



ROTTERDAM WORLD GATEWAY

Rotterdam World Gateway B.V.

Annual Report 2021

Seamless access to Europe

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Approved by General Meeting on June 15th 2022

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REPORT OF THE BOARD OF DIRECTORS

REPORT OF THE BOARD OF DIRECTORS

The report of the Board of Directors is deposited at the office of the Company.

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FINANCIAL STATEMENTS

BALANCE SHEET AS AT DECEMBER 31

(after appropriation of result)

in € 1,000	Note	12/31/2021	12/31/2020
ASSETS			
Non-current assets			
Property, plant and equipment	1	523,906	539,447
Right-of-use assets	2	319,897	322,635
Deferred tax asset	3	49,974	51,698
Other non-current assets	4	90,240	80,886
Total non-current assets		984,017	994,666
Current assets			
Receivables and prepayments	5	80,812	63,418
Cash and cash equivalents	6	67,278	53,648
Total current assets		148,090	117,066
TOTAL ASSETS		1,132,107	1,111,732
SHAREHOLDERS' EQUITY			
Issued share capital		14,018	14,018
Share premium		375,791	375,791
Hedging reserve		-6,897	-10,346
Accumulated deficit		-138,822	-149,762
Total equity attributable to shareholders of the company	7	244,090	229,701
LIABILITIES			
Non-current liabilities			
Loans and borrowings	8	373,254	403,515
Lease liabilities	9	387,267	384,770
Total non-current liabilities		760,521	788,285
Current liabilities			
Loans and borrowings	8	15,827	0
Lease liabilities	9	24,478	18,607
Trade and other payables	10	87,191	75,139
Total current liabilities		127,496	93,746
TOTAL LIABILITIES		888,017	882,031
TOTAL EQUITY AND LIABILITIES		1,132,107	1,111,732

* Certain comparative amounts have been recalculated to conform with current years' estimates

The accompanying notes are an integral part of these financial statements

INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31

In € 1,000	Note	2021	2020
Revenue	12	203,391	166,827
Cost of sales		-29,813	-25,049
Gross margin		173,518	141,778
Wages and salaries	13	-34,115	-29,020
Other operating expenses	14	-40,793	-33,023
EBITDA		98,610	79,735
Depreciation and amortization	15	-47,178	-43,865
EBIT		51,432	35,870
Finance income	16	51	79
Finance expenses	16	-38,819	-37,640
Result before tax		12,664	-1,691
Income tax income (expense)	17	-1,724	7,505
Net result		10,940	5,814
Total comprehensive income		10,940	5,814
Net result attributable to the shareholders of the Company		10,940	5,814
Total comprehensive income attributable to the shareholders of the Company		10,940	5,814

The accompanying notes are an integral part of these financial statements

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31

in € 1,000	Note	2021	2020
Cash flows from operating activities			
Net result		10,940	5,814
<i>Adjustments for:</i>			
Amortization and depreciation of non-current assets	1, 2, 4	47,178	43,865
Net finance cost	16	38,768	37,561
Income tax income (expense)	17	1,724	-7,505
Gross cash flows from operations		98,610	79,735
Change in current assets		-19,156	-17,437
Change in current liabilities (net of bank overdrafts)		11,898	14,362
Cash generated from operating activities		91,352	76,660
Interest received		4	3
Interest paid		-9,464	-9,278
Net cash flow from operating activities		81,892	67,385
Cash flows from investing activities			
Additions to property, plant and equipment	1	-20,882	-34,134
Net investment Reservation Fee	4	-10,013	-7,868
Net cash flow from investing activities		-30,895	-42,002
Cash flows from financing activities			
Repayment shareholder loans	8	-14,781	0
Repayment of lease liabilities	9	-22,586	-16,432
Net cash flow from financing activities		-37,367	-16,432
Net increase / (decrease) in cash and cash equivalents		13,630	8,951
Cash and cash equivalents as at January 1	6	53,648	44,697
Net increase (decrease) in cash and cash equivalents		13,630	8,951
Cash and cash equivalents as at December 31	6	67,278	53,648

