
-Aktiengesellschaft von 1877-

THE BOARD OF MANAGEMENT

# Responsibility Statement of the Legal Representatives on the Annual Financial Statements and Management Report of 2021
# BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-

We hereby affirm that, to the best of our knowledge, and in accordance with the applicable financial reporting principles, the annual financial statements present a true and fair view of the assets, liabilities, financial position and financial performance of the company, and that the management report provides a true and fair view of the development, the result of operations and the overall position of the company and appropriately presents the material opportunities and risks associated with the expected development of the company.

Bremen, March 29, 2022

THE BOARD OF MANAGEMENT

Frank Dreeke
CEO & Chairman
of the Board of Management

Michael Blach
CONTAINER Division

Andrea Eck
AUTOMOBILE Division

Christine Hein
CFO

Matthias Magnor
CONTRACT Division

Ulrike Riedel
Labor Relations Director

# Independent Auditor's Report

To BREMER LAGERHAUS-GESELLSCHAFT
-Aktiengesellschaft von 1877-, Bremen

## Report on the audit of the annual financial statements and the management report

### Audit opinions

We have audited the annual financial statements of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen, which comprise the balance sheet as at December 31, 2021, and the statement of profit or loss for the financial year from January 1 to December 31, 2021, and the notes to the annual financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- for the financial year from January 1 to December 31, 2021. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to Section 289f HGB (Handelsgesetzbuch: German Commercial Code) and Section 315d HGB.

In our opinion, based on the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the company as of December 31, 2021, and of its financial performance for the financial year from January 1 to December 31, 2021, in compliance with the German Legally Required Accounting Principles and
- the accompanying management report as a whole provides an appropriate view of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal regulations and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

### Basis for the audit opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB, and in compliance with the EU Audit Regulation (No. 537/2014; hereinafter "EU-AR") and with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany – IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statements and the management report" section of our auditor's report. We are independent of the company in accordance with the requirements of European law, German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, we declare pursuant to Article 10 (2) lit. f) EU-AR that we have provided no prohibited non-audit services referred to in Article 5 (1) EU-AR. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions regarding the annual financial statements and the management report.

### Key audit matters in the audit of the annual financial statements

Key audit matters are such matters that, in our professional judgment, were the most significant in our audit of the annual financial statements for the financial year from January 1 to December 31, 2021. These matters were taken into account in connection with our audit of the annual financial statements as a whole and in forming our audit opinion; we do not provide a separate audit opinion on these matters.

In our view, the following matter was the most significant in our audit:

❶ Measurement of receivables from affiliated companies

We have structured our presentation of this key audit matter as follows:

① Matter and problem

② Audit approach and conclusions

③ Reference to further information

We present the key audit matter below:

**❶ Measurement of receivables from affiliated companies**

① In the company’s annual financial statements, receivables of EUR 24.0 million (94.0% of total assets) are reported under “Receivables from affiliated companies” in the balance sheet. These relate primarily to receivables from cash pooling agreements, short-term loans and trade receivables from BLG LOGISTICS GROUP AG & Co. KG, Bremen. Receivables are measured under commercial law at the lower of cost or market value. The lower of cost or market value of the receivables from the BLG LOGISTICS GROUP AG & Co. KG are generally based on the latter’s expected ability to pay. BLG LOGISTICS GROUP AG & Co. KG’S ability to pay depends primarily on expected future cash flows from its equity investments. On the basis of the expected future cash flows provided by the projections compiled by the legal representatives of BLG LOGISTICS GROUP AG & Co. KG and other documentation, there was no need for write-downs in the reporting year.

The result of this measurement is highly dependent on how the legal representatives estimate BLG LOGISTICS GROUP AG & Co. KG’S ability to pay on the basis of the expected business performance of its equity investments. The measurement therefore involves material uncertainties. In this context and on account of the size and the associated risk of a significant effect on the company’s financial position, financial performance and cash flows in the event of impairment, the measurement of the receivables from BLG LOGISTICS GROUP AG & Co. KG was particularly significant for our audit.

② To assess the recoverability of the receivables from affiliated companies, we examined the principles of company law and the contractual provisions. In addition, we assessed the ability to pay and the earnings situation of the equity investments of BLG LOGISTICS GROUP AG & Co. KG by way of case-by-case audit procedures. Among other things, we verified the impairment test carried out by the company and assessed it on the basis of corporate planning by the equity investments and other documents. Overall, we were satisfied that the estimates and assumptions made by the legal representatives for the measurement of the receivables from BLG LOGISTICS GROUP AG & Co. KG are sufficiently documented and substantiated.

③ The company’s disclosures on receivables from affiliated companies are included in the “Disclosures on recognition and measurement” and “Balance sheet disclosures” sections of the notes to the financial statements.

**Other information**

The legal representatives are responsible for the other information. The other information comprises the statement on corporate governance pursuant to Section 289f HGB and Section 315d HGB included in the management report, the content of which was not audited.

The other information also includes all other parts of the financial report – not including further cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor’s report.

Our audit opinions on the annual financial statements and the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

**Responsibilities of the legal representatives and the Supervisory Board for the annual financial statements and the management report**

The legal representatives are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with the German Legally Required Accounting Principles. In addition, the legal representatives are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the legal representatives are responsible for the preparation of the management report that as a whole provides an appropriate view of the company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the company's financial reporting process for the preparation of the annual financial statements and of the management report.

**Auditor's responsibilities for the audit of the annual financial statements and the management report**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB, and in compliance with the EU-AR and the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances,

but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the company.

- evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.

- conclude on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German Legally Required Accounting Principles.

- evaluate the consistency of the management report with the annual financial statements, its conformity with German Law, and the view of the company's position it provides.

- perform audit procedures on the prospective information presented by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We make a declaration to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and the safeguards that have been put in place to address them.

From among the matters we discussed with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report, unless law or regulation precludes public disclosure of the matter.

## Other statutory and other legal requirements

### Report on the audit of the electronic reproductions of the annual financial statements and of the management report prepared for the purpose of disclosure pursuant to Section 317(3a) HGB

**Audit opinion**

We performed a reasonable assurance audit pursuant to Section 317 (3a) HGB to determine whether the reproductions of the annual financial statements and the management report (hereinafter also referred to as "ESEF documents") contained in the attached file JA_blgagvon1877-2021-12-31-de.zip and prepared for disclosure purposes comply in all material respects with the requirements of Section 328 (1) HGB on the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit covers only the transfer of the information contained in the annual financial statements and in the management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the above-mentioned file.

In our opinion, the reproductions of the annual financial statements and of the management report contained in the aforementioned attached file and prepared for the purpose of disclosure comply in all material respects with the requirements of Section 328 (1) HGB regarding the electronic reporting format. Other than this opinion and our opinions on the accompanying financial statements and on the accompanying management report for the financial year from January 1 to December 31, 2021 included in the "Report on the audit of the annual financial statements and the management report" above, we do not express any opinion on the information contained in these reproductions or on any other information contained in the aforementioned file.

**Basis for the audit opinion**
We conducted our audit of the reproductions of the annual financial statements and the management report contained in the above-mentioned attached file in accordance with Section 317 (3a) HGB and in compliance with the IDW Auditing Standard: "Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purposes of Disclosure pursuant to Section 317 (3)a HGB" ("Prüfung der für Zwecke der Offenlegung erstellten elektronischen Wiedergaben von Abschlüssen und Lageberichten nach § 317 Abs. 3a HGB (IDW PS 410 (10.2021)") and with the International Standard on Assurance Engagements 3000 (Revised). Our responsibility under this standard is further described in the section "Auditor's responsibility for the audit of the ESEF documents". Our auditing firm has applied the quality assurance system requirements of the IDW Quality Assurance Standard: "Requirements for Quality Assurance in Auditing Practice" ("Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)").

**Responsibilities of the legal representatives and the Supervisory Board for the ESEF documents**
The legal representatives are responsible for the preparation of the ESEF documents containing the electronic reproductions of the annual financial statements and of the management report in accordance with Section 328 (1) sentence 4 no. 1 HGB.

The legal representatives are also responsible for such internal control as they have determined necessary to enable the preparation of the ESEF documents that are free from material non-compliance, whether due to fraud or error, with the electronic reporting format requirements of Section 328 (1) HGB.

The Supervisory Board is responsible for monitoring the preparation of the ESEF documents as part of the financial reporting process.

**Auditor's responsibility for the audit of the ESEF documents**
Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also,

- identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

- obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls.

- assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, as amended as at the balance sheet date, regarding the technical specification for that file.

- assess whether the ESEF documents provides a consistent XHTML representation of the audited annual financial statements and the audited management report.

**Further information pursuant to Article 10 EU-AR**
We were elected as auditors of the annual financial statements by the Annual General Meeting on June 2, 2021. We were engaged by the Supervisory Board on November 29, 2021. We have been the auditors of the annual financial statements of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen, without interruption since the 2018 financial year.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 EU-AR (audit report).

## Other matter – Use of the auditor's report

Our auditor's report should always be read in conjunction with the audited financial statements and the audited management report as well as the audited ESEF documents. The annual financial statements and the management report converted into the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic reproductions of the audited annual financial statements and the audited management report and do not replace them. In particular, our report on the audit of the electronic reproductions of the annual financial statements and of the management report prepared for the purpose of disclosure pursuant to Section 317 (3a) HGB and our audit opinion contained therein may be used only in conjunction with the audited ESEF documentation provided in electronic form.

## German public auditor responsible for the engagement

The German public auditor responsible for the engagement is Stefan Geers.

Bremen, March 30, 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Dr. Thomas Ull | Stefan Geers |
| German Public Auditor | German Public Auditor |

# 02 GROUP MANAGEMENT REPORT



EUR **52.2** million

**EBT**

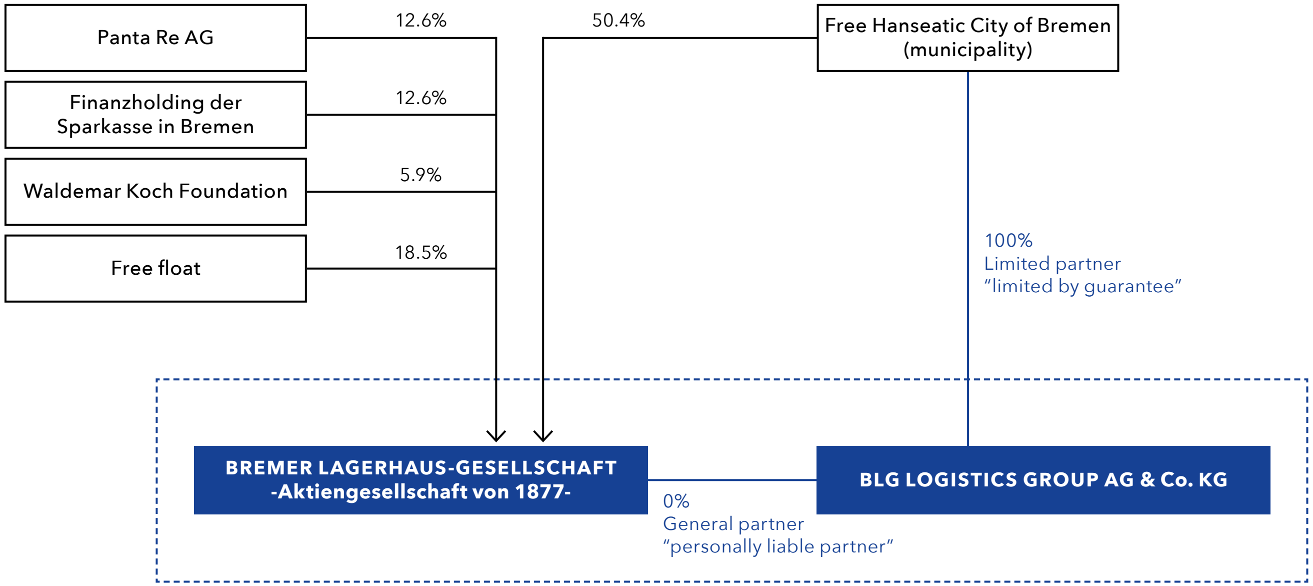
**Despite adverse market conditions, we were able to substantially improve our results and impressively achieve our forecast.**

# Group Management Report

## Fundamental Information about the Group

As the personally liable general partner of BLG LOGISTICS GROUP AG & Co. KG (BLG KG), the listed company BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- (BLG AG) has assumed the management of the BLG Group. These two companies, which are closely linked in legal, commercial and organizational respects, have prepared the consolidated financial statements as joint parents.

BLG AG does not hold any share capital in BLG KG and is also not entitled to participate in the company's profits. It receives remuneration for the liability it has assumed and for its business management activities. All limited partnership shares of BLG KG are held by the Free Hanseatic City of Bremen (municipality). The business of BLG KG is managed by the Board of Management of BLG AG as a body of the general partner. The Board of Management is fully accountable for managing the business in accordance with Section 76 (1) of the German Stock Corporation Act (AktG) and is not subject to instructions from the shareholders.



Legal structure of the Group as of December 31, 2021

### Business model and organizational structure

The BLG Group operates externally under the brand BLG LOGISTICS. BLG LOGISTICS is a seaport-oriented logistics service provider with an international network. We have a presence in all the world's growth markets, with over 100 companies and offices in Europe, the Americas, Africa and Asia. We offer our customers in industry and retailing complex logistics system services. Our AUTOMOBILE and CONTAINER Divisions are leaders in Europe. Our CONTRACT Division offers our services at more than 40 locations in Europe and overseas.

As a strategic management holding company, BLG KG focuses on strategic developments at Group level. As a result, the holding company's influence on the operating business is greater than that of a pure financial holding company, but it is also significantly less than in the case of an operational management holding company. The Board of Management members responsible for the three divisions AUTOMOBILE, CONTRACT and CONTAINER play a special role as an interface to the operating units. The Board of Management determines the Group strategy together with the vision and mission accompanied by strategic guidelines at Group level; together with the operating managers, the relevant Board of Management member determines the strategy at division level within the framework of the Group strategy and is responsible for strategic management of the division. Fulfillment of the respective strategies is supported by the central departments.

In accordance with its defined mission, BLG LOGISTICS aims to make logistics simpler for its customers, so that they can focus on being successful in the market.

BLG LOGISTICS operates in three divisions. Reporting also follows this structure.

The AUTOMOBILE and CONTRACT Divisions are subdivided into business areas. Responsibility for the operational management of the business areas, including earnings responsibility, lies with the relevant business area managers of the AUTOMOBILE and CONTRACT Divisions, and with the Group management of the EUROGATE GmbH & Co. KGaA, KG subgroup for the CONTAINER Division.

**AUTOMOBILE Division**

The AUTOMOBILE Division is a leading technical and logistics service provider for the international automotive industry. In the 2021 financial year, our worldwide AUTOMOBILE network handled, transported or technically processed 4.8 million vehicles.

In this division, BLG LOGISTICS offers multimodal transport concepts with global logistics reach and dovetails customized and innovative technical service packages. Distribution takes place by road, rail and inland waterway. In addition to the seaport terminals in Bremen, Bremerhaven, Cuxhaven, Hamburg (all Germany) and in Gdansk (Poland), the AUTOMOBILE Division also operates several inland terminals on the Rhine and the Danube. Our truck fleet bases extend across the whole of Europe.

BLG AutoRail is a specialist provider of vehicle transport services by rail, with its own fleet of 1,500 open double-deck railroad cars including 200 flat wagons. This means that the logistics supply chain from the vehicle manufacturers to the end customer is fully covered.

Our wheels never stop turning: BLG's AUTOMOBILE Division consistently supplements its logistics network with smart digital solutions and sustainable concepts for climate-friendly transport.

**CONTRACT Division**

The CONTRACT Division manages complex projects and offers our customers reliable logistics solutions. The focus of our know-how and experience lies in procurement, production and distribution logistics as well as in reverse and spare parts logistics. We offer storage, transport, packing and unpacking services, handle conventional orders, e-commerce issues and also a variety of value added services.

As a logistics architect, we plan, configure and operate customized logistics solutions, ranging from highly automated logistics centers to manual in-house handling. Project management is our core competence, and the topic of sustainability and agreed, reliable quality are our top priorities.

Our customers are strong brands from industry and retailing, medium-sized companies and the major German and international car manufacturers. We work at our logistics centers and our customers' production facilities and plants at over 40 locations in Europe and overseas. Be it automotive parts, railroad components, sportswear, printers, fashion, furniture, foodstuffs, sanitary fixtures and fittings or frozen products – our teams of experts devise customized service packages for a wide variety of goods.

**CONTAINER Division**

The CONTAINER Division is represented by the EUROGATE joint venture. The EUROGATE Group, in which BLG LOGISTICS holds a 50 percent stake, is Europe's leading shipping line-independent container terminal group. Together with the Italian terminal operator CONTSHIP Italia, the company operates a network of 11 container terminals from the North Sea to the Mediterranean. Secondary services are also available in the form of intermodal and container-related services.

**Changes in the group of consolidated companies**

In the CONTRACT Division, BLG Handelslogistik GmbH & Co. KG, Bremen, sold its shareholding in BLG Logistics Solutions Italia S.r.l., Milan, Italy, under contract of February 23, 2021, effective from the same date.

Under contract of February 11, 2021, BLG International Forwarding GmbH & Co. KG, Hamburg, sold its operating business within the scope of an asset deal with effect from April 1, 2021. As part of the subsequent restructuring, the company was absorbed into BLG KG and deconsolidated with effect from October 6, 2021.

In order to expand the depth of services, BLG Logistics, Inc., Atlanta, USA, founded BLG Freight, LLC, Hoover, USA, in the reporting year. The object of the company is the provision of distribution and transport services. Due to the small volume of business, the company was initially not included in the consolidated financial statements.

## Research and development

In order to make our customers' logistics processes fit for the future, we are committed to developing new solutions. At the same time, we focus on continuous process optimization across the entire service portfolio. The necessary innovations for this are developed, managed and ultimately translated into product solutions by the Sustainability and Digitalization department. This ensures that we remain competitive in the long term and positions us vis-à-vis our customers as drivers of the logistics of tomorrow. In evaluating the potential of new ideas, we follow the following approaches:

We test technologies, processes or potential solutions that are still without proof of suitability at selected locations or in individual departments within the scope of 100-day projects. In around three months, this produces a proof of concept which is used as basis for the person who placed the in-house order to decide whether the project is adopted directly in our operations, is further tested and optimized in a 6-month sprint, is continued on the basis of an operational project, or is not pursued further.

We implement existing and proven solutions directly in the company context via operational innovation projects.

Not least, in research and development projects we collaborate with partners from science and industry on brand new, particularly complex concepts. We were involved in seven such projects in 2021.

In the reporting year, we implemented eight 100-day projects and six 6-month sprints. In addition, conceptual projects were carried out for the CONTRACT and AUTOMOBILE Divisions. These include those from the areas of Robotic Process Automation (RPA), data science, sensor technology and the Internet of Things (IoT). At the Bremen site, for example, we put two autonomously driving forklifts into operation, which now assure the end-to-end provision of materials to and removal from a coating line.

The innovation team also organized numerous workshops on strategic innovation and digitalization topics in the past year. These were supplemented by a training offering under the heading "Digital FIT," which includes training on the topic of digitalization as well as on the basics of agile working methods. The package also includes the aspects "hybrid working" and "knowledge management". The aim of the training concept is to make access to new technologies and forms of work easier for employees.

The "SecProPort", "IRiS" and "SHARC" research projects were completed in the reporting year. As part of a consortium of eight cooperation partners, we worked in the former on the development of IT security architecture to defend port logistics against cyberattacks. In the "IRiS" project, we teamed up with one research partner and two industry partners in developing solutions to automate the unloading of boxes from containers. After enforced delays due to the coronavirus pandemic, the start-up and laboratory tests took place in 2021. The object of the "SHARC" project was a concept for intelligent integration of renewable energy sources into the port energy infrastructure. At the end of November 2021, "SHARC" received an award for its sustainable innovation approach in the Maritime Cluster Northern Germany MCN Cup.

Building on the results of the successful "Isabella" project, the "Isabella 2.0" project launched on July 1, 2020 was continued in 2021. The goal is to integrate processes for all means of transportation, i.e. the loading and unloading of trucks, railroad cars and ships, into the previously developed intelligent management approach and to make it even more efficient through the use of artificial intelligence (AI). Development of a virtual training environment for drivers also addresses the issue of changing work processes. The aim here is to create training programs that simulate transshipment processes in a virtual reality environment.

All four projects are or were funded by the German Federal Ministry of Digital Infrastructure and Transport (BMDV) as part of the IHATEC (Innovative Port Technologies) funding program.

The "KITE" and "INSERT" sponsorship projects launched in 2020 were also continued in the reporting year. In the former, we are working together with one research partner and two industry partners to develop an AI-based forecasting method for predicting transportation volumes. This will hopefully reduce the number of empty runs on the forwarder side by up to 15 percent and in doing so support the overriding goal to make transport logistics more sustainable by lowering $CO_2$ emissions. The project is also sponsored by the BMDV.

In the "INSERT" project, which is funded by the European Regional Development Fund (ERDF), we are also working together with three collaboration partners. This involves the development of an assistance system for drafting initial concepts for production and logistics planning, for which corresponding expert knowledge is transferred into an AI-based system. This adaptive system is designed to support planners and consequently enhance the quality of the developed concepts. At the same time, we are working to significantly shorten planning processes.

The "PortSkill 4.0 education hub of the German port operators" was newly launched at the end of 2021. The aim of this project, which is also funded as part of the IHATEC program, is to analyze, research and train the skills and qualifications port employees of the future will need. This will culminate in the conception and testing of new learning concepts and methods with a focus on digital learning. The idea is to develop learning scenarios that employees can test iteratively in a digital testing and training center (DTTC).

In the reporting year, we submitted three additional applications for new research projects, one of which has already been confirmed. Consequently, in 2022 we will be looking at intelligent work ergonomics using sensory exoskeletons and autonomous transport systems for advanced human-technology interaction.

In 2021, BLG LOGISTICS thus participated in a total of seven cooperation projects with a total volume of EUR 14.6 million.

## Relevant legal and economic factors

BLG LOGISTICS has to observe a wide range of national and international legislation. In addition to regulations under public law, capital market law, employment law including occupational health and safety legislation, transport and customs laws and competition law are particularly relevant to us. Collective pay agreements in Germany are one of the most important economic factors for BLG LOGISTICS, as a large proportion of the workforce is employed in Germany and personnel expenses for our own as well as external staff represent the main cost item. Because our business model is capital-intensive in all divisions, the cost of capital also plays a significant role.

## Group control

**Financial key performance indicators**

As part of BLG LOGISTICS' mission and vision and the sharpening of strategic guidelines, the management system was designed to be as clear and transparent as possible.

The key management indicators of BLG LOGISTICS on which internal reporting and remuneration systems below the level of the Board of Management are based in the 2021 financial year were:

| **Management indicators Actual/Target/Forecast** | | 2020 Actual | 2021 Forecast | **2021 Actual** | 2021 Target achievement | 2022 Forecast |
|---|---|---|---|---|---|---|
| EBT | EUR thousand | -116,127 | Significant improvement | 52,226 | Forecast achieved | Significant decline |
| Revenue | EUR thousand | 1,065,235 | Previous year's level | 1,050,438 | Forecast almost achieved | Previous year's level |
| EBT margin | Percent | -10.9 | Significant improvement | 5.0 | Forecast achieved | Significant decline |

- **EBT**
  Earnings before taxes (EBT – earnings before taxes) is the basis for determining profitability, independently of tax effects that cannot be influenced. This is also suitable for measuring profitability in an international comparison.

- **Revenue**
  Group revenue is derived from the consolidated statement of profit or loss and other comprehensive income and does not include the revenue of the CONTAINER Division.

- **EBT margin**
  Dividing EBT by revenue produces the EBT margin. This is an indicator of a company's efficiency and profitability.

The table compares the expected management indicators with those achieved in the financial year and shows the forecast for the following financial year. For commentary relating to the 2021 financial year, please refer to the ▸Report on economic position.

By resolution of the Annual General Meeting on June 2, 2021, a new remuneration system was introduced for the Board of Management with retroactive effect from January 1, 2021. Accordingly, the variable remuneration of the Board of Management is measured against the following indicators:

Short-term component:

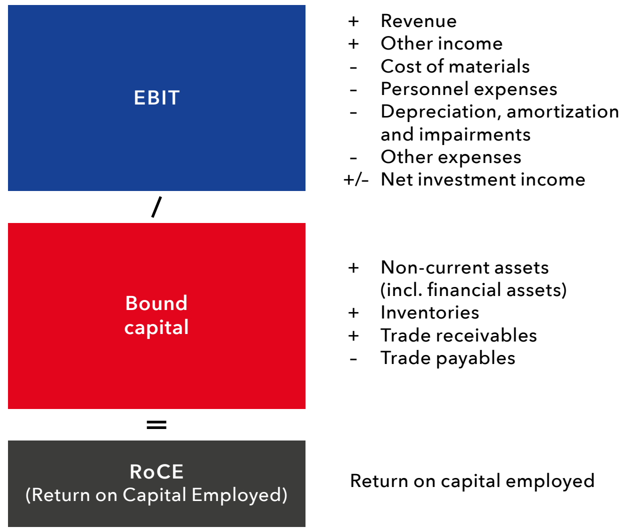
- **EBIT (earnings before interest and taxes)**

Long-term component:

- 70 percent **RoCE (return on capital employed)**
- 15 percent **$CO_2$ emissions**
- 7.5 percent proportion of **trainees** in total workforce
- 7.5 percent 1,000-employee rate based on **work-related accidents.**

It is planned to apply the above measurement variables for the Board of Management remuneration to other levels across the Group in the future.

EBIT and RoCE are calculated as shown in the following graphic. On account of the significant contribution of the CONTAINER Division to the earnings of the BLG Group, income from investments is also recognized in EBIT.

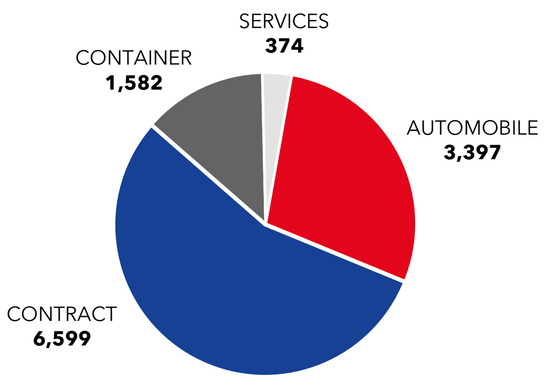



These indicators were explicitly included for the first time in the planning for the 2022 financial year. As RoCE and EBIT are key indicators for the remuneration system, they will be included as management indicators in the future and are also included and explained in the ▸Outlook.

**Non-financial key performance indicators**
In addition to the above-mentioned indicators for determining the variable compensation of the Board of Management, the other non-financial key performance indicators are individual management variables depending on the operating business unit. This includes measurement variables such as vehicle handling, processed quantities and container handling. In order to assess future developments, we rely on a continuous dialog with customers and closely monitor overall economic developments in order to be able to react to changes at an early stage.

## Non-financial key performance indicators

**Employees 2021**




| Employees by division | 2021 | 2020 | Percentage change |
|---|---|---|---|
| **AUTOMOBILE Division** | **3,397** | **3,331** | **2.0** |
| of which blue-collar workers | 2,920 | 2,852 | |
| of which white-collar workers | 477 | 479 | |
| **CONTRACT Division** | **6,599** | **6,287** | **5.0** |
| of which blue-collar workers | 5,292 | 4,902 | |
| of which white-collar workers | 1,307 | 1,385 | |
| **CONTAINER Division** | **1,582** | **1,618** | **-2.2** |
| of which blue-collar workers | 1,122 | 1,146 | |
| of which white-collar workers | 460 | 472 | |
| **Segment employees** | **11,578** | **11,236** | **3.0** |
| of which blue-collar workers | 9,334 | 8,900 | |
| of which white-collar workers | 2,244 | 2,336 | |
| **Services** | **374** | **373** | **0.3** |
| of which blue-collar workers | 0 | 0 | |
| of which white-collar workers | 374 | 373 | |
| **Employees incl. CONTAINER Division** | **11,952** | **11,609** | **3.0** |
| of which blue-collar workers | 9,334 | 8,900 | |
| of which white-collar workers | 2,618 | 2,709 | |
| **Less employees of the CONTAINER Division** | **-1,582** | **-1,618** | **-2.2** |
| of which blue-collar workers | -1,122 | -1,146 | |
| of which white-collar workers | -460 | -472 | |
| **Employees of BLG LOGISTICS** | **10,370** | **9,991** | **3.8** |
| of which blue-collar workers | 8,212 | 7,754 | |
| of which white-collar workers | 2,158 | 2,237 | |

The number of persons employed in the divisions, excluding the Board of Management as well as apprentices and trainees, is shown in the table, broken down by division, pursuant to Section 267 (5) HGB (annual average).

As an international seaport-oriented logistics service provider, BLG LOGISTICS requires committed, motivated and skilled employees in order to be successful in the market over the long term and to meet the continuous challenges of globalization and demographic change. Since the 2019 financial year, this has been underscored by a wide range of measures and campaigns under the motto "#SuccessDependsOnEverybody" spanning all levels from temporary employees to the Board of Management and all areas and locations of BLG LOGISTICS.

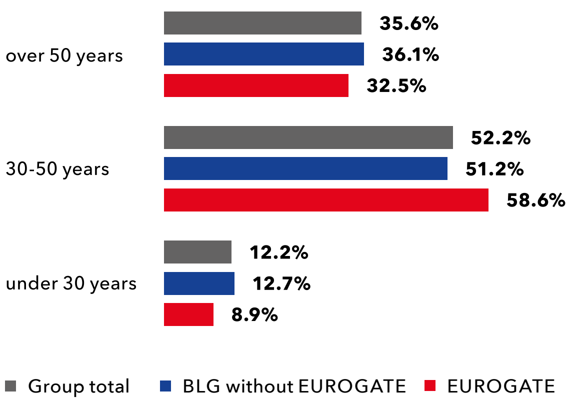
In order to attract, develop and retain its employees, BLG LOGISTICS aims to consistently maintain its image as an attractive company on the labor market. That is why our personnel policies include options for maintaining a work-life balance and specific health management mechanisms, as well as performance-related pay and targeted training opportunities.

The successful implementation of a clear and forward-looking strategy largely depends on BLG LOGISTICS' management. Our leadership principles and our corporate values support us in achieving a shared understanding of leadership at all levels.

In the reporting year, the average number of employees (excluding the CONTAINER Division) increased by 379 persons year on year, which is equivalent to 3.8 percent.

The increase in the CONTRACT Division is primarily due to new hires in connection with business expansion, especially at our new locations.

**Employees by age group**




**Employees by gender***

| | ♀ | ♂ |
|---|---|---|
| Group total | 24.8% | 75.2% |
| BLG excl. EUROGATE | 26.7% | 73.3% |
| EUROGATE | 12.0% | 88.0% |

**Non-financial report**

In accordance with the provisions of the Act to Strengthen Non-Financial Reporting by Companies in their Management Reports and Group Reports (CSR Directive Implementation Act), BLG LOGISTICS has prepared a non-financial Group statement in accordance with Section 315b HGB since the 2017 financial year. This statement is integrated into the sustainability report as a separate non-financial report, which can be downloaded from ➚ *reporting.blg-logistics.com*. Our 2021 sustainability report also details other non-financial topics.

* In the past, we have only categorized our workforce into men and women, but we are aware that not everybody self-identifies with either of these genders. To date, only a few of our own workforce have identified as diverse. As we are currently talking about a proportion of less than 0.1 percent, we do not yet explicitly include this group in our statistics. However, in the interests of equal representation, we will continue to monitor this aspect.

# Report on Economic Position

## Macroeconomic conditions

**Recovery of the global economy**
The coronavirus pandemic continued to have a noticeable impact on the global economy in financial year 2021. However, the waves of infection were less synchronous from country to country.

While severe contact restrictions were still in place in many places at the beginning of 2021, a marked upturn in the economy, global trade and private consumption set in from the spring/summer. Although here, too, there were regional differences. The global economy stalled again in the summer as a result of a spike in infection rates in the Asian countries. The impact on production in the United States and Europe was for the most part limited. In general, countries with high vaccination rates were also increasingly able to tolerate higher incidences without taking containment measures to curb economic activity.

From the third quarter onward, economic activity weakened as a result of the increasing rates of infection, also caused by the Omicron variant. Furthermore, persistent supply bottlenecks for components for industrial production and other goods, as well as increased inflationary pressure, clouded the overall situation. Prices in particular for crude oil and energy also skyrocketed. Central banks remained cautious in 2021 and initially continued to support the economy with low interest rates.

In this environment, the global automotive industry in particular suffered increasingly from supply bottlenecks, for example for semiconductor chips. Global auto production had already fallen by around 30 percent by the fall, which had a significant impact on overall economic output.

By the end of the year, uncertainty regarding the broader economic outlook increased significantly due to the emergence of the rapid-fire omicron wave of the coronavirus pandemic, while the shortage of components in industry eased somewhat.

Sources for this section:
Deutsche Bundesbank, Monthly Report, January and February 2022
IfW Kiel, Kiel Institute Economic Outlook, No. 85 (2021|Q4)
IMK, IMK Report No. 171, September 2021

**German GDP up by around 2.8 percent in 2021**


Year-on-year comparison of change in real GDP

The situation in Germany was similar to that described for the global economy. Here, too, economic activity and private consumption bounced back strongly, particularly in the summer half of 2021, only to decline again slightly in the final quarter. Contact-intensive services sectors in particular were hit again by the omicron wave at the end of the year. The automotive industry, an important driver of Germany's economy, was also impacted by the global supply bottlenecks in the manufacturing sector, particularly in the second half of the year, as well as by weak demand in general. The construction industry was also temporarily hit by material bottlenecks, which slowed production.

Overall, gross domestic product (GDP) increased in this environment by around 2.8 percent. Thanks to measures to safeguard employment, the knock-on effect for the German labor market in 2021 was limited and the labor market developed comparatively favorably. The unemployment rate was below 6 percent. Consumer prices, on the other hand, also rose significantly in Germany in 2021 and at the end of the year inflation had climbed to a record high.

Sources for this section:
Deutsche Bundesbank, Monthly Report, January and February 2021
IfW Kiel, Kiel Institute Economic Outlook, No. 86 (2021|Q4)
IMK, IMK Report No. 172, December 2021

**Situation in the logistics sector**
One of the key takeaways of 2021 was the realization of how important the logistics industry is, impressively cementing the systemic relevance of ports, road and rail. The logistics industry is a crucial link between producers, retailers and consumers. It also provides many additional production-related services. In addition to traditional

freight forwarding business, its strengths include the provision of logistics services in connection with the supply, production and distribution of goods.

The demands on logistics are changing at an ever-increasing pace. These changes are being driven by ongoing globalization, shorter product life cycles, digitalization and urbanization. As a result, the sector continues to benefit from the increasing demand for logistics services, which is amplified by the growth in e-commerce business and reverse logistics processing in the business-to-consumer segment. Challenges concern in particular continued pressure on margins, demographic trends and growing competition in the search for specialists, managers and young talents. Other factors are the importance of online retailing, which has once again been amplified during the coronavirus pandemic, increasing customer requirements with regard to speed, flexibility and the quality of supply, and raised environmental awareness among the population. The sector is currently experiencing staff shortages particularly in the areas of warehouse workers, vehicle drivers, engine drivers and IT managers.

In addition, logistics companies are expected to be very willing to invest and highly innovative in the area of outsourcing activities. A key focus here is to invest in transshipment, distribution and order-picking centers in conveniently situated locations. Because contracts with customers often have terms of only a few years, space and handling equipment are often rented or leased. This avoids tying up capital in the long-term and significantly increases the flexibility of the logistics service provider.

Increasing customer demand has led to a significantly greater use of consistent information and communication technology along the process chains. Logistics service providers must increasingly adapt business models to changes such as the increasing influence of the ongoing digitalization of process chains.

In line with German and global economic activity, the SCI Logistics Barometer (business climate) recovered significantly from spring 2021 and was at a high level at the end of the year. Despite ongoing restrictions due to the coronavirus pandemic, a substantial hike in energy prices and disruptions to global supply chains, a majority rated the current business situation as “normal” (33 percent) or “good” (56 percent) in December 2021. On the other hand, however, businesses were strongly affected by staff shortages, including the shortfall of tens of thousands of drivers.

The German Logistics Association (BVL) Logistics Indicator also initially rose steeply in the spring of 2021, although it was considerably deflated in the fourth quarter. The business outlook deteriorated further towards the end of the year. The business situation was widely perceived favorably, but less frequently than in the recent past. Skepticism concerning the business outlook spread, particularly as a result of the prolonged supply shortages in industry and the retail sector. Inventories also remained at too low a level in some sectors.

Around 90 percent of global goods flows are transported by container ship. These suffered considerable disruptions in the 2021 financial year. The reasons for this are manifold. The coronavirus pandemic and related, constantly changing restrictions in the individual ports made it difficult to rotate ship crews. Furthermore, ships were queueing up outside the major ports in China and off the West coast of the US. In China, coronavirus infections among dockworkers repeatedly led to ports having to be completely or partially shut down. Due to a shortage of truck drivers, there were also hold-ups in hinterland transports. All of this meant that transport boxes were often not where they were needed for reloading due to delays in the schedules. Delivery bottlenecks and delays are expected to drag on well into 2022.

The logistics industry in Germany provides jobs for a large number of people. This is attributable to the fact that the logistics location Germany generates a large part of its economic output in industry and the retail sector. Other reasons include the traditionally high export share, its central position in Europe and the resulting hub function that it fulfills. The quality of its transport infrastructure and its significant logistics expertise also contribute to making Germany highly attractive as a logistics location.

Sources for this section:

BVL Logistics Indicator, 4th Quarter 2021, December 13, 2021 including commentary

SCI Verkehr, SCI Logistics Barometer, December 2021

Zeit.de dated January 3, 2022 “Wann entspannt sich der Containerverkehr?”, retrieved on February 7, 2022, 9:50 am

**Board of Management's overall assessment of the business environment**

In 2020, the coronavirus pandemic – in particular the global lockdown – severely impacted our business. We closed the 2020 financial year with a significant loss of EUR 116 million.

In 2021, the coronavirus pandemic continued to affect our business activities. However, despite the adverse market conditions, we were able to close 2021 with a good result and impressively achieved our original forecast from last year of a "substantial improvement" in earnings before taxes (EBT). This was helped by the fact that we have diversified our business more and more in recent years and have established a broad customer base.

Although volumes in the AUTOMOBILE Division had risen slightly again in the first half of 2021, the lack of parts availability made itself strongly felt in the second half of the year. Not only was there a shortage of chips, but lacking paints, windows and airbags also prevented vehicles from rolling off the assembly line. This not only led to a decrease in throughput, but also in the downstream services we provide.

The measures taken at the locations to deal with the pandemic situation additionally weakened earnings due to the negative impact of the necessary hygiene and distancing measures on productivity and the cost situation. These are nevertheless important because the health of our employees is our top priority.

Despite of the pandemic, we were able to chalk up a number of successes in the AUTOMOBILE Division. For example, we completed another multi-story car park in Kelheim, Bavaria, on schedule, enabling us to further reinforce our long-standing relationship with a key customer.

A major contract was signed at the end of 2021, marking an important milestone for the Bremerhaven site. Hyundai Glovis, one of the world's largest shipping companies, will use Bremerhaven as a European hub for transports between Asia and Europe within the scope of a joint venture.

BLG LOGISTICS is continuing to improve its carbon footprint by championing rail transport. BLG AutoRail can transport more than 200 cars per train, and operates in the German and Austrian rail network using green electricity every kilometer of the way.

The problem of parts availability also impacted our CONTRACT Division in 2021. This particularly affected industrial logistics locations where we work for customers in the automotive industry.

Nevertheless, the overall performance of the CONTRACT Division for 2021 was positive. Demand was particularly high for consumer goods and e-commerce services.

In Geiselwind, Franconia, we opened a new, highly automated logistics center for our customer. The laying of the foundation stone for the C3 Bremen logistics center marked the start of construction of our next lighthouse project. Here, from fall 2022, we will consolidate our logistics activities for a leading vehicle manufacturer. Besides the best possible processes for the customer, we are also placing great value on sustainability – among other things with Germany's largest continuous roof-mounted photovoltaic system – and an excellent working atmosphere for our employees.

In the CONTAINER Division, one consequence of the coronavirus pandemic was that shipping companies' schedules were thrown completely out of sync as a result of catch-up effects triggered by at least temporary changes in consumer behavior and congestion at the ports. As a consequence of this, there is currently not enough freight capacity on the world's oceans. This meant that many more containers than usual were stored at the terminals for longer periods of time, leading to significantly higher income from storage fees than planned.

In particular the Wilhelmshaven location developed positively in 2021. Up to 2025, EUROGATE is investing around EUR 150 million in Container Terminal Wilhelmshaven (CTW). Container handling activities at the terminal are being incrementally converted from manual operations to an automated system. Automated operation of the first ship berth is planned for as early as 2024.

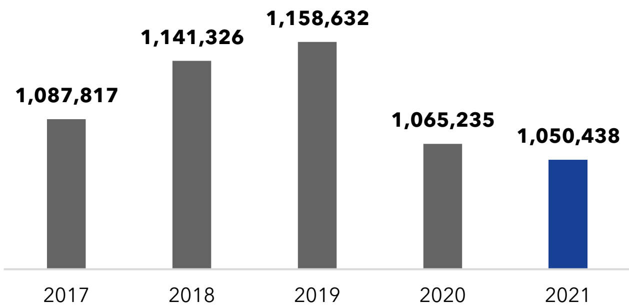
In the 2021 financial year, we received EUR 53 million in coronavirus funding from the City of Bremen. The aim of this measure was to increase the equity ratio, which had fallen to 5 percent. The conformity of such a recapitalization under EU state aid law was examined in advance. Thanks to this aid and our good earnings result for 2021 with EBT of EUR 52,226,000, our equity ratio has risen significantly and, at 12.8 percent, is again in double digits.

In addition, again in 2021 BLG LOGISTICS managed to keep moving. We opened new locations, expanded existing ones and focused intensively on the topic of climate protection. We aim to become climate-neutral by 2030. We are also consistently pursuing our digitalization and innovation strategy and in this context are addressing topics such as artificial intelligence.

Although 2022 will be characterized by challenging conditions and question marks due to the war between Russia and Ukraine and because of the coronavirus pandemic, we are nevertheless working intensively to constantly improve BLG LOGISTICS' overall financial situation and, despite these uncertain times, believe we are well positioned for the future. This assessment is based on the results of the consolidated financial statements for 2021 and takes into account the business performance up to the time the group management report was prepared in 2022. The business development at the beginning of 2022 in January was slightly above expectations overall, but has been influenced by the uncertainty surrounding the war from February onwards.

## Business performance

### Financial performance




Revenue development (in EUR thousand)

In the 2021 financial year, Group revenue decreased by EUR 14,797,000 year on year to EUR 1,050,438,000. This decrease is attributable with EUR 3,402,000 to the AUTOMOBILE Division, and is mainly due to lower volumes as a result of shortages of components and production interruptions at our customers. The decrease in the CONTRACT business unit amounts to EUR 9,822,000. This is due in particular to the sale of the international forwarding activities effective April 1, 2021.

In the CONTAINER Division, the handling volumes (in TEUs) increased by 13.1 percent overall. This was mainly due to catch-up effects resulting from the coronavirus pandemic. In addition, disruptions in the global supply chains and the shipping companies' diverging schedules resulted in a significant temporary increase in storage fees, so that revenue in the financial year rose by EUR 42,433,000 to EUR 305,955,000.

Since the EUROGATE Group, which represents the CONTAINER Division, is included in the consolidated financial statements using the equity method, this revenue is not included in the reported Group revenue. Earnings increased significantly compared to the previous year. In addition to the effects of the coronavirus pandemic, the previous year's earnings were impacted in particular by high impairment losses on non-current financial assets and restructuring expenses (provisions) for the individual entities. The latter were partially reversed in the reporting year. Consequently, companies accounted for using the equity method reported a substantial net profit for the period of EUR 62,302,000. For more information, please refer to the notes below relating to the CONTAINER Division.

| **Revenue by segment EUR thousand** | **2021** | 2020 | Absolute change | Percentage change |
|---|---|---|---|---|
| AUTOMOBILE | 517,975 | 521,377 | -3,402 | -0.7 |
| CONTRACT | 542,799 | 552,621 | -9,822 | -1.8 |
| CONTAINER | 305,955 | 263,522 | 42,433 | 16.1 |
| Reconciliation | -316,291 | -272,285 | -44,006 | -16.2 |
| **Group total** | **1,050,438** | **1,065,235** | **-14,797** | **-1.4** |

| Indicators relating to financial performance<br>EUR thousand | 2021 | 2020 | Absolute change | Percentage change |
|---|---|---|---|---|
| **Revenue** | **1,050,438** | **1,065,235** | **-14,797** | **-1.4** |
| Other income | 55,199 | 46,190 | 9,009 | 19.5 |
| Net income (net loss) of companies accounted for using the equity method | 62,302 | -61,705 | 124,007 | 201.0 |
| Cost of materials | -423,763 | -454,905 | 31,142 | 6.8 |
| Personnel expenses | -479,303 | -455,476 | -23,827 | -5.2 |
| Other expenses | -122,541 | -131,577 | 9,036 | 6.9 |
| Depreciation and amortization expense, impairment losses | -80,825 | -115,432 | 34,607 | 30.0 |
| **EBIT** | **61,507** | **-107,670** | **169,176** | **157.1** |
| Net financial income/net finance loss | -9,281 | -8,457 | -824 | -9.7 |
| **EBT** | **52,226** | **-116,127** | **168,353** | **145.0** |
| **EBT margin (in %)** | **5.0** | **-10.9** | **15.9** | **145.9** |
| Consolidated net profit/net loss for the period | 50,566 | -120,174 | 170,740 | 142.1 |

| EBT by segment<br>EUR thousand | 2021 | 2020 | Absolute change | Percentage change |
|---|---|---|---|---|
| AUTOMOBILE | -1,076 | -8,998 | 7,922 | 88.0 |
| CONTRACT | 8,717 | -13,891 | 22,608 | 162.8 |
| CONTAINER | 69,825 | -67,274 | 137,099 | 203.8 |
| Reconciliation | -25,240 | -25,964 | 724 | 2.8 |
| **Group total** | **52,226** | **-116,127** | **168,353** | **145.0** |

With -6.8 percent, the cost of materials fell more sharply than revenue (-1.4 percent). This is due in particular to the fact that the sale of the international forwarding activities as of April 1, 2021 eliminated the need to buy in the associated subcontractor services. Compensation through other business in our AUTOMOBILE, CONTRACT and CONTAINER Divisions generally require fewer purchased services.

The rise in other income (EUR 9,009,000) year on year is attributable with EUR 7,116,000 to higher income from disposals of property, plant and equipment and here in particular to the sale of the high-bay warehouse facility at the Bremen location (retail logistics business area).

Personnel expenses rose in the reporting year to EUR 479,303,000 (previous year: EUR 455,476,000). This corresponds to the increase in the number of employees (excluding the CONTAINER Division) by 379 due to business expansion and new business. The hiring of employees from the Association of German Seaport Operators (Gesamthafenbetriebsverein – GHBG) at the Bremerhaven site in the previous year led to an additional increase in the company's own personnel expenses. Furthermore, temporary short-time work in financial year 2021 resulted in lower reimbursements.

Depreciation amortization and impairment losses decreased by EUR 34,607,000 in the 2021 financial year. This decline is partly due to impairments amounting to EUR 26,000,000 incurred in the previous year, in particular for impaired goodwill (EUR 19,549,000) and other assets. Depreciation and amortization decreased by EUR 8,606,000. This is attributable to various individual factors. A major contributor was the sale of the high-bay warehouse facility at the Bremen location (retail logistics business area) effected in the reporting year – coupled with a renewal of the operating contract.

Net financial income/net finance costs decreased by comparison with the previous year by EUR 824,000 to EUR -9,281,000. This was attributable with EUR 366,000 to higher expenses for unwinding the discount on provisions and liabilities and with EUR 625,000 to higher interest expenses for non-current loans and other financial liabilities.

Against the background of the described conditions, earnings before taxes (EBT) increased very significantly by EUR 168,353,000 to EUR 52,226,000 in large part due to the sharp rise in investment income in the CONTAINER Division. Accordingly, the EBT margin also improved markedly and stood at 5.0 percent (previous year: -10.9 percent).

Income taxes in the reporting year were EUR 1,660,000 (previous year: EUR 4,047,000). Current taxes decreased accordingly by EUR 1,721,000. Furthermore, in particular the positive change in deferred taxes (EUR 666,000) also had an effect.

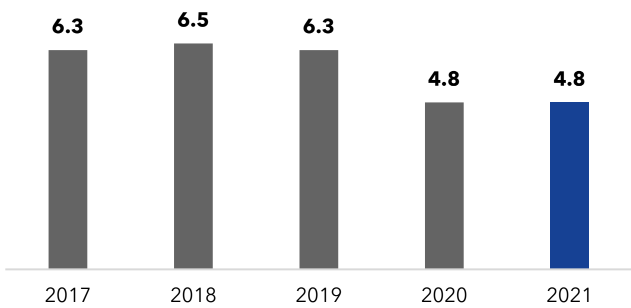
As a result of the developments described, consolidated net profit for the period improved significantly by EUR 170,740,000 to EUR 50,566,000.

**AUTOMOBILE Division**

In 2021, we handled, transported or technically processed **4.8 MILLION VEHICLES.**

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Revenue | 517,975 | 521,377 |
| EBT | -1,076 | -8,998 |
| EBT margin (in %) | -0.2 | -1.7 |

The AUTOMOBILE Division is the leading technical and logistics service provider for the international automotive industry. In this business area, the company offers multimodal transport concepts with global logistics reach and dovetails customized and innovative technical service packages.




Vehicles handled (in millions)

The impact of the coronavirus pandemic led to the biggest crisis in the automotive sector since the Second World War, resulting in a sharp contraction in the 2020 financial year. On top of the already challenging transition from combustion engines to the new era of alternative drives and connectivity, automotive manufacturers' 2021 production was hit massively by a lack of components. After volumes rose slightly in the first half of 2021, shortages of semiconductors and, later in the year, other required parts (paints, windows, airbags, etc.) severely limited production, although the economy as a whole was bouncing back. Demand for new vehicles was also restrained during the coronavirus pandemic. This again had a direct effect on the volumes of all business areas in the AUTOMOBILE Division. In this challenging environment, we nevertheless succeeded in maintaining the overall volume of vehicles in the division's network at the previous year's level, handling 4.8 million vehicles in the 2021 financial year.

### Seaport terminals business area

In the seaport terminals business area, the volume of cars handled remained by and large at the previous year's low level. At our largest transshipment facility, AutoTerminal Bremerhaven, around 1.7 million vehicles were handled in 2021, which was down on the previous year. Handling volumes also declined at our car terminal in Cuxhaven.

Due to the above-mentioned problems, volumes overall were significantly below our expectations. Furthermore, special expenses attributable to the COVID pandemic and a high sickness rate weighed on earnings.

In the financial year 2021, the high & heavy segment developed positively, achieving a handling volume significantly above plan (1.4 million metric tons, previous year: 1.1 million metric tons). It also benefited from the global shortage of containers and increased rolling cargo (RoRo). Furthermore, high value added exceeding expectations was achieved.

The Neustädter Hafen site in Bremen also achieved high tonnages (especially for forest products) and a correspondingly high staffing level. A high rate of sick leave, the need to hire additional external staff and the social distancing and hygiene measures had a counteractive effect on productivity, resulting in an increase in tonnage (ship-side handling) from 1.2 million metric tons to 1.3 million metric tons.

As vehicle throughput and storage levels were generally below expectations, the business area closed the year with a clear overall loss.

### Inland terminals business area

In the inland terminals business area, vehicle handling (transshipment, terminal handling, technical processing) was also at the previous year's level, but overall was below plan. Reduced volumes of key account customers and the collapsed rental business were mitigated by short-time work, ad hoc and new business. Despite the adverse circumstances, the Kelheim and Dodendorf sites performed stably and strongly in the 2021 financial year, shoring up the overall positive result of the business area, which was in line with expectations.

### AutoTransport and AutoRail business areas

In the transport sector of our AutoTransport and AutoRail business areas, the units transported were below expectations due to the problems in the automotive industry described above. Nevertheless, despite the negative impacts, they closed the financial year 2021 with positive net earnings. Productivity was also impacted by staff shortages (truck drivers/engine drivers), a high level of sick leave, road construction sites and route closures, and the flood disaster in Germany. Isolated one-off effects such as the sale of end-of-life trucks and a track price subsidy benefited the overall result.

The CarShipping business, which includes car transport by special inland waterway vessels, fell short of expectations in the 2021 financial year, in particular as a result of reduced production volumes in the second half of the year due to a lack of components.

### Southern/Eastern Europe business area

The above-mentioned production interruptions on the part of manufacturers and low demand from end customers, as well as high fuel costs, also affected the Southern/Eastern Europe business area. Additional business boosted earnings within the scope of possibilities, so that overall the business area was able to achieve a slight profit that exceeded expectations. In our Russian company in particular, an increased share of international transports led to a noticeable rise in revenue.

Due to the developments described above, with volumes significantly below expectations, particularly in the seaport terminals business area, EBT in the AUTOMOBILE Division increased from EUR -8,998,000 to EUR -1,076,000 compared to the previous year, but is still in negative territory.

## CONTRACT Division

We are present for our customers at **OVER 40 LOCATIONS** in Europe and overseas.

| **EUR thousand** | **2021** | 2020 |
|---|---|---|
| Revenue | 542,799 | 552,621 |
| EBT | 8,717 | -13,891 |
| EBT margin (in %) | 1.6 | -2.5 |

The CONTRACT Division manages complex projects and offers its customers reliable logistics solutions. We work at our logistics centers and our customers' production facilities and plants at over 40 locations in Europe and overseas.

### Industrial logistics (Europe) business area

The increased pace of recovery in industry in the 2021 financial year also had a positive knock-on effect for our industrial logistics (Europe) business area. The order situation and volume situation were good in many places and overall earnings were slightly above expectations. At our largest location in Bremen, very high volumes were achieved, particularly in export business.

At the locations where we work for customers in the automotive industry, manufacturers' curtailed production due to lack of parts availability also impacted our volumes and processes. It was possible to mitigate the effects of this through countermeasures such as cost reductions and process improvements.

### Industrial logistics (overseas) business area

Due to the coronavirus pandemic, government lockdowns were again imposed at some of our sites in the industrial logistics (overseas) business area. This particularly affected our site in Malaysia, where transport volumes increased again at the end of the year. Thanks to the good development of new business and high volumes at our sites in the US, South Africa and India, the business area ended the year slightly ahead of expectations overall.

### Retail logistics business area

The retail logistics business area developed positively during 2021 and was able to close the financial year in line with original projections.

The sale of the high-bay warehouse at our Bremen site to the customer, combined with a new operating contract, resulted in a positive one-off contribution. At individual locations, the lack of parts availability in production and disrupted supply chains had a counteractive effect. At the Ochtrup site, there were also operational challenges to be overcome that were still persisting from the lockdown in the textile sector.

The young Schlüchtern location in particular contributed to the positive development through high volumes. Thanks to unplanned non-recurring business and a new anchor customer, the restructuring of the Sports & Fashion segment was also successfully implemented.

### Freight forwarding business area

In the first quarter of the 2021 financial year, gross forwarding revenue in this business segment was below expectations.

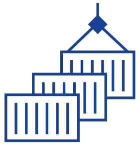
BLG LOGISTICS has decided to adjust strategically to changed market conditions and place a focus on national and international business in the AUTOMOBILE, CONTRACT and CONTAINER Divisions going forward. Therefore, with effect from April 1, 2021, the international freight forwarding activities of BLG International Forwarding GmbH & Co. KG were taken over by Rhenus Air & Ocean.

Not affected by the takeover is the Bremen freight forwarding location, which concentrates on overland transport, heavy goods transports, project business and sea freight. These operations were integrated into the existing seaport terminals and industrial logistics (Europe) business areas, and the freight forwarding business area was dissolved in the process.

As a result of the positive development described above, EBT in the CONTRACT Division increased significantly overall year on year by EUR 22,608,000 to EUR 8,717,000.

## CONTAINER Division

**We handled**
**13.1% MORE CONTAINERS**
**(in TEUs) than in the previous year.**



| EUR thousand | 2021 | 2020 |
|---|---|---|
| Revenue | 305,955 | 263,522 |
| EBT | 69,825 | -67,274 |
| EBT margin (in %) | 22.8 | -25.5 |

The CONTAINER Division of BLG LOGISTICS is represented by half of the company shares in the joint venture EUROGATE GmbH & Co. KGaA, KG. This company operates – in some cases with partners – container terminals in Bremerhaven, Hamburg and Wilhelmshaven (Germany), at the Italian locations La Spezia, Ravenna and Salerno, in Limassol (Cyprus), as well as in Tangier (Morocco) and Ust-Luga (Russia). The EUROGATE Group also has holdings in several inland terminals and railroad transport companies.

The CONTAINER Division's business mainly involves container handling. Intermodal services, such as the carriage of sea containers to and from the terminals, repairs, depot storage and trading of containers, cargomodal services and technical services are also offered as secondary services.

The 2021 financial year was characterized by high growth in handling volumes, particularly in the first half of the year, which was attributable to catch-up effects in connection with the coronavirus pandemic. This resulted in a significant increase in the time containers spent at our terminals, due in particular to the non-adherence of shipping companies to schedules, accompanied by extended delays. This, in turn, put a strain on capacity utilization with corresponding constraints on operating efficiency. In addition, temporary events, such as the blockage of the Suez Canal in the spring and the temporary partial closure of individual ports worldwide, had a significant impact on global logistics chains.

On the back of an increase in handling and transport volumes of the fully consolidated companies in Germany with the locations in Bremerhaven, Hamburg and Wilhelmshaven, the EUROGATE Group saw a significant revenue rise of 16.1 percent. In addition to the positive development of transshipment volumes, a significant increase in average revenue due to additional and unexpectedly high storage fee and reefer revenue, coupled with the first positive transformation effects, were reflected in the earnings development.

In addition, extraordinary income in connection with the partial reversal of provisions recognized in the previous year for the restructuring of individual Group entities had a positive effect on the Group result in 2021. Consequently, at EUR 61,879,000, the share of earnings from the equity-accounted entities, along with the EBT of the EUROGATE Group, was significantly higher than the previous year's figure of EUR -60,740,000.

### EARNINGS FOR 2021

| 52.2 million | 1,050 million | 5.0% |
|---|---|---|
| EBT | Revenue | EBT margin |

**Comparison of results of operations in 2021 with the forecast for the 2021 financial year**

| | Forecast 2021 | Actual 2021 |
|---|---|---|
| EBT | Significant improvement | Significant improvement |
| Revenue | At previous year's level | Slightly below the previous year's level |
| EBT margin | Significant improvement | Significant improvement |

At the time of preparing the previous year's report for the 2020 financial year, we were in the midst of the coronavirus pandemic and were unable to make any reliable forecasts as to the extent to which 2021 would be characterized by difficult underlying conditions. After the 2020 financial year was strongly impacted by the effects of COVID with a substantially negative result, we assumed that we would be able to significantly improve EBT and the EBT margin and maintain revenue at approximately the previous year's level. We had forecast a year-end result for financial year 2021 at around the break-even mark. Our forecasts were based on assumptions that deviated in part from the conditions that occurred in the 2021 financial year.

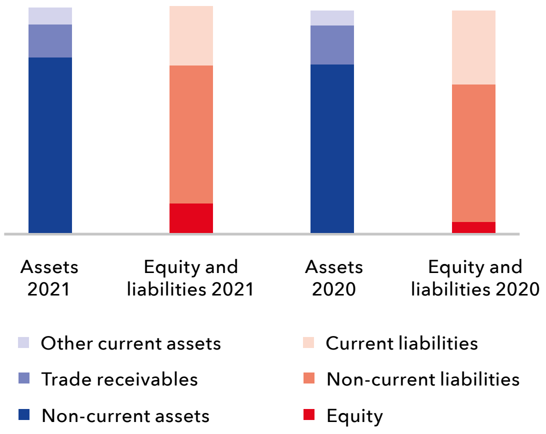
As a result of the difficult situation in the automotive industry described above, volumes, revenue and earnings in the AUTOMOBILE Division were below our expectations for the 2021 financial year. The business area was hit hard in particular by the production interruptions at manufacturers due to shortages of components, as well as by general consumer reticence. With total handling volumes at the previous year's level, good results for high & heavy handling and individual strong locations, earnings (EBT) nevertheless improved by EUR 7,922,000 to EUR -1,076,000.

Successfully launched new business and strong demand for e-commerce services and consumer goods ensured that the CONTRACT Division closed the 2021 financial year above expectations. The order situation was also good overall in the industrial logistics business area, which was affected by a shortage of components in our customers' production facilities at some locations. The division improved its earnings (EBT) significantly year on year by EUR 22,608,000 to EUR 8,717,000.

The CONTAINER Division benefited from catch-up effects from the coronavirus pandemic and significantly increased container throughput. On the back of the turbulence in the shipping companies' global logistics chains and schedules, the division also received a boost from temporarily high storage fees in the reporting year due to the longer average length of time containers spent at the terminals. This resulted in significantly improved EBT of EUR 69,825,000 for the CONTAINER Division, which is EUR 137,099,000 higher than in the previous year.

Overall, the EBT of the BLG Group showed a marked improvement of EUR 168,353,000, bringing it to EUR 52,226,000, and commensurate with this the EBT margin also rose sharply from -10.9 percent to 5.0 percent. At EUR 1,050,438,000, revenue was only slightly down on the previous year's level of EUR 1,065,235,000.

**Financial position**




### Structure of the statement of financial position

In the reporting year, total assets amounted to EUR 1,218,177,000 and were therefore at a similar level to the previous year's figure of EUR 1,194,093,000. Significant changes occurred in property, plant and equipment, among other items. As a result of current depreciation and amortization and the sale of our high-bay warehouse facility at the Bremen retail logistics location, land, land rights and buildings, including buildings on third-party land, decreased by EUR 46,675,000 year on year.

In total, investments in non-current intangible assets and property, plant and equipment in the 2021 financial year amounted to EUR 119,904,000 (of which EUR 51,360,000 non-cash). This compares to divestments of EUR 74,547,000 and depreciation, amortization and impairment losses in the amount of EUR 80,825,000, which was EUR 34,607,000 lower (above all due to high impairments recognized in the previous year). The capitalization ratio decreased by 3.8 percentage points to 46.7 percent compared to December 31, 2020.

Investments in companies accounted for using the equity method increased by EUR 63,687,000 compared to the previous year. This is attributable in particular to the net income of the CONTAINER Division described above. Non-current financial receivables increased by EUR 19,898,000 mainly due to the increase in lease receivables.

Accordingly, non-current assets increased by EUR 48,960,000 in total to EUR 952,161,000.

As a result of factoring agreements, trade receivables decreased by EUR 19.4 million. Cash increased accordingly.

A detailed breakdown of the fair values of financial assets and liabilities and disclosures on hedging instruments can be found in note 32 to the consolidated financial statements.

As already described above, the equity ratio as of December 31, 2021 increased from 5.0 percent in the previous year to the current level of 12.8 percent. This was mainly made possible by the good annual results and the coronavirus funding in the amount of EUR 53 million that we received in the reporting year from the City of Bremen.

The Group's net debt significantly decreased in the 2021 financial year to EUR 578,105,000 (previous year: EUR 676,904,000). This is mainly due to the reduction in financial liability obligations. In particular, sufficient liquidity was available, so that as of the reporting date utilization of short-term credit facilities was low. In respect of non-current bank loans, repayments in the 2021 financial year were EUR 9,049,000 higher than new borrowings.

| **Indicators relating to financial position**<br>**EUR thousand** | **2021** | 2020 | Absolute change | Percentage change |
|---|---|---|---|---|
| Total assets | 1,218,177 | 1,194,093 | 24,085 | 2.0 |
| Capitalization ratio (in %) | 46.7 | 50.5 | -3.7 | -7.3 |
| Working capital ratio (in %) | 83.3 | 73.5 | 9.8 | 13.3 |
| Equity | 156,289 | 59,741 | 96,549 | 161.6 |
| Equity ratio (in %) | 12.8 | 5.0 | 7.8 | 156.4 |
| Net debt | 578,105 | 676,904 | -98,798 | -14.6 |

| **EUR thousand** | **Carrying amount 12/31/2021** | Carrying amount 12/31/2020 | Absolute change | Percentage change |
|---|---|---|---|---|
| Non-current loans | 158,387 | 167,436 | -9,049 | -5.4 |
| Finance lease liabilities | 526,979 | 536,420 | -9,441 | -1.8 |
| **Total** | **685,366** | **703,856** | **-18,490** | **-2.6** |

| **Net debt**<br>**EUR thousand** | **2021** | 2020 | Absolute change | Percentage change |
|---|---|---|---|---|
| Non-current loans | 136,689 | 146,387 | -9,698 | -6.6 |
| Other non-current financial liabilities | 529,479 | 513,305 | 16,174 | 3.2 |
| Current financial liabilities | 162,574 | 228,298 | -65,724 | -28.8 |
| **Financial liabilities** | **828,742** | **887,990** | **-59,247** | **-6.7** |
| Non-current finance receivables | 217,627 | 197,729 | 19,898 | 10.1 |
| Cash and cash equivalents | 33,010 | 13,357 | 19,653 | 147.1 |
| **Net debt** | **578,105** | **676,904** | **-98,798** | **-14.6** |

**Cash flows**
Based on the earnings before taxes of EUR 52,226,000 achieved in 2021, cash flows of EUR 67,565,000 were generated from operating activities (previous year: EUR 27,264,000). The free cash flow of EUR 102,080,000 was in clearly positive territory and EUR 107,705,000 higher than the previous year's figure of EUR -5,625,000.

Cash flows from operating activities improved in particular as a result of the significantly higher earnings before taxes described under financial performance (change EUR 168,353,000). Due to the indirect method of calculation, the lower impairments (see remarks above) as well as the very positive net earnings of companies accounted for using the equity method (EUR 62,302,000) had a contrary effect.

Cash flows from investing activities changed by EUR 67,404,000 to EUR 34,515,000 in the reporting year. This is attributable mainly to the sale of the high-bay warehouse facility at the Bremen location. This resulted in higher proceeds from disposals of property, plant and equipment (EUR 82,260,000) compared with the previous year. Proceeds from dividends received were EUR 11,114,000 lower, and had an opposite effect.

Cash flows from financing activities decreased by EUR 11,444,000 to EUR -26,150,000 in the reporting year. The equity boost by the shareholder in the amount of EUR 53,000,000 compares to EUR 18,468,000 higher cash payments for the repayment of financial loans and EUR 66,367,000 lower proceeds from financing loans taken up.

In total, cash and cash equivalents increased by EUR 75,381,000 to EUR 11,440,000 in the financial year.

Outstanding investments are financed taking into account the operating cash flows generated in the segments, and, subject to the capital market situation, from long-term loans and through leasing.

As of the reporting date, credit facilities to the value of EUR 98.9 million had been agreed but not utilized. Under existing factoring contracts, a volume of EUR 55.6 million was unused as of December 31, 2021.

A detailed statement of cash flows can be found in the Consolidated financial statements. Disclosures on the statement of cash flows can also be found in note 37 to the consolidated financial statements.

| **Indicators relating to cash flows EUR thousand** | **2021** | 2020 | Absolute change | Percentage change |
|---|---|---|---|---|
| Cash inflow from operating activities | 67,565 | 27,264 | 40,301 | 147.8 |
| Cash in-/outflow from investing activities | 34,515 | -32,889 | 67,404 | 204.9 |
| **Free cash flow** | **102,080** | **-5,625** | **107,705** | **1,914.8** |
| Cash in-/outflow from financing activities | -26,150 | -14,706 | -11,444 | -77.8 |
| **Net cash change in cash and cash equivalents** | **75,930** | **-20,331** | **96,261** | **473.5** |
| Effect of exchange rate movements on cash and cash equivalents | -549 | -2,024 | 1,475 | 72.9 |
| Cash and cash equivalents at start of financial year | -63,941 | -41,586 | -22,355 | -53.8 |
| **Cash and cash equivalents at end of financial year** | **11,440** | **-63,941** | **75,382** | **117.9** |
| **Composition of cash and cash equivalents** | | | | |
| Cash | 33,010 | 13,357 | 19,653 | 147.1 |
| Current liabilities to banks | -21,570 | -77,298 | 55,728 | 72.1 |
| **Cash and cash equivalents at end of financial year** | **11,440** | **-63,941** | **75,381** | **117.9** |

# Opportunity and Risk Report

## Opportunity and risk management principles

Corporate activity is accompanied by opportunities and risks. For BLG LOGISTICS, the responsible management of possible opportunities and risks is a core element of sound corporate governance. Our opportunities and risks policy aims to increase the company's value without taking any inappropriately high risks.

### Opportunities

Uncertain events that increase the company's value and may be the outcome of developments that are more favorable than planned.

### Risks

Possible future developments that are unfavorable to the attainment of short-term strategic goals or that are hazardous or even threaten the existence of the company through a reduction in the company's value.

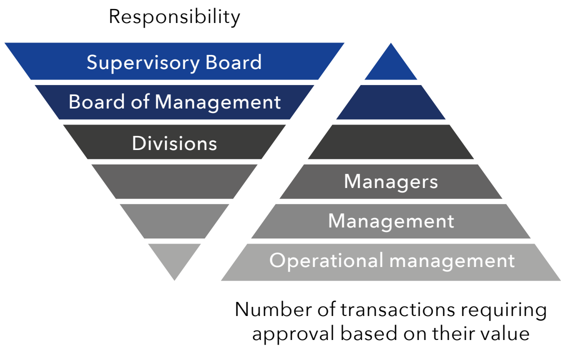
BLG LOGISTICS' risk management is mainly derived from the goals and strategies of the individual business areas. It aims to recognize potential risks in good time, take suitable countermeasures to avert the threat of damage to the company and eliminate any threat to the company's continued existence.

The strategic orientation of BLG LOGISTICS, which operates both within Germany and internationally, is highly diversified. Thus the structure of having three divisions together with a number of associated business areas leads to a certain degree of autonomy. Significant capital expenditure is mainly substantiated and backed up through contracts with customers.

## Opportunity and risk management system

The Board of Management is responsible for the opportunity and risk management system. The Supervisory Board and the Audit Committee monitor and examine the system to ensure it is appropriate and effective. Responsibility for identifying and managing significant risks and opportunities is managed centrally within BLG LOGISTICS. Different levels and organizational units are integrated into the system.

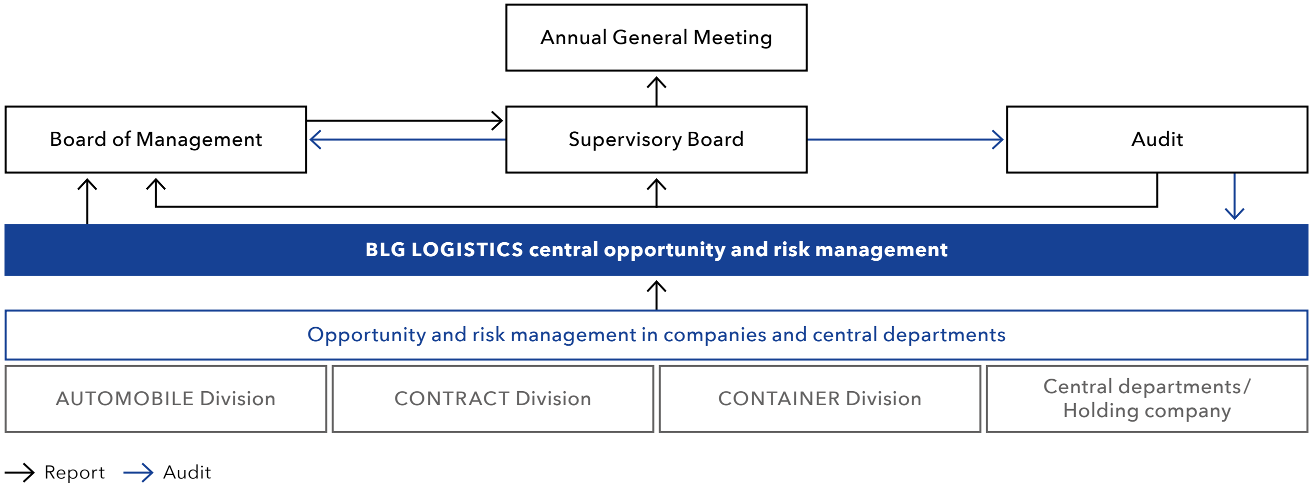
The relationship between expertise and frequency of decision-making can be seen in the following diagram:




Communication channel and responsibilities in BLG LOGISTICS' opportunity and risk management system

In order for us to achieve our goals, measured by earnings before taxes (EBT), the broad spectrum of our logistics services requires the early identification of potential opportunities and risks. The Board of Management, the managers and the Supervisory Board receive monthly reports on the management indicators of BLG LOGISTICS. This is intended to place the focus on sustainable value creation and to prevent any threat to the company's continued existence. Central components of the opportunity and risk management system are therefore the planning and management process, intragroup rules and regulations, and reporting. We give special consideration to opportunities and risks arising from strategic decisions, from the markets, from the operating activities and from financing and liquidity.

**Opportunity and risk management at BLG LOGISTICS**




BLG LOGISTICS' principles of risk management are documented and published in a guideline. Risk officers at management level and risk management coordinators have been appointed in the divisions and central departments to make sure the risk management system runs efficiently. This ensures that risks and risk mitigating measures (risk avoidance and reduction, or the transfer of risk through insurance) and opportunities are identified and evaluated in the area of the business where they actually arise. Centrally implemented risk management is responsible for coordinating the Group-wide identification, assessment and documenting of opportunities and risks. An IT-supported risk management system serves as the basis for this.

The risks and the related measures defined within the strategy which we currently believe could have a material adverse effect on our financial position, financial performance and cash flows are identified, assessed and monitored on an ongoing basis in the sense of a permanent inventory. These are not necessarily the only risks to which BLG LOGISTICS is exposed. Other influences of which we are not yet aware or which we do not yet consider to be significant may also affect our business activities.

The Internal Audit department is also integrated in risk communication within BLG LOGISTICS as a process-independent monitoring entity.

As an internationally operating logistics company, performance and infrastructure risks as well as financial risks make up the majority of the overall risks to which BLG LOGISTICS is exposed. Insurance policies are taken out where available and economically viable in order to minimize the financial effects of possible damage. The cover provided and amount insured under these policies is examined on an ongoing basis.

In order to counteract potential risks which could arise in particular under a wide range of geographic, employment, cartel, customs, capital market, tax, contractual, environmental and competition regulations and legislation, BLG LOGISTICS bases its decisions and the design of its business processes on comprehensive legal advice, as well as on input from in-house and external experts. To the extent that legal risks relate to past circumstances, necessary accounting provisions are created and their appropriateness examined at regular intervals.

## Aims and methods of financial risk management

The principal financial instruments used to finance the Group include non-current borrowings, current loans and cash, including short-term deposits with banks. BLG LOGISTICS has access to a range of other financial instruments, such as trade receivables and payables, that arise directly as part of its operations.

Financial risk management is the responsibility of the Treasury department, whose tasks and objectives are described in a guideline approved by the Board of Management. This includes preparing and analyzing financing and hedging strategies and contracting hedging instruments.

The material risks for the Group resulting from financial instruments are credit risks, foreign currency risks, liquidity risks and interest rate risks. The Board of Management creates risk management guidelines for each of these risks, which are summarized below, and verifies compliance with these guidelines. At Group level, the existing market price risk for all financial instruments is also monitored.

## Capital risk management

An important capital management goal for BLG LOGISTICS is to ensure the ability of the company to continue as a going concern in order to provide earnings to shareholders and to provide other stakeholders with the benefits to which they are entitled. Additional goals are to optimize liquidity security and maintain an optimum capital structure in order to reduce the costs of capital in general and the refinancing risk in particular in the long term.

BLG LOGISTICS monitors its capital on the basis of the equity ratio and other indicators. Assurances have been made to all partner banks with regard to equal treatment and the change-of-control clause.

## Description of the main features of the internal control and risk management system with regard to the accounting process in accordance with Section 315 (4) HGB

**Definition and elements of the internal control and risk management system**

The internal control system of BLG LOGISTICS with regard to the accounting process includes all principles, procedures and measures to ensure the correct and legally compliant recognition, measurement and presentation of business transactions in the financial statements. The aim is to avoid any material misstatements in accounting and external reporting. Since the internal control system is an integral component of risk management, it is presented in a condensed form.

The internal management and monitoring systems are components of the internal control system. The Board of Management of BLG LOGISTICS has assigned responsibility for the internal management system in particular to the Financial Services department (incl. financial controlling, finance and accounting), which cooperates closely under one management and with a focus on processes.

The internal monitoring system comprises controls that are both integrated into and independent of the accounting process. The controls integrated into the process particularly include the dual control principle, the separation of functions between related departments (particularly creditor and treasury management) and IT-supported controls, as well as the involvement of internal departments such as Legal or Tax departments and of external experts.

Controls that are independent of the process are carried out by the Internal Audit department, the Quality Management department and the Supervisory Board, in the latter case principally through its Audit Committee. The Audit Committee concerns itself in particular with the accounting, including reporting and monitoring of the audit. The activities of the Audit Committee also focus on the risk situation, the further development of risk management and compliance issues. This also includes the effectiveness of the internal control system.

Process-independent audit activities are also performed by external auditing bodies such as the auditing company or the external tax auditor.

**Accounting-related risks**

Accounting-related risks can arise, for example, through the conclusion of unusual or complex business dealings or the processing of non-routine transactions.

Potential risks also result from discretionary scope in the recognition and measurement of assets and liabilities, or from the effect of estimates on the annual financial statements, such as for provisions or contingent liabilities.

**Accounting process and measures to ensure its correctness**

Business transactions are generally accounted for in the separate financial statements of the subsidiaries of BLG LOGISTICS using the standard software SAP R/3. The consolidated financial statements are prepared using the SAP consolidation module EC-CS. The separate financial statements of foreign subsidiaries and domestic subsidiaries not integrated into the SAP system are included on the basis of the standardized, Excel-based reporting packages audited by audit firms, which are transferred into the EC-CS consolidation system.

To ensure consistent recognition and measurement, BLG LOGISTICS has issued accounting guidelines for financial reporting in accordance with International Financial Reporting Standards (IFRSs) as well as guidelines for uniform Group accounting. Impairment tests for the Group's cash-generating units are carried out centrally. This ensures that consistent and standardized measurement criteria are used. The same applies to the specification of the parameters to be used for the measurement of pension provisions and other provisions based on expert opinions.

When preparing the consolidation of intragroup balances, internal balances are regularly reconciled in order to clarify and remedy any differences in a timely manner. At Group level, in addition to a validation by the system of the data reported in the separate financial statements, the reporting packages in particular are tested for plausibility and adjusted if necessary.

In addition, disclosure management software is used for preparing the separate financial statements and the consolidated financial statements, which uses a uniform data pool and includes validations, history verifiability and a clearly defined workflow. A high degree of automation significantly reduces the risk of error and increases efficiency.

Special software is used for tax accounting. Current and deferred taxes are calculated at the level of the individual subsidiaries and the recoverability of the deferred tax assets is tested.

**Qualifying notes**

The internal control and risk management system ensures the correctness of the accounting process and compliance with the relevant legal requirements. Discretionary decisions, erroneous controls or fraudulent acts may, however, limit the effectiveness of the internal control and risk management system, with the effect that the systems established cannot guarantee with absolute certainty that risks will be identified and managed.

## Opportunities

**Our business model**

As an international Group with three divisions and their business areas, BLG LOGISTICS is exposed to a wide range of trends in the various national and international markets. Based on the business development described in this report and the company's position, the current macroeconomic conditions present various potential opportunities. The effects of sustainable positive economic trends are of overriding importance here. The development of innovative solutions for our customers in the context of future-oriented research projects also has a high priority. For further information, please refer to the "Research and development" section.

We also want to make optimum use of opportunities in the various fields of activity that open up to us in future. The premise for this remains our network, and the innovative intermodal offering in the AUTOMOBILE Division. The established business models in the trade and industrial logistics business areas offer the CONTRACT Division sales and acquisition opportunities combined with additional automation and digitalization activities in Germany and the rest of Europe. The individual business areas benefit from a continuing growth market because our customers want to improve their own cost structures and make them more flexible through increased outsourcing.

For the CONTAINER Division, the adjustment of the shipping channel already completed in the River Elbe and still outstanding deepening of the Outer Weser fairway was and is of great importance for securing and positioning the German ports in the North Range to allow ever larger container vessels to call at Bremerhaven and Hamburg without hindrance. The nautical problems caused by the continuing increase in the number of ever larger container ships in particular in Hamburg saw a relative improvement following implementation of the adjustment measures.

If the outstanding measure to deepen the Outer Weser fails or is delayed indefinitely, this could have a not inconsiderable negative impact on future cargo handling development at the Bremerhaven location.

However, the CONTAINER Division can offer its customers an excellent alternative with Germany's only deep-water port, EUROGATE Container Terminal Wilhelmshaven, and its facilities for the handling of container ships with corresponding deep-water access. The acquisition of an investment by Hapag-Lloyd marks another important step in the further development of this location.

## Strategic opportunities

**AUTOMOBILE Division:**
**BLG LOGISTICS and Hyundai Glovis form joint venture for AutoTerminal Bremerhaven**
One of the world's largest RoRo shipping companies, Hyundai Glovis, and BLG LOGISTICS, one of the leading automotive logisticians in Europe, have entered into a strategic partnership for the purpose of handling car transshipments in Bremerhaven. Following the successful cooperation in the CONTAINER Division, this is the first joint venture for car transshipments at a BLG seaport terminal.

Within the scope of the joint venture, Hyundai Glovis will from January 2022 use BLG AutoTerminal Bremerhaven in the coming years as a European hub for its automobile transports between Asia and Europe. The aim of the joint venture is to consolidate volumes and thus optimize the logistics chains of automobile manufacturers, taking into account transit times, costs and environmental impacts.

BLG LOGISTICS has thus gained a strong partner in a difficult market environment. This should secure volumes and strengthen the port location of Bremerhaven and forms a good basis for further strategic development. Our AutoTerminal Bremerhaven remains open to all shipping companies as a universal port.

**AUTOMOBILE Division: Third multi-story car park at BLG AutoTerminal Kelheim goes into operation**
The third multi-story car park ("P3") at BLG AutoTerminal Kelheim has been successfully completed.

P3 is designed to ensure even more efficient use of driving space and was built to the latest construction standards. These include a planned photovoltaic system on the roof. It will be the second PV system at the location. Kelheim also re-uses water. Waste water is recycled so that a share of just 20 percent of fresh water is required for all work at the terminal.

The P3 was built exclusively for a key account customer. It increases the number of covered parking spaces on the terminal site, which customers especially value for new vehicle storage. The capacity expansion was also an opportunity for BLG LOGISTICS to conclude a long-term contract governing further cooperation with the customer.

**CONTRACT Division:**
**BLG LOGISTICS as strong logistics architects**
Our customers are currently facing huge challenges and opportunities. Advancing digitalization is opening up new opportunities in all areas of the value chain. At the same time, global competition is stepping up the pace. To an increasing extent, logistics processes are also determining how competitive companies are.

As logistics architects, the teams of experts from BLG LOGISTICS plan, design, configure and implement customized logistics centers, ranging from conventional to highly automated.

We have a large staff of our own experts who bring extensive experience from a wide range of projects and industries of various sizes. This cross-industry logistics know-how has already enabled us to develop outstanding and innovative concepts and large-scale logistics projects, and we see this as a strong argument for our existing and new customers in the future.

**BLG Group: Our Mission Climate and sustainable logistics center (CONTRACT Division) as flagship projects**

The topic of climate change mitigation is right at the top of the agenda – in politics as well as in many companies. We are no exception. In the reporting year, the German government tightened its climate change mitigation targets once again and set Germany the goal of net zero emissions by 2045. As a logistics company, we want to play our part – and at the same time support our customers in improving their own climate footprint.

We are on a shared mission to protect our climate. Our target is to make BLG LOGISTICS a climate-neutral company by 2030. We have had our absolute target (-30 percent $CO_2e$) across the company (Scope 1+2) and -15 percent along the supply chain (Scope 3) assessed and certified by the independent Science Based Targets initiative (SBTi). BLG LOGISTICS is thus the first German logistics provider with scientifically recognized climate protection targets.

For example, BLG LOGISTICS is continuing to improve its carbon footprint by championing rail transport. BLG AutoRail can transport more than 200 cars per train, and operates in the German and Austrian rail network using green electricity every kilometer of the way.

At the Güterverkehrszentrum (GVZ) in Bremen, Germany's largest cargo distribution center, BLG LOGISTICS is planning a new location for industrial logistics. From "C3 Bremen", BLG LOGISTICS will provide sustainable and efficient supplies to the foreign assembly plants of a major car manufacturer.

"C3" stands for customers, climate and comfort. With intelligent intralogistics planning and efficient workflows, logistics handling will be tailored to customers' needs. The processes inside the new facility are being designed in line with the lean management principle, supported by cutting-edge automation and digitalization systems. In terms of sustainability, a holistic concept was developed with the goal to obtain certification in Platinum from the Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB – German Association for Sustainable Building) and WELL GOLD certification. Among other things, it is planned to install a photovoltaic system on the entire roof area. The heating system and hot water production is to be supplemented by a solar thermal plant. The new project is not only intended to impress in terms of design. Communal and outdoor areas are being developed according to a well-being concept for employees and the environment in order to create a pleasant working environment. This new building project places a strong focus on employees health at the workplace.

**CONTAINER Division:**
**EUROGATE Container Terminal Wilhelmshaven launches automation project**

The acquisition of a shareholding in EUROGATE Container Terminal Wilhelmshaven (CTW) by Hapag-Lloyd AG brings positive prospects for the site and creates the framework conditions for automation at CTW. In the coming years, container handling activities at CTW will be converted from manual operations to an automated system. The respective automation project got underway in January 2022. EUROGATE is investing around EUR 150 million in the project over the next three years. Automated operation of a first ship berth is planned for as early as 2024.

As a result of automation, we are anticipating significant growth in throughput in Wilhelmshaven over the medium term and therefore believe the time and general economic parameters are now right to invest in the expansion and modernization of the terminal. We want to develop an extended, upgraded and efficient automated terminal, whose streamlined organization is geared to new operating requirements.

Automation in our industry is continuing at pace. With this project, we are embracing this development and view it as an opportunity to significantly strengthen our customer focus and our competitiveness. This will, in turn, lead to increased handling volumes, enabling us to secure long-term employment and create new, challenging and sustainable jobs.

We are also consistently pursuing our digitalization and innovation strategy at the other BLG LOGISTICS sites. At the Bremen logistics center, for example, two autonomously driving forklifts now assure the end-to-end provision of materials to and removal from a coating line.

## Other opportunities

BLG LOGISTICS first developed and set mandatory climate change targets back in the 2012 financial year. These aimed to reduce the company's carbon footprint by 20 percent up to 2020 compared to 2011 (measured against revenue). We had already surpassed this target in 2019. Motivated by this success and increased demands, we have set new, further-reaching targets. By 2030, we want to reduce our own greenhouse gas emissions by at least 30 percent in absolute terms compared with 2018 and the greenhouse gas emissions in our supply chain by 15 percent. BLG LOGISTICS will offset the remaining emissions through certified climate protection projects. This will make us a climate-neutral company by 2030. You will find more information in our Sustainability Report at ➚ *reporting.blg-logistics.com*

With this, BLG LOGISTICS is increasing transparency with regard to its climate footprint and boosting its credentials in the area of climate-neutral logistics. This also presents the opportunity to offer its target group climate-neutral services that do not burden their climate footprint.

## Risks

**Ongoing effects of the coronavirus pandemic, war in Ukraine and high energy prices**

The coronavirus crisis and the resulting measures introduced by governments are having a significant impact on volumes and earnings in all business divisions and business areas of BLG LOGISTICS. Although the economic consequences have so far been less severe from wave to wave, the current situation remains unclear and planning in this environment difficult. In particular, the shortage of components in industry, disrupted supply chains and the tense personnel situation due to high levels of sick leave are having an impact on our business. We are constantly adapting to changed circumstances through close coordination within the company and with customers.

The war between Russia and Ukraine could lead to renewed disruptions in supply chains and our customers' production processes. BLG LOGISTICS assesses the situation on a daily basis from a social and financial perspective and initiates steps as necessary.

We also currently expect energy prices to continue to rise as a result of the war. Various measures have been taken to counter these increases. We keep additional costs as low as possible by constantly monitoring the procurement market and planning the deployment of resources with foresight. Furthermore, we are in continuous dialog with our customers and strive to negotiate contracts to offset these increases wherever possible.

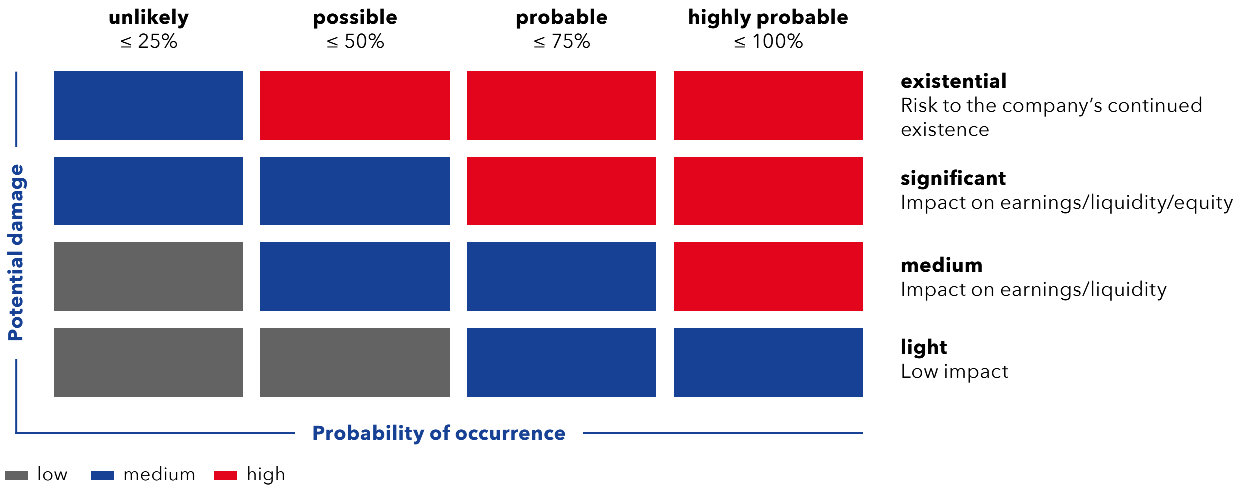
**Risk categories and individual risks**

From the risk types defined for BLG LOGISTICS, the material risks for BLG LOGISTICS by risk category are described in the following sections. In selecting materiality, risks are included that would have a noticeable effect on the company's financial position, financial performance and cash flows if they were to occur. In principle, the assessment and derivation of measures is made on the basis of scenarios, taking into account all known influencing factors from opportunities and risks.

An overview of material risks is presented in the table.

| Risk | Potential damage | Probability of occurrence | Trend compared with previous year |
|---|---|---|---|
| Strategic risks | significant | unlikely | → |
| Market risks | existential | rather unlikely | ↗ |
| Political, legal and social risks | medium | possible | ↗ |
| Performance and infrastructure risks | significant | possible | ↗ |
| Financial risks | medium | possible | ↘ |

**Risk matrix**




## Strategic risks

**Risks from acquisitions and investments**

In recent years, BLG LOGISTICS has grown through various acquisitions both in Germany and abroad. As part of process and quality management, a uniform M&A guideline on the procedure to be followed for all share purchases has been drawn up for this purpose. This draws on both in-house and external advisers, ensuring that all risks associated with an acquisition or investment are taken into consideration and assessed.

Despite this, in particular political, legal or economic risks associated with share purchases in other European countries cannot be ruled out.

The social environment when sourcing employee capacity and integrating the relevant third-party company culture into the structures and processes of BLG LOGISTICS present specific challenges.

Investments made in the past may entail a requirement for subsequent decisions, assuming continuation of the strategic decisions and statements made with the investments. The required subsequent investments associated with these decisions must be considered and evaluated overall under new premises, due to partly changed market and macroeconomic conditions. If these changed conditions continue in the long term, there may be future requirements for BLG LOGISTICS to write-down the entire investment.

## Market risks

**Threat to market position and competitive advantages**

The contractually agreed prices for seaport cargo handling in the AUTOMOBILE Division, coupled with the persistently strong competitive pressure represent continuous challenges for us. Due to the increasing shareholdings of shipping companies in other seaport terminals, internal optimization measures taken by shipping companies may result in shifts in volumes at the expense of the Bremerhaven seaport terminal. As a consequence of the war between Russia and Ukraine, certain volumes are expected to decline or even come to a complete standstill in these regions.

For break bulk cargo business and project logistics the principal risks lie in high competitive and price pressure.

In the CONTRACT Division, the main risks are rapid replaceability and substitutability as a service provider in connection with standardized as opposed to custom services. The business areas are heavily dependent on major customers. The logistics services they perform are, as a rule, personnel-intensive. In addition, customers are applying significant price pressure. We are meeting these challenges with comprehensive customized solutions and optimizations, longer contract periods and continuous expansion and further diversification of our customer base.

In addition to the macroeconomic trends, the CONTAINER Division is also exposed to further factors and risks associated with future transshipment and transport demand and corresponding handling volumes of our container terminals. As in the previous years, these include

- commissioning additional terminal handling capacity in the North Range and in the Baltic region,
- commissioning additional large container vessels and related operational challenges in ship handling (peak situations),
- changes in the market, network and processes resulting from changes in the structure of the shipping company consortia, and
- price structures in the market.

The war between Russia and Ukraine will also have consequences for container throughput if these regions are no longer served or ships are stranded.

On the customer side, possible insolvencies could also negatively impact the shipping line consortia as well as the structure of services and volumes. Three major consortia continue to dominate the market:

- 2M with the individual shipping companies Maersk 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 additional large container vessels, in the meantime with capacities of up to 24,000 TEUs, continues unabated. Given this trend, the EUROGATE Group will also see an increase in the number of ultra-large vessels calling at its terminals.

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

If the CONTAINER Division falls short of the planned cost savings as well as the productivity- and efficiency-enhancing targets set out in the transformation program, this would seriously jeopardize the competitiveness and future viability of the EUROGATE Group. However, so far all sides have approached the preparation and conclusion of the negotiations judiciously, and the management remains confident of being able to successfully implement the planned measures and associated positive effects within the foreseen timeframe.

**Dependency on the economic cycle and macroeconomic risks**

As a logistics service provider with a global focus, BLG LOGISTICS is highly dependent on production and the associated flow of goods in the global economy. The dependency on both the manufacturing industry and on consumer behavior can be viewed as the largest risk. In addition to the impact and constraints resulting from the war in Ukraine and the coronavirus pandemic, other influencing factors on our business in this area are high energy and raw material costs, persistent foreign trade imbalances and the escalation of political conflicts.

It is also possible that we may have to learn to live with new virus mutations and pandemics in the future that could have a recurring impact on economic activity and our planning. A further escalation in the Ukraine conflict cannot be ruled out either.

Changes to legislation and in taxes or duties in individual countries may also have a major impact on international trade and result in considerable risks for BLG LOGISTICS.

**Sector risks**

Due to the lack of components, supply chain disruptions, the shift to electromobility and weak demand during the coronavirus pandemic, the automotive industry is currently facing extensive challenges, which is impacting the overall volume of our business. The war in Ukraine will further exacerbate this situation and may lead to production cutbacks and stoppages on the part of manufacturers. We are countering this by further optimizing our processes and planning our capacities based on regular dialog with our customers. In addition, we intend to further expand our range of services for the transport and technical processing of used vehicles.

The main market for BLG LOGISTICS is Western Europe. Due to the opening up of Western Europe to the East, increasing volumes of Eastern European transport capacities are accessing our main market, leading to sustained tough competition and price pressure. There is also a dependency on the volume of exports of the automotive industry in Europe to overseas. In this context, the markets of China, the US, Japan and Korea are of special significance.

Employment in car parts logistics (industrial business area) is dependent on production in the foreign plants of the German original equipment manufacturers (OEMs) that are supplied with parts via our logistics centers worldwide. There is a continued tendency in this area to be dependent on just a few major customers.

## Political, legal and social risks

**Legal and political environment**
It cannot be ruled out that the company could be hit with additional transport costs due to a price increase on the international crude oil markets, tolls, other traffic routing levies or additional tax burdens which cannot be passed on directly to our customers outside profit or loss.

As a result of the war between Russia and Ukraine and the current sanctions, it is possible that we may have to temporarily or permanently suspend our business at sites in this region or that we will lose access to them. The fact that manufacturers are largely suspending production in Russia means that we are able to transport correspondingly fewer vehicles and our basis for doing business is also at risk due to the sanctions. It is therefore possible that the net assets and goodwill of BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg/Russia (100 percent shareholding), and the carrying amount of the investment in BLG ViDi LOGISTICS TOW, Kyiv, Ukraine, (50 percent shareholding, equity valuation), may have to be written down. The revenue of the Russian company amounted to less than 1 percent of Group revenue in 2021.

The implementation of Brexit has not yet had a significant impact on our business. The same applies to the continuing phase of low-interest rates. However, there is currently a risk of an increase, which could lead to a rise in our interest expense.

**Contract risks**
Contract risks result from the fact that the maturities of contracts with customers sometimes do not match those relating to property leasing. Contracts with customers often have significantly shorter maturities than rental contracts on real estate.

The subsequent change to market conditions and related effects on the logistics processes agreed with customers have an effect on the contractual relationship agreed with the customer. The range of services offered to the customer and the prices calculated may no longer correspond to services requested and contracted by the customer. The resulting differences lead to risks and deviations from the projections, necessitating renegotiation with the customer. Due to the obligation to fulfill the contract and hence to perform, work for the customer continues during negotiations, because otherwise further risks would arise from compensation obligations for downtime.

Risk provisions have been recognized for risks from onerous contracts. The size of the risks may increase significantly as a result of changes in circumstances over time. Based on our current estimation, a risk of this kind should be viewed as low.

## Performance and infrastructure risks

**Risks from business relationships**
In all operating divisions, close customer relationships and the short, demanding contractual periods and conditions, especially with some major customers, make it necessary to monitor changes in economic trends and the demand and product life cycles especially closely.