The accompanying notes are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31

in € 1,000	Note	Issued share capital	Share premium	Hedging reserve	Accumulated deficit	Total
Balance as at January 1, 2020		14,018	375,791	-13,795	-155,576	220,438
Net result		0	0	0	5,814	5,814
Amortization settled cash flow hedges	7	0	0	3,449	0	3,449
Balance as at December 31, 2020	7	14,018	375,791	-10,346	-149,762	229,701
Net result		0	0	0	10,940	10,940
Amortization settled cash flow hedges	7	0	0	3,449	0	3,449
Balance as at December 31, 2021	7	14,018	375,791	-6,897	-138,822	244,090

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31

1. REPORTING ENTITY

Rotterdam World Gateway B.V. ("the Company", "RWG") is a private limited company domiciled in The Netherlands under register number 24420010 at the Chamber of Commerce. The Company's registered office is at Amoerweg 50, Rotterdam. The financial statements include only the separate financial statements of the Company and relate to the year ended on December 31, 2021.

The Company operates a fully automated deep sea container terminal at the Maasvlakte 2 in the port of Rotterdam.

2. BASIS OF PREPARATION

The financial statements were authorized for issue by the Company's Board of Directors on June 15th 2022. The financial statements will be submitted for approval to the General Shareholders' Meeting.

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"). The financial statements also comply with the legal requirements included in Part 9 of Book 2 of the Dutch Civil Code to the extent applicable.

2.2 Basis of measurement

The financial statements have been prepared on a going concern basis and the historical cost convention unless otherwise noted in the paragraph 'significant accounting policies' below. Costs are determined in accordance with the accounting policies applied to the Balance Sheet. Profit is realized in the year in which the revenue is recognized. Losses are taken upon recognition. Other income and expenses are allocated to the periods to which they relate.

2.3 Going concern

The financial statements have been prepared on going concern basis in accordance with IFRS-EU.

2.4 Functional and presentation currency

These financial statements are presented in Euro, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, except when noted otherwise.

2.5 Use of estimates and judgements

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and related assumptions are based on experience and other factors that are believed to be relevant and reasonable under the circumstances. Such estimates form the basis for the judgements made about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The most critical accounting policies involving a higher degree of judgement and complexity in applying principles of valuation are described below. Changes in the assumptions and estimates as described could result in significantly different amounts than those recognized in the financial statements.

a) Useful life of property, plant and equipment (note 1)

The useful life of property, plant and equipment is assessed by management based on the estimate of the period over which an asset is expected to be available for use by the Company.

b) Impairment of property, plant and equipment and other non-current assets (note 1, 2 and 4)

Management assesses at the end of each reporting period whether there is any indication that property, plant and equipment, right-of-use assets and other non-current assets, including the prepaid fees to the Port of Rotterdam, may be impaired. If any such indication exists, management shall estimate the recoverable amount of the involved assets. This requires an estimation of the value in use of the cash-generating unit to which the assets are allocated. Estimating the value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to estimate a suitable discount rate in order to calculate the net present value of those cash flows.

c) Recognition of deferred tax (note 3)

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the tax losses can be utilized. Significant estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the estimated likely timing and estimated level of future taxable profits together with future tax planning strategies.

d) Impairment of accounts receivable (note 5)

An estimate of the collectible amount of accounts receivable is made when collection of the full amount is no longer probable. For significant amounts, this estimate is completed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision is applied according to the length of time past due, based on estimated recovery rates.

Any difference between the amounts actually collected in future periods and the amounts expected, will be recognized in the Income Statement.

e) Contingent liabilities (note 11)

By their nature, recognition and disclosure of contingent liabilities and provisions are dependent upon estimates and assessments as to whether the criteria for recognition have been met, including estimates of the probability of cash outflows and the amount of such cash outflows. The assessment of the outcome and financial effect is based upon management's best knowledge and judgement of current facts as at the reporting date.

f) Lease liabilities (note 9)

Judgment is required in determining whether or not a contract contains a lease and if so, judgment is needed to calculate the appropriate discount rate and lease term.

3. CHANGES IN IFRS

3.1 New Standards and Interpretations adopted for the first time by the Company

All new Standards and Interpretations, explained below, adopted for the first time by the Company did not affect the Company's financial position and/or results:

- Amendments to IFRS 4 Insurance Contracts - deferral of IFRS19.
- Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform – Phase 2.
- Amendments to IFRS 16 Leases: Covid-19 Related Rent Concessions beyond 30 June 2021.