**Risks from high energy prices**
Energy prices rose significantly at the end of the 2021 reporting year. Due to the current Ukraine crisis and a possible embargo on energy from Russia, a further significant increase is likely or has already occurred. This could lead to a higher fixed cost burden, which could have a significant impact on earnings if there is a further increase, but also if the payments on account valid at the beginning of 2022 are maintained, insofar as the initiated measures have a delayed effect. We will try to keep the burden as low as possible by conducting talks with our customers and optimizing processes.

**Infrastructure capacity and security**
Fluctuations in volumes or supply gaps at our customers can lead to temporary capacity bottlenecks in individual cases. We have actively searched the market and have found additional third-party indoor and outdoor capacity. This will be leased for a fee, if required.

In contrast, when there is lower usage of our in-house capacity, no short-term alternative usage is normally generated. This results in a negative effect from fixed costs that is not covered by income. The risks are taken into account when drafting and calculating the contract.

Indoor and outdoor facilities and transport and handling equipment are regularly serviced and repaired at fixed intervals. This ensures that we can provide services on an ongoing basis.

**Personnel risks**
The high personnel- and capital-intensive nature of our logistics services means that there are, in principle, risks relating to the negative effect of high fixed costs when facilities and personnel are not being used. Due to the current high inflation rates, a high level of sick leave during the pandemic and the shortage of skilled workers, future collective bargaining negotiations may result in higher demands on the employee side. We are countering this, among other things, by integrating price escalator clauses into the contracts with our customers.

Competition among companies for skilled personnel in all areas remains intense. Even today, as a consequence of the increasing shortage of skilled workers, vacancies in the logistics industry and also in the BLG Group cannot always be filled promptly. This situation is further exacerbated by a high rate of sick leave, for example during the coronavirus pandemic, with significant repercussions on the productivity and profitability of our services. We attempt to counter this by continuously developing new recruitment approaches and in our human resources management activities emphasizing the attractiveness of BLG LOGISTICS as an employer. We strive to retain skilled employees and managers in the company over the long term. In addition to performance-related pay and extensive social benefits, we are also focusing particularly on future diversification at BLG LOGISTICS through trainee programs, multi-disciplinary career paths, deployment in different Group companies, and attractive training and development courses. This is aimed at also minimizing personnel risks in respect of socio-demographic change, age structure, and the skills and turnover of the workforce.

This staff development, which necessarily has a long-term orientation, harbors certain personnel cost risks in the event that business development does not occur as planned in the medium term. However, flexibility is achieved through the use of blue-collar workers provided by the Gesamt-Hafen-Betriebe (GHBG) employment agency in Bremen and Hamburg and other agency personnel. This ensures that the personnel requirement can, to a certain extent, be adapted flexibly to the development of the business. The changes in the employment market also have a fundamental influence on staffing levels and therefore on the flexibility and availability of qualified personnel at GHBG. These changes can lead to sustained deficits for GHBG, which it may be possible for affiliated member companies, and thus essentially also for BLG LOGISTICS, to offset. We have made appropriate provision for this.

### IT risks

Information technology is an important success factor for our logistics and service processes. The systems must be accessible and available at all times, and any unauthorized access to data and data manipulation must be eliminated. New software delivered with defects or not on time must also be avoided. Our services require the use of permanently updated or newly developed software. However, delays and insufficient functionality can never be completely ruled out when developing and putting new, complex applications into operation. Efficient project management from design through to launch reduces this risk. We currently expect this to have only a minor impact on individual business areas.

The increasing frequency of Internet attacks (cybercrime), both globally and on specific targets, is a constant threat and danger for BLG LOGISTICS. BLG LOGISTICS is well positioned to address these risks as it uses the latest antivirus software in conjunction with its own structured IT organization. Ongoing monitoring, control, updating and adaptation of these structures and systems is vital. We also insure ourselves against any damage through appropriate insurance cover.

## Financial risks

### Credit risk

The Group's credit risk mainly results from trade receivables and lease receivables. The amounts shown in the consolidated statement of financial position do not include loss allowances for expected credit losses. Due to the ongoing monitoring of receivables at management level and depending on customer creditworthiness, we operate with commercial credit insurance and are thus not currently exposed to any significant credit risk.

The credit risk in respect of cash and derivative financial instruments is limited because these are currently held exclusively at banks that have been awarded high credit ratings by international rating agencies, that are highly secure thanks to a joint liability scheme and/or at which there are offsetting opportunities via non-current borrowings.

The maximum credit risk of the Group is represented by the carrying amounts of the financial assets recognized in the statement of financial position (including derivative financial instruments with positive fair value). The Group is also exposed to credit risk through the acquisition of financial guarantees.

With respect to our long-term equity investments in Ukraine and Russia, we refer to the above remarks under "Political, legal and social risks".

At the reporting date, there were no further significant credit risk mitigation agreements or hedges.

### Foreign currency risk

With very few exceptions, the Group companies operate in the eurozone and invoice only in euros. In this respect, currency risk could only arise in isolated cases, such as from foreign dividend income or the purchase of goods and services from abroad. An interest rate and currency swap has been concluded to hedge against the foreign currency risk from a variable USD loan granted in the context of Group financing.

Due to the current situation, the exchange rate of the ruble and the hryvnia may have isolated negative effects on earnings, which cannot be quantified at present.

### Liquidity risk

Liquidity risks may arise from payment bottlenecks and the resulting higher financing costs. The Group's liquidity is ensured by central cash management at the level of BLG KG. All significant subsidiaries are included in cash management. Due to the centralized management of capital expenditure and credit management, financial resources (loans/leases) can be provided in good time to meet all payment requirements.

The Group's liquidity needs are covered by cash and credit facilities granted.

In parallel, the BLG Group has been using the non-recourse sale of receivables under a factoring agreement as an off-statement of financial position financing instrument since the reporting year to further optimize the structure of the statement of financial position. The obligations of the factor to purchase existing and future receivables are limited to a total maximum amount of EUR 75 million. BLG LOGISTICS is free to decide to what extent the revolving nominal volume is utilized. The receivables have been derecognized in full.

BLG LOGISTICS additionally has the possibility to participate in the cash pooling facility of the Free Hanseatic City of Bremen in an amount of up to EUR 50 million, as well as to take out a non-current loan of EUR 50 million via a state guarantee through Bremer Aufbau-Bank together with a partner bank.

Assurances have been made to all partner banks with regard to equal treatment and the change-of-control clause.

We counter the financial risks arising from the dynamics of the current situation with a regular forecast process, from which appropriate measures – if necessary – are derived. From the start of the coronavirus pandemic up to the time of preparing this report, BLG LOGISTICS' liquidity was not at risk in any way.

**Interest rate risk**

The interest rate risk to which BLG LOGISTICS is exposed arises primarily from non-current loans and other non-current financial liabilities. Interest rate risks are managed with a combination of fixed-interest and variable-interest loan capital. The majority of the liabilities to banks have been concluded over the long term or fixed interest rates have been agreed through to the end of the financing term, either originally as part of the loan agreements or via interest rate swaps which have been concluded within micro-hedges for individual variable-interest loans. In addition, against the backdrop of the low interest rate, which is attractive for investments, a portion of the financing requirement of the coming years was hedged by agreeing forward interest rate swaps. It is planned to take out loans from partner banks totaling EUR 90 million in tranches of up to EUR 15 million each within six years, beginning in 2019. Further information is presented in note 32/the "Derivative financial instruments" section of the consolidated financial statements.

Interest rate risks are disclosed via sensitivity analyses in accordance with IFRS 7. These show the effects of changes in the market interest rate on interest payments, interest income and expenses, other income items and on equity. The interest rate sensitivity analyses are based on the following assumptions.

With regard to non-derivative financial instruments with fixed interest rates, market interest rate changes only affect profit or loss if these financial instruments are measured at fair value. All fixed-interest financial instruments measured at amortized cost are not subject to interest rate risks within the meaning of IFRS 7. This applies to all fixed-interest loan liabilities of BLG LOGISTICS, including lease liabilities. When hedging interest rate risks in the form of cash flow hedge-designated interest rate swaps, changes to the cash flows and to the contributions to earnings induced by changes to the market interest rate of the hedged primary financial instruments and the interest rate swaps balance each other out almost completely, effectively eliminating the interest rate risk.

Gains or losses from remeasurement of hedging instruments to fair value are credited or charged directly to the hedging reserve in equity and are therefore included in the equity-related sensitivity calculation. Changes in the market interest rate of non-derivative variable-interest financial instruments whose interest payments are not structured as hedged items as part of cash flow hedges against interest rate risks have an effect on net interest income (expense) and are therefore included in the calculation of income-related sensitivities.

From today's perspective, the likelihood of the financial risks described arising in BLG LOGISTICS is estimated to be low.

Further disclosures on the management of financial risks can be found in note 32.

## Other risks

There are currently no other identifiable risks that could have a long-term negative influence on the company's development. There are currently no potential risks to the company's continued existence as a going concern such as excessive indebtedness, insolvency or other risks that could significantly impact on the company's financial position, financial performance and cash flows.

## Assessment of the overall risk situation

The war between Russia and Ukraine, as well as the ongoing coronavirus pandemic, could continue to severely disrupt global goods flows and therefore also logistics processes and services in the future.

There is still a high level of uncertainty over the effects on the associated supply chains of BLG LOGISTICS' customers. The conflict could again exacerbate the shortage of components in industrial production in 2022. We therefore anticipate temporary volume fluctuations in our business operations for the ongoing financial year.

In this context, the very high energy prices described above also represent a significant risk for 2022. A possible embargo on Russian energy could lead to a further significant increase. The measures described above will be used to counteract this within the limits of contractual feasibility.

In this environment, the sovereign debt crises in the US and Europe, the trade conflict between the US and China, further Brexit negotiations and further geopolitical unrest, with their effects on the real economy, have faded into the background, but are not yet overcome. A renewed exacerbation of the risk situation in these areas cannot be ruled out.

Another major factor is the successful implementation of the transformation, including the related cost savings as well as productivity and efficiency improvements, within the CONTAINER Division. Failure to implement these, or to do so only to a lesser extent, would seriously jeopardize the competitiveness and future viability of the EUROGATE Group.

We have assessed the likely impact of possible effects and initiated necessary steps, and are also monitoring the situation on a daily basis. Through various instruments such as our risk management, the regular risk report, regular exchanges with our customers and a crisis team for special situations, we believe we are adequately positioned to master the challenges.

Based on our risk management system and consistent assessments by the Board of Management, there were no foreseeable risks in the reporting period that could jeopardize the company's continued existence, either individually or as a whole. Based on our medium-term planning and taking the ongoing pandemic situation and the measures already initiated into account, there are currently no indications of strategic or operational risks for future development that pose a threat to the continued existence of the company.

## Management and control

**Corporate governance statement**
In accordance with German statutory requirements, the auditor only audited the existence of disclosures on corporate governance within the meaning of Section 315d HGB. They are shown with the Corporate governance statement in accordance with Section 315d HGB in Chapter 04 of this financial report.

**Takeover-related disclosures in accordance with Section 315a (1) HGB**
Takeover-related disclosures are also reported in the Corporate governance statement in Chapter 04 of this financial report.

## Remuneration report and remuneration system

The applicable remuneration system of the Board of Management pursuant to Section 87a (1) and (2) sentence 1 of the German Stock Corporation Act (AktG), which was approved by the Annual General Meeting on June 2, 2021, and the system for the remuneration of the members of the Supervisory Board (Section 113 (3) AktG), which was also approved by the Annual General Meeting on June 2, 2021, are publicly available under www.blg-logistics.com/en/investor-relations. The remuneration report, including the auditor’s audit opinion pursuant to Section 162 AktG, is made publicly available in the download area at the same Internet address.

# Outlook

## Future direction of the Group

**Retention of the business model**
A fundamental change in our business model is not currently planned. One strategic priority will be the further expansion of the AUTOMOBILE and CONTRACT Divisions. Our goal is to be profitable in all business areas and to continue to grow. We intend to grow our shares in existing markets, open up new markets and win new customers by continuing our acquisition activities, developing collaborations in a targeted manner and establishing strategic partnerships. We will also extend our value chains in the business areas. Moreover, we will seek to improve productivity in all areas, also during the coronavirus pandemic and the Ukraine crisis, through consistent process and quality management, the use of opportunities arising from digitalization, and strict cost management.

## Expected macroeconomic conditions

**Significant economic growth in 2022 at risk**
Following the historic slump in the global economy in 2020, it initially bounced back strongly in 2021. When the fourth wave of the coronavirus pandemic triggered by the Omicron variant hit at the turn of the year 2021/2022, the economic recovery once again slowed. One reason for this was the many pandemic-related work absences. In addition, a sluggish Chinese economy and continuing supply bottlenecks are hampering the recovery in industrial production, even if these eased somewhat at the end of 2021.

Even assuming that by spring 2022 the pandemic has been managed medically to such an extent that the healthcare system is no longer permanently overstretched and economic activity therefore no longer needs to be substantially curtailed, the pace of economic recovery is expected to be severely slowed. The war between Russia and Ukraine, which began in February 2022, has once again severely impacted global economic development, and the future repercussions such as supply chain disruptions and continued high inflation, cannot currently be foreseen.

Before the Ukraine crisis, forecasts – depending on the institute – assumed economic growth of over 4 percent. As a result of the war, the supply bottlenecks in industrial production, which were slowly recovering, are expected to intensify again. Among other things, a number of suppliers to the automotive industry are located in Ukraine, and important industrial raw materials such as palladium come from Russia. Macroeconomic development also depends to a large extent on oil and gas prices. Price increases have an impact all the way to the end consumer and thus also on general demand.

Apart from this, consumer spending and travel behavior are expected to return to normal in 2022. In addition to the introduction of the higher minimum wage, a rise in collectively agreed pay and in employment is also expected.

The EU's and the German government's ambitious targets for lowering greenhouse gas emissions will create a massive need for investments and development in the coming years. This presents huge challenges for the automotive industry in particular, as well as for other large parts of German industry. The medium-term shift away from the combustion engine to electric drive technology also entails enormous changes in the production and workflows.

Other uncertainties relating to the forecast can be identified against the background of a further escalation in the Ukraine conflict and the tense atmosphere between the US, Europe and Russia, as well as on the back of ongoing disputes between the US and China. At present, the impact on the global economy cannot yet be predicted with certainty.

Sources for this section:
Deutsche Bundesbank, Monthly Report, February 2021
IMK, IMK Report No. 172, December 2021
IMK, IMK Report No. 173, January 2022
IfW Kiel, Kiel Institute Economic Outlook, No. 85+86 (2021|Q4)
Tagesschau.de, February 25, 2022, 06:30 pm
"Wie der Krieg auf die Wirtschaft wirkt" ("How the war impacts the economy")
Weser-Kurier.de February 28, 2022, 08:49 am
"Materialmangel hoch – Verschärfung durch Krieg befürchtet" ("High materials shortage – war adds to fears of worse to come"

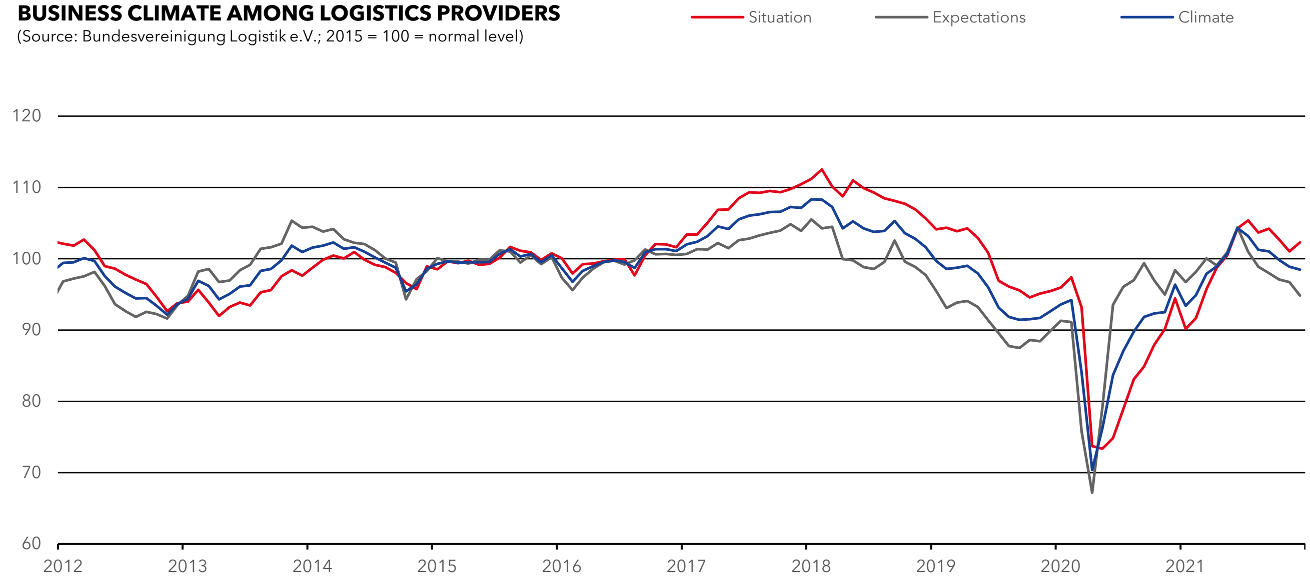
**Logistics industry with a good track record overall**

According to the SCI Logistics Barometer (December 2021), the business situation of the transport and logistics companies surveyed was at a high level toward the end of 2021 and before the outbreak of the war. Despite ongoing restrictions due to the coronavirus pandemic, a substantial hike in energy prices and disruptions to global supply chains, the logistics industry is generally upbeat and a majority rated the current business situation as good. The change of government in the US also restored the original confidence in the transatlantic logistics market. One important issue, however, continues to be the high staff shortages, in particular the lack of tens of thousands of truck drivers. No other profession is currently in such high demand. The war between Russia and Ukraine is likely to exacerbate the situation if fewer drivers from Eastern Europe are available. Overall, the majority of the companies surveyed expect the employment rate to rise. Adequate price adjustments are called for to counter rising costs.

The ifo-BVL Logistics Indicator showed a downward trend at the end of the year, particularly in the fourth quarter, with shippers in industry and the retail sector assessing the situation more positively than logistics service providers. Overall, however, the climate is above the level seen at the turn of the year 2020 to 2021. Rising prices, lower stock levels in industry and the retail sector and shrinking order backlogs at logistics service providers stood in the way of a further increase.

According to the ifo-BVL Logistics Indicator, the economic situation remains strongly influenced by the coronavirus pandemic and hardly any growth is forecast for the German economy in the winter half-year 2021/2022. In addition, there is a high level of uncertainty regarding the situation in Ukraine and its potential impact on transports through this region and supplies to industry, as well as rising energy prices.

**BUSINESS CLIMATE AMONG LOGISTICS PROVIDERS**
(Source: Bundesvereinigung Logistik e.V.; 2015 = 100 = normal level)




The topics of sustainability and digitalization/artificial intelligence are increasingly in focus and affect and accompany us all. We believe that the best way to tackle the most important challenges, namely digitalization and climate protection, is not necessarily alone. Key here is the joint development of solutions, also by competitors.

The logistics industry will continue to benefit in the future from a strong, export-oriented German industry and Germany's excellent position as a logistics center. Maintaining the infrastructure will remain a major challenge. Furthermore, climate policy will strongly influence the design of supply chains in the future, resulting in additional parameters.

Sources for this section:

BVL Logistics Indicator, 4th Quarter 2021, December 13, 2021 including commentary

DVZ, August 10, 2021, "Diese Treiber sind 2022 relevant" ("These drivers are relevant in 2022")

Frank Dreeke, "Collaboration – die Zukunft der Logistik?" ("Collaboration – the future in logistics?"), www.blg-logistics.com, retrieved on January 31, 2022, 3:53 pm

SCI Verkehr, SCI Logistics Barometer, December 2021

Welt am Sonntag, February 27, 2022, "Transportunternehmen stellen sich auf Engpässe ein" ("Transport companies prepare for bottlenecks")

## Development of BLG LOGISTICS in the following year

At the time of preparing this report, the war between Russia and Ukraine, which we are following with very great concern, was in full swing. From today's perspective, it is impossible to draw conclusions about how it will impact on our customers' business and our related services. A specially established crisis team is reassessing the situation on an ongoing basis. However, we can assume that renewed supply chain disruptions, production losses at our customers and high inflation (in particular very sharp rises in energy prices) will have a significant direct or indirect impact on our earnings and that in some cases we will not be able to meet our targets. The automotive industry in particular is dependent on suppliers from Ukraine and our customers' production may again be disrupted for months. In addition, it is to be expected that volumes that we have handled or processed for these regions in the past will be suspended temporarily or over the longer term. This applies to all business divisions of the BLG Group and will therefore not be repeated below for the individual business units.

**AUTOMOBILE Division**

### Seaport terminals business area

For our Bremerhaven and Cuxhaven car transshipment sites in the seaport terminals business area, we expect transshipment volumes in 2022 to remain at a similar level to 2021. Due to the ongoing supply bottlenecks for parts, automotive producers are currently unable to provide reliable statements on planned production and revenue figures for 2022.

Given the difficult market situation and free space capacities at other ports, competition remains strong. Among other things, we expect the implementation of various projects, the optimization of external storage areas and the expansion of technical value creation to result in improved earnings.

We also expect positive effects for the Bremerhaven location from the joint venture with one of the world's largest shipping companies, Hyundai Glovis. As part of the joint venture, it will use Bremerhaven as a European hub for its automobile shipments between Asia and Europe.

The high & heavy segment will continue to benefit from the low availability of containers in 2022 and will again ship more RoRo cargo. We expect handling volumes to remain at the previous year's high level. We are aiming to further expand our technical value creation.

As a result of shipping companies switching volumes and ports, we are anticipating negative effects on earnings at the Neustädter Hafen in Bremen, which we intend to offset in the medium term by acquiring new business. Furthermore, we assume that, due to increasing demand for oil and gas products, the throughput of steel products will increase. In contrast, we expect a decline in the handling of forest products.

### Inland terminals business area

The continued difficult market situation for new vehicles in Germany and Western Europe together with low technical value creation are leading to increasingly aggressive competition. We are therefore looking to leverage our high level of technical expertise and extensive terminal network to further expand the remarketing/used vehicles segment.

At our Kelheim location, we will start operating a new multi-story car park in 2022. This will enable us to generate additional storage revenue and quit external storage space.

In order to increase value creation, we are expanding the charging infrastructure for vehicles with alternative drive systems at all inland terminals. In terms of handling volumes, we expect a slight increase compared to 2021, subject to the uncertainties already mentioned.

### Car transport business area

We also expect road transport volumes to remain at the previous year's level. Intensified crowding out as well as the high energy costs are leading to persistent and permanent price pressure. We are maintaining the number of trucks in our own vehicle fleet at a constant level and are increasingly deploying them for long-distance transports in order to optimize capacity utilization.

### AutoRail business area

In line with the general market expectation and a further shift from road to rail transport, we are anticipating a substantial volume increase compared with the previous year. However, volumes will still be below the 2019 level. We intend to further expand the repair business for third parties, including mobile maintenance.

The sophisticated technology of BLG's young wagon fleet enables internationally flexible use for transportation of all passenger car and SUV models, across manufacturers and countries. BLG currently owns around 1,500 car transport wagons. In addition to the agreed regular transport services, ad hoc transport is a regular part of the portfolio thanks to the outstanding functionality of our wagons. Dimensions and weights, particularly among SUVs, will require the rail logistics industry to make a significant investment in wagon fleets in the coming years. With its fleet, BLG is well positioned for the future.

### Southern/Eastern Europe business area

Against the background of the war in Ukraine and the sanctions imposed on Russia, possible expropriations by the Russian state, and the fact that auto manufacturers are currently withdrawing from Russia, our site in St. Petersburg/Russia and our joint venture in Kyiv/Ukraine will be significantly affected. It is likely that we will have to suspend our operations temporarily or for the longer term, or that the basis for doing business will cease altogether. At the time of reporting, operations in Ukraine were suspended.

For the remaining sites, we expect volumes in the Eastern European business area to increase with our existing customers and with new customers.

## CONTRACT Division

Overall, in the CONTRACT Division, the price pressure on logistics service providers is permanently increasing and margins are declining accordingly. Due to the high level of competition and the existence of overcapacities, personnel cost increases as a result of collective bargaining agreements cannot always be passed on to customers in full through price increases. In addition, there is still a high tendency among customers to make all costs as variable as possible. In return, however, no quantity guarantees are provided by the customers.

### Industrial logistics (Europe) business area

In the industrial logistics (Europe) business area, almost all expiring contracts with existing customers were extended. The business at the plant of an automotive manufacturer in Leipzig – including the approximately 800 employees – will be taken over by a new service provider in 2022.

Economic trends in the industrial logistics (Europe) business area will continue to be affected in the automotive logistics area by the development of the coronavirus pandemic, consumer reticence brought on by the crisis and the shift to alternative drive systems.

We are predicting high volumes for the Bremen site. At the end of 2022, we plan to commission the new "C3 Bremen" logistics center, from where we will provide sustainable and efficient supplies to the foreign assembly plants of a car manufacturer.

Overall, we expect business to develop stably to positively at most locations. However, given the unpredictability of the pandemic, certain uncertainties remain.

### Industrial logistics (overseas) business area

In the industrial logistics (overseas) business area, we aim to continue our steady and positive development in financial year 2022, even though we are still grappling with the global challenges posed by the COVID pandemic.

In particular, we want to build on the expanded business in South Africa and India and the stable volumes in the US in 2022. The Malaysian site, which was severely impacted by the pandemic in 2021, has been on an upward trend since the last quarter of 2021, and we are seeing a steady increase in demand for finished vehicles.

### Retail logistics business area

The development of the retail logistics business area also continues to be strongly impacted by the coronavirus pandemic. Supply chain disruptions and sales problems on the customer side will continue to pose major challenges in the 2022 financial year. Overall, however, we expect the successful continuation of existing and new business to contribute to earnings slightly above the previous year's level.

Expectations for the 2022 financial year are based mainly on the volume projections of the respective customers and planned new business. In this business area, too, we succeeded in concluding continuation agreements with all but a few existing customers. In the future, we intend to further strengthen our industry diversification.

**CONTAINER Division**

Because the container terminals still have capacity reserves, at least in the medium term, the market power of the remaining consortia or shipping companies is increasing as a result of consolidation, and with it the pressure on earnings and the need to identify and implement sustainable cost reductions and efficiency improvements. This is being addressed through the implementation of the "Future EUROGATE" transformation program.

From today's perspective, the Hamburg location is forecast to record a slight volume increase for the 2022 financial year, based on the return of a Far East service operated by the 2M consortium that was temporarily handled in Bremerhaven during 2021 and on expected largely stable volumes of the other services.

For the Bremerhaven site, a rise in handling volumes in 2022 is likewise expected.

Against the background of the ongoing ship delays and the resulting capacity and handling problems at the container terminals, the container shipping companies cannot rule out temporary reschedulings of container liner services between the ports in the North Range. Whether and to what extent such reschedulings will take place cannot be estimated at present.

The development of container throughput in Wilhelmshaven in 2021 was already very encouraging and was positively influenced by effects of the pandemic and a high number of inducement calls. Given the trend towards ever larger container ships and the increasing nautical restrictions that this imposes on the navigation channels of the Outer Weser and Elbe – even once the deepening and widening measures currently underway have been completed – Wilhelmshaven is becoming more and more relevant for the handling of ultra-large vessels.

With Hapag-Lloyd AG as a new partner and customer, the deep-water port of Wilhelmshaven will have very good growth prospects in the coming years due to the trend towards ever larger container ships. Furthermore, the double-track upgrading of the Oldenburg–Wilhelmshaven railway line by DB Netz, including renewal and electrification, will be completed in fall 2022. This will create additional capacity and provide the site with an efficient rail-based connection.

In the 2022 financial year, transshipment volumes at the Wilhelmshaven site are still expected to stagnate. From today's perspective, a significant improvement in the capacity utilization is forecast from 2023 onwards. In the meantime, operational capacities will be enhanced by raising the existing eight container gantry cranes and procuring two more container bridges. In addition, it is planned to convert a first section of the landside operations to an automated system by spring 2024.

The development of handling volumes at the EUROGATE locations may be negatively affected by the repercussions of the war in Ukraine as well as by the ongoing coronavirus pandemic and the measures and restrictions that may have to be introduced in connection with this. Increased sick leave or the need to comply with pandemic-related quarantine requirements may also significantly curtail staff capacities. It is currently not possible to quantify such impacts.

In light of the macroeconomic conditions described above, combined with the one-off and exceptional factors included in the previous year's result, the CONTAINER Division is expected to generate declining, nevertheless still clearly positive, consolidated net profit for 2022. To some extent – albeit on a low level – restructuring expenses will continue to impact on earnings in 2022 and subsequent years.

**Planned capital expenditure**

We adjust our investment plans to the constantly changing market conditions, paying particular attention to our liquidity and results of operations. Significant expansion, process optimization and replacement investments are planned in the coming year in the AUTOMOBILE Division, e.g. for the continuous replacement of older trucks and the buyback of car wagons from leasing in the car transport and AutoRail business area. In the seaport and inland terminals business areas, capital expenditure mainly relates to various measures to expand and modernize spaces and buildings and the upgrading of handling equipment. In addition, investments will be made to optimize the division's IT network. In the CONTRACT Division, capital expenditure relates to the development and expansion of new logistics centers and the expansion of existing businesses in the areas of industrial and retail logistics. In the central departments, a major investment is planned among other things for the renewal of the ERP system. An investment volume of around EUR 102 million is planned for the necessary expansion and replacement investments and for investments in process optimization. This capital expenditure will be mainly financed through borrowing.

**Overall statement on the expected development of the Group**

At the time of preparing this report, war is being waged between Russia and Ukraine and it is impossible to quantify its future ramifications for our customers' quantities, volumes, earnings and production. However, it can be assumed that it could lead to further major restrictions.

This has pushed into the background the fact that, despite increasing progress with the inoculation program, the Omicron wave is also having an impact on the global economy, with local restrictions and high levels of sick leave. The remainder of the year ahead will therefore be strongly influenced by challenging conditions. In this environment, forecasts on earnings and volumes are difficult.

| EUR thousand | Actual 2021 | Forecast 2022 |
|---|---|---|
| EBT | 52,226 | significant decline; positive result |
| EBIT | 61,507 | significant decline similar to EBT |
| Revenue | 1,050,438 | at previous year's level |
| EBT margin (in percent) | 5.0 | significant decline similar to EBT |
| RoCE (in percent) | 6.2 | significant decline similar to EBT/EBIT |

## Expected changes for 2022

| ↘ EBT and EBIT | → Revenue | ↘ EBT margin and RoCE |
|---|---|---|
| significant decline | at around the previous year's level | significant decline |

For 2022, we are working on the assumption that the Ukraine war will hinder economic recovery and the end to the turbulences in the logistics chains, as well as the elimination of supply bottlenecks. Furthermore, soaring energy prices, which we are not always able to pass on in full to customers due to various agreed transactions and services, are having a noticeable impact as a high, additional fixed cost burden in all business areas. Other influencing factors are the ambitious EU $CO_2$ reduction targets and the further development of the "automotive crisis". The ever more acute shortage of skilled labor is also having an increasingly detrimental effect on our business operations.

In this uncertain environment, based on the forecast for the BLG Group described above, we currently expect revenue to remain at the previous year's level. Overall, we anticipate a significant reduction in earnings (EBT) in the 2022 financial year, which will, however, still be in positive territory. EBIT and RoCE and the EBT margin will develop accordingly. On the basis of the situation described, this forecast is subject to a high degree of uncertainty.

We pursue the goal of an earnings-related and consistent dividend policy. Accordingly, we will continue to allow our shareholders to participate appropriately in earnings in the future in line with our business performance.

This annual report was prepared on the basis of German Accounting Standard 20 (DRS 20) in the current version. Apart from historical financial information, it contains statements on the future development of the business and the business performance of BLG LOGISTICS which are based on estimates, forecasts and expectations, and can be identified by wording such as "assume", "expect" or similar terms. These statements may, of course, vary from actual future events or developments. We are not under any obligation to update these forward-looking statements with new information.

# 03 CONSOLIDATED FINANCIAL STATEMENTS



**12.8%**

**EQUITY RATIO**

In 2021, we raised our equity ratio back into double figures.

# Consolidated Statement of Profit or Loss

| **EUR thousand** | Note | **2021** | 2020 |
|---|---|---|---|
| Revenue | 4 | 1,050,438 | 1,065,235 |
| Other operating income | 5 | 55,199 | 46,190 |
| Cost of materials | 6 | -423,763 | -454,905 |
| Personnel expenses | 7 | -479,303 | -455,476 |
| Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases | 8 | -80,825 | -115,432 |
| Other operating expenses | 9 | -123,056 | -130,389 |
| Net impairment gains/losses | 9, 32 | 515 | -1,188 |
| Net income (net loss) of companies accounted for using the equity method | 10 | 62,302 | -61,705 |
| Income from non-current finance receivables | | 20 | 26 |
| Other interest and similar income | 11 | 7,336 | 7,110 |
| Interest and similar expenses | 11 | -16,719 | -15,685 |
| Income from other long-term equity investments and affiliated companies | | 82 | 92 |
| **Earnings before taxes (EBT)** | | **52,226** | **-116,127** |
| Income taxes | 33 | -1,660 | -4,047 |
| **Consolidated net profit/net loss for the period** | | **50,566** | **-120,174** |
| | | | |
| **Consolidated net profit/net loss was attributable as follows:** | | | |
| BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- | | 1,154 | 1,117 |
| BLG LOGISTICS GROUP AG & Co. KG | | 47,148 | -122,544 |
| Non-controlling interests | | 2,264 | 1,253 |
| | | **50,566** | **-120,174** |
| | | | |
| **Earnings per share (diluted and basic, in EUR)** | 21 | **0.30** | **0.29** |
| of which from continuing operations (in EUR) | | 0.30 | 0.29 |
| | | | |
| **Dividend of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- (in EUR)** | 22 | **0.30** | **0.11** |

# Consolidated Statement of Comprehensive Income

| EUR thousand | Note | 2021 | 2020 |
|---|---|---|---|
| **Consolidated net profit/net loss for the period** | | **50,566** | **-120,174** |
| **Other comprehensive income, net of income tax** | | | |
| **Items that are not subsequently reclassified to profit or loss** | 34 | | |
| Remeasurement of net pension obligations | | -370 | 1,195 |
| Proportionate share of equity-accounted investments in items that are not subsequently reclassified to profit or loss | | 1,043 | 629 |
| Income taxes on items that are not subsequently reclassified to profit or loss | | -903 | -111 |
| | | **-230** | **1,713** |
| **Items that can subsequently be reclassified to profit or loss** | 34 | | |
| Currency translation | | -47 | -1,273 |
| Change in the measurement of financial instruments | | 4,718 | -4,157 |
| Proportionate share of equity-accounted investments in items that can subsequently be reclassified to profit or loss | | 1,668 | -2,897 |
| Income taxes on items that can subsequently be reclassified to profit or loss | | -25 | -20 |
| | | **6,314** | **-8,347** |
| **Other comprehensive income, net of income tax** | | **6,084** | **-6,634** |
| **Group total comprehensive income** | | **56,650** | **-126,808** |
| | | | |
| **Group comprehensive income was attributable as follows:** | | | |
| BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- | | 1,154 | 1,117 |
| BLG LOGISTICS GROUP AG & Co. KG | | 53,235 | -129,130 |
| Non-controlling interests | | 2,261 | 1,205 |
| | | **56,650** | **-126,808** |

# Consolidated Statement of Financial Position

| **Assets**<br>**EUR thousand** | Note | **12/31/2021** | 12/31/2020 |
|---|---|---|---|
| **A. Non-current assets** | | | |
| I. Intangible assets | 12 | | |
| 1. Goodwill | | 5,084 | 5,084 |
| 2. Other intangible assets | | 7,209 | 5,143 |
| 3. Advance payments on intangible financial assets | | 8,311 | 7,357 |
| | | **20,604** | **17,584** |
| II. Property, plant and equipment | 13, 14 | | |
| 1. Land, land rights and buildings, including buildings on third-party land | | 360,146 | 406,821 |
| 2. Handling equipment | | 96,524 | 93,646 |
| 3. Technical plant and machinery | | 38,702 | 53,540 |
| 4. Other equipment, operating and office equipment | | 24,385 | 24,165 |
| 5. Advance payments and assets under construction | | 28,894 | 7,758 |
| | | **548,651** | **585,930** |
| III. Equity investments in companies accounted for using the equity method | 15 | 162,349 | 98,662 |
| IV. Non-current finance receivables | 16 | 217,627 | 197,729 |
| V. Other non-current assets | 18 | 574 | 528 |
| VI. Deferred taxes | 35 | 2,356 | 2,768 |
| | | **952,161** | **903,201** |
| **B. Current assets** | | | |
| I. Inventories | 17 | 17,109 | 15,450 |
| II. Trade receivables | 18 | 176,992 | 211,495 |
| III. Current finance receivables | 16 | 21,131 | 32,280 |
| IV. Other assets | 18 | 14,930 | 13,685 |
| V. Reimbursement rights from income taxes | 35 | 2,844 | 1,222 |
| VI. Cash and cash equivalents | 19 | 33,010 | 13,357 |
| | | **266,016** | **287,489** |
| Current assets classified as held for sale | 18 | 0 | 3,403 |
| | | **266,016** | **290,892** |
| | | **1,218,177** | **1,194,093** |

| **Liabilities EUR thousand** | Note | **12/31/2021** | 12/31/2020 |
|---|---|---|---|
| **A. Equity** | 20 | | |
| I. Consolidated capital of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- | | | |
| 1. Subscribed capital | | 9,984 | 9,984 |
| 2. Retained earnings | | | |
| a. Legal reserve | | 998 | 998 |
| b. Other retained earnings | | 10,273 | 9,541 |
| | | **21,255** | **20,523** |
| II. Consolidated capital of BLG LOGISTICS GROUP AG & Co. KG | | | |
| 1. Limited liability capital | | 51,000 | 51,000 |
| 2. Share premium | | 103,182 | 50,182 |
| 3. Retained earnings | | 58,326 | 22,980 |
| 4. Other reserves | | -66,879 | -66,630 |
| 5. Reserve for the fair value measurement of financial instruments | | -8,088 | -12,951 |
| 6. Foreign currency translation | | -9,441 | -10,895 |
| | | **128,100** | **33,686** |
| III. Non-controlling interests | | 6,934 | 5,532 |
| | | **156,289** | **59,741** |
| **B. Non-current liabilities** | | | |
| I. Non-current loans (not including the current portion) | 23 | 136,688 | 146,387 |
| II. Other non-current loan liabilities | 24 | 529,479 | 513,305 |
| III. Deferred government grants | 25 | 2,826 | 2,750 |
| IV. Other non-current liabilities | 28 | 2,568 | 419 |
| V. Non-current provisions | 26 | 70,690 | 74,914 |
| VI. Deferred taxes | 33 | 218 | 577 |
| | | **742,469** | **738,352** |
| **C. Current liabilities** | | | |
| I. Trade payables | 27 | 87,697 | 85,141 |
| II. Other current financial liabilities | 24 | 162,574 | 228,297 |
| III. Current portion of government grants | 25 | 81 | 81 |
| IV. Other current liabilities | 28 | 44,240 | 42,920 |
| V. Payment obligations from income taxes | 36 | 1,642 | 6,060 |
| VI. Current provisions | 29 | 23,185 | 29,689 |
| | | **319,419** | **392,188** |
| Current liabilities directly associated with assets classified as held for sale | 18 | 0 | 3,812 |
| | | **319,419** | **396,000** |
| | | **1,218,177** | **1,194,093** |

# Segment Reporting

| EUR thousand | AUTOMOBILE 2021 | AUTOMOBILE 2020 | CONTRACT 2021 | CONTRACT 2020 | CONTAINER 2021 | CONTAINER 2020 | All segments 2021 | All segments 2020 | Reconciliation 2021 | Reconciliation 2020 | Group 2021 | Group 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue with external third parties** | **517,975** | **521,377** | **542,799** | **552,621** | **305,955** | **263,522** | **1,366,729** | **1,337,520** | **-316,291** | **-272,285** | **1,050,438** | **1,065,235** |
| Inter-segment sales | 4,804 | 4,226 | 5,532 | 4,538 | 2,103 | 2,002 | 12,439 | 10,766 | -12,439 | -10,766 | 0 | 0 |
| Net income (net loss) of companies accounted for using the equity method | -202 | -56 | 123 | -1,382 | 14,867 | -5,733 | 14,788 | -7,171 | 47,514 | -54,534 | 62,302 | -61,705 |
| EBITDA | 49,836 | 50,386 | 47,720 | 42,319 | 109,120 | 11,768 | 206,676 | 104,473 | -64,344 | -96,711 | 142,332 | 7,762 |
| Depreciation, amortization and impairments | -42,263 | -51,435 | -35,231 | -52,013 | -34,968 | -33,369 | -112,462 | -136,817 | 31,637 | 21,385 | -80,825 | -115,432 |
| **Segment earnings (EBIT)** | **7,573** | **-1,049** | **12,489** | **-9,694** | **74,152** | **-21,601** | **94,214** | **-32,344** | **-32,707** | **-75,326** | **61,507** | **-107,670** |
| Interest income | 56 | 239 | 2,707 | 2,309 | 601 | 950 | 3,364 | 3,498 | 3,992 | 3,638 | 7,356 | 7,136 |
| Interest expense | -8,705 | -8,188 | -6,560 | -6,597 | -5,164 | -9,750 | -20,429 | -24,535 | 3,710 | 8,850 | -16,719 | -15,685 |
| Income from other long-term equity investments | 0 | 0 | 81 | 91 | 111 | 111 | 192 | 202 | -110 | -110 | 82 | 92 |
| Impairment losses on non-current financial assets | 0 | 0 | 0 | 0 | 125 | -36,984 | 125 | -36,984 | -125 | 36,984 | 0 | 0 |
| **Segment earnings (EBT)** | **-1,076** | **-8,998** | **8,717** | **-13,891** | **69,825** | **-67,274** | **77,466** | **-90,163** | **-25,240** | **-25,964** | **52,226** | **-116,127** |
| **EBT margin (in %)** | **-0.2** | **-1.7** | **1.6** | **-2.5** | **22.8** | **-25.5** | **5.7** | **-6.7** | **not stated** | **not stated** | **5.0** | **-10.9** |
| **Other information** | | | | | | | | | | | | |
| Other non-cash events | -5,509 | 3,408 | -18,182 | -3,228 | -2,799 | -671 | -26,490 | -491 | -2,248 | 555 | -28,738 | 64 |
| Impairment | 0 | -6,303 | -216 | -11,160 | -766 | -163 | -982 | -17,626 | 766 | -8,591 | -216 | -26,217 |
| Equity investments in companies accounted for using the equity method | 5,112 | 5,525 | 1,930 | 2,180 | 93,900 | 84,451 | 100,942 | 92,156 | 61,407 | 6,507 | 162,349 | 98,663 |
| Goodwill included in segment assets | 5,084 | 5,084 | 0 | 0 | 512 | 512 | 5,596 | 5,596 | -512 | -512 | 5,084 | 5,084 |
| Segment assets | 536,425 | 531,228 | 307,930 | 349,717 | 594,506 | 527,583 | 1,438,861 | 1,408,528 | -388,232 | -317,087 | 1,050,629 | 1,091,441 |
| Capital expenditure | 72,782 | 38,945 | 44,602 | 63,659 | 14,540 | 35,837 | 131,924 | 138,441 | -12,020 | -30,683 | 119,904 | 107,758 |
| of which non-cash | 18,705 | 9,547 | 31,014 | 27,400 | 1,324 | 1,324 | 51,043 | 38,271 | 317 | -403 | 51,360 | 37,868 |
| Segment liabilities | 402,507 | 416,714 | 276,008 | 289,954 | 378,411 | 381,579 | 1,056,926 | 1,088,247 | -212,815 | -169,568 | 844,111 | 918,679 |
| Equity | 58,324 | 57,966 | 4,182 | -3,278 | 153,819 | 89,813 | 216,325 | 144,501 | -60,036 | -84,760 | 156,289 | 59,741 |
| Employees | 3,397 | 3,331 | 6,599 | 6,287 | 1,582 | 1,618 | 11,578 | 11,236 | -1,208 | -1,245 | 10,370 | 9,991 |

# Consolidated Statement of Changes in Equity

| | | I. Consolidated capital of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- | | | II. Consolidated capital of BLG LOGISTICS GROUP AG & Co. KG | | | | | | | III. Non-controlling interests | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EUR thousand** | Note | Subscribed capital | Retained earnings | **Total** | Limited liability capital | Capital reserves | Retained earnings | Other reserves | Reserve for the fair-value measurement of financial instruments | Foreign currency translation | **Total** | Total | **Total** |
| **As of December 31, 2019** | | **9,984** | **10,958** | **20,942** | **51,000** | **50,182** | **156,424** | **-68,343** | **-8,901** | **-6,596** | **173,766** | **8,656** | **203,364** |
| Changes in financial year | | | | | | | | | | | | | |
| Group total comprehensive income | | 0 | 1,117 | 1,117 | 0 | 0 | -122,544 | 0 | 0 | 0 | -122,544 | 1,253 | -120,174 |
| Income and expenses recognized directly in equity | 32, 33 | 0 | 0 | 0 | 0 | 0 | 0 | 1,713 | -4,050 | -4,249 | -6,586 | -48 | -6,634 |
| **Group total comprehensive income** | | **0** | **1,117** | **1,117** | **0** | **0** | **-122,544** | **1,713** | **-4,050** | **-4,249** | **-129,130** | **1,205** | **-126,808** |
| Dividends/withdrawals | | 0 | -1,536 | -1,536 | 0 | 0 | -10,952 | 0 | 0 | 0 | -10,952 | -4,336 | -16,824 |
| Other changes | | 0 | 0 | 0 | 0 | 0 | 52 | 0 | 0 | -50 | 2 | 7 | 9 |
| **As of December 31, 2020** | 20 | **9,984** | **10,539** | **20,523** | **51,000** | **50,182** | **22,980** | **-66,630** | **-12,951** | **-10,895** | **33,686** | **5,532** | **59,741** |
| Changes in financial year | | | | | | | | | | | | | |
| Group total comprehensive income | | 0 | 1,154 | 1,154 | 0 | 0 | 47,148 | 0 | 0 | 0 | 47,148 | 2,264 | 50,566 |
| Income and expenses recognized directly in equity | 32, 33 | 0 | 0 | 0 | 0 | 0 | 0 | -230 | 4,863 | 1,454 | 6,087 | -3 | 6,084 |
| **Group total comprehensive income** | | **0** | **1,154** | **1,154** | **0** | **0** | **47,148** | **-230** | **4,863** | **1,454** | **53,235** | **2,261** | **56,650** |
| Dividends/withdrawals | | 0 | -422 | -422 | 0 | 0 | -11,314 | 0 | 0 | 0 | -11,314 | -859 | -12,595 |
| Capital contributions | | 0 | 0 | 0 | 0 | 53,000 | 0 | 0 | 0 | 0 | 53,000 | 0 | 53,000 |
| Other changes | | 0 | 0 | 0 | 0 | 0 | -488 | -19 | 0 | 0 | -507 | 0 | -507 |
| **As of December 31, 2021** | 20 | **9,984** | **11,271** | **21,255** | **51,000** | **103,182** | **58,326** | **-66,879** | **-8,088** | **-9,441** | **128,100** | **6,934** | **156,289** |

# Consolidated Statement of Cash Flows

| **EUR thousand** | Note | **2021** | 2020 |
|---|---|---|---|
| Earnings before taxes | | 52,226 | -116,127 |
| Depreciation, amortization and impairments of and loss allowances on non-current intangible assets, property, plant and equipment, right-of-use assets, financial assets and non-current finance receivables | | 80,825 | 115,432 |
| Reversals of impairments of non-current finance receivables | | 0 | -12 |
| Proceeds from disposals of property, plant and equipment | | -7,713 | 807 |
| Net income (net loss) of companies accounted for using the equity method | | -62,302 | 61,705 |
| Net income (net loss) of other equity investments | | -82 | -92 |
| Net interest income (expense) | | 9,363 | 8,549 |
| Other non-cash events | | -28,738 | 64 |
| | | **43,579** | **70,326** |
| Change in trade receivables | | 34,503 | 2,694 |
| Change in other assets | | 7,475 | -3,859 |
| Change in inventories | | -1,659 | -5,523 |
| Change in government grants | | 76 | 168 |
| Change in provisions | | -12,729 | 11,516 |
| Change in trade payables | | 2,556 | -6,729 |
| Change in other liabilities | | 9,497 | -28,929 |
| | | **39,719** | **-30,662** |
| Interest received | | 7,923 | 7,034 |
| Interest paid | | -16,008 | -15,153 |
| Taxes on income and earnings paid | | -7,648 | -4,281 |
| | | **-15,733** | **-12,400** |
| **Cash flows from operating activities** | | **67,565** | **27,264** |

| EUR thousand | Note | 2021 | 2020 |
|---|---|---|---|
| Proceeds from disposals of property, plant and equipment and intangible assets | | 82,260 | 18,367 |
| Cash payments for cash investments in property, plant and equipment and intangible assets | | -68,131 | -69,890 |
| Cash payments for cash investments in companies accounted for using the equity method | | -14 | -5,841 |
| Cash advances and loans granted to long-term investees | | -570 | -700 |
| Cash receipts from repayment of advances and loans granted to long-term investees | | 12 | 219 |
| Proceeds from/payments for company acquisitions minus cash acquired | | 50 | 0 |
| Cash receipts from repayment of lease receivables | | 19,799 | 12,733 |
| Dividends received | | 1,109 | 12,223 |
| **Cash flows from investing activities** | | **34,515** | **-32,889** |
| Proceeds from capital contributions by company owners | | 53,000 | 0 |
| Cash receipts from repayment of loans granted to company owners | | 2,820 | 2,651 |
| Cash payments for advances and loans granted to company owners | | -735 | -2,820 |
| Cash payments made to company owners | | -12,595 | -16,824 |
| Proceeds from financing loans taken up | | 47,241 | 113,608 |
| Cash payments for the repayment of financing loans | | -42,631 | -24,163 |
| Proceeds from current intragroup financing from long-term investees | | 0 | 30,000 |
| Cash payments for the repayment of current intragroup financing from long-term investees | | 0 | -45,267 |
| Cash payments for the repayment of lease liabilities | | -73,250 | -71,891 |
| **Cash flows from financing activities** | 37 | **-26,150** | **-14,706** |
| Net change in cash and cash equivalents | | 75,930 | -20,331 |
| Change in cash and cash equivalents due to currency translation differences | | -549 | -2,024 |
| Cash and cash equivalents at start of financial year | | -63,941 | -41,586 |
| **Cash and cash equivalents at end of financial year** | 37 | **11,440** | **-63,941** |
| Composition of cash and cash equivalents at end of financial year | | | |
| Cash | | 33,010 | 13,357 |
| Current liabilities to banks | | -21,570 | -77,298 |
| | | **11,440** | **-63,941** |

# Contents
# Notes to the Consolidated Financial Statements

# Notes to the Consolidated Financial Statements

## Principles

### 1. Principles of Group accounting

BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen (BLG AG), and BLG LOGISTICS GROUP AG & Co. KG, Bremen (BLG KG), two companies that are legally, economically and organizationally closely affiliated due to their identical management bodies and special ownership structure, form the head of the BLG Group (BLG LOGISTICS). As BLG AG does not consider control over BLG KG to exist within the meaning of IFRS 10, it prepares consolidated financial statements (combined financial statements) together with BLG KG under the name BLG LOGISTICS with BLG AG and BLG KG as a single parent.

The consolidated financial statements for BLG LOGISTICS for the 2021 financial year were prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted and published by the International Accounting Standards Board (IASB) and their interpretations by the IFRS Interpretations Committee (IFRIC). The application of these standards became mandatory on December 31, 2021. All IFRSs and IFRICs were observed that have been published and adopted in the endorsement process of the European Union and whose application is mandatory.

The accounting policies were applied consistently by all Group companies for all periods specified in the consolidated financial statements.

The financial year of BLG AG and BLG KG and of their consolidated subsidiaries is the calendar year. The reporting date of the consolidated financial statements is the closing date of the preparing companies.

The companies BLG AG (HRB 4413) and BLG KG (HRA 21448), which are entered in the Commercial Register of the District Court of Bremen, have their registered office at Präsident-Kennedy-Platz 1, Bremen, Germany.

The consolidated financial statements are prepared in euros. All amounts are in EUR thousand unless otherwise indicated.

The consolidated financial statements were prepared on the basis of historical cost accounting; exceptions arise only for derivative financial instruments and financial instruments classified as “measured at fair value through profit or loss or through other comprehensive income”.

The Board of Management of BLG AG released the consolidated financial statements for publishing and forwarding to the Supervisory Board on March 29, 2022. The Supervisory Board has the task of reviewing the consolidated financial statements and stating whether it approves them.

**Judgments and estimates**

The preparation of the financial statements in conformity with IFRSs requires estimates and the exercise of discretion in individual matters by management that may have an impact on the amounts reported in the consolidated financial statements.

#### Judgments

Information on judgments in applying the accounting policies that have the greatest material effect on the amounts reported in the consolidated financial statements is included in the following notes:

- Determining whether control exists (notes 38 and 39)
- Classification of joint arrangements (notes 15 and 39)
- Presentation of factoring (note 32)

#### Assumptions and estimation uncertainties

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate in particular to the following notes:

- Calculation of useful lives of property, plant and equipment and intangible assets and costs of demolition obligations for property, plant and equipment (notes 12 and 13)

- Impairment testing of assets and measurement of goodwill (note 12)
- Estimations to determine the duration and expected payments for residual value guarantees as well as lease interest rates (note 14)
- Recognition of deferred tax assets (note 33)
- Estimation of parameters for impairment of property, plant and equipment, intangible assets, right-of-use assets and financial assets (notes 4, 12, 14, 16, and 18)
- Material actuarial assumptions (note 26)
- Discretion in measuring provisions and contingent liabilities (notes 29 and 24)

The estimates made were largely based on historical data and other relevant factors, including the going concern principle. Actual results may differ from these estimates.

## Determination of fair values

The financial instruments of the Group accounted for at fair value are allocated to different levels of the fair value hierarchy based on the measurement method used; these levels are defined as follows:

- Level 1: Listed (unadjusted) prices in active markets for identical assets and liabilities
- Level 2: Techniques for which all inputs which have a material effect on the recognized fair value are either directly or indirectly observable
- Level 3: Techniques using inputs that have a material effect on the recognized fair value and are not based on observable market data

More information on the assumptions made in determining the fair values can be found in note 32.

**Changes in accounting policies**

The accounting policies applied were essentially unchanged compared with the policies applied in the previous year. In addition, the Group applied the following new/revised standards that are relevant to BLG LOGISTICS and whose application was mandatory for the first time in the 2021 financial year:

| Standards | Application required for financial years starting from |
|---|---|
| Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases" (Interest Rate Benchmark Reform – Phase 2) | January 1, 2021 |

The amendments to IFRS 16 "Leases" (rental concessions in connection with COVID-19), which also had to be applied for the first time in financial year 2021, were already applied early by BLG LOGISTICS in 2020. The IASB has extended the practical relief on COVID-19-related rent concessions until June 30, 2022. The amendment is effective for reporting periods beginning on or after April 1, 2021.

**Effects of changes in accounting policies**

The new/revised standards had no material impact. For this reason, the amounts from the previous year have not been restated.

**Non-mandatory application of new or amended standards and interpretations**

Application of the following standards and interpretations which were previously adopted, revised or recently issued by the IASB was not yet mandatory in 2021:

| Standards | Application required for financial years starting from[1] | Adopted by the EU Commission |
|---|---|---|
| Amendments to IFRS 3 "Business Combinations" (Reference to the IFRS Conceptual Framework) | January 1, 2022 | Yes |
| Amendments to IFRS 16 "Leases" (COVID-19-Related Rent Concessions beyond June 30, 2021) | April 1, 2021 | Yes |
| IFRS 17 "Insurance Contracts" | January 1, 2023 | Yes |
| Amendments to IFRS 17 "Insurance Contracts" (First-Time Application of IFRS 17 and IFRS 9 – Comparative Information) | January 1, 2023 | No |
| Amendments to IAS 1 "Presentation of Financial Statements" (Classification of Liabilities as Current or Non-Current)[2] | January 1, 2023 | No |
| Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 "Making Materiality Judgements" (Practice Statement) | January 1, 2023 | Yes |
| Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Definition of Accounting Estimates) | January 1, 2023 | Yes |
| Amendments to IAS 12 "Income Taxes" (Deferred Tax related to Assets and Liabilities arising from a Single Transaction) | January 1, 2023 | No |
| Amendments to IAS 16 "Property, Plant and Equipment" (Proceeds before Intended Use) | January 1, 2022 | Yes |
| Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (Onerous Contracts - Cost of Fulfilling a Contract) | January 1, 2022 | Yes |
| Various standards: Annual Improvements Project 2018–2020 | January 1, 2022 | Yes |

[1] Date of initial application in accordance with EU law, where already adopted into EU law.

[2] The IASB published a new Exposure Draft on this topic on November 19, 2021.

BLG LOGISTICS plans to observe the new standards and interpretations in the consolidated financial statements from the date on which their initial application is mandatory. The new standards and interpretations that are relevant to the Group's operations will have an impact on the way in which the Group's financial information is published; however, they will not have any material effects on the recognition and the measurement of assets and liabilities or the presentation of the financial performance in the consolidated financial statements.

## Segment reporting and operating earnings

### 2. Operations of the BLG Group

As an international seaport-oriented logistics service provider with AUTOMOBILE, CONTRACT and CONTAINER Divisions for its customers in industry and retailing, the BLG Group is represented in over 100 subsidiaries and offices in Europe, North and South America, Africa and Asia.

The services offered range from seaport terminals in Europe to complex international supply chain management with value-added services. The main services of the divisions, divided into business areas, are presented below.

**AUTOMOBILE**
The AUTOMOBILE Division offers a full range of finished vehicle logistics services in its seaport terminals, inland terminals, car transport, AutoRail and Southern/Eastern Europe business areas.

The locations of the **seaport terminals** business area serve as hubs and are export ports for European vehicle production overseas such as China, Japan, Korea, the US, Australia, South Africa, Russia and Scandinavia. As import ports, these terminals offer all services for the European vehicle market. In addition to passenger car handling, the services also include traditional warehouse logistics and a large number of technical services such as pre-delivery inspection (PDI), special installations and conversions for new and used vehicles. In order to bundle the expertise in heavy goods handling, the logistics for offshore and onshore wind energy and high & heavy cargo handling segments in Bremerhaven were integrated into the seaport terminals business area. Conventional goods handling at Neustädter Hafen in Bremen is also assigned to the seaport terminals. This includes the handling, storage and appropriate treatment of paper and forest products, pipes, sheet metal and project cargo, as well as the handling of other heavy or bulky goods.

The **inland terminals** offer short distances to the European highway network, have their own railway connections, and most have a direct connection to the waterways. This network creates reliable logistics chains from car manufacturers around the world to car dealers and private end customers in the destination countries. The services include passenger car handling, warehouse logistics and technical services, e.g. the preparation of newer used vehicles, auctions, Internet sales.

In addition, through its **Southern/Eastern Europe** business area, BLG LOGISTICS is represented by several maritime and inland terminals in Europe.

The **AutoTransport and AutoRail** business areas offer transport by road, rail and inland waterways. The services also include individual transports and special shuttle concepts. Our focus here is on modernizing our fleets in order to be able to offer our customers low-emission transport chains.

In the AUTOMOBILE Division, revenue is normally recognized in the amount permitted to be invoiced, as the invoiced amounts correspond directly with the value of the performance completed to date. The services are mostly invoiced and paid on a monthly basis. This is based on the number of vehicles processed or transported and the agreed unit prices. In some cases, the invoice is issued before the performance obligation is fully met or only after all performance steps have been carried out. The portion of the consideration received from customers for which the services have not yet been performed is recognized as contract liabilities in the statement of financial position. In these cases, the sales are only recognized once the services have been transferred to the customer. Services already performed for which no invoice has yet been issued are recognized as contract assets in the statement of financial position.

**CONTRACT**
The CONTRACT Division develops customized logistics solutions. The focus of its services is on automotive parts, industrial and production logistics, retail and distribution logistics as well as freight forwarding services.

The **industrial logistics (Europe and overseas)** business areas provide logistics activities for the manufacturing industry. For car manufacturers, this includes the procurement logistics of the suppliers, supplying production lines, as well as consolidation, processing, packaging and shipping in order to supply production plants. Complex system services ensure reliable supplies to assembly lines in Germany and abroad. With the pre-assembly of vehicle components and production-related work processes, the industrial logistics business area serves as an extended workbench of automobile manufacturers.

In industrial companies in other sectors, complex goods flows relating to production are designed and optimized. The range of services also includes the supplies to and waste removal from production lines, on-site logistics for the optimal design of internal goods flows, reverse logistics management and complex assemblies.

Complex logistics processes are designed, implemented, managed and executed for retail companies in the **retail logistics** business area. In all sectors of the retail logistics business area, solutions are offered to customers from a single source. This applies in particular to the areas of e-commerce, multi-channel retailing, processing and value-added services for goods, the collection and processing of returns, as well as the handling of flat and hanging merchandise in the fashion logistics segment. Custom innovative solutions for renowned customers ensure that comprehensive information and product movements are available via in-house IT expertise. In addition, the retail logistics business area includes the handling and storage of refrigerated and frozen goods at the Bremerhaven container terminal as well as all related services.

The **freight forwarding** business area was wound up from April 2021 following the transfer of freight forwarding activities of BLG International Forwarding to Rhenus Air & Ocean Germany. Not affected by this is the Bremen freight forwarding location, which concentrates on overland transport, heavy goods transports, project business and sea freight. Overland transport is now reported in the industrial logistics business area, and seafreight and special projects in the seaport terminals business area.

In the CONTRACT Division, revenue is usually recognized in the amount permitted to be invoiced, as the invoiced amounts correspond directly with the value of the performance completed to date. The services are mostly invoiced and paid on a monthly basis. Capital-intensive services such as the provision of space and storage facilities are largely invoiced at fixed prices, but sometimes also according to actual use. The invoicing of personnel-intensive services is based on prices per performance unit or a combination of fixed basic remuneration and variable remuneration per performance unit, sometimes using volume tiers.

**CONTAINER**

The CONTAINER Division is represented by the joint venture EUROGATE GmbH & Co. KGaA, KG, Bremen, in which BLG holds a 50 percent share. EUROGATE has its own subsidiaries and investees. The EUROGATE Group companies are included in the consolidated financial statements using the equity method of accounting.

The focus of the activities of the EUROGATE Group includes handling containers on the European continent. EUROGATE operates, in some cases with partners, container terminals in Bremerhaven, Hamburg and Wilhelmshaven, Germany, at the Italian locations La Spezia, Ravenna and Salerno, in Tangier, Morocco, in Limassol, Cyprus, in Ust-Luga, Russia, and until November 2021 in Lisbon, Portugal. In addition, EUROGATE has investments in several inland terminals and rail transport companies.

Intermodal services (the transport of sea containers to and from the terminals), repairs, depot storage and trading of containers, cargo-modal services and technical services are offered as secondary services.

## 3. Notes on segment reporting

In accordance with IFRS 8, segmentation is based on the internal management and reporting structure. With regard to BLG LOGISTICS, this means that segments are reported by division in line with the Group structure, i.e. the CONTAINER Division is still recognized as its own segment in segment reporting and is eliminated again in the reconciliation column. At the same time, the earnings from companies accounted for using the equity method, which primarily include the earnings of the CONTAINER Division, are reported as part of EBIT in line with internal management. This also applies to the other companies accounted for using the equity method.

With one exception, entire companies are each assigned to the AUTOMOBILE, CONTRACT and CONTAINER Divisions. These companies each represent operating segments, which are grouped together for reporting purposes according to division, as they operate in a similar economic environment and are very similar in their services, processes and customer groups.

The AUTOMOBILE and CONTRACT Divisions were subdivided into eight business areas in 2021. Responsibility for the operational management of the business areas, including earnings responsibility, lies with the relevant business area managers of the AUTOMOBILE and CONTRACT Divisions, and with the Group management of the subgroup EUROGATE GmbH & Co. KGaA, KG for the CONTAINER Division.

The AUTOMOBILE Division essentially comprises the companies BLG AutoTerminal Bremerhaven GmbH & Co. KG, BLG AutoTerminal Deutschland GmbH & Co. KG, BLG AutoTransport GmbH & Co. KG and BLG AutoRail GmbH.

The significant companies of the CONTRACT Division are BLG Industrielogistik GmbH & Co. KG, BLG Handelslogistik GmbH & Co. KG and BLG Sports & Fashion Logistics GmbH.

The CONTAINER Division includes the 50 percent stake in the operational management company EUROGATE GmbH & Co. KGaA, KG of the EUROGATE Group.

The operations of the divisions are described in detail in ▸note 2.

BLG AG and BLG KG, as the management and financial holding companies of the BLG Group, are not an operating segment as defined by IFRS 8. These central departments, with their assets, liabilities and results, are included in the reconciliation column. For disclosures regarding employees, the central departments are referred to as “Services”. The relevant disclosures can be found in the ▸Group management report.

BLG LOGISTICS is predominantly active in Germany. EUR 1,016,393,000 of Group revenue (previous year: EUR 1,026,945,000) was attributable to Germany and EUR 34,045,000 (previous year: EUR 38,290,000) to other countries. This allocation was based on the location at which the Group performs services. EUR 551,089,000 of the Group’s non-current intangible assets and property, plant and equipment (previous year: EUR 584,579,000) was attributable to Germany and EUR 18,167,000 (previous year: EUR 18,934,000) to other countries.

Around 17 percent (previous year: 15 percent) of total Group revenue was generated with the Group’s largest customer in the AUTOMOBILE and CONTRACT Divisions. Of this amount, EUR 178,956,000 (previous year: EUR 159,564,000) was attributable to Germany and EUR 2,658,000 (previous year: EUR 2,376,000) to other countries. Around 11 percent (previous year: 11 percent) of total Group revenue was generated with the Group’s second-largest customer in the AUTOMOBILE and CONTRACT Divisions. Of this amount, EUR 109,756,000 (previous year: EUR 117,074,000) was attributable to Germany and EUR 858,000 (previous year: EUR 2,737,000) to other countries.

BLG LOGISTICS is managed on the basis of the financial data for the operating segments determined in accordance with IFRSs; the accounting policies apply to the segments in the same way as to the entire Group. The key performance indicators for the segments are earnings before taxes (EBT), revenue and the EBT margin.

Services between the segments are billed on an arm’s length basis.

Depreciation and amortization relate to the segments’ property, plant and equipment, including right-of-use assets.

Segment assets do not include equity investments in companies accounted for using the equity method, or deferred or current taxes. There are no segment assets not required for operations. In line with internal control, intra-Group subleases are recognized by the end user only.

Segment liabilities include lease liabilities, current liabilities necessary for financing and provisions excluding interest-bearing loans.

Capital expenditure relates to additions to property, plant and equipment, right-of-use assets and non-current intangible assets.

The reconciliation of the total of the reportable segments with the Group data was as follows for the main items of segment reporting:

| **Revenue with external third parties EUR thousand** | **2021** | 2020 |
|---|---|---|
| Total of the reportable segments | 1,366,729 | 1,337,520 |
| CONTAINER Division | -305,955 | -263,522 |
| Consolidation | -10,336 | -8,763 |
| **Group revenue** | **1,050,438** | **1,065,235** |

| **EBIT EUR thousand** | **2021** | 2020 |
|---|---|---|
| Total of the reportable segments | 94,214 | -32,344 |
| Central departments/other EBIT | -23,552 | -33,689 |
| CONTAINER Division | -74,152 | 21,601 |
| Consolidation | 64,997 | -63,238 |
| **Group EBIT** | **61,507** | **-107,670** |

| **EBT EUR thousand** | **2021** | 2020 |
|---|---|---|
| Total of the reportable segments | 77,466 | -90,163 |
| Central departments/other EBT | -16,001 | -22,534 |
| CONTAINER Division | -69,825 | 67,274 |
| Consolidation | 60,586 | -70,704 |
| **Group segment earnings (EBT)** | **52,226** | **-116,127** |

| **Assets EUR thousand** | **2021** | 2020 |
|---|---|---|
| Total of the reportable segments | 1,438,861 | 1,408,528 |
| Central departments/other assets | 772,313 | 838,365 |
| Equity investments in companies accounted for using the equity method | 162,349 | 98,662 |
| Deferred tax assets | 2,356 | 2,768 |
| Reimbursement rights from income taxes | 2,844 | 1,222 |
| CONTAINER Division | -594,506 | -527,583 |
| Consolidation | -566,040 | -627,870 |
| **Group assets (assets)** | **1,218,177** | **1,194,093** |

| **Liabilities EUR thousand** | **2021** | 2020 |
|---|---|---|
| Total of the reportable segments | 1,056,926 | 1,088,247 |
| Central departments/ other liabilities | 114,965 | 190,087 |
| Equity | 156,289 | 59,741 |
| Non-current loans (not including the current portion) adjusted | 136,689 | 146,387 |
| Other non-current financial liabilities | 59,172 | 47,660 |
| Deferred tax liabilities | 218 | 577 |
| Current portion of non-current loans | 21,699 | 21,049 |
| CONTAINER Division | -378,411 | -381,579 |
| Consolidation | 50,630 | 21,924 |
| **Group liabilities (liabilities)** | **1,218,177** | **1,194,093** |

## 4. Revenue from contracts with customers

### Revenue

In accordance with IFRS 15, revenue is recognized either at a point in time or over time when or as the performance obligation is satisfied and control is passed to the customer.

The amount of the revenue is based on the consideration agreed with the customer in exchange for transferring the promised goods or services.

The main services of the divisions, divided into business areas, are described in ▸note 2.

In the BLG Group, revenue is normally recognized pursuant to IFRS 15.B16 in the amount permitted to be invoiced, as the invoiced amounts correspond directly with the value of the performance completed to date. BLG LOGISTICS therefore makes use of the practical expedient provided by IFRS 15.121 (b) and does not disclose the amount of the remaining performance obligations for these contracts.

The tables below itemize revenue by service type and by business area and allocate the subdivided revenue to the AUTOMOBILE and CONTRACT Divisions. The CONTAINER Division is not included because it is accounted for using the equity method. A breakdown by revenue generated in Germany and abroad is included in ▸note 3.

| **By service type EUR thousand** | **AUTOMOBILE 2021** | AUTOMOBILE 2020 | **CONTRACT 2021** | CONTRACT 2020 | **Total 2021** | Total 2020 |
|---|---|---|---|---|---|---|
| Freight forwarding and transport services | 250,794 | 259,942 | 88,048 | 137,728 | 338,842 | 397,670 |
| Handling revenue | 116,314 | 109,983 | 217,666 | 173,356 | 333,980 | 283,339 |
| Other logistics services and advisory services | 59,967 | 65,574 | 132,341 | 124,543 | 192,308 | 190,117 |
| Rental and storage income | 41,337 | 44,720 | 36,610 | 38,852 | 77,947 | 83,572 |
| Material sales | 11,732 | 10,100 | 15,015 | 25,480 | 26,747 | 35,580 |
| Provision of personnel and equipment | 1,340 | 1,122 | 22,105 | 21,065 | 23,445 | 22,187 |
| Container packing | 2,912 | 2,629 | 3,340 | 2,325 | 6,252 | 4,954 |
| Shipping income | 4,092 | 2,144 | 0 | 0 | 4,092 | 2,144 |
| Other | 29,487 | 25,163 | 27,674 | 29,272 | 57,161 | 54,435 |
| **Total** | **517,975** | **521,377** | **542,799** | **552,621** | **1,060,774** | **1,073,998** |
| Consolidation | -4,804 | -4,225 | -5,532 | -4,538 | -10,336 | -8,763 |
| **Total** | **513,171** | **517,152** | **537,267** | **548,083** | **1,050,438** | **1,065,235** |

| **By business area EUR thousand** | **2021** | 2020 |
|---|---|---|
| **AUTOMOBILE** | | |
| Seaport terminals | 235,527 | 160,088 |
| Inland terminals | 52,353 | 63,763 |
| XXL Logistics | 0 | 57,010 |
| AutoTransport | 114,172 | 122,241 |
| AutoRail | 97,421 | 98,786 |
| Southern/Eastern Europe | 13,698 | 15,264 |
| | **513,171** | **517,152** |
| **CONTRACT** | | |
| Industrial logistics (Europe) | 263,862 | 216,777 |
| Industrial logistics (overseas) | 23,157 | 21,474 |
| Retail logistics | 240,028 | 237,245 |
| Freight forwarding | 10,220 | 72,587 |
| | **537,267** | **548,083** |
| **Total** | **1,050,438** | **1,065,235** |

### Assets and liabilities from contracts with customers

Contract assets relate primarily to rights to receive consideration from customers arising from the satisfaction of performance obligations for which no invoice has been issued at the end of the reporting period. They are recognized under other assets in the statement of financial position (▸note 18).

Contract assets are reclassified as trade receivables if the right to receive consideration becomes unconditional. This is the case if the payment is due or will become due automatically as a result of the passage of time.

Loss allowances reported in net profit or loss are recognized on the basis of expected credit losses using the simplified approach. According to this approach, the amount of the loss allowance is to be determined on the basis of the lifetime expected credit losses. Changes in credit risk do not have to be tracked. The loss allowances are reported net as a separate item in the statement of profit or loss. Please also refer to note 32.

As the risk structure of the contract assets essentially corresponds to the risk structure of the trade receivables, the same expected credit loss rates are recognized for the loss allowances. The calculation of credit loss rates is described in note 18.

Contract liabilities result from advance payments by the customer or unconditional rights to receive consideration from the customer already existing before the (full) satisfaction of the performance obligations. Revenue is only recognized once the services have been transferred to the customer. They are recognized under other liabilities in the statement of financial position (note 28).

| EUR thousand | 12/31/2021 | 12/31/2020 |
|---|---|---|
| Contract assets | 7,854 | 6,429 |
| Contract liabilities | 1,873 | 832 |

The tables below contain information on the development of contract assets and contract liabilities.

| **Contract assets EUR thousand** | **2021** | 2020 |
|---|---|---|
| As of January 1 (gross) | 6,449 | 6,531 |
| Reclassification to trade receivables (during the year) | -5,321 | -6,240 |
| Change from progress in the reporting year | 6,759 | 6,158 |
| **As of December 31 (gross)** | **7,887** | **6,449** |
| Loss allowances | -33 | -20 |
| **As of December 31** | **7,854** | **6,429** |

| **Contract liabilities EUR thousand** | **2021** | 2020 |
|---|---|---|
| As of January 1 (gross) | 832 | 1,894 |
| Revenue recognized in the reporting year: | -676 | -1,881 |
| of which included in contract liabilities at the beginning of the reporting year | -676 | -1,881 |
| Increase due to payments received (not including amounts recognized as revenue in the reporting year) | 1,717 | 819 |
| **As of December 31** | **1,873** | **832** |

The credit risk and the expected credit losses for contract assets were as follows as of December 31, 2021 and December 31, 2020:

| EUR thousand | 12/31/2021 Not past due | 12/31/2020 Not past due |
|---|---|---|
| Expected credit loss rate (weighted average) | 0.42% | 0.31% |
| Nominal amounts | 7,887 | 6,449 |
| Loss allowances | -33 | -20 |
| **Carrying amounts** | **7,854** | **6,429** |

Loss allowances for contract assets developed as follows:

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Amount as of the beginning of the financial year | 20 | 17 |
| **Loss allowances for the financial year** | | |
| Transfers | 17 | 7 |
| Reversals | -4 | -4 |
| **Balance as of the end of the financial year** | **33** | **20** |

## 5. Other operating income

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Income from the reversal of provisions | 15,980 | 13,363 |
| Insurance recoveries and other reimbursements | 8,393 | 8,363 |
| Gains on disposal of property, plant and equipment | 8,261 | 1,145 |
| Income from the recharging of expenses | 7,755 | 8,689 |
| Income from prior periods | 3,262 | 2,668 |
| Ground rent and rental income | 2,005 | 2,031 |
| Income from recycling | 1,328 | 494 |
| Income from the provision of personnel | 824 | 873 |
| Income from capital gains | 324 | 356 |
| Neutral income | 105 | 29 |
| Other | 6,962 | 8,179 |
| **Total** | **55,199** | **46,190** |

Of the ground rent and rental income, EUR 1,371,000 (previous year: EUR 1,425,000) was attributable to income from operating leases for own fixed assets and EUR 634,000 (previous year: EUR 606,000) to income from subleases (see note 14).

## 6. Cost of materials

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Expenses for other purchased services | 243,462 | 277,894 |
| Expenses for external personnel | 101,969 | 102,245 |
| Expenses for raw materials, consumables and supplies | 78,332 | 74,771 |
| Change in inventories of work in progress and services and finished products | 1 | -5 |
| **Total** | **423,763** | **454,905** |

The decline in expenses for other purchased services of EUR 34,432,000 resulted primarily from the disposal of the operating business of BLG International Forwarding GmbH & Co. KG, Hamburg, with effect from March 31, 2021.

## 7. Personnel expenses

| EUR thousand | 2021 | 2020 |
| --- | --- | --- |
| Wages and salaries | 394,847 | 369,299 |
| Statutory social expenses | 79,305 | 75,567 |
| Expenses for retirement benefits, support and anniversaries | 5,114 | 10,225 |
| Other | 37 | 385 |
| **Total** | **479,303** | **455,476** |

Amounts resulting from the interest cost of personnel provisions, particularly pension provisions, are not recognized as personnel expenses. These are reported as a component of net interest income (expense).

Statutory social expenses included EUR 33,509,000 (previous year: EUR 31,158,000) for contributions to statutory retirement plans. Of this amount, EUR 199,000 (previous year: EUR 197,000) was attributable to key management personnel and EUR 19,000 (previous year: EUR 19,000) to employee representatives on the Supervisory Board.

In 2021, BLG LOGISTICS had an average of 10,370 employees (previous year: 9,991). Of these employees, 8,212 (previous year: 7,754) were blue-collar workers and 2,158 (previous year: 2,237) worked in commercial functions. Please refer to the Group management report and the Segment reporting for further information.

## 8. Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases

| EUR thousand | 2021 | 2020 |
| --- | --- | --- |
| Depreciation and amortization | 80,609 | 89,215 |
| Impairment | 216 | 26,217 |
| **Total** | **80,825** | **115,432** |

A breakdown of the depreciation, amortization and impairment of the individual asset classes can be found in notes 12 and 13.

The impairments related in the previous year with EUR 10,795,000 in particular to the goodwill of BLG Sports & Fashion and with EUR 8,745,000 to the goodwill of CGU Spedition.

Depreciation and amortization included depreciation on right-of-use assets from leases in accordance with IFRS 16 of EUR 47,693,000 (previous year: EUR 54,538,000). Further disclosures can be found in note 14.

## 9. Other operating expenses

| EUR thousand | 2021 | 2020 |
| --- | --- | --- |
| Rental and incidental rental expenses | 24,736 | 25,693 |
| Security costs and other property expenses | 21,258 | 19,384 |
| IT expenses | 16,207 | 14,227 |
| Expenses for loss events | 13,617 | 12,418 |
| Expenses for insurance premiums | 10,652 | 8,537 |
| Legal, advisory and audit fees | 8,988 | 7,224 |
| Other personnel expenses | 6,770 | 5,852 |
| Distribution costs | 5,003 | 5,630 |
| Other neutral expenses | 845 | 605 |
| Administrative expenses and contributions | 3,282 | 2,617 |
| Other prior-period expenses | 2,891 | 1,838 |
| Postal and telecommunications costs | 2,628 | 2,784 |
| Other taxes | 2,465 | 3,156 |
| Training expenses | 2,053 | 2,077 |
| Book losses for the disposal of assets | 548 | 1,952 |
| Expenses for capital losses | 187 | 544 |
| Other | 926 | 15,851 |
| **Total** | **123,056** | **130,389** |

## 10. Net income (net loss) of companies accounted for using the equity method

Profit shares from partnerships are realized immediately at the end of the financial year, unless the partnership arrangement links the existence of a withdrawal claim to a separate partner resolution. By contrast, dividends from corporations are recognized through profit or loss only once a profit appropriation resolution exists.

| EUR thousand | 2021 | 2020 |
|---|---|---|
| **Net income (net loss) of companies accounted for using the equity method** | | |
| Joint ventures | 61,714 | -62,775 |
| Associates | 588 | 1,070 |
| **Total** | **62,302** | **-61,705** |

Income from joint ventures included the CONTAINER Division's earnings of EUR 61,879,000 (previous year: EUR -60,740,000).

## 11. Net interest income (expense)

| EUR thousand | 2021 | 2020 |
|---|---|---|
| **Income from non-current finance receivables** | **20** | **26** |
| **Other interest and similar income** | | |
| Interest income from lease receivables | 6,627 | 6,330 |
| Interest income from bank balances | 563 | 462 |
| Interest income from interest rate swaps | 3 | 13 |
| Interest income from amortization of other assets | 0 | 102 |
| Other interest income | 143 | 202 |
| | **7,336** | **7,110** |
| **Interest and similar expenses** | | |
| Interest expense from lease liabilities | -11,423 | -11,338 |
| Interest expense from non-current loans and other financial liabilities | -2,334 | -1,709 |
| Interest expense from interest rate swaps | -952 | -894 |
| Interest cost for provisions and liabilities | -898 | -532 |
| Interest expense for current liabilities to banks | -149 | -113 |
| Other interest expense | -963 | -1,098 |
| | **-16,719** | **-15,685** |
| **Total** | **-9,363** | **-8,549** |

Please refer to note 14 for information on interest income from lease receivables and interest expense from lease liabilities.

Borrowing costs of EUR 412,000 (previous year: EUR 0,000) were capitalized. The underlying capitalization rate was 2.15 percent.

# Assets and leases

## 12. Intangible assets

Intangible assets include not only acquired and internally generated intangible assets but also goodwill arising from company acquisitions.

Goodwill represents the excess of the acquisition costs from company acquisitions over the fair value of the Group's interests in the net assets of the acquired companies at the acquisition date. The goodwill recognized is subject to annual impairment testing and measured at its cost less any accumulated impairment. Reversals are not permitted. Gains and losses on the disposal of a company include the carrying amount of the goodwill, which is attributed to the company being deconsolidated.

Acquired intangible assets are capitalized at cost; internally generated intangible assets from which the Group expects to derive future benefit and which can be measured reliably are capitalized at cost and amortized on a straight-line basis over their estimated useful lives. Costs in this context include all direct production costs as well as an appropriate share of production overheads. Financing costs are capitalized if they are attributable to qualifying assets.

The straight-line pro rata temporis method is the sole method used for depreciation and amortization, which is presented in the statement of profit or loss in the item "Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases". This is based on the following standard useful lives:

| | **2021** | 2020 |
|---|---|---|
| Licenses, industrial property rights and similar rights | 5-8 years | 5-8 years |
| Software licenses | 2-5 years | 2-5 years |
| Internally generated software | 3-5 years | 3-5 years |

No financing costs were capitalized for qualifying assets.

| **2021**<br>**EUR thousand** | Goodwill | Licenses, industrial property rights and similar rights and assets as well as licenses to such rights and assets | Advance payments on intangible assets | **Total** |
|---|---|---|---|---|
| **Cost** | | | | |
| As of January 1 | 28,429 | 41,447 | 7,357 | 77,233 |
| Additions | 0 | 2,692 | 957 | 3,649 |
| Disposals | -8,754 | -6,121 | 0 | -14,875 |
| Reclassifications | 0 | 2,117 | -3 | 2,114 |
| Exchange rate differences | 0 | 35 | 0 | 35 |
| **As of December 31** | **19,675** | **40,170** | **8,311** | **68,156** |
| **Depreciation, amortization and impairments** | | | | |
| As of January 1 | 23,345 | 36,304 | 0 | 59,649 |
| Depreciation and amortization | 0 | 2,666 | 0 | 2,666 |
| Disposals | -8,754 | -6,000 | 0 | -14,754 |
| Reclassifications | 0 | -33 | 0 | -33 |
| Exchange rate differences | 0 | 24 | 0 | 24 |
| **As of December 31** | **14,591** | **32,961** | **0** | **47,552** |
| **Carrying amounts as of December 31** | **5,084** | **7,209** | **8,311** | **20,604** |

| **2020**<br>**EUR thousand** | Goodwill | Licenses, industrial property rights and similar rights and assets as well as licenses to such rights and assets | Advance payments on intangible assets | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| As of January 1 | 28,429 | 65,271 | 4,566 | 98,266 |
| Additions | 0 | 2,043 | 3,367 | 5,410 |
| Disposals | 0 | -25,428 | -465 | -25,893 |
| Reclassifications | 0 | -370 | -111 | -481 |
| Exchange rate differences | 0 | -69 | 0 | -69 |
| **As of December 31** | **28,429** | **41,447** | **7,357** | **77,233** |
| **Depreciation, amortization and impairments** | | | | |
| As of January 1 | 3,796 | 60,156 | 0 | 63,952 |
| Depreciation and amortization | 0 | 2,395 | 0 | 2,395 |
| Impairment | 19,549 | 0 | 0 | 19,549 |
| Disposals | 0 | -25,409 | 0 | -25,409 |
| Reclassifications | 0 | -773 | 0 | -773 |
| Exchange rate differences | 0 | -65 | 0 | -65 |
| **As of December 31** | **23,345** | **36,304** | **0** | **59,649** |
| **Carrying amounts as of December 31** | **5,084** | **5,143** | **7,357** | **17,584** |

The intangible assets include such assets for which there is an operating lease. These developed as follows:

| **2021 EUR thousand** | **Licenses, industrial property rights and similar rights and assets as well as licenses to such rights and assets** |
|---|---|
| **Cost** | |
| As of January 1 | 1,166 |
| Disposals | -1,166 |
| **As of December 31** | **0** |
| **Depreciation, amortization and impairments** | |
| As of January 1 | 1,022 |
| Depreciation and amortization | 113 |
| Disposals | -1,135 |
| **As of December 31** | **0** |
| **Carrying amounts as of December 31** | **0** |

| **2020 EUR thousand** | Licenses, industrial property rights and similar rights and assets as well as licenses to such rights and assets |
|---|---|
| **Cost** | |
| As of January 1 | 1,175 |
| Additions | 12 |
| Disposals | -21 |
| **As of December 31** | **1,166** |
| **Depreciation, amortization and impairments** | |
| As of January 1 | 866 |
| Depreciation and amortization | 177 |
| Disposals | -21 |
| **As of December 31** | **1,022** |
| **Carrying amounts as of December 31** | **144** |

## Impairment

### Overview

All non-financial assets of the Group, with the exception of inventories and deferred tax assets, are tested at the end of the reporting period for indications of possible impairment within the meaning of IAS 36. If such indications are identified, the expected recoverable amount is estimated and compared with the carrying amount.

If there are indications of impairment and if the recoverable amount is less than the amortized cost, impairment is recognized on the intangible assets. If it is not possible to estimate the recoverable amount for an individual asset, the assets are combined to form cash-generating units.

In addition, the recoverable amounts for goodwill, assets with an indefinite useful life and intangible assets not yet completed are estimated at the end of each reporting period regardless of whether there are any indications of impairment.

In accordance with IAS 36, impairment is recognized through profit or loss if the carrying amount of an asset or the related cash-generating unit exceeds its recoverable amount.

If a requirement to recognize a loss allowance is determined for a cash-generating unit, the goodwill of the cash-generating unit in question is first reduced. If a further adjustment of the loss allowance is required, it is uniformly distributed over the carrying amounts of the other assets of the cash-generating unit.

Impairment is recognized in the item “Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases”.

### Determination of the recoverable amount

The expected recoverable amount is the higher of an asset's net realizable value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash-generating unit. The calculations are made in euros on the basis of three-year planning, taking country-specific risks into account. Foreign currencies are translated using forward rates. The Group's weighted average cost of capital of 6.56 percent (previous year: 6.37 percent) is used as the discount rate, which is adjusted to the country-specific tax rate. The weighted average cost of capital is determined by the debt and equity interests, the risk-free base rate taking inflation into account (0.17 percent, previous year: -0.23 percent), the market risk premium (7.0 percent, previous year: 7.0 percent), the sector-specific risk, the country-specific tax rate and borrowing costs.

The recoverable amounts of cash-generating units are determined based on value-in-use calculations. The tested goodwill and the assumptions underlying the calculations are shown in the following table:

| **2021** | **BLG AutoRail GmbH, Bremen** | **BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia** |
|---|---|---|
| Division | AUTOMOBILE | AUTOMOBILE |
| Carrying amount of goodwill (EUR thousand) | 4,288 | 797 |
| Revenue growth p.a. in % (planning period) | 0.0-16.3 | 23.9-44.6 |
| Other parameters for corporate planning | Capacity utilization, price per vehicle, business expansion | Capacity utilization, productivity, price per vehicle |
| Duration of the planning period | 3 years | 3 years |
| Revenue growth p.a. in % after the end of the planning period | 0.0 | 0.0 |
| Discount rate in % | 6.6 | 6.7 |

| **2020** | BLG AutoRail GmbH, Bremen | BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia |
|---|---|---|
| Division | AUTOMOBILE | AUTOMOBILE |
| Carrying amount of goodwill (EUR thousand) | 4,288 | 797 |
| Revenue growth p.a. in % (planning period) | 0.0-5.4 | 44.9-51.4 |
| Other parameters for corporate planning | Capacity utilization, price per vehicle, business expansion | Capacity utilization, productivity, price per vehicle |
| Duration of the planning period | 4 years | 3 years |
| Revenue growth p.a. in % after the end of the planning period | 0.0 | 0.0 |
| Discount rate in % | 6.4 | 6.4 |

For BLG AutoRail GmbH, Bremen, the recoverable amount based on the assumptions listed in the above table significantly exceeded the carrying amount of the cash-generating unit. Planning takes into account the utilization of railroad cars based on historical data from previous years as well as the conversion of ad hoc transport to portfolio transport. Even with a substantial reduction in the assumptions for revenue growth and other parameters or an increase in the discount rate by one percentage point, the recoverable amount would be above the carrying amount. The revenue expectations on which the planning in the AUTOMOBILE Division were based were derived from market forecasts for new car registrations, previous market shares and customer surveys.

The goodwill of the cash-generating unit BLG St. Petersburg was impaired in previous years, with EUR 2,796,000 written down on a carrying amount of EUR 797,000. If EBIT declined by 50 percent, there would currently be no further write-down requirement. An increase in the discount rate by one percentage point would not lead to any further need for write-downs. As a result of the war between Russia and Ukraine and the current sanctions, it is possible that we may have to temporarily or permanently suspend our business at sites in this region or that we will lose access to them. It is therefore possible that the goodwill of BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg/Russia, may have to be written down.

The purchase price allocation from the acquisition of shares in BLG Sports & Fashion Logistics GmbH, Hörsel, gave rise to goodwill of EUR 11,794,000. In previous years, full goodwill impairment totaling EUR 11,794,000 was recognized. Of this amount, EUR 10,794,000 was attributable to the 2020 financial year.

Furthermore, the goodwill of CGU Spedition in the amount of EUR 8,754,000 was written down in full in the 2020 financial year.

**Reversals of impairment losses**

If the reasons for the impairment cease to exist, it must be reversed. The reversal is limited to the amortized cost that would have resulted without the impairment.

If the write-downs were distributed evenly across the assets of a cash-generating unit, the same procedure is used for the reversals.

Reversals of impairment on goodwill are not permitted.

## 13. Property, plant and equipment

Property, plant and equipment are accounted for at cost less depreciation based on use. Production costs include both direct costs and an appropriate share of attributable production overheads. Borrowing costs are recognized in production costs, insofar as they relate to qualifying assets. In accordance with IAS 16, demolition obligations are accounted for at present value as incidental acquisition costs. Expected residual values are usually not taken into account in determining depreciation.

The remeasurement method is not used at BLG LOGISTICS.

If the conditions of IAS 16 for the application of the component approach are met, the assets are broken down into their components, which are capitalized individually and depreciated over their useful lives.

Asset-related government grants are deferred and amortized over the useful life of the subsidized asset using the straight-line method. Please refer to note 25.

The straight-line pro rata temporis method is the sole method used for depreciation and amortization, which is presented in the statement of profit or loss in the item "Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases." This is based on the following standard useful lives:

| | **2021** | 2020 |
|---|---|---|
| Buildings, lightweight | 10 years | 10 years |
| Buildings, solid construction | 20–40 years | 20–40 years |
| Open spaces | 10–20 years | 10–20 years |
| Other handling equipment | 4–34 years | 4–34 years |
| Technical plant and machinery | 5–30 years | 5–30 years |
| Operating and office equipment | 4–20 years | 4–20 years |
| Low-value assets | 1 year | 1 year |

If there are indications of impairment and if the recoverable amount is less than the amortized cost, the property, plant and equipment are impaired (see also note 12 under "Impairment").

Impairment is recognized in the item "Depreciation, amortization and impairment of non-current intangible assets, property, plant and equipment and right-of-use assets from leases". Apart from depreciation and amortization, no significant write-downs were recognized in the 2021 financial year.

| **2021 EUR thousand** | Land, land rights and buildings including buildings on third-party land | Handling equipment | Technical plant and machinery | Other equipment, operating and office equipment | Advance payments and assets under construction | **Total** |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| As of January 1 | 708,514 | 170,185 | 174,729 | 87,230 | 7,758 | 1,148,416 |
| Additions | 48,783 | 29,132 | 5,500 | 7,156 | 25,684 | 116,255 |
| Disposals | -92,951 | -16,355 | -71,424 | -13,922 | 0 | -194,652 |
| Reclassifications | 339 | 11 | 204 | 1,652 | -4,548 | -2,342 |
| Exchange rate differences | 949 | 140 | 273 | 597 | 0 | 1,959 |
| **As of December 31** | **665,634** | **183,113** | **109,282** | **82,713** | **28,894** | **1,069,636** |
| **Depreciation, amortization and impairments** | | | | | | |
| As of January 1 | 301,693 | 76,539 | 121,189 | 63,065 | 0 | 562,486 |
| Depreciation and amortization | 38,547 | 24,899 | 6,137 | 8,359 | 0 | 77,942 |
| Impairment | 59 | 0 | 157 | 0 | 0 | 216 |
| Disposals | -35,146 | -14,875 | -57,043 | -13,162 | 0 | -120,226 |
| Reclassifications | 5 | -2 | 0 | -160 | 0 | -157 |
| Exchange rate differences | 330 | 28 | 140 | 226 | 0 | 724 |
| **As of December 31** | **305,488** | **86,589** | **70,580** | **58,328** | **0** | **520,985** |
| **Carrying amounts as of December 31** | **360,146** | **96,524** | **38,702** | **24,385** | **28,894** | **548,651** |

| **2020**<br>**EUR thousand** | Land, land rights and buildings including buildings on third-party land | Handling equipment | Technical plant and machinery | Other equipment, operating and office equipment | Advance payments and assets under construction | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| As of January 1 | 678,208 | 147,742 | 167,901 | 84,557 | 13,656 | 1,092,064 |
| Additions | 30,945 | 33,298 | 22,733 | 9,271 | 6,102 | 102,349 |
| Disposals | -1,141 | -10,323 | -21,765 | -6,194 | 0 | -39,423 |
| Reclassifications | 858 | 154 | 7,130 | 313 | -11,983 | -3,528 |
| Exchange rate differences | -356 | -686 | -1,270 | -717 | -17 | -3,046 |
| **As of December 31** | **708,514** | **170,185** | **174,729** | **87,230** | **7,758** | **1,148,416** |
| **Depreciation, amortization and impairments** | | | | | | |
| As of January 1 | 255,489 | 56,785 | 120,480 | 60,317 | 0 | 493,071 |
| Depreciation and amortization | 42,599 | 27,498 | 8,304 | 8,419 | 0 | 86,820 |
| Impairment | 6,106 | 515 | 46 | 0 | 0 | 6,667 |
| Disposals | -1,017 | -8,122 | -6,563 | -5,031 | 0 | -20,733 |
| Reclassifications | -1,215 | -40 | -474 | -422 | 0 | -2,151 |
| Exchange rate differences | -269 | -97 | -604 | -218 | 0 | -1,188 |
| **As of December 31** | **301,693** | **76,539** | **121,189** | **63,065** | **0** | **562,486** |
| **Carrying amounts as of December 31** | **406,821** | **93,646** | **53,540** | **24,165** | **7,758** | **585,930** |

Advance payments and assets under construction of EUR 28,894,000 (previous year: EUR 7,758,000) related exclusively to assets under construction.

Financing costs of EUR 412,000 (previous year: EUR 0,000) were capitalized for qualifying assets.

The right-of-use assets from rental agreements and leases included in property, plant and equipment are presented in note 14.

There are no other assets reported under property, plant and equipment that have been pledged as collateral for non-current loans. Right-of-use assets capitalized in accordance with IFRS 16 are not assigned as collateral, as legal ownership remains with the lessor.

The assets included in property, plant and equipment for which there is an operating lease developed as follows:

| **2021**<br>**EUR thousand** | Land, land rights and buildings including buildings on third-party land | Handling equipment | Technical plant and machinery | Other equipment, operating and office equipment | Advance payments and assets under construction | **Total** |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| As of January 1 | 72,023 | 1,661 | 75,497 | 8,079 | 57 | 157,317 |
| Additions | 6,099 | 0 | 1,802 | 0 | 0 | 7,901 |
| Disposals | -55,576 | -1,661 | -68,463 | -7,932 | -57 | -133,689 |
| **As of December 31** | **22,546** | **0** | **8,836** | **147** | **0** | **31,529** |
| **Depreciation, amortization and impairments** | | | | | | |
| As of January 1 | 30,826 | 1,196 | 54,163 | 7,198 | 0 | 93,383 |
| Depreciation and amortization | 1,953 | 12 | 3,036 | 83 | 0 | 5,084 |
| Disposals | -25,097 | -1,208 | -53,727 | -7,140 | 0 | -87,172 |
| **As of December 31** | **7,682** | **0** | **3,472** | **141** | **0** | **11,295** |
| **Carrying amounts as of December 31** | **14,864** | **0** | **5,364** | **6** | **0** | **20,234** |

| **2020**<br>**EUR thousand** | Land, land rights and buildings including buildings on third-party land | Handling equipment | Technical plant and machinery | Other equipment, operating and office equipment | Advance payments and assets under construction | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| As of January 1 | 69,033 | 1,678 | 64,362 | 8,559 | 0 | 143,632 |
| Additions | 1,611 | 259 | 11,320 | 100 | 57 | 13,347 |
| Disposals | 0 | -276 | -185 | -580 | 0 | -1,041 |
| Reclassifications | 1,379 | 0 | 0 | 0 | 0 | 1,379 |
| **As of December 31** | **72,023** | **1,661** | **75,497** | **8,079** | **57** | **157,317** |
| **Depreciation, amortization and impairments** | | | | | | |
| As of January 1 | 28,617 | 1,354 | 50,156 | 7,464 | 0 | 87,591 |
| Depreciation and amortization | 2,209 | 118 | 4,181 | 307 | 0 | 6,815 |
| Disposals | 0 | -276 | -174 | -573 | 0 | -1,023 |
| **As of December 31** | **30,826** | **1,196** | **54,163** | **7,198** | **0** | **93,383** |
| **Carrying amounts as of December 31** | **41,197** | **465** | **21,334** | **881** | **57** | **63,934** |

## 14. Leases

### BLG as lessee

#### Leases

BLG LOGISTICS' leases primarily cover land, buildings and wharfs. They relate mainly to heritable building rights in the ports of Bremen and Bremerhaven and have remaining terms of up to 27 years. The Group thus secures long-term rights of use to the land required for operations. In addition there are mainly leases for railroad cars, industrial trucks, conveyor systems, HGVs, passenger cars and tractor trucks, which have terms of mainly between three and ten years.