3.2 New Standards and Interpretations not yet applied by the Company

A number of new Standards, amendments to Standards and Interpretations are not yet effective for annual periods beginning on 1 January 2021 and have not been applied in preparing the financial statements 2021. These are:

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020.
- IFRS 17 Insurance Contracts.
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies.
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.
- Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements 2018-2020.

- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information.

None of these is expected to have a significant effect on the financial statements of the Company.

The Company plans to adopt the new Standards, amendments to Standards and Interpretations per the date the new/amended IFRS or IFRIC become effective and are endorsed by the European Union.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in the period presented in the financial statements. Certain comparative amounts have been reclassified to conform with current years' presentation.

4.1 Foreign currencies

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. In the Balance Sheet, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates applicable at the end of the financial year. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Income Statement, except when deferred in equity as qualifying cash flow hedges.

Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate at the date of the transaction.

The following exchange rates have been used in the financial statements of the Company:

	<i>Balance Sheet</i>		<i>Income Statement</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
US Dollar	0.8811	0.8141	0.8455	0.8775

4.2 Determination of fair values (note 20)

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Company recognizes transfers between levels of fair value hierarchy at the end of the reporting period during which the change occurred. Further information about the assumptions made in measuring fair values is included in note 20.

Accounts receivable and other receivables

The fair value of accounts receivable and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined for disclosure purposes at each annual reporting date.

Derivatives; interest rate swaps

The fair value of the interest rate swaps used for hedging is based on the fair value quotes of the banks who are the counterparty of the swap. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and counterparty when appropriate.

Other non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Loans and Borrowings

The fair value of loans and borrowings, used for disclosure purposes, is calculated based on the present value of principal and interest cash flows, discounted at the interest at the reporting date.

4.3 Property, plant and equipment (note 1)

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labour;
- Purchased software that is integral to the functionality of the related equipment;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- The amortization of the non-refundable reservation fees including pre-operational user fees paid to the Port of Rotterdam during the construction of the terminal;
- Borrowing costs that are directly attributable to the construction; and
- If applicable, the costs of dismantling and removing the items and restoring the site on which the assets are located.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within 'Other income' in the Income Statement.

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and available for use.

Spare parts that can only be used in connection with specific equipment are capitalized using average purchase prices and amortized as part of the equipment.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amounts of the replaced parts are derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Income Statement as incurred.

Depreciation

Depreciation is recognized in the Income Statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and is based on cost less any estimated residual value.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, when required.

4.4 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.4.1 Financial Assets

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), or fair value through profit and loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss,

transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding.

This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For purposes of subsequent measurement, financial assets are classified in four categories:

1. Financial assets at amortized cost (debt instruments);
2. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
3. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
4. Financial assets at fair value through profit or loss.

The Company does not have any financial assets classified in the second, third and/or fourth category.

The Company derecognizes a financial asset when the rights to receive cash flows from the asset have expired, or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets at amortized cost (debt instruments) (note 5)

This category is the most relevant to the Company. It includes trade and other receivables and other investments (e.g. long-term loans, deposits, and other long-term receivables). The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. An allowance for impairment of accounts receivables and other receivables is based on the expected credit loss model.

4.4.2 Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, lease liabilities, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include loans and borrowings including bank overdrafts and trade and other payables. The subsequent measurement of financial liabilities depends on their classification, as described below.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a currently enforceable legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Loans and other payables (note 8-10)

This is the category most relevant to the Company. This category generally applies to interest-bearing loans, lease liabilities, bank overdrafts, other taxes and social security payables and trade and other payables. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The interest expense and effective interest rate amortization are included as finance costs in the statement of comprehensive income. The repayment obligations on long-term loans and borrowings occurring within one year after balance sheet date are presented as short-term loans and borrowings.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the income statement.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

4.4.3 Derivative financial instruments and hedge accounting

Derivative financial instruments

The Company may use derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational and financing activities. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Company does not have material derivative financial instruments per balance sheet date anymore.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in the income statement. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category. The Company does not have such separately accounted embedded derivative financial liabilities.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss. The Company does not have such financial assets.

Derivatives are recognized initially at fair value and directly attributable transaction costs are recognized in the income statement as incurred. Subsequent to initial recognition, derivatives (insofar applicable) are measured at fair value, and changes therein are accounted for as described below.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment;
- Net investment hedges.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship;
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company may use forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognized as other expense and the ineffective portion relating to commodity contracts is recognized in other operating income or expenses.