A number of property leases contain extension or termination options. All facts and circumstances that offer an economic incentive to exercise extension options or not to exercise termination options are taken into account when determining the term of leases. Changes in the term of a lease as a result of exercising or not exercising options are taken into account only when they are reasonably certain. As extension or termination options are often agreed in line with corresponding clauses in contracts with customers, the exercise of these options is reviewed in parallel with the contract negotiations with customers. At the same time, potential future cash outflows that are not currently included in the lease liabilities are offset by a similar amount of potential future cash inflows from contracts with customers. The modified lease payments are to be discounted at the interest rate on the date of the lease modification.

In addition, the heritable building right contracts in particular provide for an adjustment of the ground rent on the basis of the consumer price index every five years. The lease payments are stated at the index level applicable at the respective measurement date. The last adjustment was made in the reporting year and constituted the increase scheduled for the January 1, 2020 that was deferred to support Bremen's port and logistics industry in connection with the coronavirus crisis in 2020. These are index-based variable payments, which are accounted for from the date the adjustment of the lease payments takes effect, using an unchanged discount rate.

In most of the leases for railroad cars, the Group has granted residual value guarantees in light of the uncertainties regarding future sales proceeds and the lessors' requirement that BLG LOGISTICS participate in the risks. Only the amounts that are expected to be paid are included in the lease payments. Estimates are based on the expected residual values of the railroad cars at the end of the lease term. They are regularly reviewed and, if necessary, adjusted using an unchanged discount rate. Residual value guarantees of no more than EUR 11.8 million (previous year: EUR 17.8 million) (undiscounted) are not expected to result in payments, so no amounts for residual value guarantees were included in the lease liabilities as of December 31, 2021. There are also a small number of options to purchase railroad cars at fair value.

#### Recognition and measurement

BLG LOGISTICS as a lessee recognizes assets for the right to use the leased assets and liabilities for the payment obligations entered into. They are recognized at the date from which the underlying asset is available for the Group's use.

IFRS 16 is not applied to leases for intangible assets. BLG LOGISTICS exercises the option for short-term leases and leases of low-value assets and recognizes payments for these leases on a straight-line basis as expenses in the statement of profit or loss. In the case of contracts that contain other components besides lease components, these components are not separated.

The right-of-use assets are measured at cost, comprising the present value of the outstanding lease payments and lease payments made to the lessor on or before commencement of the lease less lease incentives received, initial direct costs and, if applicable, the estimated costs to dismantle the underlying assets.

Subsequently, the right-of-use assets are depreciated over the shorter of the term of the lease and the useful life in line with the rules for comparable own assets and, if necessary, impaired (see also note 12 under “Impairment”).

These are grouped with acquired assets for reporting purposes, taking into account the asset class.

The lease liabilities are measured at the present value of the outstanding lease payments. They are discounted using the interest rate implicit in the lease, if that rate can be determined. Alternatively, they are discounted at the incremental borrowing rate.

The lease payments include fixed lease payments, less lease incentives to be received from the lessor, variable lease payments linked to an index or interest rate, expected payments resulting from residual value guarantees, the exercise price of a purchase option if the exercise is reasonably certain, and penalties payable if termination options are exercised, if their exercise is reasonably certain.

After initial recognition, the lease liabilities are measured at amortized cost using the effective interest method. Interest cost is therefore computed for lease liabilities on the basis of an amount resulting in a constant periodic discount rate for the remaining liabilities. This corresponds to the discount rate determined at the commencement date of the lease, unless a reassessment requires a change in the discount rate. This is the case if changes in the estimate regarding exercise or non-exercise of purchase, extension or termination options arise or changes to the scope, amount of contractual payments or the term of the lease are agreed. Remeasurements using an unchanged discount rate must be made in the event of changes in variable payments linked to an index or interest rate or changes in the estimate of the payments expected to be made under residual value guarantees. Amounts from a remeasurement of the lease liability are recognized at the same time as an adjustment to the right-of-use asset. If the value of the right to use the leased asset is reduced to zero, the remaining adjustment amount is to be recognized in the statement of profit or loss. Lease payments made less the interest expenses included therein reduce the carrying amount of the lease liabilities.

### Right-of-use assets

The following table shows the separate carrying amounts for rights to use leased assets that are included in property, plant and equipment.

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Land, land rights and buildings, including buildings on third-party land | 248,161 | 259,855 |
| Handling equipment | 27,487 | 39,202 |
| Technical plant and machinery | 0 | 153 |
| Other equipment, operating and office equipment | 2,081 | 1,858 |
| **Total** | **277,729** | **301,068** |

The additions to right-of-use assets in the 2021 financial year amounted to EUR 51,360,000 (previous year: EUR 37,869,000).

The corresponding lease liabilities are recognized under financial liabilities. Please refer to note 24.

### Statement of profit or loss

The following amounts were recognized in the statement of profit or loss in connection with leases in which BLG LOGISTICS is the lessee.

| EUR thousand | 2021 | 2020 |
|---|---|---|
| **Depreciation, amortization and impairments** | | |
| Land, land rights and buildings, including buildings on third-party land | 28,316 | 31,539 |
| Handling equipment | 17,797 | 20,548 |
| Technical plant and machinery | 123 | 858 |
| Other equipment, operating and office equipment | 1,457 | 1,593 |
| | **47,693** | **54,538** |
| **Other operating expenses** | | |
| Expenses for short-term leases | 13,460 | 15,405 |
| Expenses for leases of low-value assets | 1,709 | 887 |
| | **15,169** | **16,292** |
| **Interest expense** | | |
| Interest expenses from lease liabilities | 11,422 | 11,338 |
| | **11,422** | **11,338** |
| **Total** | **74,284** | **82,168** |

Total payments for leases in the financial year amounted to EUR 97,923,000 (previous year: EUR 88,183,000).

In addition to the above amounts, in the previous year adjustments to the lease liabilities of EUR 121,000 arising from the deferral of payments relating to heritable building right contracts and quay utilization contracts were recognized in interest income in the corresponding amount. There were no such effects in the reporting year.

## BLG as lessor

### Leases

The Group has subleases for land, buildings, wharfs and operating equipment. The terms of these subleases in the main correspond with those of the head leases. In addition, BLG LOGISTICS is in some cases lessor under customer contracts.

The subleases largely relate to the rights and obligations, transferred under usage transfer agreements, arising from the heritable building rights of the Free Hanseatic City of Bremen (municipality) for properties necessary for the business of the EUROGATE Group. Further information is given in note 15 under “Joint ventures”.

### Recognition and measurement

As lessor, BLG LOGISTICS classifies leases at commencement as an operating lease or a finance lease.

If the lease transfers in substance all the risks and rewards of ownership, the lease is a finance lease. If this is not the case, the lease is an operating lease.

As intermediate lessor, the Group recognizes the head lease and the sublease separately. If the head lease is a short-term lease for which the recognition option is exercised, the sublease must be classified as an operating lease. In all other cases, the sublease is classified on the basis of the right-of-use asset from the head lease instead of the underlying asset.

In the case of operating leases, the lease payments received are recognized through profit or loss in revenue or other operating income, depending on the items to which they relate.

In the case of finance leases, the leased asset or right-of-use asset from the head lease is derecognized, and a lease receivable is recognized in the amount of the net investment in the lease. Interest income is recognized over the term of the leases in the amount that results in a constant periodic rate of return on the remaining lease receivables. After initial recognition, the lease receivables are reduced by the lease payments received less the interest income included therein. Loss allowances for lease receivables reported in net profit or loss are recognized on the basis of expected credit losses according to the general approach. Please also refer to note 16.

## Lease receivables

In the table below, the undiscounted future lease payments from finance leases are presented by due date and reconciled with the recognized lease receivables.

| EUR thousand | 12/31/2021 | 12/31/2020 |
|---|---|---|
| One year or less | 23,707 | 23,045 |
| More than one and less than 2 years | 22,600 | 14,136 |
| More than 2 and less than 3 years | 17,602 | 13,598 |
| More than 3 and less than 4 years | 17,234 | 11,307 |
| More than 4 and less than 5 years | 15,371 | 10,939 |
| More than 5 years | 212,404 | 216,691 |
| **Total undiscounted lease payments** | **308,918** | **289,716** |
| Unrealized interest income | 74,229 | 74,591 |
| **Lease receivables (net investment in the lease)** | **234,689** | **215,125** |

## Statement of profit or loss

The following amounts were recognized in the statement of profit or loss in connection with leases in which BLG LOGISTICS is the lessor.

| EUR thousand | 2021 | 2020 |
|---|---|---|
| **Revenue** | | |
| Income from operating leases | 1,548 | 11,576 |
| | **1,548** | **11,576** |
| **Other operating income** | | |
| Income from operating leases | 1,371 | 1,425 |
| Income from subleases | 634 | 606 |
| | **2,005** | **2,031** |
| **Interest income** | | |
| Interest income from lease receivables | 6,627 | 6,330 |
| | **6,627** | **6,330** |
| **Total** | **10,180** | **19,937** |

In the table below, the undiscounted future lease payments from operating leases are presented by due date.

| EUR thousand | 12/31/2021 | 12/31/2020 |
|---|---|---|
| One year or less | 4,334 | 7,909 |
| More than one and less than 2 years | 2,317 | 2,064 |
| More than 2 and less than 3 years | 1,091 | 1,509 |
| More than 3 and less than 4 years | 633 | 1,020 |
| More than 4 and less than 5 years | 504 | 633 |
| More than 5 years | 0 | 504 |
| **Total undiscounted lease payments** | **8,879** | **13,639** |

## 15. Equity investments in companies accounted for using the equity method

Investments in associates and joint ventures are generally measured using the equity method of accounting. Starting with the cost at the time of the acquisition of the shares, the carrying amount of the investment is increased or decreased by the profit or loss, the changes in other comprehensive income and the other changes in equity of the companies to the extent these are attributable to the shares held by BLG LOGISTICS. In the case of proportionate losses that exceed the carrying amount of an investment accounted for using the equity method, they are also offset through profit or loss against non-current loans or receivables attributable to the net investment in the investee. After the application of the equity method, testing must also be carried out to determine whether there are any indications of impairment of the net investment in the investee.

| EUR thousand | 12/31/2021 | 12/31/2020 |
|---|---|---|
| Investments in joint ventures | 158,509 | 94,840 |
| Investments in associates | 3,840 | 3,822 |
| **Total** | **162,349** | **98,662** |

### Joint ventures

The change in the carrying amount of the investments in joint ventures was primarily the result of increases due to proportionate net income for the financial year (EUR 61,714,000, previous year: reductions EUR -62,775,000), changes in other reserves due to the remeasurement of pensions (EUR 879,000, previous year: EUR 565,000), the fair value measurement of financial instruments (EUR 145,000, previous year: EUR 107,000), currency translation differences (EUR 1,480,000, previous year: EUR -2,928,000) and other changes (EUR -50,000, previous year: EUR 2,023,000), as well as reductions due to distributions (EUR -499,000, previous year: EUR -536,000). The previous year's carrying amount also included capital contributions of EUR 3,768,000. As in the previous year, there were no changes in the group of consolidated companies in the reporting year.

Information about the significant joint venture is presented below.

EUROGATE GmbH & Co. KGaA, KG, Bremen, is a joint venture of BLG KG and EUROKAI GmbH & Co. KGaA, Hamburg, which is structured as an independent entity. BLG KG's interest in the joint venture and its equity investments is 50 percent (previous year: 50 percent) and represents the CONTAINER Division. With this investment, the Group receives rights to the joint venture's net assets rather than rights to its assets and obligations arising from its liabilities.

The IFRS subgroup financial statements of the EUROGATE Group are consolidated using the equity method. EUROGATE GmbH & Co. KGaA, KG and its subsidiaries are accordingly included in the list of shareholdings under the item "Companies accounted for using the equity method". No market price is available for EUROGATE GmbH & Co. KGaA, KG.

The services of the CONTAINER Division are described in ▸note 2.

For the properties necessary for its business, BLG KG has transferred to the EUROGATE Group under usage transfer agreements the rights and obligations arising from the heritable building rights of the Free Hanseatic City of Bremen (municipality).

In the usage transfer agreements, BLG KG undertakes to pay compensation to the EUROGATE Group for buildings erected on the properties used at the expiration of the usage transfer agreement or upon extraordinary termination. The compensation is based on the market value of the buildings. In addition, BLG KG irrevocably surrenders its claims for compensation to the EUROGATE Group upon exercise of the right to reversion under the heritable building right contract by the Free Hanseatic City of Bremen (municipality).

The EUROGATE Group provides technical services for BLG LOGISTICS and pays for electricity used. This is based on the takeover of the electricity supply network in the Bremen seaport in Bremerhaven by "Sondervermögen Hafen" effective January 1, 2008.

In ▸Segment reporting and ▸note 3, this joint venture is represented by the CONTAINER Division.

The following table summarizes the financial information of the IFRS subgroup financial statements of EUROGATE GmbH & Co. KGaA, KG and reconciles this information with the carrying amounts of the investments in joint ventures.

| EUR thousand | 12/31/2021 | 12/31/2020 |
|---|---|---|
| Non-current assets | 963,369 | 1,000,980 |
| Current assets | 439,019 | 259,042 |
| Non-current liabilities | -882,042 | -897,982 |
| Current liabilities | -212,709 | -182,415 |
| **Net assets** | **307,637** | **179,625** |
| **Shareholding in %** | **50.0** | **50.0** |
| Proportionate share of net assets | 153,819 | 89,813 |
| Other equity attributable to non-controlling interests | -354 | -378 |
| **Group share of net assets (= equity carrying amount)** | **153,465** | **89,435** |

Current assets included cash and cash equivalents of EUR 327,523,000 (previous year: EUR 142,719,000).

EUR 650,411,000 (previous year: EUR 663,712,000) of the non-current liabilities and EUR 155,314,000 (previous year: EUR 108,272,000) of the current liabilities were attributable to financial liabilities (in each case excluding trade payables, other liabilities and provisions). The financial liabilities resulted with EUR 356,775,000 (previous year: EUR 368,358,000) from non-current and with EUR 22,240,000 (previous year: EUR 22,438,000) from current lease liabilities.

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Revenue | 611,909 | 527,044 |
| Depreciation and amortization | -69,937 | -66,738 |
| Reversals/impairment | 3,488 | -73,968 |
| Other interest and similar income | 1,202 | 1,901 |
| Interest and similar expenses | -10,329 | -19,500 |
| Taxes on income | -15,935 | 13,444 |
| Net profit (loss) for the year | 123,710 | -121,103 |
| Other comprehensive income (loss), net of income tax | 4,538 | -3,348 |
| **Total comprehensive income (loss)** | **128,248** | **-124,451** |

EUR 61,879,000 of the net profit for the year (previous year: EUR -60,740,000) and EUR 2,269,000 of other comprehensive income, net of income taxes (previous year: EUR -1,674,000), was attributable to BLG LOGISTICS.

As in the previous year, BLG LOGISTICS received no dividends from EUROGATE GmbH & Co. KGaA, KG in the reporting year.

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Cash flow from operating activities | 149,179 | 85,809 |
| Cash flow from investing activities | 12,977 | -18,961 |
| Cash flow from financing activities | 22,961 | -53,737 |
| **Net change in cash and cash equivalents** | **185,117** | **13,111** |
| Cash and cash equivalents at start of financial year | 142,406 | 129,295 |
| **Cash and cash equivalents at end of financial year** | **327,523** | **142,406** |
| **Composition of cash and cash equivalents** | | |
| Cash and cash equivalents | 327,523 | 142,719 |
| Current liabilities to banks | 0 | -313 |
| **Cash and cash equivalents at end of financial year** | **327,523** | **142,406** |

The individual remaining investments in joint ventures held by BLG LOGISTICS are considered immaterial. The following table summarizes the carrying amounts, the interest in the net profit (loss) for the year and the interest in the other comprehensive income of these equity investments:

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Carrying amount of investments in other joint ventures | 5,044 | 5,405 |
| **Share of** | | |
| net profit (loss) for the year | -165 | -2,035 |
| other comprehensive income (loss) | 235 | -582 |
| **Proportionate share of total comprehensive income (loss)** | **70** | **-2,617** |

The proportionate net income for the year results in full from continuing operations.

In the 2021 financial year, negative interests of EUR 218,000 (previous year: EUR 1,504,000) and positive interests of EUR 125,000 (previous year: EUR 0,000) in the total comprehensive income of joint ventures were not included in the Group result as the equity-method carrying amount had already been adjusted to zero as a result of losses in prior periods. At the reporting date, the cumulative negative interests in the total comprehensive income of joint ventures not recognized in the Group result totaled EUR 3,648,000 (previous year: EUR 3,440,000).

**Associates**

The change in the carrying amount of the investments in associates was primarily the result of increases due to proportionate net income for the financial year (EUR 588,000, previous year: EUR 1,069,000), changes in other reserves due to the remeasurement of pensions (EUR -5,000, previous year: EUR -42,000), as well as reductions due to distributions (EUR -584,000, previous year: EUR -677,000) and currency translation differences (EUR 19,000, previous year: EUR -97,000). The previous year's carrying amount also included other changes of EUR 13,000. As in the previous year, there were no changes in the group of consolidated companies in the reporting year.

The investments in associates held by BLG LOGISTICS are individually immaterial.

The following table summarizes the carrying amounts, the interest in the net profit (loss) for the year attributable to BLG LOGISTICS and the interest in the other comprehensive income of these equity investments:

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Carrying amount of investments in associates | 3,840 | 3,822 |
| **Share of** | | |
| net profit (loss) for the year | 588 | 1,069 |
| other comprehensive income (loss) | 14 | -139 |
| **Proportionate share of total comprehensive income (loss)** | **602** | **930** |

The proportionate net income for the year results in full from continuing operations.

In the 2021 financial year, negative interests of EUR 12,000 (previous year: EUR 12,000) in the total comprehensive income of associates were not included in the Group result. At the reporting date, the cumulative negative interests in the total comprehensive income of joint ventures not recognized in the Group result totaled EUR 215,000 (previous year: EUR 203,000).

## 16. Finance receivables

Please refer to note 14 for information on the measurement of lease receivables.

The finance receivables from shareholder accounts in companies accounted for using the equity method relate to profit shares from partnerships classified as debt instruments. As the profit shares are not capital repayments but capital returns, they are measured at fair value through profit or loss.

The other finance receivables of BLG LOGISTICS comprise finance receivables and claims under equity instruments from companies accounted for using the equity method, shareholders and third parties, for which the payments are solely payments of principal and interest and which are held to generate contractual cash flows. They are therefore measured at amortized cost. Interest income is recognized pro rata temporis in the statement of profit or loss, taking the effective interest return into account. Foreign exchange differences and gains and losses on derecognition are likewise recognized through profit or loss.

| EUR thousand | 2021 Current | 2021 Non-current | 2020 Current | 2020 Non-current |
|---|---|---|---|---|
| Lease receivables | 17,093 | 217,596 | 17,433 | 197,692 |
| Finance receivables from shareholder accounts in companies accounted for using the equity method | 972 | 0 | 1,003 | 0 |
| Other receivables from shareholders | 735 | 0 | 2,820 | 0 |
| Loans to companies accounted for using the equity method | 500 | 0 | 12 | 0 |
| Other loans | 55 | 5 | 126 | 11 |
| Finance receivables from cash management at equity investments | 0 | 0 | 7,429 | 0 |
| Miscellaneous other finance receivables | 1,777 | 26 | 3,456 | 25 |
| **Total** | **21,131** | **217,627** | **32,280** | **197,729** |

Loss allowances for finance receivables reported in profit or loss are recognized on the basis of expected credit losses according to the general approach. According to this approach, a loss allowance is recognized for financial assets whose credit risk has not increased significantly since initial recognition in the amount of the credit losses expected to occur within the next 12 months.

For financial assets for which credit risk has increased significantly since initial recognition, a loss allowance must be recognized in the amount of the lifetime expected credit losses.

Qualitative and quantitative indicators are taken into account when determining whether there has been a significant increase in credit risk since initial recognition. These include historical data, the agreement of forbearance measures and contractual payments that are more than 30 days past due. If financial assets are more than 90 days past due, they are classified as impaired. Loss allowances are recognized if a formal dunning process has been initiated or knowledge has been obtained about the insolvency of a customer.

Financial assets are generally derecognized when BLG LOGISTICS loses control of the underlying rights wholly or in part by selling or discharging them or transferring them to a third party in a manner that qualifies for derecognition. A transfer to a third party qualifies for derecognition when the contractual rights to the cash flows from assets are surrendered, no arrangements for the retention of individual cash flows exist, all the risks and rewards are transferred to the third party and BLG LOGISTICS no longer has control over the assets.

The lease receivables in the previous year included EUR 5,817,000 of receivables for payments of ground rent deferred in 2020 due to the coronavirus pandemic, which were repaid in the reporting year.

Loans to companies accounted for using the equity method are made at interest rates of between 2 and 6 percent (previous year: between 3 and 6 percent).

Due to their fixed interest rates, the loans are subject to an interest rate-linked market price risk; this is not significant for BLG LOGISTICS considering the amount and maturity of receivables.

The maximum exposure to credit risk corresponds to the carrying amount; there are no indications of significant concentrations of credit risk.

The credit risk and the expected credit losses for finance receivables measured at amortized cost were as follows as of December 31, 2021 and December 31, 2020:

| **12/31/2021**<br>**EUR thousand** | **12 months** | **Residual maturity** | | **Total** |
|---|---|---|---|---|
| | | Non-impaired | Impaired | |
| Loans to companies accounted for using the equity method | 500 | 0 | 2,599 | 3,099 |
| Other loans | 60 | 0 | 0 | 60 |
| Other receivables from shareholders | 735 | 0 | 0 | 735 |
| Finance receivables from finance leases | 234,689 | 0 | 0 | 234,689 |
| Miscellaneous other finance receivables | 1,803 | 0 | 0 | 1,803 |
| **Nominal amounts** | **237,787** | **0** | **2,599** | **240,386** |
| Loss allowances | 0 | 0 | -2,599 | -2,599 |
| **Carrying amounts** | **237,787** | **0** | **0** | **237,787** |

| **12/31/2020**<br>**EUR thousand** | **12 months** | **Residual maturity** | | **Total** |
|---|---|---|---|---|
| | | Non-impaired | Impaired | |
| Loans to companies accounted for using the equity method | 0 | 12 | 4,109 | 4,121 |
| Other loans | 137 | 0 | 0 | 137 |
| Other receivables from shareholders | 2,820 | 0 | 0 | 2,820 |
| Finance receivables from cash management at equity investments | 7,429 | 0 | 0 | 7,429 |
| Finance receivables from finance leases | 215,126 | 0 | 0 | 215,126 |
| Miscellaneous other finance receivables | 3,482 | 0 | 0 | 3,482 |
| **Nominal amounts** | **228,994** | **12** | **4,109** | **233,115** |
| Loss allowances | 0 | 0 | -4,109 | -4,109 |
| **Carrying amounts** | **228,994** | **12** | **0** | **229,006** |

Loss allowances for finance receivables developed as follows:

| **2021**<br>**EUR thousand** | **12 months** | **Residual maturity** | | **Total** |
|---|---|---|---|---|
| | | Non-impaired | Impaired | |
| Amount as of the beginning of the financial year | 0 | 0 | 4,109 | 4,109 |
| **Loss allowances for the financial year** | | | | |
| Transfers | 0 | 0 | 70 | 70 |
| Reversals | 0 | 0 | -80 | -80 |
| Use/derecognition of receivables | 0 | 0 | -1,500 | -1,500 |
| **Amount as of the end of the financial year** | **0** | **0** | **2,599** | **2,599** |

| **2020**<br>**EUR thousand** | **12 months** | **Residual maturity** | | **Total** |
|---|---|---|---|---|
| | | Non-impaired | Impaired | |
| Amount as of the beginning of the financial year | 0 | 0 | 2,711 | 2,711 |
| **Loss allowances for the financial year** | | | | |
| Transfers | 0 | 0 | 1,410 | 1,410 |
| Reversals | 0 | 0 | -12 | -12 |
| **Amount as of the end of the financial year** | **0** | **0** | **4,109** | **4,109** |

## 17. Inventories

The inventories line item comprises raw materials, consumables and supplies, work in progress and finished goods and merchandise. Initial recognition is at acquisition cost, determined on the basis of average prices, or at production cost. Production cost includes all direct production costs as well as appropriate portions of production overheads and is determined on the basis of normal capacity utilization. Financing costs are not taken into account.

The measurement at the end of the reporting period is at the lower of cost or net realizable value less costs due and, where appropriate, other incurred costs of completion. The net realizable value of the final product is generally taken as a basis.

| EUR thousand | 12/31/2021 | 12/31/2020 |
|---|---|---|
| Raw materials, consumables and supplies | 17,106 | 15,446 |
| Finished goods and merchandise | 3 | 4 |
| **Total** | **17,109** | **15,450** |

Inventories are not pledged as collateral for liabilities. Loss allowances of EUR 229,000 (previous year: EUR 185,000) were recognized on inventories as of December 31, 2021. The inventories recognized as expenses in the reporting year amounted to EUR 71,483,000 (previous year: EUR 70,075,000).

## 18. Trade receivables, other assets and assets held for sale

**Trade receivables**

Trade receivables are recognized from the settlement date and held in order to generate contractual cash flows. They are therefore measured at amortized cost using the effective interest method.

Loss allowances reported in net profit or loss are recognized on the basis of expected credit losses using the simplified approach. According to this approach, the amount of the loss allowance is to be determined on the basis of the lifetime expected credit losses. Changes in credit risk do not have to be tracked. Loss allowances are reported net in the statement of profit or loss.

At BLG LOGISTICS the expected credit losses are calculated on the basis of the historical credit loss rates of the last five years according to past-due time bands, adjusted for management estimates regarding the future development of the economic environment, especially estimates of the credit rating of major customers and general economic conditions.

Trade receivables are derecognized upon realization (expiration) or transfer of the receivables to a third party. In addition, trade receivables are derecognized if the inflow of cash is unlikely.

Trade receivables are non-interest bearing, payable within one year and are not to be used as collateral for liabilities. The average credit term is 61 days (previous year: 72 days). The maximum exposure to credit risk corresponds to the carrying amount; there are no indications of significant concentrations of credit risk.

| EUR thousand | 12/31/2021 | 12/31/2020 |
|---|---|---|
| Receivables from third parties | 175,395 | 209,640 |
| Receivables from affiliated companies | 17 | 26 |
| Receivables from long-term investees | 1,580 | 1,829 |
| **Total** | **176,992** | **211,495** |

The credit risk and the expected credit losses for trade receivables were as follows as of December 31, 2021 and December 31, 2020:

| **12/31/2021 EUR thousand** | Expected credit loss rate (weighted average) | Nominal amounts | Loss allowances | **Carrying amounts** |
|---|---|---|---|---|
| Not past due | 0.4% | 152,035 | -636 | 151,399 |
| Less than 30 days | 0.4% | 16,134 | -72 | 16,062 |
| Between 30 and 90 days | 1.2% | 3,592 | -43 | 3,549 |
| Between 91 and 180 days | 13.6% | 1,563 | -212 | 1,351 |
| More than 180 days | 1.7% | 4,710 | -79 | 4,631 |
| **Total** | | **178,034** | **-1,042** | **176,992** |

| **12/31/2020 EUR thousand** | Expected credit loss rate (weighted average) | Nominal amounts | Loss allowances | Carrying amounts |
|---|---|---|---|---|
| Not past due | 0.8% | 175,447 | -1,321 | 174,126 |
| Less than 30 days | 0.5% | 23,180 | -106 | 23,074 |
| Between 30 and 90 days | 1.6% | 7,076 | -112 | 6,964 |
| Between 91 and 180 days | 6.9% | 2,925 | -202 | 2,723 |
| More than 180 days | 36.3% | 7,233 | -2,625 | 4,608 |
| **Total** | | **215,861** | **-4,366** | **211,495** |

Loss allowances for trade receivables developed as follows:

| **EUR thousand** | **2021** | 2020 |
|---|---|---|
| Amount as of the beginning of the financial year | 4,366 | 5,036 |
| Changes in group of consolidated companies | 0 | -114 |
| **Loss allowances for the financial year** | | |
| Transfers | 290 | 1,174 |
| Reversals | -1,023 | -202 |
| Changes in exchange rates | 2 | -7 |
| Use/derecognition of receivables | -2,593 | -1,521 |
| **Amount as of the end of the financial year** | **1,042** | **4,366** |

In the reporting year, there were also derecognitions of trade receivables of EUR 205,000 (previous year: EUR 213,000), which are reported in the net gains/losses from impairment.

### Other financial and non-financial assets

Other assets mainly comprise contract assets. Other financial assets include financial investments, derivative financial instruments (see ▸note 32), and, where appropriate, securities classified as current assets. Other financial assets are recognized at the settlement date. BLG LOGISTICS only holds very small amounts of securities held as current assets.

Financial investments include investments in affiliated companies and other long-term equity investments. These are long-term investments that are measured at fair value through other comprehensive income as equity instruments, exercising the option provided by IFRS 9. Even when the equity instruments are disposed of, gains and losses from the measurement of the equity investments are not reclassified to profit or loss but to retained earnings. Dividends are recognized through profit or loss, unless they are capital repayments.

The measurement of equity investments at fair value required by IFRS 9 is only forgone if the equity investments are immaterial and there is no active market for the measurement of fair value.

The Group's accounting policies for contract assets are presented in ▸note 4.

Miscellaneous other financial and non-financial assets are stated at their nominal values. Other financial and non-financial assets are non-interest bearing and are not used as collateral for liabilities.

| EUR thousand | 12/31/2021 Current | 12/31/2021 Non-current | 12/31/2020 Current | 12/31/2020 Non-current |
|---|---|---|---|---|
| **Other financial assets** | | | | |
| Investments in affiliated companies | 0 | 339 | 0 | 342 |
| Other financial investments | 0 | 141 | 0 | 141 |
| Miscellaneous financial assets | 810 | 35 | 3,005 | 45 |
| | **810** | **515** | **3,005** | **528** |
| **Other non-financial assets** | | | | |
| Contract assets (note 4) | 7,854 | 0 | 6,429 | 0 |
| Receivables from tax and customs authorities | 1,883 | 0 | 2,209 | 0 |
| Receivables from Agentur für Arbeit (Labor Agency) | 1,809 | 0 | 271 | 0 |
| Prepaid expenses | 1,171 | 59 | 946 | 0 |
| Receivables from German Infection Protection Act | 1,169 | 0 | 423 | 0 |
| Miscellaneous non-financial assets | 233 | 0 | 402 | 0 |
| | **14,120** | **59** | **10,680** | **0** |
| **Total** | **14,930** | **574** | **13,685** | **528** |

### Investments in affiliated companies

Investments in affiliated companies mainly comprise the non-consolidated general partner companies of the fully consolidated operational limited partnerships.

### Other equity investments

Other equity investments include companies with dormant or only limited operations in which BLG AG or BLG KG is directly or indirectly entitled to at least 20 percent of the voting rights and which are of only minor importance for giving a true and fair view of the financial position, financial performance and cash flows of BLG LOGISTICS.

### Current assets classified as held for sale

Under an agreement dated February 23, 2021, BLG Handelslogistik GmbH & Co. KG, Bremen, sold all of its shares in BLG Logistics Solutions Italia S.r.l. with effect from the same date. The background behind this decision was that in Europe BLG wishes to have a more strategic focus on Germany. Consequently, the assets of EUR 3,403,000 and liabilities of EUR 3,812,000 were classified in the financial statements as of December 31, 2020 as held for sale. The assets and liabilities were allocated in full to the CONTRACT Division and were derecognized in the reporting year in the context of the deconsolidation of BLG Logistics Solutions Italia S.r.l.

## 19. Cash and cash equivalents

| EUR thousand | 12/31/2021 | 12/31/2020 |
|---|---|---|
| Current account balances | 17,281 | 3,342 |
| Overnight loans and short-term time deposits | 15,693 | 9,966 |
| Cash | 36 | 49 |
| **Total** | **33,010** | **13,357** |

Cash and cash equivalents are subject to the impairment requirements of IFRS 9. No impairment was recognized, as the cash and cash equivalents are primarily held with banks in the European Union and mainly in euros and the requirements have no material effect. As there have been no bad debts in the past and there are no identifiable indicators of future bad debts, they are recognized at nominal value.

Bank balances earn interest at floating rates for demand deposits. Short-term deposits are made for periods varying between one day and one month, depending on the immediate cash requirements of the Group. They earn interest at the current short-term deposit interest rate.

## Capital structure

### 20. Equity

The breakdown of and changes to equity in the 2021 and 2020 financial years are presented in the consolidated statement of changes in equity as a separate component of the consolidated financial statements as of December 31, 2021.

**a) Consolidated capital of BLG AG**
As in the previous year, the share capital (subscribed capital) amounted to EUR 9,984,000.00 and was divided into 3,840,000 approved, no-par registered shares with voting rights. Transfer of the shares requires the approval of the company in accordance with Section 5 of the Articles of Incorporation. As in the previous year, the share capital was fully paid as of December 31, 2021.

The retained earnings included the legal reserve pursuant to Section 150 of the German Stock Corporation Act (AktG) of EUR 998,000 (previous year: EUR 998,000), which was allocated in full, as well as other retained earnings of EUR 10,273,000 (previous year: EUR 9,541,000). In the 2021 financial year, transfers to retained earnings amounted to EUR 697,000 (previous year: EUR 0,000).

**b) Consolidated capital of BLG KG**
The capital attributable to the limited partner of BLG KG is recognized. The limited liability capital and the share premium were almost exclusively made up of contributions in kind.

The share premium account includes allocations of asset-side differences from the time before the transition of the consolidated financial statements to IFRSs. In the reporting year, the limited partner, the Free Hanseatic City of Bremen, made a contribution to the share premium of EUR 53,000,000 (previous year: EUR 0,000).

Retained earnings include, in addition to undistributed profits from previous years, dividend payments and other withdrawals, previous changes in the basis of consolidation recognized outside profit or loss, and other changes and interests in consolidated net profit. In addition, retained earnings also include the differences between the German Commercial Code (HGB) and IFRSs existing on January 1, 2004 (date of transition). There is no separate presentation of the net profit or loss of consolidated companies.

The actuarial gains and losses recognized through other comprehensive income from the measurement of gross pension obligations in accordance with IAS 19 and the difference between the expected and actual return on plan assets are reported in “Other reserves”.

The reserve from the fair value measurement of financial instruments includes net gains or losses recognized through other comprehensive income from changes in the fair value of the effective portion of the cash flow hedges. Reserves are generally reversed upon settlement of the underlying transaction. In addition, the reserves are reversed on expiration, disposal, termination or exercise of the hedging instrument, in the event of revocation of the designation of the hedging relationship or non-fulfillment of the requirements for a hedge under IFRS 9. The reserve also contains changes in the measurement of equity investments measured at fair value. Further disclosures on hedge accounting are presented in note 32 in the “Derivative financial instruments” section.

| EUR thousand | 2021 | 2020 |
|---|---|---|
| As of January 1 | -12,951 | -8,901 |
| Change in reserves | 4,863 | -4,050 |
| **As of December 31** | **-8,088** | **-12,951** |

As of the end of the reporting period, the reserve consisted of the fair values of the interest rate swaps qualifying as hedges of EUR -8,465,000 (previous year: EUR -13,183,000), deferred taxes on this amount recognized through other comprehensive income of EUR 453,000 (previous year: EUR 453,000) as well as EUR -76,000 (previous year: EUR -221,000) from the fair values of financial instruments at associates recognized through other comprehensive income.

The foreign currency translation reserve includes exchange differences from the translation of financial statements of consolidated companies in currencies other than the euro.

**c) Equity of non-controlling interests**
This item contained EUR 6,934,000 (previous year: EUR 5,532,000) for the minority interests in the equity of fully consolidated subsidiaries.

For the development of the individual equity components, please see the separate Consolidated statement of changes in equity.

## 21. Earnings per share BLG AG

In accordance with IAS 33, basic earnings per share are calculated by dividing the consolidated net profit attributable to BLG AG by the average number of shares. Basic earnings per share for the 2021 financial year amount to EUR 0.30 (previous year: EUR 0.29). This calculation is based on the portion of the consolidated net profit of EUR 1,154,000 (previous year: EUR 1,117,000) attributable to BLG AG and the unchanged number of ordinary shares of 3,840,000.

In the calculation of diluted earnings per share, the average number of issued shares is adjusted for the number of all potentially dilutive shares. As in the previous year, there was no deviation in amount from the basic earnings in the reporting year.

Like basic earnings per share, diluted earnings per share are fully attributable to continuing operations.

## 22. Dividend per share

On June 2, 2021, the Annual General Meeting of BLG AG approved the proposal of the Board of Management and the Supervisory Board to use the net retained profits (in accordance with HGB) of EUR 1,117,000 reported on December 31, 2020 as follows:

- Distribution of a minimum dividend in accordance with Section 254 of the German Stock Corporation Act (AktG) of EUR 0.11 per share. This represents a pay-out ratio of EUR 422,000 and a distribution ratio of 37.8 percent. The dividend was distributed to our shareholders on June 7, 2021.

- Appropriation of EUR 695,000 to other revenue reserves.

For the 2021 financial year, the Board of Management and the Supervisory Board will propose to the Annual General Meeting on June 1, 2022 that the net retained profits in the amount of EUR 1,152,000 be used to pay a dividend of EUR 0.30 per share. This represents a pay-out ratio of 99.8 percent.

Shareholders' rights to dividend payments are recognized as a liability in the period in which the corresponding resolution is passed.

## 23. Non-current loans

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Up to 1 year | 21,699 | 21,049 |
| 1 to 5 years | 70,022 | 95,387 |
| More than 5 years | 66,666 | 51,000 |
| **Total** | **158,387** | **167,436** |

Of the loans taken out from banks, a total of EUR 65,328,000 (previous year: EUR 63,529,000) had fixed interest rates and EUR 93,059,000 (previous year: EUR 103,907,000) had variable interest rates.

Assurances have been made to all partner banks with regard to equal treatment and the change-of-control clause.

## 24. Other financial liabilities

Financial liabilities are recognized as liabilities when the BLG Group becomes party to an agreement. The liabilities are measured at fair value on initial recognition. They are subsequently measured, with the exception of derivatives, at amortized cost using the effective interest method. The measurement of derivatives is described in note 32.

Please refer to note 14 for information on the measurement of lease receivables.

Financial assets and liabilities are only netted and the net amount reported in the statement of financial position when there is a legally enforceable right to do so and there is an intention to settle on a net basis or to settle the corresponding liability at the same time as the relevant asset is sold.

Liabilities are derecognized after settlement, waiver or expiration.

Other financial liabilities break down as follows:

| **EUR thousand** | **12/31/2021 Current** | **12/31/2021 Non-current** | 12/31/2020 Current | 12/31/2020 Non-current |
|---|---|---|---|---|
| Lease liabilities | 56,673 | 470,307 | 70,774 | 465,645 |
| Loans BLG Unterstützungskasse GmbH | 25,600 | | 25,600 | |
| Current portion of non-current loans | 21,699 | | 21,049 | |
| Term and overnight deposits | 15,000 | | 25,000 | |
| Derivatives with negative fair value | 8,870 | | 13,386 | |
| Obligations under revenue deductions | 8,623 | | 5,993 | |
| Other financial loans | 7,999 | 55,718 | 5,816 | 44,241 |
| Bank overdrafts | 6,570 | | 52,298 | |
| Cash management with respect to equity investments | 3,949 | | 2,501 | |
| Liabilities to factoring company | 2,559 | | 0 | |
| Future social concept | 1,028 | 3,454 | 936 | 3,418 |
| Accruals | 0 | | 143 | |
| Other | 4,005 | 0 | 4,801 | 0 |
| **Total** | **162,574** | **529,479** | **228,297** | **513,305** |

The average effective interest rates as of the end of the reporting period of current account liabilities to banks amounted to 0.8 percent (previous year: 0.5 percent).

Information on (undiscounted) future cash flows from lease liabilities and other financial loans is given in note 32 under “Liquidity risk”.

## 25. Deferred government grants

| **EUR thousand** | **12/31/2021 Non-current** | 12/31/2020 Non-current |
|---|---|---|
| AUTOMOBILE Division | 2,734 | 2,671 |
| CONTRACT Division | 92 | 79 |
| **Total** | **2,826** | **2,750** |

| **EUR thousand** | **12/31/2021 Current** | 12/31/2020 Current |
|---|---|---|
| AUTOMOBILE Division | 70 | 70 |
| CONTRACT Division | 11 | 11 |
| **Total** | **81** | **81** |

Investment grants from the government are not recognized until there is reasonable assurance that the attached conditions will be met and that the grant will be awarded. Grants are reported separately under liabilities using the gross method. They are reversed pro rata temporis in line with the depreciation and amortization of the subsidized assets.

The items set forth in the tables above are deferrals for asset-related grants. The grants of the AUTOMOBILE Division included EUR 1,256,000 (previous year: EUR 1,308,000) for grants from the Federal Railway Authority for replacements and renovations in the rail infrastructure. The deferrals are reversed in line with the depreciation of the subsidized assets. Total income from the reversal of the deferrals amounting to EUR 81,000 (previous year: EUR 98,000) was recognized in 2021.

In addition, further income of EUR 2,544,000 was recognized during the year (previous year: EUR 3,778,000), the full amount of which related to grants recognized through profit or loss. EUR 1,506,000 (previous year: EUR 2,898,000) of this amount related to reimbursements of social security contributions by the Agentur für Arbeit (Federal Labor Agency) in connection with the introduction of short-time work. These are reported gross under other operating income.

## 26. Non-current provisions

Pension obligations are post-employment benefits within the meaning of IAS 19. Pension provisions are measured using the projected unit credit method prescribed in IAS 19 for defined benefit plans. In addition to pension obligations existing at the end of the reporting period, this method also takes into account the future earnings trend, expected pension increases and expected fluctuation. Actuarial gains and losses are fully recognized in other comprehensive income in the period in which they arise. The net interest component, which includes interest expense from the interest cost of the gross pension obligations less the expected return on plan assets, is shown in net financial income/net finance costs. The plan assets bear interest at the applied discount rate on which the measurement of the pension obligations is based. The obligations presented in the statement of financial position are net obligations after offsetting against plan assets.

Anniversary provisions are other long-term employee benefits within the meaning of IAS 19. They are also measured using the projected unit credit method. The interest component included in the anniversary expenses is shown in net financial income/net finance costs

| EUR thousand | 12/31/2021 | 12/31/2020 |
|---|---|---|
| **Personnel-related provisions** | | |
| Direct commitments | 5,718 | 11,986 |
| Port pensions | 18,963 | 19,663 |
| Future social concept | 35,481 | 33,257 |
| Anniversary provisions | 10,485 | 9,997 |
| | **70,648** | **74,903** |
| **Other provisions** | | |
| Miscellaneous other non-current provisions | 42 | 11 |
| | **42** | **11** |
| **Total** | **70,690** | **74,914** |

### Provisions for pensions

All the plans of BLG LOGISTICS are defined benefit plans within the meaning of IAS 19. There are no minimum funding requirements.

The individual commitments of the Group companies form the legal basis for granting benefits. In addition, there are obligations for the payment of a disability pension and a retirement pension from the collective framework agreement for the port employees of German seaport companies, including the special provisions for the ports in the state of Bremen of May 12, 1992. On January 1, 1998, the pension obligations existing at BLG AG up to this date were assumed by the Free Hanseatic City of Bremen (municipality).

There are also pension obligations in accordance with the guidelines of the Siemens pension insurance for employees who were transferred as of October 1, 2001 from SRI Radio Systems GmbH and as of May 1, 2003 from Siemens AG to BLG Logistics Solutions GmbH & Co. KG.

Pension obligations exist for employees who were transferred from Schenker AG as of April 1, 2015 and from Kühne+Nagel (AG & Co.) KG as of January 1, 2016 to BLG Industrielogistik GmbH & Co. KG pursuant to Schenker AG's "Benefit plan 2000" works agreement of February 28, 2003, as well as Schenker AG's "Pension component employee participation" company-wide works agreement of June 9, 2011.

Due to a transfer of operations, BLG Handelslogistik GmbH & Co. KG assumed obligations from Puma AG in the form of identical individual commitments as of October 1, 2018.

In addition, there are obligations to grant and pay retirement, disability and survivor's pensions due to a Group works agreement on ensuring the social future dated March 15, 2005 (future social concept). Significant portions of this benefit plan are made up of annually agreed compensation waivers to be negotiated with the participating employees, while the components of the bonus plan result annually from an employee profit sharing plan established after the end of the financial year.

For parts of the individual commitments and for the obligations within the framework of the future social concept, there are plan assets in the form of qualified insurance contracts within the meaning of IAS 19. The plan assets are managed externally by insurance companies, and specifically include reinsurance cover for pension commitments and deposits for outstanding reinsurance premiums, in which outstanding reinsurance premiums are invested as a lump sum in a securities account. The installment premiums to the reinsurer are financed from a corresponding sale of the fund units. Like the reinsurance policy, the fund units are pledged to the beneficiaries. The asset values determined by the insurance companies are recognized as fair values.

| **EUR thousand** | **12/31/2021** | 12/31/2020 |
|---|---|---|
| Reinsurance policies | 69,492 | 65,113 |
| Deposit for outstanding premium payments to the reinsurance | 4,552 | 0 |
| **Fair value of plan assets** | **74,044** | **65,113** |

The provisions are calculated, taking into account the respective underlying contractual agreement in each case, by qualified actuaries applying the projected unit credit method in accordance with IAS 19.

The Group is exposed to various risks in connection with the defined benefit plans. In addition to the general risks of a change in demographic assumptions, these are, in particular, interest rate risk and capital market or investment risk. There are no concentrations of risk.

| **EUR thousand** | **12/31/2021** | 12/31/2020 |
|---|---|---|
| Present value of defined benefit obligations | 135,218 | 131,023 |
| Fair value of plan assets | -74,044 | -65,113 |
| **Shortfall (net debt)** | **61,174** | **65,910** |

**Present value of pension obligations**

The present value of the defined benefit obligations changed as follows:

| **EUR thousand** | **12/31/2021** | 12/31/2020 |
|---|---|---|
| **Balance at beginning of year** | **131,023** | **124,107** |
| Current service cost | 2,847 | 8,631 |
| Expense from deferred compensation | 2,774 | 2,579 |
| Interest expense | 1,534 | 1,390 |
| Remeasurement | | |
| Adjustments based on historical data | -277 | -512 |
| Actuarial gains/losses from changes in financial assumptions | 645 | -684 |
| Utilization (pension payments) | -3,229 | -3,777 |
| Reversals | -94 | -486 |
| Transfers | -5 | 17 |
| Reclassifications | 0 | -242 |
| **Balance at end of year** | **135,218** | **131,023** |

The weighted average maturity (duration) of the defined benefit obligations was as follows:

| | 12/31/2021 | 12/31/2020 |
|---|---|---|
| Direct commitments | 18 years | 19 years |
| Port pensions | 15 years | 16 years |
| Future social concept | 11 years | 12 years |

**Fair value of plan assets**

The fair value of the plan assets changed as follows:

| EUR thousand | 12/31/2021 | 12/31/2020 |
|---|---|---|
| **Balance at beginning of year** | **65,113** | **61,197** |
| Interest income | 721 | 1,204 |
| Expenses/income from plan assets (excluding interest income) | 657 | 326 |
| Additions made by the employees included in the plan (e.g. deferred compensation) | 2,486 | 2,496 |
| Employer contributions | 7,130 | 2,787 |
| Utilization (pension payments) | -2,097 | -2,351 |
| Reversals | -62 | -472 |
| Transfers | 96 | -74 |
| **Balance at end of year** | **74,044** | **65,113** |

**Net pension expense**

The portion of the net pension expense recognized in profit or loss for the period was made up as follows:

| EUR thousand | 12/31/2021 | 12/31/2020 |
|---|---|---|
| Current service cost | 2,847 | 8,631 |
| Interest expenses | 813 | 186 |
| **Total** | **3,660** | **8,817** |

The service cost is recognized in the consolidated statement of profit or loss as personnel expense, and the interest cost for the expected pension obligations is recognized as interest expense. The expected return on plan assets reduces the interest expense.

The actual income from plan assets as of December 31, 2021 amounted to EUR 1,378,000 (previous year: EUR 1,530,000).

**Actuarial parameters**

The actuarial computation of the material defined benefit obligations was based on the following parameters (given in the form of weighted average factors):

| 12/31/2021 in percent | Direct commitments | Port pensions | Future social concept |
|---|---|---|---|
| Discount rate | 1.3 | 1.2 | 1.0 |
| Rate of salary increases | 1.6 | 0.0 | 0.0 |
| Rate of pension increases | 1.6 | 0.0 | 0.0 |

| 12/31/2020 in percent | Direct commitments | Port pensions | Future social concept |
|---|---|---|---|
| Discount rate | 1.2 | 1.2 | 1.2 |
| Rate of salary increases | 1.6 | 0.0 | 0.0 |
| Rate of pension increases | 1.7 | 1.0 | 0.0 |

The mortality rate underlying the calculation of the present value of the material defined benefit obligations is based as in the previous year on the 2018 G mortality tables by Prof. Dr. Klaus Heubeck.

**Sensitivity analyses**

The present value of the pension obligations depends on a number of factors based on actuarial assumptions. The net expense (or income) used in determining assumptions for pensions includes the discount rate. Any change in these assumptions will impact the carrying amount of the pension obligation.

BLG LOGISTICS determines the appropriate discount rate at the end of each year. This is the interest rate used in determining the present value of expected future cash outflows required to settle the obligation. In determining the discount rate, the Group uses as its basis the interest rates of top-rated corporate bonds that are denominated in the currency in which the benefits are paid and with maturities corresponding to those of the pension obligation.

An increase or decrease in the principal actuarial assumptions in the amount of the expected future development would have the following effects compared to the parameters actually applied to the present value of pension obligations:

| EUR thousand | 12/31/2021 Higher | 12/31/2020 Higher |
|---|---|---|
| Discount rate (50 basis points) | -8,135 | -8,219 |
| Rate of salary increases (50 basis points) | 186 | 334 |
| Rate of pension increases (50 basis points) | 2,132 | 3,032 |

| EUR thousand | 12/31/2021 Lower | 12/31/2020 Lower |
|---|---|---|
| Discount rate (50 basis points) | 9,010 | 9,133 |
| Rate of salary increases (50 basis points) | -179 | -318 |
| Rate of pension increases (50 basis points) | -1,947 | -1,437 |

The sensitivity calculations are based on the average maturity of the pension obligations determined as of December 31, 2021. The calculations were carried out on an isolated basis for actuarial assumptions which have been identified as significant to separately illustrate the potential impact on the calculated present value of pension obligations. As the average duration of the expected pension liabilities is based on the sensitivity analyses and consequently the expected payment dates are not taken into consideration, they only result in approximate information or statements about trends.

**Funding of pension obligations**

The funding of the pension contracts entered into for the Board of Management and senior staff and the agreements for the future social concept are fully covered by reinsurance cover for pension commitments and deposits for outstanding reinsurance premiums pledged in favor of the beneficiaries. The pension contracts are solely funded by the employer; the future social concept is funded by contributions made by employees and a performance bonus paid by the employer. There is no obligation to participate in the future social concept. The port pension does not contain any plan assets.

For the subsequent financial year, the company expects payments to the defined benefit plans of EUR 2,043,000 (previous year: EUR 2,249,000).

### Anniversary provisions

| EUR thousand | Non-current | Current |
|---|---|---|
| As of 01/01/2021 | 9,996 | 383 |
| Utilization | 0 | -298 |
| Reversal | -110 | 0 |
| Addition | 599 | 382 |
| Transfer | 0 | 0 |
| **As of 12/31/2021** | **10,485** | **467** |

Provisions for anniversaries take into consideration the contractually guaranteed rights of Group employees to receive anniversary bonuses. Recognition is based on actuarial reports, which make calculations based on a discount rate of 1.0 percent (previous year: 1.2 percent). The interest cost of EUR 117,000 (previous year: EUR 84,000) was included in the addition for the reporting year of EUR 599,000 (previous year: EUR 568,000).

### Other non-current provisions

Other non-current provisions amounted to EUR 42,000 (previous year: EUR 11,000).

Non-current provisions with a remaining maturity of more than one year are discounted at the capital market interest rate corresponding to their maturity.

## 27. Trade payables

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Liabilities to third parties | 62,848 | 49,813 |
| Obligations from outstanding invoices | 21,305 | 22,078 |
| Liabilities to investees | 3,255 | 13,024 |
| Liabilities to affiliated companies | 289 | 226 |
| **Total** | **87,697** | **85,141** |

## 28. Other financial and non-financial liabilities

| EUR thousand | 12/31/2021 Current | 12/31/2021 Non-current | 12/31/2020 Current | 12/31/2020 Non-current |
|---|---|---|---|---|
| **Other financial liabilities** | | | | |
| Liabilities for variable remuneration | 7,226 | 1,765 | 3,899 | 0 |
| Liabilities to employees from wages and salaries | 5,794 | 0 | 5,793 | 0 |
| Other employee benefits | 506 | 0 | 534 | 0 |
| | **13,526** | **1,765** | **10,226** | **0** |
| **Other non-financial liabilities** | | | | |
| Obligations from outstanding vacation leave | 14,743 | 0 | 13,246 | 0 |
| VAT liabilities | 11,412 | 0 | 8,941 | 0 |
| Current portion of non-current pension obligations | 1,478 | 0 | 1,386 | 0 |
| Contract liabilities | 1,227 | 646 | 657 | 175 |
| Advance payments | 661 | 0 | 779 | 0 |
| Partial retirement obligations | 598 | 157 | 855 | 242 |
| Advance customs duties | 324 | 0 | 5,162 | 0 |
| Other non-financial liabilities | 271 | 0 | 1,668 | 0 |
| | **30,714** | **803** | **32,694** | **417** |
| **Total** | **44,240** | **2,568** | **42,920** | **417** |

Liabilities from partial retirement agreements as obligations arising from post-employment benefits (termination benefits) are measured using the projected unit credit method.

A liability is recognized based on collective bargaining and individual agreements. Recognition, which includes payments in arrears from current partial retirement arrangements and top-up amounts for building reserves, is based on actuarial reports.

The Group’s accounting policies for contract liabilities are presented in note 4.

## 29. Current provisions

Provisions are recognized if a liability to a third party results from a past event which is expected to result in an outflow of assets and can be reliably measured. They represent uncertain liabilities that are recognized at the amount of the best estimate. The amount of the provision also includes the expected cost increases.

| EUR thousand | As of 01/01/2021 | Utilization | Reversal | Reclassification | Addition | As of 12/31/2021 |
|---|---|---|---|---|---|---|
| Allocations for insurance costs | 2,044 | -1,985 | -112 | 47 | 2,940 | 2,934 |
| Onerous contracts | 8,828 | -6,628 | -1,974 | 0 | 951 | 1,177 |
| Warranty risks | 3,147 | 0 | -410 | 0 | 0 | 2,737 |
| Miscellaneous other provisions | 15,670 | -2,361 | -5,105 | -100 | 8,233 | 16,337 |
| **Total** | **29,689** | **-10,974** | **-7,601** | **-53** | **12,124** | **23,185** |

The allocations for insurance costs primarily result from obligations with respect to the liability loss compensation fund of German metropolitan areas.

The provisions for onerous contracts were allocated with EUR 1,177,000 in full to the CONTRACT Division. The provisions relate to contracts with customers for which the estimated costs are not expected to be covered by the agreed revenue. The level of the risks from onerous contracts may increase significantly as a result of changes in circumstances over time. Based on our current estimation, a risk of this kind should be viewed as low.

For warranty risks from possible warranty liabilities and fair-dealing obligations, provisions of EUR 2,737,000 were carried forward from previous years. Overall, there is broad discretion in measuring these provisions, as there are no comparable items or other historical data.

Miscellaneous other provisions included other operating taxes of EUR 410,000 (previous year: EUR 753,000) and archiving costs of EUR 1,448,000 (previous year: EUR 1,348,000). In addition, miscellaneous other provisions included customer claims of EUR 1,590,000 (previous year: EUR 738,000) as well as maintenance obligations toward third-parties at rented halls/surface areas of EUR 1,209,000 (previous year: EUR 1,246,000).

## 30. Contingent liabilities

The existing contingent liabilities at BLG LOGISTICS in favor of companies accounted for using the equity method are presented below.

| EUR thousand | 2021 | 2020 |
|---|---|---|
| **Overall share of contingent liabilities** | | |
| in joint ventures | 348 | 328 |
| of associates | 29 | 29 |
| **Total** | **377** | **357** |

Contingent liabilities are measured at their nominal amounts. Maximum guarantees are recognized at their maximum amount. Based on the relationships at the end of the reporting period, the actual contingent liabilities totaled EUR 49,000 (previous year: EUR 47,000) on the basis of the underlying liabilities. The contingent liabilities primarily relate to the collateralization of credit facilities.

Taking into account the knowledge gained up to the time this document was prepared, it can currently be assumed that all obligations underlying the contingent liabilities can be met by the respective principal debtors. The risk of a claim is considered low.

## 31. Other financial liabilities

| EUR thousand | 12/31/2021 | 12/31/2020 |
|---|---|---|
| Order commitments | 57,521 | 53,120 |
| Other financial liabilities | 1,650 | 1,170 |
| **Total** | **59,171** | **54,290** |

Other financial obligations are measured at their nominal amounts. The order commitments result from contracts entered into for the purchase of property, plant and equipment as well as of inventories.

## Financial instruments

### 32. Financial instruments

**Classification of financial assets and financial liabilities**

The classification of financial assets is based on the entity's business model for their management and the contractual cash flow characteristics of the assets.

Measuring debt instruments at amortized cost is only permitted if a financial asset is held within a business model whose objective is to generate contractual cash flows from the asset and the contractual arrangements provide fixed dates for the payments. In addition, these payments must be solely payments of principal and interest.

If not all these criteria are met, the measurement must be at fair value. There is an irrevocable option to measure equity instruments not held for trading at fair value through other comprehensive income. In this case, all changes in value, with the exception of dividends, must be presented in other comprehensive income without the option of reclassification to profit or loss.

**Carrying amounts and fair values of financial instruments by class, item in the statement of financial position and measurement category under IFRS 9**

In the tables shown on the following pages, the financial instruments are listed according to the above criteria, including the indication of their level in the fair value hierarchy. The measurement categories are described in notes 16 and 18 and in the "Derivative financial instruments" section.

Classification to the levels of the fair value hierarchy is based on the measurement methods used and is described in note 1 in the "Determination of fair values" section.

## Carrying amounts of financial instruments classified by item in the statement of financial position, class and category

| **EUR thousand 12/31/2021 Assets** | Carrying amounts | | | | | Fair values | |
|---|---|---|---|---|---|---|---|
| | Cost | Fair value through profit or loss | Fair value through other comprehensive income | Fair value hedging | **Total carrying amount** | Fair value level | Fair value |
| **Financial assets measured at fair value** | | | | | | | |
| **Non-current** | | | | | | | |
| Investments in affiliated companies and other long-term equity investments | 0 | 0 | 480 | 0 | 480 | 3 | not stated |
| **Current** | | | | | | | |
| Current finance receivables | 0 | 972 | 0 | 0 | 972 | 3 | not stated |
| | **0** | **972** | **480** | **0** | **1,452** | | |
| **Financial assets not measured at fair value** | | | | | | | |
| **Non-current** | | | | | | | |
| Lease receivables | 217,596 | 0 | 0 | 0 | 217,596 | | not stated |
| Other non-current finance receivables | 31 | 0 | 0 | 0 | 31 | 3 | not stated |
| Miscellaneous other non-current assets | 35 | 0 | 0 | 0 | 35 | 2 | not stated |
| **Current** | | | | | | | |
| Trade receivables | 176,992 | 0 | 0 | 0 | 176,992 | | not stated |
| Lease receivables | 17,093 | 0 | 0 | 0 | 17,093 | | not stated |
| Current finance receivables | 3,067 | 0 | 0 | 0 | 3,067 | | not stated |
| Miscellaneous other current assets | 810 | 0 | 0 | 0 | 810 | | not stated |
| Cash and cash equivalents | 33,010 | 0 | 0 | 0 | 33,010 | | not stated |
| | **448,634** | **0** | **0** | **0** | **448,634** | | |

| EUR thousand 12/31/2021 Liabilities | Carrying amounts | | | | | Fair values | |
|---|---|---|---|---|---|---|---|
| | Cost | Fair value through profit or loss | Fair value through other comprehensive income | Fair value hedging | **Total carrying amount** | Fair value level | Fair value |
| **Financial liabilities measured at fair value** | | | | | | | |
| **Current** | | | | | | | |
| Hedged derivatives | 0 | 0 | 0 | 8,870 | 8,870 | 2 | 8,870 |
| | **0** | **0** | **0** | **8,870** | **8,870** | | |
| **Financial liabilities not measured at fair value** | | | | | | | |
| **Non-current** | | | | | | | |
| Non-current loans | 136,688 | 0 | 0 | 0 | 136,688 | 3 | 136,831 |
| Non-current lease liabilities | 470,307 | 0 | 0 | 0 | 470,307 | | not stated |
| Other financial loans | 55,718 | 0 | 0 | 0 | 55,718 | 3 | 55,256 |
| Other non-current financial liabilities | 3,454 | 0 | 0 | 0 | 3,454 | 2 | not stated |
| Miscellaneous other non-current liabilities | 1,765 | 0 | 0 | 0 | 1,765 | 2 | not stated |
| **Current** | | | | | | | |
| Trade payables | 87,697 | 0 | 0 | 0 | 87,697 | | not stated |
| Current financial liabilities to banks | 43,268 | 0 | 0 | 0 | 43,268 | 3 | 43,314 |
| Current lease liabilities | 56,673 | 0 | 0 | 0 | 56,673 | | not stated |
| Other financial loans | 7,999 | 0 | 0 | 0 | 7,999 | 3 | 7,820 |
| Other current financial liabilities | 45,764 | 0 | 0 | 0 | 45,764 | | not stated |
| Other current liabilities | 13,526 | 0 | 0 | 0 | 13,526 | | not stated |
| | **922,859** | **0** | **0** | **0** | **922,859** | | |

| **EUR thousand 12/31/2020 Assets** | Carrying amounts | | | | | Fair values | |
|---|---|---|---|---|---|---|---|
| | Cost | Fair value through profit or loss | Fair value through other comprehensive income | Fair value hedging | Total carrying amount | Fair value level | Fair value |
| **Financial assets measured at fair value** | | | | | | | |
| **Non-current** | | | | | | | |
| Investments in affiliated companies and other long-term equity investments | 0 | 0 | 483 | 0 | 483 | 3 | not stated |
| **Current** | | | | | | | |
| Current finance receivables | 0 | 1,003 | 0 | 0 | 1,003 | 3 | not stated |
| | **0** | **1,003** | **483** | **0** | **1,486** | | |
| **Financial assets not measured at fair value** | | | | | | | |
| **Non-current** | | | | | | | |
| Lease receivables | 197,692 | 0 | 0 | 0 | 197,692 | | not stated |
| Other non-current finance receivables | 36 | 0 | 0 | 0 | 36 | 3 | not stated |
| Miscellaneous other non-current assets | 45 | 0 | 0 | 0 | 45 | 2 | not stated |
| **Current** | | | | | | | |
| Trade receivables | 211,495 | 0 | 0 | 0 | 211,495 | | not stated |
| Lease receivables | 17,433 | 0 | 0 | 0 | 17,433 | | not stated |
| Current finance receivables | 13,844 | 0 | 0 | 0 | 13,844 | | not stated |
| Miscellaneous other current assets | 3,005 | 0 | 0 | 0 | 3,005 | | not stated |
| Cash and cash equivalents | 13,357 | 0 | 0 | 0 | 13,357 | | not stated |
| | **456,907** | **0** | **0** | **0** | **456,907** | | |

| **EUR thousand 12/31/2020 Liabilities** | Carrying amounts | | | | | Fair values | |
|---|---|---|---|---|---|---|---|
| | Cost | Fair value through profit or loss | Fair value through other comprehensive income | Fair value hedging | Total carrying amount | Fair value level | Fair value |
| **Financial liabilities measured at fair value** | | | | | | | |
| **Current** | | | | | | | |
| Hedged derivatives | 0 | 0 | 0 | 13,386 | 13,386 | 2 | 13,386 |
| | **0** | **0** | **0** | **13,386** | **13,386** | | |
| **Financial liabilities not measured at fair value** | | | | | | | |
| **Non-current** | | | | | | | |
| Non-current loans | 146,387 | 0 | 0 | 0 | 146,387 | 3 | 145,737 |
| Non-current lease liabilities | 465,645 | 0 | 0 | 0 | 465,645 | | not stated |
| Other non-current financial liabilities | 47,660 | 0 | 0 | 0 | 47,660 | 2 | not stated |
| Miscellaneous other non-current liabilities | 0 | 0 | 0 | 0 | 0 | 2 | not stated |
| **Current** | | | | | | | |
| Trade payables | 85,141 | 0 | 0 | 0 | 85,141 | | not stated |
| Current financial liabilities to banks | 98,347 | 0 | 0 | 0 | 98,347 | 3 | 98,103 |
| Current lease liabilities | 70,774 | 0 | 0 | 0 | 70,774 | | not stated |
| Other current financial liabilities | 45,790 | 0 | 0 | 0 | 45,790 | | not stated |
| Other current liabilities | 10,226 | 0 | 0 | 0 | 10,226 | | not stated |
| | **969,970** | **0** | **0** | **0** | **969,970** | | |

The non-current financial assets included equity instruments of EUR 480,000 (previous year: EUR 483,000) for which BLG LOGISTICS has exercised the option to recognize changes in fair value through other comprehensive income. These are immaterial investments in corporations for which there is no active market and the fair value cannot be reliably determined using measurement methods. Cost is therefore the best estimate of fair value.

In the reporting year, BLG International Forwarding Beteiligungs-GmbH, Hamburg, was merged with BLG LOGISTICS GROUP AG & Co. KG, Bremen. Apart from this, no shares in these corporations were derecognized or sold in the reporting year. There are no plans to sell or derecognize parts of the reported equity investments in the near future.

Current finance receivables relate to profit shares from partnerships classified as debt instruments. As the profit shares are not capital repayments but capital returns, they are measured at fair value through profit or loss.

With the exception of non-current bank loans and other financial loans, there are no significant differences between the carrying amounts and fair values of the financial instruments. The carrying amounts of trade receivables, current finance receivables, miscellaneous other finance receivables and cash and cash equivalents essentially correspond to their fair values on account of their short-term nature. The investments in affiliated companies and current finance receivables from shareholder accounts were already measured at fair value, so there is no deviation from the carrying amount here. In the case of non-current finance receivables, the carrying amount approximates fair value due to materiality. The carrying amounts of trade payables, current financial liabilities and other current financial liabilities essentially correspond to their fair values on account of their short-term nature. In the case of other non-current financial liabilities, the carrying amount approximates fair value due to the regular adjustment of the interest rate.

The following significant methods and assumptions were used to determine the level 3 fair values:

The fair values are determined using the discounted cash flow method based on the expected future cash flows and current interest rates for comparable financing arrangements that are either directly or indirectly observable on the market.

The yield curve of risk-free German government bonds plus a company-specific, matched-term risk premium is used as the market interest rate. With installment payment arrangements, the risk premium over the average maturity is taken into account.

The level 2 fair values of derivative financial instruments are based on external fair value measurements. The variable cash flows are determined using the forward rates of the benchmark rates used for the hedging instruments. The credit spread is not the subject of the hedging relationship.

The finance receivables measured at fair value in Level 3 relate to the recognition of profit shares of partnerships (see note 16), so that a separate measurement method is not applied here, as the recognition is derived from the respective financial statements and equity interests in the partnerships. On the basis of the finance receivables as of December 31, 2020 in the amount of EUR 1,003,000, payment of a profit share of EUR 31,000 was made. Receivables as of December 31, 2021 in the amount of EUR 972,000 mainly related to proportionate profits in partnerships.

Movements between the different levels of the fair value hierarchy are recognized at the end of the reporting period in which they occur. In the reporting year, no movements occurred.

**Net earnings by measurement category**

The following net earnings are attributable to the measurement categories of the financial instruments:

| 2021<br>EUR thousand | From interest rates | From dividends | Subsequent measurement<br>From disposal | Fair value | Net earnings |
|---|---|---|---|---|---|
| Financial assets at amortized cost | 7,353 | 0 | -205 | 0 | 7,148 |
| Equity instruments at fair value through other comprehensive income | 0 | 82 | 0 | 0 | 82 |
| Hedging instruments | -949 | 0 | 0 | 3 | -946 |
| Financial liabilities at amortized cost | -14,833 | 0 | 0 | 0 | -14,833 |
| **Total** | **-8,429** | **82** | **-205** | **3** | **-8,549** |

| 2020<br>EUR thousand | From interest rates | From dividends | Subsequent measurement<br>From disposal | Fair value | Net earnings |
|---|---|---|---|---|---|
| Financial assets at amortized cost | 7,123 | 0 | -213 | 0 | 6,910 |
| Equity instruments at fair value through other comprehensive income | 0 | 92 | 0 | 0 | 92 |
| Hedging instruments | -881 | 0 | 0 | -6 | -887 |
| Financial liabilities at amortized cost | -14,416 | 0 | 0 | 0 | -14,416 |
| **Total** | **-8,174** | **92** | **-213** | **-6** | **-8,301** |

**Aims and methods of financial risk management**

The principal financial instruments used to finance the Group include non-current borrowings, current loans, lease liabilities, other financial loans, factoring and cash, including short-term deposits with banks. The focus is on financing the operations of BLG LOGISTICS. BLG LOGISTICS has access to a range of other financial instruments, such as trade receivables and payables, that arise directly as part of its operations.

Financial risk management is the responsibility of the Treasury department, whose tasks and objectives are described in a guideline approved by the Board of Management. The central task besides managing liquidity and arranging financing is the minimization of financial risks at Group level. This includes preparing and analyzing financing and hedging strategies and contracting hedging instruments.

The material risks for the Group resulting from financial instruments are credit risks, foreign currency risks, liquidity risks and interest rate risks. The Board of Management creates risk management guidelines for each of these risks, which are summarized below, and verifies compliance with these guidelines. At Group level the existing market price risk for all financial instruments is also monitored.

Hedge accounting is applied if derivative financial instruments are used as hedging instruments and the requirements for hedge accounting in accordance with IFRS 9 are met. The objective is to reduce inconsistencies in recognition or measurement arising for example from gains or losses from a hedging instrument not being recognized in the same place in the financial statements as the gains or losses from the hedged risk. The Group's accounting policies for derivatives and other disclosures on hedge accounting are presented in the "Derivative financial instruments" section.

### Credit risk

The Group's credit risk mainly results from trade receivables and lease receivables. The amounts shown in the consolidated statement of financial position do not include loss allowances for expected credit losses. Due to the ongoing monitoring of receivables by the management, BLG LOGISTICS is not currently exposed to any significant credit risks. Disclosures related to credit risk and expected credit losses from trade receivables and lease receivables are contained in notes 16 and 18.

The credit risk in respect of cash and derivative financial instruments is limited because these are currently held exclusively at banks that have been awarded high credit ratings from international rating agencies, that are highly secure thanks to a joint liability scheme and/or at which there are offsetting opportunities via non-current borrowings.

The maximum credit risk of the Group is represented by the carrying amounts of the financial assets recognized in the statement of financial position (including derivative financial instruments with positive fair value). At the reporting date, there were no significant credit risk mitigation agreements or hedges. The Group is also exposed to credit risk through the acquisition of financial guarantees; at the end of the reporting period, this amounted to a maximum of EUR 49,000 (previous year: EUR 47,000).

There are no significant concentrations of credit risk in the Group.

### Impairment of financial instruments

At BLG LOGISTICS, the impairment requirements apply to financial assets measured at amortized cost, lease receivables and contract assets. They are reported in the net gains/losses from impairment. In addition, this item includes impairment of equity instruments measured at fair value through profit or loss. In these cases, the impairment is the difference between cost and fair value of the equity instrument in question.

| EUR thousand | 2021 | 2020 |
|---|---|---|
| **Financial instruments at cost** | | |
| **Impairment on trade receivables and contract assets** | | |
| Addition to loss allowance | -307 | -1,181 |
| Reversal of loss allowances recognized in previous years | 1,027 | 206 |
| Derecognitions due to uncollectability | -205 | -213 |
| | **515** | **-1,188** |
| **Financial instruments at fair value** | | |
| **Impairment of equity instruments measured at fair value through profit or loss** | | |
| | **0** | **0** |
| **Total** | **515** | **-1,188** |

### Foreign currency risk

With very few exceptions, the Group companies operate in the eurozone and invoice only in euros. In this respect, currency risk could only arise in isolated cases, such as from foreign dividend income or the purchase of goods and services from abroad. An interest rate and currency swap has been concluded to hedge against the foreign currency risk from a variable USD loan granted in the context of Group financing. Further information is presented in the "Derivative financial instruments" section.

As of December 31, 2021 and December 31, 2020, there were no significant currency risks in the Group.

**Capital risk management**

An important capital management goal for BLG LOGISTICS is to ensure the ability of the company to continue as a going concern in order to provide earnings to shareholders and to provide other stakeholders with the benefits to which they are entitled. Additional goals are to optimize liquidity security and maintain an optimum capital structure in order to reduce the costs of capital in general and the refinancing risk, in particular in the long term.

BLG LOGISTICS monitors its capital on the basis of the equity ratio and other key figures. Assurances have been made to all partner banks with regard to equal treatment and the change-of-control clause.

In 2021, the strategy continued to be to secure access to external funds at acceptable costs.

**Liquidity risk**

Liquidity risks may arise from payment bottlenecks and the resulting higher financing costs. The Group's liquidity is ensured by central cash management at the level of BLG KG. All significant subsidiaries are included in cash management. Due to the centralized management of capital expenditure and credit management, financial resources (loans/leases) can be provided in good time to meet all payment requirements.

The Group's liquidity needs are covered by cash and committed credit facilities. As of December 31, 2021, the Group had unused current account credit facilities of around EUR 86 million (previous year: around EUR 53 million).

In parallel, the BLG Group has been using the non-recourse sale of receivables under a factoring agreement as an off-statement of financial position financing instrument since the reporting year. The obligations of the factor to purchase existing and future receivables are limited to a total maximum amount of EUR 75 million. BLG LOGISTICS is free to decide to what extent the revolving nominal volume is utilized. The risks material to disposal relate to the credit risk and the risk of late payment (late payment risk). The credit risk is transferred in full to the factor in return for payment of a factoring fee. There is no significant late payment risk. The receivables were therefore derecognized in full. The cash flows from factoring were recognized accordingly in cash flows from operating activities through the change in trade receivables. In connection with the ongoing engagement, the BLG Group recognized expenses (factoring fee, interest) in the amount of EUR 40,000. The nominal volume of the receivables sold as of December 31, 2021 amounted to EUR 19.4 million.

BLG LOGISTICS additionally has the possibility to participate in the cash pooling facility of the Free Hanseatic City of Bremen in an amount of up to EUR 50 million, as well as to take out a non-current loan of EUR 50 million via a state guarantee through Bremer Aufbau-Bank together with a partner bank.

Due to the coronavirus pandemic, the payments of ground rent for the 2nd to 4th quarters were deferred in the previous year. At the same time, payments for heritable building rights passed on to EUROGATE were deferred in the same period. The deferred amounts were repaid in the reporting year. On balance, this resulted in a negative effect on the liquidity position in the amount of EUR 7 million in 2021.

The following tables show the contractually arranged (undiscounted) interest payments and principal repayments of non-current financial liabilities and derivative financial instruments (interest rate swaps).

| **12/31/2021 EUR thousand** | | Cash flows 2022 | 2023 | 2024–2026 | 2027–2031 | 2032 ff. | **Total** | Carrying amounts (derivatives netted) |
|---|---|---|---|---|---|---|---|---|
| **Non-derivatives** | | | | | | | | |
| Non-current loans from banks | Fixed interest rate | 1,086 | 861 | 1,377 | 566 | 0 | 3,890 | |
| | Floating interest rate | 704 | 634 | 1,445 | 1,427 | 0 | 4,210 | |
| | Repayment | 21,699 | 19,699 | 50,323 | 66,666 | 0 | 158,387 | 158,387 |
| Lease liabilities | Fixed interest rate | 10,652 | 9,724 | 25,141 | 33,397 | 52,123 | 131,037 | |
| | Floating interest rate | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Repayment | 56,519 | 48,279 | 94,923 | 77,072 | 247,771 | 524,564 | 526,979 |
| Other financial loans | Fixed interest rate | 837 | 727 | 1,540 | 687 | 0 | 3,791 | |
| | Floating interest rate | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Repayment | 7,999 | 8,448 | 24,158 | 23,112 | 0 | 63,717 | 63,717 |
| **Total** | | **99,496** | **88,372** | **198,907** | **202,927** | **299,894** | **889,596** | **749,083** |
| **Derivatives** | | | | | | | | |
| Interest rate swaps/interest rate and currency swaps | Proceeds | -821 | -822 | -2,211 | -2,167 | -580 | -6,601 | |
| | Payments | 1,835 | 1,828 | 5,960 | 6,667 | 1,325 | 17,615 | -8,870 |
| **Total** | | **1,014** | **1,006** | **3,749** | **4,500** | **745** | **11,014** | **-8,870** |

| 12/31/2020 EUR thousand | | Cash flows 2021 | 2022 | 2023- 2025 | 2026- 2030 | 2031 ff. | Total | Carrying amounts (derivatives netted) |
|---|---|---|---|---|---|---|---|---|
| **Non-derivatives** | | | | | | | | |
| Non-current loans from banks | Fixed interest rate | 1,023 | 838 | 1,348 | 510 | 0 | 3,719 | |
| | Floating interest rate | 828 | 648 | 1,243 | 904 | 0 | 3,623 | |
| | Repayment | 21,049 | 35,365 | 60,022 | 51,000 | 0 | 167,436 | 167,436 |
| Lease liabilities | Fixed interest rate | 14,691 | 9,319 | 24,805 | 33,756 | 55,881 | 138,452 | |
| | Floating interest rate | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Repayment | 66,225 | 45,479 | 82,683 | 87,399 | 247,873 | 529,659 | 536,420 |
| Other financial loans | Fixed interest rate | 631 | 557 | 1,215 | 641 | 0 | 3,043 | |
| | Floating interest rate | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Repayment | 5,808 | 5,882 | 17,554 | 20,802 | 0 | 50,046 | 50,057 |
| **Total** | | **110,255** | **98,088** | **188,870** | **195,012** | **303,754** | **895,978** | **753,913** |
| **Derivatives** | | | | | | | | |
| Interest rate swaps/interest rate and currency swaps | Proceeds | -816 | -812 | -2,029 | -100 | -296 | -4,053 | |
| | Payments | 1,731 | 1,911 | 6,926 | 7,593 | 2,325 | 20,486 | -13,386 |
| **Total** | | **915** | **1,099** | **4,897** | **7,493** | **2,029** | **16,433** | **-13,386** |

All non-current financial instruments held at the end of the reporting period and for which payments had been contractually arranged are included here. Budget figures for future new liabilities are not included, current liabilities with maturities of up to one year were disclosed in the notes to the individual items in the statement of financial position.

The variable interest payments from financial instruments were calculated using the last interest rate fixed before the end of the reporting period.

**Interest rate risk**

The interest rate risk to which BLG LOGISTICS is exposed arises primarily from non-current loans and other non-current financial liabilities. Interest rate risks are managed with a combination of fixed-interest and variable-interest loan capital. The majority of the liabilities to banks have been concluded over the long term or fixed interest rates have been agreed through to the end of the financing term, either originally as part of the loan agreements or via interest rate swaps which have been concluded within micro-hedges for individual variable-interest loans. In addition, against the backdrop of the low interest rate, which is attractive for investments, a portion of the financing requirement of the coming years was hedged by agreeing forward interest rate swaps. The volume totals EUR 90 million were taken out with partner banks in tranches of EUR 15 million each within six years, beginning in 2019, or will be taken out in subsequent years. Further information is presented in the "Derivative financial instruments" section.

Interest rate risks are disclosed via sensitivity analyses in accordance with IFRS 7. These show the effects of changes in the market interest rate on interest payments, interest income and expenses, other income items and on equity. The interest rate sensitivity analyses are based on the following assumptions.

With regard to non-derivative financial instruments with fixed interest rates, market interest rate changes only affect profit or loss if these financial instruments are measured at fair value. All fixed-interest financial instruments measured at amortized cost are not subject to interest rate risks within the meaning of IFRS 7. This applies to all fixed-interest loan liabilities of BLG LOGISTICS, including lease liabilities. When hedging interest rate risks in the form of cash flow hedge-designated interest rate swaps, changes to the cash flows and to the contributions to earnings induced by changes to the market interest rate of the hedged primary financial instruments and the interest rate swaps balance each other out almost completely, effectively eliminating the interest rate risk.

Gains or losses from remeasurement of hedging instruments to fair value are credited or charged directly to the hedging reserve in equity and are therefore included in the equity-related sensitivity calculation. Changes in the market interest rate of non-derivative variable-interest financial instruments whose interest payments are not structured as hedged items as part of cash flow hedges against interest rate risks have an effect on net interest income (expense) and are therefore included in the calculation of income-related sensitivities.

The same applies to interest payments from interest rate swaps which are, as an exception, not contained in a hedge accounting relationship in accordance with IFRS 9. In the case of these interest rate swaps, market interest rate changes also have an effect on the fair value and thus affect the remeasurement of financial assets or financial liabilities to fair value and are therefore included in the income-related sensitivity analysis.

If the market interest rate at the end of each reporting period had been 100 basis points higher (lower), it would have had the effects shown in the following table on earnings before taxes and on equity (before deferred taxes):

| **EUR thousand** | **12/31/2021** | 12/31/2020 |
|---|---|---|
| **Changes in earnings** | | |
| Higher | -2,145 | -971 |
| Lower | 2,145 | 971 |
| **Changes in equity (excluding changes in earnings)** | | |
| Higher | 7,402 | 8,140 |
| Lower | -7,836 | -8,803 |

### Fixed interest financial instruments

Fixed interest rates have been agreed for the following loans and other financial instruments. BLG LOGISTICS is thus exposed to interest rate risk for the fair value.

| **12/31/2021 EUR thousand** | **Residual maturities** Up to 1 year | 1 to 5 years | More than 5 years | **Total** |
|---|---|---|---|---|
| Non-current loans from banks | 12,368 | 37,794 | 15,166 | 65,328 |
| Interest rate swaps | 2,000 | 1,000 | 45,000 | 48,000 |
| Other financial loans | 7,999 | 32,606 | 23,112 | 63,717 |
| Lease liabilities | 56,673 | 143,613 | 326,694 | 526,980 |
| **Total** | **79,040** | **215,013** | **409,972** | **704,025** |

| **12/31/2020 EUR thousand** | **Residual maturities** Up to 1 year | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|
| Non-current loans from banks | 10,201 | 40,828 | 12,500 | 63,529 |
| Interest rate swaps | 12,000 | 3,000 | 30,000 | 45,000 |
| Other financial loans | 5,816 | 23,439 | 20,802 | 50,057 |
| Lease liabilities | 70,774 | 128,518 | 337,128 | 536,420 |
| **Total** | **98,791** | **195,785** | **400,430** | **695,006** |

Lease liabilities are discounted using the interest rate implicit in the lease, if that rate can be determined. Alternatively, they are discounted at the incremental borrowing rate. The discount rate corresponds to the interest rate determined at the commencement date of the lease, unless a reassessment requires a remeasurement of the lease liabilities using a changed discount rate. This is the case if changes in the estimate regarding exercise or non-exercise of purchase, extension or termination options arise or changes to the scope, amount of contractual payments or the term of the lease are agreed.

| **12/31/2021 EUR thousand** | Residual maturities Up to 1 year | 1 to 5 years | More than 5 years | **Total** |
|---|---|---|---|---|
| Non-current loans from banks | 9,331 | 32,228 | 51,500 | 93,059 |
| Interest rate swaps | -2,000 | -1,000 | -45,000 | -48,000 |
| **Total** | **7,331** | **31,228** | **6,500** | **45,059** |

| **12/31/2020 EUR thousand** | Residual maturities Up to 1 year | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|
| Non-current loans from banks | 10,848 | 54,559 | 38,500 | 103,907 |
| Interest rate swaps | -2,000 | -3,000 | -30,000 | -35,000 |
| **Total** | **8,848** | **51,559** | **8,500** | **68,907** |

### Floating rate financial instruments

Floating interest rates have been agreed for the following financial instruments. The Group is thus exposed to interest rate risk for the cash flows. The corresponding interest rate swaps are shown with a negative sign, as the interest rate risk offsets the interest rate risk from the loans taken out.

There are also various interest rate swaps for future loans, which are presented in the “Derivative financial instruments” section. An interest rate swap for a nominal amount of EUR 10,000,000 for a call money line expired in the reporting year.

The Group’s other financial instruments, which are not included in the tables, are not subject to significant interest rate risk.

### Derivative financial instruments

A prerequisite for the use of derivatives is the existence of a risk to be hedged. However, open derivative positions may arise in connection with hedging transactions in which the underlying transaction no longer exists or does not arise as planned. Interest rate derivatives are used exclusively to optimize loan conditions and to limit interest rate risks from variable interest payments in the context of financing strategies with matching maturities (cash flow hedges). Derivatives to hedge foreign currency risks are used exclusively to limit foreign currency risk in connection with financing in foreign currencies (cash flow hedges). Derivatives are not used for trading or speculative purposes.

The Group has set a hedging ratio of 1:1 for all hedging relationships. Premiums for country or credit risks (credit spread or foreign currency basis spread) are not part of the hedging relationships. Hedging costs are initially recognized in the hedge reserve in equity and reclassified to profit or loss over the term of the hedging relationship.

The existence of the economic relationship between the hedged items and the hedging instruments for assessing the hedge effectiveness is determined prospectively on the basis of significant features such as nominal amount, benchmark rate and maturity. Ineffectiveness is measured at the end of each reporting period according to the hypothetical derivative method. Ineffectiveness can result in particular from differences between the repricing time periods of the swaps and the loans.

Derivative financial instruments are recognized in the statement of financial position from the date the contract is concluded. They are measured at fair value upon acquisition. Subsequent measurement is also at the fair value prevailing at the end of the reporting period. To determine the fair value of a swap, the expected cash flows are discounted on both sides of the swap based on the current yield curve. The difference between the two amounts is the net fair value of the swap. This market valuation of financial derivatives is the price at which one party would assume the existing contractual rights and obligations of the other party. The fair values are determined based on market conditions existing at the end of the reporting period.

If derivative financial instruments are used as hedging instruments and the requirements for hedge accounting in accordance with IFRS 9 are met, their accounting treatment depends on the type of hedging relationship and the hedged item. Derivative financial instruments that do not qualify for hedge accounting are classified as measured at fair value through profit or loss in accordance with IFRS 9.

The hedging relationship between the hedged item and the hedging instrument and the objective and strategy of risk management are documented at hedge inception in order to meet the conditions for hedge accounting. This also includes a description of how the effectiveness of the hedging relationship is determined. Effectiveness tests are performed at hedge inception and at the end of each reporting period as part of the ongoing review of whether the derivatives used offset the hedged risks from the underlying transaction.

The changes in the fair value of the effective portion of cash flow hedges are recognized directly in equity. The changes in the fair values of the ineffective portions of cash flow hedges and interest rate swaps that are not designated as hedging instruments in hedging relationships are recognized through profit or loss.

Like other financial assets, derivatives are derecognized when the BLG Group loses control over the underlying rights wholly or in part by selling or discharging them or transferring them to a third party in a manner that qualifies for derecognition. The amounts recognized in equity are reclassified to profit or loss in the period in which the hedged transaction is settled.

The following hedging instruments were in place at the ends of the reporting periods to reduce the interest rate risk from existing bank liabilities and the foreign currency risk from a variable USD loan granted in the context of Group financing:

| | Maturities | | | |
|---|---|---|---|---|
| **12/31/2021 Nominal amounts EUR thousand** | Up to 1 year | 1 to 5 years | More than 5 years | **Total** |
| **Interest rate risk** | | | | |
| **Interest rate swaps** | | | | |
| For outstanding loans | 2,000 | 1,000 | 45,000 | 48,000 |
| Average hedged interest rate | 1.343% | 1.338% | 1.397% | |
| | **2,000** | **1,000** | **45,000** | **48,000** |
| **Foreign currency risk** | | | | |
| **Interest rate and currency swaps** | | | | |
| For internal USD loan | 810 | 2,024 | 0 | 2,834 |
| Hedged USD/EUR rate | 0.8098 | 0.8098 | 0.8098 | |
| | **810** | **2,024** | **0** | **2,834** |
| **Total** | **2,810** | **3,024** | **45,000** | **50,834** |

| **12/31/2020**<br>**Nominal amounts**<br>**EUR thousand** | Maturities<br>Up to 1 year | <br>1 to 5 years | <br>More than 5 years | <br>Total |
|---|---|---|---|---|
| **Interest rate risk** | | | | |
| **Interest rate swaps** | | | | |
| For outstanding loans | 2,000 | 3,000 | 30,000 | 35,000 |
| Average hedged interest rate | 1.169% | 1.135% | 1.134% | |
| For call money lines | 10,000 | 0 | 0 | 10,000 |
| Hedged interest rate | 3.085% | | | |
| | **12,000** | **3,000** | **30,000** | **45,000** |
| **Foreign currency risk** | | | | |
| **Interest rate and currency swaps** | | | | |
| For internal USD loan | 810 | 2,834 | 0 | 3,644 |
| Hedged USD/EUR rate | 0.8098 | 0.8098 | 0.8098 | |
| | **810** | **2,834** | **0** | **3,644** |
| **Total** | **12,810** | **5,834** | **30,000** | **48,644** |

The interest rate swaps involve the exchange of floating interest payments for fixed-rate payments. The Group is payer of the fixed amounts and recipient of the floating amounts.

The nominal amounts represent the gross volume of all purchases and sales. This figure serves as a benchmark for determining mutually agreed payments, but is not a receivable or liability that is eligible for recognition in the statement of financial position.

For the financing requirement of the coming years, forward interest rate swaps with a total volume of EUR 90 million, in tranches of EUR 15 million each, have been concluded to hedge the interest rate risk from loans to be taken out in the future. Three tranches have already been taken out. As the terms of the other swaps commence in the years from 2022 to 2024, they are not included in the presentation of maturities at the ends of the reporting periods. Each forward interest rate swap has a term of ten years and is payable at maturity. The average hedged interest rate was 1.896 percent.

The hedging instruments in place as of the ends of the reporting periods had the following effects on the consolidated statement of financial position:

| **12/31/2021 EUR thousand** | **Nominal amount** | **Carrying amount** | **Item in the statement of financial position** | **Change in fair value basis for recognizing ineffectiveness** |
|---|---|---|---|---|
| **Interest rate risk** | | | | |
| Outstanding loans | 48,000 | -4,537 | Current financial liabilities | 2,615 |
| Call money lines | 0 | 0 | | 152 |
| Planned loans | 45,000 | -4,059 | | 1,951 |
| | **93,000** | **-8,596** | | **4,718** |
| **Foreign currency risk** | | | | |
| Internal USD loan | 2,834 | -274 | Current financial liabilities | -254 |
| | **2,834** | **-274** | | **-254** |
| **Total** | **95,834** | **-8,870** | | **4,464** |

| **12/31/2020 EUR thousand** | Nominal amount | Carrying amount | Item in the statement of financial position | Change in fair value basis for recognizing ineffectiveness |
|---|---|---|---|---|
| **Interest rate risk** | | | | |
| Outstanding loans | 35,000 | -4,162 | Current financial liabilities | -1,178 |
| Call money lines | 10,000 | -182 | | 335 |
| Planned loans | 60,000 | -8,996 | | -3,315 |
| | **105,000** | **-13,340** | | **-4,158** |
| **Foreign currency risk** | | | | |
| Internal USD loan | 3,644 | -46 | Current financial liabilities | -18 |
| | **3,644** | **-46** | | **-18** |
| **Total** | **108,644** | **-13,386** | | **-4,176** |

The carrying amounts of hedging instruments correspond to the calculated fair values. At the end of the reporting period, as in the previous year, all existing hedging instruments fulfilled the criteria for cash flow hedges.

The nominal amount of the interest rate and currency swaps in foreign currency as of December 31, 2021 was USD 3,500,000 (previous year: USD 4,500,000).

The hedged items designated in hedging relationships had the following effects on the consolidated statement of financial position as of the end of the reporting periods:

| **12/31/2021 EUR thousand** | **Change in fair value basis for recognizing ineffectiveness** | **Hedge reserve Cash flow hedges (gross)** |
|---|---|---|
| **Interest rate risk** | | |
| Outstanding loans | -2,526 | -4,406 |
| Call money lines | -152 | 0 |
| Planned loans | -1,791 | -4,059 |
| | **-4,469** | **-8,465** |
| **Foreign currency risk** | | |
| Internal USD loan | 255 | 0 |
| | **255** | **0** |
| **Total** | **-4,214** | **-8,465** |

| **12/31/2020 EUR thousand** | Change in fair value basis for recognizing ineffectiveness | Hedge reserve Cash flow hedges (gross) |
|---|---|---|
| **Interest rate risk** | | |
| Outstanding loans | 1,272 | -4,035 |
| Call money lines | -335 | -152 |
| Planned loans | 3,690 | -8,996 |
| | **4,627** | **-13,183** |
| **Foreign currency risk** | | |
| Internal USD loan | 18 | 0 |
| | **18** | **0** |
| **Total** | **4,645** | **-13,183** |

The following amounts were recognized in connection with hedging relationships:

| **2021 EUR thousand** | **Change in fair value** | | **Reclassification from OCI to P&L** | **P&L items** |
|---|---|---|---|---|
| | Recognized in other comprehensive income (effective portion) | Recognized in the statement of profit or loss (ineffective portion) | | |
| **Interest rate risk** | | | | |
| Outstanding loans | 2,615 | 0 | 0 | |
| Call money lines | 152 | 0 | 0 | |
| Planned loans | 1,951 | 0 | 0 | |
| | **4,718** | **0** | **0** | |
| **Foreign currency risk** | | | | |
| Internal USD loan | -254 | 0 | 267 | Other operating expenses |
| | **-254** | **0** | **267** | |
| **Total** | **4,464** | **0** | **267** | |

| **2020 EUR thousand** | **Change in fair value** | | **Reclassification from OCI to P&L** | **P&L items** |
|---|---|---|---|---|
| | Recognized in other comprehensive income (effective portion) | Recognized in the statement of profit or loss (ineffective portion) | | |
| **Interest rate risk** | | | | |
| Outstanding loans | -1,178 | 0 | 0 | |
| Call money lines | 335 | 0 | 0 | |
| Planned loans | -3,315 | 0 | 0 | |
| | **-4,158** | **0** | **0** | |
| **Foreign currency risk** | | | | |
| Internal USD loan | -18 | 0 | 37 | Other operating expenses |
| | **-18** | **0** | **37** | |
| **Total** | **-4,176** | **0** | **37** | |

The composition of the hedge reserve presented in note 20, including deferred taxes, breaks down by risk category and other components resulting from hedge accounting as shown in the following table:

Since the reference amounts are reduced by the repayment of the underlying loans in parallel with the loan proceeds, no gains or losses are recognized as long as the financial instruments are not sold. No sale is planned.

| Financial year 2021<br>EUR thousand | Cash flow hedge reserve<br>Interest rate swaps/interest rate and currency swaps | Hedging costs | **Total** |
|---|---|---|---|
| **Cash flow hedges** | | | |
| As of January 1 | -12,926 | -25 | -12,951 |
| Changes in fair value | | | |
| Interest rate risk - outstanding loans | 2,615 | 0 | 2,615 |
| Interest rate risk - call money lines | 152 | 0 | 152 |
| Interest rate risk - planned loans | 1,951 | 0 | 1,951 |
| Foreign currency risk - internal USD loan | -254 | -13 | -267 |
| Reclassifications to profit or loss | | | |
| Foreign currency risk | 267 | 0 | 267 |
| Deferred taxes | 0 | 0 | 0 |
| Change in equity investments in companies accounted for using the equity method | 145 | 0 | 145 |
| **As of December 31** | **-8,050** | **-38** | **-8,088** |

| Financial year 2020<br>EUR thousand | Cash flow hedge reserve<br>Interest rate swaps/interest rate and currency swaps | Hedging costs | Total |
|---|---|---|---|
| **Cash flow hedges** | | | |
| As of January 1 | -8,906 | -6 | -8,912 |
| Changes in fair value | | | |
| Interest rate risk - outstanding loans | -1,178 | 0 | -1,178 |
| Interest rate risk - call money lines | 335 | 0 | 335 |
| Interest rate risk - planned loans | -3,315 | 0 | -3,315 |
| Foreign currency risk - internal USD loan | -18 | -19 | -37 |
| Reclassifications to profit or loss | | | |
| Foreign currency risk | 37 | 0 | 37 |
| Deferred taxes | 0 | 0 | 0 |
| Change in equity investments in companies accounted for using the equity method | 119 | 0 | 119 |
| **As of December 31** | **-12,926** | **-25** | **-12,951** |

# Income taxes

## 33. Income taxes

The tax expense consists of corporation and trade tax of domestic companies and comparable income taxes for foreign companies.