The Company designates only the spot element of forward contracts as a hedging instrument. The forward element is recognized in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to the income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the income statement.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the income statement as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Consistent with prior year, the Company does not have any qualifying fair value hedges and/or net investment hedges as of balance sheet date.

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognized immediately in the income statement. The Company does not have such derivatives in 2021 and 2020.

4.5 Impairment (note 1, 2 and 4)

Financial instruments and contract assets

The Company recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost;
- Debt investments measured at fair value through Other Comprehensive Income; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured at 12-month expected credit losses:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- The financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per Moody's or BBB- or higher per S&P.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset might be credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at fair value through Other Comprehensive Income, the loss allowance is charged to the income statement and is recognized in Other Comprehensive Income.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of in principle writing off the gross carrying amount when the financial asset is 180 days past due, without possibilities to net overdue amounts against liabilities to this customer, based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4.6 Cash and cash equivalents (note 6)

Cash and cash equivalents comprise cash in hand, bank balances and deposits.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash as defined above, net of bank overdrafts. Bank overdrafts form an integral part of the Company's cash management and is included as a component of cash and cash equivalents for the purpose of the Cash Flow Statement.

4.7 Shareholders' Equity (note 7)

Shares are classified as equity. Incremental costs directly attributable to the issue of shares, net of any tax effects, are recognized as a deduction from equity. Any excess payments over par value is treated as share premium. Dividends are recognized as a liability in the period in which they are declared.

4.8 Revenue (note 12)

Revenue

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and any discounts and volume rebates allowed by the Company and excluding taxes or duty.

The Company's revenue mainly consists of containerized stevedoring and other containerized revenue. Non-containerized revenue mainly includes logistics and handling of break bulk cargo.

The following specific recognition criteria must also be met before revenue is recognized:

Rendering of services

Revenue from providing containerized stevedoring, other containerized services and non-containerized services is recognized at the point in time when the services are rendered to the customer. However, storage revenue is recognized over a period of time.

4.9 Employee benefits (note 13)

Short-term employee benefits

Short-term employee benefits, including wages and salaries, are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

4.10 Leases (note 10)

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The Company as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the income statement.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that

the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities separately on statement of financial position. Variable lease payments that depend on revenue and output are recognized in the income statement in the period in which the condition that triggers those payments occurs.

4.11 Government grants

Government grants are recognized when there is reasonable assurance that the grants will be received and that the Company will comply with the conditions attached to the grants.

Grants that compensate the Company for expenses incurred are recognized in the income statement on a systematic basis in the periods in which the expenses are recognized. Grants to compensate for the cost of assets are deducted from the cost of such assets. The grant is recognized in the income statement over the life of a depreciable asset as a reduced depreciation expense.

4.12 Finance income and expenses (note 16)

Financial income and expenses include interest, commitment fees and realized and unrealized exchange rate gains and losses. Borrowing costs, including interest expenses, that are not directly attributable to the acquisition, construction or production of a qualifying asset and interest income are recognized in the income statement using the effective interest method.

4.13 Income tax (note 3, 17)

Income tax comprises both current and deferred tax, including effects of changes in tax rates. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in other comprehensive income. Current and deferred tax are offset only in the balance sheet if the applicable criteria are met.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax is not discounted.

4.14 Cash Flow Statement

The cash flow statement has been prepared using the indirect method. Cash flows are categorized into cash flow from operating activities, cash flow from investing activities and cash flow from financing activities. Cash flows in foreign currencies have been translated at transaction rates.

Payments and receipts of income tax are included in the cash flow from operating activities. Cash flows from paid borrowing costs capitalized as part of the directly attributable costs to develop the container terminal are included in the cash flows from operating activities.