The taxation applies regardless of whether the income is reinvested or distributed. The implementation of the proposed distribution of net retained profits has no effect on the tax expense of the Group.

In accordance with IAS 12, deferred taxes are determined using the liability method. Under this method, deferred taxes are recognized for all accounting and measurement differences between the IFRS carrying amounts and the tax base if they balance each other out over time (temporary differences). If asset items under IFRSs have a higher value than in the tax base and these are temporary differences, a liability item is recognized for deferred taxes.

Deferred tax assets from accounting differences and benefits from the future utilization of tax loss carryforwards are capitalized if it is probable that future taxable earnings will be generated.

The tax rates valid at the time of realization of the asset or the settlement of the liability are used to calculate deferred tax assets and liabilities. These are measured using the tax rates of the individual Group companies. For domestic partnerships these comprise only trade tax and vary between 13.3 percent and 16.1 percent because of different assessment rates.

For domestic corporations a tax rate of 31.9 percent (previous year: 31.9 percent) was applied, comprising the corporation tax rate plus the solidarity surcharge and the trade tax rate for the main consolidated companies. The income tax rates for foreign Group companies ranged between 15.0 percent and 28.0 percent (previous year: between 15.0 percent and 28.0 percent).

Key components of income tax expense break down as follows:

| **EUR thousand** | **2021** | 2020 |
|---|---|---|
| **Current taxes** | | |
| Tax expense for the period | 4,112 | 4,358 |
| Tax expense for prior periods | 162 | 98 |
| Income from tax reimbursements | -1,542 | -3 |
| **Total current taxes** | **2,732** | **4,453** |
| of which | | |
| Tax expense domestic | 4,126 | 4,364 |
| Tax income domestic | -1,542 | -3 |
| Tax expense foreign | 148 | 92 |
| | **2,732** | **4,453** |
| **Deferred taxes** | | |
| Deferred taxes on temporary differences | -1,116 | -491 |
| Deferred taxes on loss carryforwards | 44 | 85 |
| **Total deferred taxes** | **-1,072** | **-406** |
| of which | | |
| Deferred taxes domestic | -1,106 | -508 |
| Deferred taxes foreign | 34 | 102 |
| | **-1,072** | **-406** |
| **Total** | **1,660** | **4,047** |

Deferred taxes result from temporary differences between the tax bases of the companies and the carrying amounts in the consolidated statement of financial position using the liability method, as well as from the loss allowances for deferred taxes on temporary differences and loss carryforwards capitalized in previous years, from the reversal of loss allowances for temporary differences and loss carryforwards, from the use of loss carryforwards on which deferred taxes have been capitalized, from the elimination of loss carryforwards and from the initial recognition of deferred taxes on loss carryforwards.

### Deferred income taxes

The deferred tax items reported as of the ends of the various reporting periods and the movements of deferred taxes within the reporting year relate to the items presented in the table:

EUR 8,244,000 (previous year: EUR 11,251,000) of the deferred taxes was classified as current and EUR -6,106,000 (previous year: EUR -9,060,000) as non-current. Of the changes in equity, EUR -734,000 (previous year: EUR -5,000) was offset against other reserves and EUR -392,000 (previous year: EUR -107,000) recognized in retained earnings.

| EUR thousand | 12/31/2020 | Recognized in P&L | Recognized in equity | 12/31/2021 |
|---|---|---|---|---|
| **Deferred tax assets** | | | | |
| Recognition and measurement of goodwill and other intangible assets | 859 | -790 | 35 | 104 |
| Measurement of property, plant and equipment | 3,964 | -376 | 0 | 3,588 |
| Recognition and measurement of other assets | 64,527 | -12,125 | 88 | 52,490 |
| Recognition of lease liabilities | 73,783 | 365 | 0 | 74,148 |
| Measurement of personnel-related provisions | 4,887 | -122 | -517 | 4,248 |
| Recognition and measurement of miscellaneous other provisions | 2,008 | 143 | 0 | 2,151 |
| Recognition of derivative financial instruments | 2,155 | 32 | -759 | 1,428 |
| Recognition and measurement of other liabilities | 2,403 | -194 | 106 | 2,315 |
| Write-down of deferred taxes arising from temporary differences | -16,049 | 1,060 | -581 | -15,570 |
| Consideration of tax loss carryforwards | 131 | -44 | 0 | 87 |
| **Gross deferred taxes** | **138,668** | **-12,051** | **-1,628** | **124,989** |
| Offset | -135,900 | | | -122,633 |
| **Recognized deferred taxes** | **2,768** | | | **2,356** |

| EUR thousand | 12/31/2020 | Changes<br>Recognized in P&L | <br>Recognized in equity | 12/31/2021 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Recognition and measurement of intangible assets | -492 | 76 | 16 | -400 |
| Measurement of property, plant and equipment | -54,183 | 5,232 | 5 | -48,946 |
| Capitalization of leases | -31,663 | -2,899 | 0 | -34,562 |
| Recognition and measurement of other assets | -7,057 | 1,056 | 29 | -5,972 |
| Measurement of personnel-related provisions | -3,037 | -1,315 | 452 | -3,900 |
| Recognition and measurement of miscellaneous other provisions | -118 | -34 | 0 | -152 |
| Recognition and measurement of other liabilities | -39,927 | 11,008 | 0 | -28,919 |
| **Gross deferred taxes** | **-136,477** | **13,124** | **502** | **-122,851** |
| Offset | 135,900 | | | 122,633 |
| **Recognized deferred taxes** | **-577** | | | **-218** |

The following deferred tax assets were not capitalized:

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Deductible temporary differences | 15,570 | 16,049 |
| Loss carryforwards | 48,310 | 44,759 |
| **Total** | **63,880** | **60,808** |

The assessment of the recoverability of deferred tax assets depends on the estimation of the probability of the reversal of the measurement differences and the utilization of the loss carryforwards which resulted in deferred tax assets. This is dependent upon the generation of future taxable profits during the periods in which those tax measurement differences are reversed and tax loss carryforwards can be utilized. The basis of the measurement is the three-year medium-term planning of the individual Group companies.

For subsidiaries that have suffered losses during the reporting year or the previous year, deferred tax assets of EUR 0,000 (previous year: EUR 1,339,000) were reported due to the improved earnings outlook.

As of December 31, 2021, the Group had tax loss carryforwards of EUR 296,140,000 (previous year: EUR 275,400,000). As of December 31, 2021, no deferred tax assets were capitalized for tax loss carryforwards of EUR 295,706,000 (previous year: EUR 274,853,000) of various subsidiaries. No deferred tax assets were recognized for these losses since these losses may not be used to offset taxable earnings of other Group companies and arose in subsidiaries that have generated tax losses for some time or will not generate sufficient taxable profits in the foreseeable future.

The deductible differences for which no deferred taxes were capitalized as of December 31, 2021 and December 31, 2020 related to subsidiaries whose expected taxable income situation is not expected to allow the use of deferred tax assets.

Reconciliation of the effective tax rate and the effective income tax expense:

| **EUR thousand** | | **2021** | | 2020 |
|---|---|---|---|---|
| Net profit for the year before income taxes under IFRSs | | 52,226 | | -116,127 |
| Group tax rate in percent | 16.10% | | 16.10% | |
| **Expected income tax expense in the financial year** | | **8,408** | | **-18,696** |
| **Reconciliation items** | | | | |
| Effects of changes in tax rates | | 42 | | 593 |
| Tax-free income/trade tax cuts | | -12,889 | | -1,380 |
| Non-deductible operating expenses/trade tax additions/ effects of the interest barrier | | 4,674 | | 10,980 |
| Use of other tax operating expenses | | 153 | | -724 |
| Current tax expense/income from prior periods | | -1,377 | | 94 |
| Deferred tax expense/income from prior periods | | -953 | | 403 |
| Effects of differing tax rates | | 961 | | 352 |
| Use of loss carryforwards not previously recognized | | -293 | | -82 |
| Non-recognition of deferred tax assets on current losses | | 4,859 | | 4,811 |
| Recognition adjustments for deferred tax assets on temporary differences | | -1,060 | | 2,452 |
| Other effects | | -865 | | 5,244 |
| **Total of the reconciliation items** | **-12.9%** | **-6,748** | **-19.6%** | **22,743** |
| **Consolidated income tax expense** | **3.2%** | **1,660** | **-3.5%** | **4,047** |

## 34. Income taxes on income and expenses recognized directly in equity

| EUR thousand | 2021 Gross value | 2021 Tax expense/ income | 2021 Net value | 2020 Gross value | 2020 Tax expense/ income | 2020 Net value |
|---|---|---|---|---|---|---|
| **Items that are not subsequently reclassified to profit or loss** | | | | | | |
| Remeasurement of net pension obligations | -370 | -734 | -1,104 | 1,195 | -4 | 1,191 |
| Proportionate share of equity-accounted investments in items that are not subsequently reclassified to profit or loss | 1,043 | -169 | 874 | 629 | -107 | 522 |
| | **673** | **-903** | **-230** | **1,824** | **-111** | **1,713** |
| **Items that can subsequently be reclassified to profit or loss** | | | | | | |
| Currency translation | -47 | 0 | -47 | -1,273 | 0 | -1,273 |
| Change in the measurement of financial instruments | 4,718 | -25 | 4,693 | -4,157 | -20 | -4,177 |
| Proportionate share of equity-accounted investments in items that can subsequently be reclassified to profit or loss | 1,668 | 0 | 1,668 | -2,897 | 0 | -2,897 |
| | **6,339** | **-25** | **6,314** | **-8,327** | **-20** | **-8,347** |
| **Total** | **7,012** | **-928** | **6,084** | **-6,503** | **-131** | **-6,634** |

## 35. Reimbursement rights from income taxes

The tax assets related to reimbursement rights for the reporting year of EUR 1,169,000 (previous year: EUR 292,000) as well as reimbursement rights for previous years of EUR 1,675,000 (previous year: EUR 930,000).

Please refer to note 33 for information on rights arising from deferred taxes.

## 36. Payment obligations from income taxes

| EUR thousand | 12/31/2021 | 12/31/2020 |
|---|---|---|
| Corporation and trade tax for the reporting year | 370 | 2,646 |
| Corporation and trade tax for previous years | 1,272 | 3,414 |
| **Total** | **1,642** | **6,060** |

Please refer to note 33 for information on rights arising from deferred taxes.

# Notes to the consolidated statement of cash flows

## 37. Notes to the consolidated statement of cash flows

The consolidated statement of cash flows has been prepared in accordance with IAS 7 and is divided into cash flows from current operating, investing and financing activities. Disclosure of cash flows is intended to clarify the sources and uses of cash and cash equivalents.

Cash and cash equivalents are defined as the difference between cash and current liabilities to banks. Cash consists of cash on hand, demand deposits and short-term, highly liquid financial resources that can be converted into cash at any time and are subject to only minor fluctuations in value.

The change in cash due to foreign currency translation effects is shown separately in accordance with IAS 7.28.

| EUR thousand | 12/31/2021 | 12/31/2020 |
|---|---|---|
| **Composition of cash and cash equivalents** | | |
| Cash and cash equivalents in statement of financial position | 33,010 | 13,357 |
| Current liabilities to banks (see note 24) | -21,570 | -77,298 |
| **Total** | **11,440** | **-63,941** |

The following table shows the changes in liabilities and related financial assets included in the cash flow from financing activities.

| EUR thousand | 12/31/2020 | Cash flow | Non-cash changes | | | | 12/31/2021 |
|---|---|---|---|---|---|---|---|
| | | | Addition IFRS 16 | Interest cost | Exchange rate differences | Other | |
| Non-current loans | 167,436 | -9,049 | 0 | 0 | 0 | 0 | 158,387 |
| Lease liabilities | 536,420 | -73,025 | 62,956 | 0 | 628 | 0 | 526,979 |
| Other financial loans | 50,057 | 13,659 | 0 | 0 | 0 | 0 | 63,716 |
| Loans from long-term investees | 25,600 | 0 | 0 | 0 | 0 | 0 | 25,600 |
| **Liabilities from financing activities** | **779,513** | **-68,415** | **62,956** | **0** | **628** | **0** | **774,683** |

| EUR thousand | 12/31/2019 | Cash flow | Non-cash changes | | | | 12/31/2020 |
|---|---|---|---|---|---|---|---|
| | | | Addition IFRS 16 | Interest cost | Exchange rate differences | Other | |
| Non-current loans | 104,711 | 62,787 | 0 | 0 | -62 | 0 | 167,436 |
| Lease liabilities | 556,491 | -71,891 | 46,481 | 6,603 | -439 | -825 | 536,420 |
| Other financial loans | 23,399 | 26,658 | 0 | 0 | 0 | 0 | 50,057 |
| Loans from long-term investees | 40,867 | -15,267 | 0 | 0 | 0 | 0 | 25,600 |
| **Liabilities from financing activities** | **725,468** | **2,287** | **46,481** | **6,603** | **-501** | **-825** | **779,513** |

## Group structure and consolidation principles

### 38. Group of consolidated companies

In addition to BLG AG and BLG KG, the consolidated financial statements include the companies listed below:

| Number | 12/31/2021 | 12/31/2020 |
|---|---|---|
| **Fully consolidated** | | |
| Domestic | 14 | 15 |
| Foreign | 5 | 6 |
| **Accounted for using the equity method** | | |
| Domestic | 39 | 40 |
| Foreign | 19 | 19 |

Three companies are included in the consolidated financial statements using the equity method due to immateriality, despite voting majorities, as they are of only minor importance for presenting a true and fair view of the financial position, financial performance and cash flows of BLG LOGISTICS. Materiality is determined on the basis of total assets. The cumulative total assets of the three companies accounted for using the equity method amounted to EUR 1,097,000 (previous year: EUR 784,000) in 2021.

A total of 11 companies in which a majority of shares and voting rights are held are not fully consolidated due to immateriality. These are general partner companies with only limited operations, as well as two other entities with no or only limited operations and one company in liquidation. These companies are of only minor importance for presenting a true and fair view of the financial position, financial performance and cash flows of BLG LOGISTICS and are therefore not included in the consolidated financial statements. Materiality is determined on the basis of net profit for the year. The cumulative net profit of the unconsolidated subsidiaries was EUR -15,000 (previous year: EUR -426,000).

The structure of BLG LOGISTICS with the AUTOMOBILE, CONTRACT and CONTAINER Divisions, the latter accounted for using the equity method, is shown in note 3.

A complete list of subsidiaries, joint ventures, associates and other long-term equity investments is attached to the notes to the consolidated financial statements.

The assumptions regarding control in companies in which the shareholding does not exceed 50 percent are shown below.

**BLG AutoRail GmbH, Bremen (shareholding: 50 percent)**
The shares in BLG AutoRail GmbH are held by BLG Automobile Logistics GmbH & Co. KG. Due to pooled voting rights under the partnership arrangement, BLG LOGISTICS exercises control over this company. The company is therefore accounted for using the full consolidation method.

**BLG RailTec GmbH, Uebigau-Wahrenbrück (shareholding: 50 percent)**
BLG RailTec GmbH was established as a wholly owned subsidiary of BLG AutoRail GmbH, Bremen. The indirect shareholding is 50 percent. Control of BLG AutoRail GmbH, Bremen, exists, so there is also indirect control of the wholly owned subsidiary BLG RailTec GmbH. As the operational leadership of the company was taken over due to a control and profit and loss transfer arrangement, this company is fully consolidated.

### 39. Consolidation principles

The date of initial consolidation is the date on which, from an economic point of view, the conditions established under IFRSs for the existence of a subsidiary, an associate or a joint venture are met for the first time. Similarly, the deconsolidation date is determined by the absence of control, joint control or material influence.

**Subsidiaries**
Subsidiaries are companies that are controlled by BLG LOGISTICS.

BLG LOGISTICS controls an investee if there is an exposure to risk as a result of a right to variable returns from the investment and the power over the investment can be used to affect the amount of the returns.

All major subsidiaries are consolidated in the consolidated financial statements.

Subsidiaries are generally fully consolidated in accordance with IFRS 10. Deviating from this, certain companies of BLG LOGISTICS are not consolidated for reasons of materiality (see note 38).

When a subsidiary is initially consolidated, the acquisition value of the equity investment is compared with the Group's interest in the equity of the respective company that is remeasured in accordance with IFRS 3. In this process, assets and liabilities are recognized at their fair values and previously unrecognized intangible assets that may be recognized under IFRSs and contingent liabilities are recognized at fair value in assets or liabilities. In subsequent consolidations, the hidden assets and liabilities disclosed in this way are carried forward, amortized or reversed in the same way that the corresponding assets and liabilities are treated. Any excess of the acquisition cost of the equity investment over the proportionate net fair value of the identifiable assets, liabilities and contingent liabilities (positive difference) resulting from initial consolidation is recognized as goodwill and is subject to annual impairment testing (see note 12).

If any negative difference remains, the identification and measurement of assets, liabilities and contingent liabilities and the deniviation of the purchase price are reassessed. Any negative goodwill remaining after this reassessment is recognized immediately through profit or loss.

**Companies accounted for using the equity method**
The companies accounted for using the equity method include investments in joint ventures and associates.

Joint ventures exist when there are arrangements in which BLG LOGISTICS exercises joint control with at least one partner company, whereby the Group has rights to its net assets instead of rights to the assets and obligations from the liabilities of the arrangement. This applies in particular to the CONTAINER Division, which is accounted for using the equity method via the stake in the operational management company EUROGATE GmbH & Co. KGaA, KG, Bremen.

Associates are companies in which BLG LOGISTICS has material influence over the financial and operational policies, but does not exercise control or joint management.

The carrying amounts of the equity investments accounted for using the equity method are increased or decreased annually to recognize BLG LOGISTICS' share of the profit or loss of the investee arising from changes in the equity of the joint venture or the associate. The principles applicable to full consolidation are applied mutatis mutandis to the allocation and adjustment of the carrying amount of the investee to reflect the excess of the purchase price of the investment over the pro rata interest in the company's equity.

**Non-controlling interests**
Non-controlling interests include minority interests in the equity of fully consolidated subsidiaries.

Non-controlling interests in acquired companies are recognized based on the proportionate share of the net assets of the acquired company.

Transactions with non-controlling interests are treated as transactions with equity owners of BLG LOGISTICS. Any difference between the consideration paid and the relevant share of the carrying amount of the net assets of the subsidiary arising from the purchase is recognized in equity. Gains and losses which are realized on the disposal of non-controlling interests are also recognized in equity.

**Other equity investments**
Other equity investments are stated at fair value in accordance with IFRS 9. If there is no active market and the fair value cannot be determined reliably using measurement methods, cost is an appropriate approximation of fair value.

**Loss of control**
If BLG LOGISTICS ceases to have control or material influence over an entity, the remaining interest is remeasured to fair value and the resulting difference is recognized in profit or loss. The fair value is the fair value determined on initial recognition of an associate, joint venture or financial asset.

In addition, all amounts reported in other comprehensive income in respect of that entity are accounted for as would be required if the parent company had sold the corresponding assets and liabilities directly. This means that a profit or loss previously recognized in other comprehensive income is reclassified from equity to comprehensive income.

If the shareholding in an associate has decreased, but the entity remains an associate, only the proportionate share of net profit or loss previously recognized in other comprehensive income is reclassified to profit or loss.

**Elimination of transactions as part of consolidation**
The effects of intragroup transactions are eliminated:

Receivables and payables between the consolidated companies are netted against each other, intragroup profits and losses on non-current assets and inventories are eliminated. Intragroup income is offset against the corresponding expenses. Taxes are deferred for temporary differences from consolidation as required by IAS 12.

The consolidation method is unchanged from the previous year.

## 40. Changes in group of consolidated companies

**Business combinations**
Business combinations under IFRS 3 exist when an entity acquires control over one or more business operations through the acquisition of shares or other events. Business operations within the meaning of IFRS 3 are integrated sets of activities and assets that are managed with the aim of generating income or achieving cost reductions or other economic benefits for the shareholders or other owners, partners or members. The establishment of joint ventures and the combination of entities under common control do not represent business combinations within the meaning of IFRS 3.

In a gradual business combination, the previously acquired equity interest in the entity is recalculated at the fair value at the time of acquisition. The resulting profit or loss is recorded in the statement of profit or loss.

There were no business combinations in the reporting year.

**Other changes in group of consolidated companies**

CONTRACT Division

**Fully consolidated companies (subsidiaries)**
BLG Handelslogistik GmbH & Co. KG, Bremen, sold its shareholding in BLG Logistics Solutions Italia S.r.l., Milan, Italy, under contract of February 23, 2021, effective from the same date. The associated deconsolidation resulted in expenses of EUR 63,000, which were reported under other operating expenses in the non-operating result.

Under contract of February 11, 2021, BLG International Forwarding GmbH & Co. KG, Hamburg, sold its operating business within the scope of an asset deal with effect from April 1, 2021. As part of the subsequent restructuring, the company was absorbed into BLG KG and deconsolidated with effect from October 6, 2021.

In order to expand the depth of services, BLG Logistics, Inc., Atlanta, USA, founded BLG Freight, LLC, Hoover, USA, in the reporting year. The object of the company is the provision of distribution and transport services. Due to the small volume of business, the company was initially not included in the consolidated financial statements.

## 41. Non-consolidated structured companies

**BLG Unterstützungskasse GmbH, Bremen (shareholding: 100 percent)**
BLG KG owns 100 percent of the shares in BLG Unterstützungskasse GmbH, Bremen. The purpose of the company is to provide ongoing support to former employees and former Board of Management members of BLG and their survivors. The necessary funds are provided to the company by the Free Hanseatic City of Bremen (municipality), as it has accepted the obligations arising from the pension entitlements. An exposure to risk as a result of, or a claim to variable returns from the investment and the opportunity to influence the operations of BLG Unterstützungskasse GmbH, Bremen, are therefore contractually precluded. Accordingly, control does not exist, despite the ownership of 100 percent of the voting shares, with the result that the company is not consolidated.

The carrying amount of the shares is EUR 30,000 (previous year: EUR 30,000) and corresponds to the fair value. They are recognized in other financial assets under other financial investments. The maximum exposure to loss is the carrying amount of the investment.

## 42. Currency translation

In accordance with IAS 21, the financial statements of consolidated companies prepared in foreign currencies are translated into euros in keeping with the concept of functional currencies. The functional currency of all foreign companies of the BLG Group is the local currency, as the companies conduct their business independently in financial, economic and organizational terms. Accordingly, the assets and liabilities are translated at the exchange rate on the reporting date, while expenses and income are in principle translated at the average annual exchange rate. The resulting currency translation differences are recognized directly in equity.

As of December 31, 2021, currency translation differences of EUR 9,441,000 (previous year: EUR 10,895,000) were reported in equity (see also the statement of changes in equity). Currency translation was based on the exchange rates shown in the table:

In the separate financial statements of the consolidated companies presented in local currency, receivables and payables are translated at the end of the reporting period in accordance with IAS 21. Currency translation differences are recognized through profit or loss as other operating income or expenses. Non-monetary assets that are measured on the basis of cost are measured at the exchange rate on the day of the transaction.

| EUR | Reporting date 12/31/2021 | 2021 average | Reporting date 12/31/2020 | 2020 average |
|---|---|---|---|---|
| 1 US dollar | 0.8829 | 0.8455 | 0.8149 | 0.8755 |
| 1 Brazilian real | 0.1585 | 0.1568 | 0.1569 | 0.1697 |
| 1 British pound | 1.1901 | 1.1633 | 1.1123 | 1.1240 |
| 1 Chinese yuan renminbi | 0.1390 | 0.1311 | 0.1246 | 0.1270 |
| 1 Indian rupee | 0.0119 | 0.0114 | 0.0112 | 0.0118 |
| 1 Malaysian ringgit | 0.2119 | 0.2040 | 0.2027 | 0.2085 |
| 1 Polish zloty | 0.2175 | 0.2190 | 0.2193 | 0.2251 |
| 1 Russian ruble | 0.0117 | 0.0115 | 0.0109 | 0.0121 |
| 1 South African rand | 0.0554 | 0.0572 | 0.0555 | 0.0533 |
| 1 Ukrainian hryvnia | 0.0323 | 0.0310 | 0.0288 | 0.0325 |

## 43. Related party disclosures

**Identification of related parties**
In accordance with IAS 24, relationships with related parties that control BLG LOGISTICS or are controlled by it or on which BLG LOGISTICS can exercise significant influence must be disclosed.

Related parties include in particular majority shareholders, subsidiaries, provided that they are not already included as consolidated companies in the consolidated financial statements, joint ventures, associates or intermediary companies.

In addition, the Board of Management and the Supervisory Board of BLG AG and the first tier of management are also related parties as defined in IAS 24; this also includes family members of the aforementioned groups. A list of the composition of the Board of Management and the Supervisory Board as well as further information about these groups is provided in note 45. There were no reportable transactions between members of the Board of Management, the Supervisory Board, the first tier of management and their family members and BLG LOGISTICS during the 2021 financial year.

**Material transactions with shareholders: Relationships with the Free Hanseatic City of Bremen (municipality)**
As of December 31, 2021, the Free Hanseatic City of Bremen (municipality) was the majority shareholder of BLG AG with a 50.42 percent (previous year: 50.42 percent) share of the subscribed capital. The Free Hanseatic City of Bremen (municipality) received a dividend in the amount of EUR 11.3 million (previous year: EUR 11.0 million) as a result of the resolution on the appropriation of net retained profits for 2020. Against the background of the pandemic-related influences and considerable non-recurring expenses in the previous year, the Free Hanseatic City of Bremen (municipality) made an allocation to the share premium to stabilize the equity of BLG LOGISTICS in the amount of EUR 53.0 million. The payment was made in the reporting year. As part of a private investor test, it was determined that the capital increase did not meet the characteristics of state aid. In this context, a package of measures was defined to ensure that BLG LOGISTICS is profitable in line with the market.

In accordance with Article 148 of the Constitution of the Free Hanseatic City of Bremen, the Bremen Senate is both the state government and statutory body of the municipality of Bremen. Due to the fact that the statutory bodies of the Free Hanseatic City of Bremen (municipality) and the Free Hanseatic City of Bremen (state) are identical, this body is consequently considered a related party or ultimate controlling party within the meaning of IAS 24. The Free Hanseatic City of Bremen (municipality) has provided BLG KG with heritable building rights with a remaining term of up to 27 years for the land used by the company and its subsidiaries. As of December 31, 2021, lease liabilities for heritable building rights existed in the amount of EUR 290.4 million (previous year: EUR 303.0 million) toward the Free Hanseatic City of Bremen (municipality). The BLG Group paid a total of EUR 15.8 million (previous year: EUR 3.8 million) for ground rent in 2021. In the previous year, ground rent of EUR 11.1 million was deferred, which in addition to the EUR 15.8 million was repaid in the reporting year. The ground rent is subject to regular increases on the basis of the consumer price index every five years. The increase planned for the previous period was waived to support Bremen's port and logistics industry in connection with the coronavirus crisis and was instead charged in the reporting year. BLG LOGISTICS additionally has the possibility to participate in the cash pooling facility of the Free Hanseatic City of Bremen in an amount of up to EUR 50 million, as well as to take out a non-current loan of EUR 50 million via a state guarantee through Bremer Aufbau-Bank together with a partner bank.

**Transactions with affiliated companies of the Free Hanseatic City of Bremen (municipality) and (state)**
Individual companies of BLG LOGISTICS maintain ongoing business relationships with affiliated companies of the Free Hanseatic City of Bremen (municipality).

BLG KG took out several loans from BLG Unterstützungskasse GmbH, Bremen. The loan liabilities amounted to EUR 25,600,000 as of December 31, 2021 (previous year: EUR 25,600,000). In the reporting year, no loan liabilities were repaid and no new loan liabilities were taken out. Interest of EUR 505,000 (previous year: EUR 505,000) was paid. In addition, BLG Unterstützungskasse GmbH has been included in the central cash management of BLG KG since September 1,

2012. The interest on the funds provided was based on unchanged conditions. At the end of the reporting period, liabilities from cash management were EUR 2,195,000 (previous year: receivables of EUR 7,429,000).

**Relationships with non-consolidated affiliated companies, joint ventures and associates**

Transactions by the Group companies with joint ventures, associates and non-consolidated affiliated companies all arose in the ordinary course of business. Services were provided to these related parties on the basis of prices and conditions also applicable to third parties. The receivables included lease receivables of EUR 180,317,000 (previous year: EUR 183,835,000). The outstanding balances, with the exception of non-current lease receivables of EUR 176,314,000 (previous year: EUR 174,320,000), are unsecured and due in the short term. The table below shows the extent of the business relationships of the joint ventures and associates:

| EUR thousand | 2021 | 2020 |
|---|---|---|
| **Affiliated companies** | | |
| Income | 0 | 1 |
| Expenses | 10 | 12 |
| Receivables | 17 | 26 |
| Liabilities | 449 | 226 |
| **Joint ventures** | | |
| Income | 21,730 | 21,572 |
| Expenses | 18,998 | 20,631 |
| Receivables | 186,530 | 192,067 |
| Liabilities | 4,162 | 5,148 |
| **Associates** | | |
| Income | 1,857 | 1,971 |
| Expenses | 1,508 | 1,385 |
| Receivables | 156 | 142 |
| Liabilities | 660 | 34 |

Loss allowances of EUR 7,000 (previous year: EUR 36,000) were recognized for expected credit losses on receivables from joint ventures and associates using the simplified approach. In addition, receivables from joint ventures of EUR 1,500,000 (previous year: EUR 0,000) were derecognized in the reporting year and loans to joint ventures and associates in the amount of EUR 70,000 (previous year: EUR 1,410,000) were written down. Receivables from non-consolidated affiliated companies were, as in the previous year, neither impaired nor derecognized.

## Other notes

### 44. Voting rights notifications

The following voting rights notifications from direct or indirect equity investments in the capital of BLG AG were reported to the Board of Management of BLG AG:

On February 7, 2019, the Free Hanseatic City of Bremen (municipality) notified us pursuant to Section 33 (1) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) that its share of voting rights in BLG AG amounted to 50.42 percent (corresponding to 1,936,000 voting rights) as of January 31, 2019.

On February 7, 2019, Mr Peter Hoffmeyer notified us pursuant to Section 33 (1) WpHG that the voting rights share of Panta Re AG, Bremen, in BLG AG exceeded the threshold of 10 percent on January 31, 2019, and at that time amounted to 12.61 percent (corresponding to 484,032 voting rights). All voting rights are attributable to Peter Hoffmeyer pursuant to Section 34 (1) sentence 1 no. 1 WpHG.

On November 18, 2016, the Waldemar Koch Foundation, Bremen, notified us pursuant to Section 21 (1) WpHG (old version) that its share of voting rights in BLG AG exceeded the threshold of 5 percent on November 15, 2016, and at that time amounted to 5.23 percent (corresponding to 200,814 voting rights)

On April 8, 2002, Finanzholding der Sparkasse in Bremen, Bremen, notified us pursuant to Section 41 (2) sentence 1 WpHG (old version) that as of April 1, 2002 its share of voting rights in BLG AG amounted to 12.61 percent (corresponding to 484,032 voting rights)

Further details are published on our website at ➚ *www.blg-logistics.com/en/investor-relations/share*.

## 45. Supervisory Board and Board of Management

**Composition of the Supervisory Board**
In accordance with the Articles of Incorporation, the Supervisory Board of BLG AG comprises 16 members, namely eight Supervisory Board members elected in accordance with the provisions of the German Stock Corporation Act (AktG) and eight Supervisory Board members representing the employees, who are elected in accordance with the provisions of the German Codetermination Act (MitbestG).

The composition of the Supervisory Board and the memberships of the Supervisory Board members in other bodies in accordance with Section 125 (1) sentence 5 AktG are presented in ▸Annex 1 to the notes.

The composition of the Supervisory Board changed as follows compared with December 31, 2020:

Karl-Heinz Dammann resigned as a member of the Supervisory Board with effect from June 30, 2021. He was replaced by Jörn Schepull. Jörn Schepull was elected as a substitute member for Karl-Heinz Dammann in 2018.

Klaus Pollok resigned as a member of the Supervisory Board with effect from December 31, 2021. He was replaced by Fabian Goiny. Fabian Goiny was elected as a substitute member for Klaus Pollok in 2018.

Vera Visser resigned as a member of the Supervisory Board with effect from February 28, 2022. Martin Peter was appointed to succeed her as a member of the Supervisory Board by court order of the District Court of Bremen on March 11, 2022.

**Composition of the Board of Management**
The composition of the Board of Management and the memberships of the Board of Management members in other bodies in accordance with Section 125 (1) sentence 5 AktG are presented in ▸Annex 2 to the notes.

The following changes were made to the composition of the Board of Management compared with December 31, 2020:

Jens Wollesen (originally appointed until June 30, 2024), member of the Board of Management for the CONTRACT Division, left the company at his own request with effect from September 30, 2021 to pursue other professional activities. He had been released from his duties since June 30, 2021. He was succeeded from October 1, 2021 by Matthias Magnor, who was appointed at the Supervisory Board meeting on June 14, 2021 for a period of three years.

At its meeting on February 24, 2022, the Supervisory Board decided to extend the contract with Frank Dreeke for two years, until he reaches the standard retirement age for Board of Management members. He is now appointed until December 31, 2024.

**Transactions with the Board of Management and the Supervisory Board**
Transactions with the Board of Management and Supervisory Board were limited to services rendered in connection with the Board positions and employment contracts and the remuneration paid for these services.

**Remuneration of the Supervisory Board**
The active members of the Supervisory Board received the following remuneration:

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Fixed remuneration | 179 | 179 |
| Meeting allowances | 63 | 52 |
| Remuneration for intra-Group supervisory board mandates | 44 | 39 |
| **Total** | **286** | **270** |

In addition, employee representatives on the Supervisory Board receive, in part, a regular salary from the respective employment relationship in the Group in an amount corresponding to appropriate remuneration for the function or activity discharged in the Group. In this regard, they received EUR 34,000 (previous year: EUR 31,000) in premium payments for statutory retirement plans in the reporting year.

As of December 31, 2021, as in the previous year, members of the Supervisory Board had not been granted any loans or advance payments. As in the previous year, no contingent liabilities were contracted for the benefit of the members of the Supervisory Board.

**Remuneration of the Board of Management**
For the 2021 financial year, the Board of Management received total remuneration in accordance with Section 314 (1) no. 6a HGB of EUR 3,892,000 (previous year: EUR 2,575,000). This included basic remuneration, fringe benefits and variable remuneration components payable in the short term (including compensation agreed under severance agreements). In addition, provisions of EUR 1,748,000 (previous year: EUR 0,000) were recognized as of December 31, 2021 for long-term variable remuneration components for the 2021 financial year. Of this amount, EUR 699,000 related to the transitional arrangement for Board of Management members appointed before 2020. With the fulfillment of their duties in the reporting year the respective entitlement is fully vested, whereby the actual payment is measured against the target achievement determined by the Supervisory Board on the basis of the applicable remuneration system and is made in 2023 (transitional arrangement) or 2025 (long-term component). The determination is based on financial (70 percent weighting) and environmental and social (30 percent weighting) performance criteria.

The members of the Board of Management were granted pension entitlements, some of which are against companies of the BLG Group. Otherwise, the entitlements are against related parties.

As of December 31, 2021, the present value of pension obligations for active members of the Board of Management amounted to EUR 5,752,000 (previous year: EUR 5,811,000).

The pension commitments provide for a retirement and disability pension of 10 percent of the basic salary. They also provide for a survivor's pension of 60 percent of the agreed retirement pension. In amendments dated January 2020, it was agreed with each individual member of the Board of Management that in the event of their leaving the company prematurely without a benefit event occurring, there would no longer be a pro rata reduction in the defined benefits if the vesting conditions were met.

The remuneration of key management personnel at Group level subject to disclosure in accordance with IAS 24 comprises the remuneration of the active Board of Management and of the Supervisory Board.

The active members of the Board of Management received the following remuneration:

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Short-term employee benefits | 3,867 | 2,575 |
| Post-employment benefits | 0 | 5,305 |
| Other long-term employee benefits | 1,748 | 0 |
| Termination benefits | 25 | 241 |
| **Total** | **5,640** | **8,121** |

Post-employment benefits include the service cost resulting from pension provisions for active members of the Board of Management. Other long-term employee benefits relate to provisions for the long-term variable compensation components of the Board of Management.

As was the case in the previous year, members of the Board of Management had not been granted any loans or advance payments as of December 31, 2021. As in the previous year, no contingent liabilities were contracted for the benefit of the members of the Board of Management.

In the 2021 financial year, the former (as of December 31, 2021) members of the Board of Management received total remuneration (in particular pension benefits) of EUR 175,000. The present value of pension obligations pursuant to IAS 19 for former members of the Board of Management totaled EUR 5,108,000 as of December 31, 2021.

**Remuneration report and remuneration system**
Further information and remarks concerning the individual remuneration of the Board of Management and Supervisory Board members is publicly accessible on our website ➚ www.blg-logistics.com/en/investor-relations in the Download area.

The Supervisory Board and Board of Management remuneration systems are available on our website ➚ www.blg-logistics.com/en/investor-relations under Corporate governance.

According to Article 19 of the EU Market Abuse Regulation, members of the Board of Management and the Supervisory Board are legally required to disclose their own transactions with shares of BLG AG or related financial instruments. This applies when the total value of the transactions that a Board member and related parties have carried out within one calendar year reaches or exceeds EUR 5,000.00.

This also applies to the first tier of management and the persons closely related to them.

In line with their reporting obligations, members of the Board of Management, the first tier of management and members of the Supervisory Board of the company and related parties disclosed no acquisitions or sales of shares of BLG AG in the 2021 financial year. As in the previous year, the shareholdings of all Board of Management and Supervisory Board members amount to less than 1 percent of the shares issued by the company.

## 46. Exercise of exemption options by subsidiaries

The following subsidiaries, which are fully consolidated in the consolidated financial statements, use the exemption options pursuant to Section 264 (3) HGB and Section 264b HGB:

- BLG LOGISTICS GROUP AG & Co. KG, Bremen
- BLG Automobile Logistics GmbH & Co. KG, Bremen
- BLG Industrielogistik GmbH & Co. KG, Bremen
- BLG AutoRail GmbH, Bremen
- BLG AutoTec GmbH & Co. KG, Bremerhaven
- BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven
- BLG AutoTerminal Cuxhaven GmbH & Co. KG, Cuxhaven
- BLG AutoTerminal Deutschland GmbH & Co. KG, Bremen
- BLG AutoTransport GmbH & Co. KG, Bremen
- BLG Cargo Logistics GmbH, Bremen
- BLG Handelslogistik GmbH & Co. KG, Bremen
- BLG Logistics Solutions GmbH & Co. KG, Bremen
- BLG RailTec GmbH, Uebigau-Wahrenbrück
- BLG Sports & Fashion Logistics GmbH, Hörsel

## 47. Events after the reporting period

The war between Russia and Ukraine, which was started in February 2022, will further impact the world economy, global trade flows and supply chains. In particular, supply chain disruptions with regard to components for our customers' production, rising energy prices and an even greater shortage of truck drivers and other skilled workers may have a negative impact. Due to the various transactions and services we have agreed with our customers, energy price increases in particular cannot always be passed on in full, resulting in a significantly higher fixed cost burden. At the same time, certain volumes of business with the regions of Ukraine and Russia are also expected to decline or even dry up completely. At this stage, the precise implications of the crisis cannot be reliably evaluated. A significant negative impact on our financial position, financial performance and cash flows is likely.

Furthermore, it is possible that we may have to temporarily or permanently suspend our business at sites in this region or that we will lose access to them. The basis for our business operations is at risk. It is therefore possible that the net assets and goodwill of BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg/Russia (100 percent shareholding), and the carrying amount of the investment in BLG ViDi LOGISTICS TOW, Kyiv, Ukraine, (50 percent shareholding, equity-method), may have to be written down. The revenue of the Russian company amounted to less than 1 percent of Group revenue in 2021.

## 48. Remuneration of the Group auditor

The remuneration of the Group auditor pursuant to Section 314 (1) no. 9 HGB for the 2021 financial year breaks down as follows:

| EUR thousand | 2021 |
|---|---|
| Audits | 389 |
| of which relating to prior periods | 25 |
| Other assurance services | 8 |
| Other services | 38 |
| **Total** | **435** |

## 49. German Corporate Governance Code

The 21st declaration of compliance with the German Corporate Governance Code, as amended on December 16, 2019, was issued by the Board of Management on August 31, 2021, and by the Supervisory Board of BLG AG on September 16, 2021. The declaration has been made permanently available on our website: ➚ *www.blg-logistics.com/en/investor-relations*.

Bremen, March 29, 2022

BREMER LAGERHAUS-GESELLSCHAFT
-Aktiengesellschaft von 1877-

THE BOARD OF MANAGEMENT

**Appendix to the notes to the consolidated financial statements as of December 31, 2021**

# Shareholdings of BLG LOGISTICS

| Name, registered office | Shareholding in percent | Indirect interest (I) | Held through number |
|---|---|---|---|
| 1. BLG LOGISTICS GROUP AG & Co. KG, Bremen | 0.0 | | |
| **Companies included on the basis of full consolidation** | | | |
| 2. BLG Automobile Logistics GmbH & Co. KG, Bremen | 100.00 | | 1 |
| 3. BLG Cargo Logistics GmbH, Bremen[1] | 100.00 | | 1 |
| 4. BLG Handelslogistik GmbH & Co. KG, Bremen | 100.00 | | 1 |
| 5. BLG Industrielogistik GmbH & Co. KG, Bremen | 100.00 | | 1 |
| 6. BLG Logistics Solutions GmbH & Co. KG, Bremen | 100.00 | | 1 |
| 7. BLG Automobile Logistics Süd-/Osteuropa GmbH, Bremen | 100.00 | I | 2 |
| 8. BLG AutoRail GmbH, Bremen | 50.00 | I | 2 |
| 9. BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven | 100.00 | I | 2 |
| 10. BLG AutoTerminal Deutschland GmbH & Co. KG, Bremen | 100.00 | I | 2 |
| 11. BLG AutoTransport GmbH & Co. KG, Bremen | 100.00 | I | 2 |
| 12. BLG Sports & Fashion Logistics GmbH, Hörsel | 100.00 | I | 4 |
| 13. BLG Logistics, Inc., Atlanta, USA | 100.00 | I | 5 |
| 14. BLG Logistics of South Africa (Pty) Ltd, Port Elizabeth, South Africa[2] | 84.07 | I | 5 |
| 15. BLG AutoTerminal Gdansk Sp. z o. o., Gdansk, Poland | 100.00 | I | 7 |
| 16. BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia | 100.00 | I | 7 |
| 17. BLG RailTec GmbH, Uebigau-Wahrenbrück[1] | 50.00 | I | 8 |
| 18. BLG AutoTec GmbH & Co. KG, Bremerhaven | 100.00 | I | 9 |
| 19. BLG AutoTerminal Cuxhaven GmbH & Co. KG, Cuxhaven | 100.00 | I | 9 |
| 20. BLG AUTO LOGISTICS OF SOUTH AFRICA (Pty) Ltd., Port Elizabeth, South Africa | 84.07 | I | 14 |

| Name, registered office | Shareholding in percent | Indirect interest (I) | Held through number |
|---|---|---|---|
| **Companies included on the basis of the equity method** | | | |
| 21. dbh Logistics IT AG, Bremen | 27.32 | I | 1 |
| 22. EUROGATE GmbH & Co. KGaA, KG, Bremen | 50.00 | I | 1 |
| 23. Kloosterboer BLG Coldstore GmbH, Bremerhaven | 49.00 | I | 1 |
| 24. ZLB Zentrallager Bremen GmbH & Co. KG, Bremen | 33.33 | I | 1 |
| 25. BLG-Cinko Auto Logistics (Tianjin) Co., Ltd., Tianjin, People's Republic of China | 50.00 | I | 2 |
| 26. BLG Logistics (Beijing) Co., Ltd., Beijing, People's Republic of China | 100.00 | I | 2 |
| 27. DCP Dettmer Container Packing GmbH & Co. KG, Bremen | 50.00 | I | 3 |
| 28. Hansa Marine Logistics GmbH, Bremen | 100.00 | I | 3 |
| 29. ICC Independent Cargo Control GmbH, Bremen | 50.00 | I | 3 |
| 30. Schultze Stevedoring GmbH & Co. KG, Bremen | 50.00 | I | 3 |
| 31. AutoLogistics International GmbH, Bremen | 50.00 | I | 5 |
| 32. BLG Parekh Logistics Pvt. Ltd., Bombay, India | 50.00 | I | 5 |
| 33. BLG SWIFT LOGISTICS Sdn. Bhd., Kuala Lumpur, Malaysia[3] | 60.00 | I | 5 |
| 34. Autoterminal Slask Logistic Sp. z o.o., Dabrowa Gornicza, Poland | 50.00 | I | 7 |
| 35. BLG ViDi LOGISTICS TOW, Kyiv, Ukraine | 50.00 | I | 7 |
| 36. ATN Autoterminal Neuss GmbH & Co. KG, Neuss | 50.00 | I | 10 |
| 37. BLG CarShipping Koper d.o.o., Koper, Slovenia | 100.00 | I | 11 |
| 38. BLG Interrijn Auto Transport RoRo B.V., Rotterdam, Netherlands | 50.00 | I | 11 |
| 39. Hizotime (Pty) Ltd, East London, South Africa | 41.19 | I | 14 |
| 40. SWIFT MEGA CARRIERS Sdn. Bhd., Kuala Lumpur, Malaysia | 60.00 | I | 33 |

| Name, registered office | Shareholding in percent | Indirect interest (I) | Currency | Equity in thousands | Net profit for the year in thousands | Held through number |
|---|---|---|---|---|---|---|
| **Companies not included** | | | | | | |
| 41. BLG Automobile Logistics Beteiligungs-GmbH, Bremen | 100.00 | I | EUR | 105 | 0 | 1 |
| 42. BLG Handelslogistik Beteiligungs GmbH, Bremen | 100.00 | I | EUR | 32 | 1 | 1 |
| 43. BLG Industrielogistik Beteiligungs-GmbH, Bremen | 100.00 | I | EUR | 33 | 1 | 1 |
| 44. BLG Logistics Solutions Beteiligungs-GmbH, Bremen | 100.00 | I | EUR | 27 | 1 | 1 |
| 45. EUROGATE Beteiligungs-GmbH, Bremen | 50.00 | I | EUR | 39 | 1 | 1 |
| 46. EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen | 50.00 | I | EUR | 73 | 1 | 1 |
| 47. ZLB Zentrallager Bremen GmbH, Bremen[4] | 33.33 | I | EUR | 48 | 2 | 1 |
| 48. BLG AutoTerminal Deutschland Beteiligungs-GmbH, Bremen | 100.00 | I | EUR | 50 | 0 | 2 |
| 49. BLG AutoTransport Beteiligungs-GmbH, Bremen | 100.00 | I | EUR | 25 | 0 | 2 |
| 50. Schultze Stevedoring Beteiligungs-GmbH, Bremen[4] | 50.00 | I | EUR | 31 | 1 | 3 |
| 51. BLG Automobile Logistics Italia S.r.l. i. L., Gioia Tauro, Italy | 98.97 | I | EUR | -481 | -22 | 7 |
| 52. BLG AutoTec Beteiligungs-GmbH, Bremerhaven | 100.00 | I | EUR | 27 | 1 | 9 |
| 53. BLG AutoTerminal Cuxhaven Beteiligungs-GmbH, Cuxhaven | 100.00 | I | EUR | 12 | 1 | 9 |
| 54. BLG Freight, LLC, Hoover, USA | 100.00 | I | USD | 27 | 2 | 13 |
| 55. BLG Logistics of Alabama, LLC, Vance, USA | 100.00 | I | USD | --- | --- | 13 |
| 56. DCP Dettmer Container Packing GmbH, Bremen[4] | 50.00 | I | EUR | 104 | 7 | 27 |
| 57. ATN Autoterminal Neuss Verwaltungs-GmbH, Neuss | 50.00 | I | EUR | 29 | 0 | 36 |

[1] Profit and loss transfer due to control and profit and loss transfer arrangements

[2] The share of voting rights amounts to 75.04%; non-voting preference shares are additionally held.

[3] The share of voting rights amounts to 40.00%; non-voting preference shares are additionally held.

[4] Previous year’s figures

[5] The exchange rates are given in note 42 of the notes to the consolidated financial statements.

# Responsibility statement of the Legal Representatives

We hereby confirm 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 assets, liabilities and financial position of the BLG Group, and of its financial performance, and that the group management report presents a true and fair view of the business performance and the overall position of the Group, and describes the principal opportunities and risks associated with the expected development of the Group.

Bremen, March 29, 2022

THE BOARD OF MANAGEMENT

Frank Dreeke
CEO & Chairman
of the Board of Management

Michael Blach
CONTAINER
Division

Andrea Eck
AUTOMOBILE
Division

Christine Hein
CFO

Matthias Magnor
CONTRACT
Division

Ulrike Riedel
Labor Relations Director

# Independent Auditor's Report

To BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen, and BLG LOGISTICS GROUP AG & Co. KG, Bremen

**Audit opinions**
We have audited the consolidated financial statements of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen, and BLG LOGISTICS GROUP AG & Co. KG, Bremen, and their subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2021, the consolidated statement of comprehensive income, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- and BLG LOGISTICS GROUP AG & Co. KG for the financial year from January 1 to December 31, 2021. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other information" section of our auditor's report.

In our opinion, based on the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB (Handelsgesetzbuch: German Commercial Code) and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as of December 31, 2021, and of its financial performance for the financial year from January 1 to December 31, 2021, and

- the accompanying group management report as a whole presents an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the parts of the group management report listed in the "Other information" section.

Pursuant to Section 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

**Basis for the audit opinions**
We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany – IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

**Note to highlight a matter**

Please refer to the legal representatives' remarks in the "Principles of Group accounting" section of the notes to the consolidated financial statements and the "Fundamental information about the Group" section of the group management report, which set out that the Group consists of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen, and the group of BLG LOGISTICS GROUP AG & Co. KG, Bremen. The annual financial statements and management report of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen, and the consolidated financial statements and group management report of BLG LOGISTICS GROUP AG & Co. KG, Bremen, as of December 31, 2021, were voluntarily combined into one set of financial statements (consolidated financial statements) and management report (group management report). In this respect, the consolidated financial statements and group management report refer to the Group as a whole and not to the individual company and individual group with its parent company and subsidiaries.

Our audit opinions on the consolidated financial statements and group management report are not modified in this regard.

**Other information**

The legal representatives are responsible for the other information. The other information comprises the following parts of the management report, the content of which was not audited:

- the corporate governance statement according to Section 289f HGB and Section 315d HGB included in the "Corporate governance statement" section of the group management report
- the separate non-financial report in accordance with Section 289b (3) HGB and Section 315b (3) HGB
- the sustainability report

The other information also includes the other parts of the financial report – without further cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- Is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

**Responsibilities of the legal representatives and the Supervisory Board for the consolidated financial statements and the group management report**

The legal representatives are responsible for the preparation of the consolidated financial statements, that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements in compliance with these requirements are giving a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the legal representatives are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial accounting based on the going concern basis of accounting, unless there is an intention to liquidate the Group or cease operations, or there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group’s financial reporting process for the preparation of the consolidated financial statements and the group management report.

**Auditor’s responsibilities for the audit of the consolidated financial statements and the group management report**

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group’s position and, in all material respects, is consistent with the consolidated financial statements and with the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our audit opinions regarding on consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance but not a guarantee that an audit conducted in compliance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are deemed material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant for the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.

- conclude on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) HGB.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law and the view of the Group's position it provides.

- perform audit procedures on the prospective information presented by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Intended purpose**

We issue this auditor’s report on the basis of the contract concluded with BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- and BLG LOGISTICS GROUP AG & Co. KG. The audit was performed for the purposes of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- and BLG LOGISTICS GROUP AG & Co. KG, and the auditor’s report is solely intended to inform BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- and BLG LOGISTICS GROUP AG & Co. KG as to the results of the audit. The auditor’s report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely towards BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- and BLG LOGISTICS GROUP AG & Co. KG. We do not accept any responsibility towards third parties.

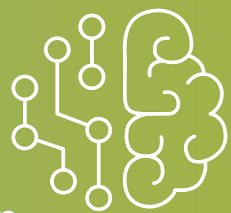
Bremen, March 30, 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Dr. Thomas Ull | Stefan Geers |
| German Public Auditor | German Public Auditor |

# 04
# FURTHER INFORMATION





**> EUR 14 million**

**INVESTMENTS IN R&D**

To develop innovative systems and new solutions using artificial intelligence, we participated in seven cooperation projects with a total volume of EUR 14.6 million.

# Corporate Governance Statement

## Statement pursuant to Section 161 of the German Stock Corporation Act

Corporate governance encompasses the entire system of managing and monitoring a corporation, including the organization of the company, its business policy principles and guidelines as well as the system of internal and external monitoring and control mechanisms. Corporate governance structures responsible management and control of the company geared to the principles of a social market economy and sustainable added value.

The scope for shaping corporate governance on the part of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- (BLG AG) is based on German law, in particular stock corporation, codetermination, and capital market law as well as the company's Articles of Incorporation and the German Corporate Governance Code (Code).

The 21st declaration of compliance with the Code as amended on December 16, 2019 was issued by the Board of Management on August 31, 2021 and by the Supervisory Board of BLG AG on September 16, 2021.

"BLG AG has complied with and will continue for the period covered by the declaration to comply with the recommendations of the government commission, with the following exceptions:

**1. Recommendation C.6**

*'The Supervisory Board shall include what it considers to be an appropriate number of independent members, thereby taking into account the shareholder structure. (…)'*

The members of the Supervisory Board of the company currently include major shareholders, who account for the majority of the voting rights (> 60 percent). The Supervisory Board comprises an appropriate number of independent members. The Supervisory Board has thus been composed in accordance with the independence criteria and there is no further need to take the shareholder structure into account.

**2. Recommendation D.5**

*'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 Supervisory Board has transferred the powers of the Nomination Committee to the Human Resources Committee. The Human Resources Committee is composed of representatives of the shareholders and employee representatives.

**3. Recommendation F.2**

*'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.'*

BLG AG cannot currently meet all recommended deadlines. However, the company intends to fully comply with this recommendation in the medium term. The consolidated financial statements are published within four months from the end of the financial year.

**4. Recommendation F.3**

*'If the company is not required to publish quarterly statements, it shall still inform shareholders during the course of the year in an appropriate way – in addition to the half-year financial report – about business developments, and in particular about material changes to the business outlook and the risk situation.'*

Since pursuant to the currently applicable International Financial Reporting Standards (IFRSs) BLG AG does not have any subsidiaries to be consolidated, a quarterly statement would only have to be prepared at the company level. By reason of the business activity of the company, which essentially fulfills a liability and management function, material changes in the business development and risk situation are as a rule not to be expected. The company therefore considers that the effort to prepare a quarterly report is not reasonably commensurate with the added value of the information.

**5. Recommendation G.8**
*'Subsequent changes to the target values or comparison parameters shall be excluded.'*

The Supervisory Board deems it necessary to be able to respond to extraordinary developments and in such an event to be able to make subsequent changes. Extraordinary developments in this sense are exceptional situations that are not adequately covered by the defined targets and are based on circumstances beyond the company's control.

**6. Recommendation G.10**
*'Taking the respective tax burden into consideration, Management Board members' variable remuneration shall be predominantly invested in company shares by the respective Management Board member or shall be granted predominantly as share-based remuneration. Granted long-term variable remuneration components shall be accessible to Management Board members only after a period of four years.'*

Due to its constellation under company law, BLG AG only participates to a small extent in the operating result of the BLG Group in the form of remuneration for the Board of Management. Furthermore, the trading volume of BLG AG shares is considered low. Since BLG AG only assumes the liability and management function for BLG LOGISTICS GROUP AG & Co. KG (BLG KG), a payment in shares or a corresponding share-based remuneration would not be appropriate. Therefore, no shares are included in either the short-term variable remuneration or the long-term variable remuneration. There is also no payment in shares.

In order to bridge liquidity disadvantages from discontinued payouts during the transition from the old to the new remuneration system, the new remuneration system provides for a transitional arrangement for Board of Management members appointed before 2020 with regard to variable remuneration components, which is based on a time horizon of two years.

**7. Recommendation G.12**
*'If a Management Board member's contract is terminated, the disbursement of any remaining variable remuneration components attributable to the period up until contract termination shall be based on the originally agreed targets and comparison parameters, and on the due dates or holding periods stipulated in the contract.'*

In the spirit of the new remuneration system, the Supervisory Board considers it appropriate to distinguish between a so-called 'good leaver case' and a so-called "bad leaver case" with the corresponding follow-up procedure. The remuneration system provides for the following regulation:

'4. Variable remuneration

(…)

d) Payment of variable remuneration in the event of (premature) termination of employment

aa) The payment of variable remuneration in the event of (premature) termination of employment depends on whether the situation is a so-called good or bad leaver event. In the event of termination of the contract due to the passage of time, permanent incapacity for work or death, reaching the age limit, or in the event of a mutually agreed termination of the employment contract, a good leaver situation is assumed. All other reasons for termination are classified as bad leaver situations.

bb) If, in the case of a good leaver, a contract ends during the course of the year, the short-term variable remuneration component issued in that year and the long-term variable remuneration component are reduced pro rata temporis. The other tranches are not reduced. The payment is made pro rata temporis on the day of termination of the contract on the basis of a target achievement of 100 percent.

cc) In the bad leaver case, all claims to payments for which the assessment period has not been completed at the time of receipt of the notice of termination or revocation of appointment or resignation from office shall expire on the day of receipt of the notice of termination, revocation of appointment or resignation from office (…)'.

**8. Recommendation G.15**
*'If Management Board members are also members of intra-group Supervisory Boards, then the remuneration shall be taken into account.'*

Within the BLG Group, only the EUROGATE Group has a Supervisory Board in the meaning of Recommendation G. 15 of the Code. Since the mandates on the Supervisory

Board of the EUROGATE Group represent a considerable additional expense in addition to the actual services and the EUROGATE Group is an important component of the BLG Group, the Supervisory Board considers it appropriate not to offset the remuneration payable for these mandates against the agreed remuneration of the respective member of the Board of Management."

The corporate governance statement has been made permanently available on our website ➚ *www.blg-logistics.com/en/investor-relations* in the Download area.

## Code of Conduct

Sustained value creation and responsible corporate management are key elements of the corporate policy of BLG LOGISTICS. Dealings with customers, business partners, employees and shareholders based on trust form the foundation for these elements. This involves compliance with laws as well as with the Group's standardized Code of Conduct.

The Code is aimed at avoiding inappropriate behavior and fostering ethical conduct as well as exemplary and responsible action. It is directed at the Board of Management, managers and staff members alike and serves as a guide to proper and consistent behavior.

## Compliance

**Systematic fairness**
Key elements of the compliance system we introduced in 2014 include our Code of Conduct and Anti-Corruption Policy. This policy is reviewed on a yearly basis with regard to new legal requirements or specific experiences in the company and adapted if necessary. Our Compliance Policy details the cooperation between the central departments and the operating units.

Our rules and regulations apply to all domestic companies in which BLG LOGISTICS directly or indirectly holds more than 50 percent of the shares or controls the management of the company. Companies that are not subject to German law must apply these guidelines in accordance with their national law.

Our compliance system makes it clear that we will not tolerate corruption in any way. We do not allow discrimination of any kind. Occupational health and safety are a top priority for us. We use our resources responsibly and face fair competition.

When the system was introduced, all employees of BLG LOGISTICS received the Code of Conduct through the mail. New employees receive it in their welcome pack; temporary workers are made aware of it during their induction training. Together with the Anti-Corruption Policy and the Compliance Policy, the Code of Conduct can also be consulted on the intranet. Information on the compliance system and contact details are also publicly available online. At the international locations, the policies are available in the respective national languages. The Code of Conduct and the Anti-Corruption Policy are binding for all internal and external employees and consultants of BLG LOGISTICS.

As Chief Compliance Officer, the CEO of BLG is head of our compliance system. A compliance officer appointed by the Board of Management develops the compliance strategy further in consultation with the Board of Management and informs it regularly on all relevant compliance matters. As a neutral contact person, they are available to employees for questions regarding the Code of Conduct and for information on legal violations. An externally appointed ombudsperson also offers both employees and third parties the possibility of anonymously reporting compliance violations.

Further information is available under ➚ *www.blg-logistics.com/compliance*

**Prevention by raising awareness**
The Board of Management and managers of BLG LOGISTICS set an example in the implementation of and compliance with the Code of Conduct and Anti-Corruption Policy. They are responsible for ensuring that all employees in their area of responsibility are familiar with the rules and strictly observe them. Employees are obliged to point out grievances or suspected violations of the law. A fundamental component of the prevention of corruption is to increase employee awareness and to openly discuss the dangers of corruption. For their own protection and for the protection of the company, the dual control principle is to be applied in all legally relevant business processes. Every action and every decision must be transparent, impartial and based on objective criteria. Extensive, regular training minimizes the risk of corruption and raises employees' awareness of compliance issues.

**Compliance in the supply chain**
Our General Terms and Conditions of Contract and Purchasing also take compliance into account. We require our suppliers and service providers to comply with the laws of the applicable jurisdiction as well as the Supplier Code of Conduct of the BLG LOGISTICS GROUP AG & Co. KG, which is publicly accessible on the Internet. See also: ➚ *www.blg-logistics.com/agbo*

## Diversity

Diversity plays an important role at BLG LOGISTICS. The company's diversity concept includes the entire Group and thus goes beyond the levels of management and supervision. BLG LOGISTICS sees diversity as an important factor in its success and as an enrichment for its corporate, management, project and codetermination culture. For BLG LOGISTICS, diversity management means taking a holistic approach to the diverse characteristics of employees. The diversity characteristics of gender, cultural diversity, work-life balance, people with disabilities, demographic change and sexual identity are treated with respect. Diversity management is based on the Code of Industrial Relations, the Compliance Policy, reference to the Diversity Charter and other supplementary agreements. The principles of these regulations are implemented in BLG LOGISTICS' recruitment decisions and qualification measures.

Within BLG LOGISTICS, the Human Resources department is responsible for diversity and general equal treatment. The Human Resources department is responsible for the strategic orientation of diversity management, its conceptual development and for advising and supporting the Board of Management. In addition, the Human Resources department is the contact for employees in all matters relating to diversity. The Human Resources department gives impulses and a voice to everyone in the company. The Human Resources department understands organizations and people – and brings them together. This is what BLG LOGISTICS is committed to: a relationship based on cooperation and respect.

## Board of Management and Supervisory Board procedures

BLG AG is a company subject to German law, on which the German Corporate Governance Code is also based. A basic principle of German corporate law is the dual management system, with the management and supervisory boards, in which there is a strict separation in terms of personnel between the management board as the management body and the supervisory board as supervisory body, each with separate areas of responsibility. The Board of Management and Supervisory Board of BLG AG work closely together in an atmosphere of mutual trust in managing and monitoring the company. The Board of Management informs the Supervisory Board regularly and comprehensively about all issues of strategy, planning, business development, financial performance, cash flows and compliance as well as entrepreneurial risks that are relevant to the company.

**The Board of Management**
The Board of Management of BLG AG is responsible for the management of the BLG LOGISTICS GROUP AG & Co. KG, Bremen (BLG KG), and is solely responsible for managing the two companies and represents the companies in transactions with third parties. The Board of Management is obligated to pursue the goal of achieving a sustainable increase in the enterprise value in the interest of BLG LOGISTICS and in line with the stakeholder approach. The departmental responsibilities of the individual members of the Board of Management are listed in the ▸notes.

The Board of Management is also responsible for preparing the interim financial report of BLG AG and for preparing the annual and consolidated financial statements and the financial statements in accordance with Section 315e of the German Commercial Code (HGB) (BLG AG) and the accompanying management reports. Jointly with the Supervisory Board, the Board of Management also prepares the remuneration report. It has established an appropriate and effective internal control system and risk management system. The Board of Management ensures that legal provisions, official regulations and internal company guidelines and policies are adhered to and works towards their observance in the Group companies (compliance).

The following changes were made to the composition of the Board of Management in the 2021 financial year.

Jens Wollesen (originally appointed until June 30, 2024), member of the Board of Management for the CONTRACT Division, left the company at his own request with effect from September 30, 2021 to pursue other professional activities. He was succeeded from October 1, 2021 by Matthias Magnor, who was appointed at the Supervisory

Board meeting on June 14, 2021 for a period of three years.

At its meeting on February 24, 2022, the Supervisory Board decided to extend the contract with Frank Dreeke for two years, until he reaches the statutory retirement age for Board of Management members. He is now appointed until December 31, 2024.

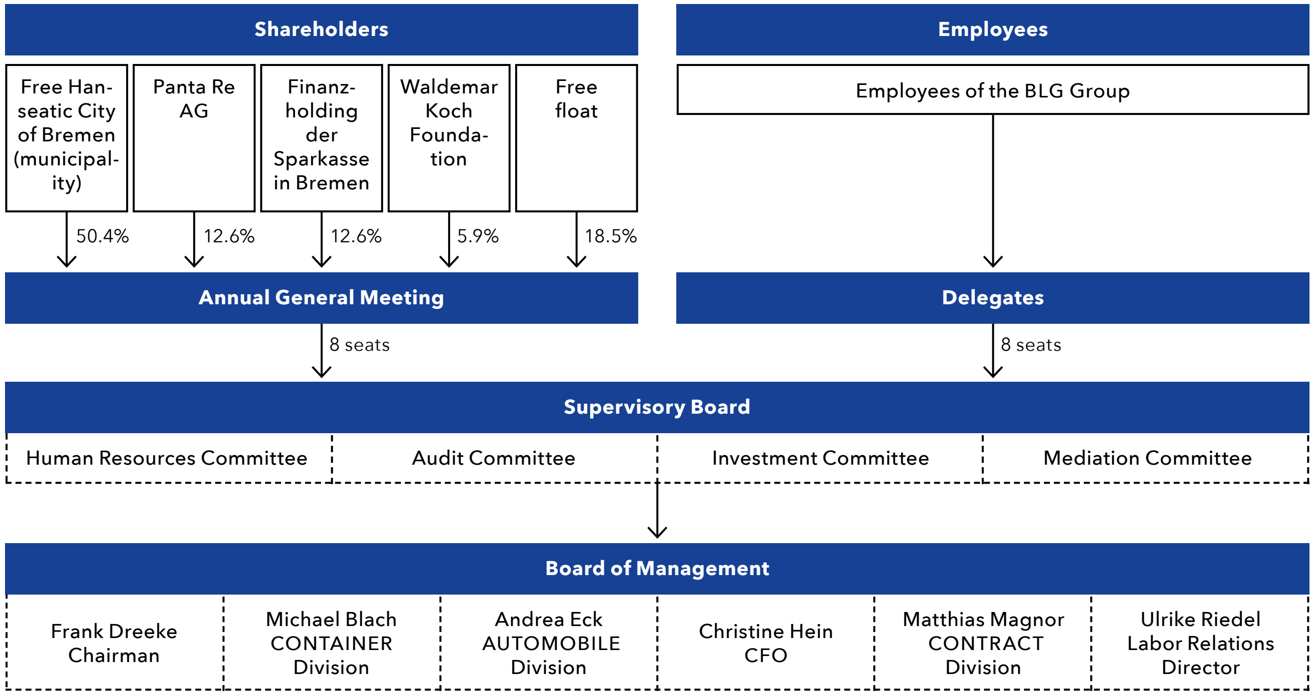
The relevant legal provisions for appointment and dismissal of members of the Board of Management are Sections 84, 85 of the German Stock Corporation Act (AktG) and Sections 31, 33 of the German Codetermination Act (MitbestG). Sections 119, 133, and 179 AktG as well as Section 15 of the Articles of Incorporation apply to amendments to the Articles of Incorporation.

## Equal participation in management positions

Within the framework of the German Act on Equal Participation of Women and Men in Executive Positions in the Public and Private Sector (FührposGleichberG), the Board of Management set targets for increasing the proportion of women in the first two tiers of management below the Board of Management. In view of the fact that BLG AG does not have any employees of its own apart from the Board of Management, a target of 0 percent was established. This ratio is to be maintained until June 30, 2022.

## Long-term succession planning and age limit

The Supervisory Board, together with the Board of Management, is responsible for long-term succession planning for appointments to the Board of Management.




Governance structure of BLG AG as of December 31, 2021

BLG AG aims to fill Board of Management positions with candidates from within the company. The Board of Management is tasked with proposing a sufficient number of suitable candidates to the Supervisory Board.

The long-term succession planning of BLG AG takes the corporate strategy into account. It is based on systematic management development with the following key elements:

- Early identification of suitable candidates from different departments and of different nationalities and gender
- Systematic development of managers through successful assumption of tasks with increasing responsibility, preferably in different businesses, regions, and functions

- Substantiated successful strategic and operational creative drive and strong leadership, especially under challenging business conditions
- Leading by example in the implementation of our corporate values

This is intended to enable the Supervisory Board to ensure sufficient diversity with regard to professional training and experience, cultural background, internationality, gender and age when making appointments to the Board of Management and that this is in line with our diversity concept. Notwithstanding these individual criteria, the Supervisory Board is convinced that ultimately only a holistic assessment of an individual's personality can be decisive for an appointment to the Board of Management of BLG AG.

The statutory retirement age for members of the Board of Management is 65.

In its current composition, the Supervisory Board complies with the profile of skills and expertise and the requirements of the diversity profile.

**The Supervisory Board**

The Supervisory Board of BLG AG advises and monitors the Board of Management in the management of the company. It appoints and dismisses the members of the Board of Management, decides on the remuneration system for the members of the Board of Management and determines their total remuneration. The Supervisory Board is involved in strategy and planning as well as in all matters of material importance for the company. Furthermore, the Supervisory Board of BLG AG also reviews the contents of the non-financial report and, jointly with the Board of Management, prepares the remuneration report.

### Diversity

In accordance with the German Corporate Governance Code, the Supervisory Board takes diversity (see above) into account when appointing the Board of Management. The diversity concept for the Board of Management is implemented within the framework of the procedure for appointing Board of Management members.

The Supervisory Board observes the requirements of the diversity concept when making proposals for the appointment of members of the Board of Management. In its current composition, the Board of Management meets all requirements of the diversity profile. The members of the Board of Management cover a broad spectrum of skills and experience as well as educational and professional backgrounds and possess all the expertise and experience that is considered essential in view of the activities of BLG LOGISTICS.

The proportion of women on the Board of Management as of December 31, 2021 was 50.0 percent (equal representation) and therefore clearly surpassed the intended target of 16.7 percent. This ratio is to be maintained until June 30, 2022.

The statutory provisions of the gender quota are applied to the Supervisory Board itself. Pursuant to Section 96 (2) AktG, the statutory quota for the Supervisory Board of BLG AG is at least 30 percent women and at least 30 men. At BLG AG, the minimum quota must be met separately by both the shareholder members and the employee members (separate fulfillment). The target of 30 percent is reached when there are at least two representatives of each gender for each group. There were six women on the Supervisory Board as of December 31, 2021. Thus the intended target in accordance with Section 96 (2) AktG was surpassed.

### Profile of skills and expertise

At its meeting on February 23, 2018, the Supervisory Board defined a profile of skills and expertise that was taken into account in the last election to the Supervisory Board (June 2020). The profile ensures that, based on their knowledge, skills and experience, the proposed candidates for election to the Supervisory Board are able to perform the duties of a Supervisory Board member in an international company and to maintain the reputation of BLG LOGISTICS in the public eye. Particular attention is paid to the personality, integrity, motivation and professionalism of the candidates.

The aim of the profile of skills and expertise is to ensure that the Supervisory Board as a whole has all the knowledge and experience that is considered essential in view of the activities of BLG LOGISTICS. This includes knowledge and experience in the areas of management/human resources (incl. diversity concept), accounting/financial controlling/risk management, technology/IT/digitalization (incl. IT security), ports/logistics and legal/governance (incl. compliance). In addition, the Supervisory Board shall have knowledge and experience from the business areas important to BLG LOGISTICS. The members of the Supervisory Board shall be generally familiar with the sector in which BLG LOGISTICS operates. At least one member of the Supervisory Board shall have expertise in the areas of accounting and auditing as well as special knowledge and experience in the application of accounting principles and internal control procedures.

Currently, the members of the Supervisory Board cover all defined skills and areas of professional expertise. In the event of a forthcoming replacement on the Supervisory Board, it must be examined in each case which area of knowledge shall be strengthened in the Supervisory Board.

### Independence/age limit

The Supervisory Board shall include an appropriate number of independent members. Material conflicts of interest involving a Supervisory Board member that are not merely temporary, for example due to board functions or advisory roles for major competitors of the company, shall be avoided. In its rules of procedure, the Supervisory Board has determined that the Supervisory Board shall be composed in such a way that there are at least five independent shareholder representatives as defined in Section C.7 of the Code.

No more than two former members of the Board of Management shall be members of the Supervisory Board. The members of the Supervisory Board must have sufficient time available to exercise their mandate and discharge their duties with due regularity and care.

In compliance with the age limit laid down by the Supervisory Board in the rules of procedure, as a rule only persons who are not older than 70 years may be proposed for election as members of the Supervisory Board. The aim is to ensure that the Supervisory Board has an appropriate experience and age structure.

In the opinion of the Supervisory Board, the following shareholder representatives on the Supervisory Board are currently to be regarded as independent in accordance with the Code: Dr. Klaus Meier, Heiner Dettmer, Wybcke Meier, Dr. Tim Nesemann and Dr. Patrick Wendisch. In the opinion of the Supervisory Board, the fact that Dr. Patrick Wendisch has been a member of the Supervisory Board for over 12 years does not conflict with the assessment of independence.

### Self-assessment of effectiveness

The Supervisory Board assesses, at regular intervals, how effectively the Supervisory Board as a whole and its committees individually fulfill their tasks. The results are discussed in depth by the Supervisory Board and, where appropriate, necessary action is taken. The last review based on anonymous questionnaires and joint evaluation of the results was conducted in financial year 2021. There were no indications of significant deficits.

### Composition of the Supervisory Board

The Supervisory Board is composed of 16 members. Half of the members of the Supervisory Board are elected by the shareholders at the Annual General Meeting. The other half of the Supervisory Board consists of the members elected by the employees in accordance with the provisions of the German Codetermination Act.

The composition of the Supervisory Board changed as follows compared with December 31, 2020:

Karl-Heinz Dammann resigned as a member of the Supervisory Board with effect from June 30, 2021. He was replaced by Jörn Schepull. Jörn Schepull was elected as a substitute member for Karl-Heinz Dammann in 2018.

Klaus Pollok resigned as a member of the Supervisory Board with effect from December 31, 2021. He was replaced by Fabian Goiny. Fabian Goiny was elected as a substitute member for Klaus Pollok in 2018.

Vera Visser resigned as a member of the Supervisory Board with effect from February 28, 2022. Martin Peter was appointed to succeed her as a member of the Supervisory Board by court order of the District Court of Bremen on March 11, 2022.

No former members of the Board of Management of BLG AG are represented on the Supervisory Board.

Details of duration of service and membership on committees are shown in the table.

Further information on functions and mandates is listed in the overview in the notes.

The CVs of the members of the Supervisory Board as well as the rules of procedure are published on our website: *www.blg-logistics.com/en/management*

| **Members of the Supervisory Board 2021** | **Member since** | left | Human Resources Committee | Audit Committee | Investment Committee | Mediation Committee |
|---|---|---|---|---|---|---|
| Dr. Klaus Meier | 05/2012 | | Chairman | | Chairman | Chairman |
| Christine Behle | 05/2013 | | Vice Chairwoman | | Member | Vice Chairwoman |
| Sonja Berndt | 05/2018 | | Member | | Member | Member |
| Karl-Heinz Dammann | 07/2009 | 06/2021 | until 6/30/2021 | | | |
| Heiner Dettmer | 05/2018 | | Member | | | |
| Fabian Goiny | 01/2022 | | | | | |
| Melf Grantz | 03/2011 | | Member | | | |
| Udo Klöpping | 05/2018 | | | | | |
| Wybcke Meier | 05/2018 | | | | | |
| Dr. Tim Nesemann | 04/2011 | | | Member | | |
| Beate Pernak | 07/2020 | | | Member | Member | |
| Martin Peter | 03/2022 | | | | | |
| Klaus Pollok | 06/2016 | 12/2021 | until 12/31/2021 | | | |
| Jörn Schepull | 07/2021 | | from 09/16/2021 | | | |
| Dr. Claudia Schilling | 01/2020 | | Member | | Member | |
| Dietmar Strehl | 01/2020 | | | Member | Member | Member |
| Reiner Thau | 10/2013 | | | Member | | |
| Vera Visser | 01/2020 | 02/2022 | | Member | | |
| Dr. Patrick Wendisch | 06/2008 | | | Chairman | | |

## Committees of the Supervisory Board

In addition to the Mediation Committee that it is required to form in accordance with Section 27 (3) of the German Codetermination Act, the Supervisory Board formed an Audit Committee, a Human Resources Committee and an Investment Committee. The respective key focuses of the committees are listed below.

## Human Resources Committee

- Prepares personnel decisions
- Decides on the employment contracts with members of the Board of Management in lieu of the full Supervisory Board
- Suggests suitable candidates for the election of the Supervisory Board members representing the shareholders for the Supervisory Board's nominations to the Annual General Meeting
- Performs the tasks of a Nomination Committee
- Provides advice on long-term succession planning for the Board of Management

The Human Resources Committee has equal representation and is composed of the Chair of the Supervisory Board, the Vice Chair and six other members of the Supervisory Board.

## Audit Committee

- Checks the accounting process
- Responsibly carries out the selection and tendering process for the statutory auditor
- Commissions and controls auditing and consulting services (incl. determining the remuneration for the auditor)
- Deals with matters relating to the company's accounting
- Reviews the annual financial statements and management report prepared by the Board of Management and the proposal for the appropriation of the net retained profits of BLG AG and reviews the financial statements for the purpose of complying with

the duty to prepare consolidated financial statements of BLG AG and the consolidated financial statements and group management report of BLG LOGISTICS (incl. proposal for approval by the Supervisory Board)

- Monitors the independence, qualification, rotation, quality and efficiency of the auditor
- Prepares decisions made by the Supervisory Board on planning for the following financial year, including earnings, statement of financial position, financial and investment planning
- Works in the areas of internal control system, risk management and control, and compliance

The Audit Committee is composed of three representatives of the shareholders and three employee representatives. The Chairman of the Audit Committee holding office in the reporting year complies with the statutory requirements in terms of independence and expertise in the fields of accounting and auditing that a member of the Supervisory Board and of the Audit Committee has to meet. This committee meets regularly twice a year.

### Investment Committee

- Makes preparatory decisions and resolutions for specifically defined and urgent investment projects

The Investment Committee has six members, three of them representatives of the shareholders and three employee representatives of the Supervisory Board. The Chairman of the Supervisory Board is also Chairman of this committee. The committee meets according to need.

### Mediation Committee

- Performs the tasks pursuant to Section 27 (3) of the German Codetermination Act

To perform its duties in accordance with Section 27 (3) of the German Codetermination Act, the Supervisory Board forms a Mediation Committee comprising the Chair of the Supervisory Board, the Vice Chair of the Supervisory Board, as well as one Supervisory Board member representing the employees and one Supervisory Board member representing the shareholders, elected in each case by a majority of the votes cast.

## Director’s dealings

According to Article 19 of the EU Market Abuse Regulation, members of the Board of Management, the first tier of management and the Supervisory Board are required as a matter of principle to report and disclose their own transactions with shares of BLG AG or related financial instruments.

The shareholdings of these persons amount in total to less than 1 percent of the shares issued by BLG AG. There were no purchases and sales requiring disclosure during the reporting year.

## Remuneration report and remuneration system

The applicable remuneration system of the Board of Management pursuant to Section 87a (1) and (2) sentence 1 of the German Stock Corporation Act (AktG), which was approved by the Annual General Meeting on June 2, 2021, and the system for the remuneration of the members of the Supervisory Board (Section 113 (3) AktG), which was also approved by the Annual General Meeting on June 2, 2021, are publicly available under ➚ *www.blg-logistics.com/en/investor-relations* (under Corporate Governance). The remuneration report, including the auditor’s audit opinion pursuant to Section 162 AktG, is made publicly available in the Download area at the same Internet address.

## Takeover-related disclosures in accordance with Section 315a (1) HGB

**Composition of the subscribed capital, voting rights and transfer of shares of BLG AG**

The subscribed capital amounts to EUR 9,984,000.00 and is divided into 3,840,000 no-par value registered shares with voting rights. Transfer of the shares requires the approval of the company in accordance with Section 5 of the Articles of Incorporation.

Each share is accorded one vote. The Board of Management of BLG AG is not aware of any restrictions or agreements between shareholders affecting voting rights. There is no maximum limit for a shareholder's voting rights and there are no special voting rights. In particular there are no shares with special rights that confer controlling powers. This means the principle of "one share, one vote" is implemented in full.

The shareholders exercise their co-administration and control rights at the Annual General Meeting. Section 19 of the Articles of Incorporation stipulates what requirements have to be met in order to participate in the Annual General Meeting as a shareholder and exercise voting rights. Only persons who are entered in the share register are regarded as shareholders of the company.

Every shareholder entered in the share register has the right to take part in the Annual General Meeting, take the floor there regarding the respective items on the agenda and request information on company matters to the extent this is necessary for proper evaluation of an item on the agenda. The Annual General Meeting passes resolutions primarily on formal approval of the Board of Management and Supervisory Board, appropriation of net retained profits, capital measures, authorization for stock buybacks, and amendments of the Articles of Incorporation.

**Shares in capital that exceed 10 percent of the voting rights**

Shareholders whose share in the share capital exceeds 10 percent are the Free Hanseatic City of Bremen (municipality) (50.4 percent), Panta Re AG, Bremen (12.6 percent), and Finanzholding der Sparkasse in Bremen, Bremen (12.6 percent).

**System of control of any employee share scheme where the control rights are not exercised directly by the employees**

BLG AG has not introduced any employee share schemes. To the extent that employees hold shares, they are not subject to any system of voting rights control. These shares represent insignificant portions of the company capital.

**Appointment and dismissal of Board of Management members and amendment of the Articles of Incorporation**

Please refer to the remarks above in the Corporate governance statement.

**Powers of the Board of Management to issue or buy back shares**

The Board of Management is currently not authorized by the Annual General Meeting to issue or buy back shares.

**Significant agreements subject to the condition of a change of control following a takeover bid and compensation agreements made by the company with members of the Board of Management or employees for the event of a takeover bid**

Agreements on the part of the company subject to the condition of a change of control following a takeover bid have not been made.

No compensation agreements were made by the company with members of the Board of Management or employees for the event of a takeover bid.

# The Supervisory Board and its Mandates

Details of membership on committees are shown in the Corporate governance statement.

| Name | Town | Function/profession | Mandates[1] |
|---|---|---|---|
| **Dr. Klaus Meier** | Bremen | **Chairman** | Deutsche Windtechnik AG, Bremen, Chairman of the Supervisory Board |
| appointed from 05/31/2012 | | Managing Partner of wpd windmanager GmbH & Co. KG, Bremen | wpd AG, Bremen, Chairman of the Supervisory Board |
| | | Lawyer | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen |
| **Christine Behle** | Berlin | **Vice Chairwoman** | Deutsche Lufthansa AG, Cologne, Vice Chairwoman of the Supervisory Board |
| appointed from 05/23/2013 | | Vice Chairwoman of ver.di | Die Autobahn GmbH des Bundes, Executive Board |
| | | Vereinte Dienstleistungsgewerkschaft, Berlin | |
| **Sonja Berndt** | Ritterhude | Vice Chairwoman of the Works Council | No membership in other bodies |
| appointed from 05/24/2018 | | BLG LOGISTICS GROUP AG & Co. KG, Bremen | |
| **Heiner Dettmer** | Bremen | Managing Partner of Dettmer Group KG, Bremen | No membership in other bodies |
| appointed from 05/24/2018 | | | |
| **Fabian Goiny** | Geestland | Car Transshipment Supervisor | Gesamthafenbetrieb im Lande Bremen GmbH, Bremerhaven |
| appointed from 01/01/2022 | | BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven | |
| | | Vice Chairman of the Works Council of | |
| | | BLG LOGISTICS GROUP AG & Co. KG, Bremen | |
| | | Member of the Works Council of | |
| | | BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven | |
| **Melf Grantz** | Bremerhaven | Mayor of the city of Bremerhaven, Bremerhaven | No membership in other bodies |
| appointed from 03/01/2011 | | | |
| **Udo Klöpping** | Bremen | HR Director at BLG LOGISTICS GROUP AG & Co. KG, Bremen | No membership in other bodies |
| appointed from 05/24/2018 | | | |
| **Wybcke Meier** | Hamburg | CEO of TUI Cruises GmbH, Hamburg | No membership in other bodies |
| appointed from 05/24/2018 | | | |
| **Dr. Tim Nesemann** | Bremen | Chairman of the Board of Management of Finanzholding der Sparkasse in Bremen | Deutsche Factoring Bank GmbH & Co. KG, Bremen |
| appointed from 04/01/2011 | | Chairman of Die Sparkasse Bremen AG, Bremen | GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen |

| Name | Town | Function/profession | Mandates[1] |
|---|---|---|---|
| **Beate Pernak** | Bremen | Payroll Accounting Assistant at | No membership in other bodies |
| appointed from 07/01/2020 | | BLG LOGISTICS GROUP AG & Co. KG, Bremen | |
| | | Member of the Works Council of BLG LOGISTICS GROUP AG & Co. KG, Bremen | |
| **Martin Peter** | Hannover | Regional Group Director of the Transport Division ver.di | No membership in other bodies |
| appointed from 03/11/2022 | | Landesbezirk Niedersachsen-Bremen | |
| **Jörn Schepull** | Bremerhaven | Vice Chairman of the Works Council of EUROGATE Container Terminal | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen |
| appointed from 07/01/2021 | | Bremerhaven GmbH, Bremerhaven | |
| **Dr. Claudia Schilling** | Bremerhaven | Senator of Science and Ports as well as | bremenports Beteiligungs-GmbH, Bremerhaven |
| appointed from 01/13/2020 | | Senator of Justice and Constitution of the Free Hanseatic City of Bremen, Bremen | bremenports GmbH & Co. KG, Bremen |
| | | | WFB Wirtschaftsförderung Bremen GmbH, Bremen |
| **Dietmar Strehl** | Bremen | Senator of Finance of the Free Hanseatic City of Bremen, Bremen | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen |
| appointed from 01/13/2020 | | | BREBAU GmbH, Bremen |
| | | | BIS Bremerhavener Gesellschaft für Investitionsförderung und |
| | | | Stadtentwicklung mbH, Bremerhaven |
| | | | Performa Nord, Bremen (Works Committee) |
| | | | Immobilien Bremen, AöR, Bremen (Administrative Board) |
| **Reiner Thau** | Hamburg | Chairman of the Works Council | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen |
| appointed from 10/15/2013 | | EUROGATE Container Terminal Hamburg GmbH, Hamburg | |
| **Vera Visser** | Bremen | Trade Union Secretary for Transport ver.di | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen |
| appointed from 01/24/2020 | | Bremen/North Lower Saxony district, Bremen | |
| appointed until 02/28/2022 | | | |
| **Dr. Patrick Wendisch** | Bremen | Managing Partner of Lampe & Schwartze KG, Bremen | OAS Aktiengesellschaft, Bremen |
| appointed from 06/05/2008 | | | |
| **Members of the Supervisory Board who retired in the 2021 reporting year:** | | | |
| **Karl-Heinz Dammann** | Geestland | Former Chairman of the Works Council of | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen |
| appointed until 06/30/2021 | | EUROGATE GmbH & Co. KGaA, KG, Bremen | EUROGATE Container Terminal Bremerhaven GmbH, Bremerhaven |
| | | Former Vice Chairman of the Works Council | (both mandates until 03/31/2021) |
| | | EUROGATE Container Terminal Bremerhaven GmbH, Bremerhaven | |
| **Klaus Pollok** | Bremerhaven | Process Manager | No membership in other bodies |
| appointed until 12/31/2021 | | BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven | |

[1] The information relates to memberships in legally required Supervisory Boards as well as memberships in comparable domestic and foreign control bodies of business enterprises.

# The Board of Management and its Mandates

| Name | Town | Function/responsibilities | Mandates[1] |
|---|---|---|---|
| **Frank Dreeke** | Ganderkesee | Chairman | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen |
| born 1959 | | Compliance | Chairman |
| appointed until 12/31/2024 | | Management Staff | |
| | | IT | |
| | | Communication | |
| | | Board of Management Coordination | |
| | | Sustainability and Digitalization | |
| | | Audit | |
| | | Corporate Strategy | |
| | | Transport Policy | |
| **Michael Blach** | Bremen | CONTAINER Division | EUROGATE Container Terminal Bremerhaven GmbH, Bremerhaven |
| born 1964 | | | Chairman |
| appointed until 05/31/2026 | | | EUROGATE Container Terminal Hamburg GmbH, Hamburg |
| | | | Chairman |
| | | | EUROGATE Technical Services GmbH, Hamburg |
| | | | Chairman |
| **Andrea Eck** | Bremen | AUTOMOBILE Division | No membership in other bodies |
| born 1963 | | | |
| appointed until 12/31/2024 | | | |
| **Christine Hein** | Bremen | CFO | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen (from 02/17/2021) |
| born 1967 | | Purchasing | |
| appointed until 10/31/2023 | | Financial Services | |
| | | International Corporate Finance/M&A | |
| | | Legal & Insurance | |
| | | Treasury | |

| Name | Town | Function/responsibilities | Mandates[1] |
|---|---|---|---|
| **Matthias Magnor** | Bremen | CONTRACT Division | No membership in other bodies |
| born 1974 | | | |
| appointed from 10/01/2021 | | | |
| appointed until 09/30/2024 | | | |
| **Ulrike Riedel** | Bremen | Labor Relations Director | Gesamthafenbetrieb im Lande Bremen GmbH, Bremerhaven |
| born 1972 | | Human Resources | Chairwoman |
| appointed until 06/30/2025 | | Occupational Health & Safety/Environmental Protection | Jacobs University Bremen, gGmbH, Bremen (until 12/14/2021) |
| **Jens Wollesen** | Lilienthal | CONTRACT Division | No membership in other bodies |
| born 1967 | | | |
| appointed until 09/30/2021 | | | |

[1] The information relates to memberships in legally required Supervisory Boards as well as memberships in comparable domestic and foreign control bodies of business enterprises.

# Advisory Board

A body of renowned external experts advises BLG LOGISTICS in its strategic international development.

| Name | Function/organization |
|---|---|
| **Prof. Dr.-Ing. Frank Straube** | Chairman of the Advisory Board of BLG |
| | Managing Director/Head of Logistics Technical University Berlin, Berlin |
| **Dr. Andreas Bovenschulte** | Mayor and President of the Senate of the Free Hanseatic City of Bremen |
| **Matthias Ditzen-Blanke** | Managing Director/Publisher NORDSEE-ZEITUNG GmbH, Bremerhaven |
| **Christoph Döhle** | Managing Partner of Peter Döhle Schiffahrts-KG, Hamburg |
| **Dr. Ottmar Gast** | Former Chairman of the Advisory Board of Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft ApS & Co. KG, Hamburg |
| **Rainer Christian Genes** | Member of the Advisory Board of the Vorwerk Group, Switzerland |
| **Prof. Dr. Bernd Gottschalk** | Managing Director of AutoValue GmbH, Frankfurt |
| **Peter Hoffmeyer** | Chairman of the Supervisory Board of Nehlsen AG, Bremen |
| from 11/05/2021 | |
| **Andreas Kellermann** | Managing Director KMS – Kellermann Management Solutions GmbH, Weil der Stadt |
| **Volker Lange** | Retired senator |
| | Honorary President of Verband der Internationalen Kraftfahrzeughersteller e.V., Bad Homburg |
| **Jürgen Maidl** | Finances, Organizational Development, Process Management, BMW GROUP, Munich |
| **Dr. Klaus Meier** | Managing Partner of wpd windmanager GmbH & Co. KG, Bremen |
| | Chairman of the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT-Aktiengesellschaft von 1877-, Bremen |
| **Kuno Neumeier** | Managing Director of Logivest GmbH, Munich |
| from 01/01/2022 | |
| **Prof. Dr. Karl Nowak** | Former President Corporate Sector Purchasing and Logistics (CP/P), Robert Bosch GmbH, Stuttgart |
| **Dr. Florian Schupp** | Head of Automotive Purchasing and After-Market, Schaeffler Group, Herzogenaurach |
| **Martin Weber** | Managing Director, DVV Media Group GmbH, Hamburg |
| **Prof. Dr. Yasmin Mei-Yee Weiß** | Managing Director, Institute for Chinese-German Cooperation, Munich |
| | Business Professor at Nuremberg Technical University, Nuremberg |

# Glossary

**Amortization**
Recovery of invested capital through income.

**Cargo-modal services**
Services such as storage, customs clearance, distribution logistics and supply chain management.

**Cash flow**
Key figure that describes the addition to cash and cash equivalents within the financial year.

**Cash-generating unit**
Smallest identifiable group of assets that, by virtue of continued use, generates inflows of liquidity, which, in turn, are largely independent of the cash inflows of other assets.

**Compliance**
Collective term for measures taken to ensure adherence to all legal obligations, provisions and directives relevant for a company as well as to corporate governance. Another objective of compliance is to achieve harmonization between corporate actions and social values.

**Corporate governance**
Rights and obligations of the various parties involved in the company, in particular the shareholders, Board of Management and Supervisory Board.

**Derivative financial instruments**
Financial instruments that are traditionally used to hedge existing investments or liabilities and whose value is derived from a reference investment (e.g. share or bond).

**Discounted cash flow method**
Measurement method: Future payment surpluses or deficits are discounted with the help of the cost of capital on the measurement date. Taxes due are included in the measurement. The present value determined in this way is the discounted cash flow.

**Distribution**
All processes carried out in the sales channel between producers and dealers all the way to the consumer.

**EBIT**
Earnings before interest and taxes = operating earnings.

**EBITDA**
Earnings before interest, taxes, depreciation and amortization.

**EBT**
Earnings before taxes.

**Equity accounting/equity method**
Method for recognition of equity investments that are not included in the consolidated financial statements on the basis of full consolidation with all assets and liabilities. The carrying amount of the investment is increased or decreased by the development of the proportionate equity of the investment. This change is recognized in the statement of profit or loss of the parent company.

**Forward interest rate swap**
A forward interest rate swap is an agreement on a swap in the future whose terms are defined immediately.

**Full consolidation**
Method for recognition of subsidiaries that are included in the consolidated financial statements with all assets and liabilities.

**Hedging**
A strategy of protecting against interest rate, currency and price risks through derivative financial instruments (options, swaps, forward transactions, etc.).

**Heritable building right**
Right of the leaseholder to have a building on third-party land in return for payment of consideration (so-called ground rent).

**Hypothetical derivative method**
Method of measuring the effectiveness of derivative financial instruments by comparing the change in market value of the derivative to that of a hypothetical derivative that perfectly hedges the risk to be hedged against.

**IASs**
International Accounting Standards (see also IFRSs).

**IASB**
International Accounting Standards Board: Body that develops and publishes International Accounting Standards.

**IFRIC**
International Financial Reporting Interpretations Committee: Body that publishes interpretations regarding the IFRS accounting standards. After approval by the IASB the interpretations are binding for all IFRS users.

**IFRSs**
International Financial Reporting Standards ("IASs" until 2001): International accounting regulations that are published by an international independent body (IASB) with the aim of creating a transparent and comparable accounting system that can be applied by companies and organizations all over the world.

**Impairment test**
Test to determine change in value in accordance with IFRSs.

**Interest rate swap**
An interest rate swap describes a contractual agreement on the exchange of interest payment flows in the same currency where the cash flows are based on a defined amount of capital.

**Joint venture**
Legally and organizationally independent company that is jointly established or acquired by at least two independent partners.

**Liability method**
Method of measurement of deferred tax assets and deferred tax liabilities. A measurement is carried out on the basis of the tax rate that is expected at the time when the future tax burden or relief arises.

**Matching principle**
IFRSs: Recognition of income and expenses of the same events in the same period.

**Other comprehensive income**
All income and expenses that are not contained in the net profit or loss for the year. It includes, for example, foreign currency gains and losses from the translation of foreign financial statements that are reported directly in equity in accordance with IAS 21.

**Other long-term benefits**
Additional long-term employee benefits that are reported under non-current provisions.

**Post-employment benefits**
Benefits after termination of employment contract.

**Profit retention**
Profits retained in a company for future investment rather than being distributed to shareholders as dividends.

**Projected unit credit method**
Special method for measuring pension and similar obligations in accordance with IFRSs.

**Pro rata temporis**
On a time-proportionate basis.

**Recoverable amount**
Amount presumed to be achievable through use or sale of an asset.

**RoCE**
Return on capital employed. Indicator that measures the return on capital employed. For this purpose, RoCE compares EBIT with the assets tied up in the company.

**Stage of completion method (SoC)**
IFRSs: Recognition of service orders according to their progress.

**TEU**
Twenty-foot container equivalent unit. Standardized container unit with a length of 20 feet (1 foot = 30 cm).

**Working capital**
Difference between current assets and current liabilities. Used to evaluate the liquidity of the company.

# Financial Calendar

## June 1, 2022
**2022 Annual General Meeting**

## June 7, 2022
**Payment of the dividend for the financial year 2021**

## September 30, 2022
**Interim report January to June 2022**

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**reporting.blg-logistics.com/en**

# Publishing Information/ Contact Details

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**Forward-looking statements**

This annual report contains forward-looking statements based on the management's current assessments of future developments. Such statements are subject to risks and uncertainties that are beyond BLG AG's control and that it is not possible for BLG AG to precisely estimate, such as the future market environment and economic conditions, the behavior of other market participants, the successful integration of new acquisitions and the realization of expected synergy effects, as well as measures by government agencies. Should any of these or other uncertainties and unknowns materialize, or should the assumptions on which these statements are based prove incorrect, actual results may be materially different from those expressed or implied by such statements. BLG AG neither intends nor assumes a separate obligation to update forward-looking statements to reflect events or developments after the date of this report.

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**Deviations for technical reasons**

For technical reasons (e.g. conversion of electronic formats) there may be differences between the accounting documents contained in this financial report and those submitted to the Federal Gazette. In this case, the version submitted to the Federal Gazette is deemed to be the binding version.

www.blg-logistics.com/en