NOTES TO THE BALANCE SHEET AS AT DECEMBER 31**NON-CURRENT ASSETS****1. Property, plant and equipment****2021:**

in € 1,000	Land & buildings	Plant & equipment	Total 2021
As at January 1			
Cost	185,530	517,263	702,793
Accumulated depreciation	-32,398	-130,948	-163,346
Carrying amount	153,132	386,315	539,447
Changes during year			
Additions	18,869	2,535	21,404
Cost disposed assets	0	-1,141	-1,141
Accumulated depreciation disposed assets	0	1,141	1,141
Depreciation	-6,886	-30,059	-36,945
	11,983	-27,524	-15,541
As at December 31			
Cost	204,399	518,657	723,056
Accumulated depreciation	-39,284	-159,866	-199,150
Carrying amount	165,115	358,791	523,906
Depreciation rates	2%-10%	4-25%	

2020:

in € 1,000	Land & buildings	Plant & equipment	Total 2020
As at January 1			
Cost	184,581	483,334	667,915
Accumulated depreciation	-26,078	-103,136	-129,214
Carrying amount	158,503	380,198	538,701
Changes during year			
Additions	949	33,929	34,878
Depreciation	-6,320	-27,812	-34,132
	-5,371	6,117	746
As at December 31			
Cost	185,530	517,263	702,793
Accumulated depreciation	-32,398	-130,948	-163,346
Carrying amount	153,132	386,315	539,447
Depreciation rates	2%-10%	4-25%	

The amount of expenditures recognised in the carrying amount of items of property, plant and equipment in the course of its construction is € 9.5 million per December 31, 2021.

2. Right-of-use assets**2021:**

in € 1,000	Concession rights	Equipment & vehicles	Land & buildings	Total 2021
As at January 1	316,589	1,257	4,789	322,635
Additions	0	344	0	344
Remeasurements	6,786	163	65	7,014
Amortization	-8,174	-914	-1,008	-10,096
As at balance sheet date	315,201	850	3,846	319,897

2020:

in € 1,000	Concession rights	Equipment & vehicles	Land & buildings	Total 2020
As at January 1	336,026	1,546	2350	339,922
Additions	0	400	3,174	3,574
Remeasurements	-11,377	255	79	-11,043
Amortization	-8,060	-944	-814	-9,818
As at balance sheet date	316,589	1,257	4,789	322,635

The Company entered into concession- and lease agreements that provide the right to use port terminal infrastructure, equipment, buildings and other assets for carrying out its business operations.

3. Deferred tax asset

in € 1,000	Note	2021	2020
As at January 1		51,698	44,193
Added to (charged against) Net Result	17	-1,724	7,505
As at balance sheet date		49,974	51,698

The deferred tax asset consists of the cumulative tax losses carried forward and the temporary cumulative tax effect of the recognition of lease costs pursuant to IFRS 16 that is not recognized for corporate income tax purposes that continues to use the IAS 17 lease costs recognition criteria.

As at December 31, 2021 the Company has cumulative tax losses carried forward of € 97.0 million (2020: € 126.1 million). The container volume outlook appears sufficiently certain through signed terminal service agreements and volume allocations by the shipping alliances and shipping liners. Based on these volumes sufficient projected taxable results are projected in the financial forecasts of the Company to use all tax losses. As at December 31, 2021 the balance of the deferred tax asset relating to the tax losses carried forward is € 25.0 million (2020: € 31.6 million) with the remainder of the deferred tax asset relating to temporary differences caused by IFRS 16.

The Company has filed all tax returns up till 2019 with the Dutch Tax Authority. The Dutch Tax Authority issued a final assessment of the tax returns up till 2018.

4. Other non-current assets

in € 1,000	12/31/2021	12/31/2020
Reservation Fee	90,240	80,886
As at balance sheet date	90,240	80,886

The Company has entered into a concession agreement with the Port of Rotterdam regarding the allocation of Container Terminal 1 on Maasvlakte II. The Company paid a Reservation Fee to the Port of Rotterdam. The Reservation Fee is considered to be a prepayment related to the lease of the plots, measured at cost and straight-line amortized over the expected duration of the concession agreement including the expected extensions until 2061. An amount of € 0.7 million (2020: € 0.7 million) is expected to be amortized within twelve months after balance sheet date.

There are several non-financial conditions in the concession agreement that have to be met by the Company, mainly relating to traffic modalities and operational permits. If these conditions are not met this may lead to cancellation of the agreement and forfeiture of the Reservation Fee paid. As at December 31, 2021 and December 31, 2020 the Company met all aforementioned conditions with the exception of the traffic modality per December 31, 2021 and December 31, 2020. Management assesses that this is not expected to have significant impact because of mitigating circumstances. Contractual balance sheet positions are recognized for the traffic modality arrangements.

Management of the Company annually assesses the carrying amount of the total Reservation Fee, other non-current prepayments, right-of-use assets and property, plant and equipment for indications of impairment. As at December 31, 2021 and December 31, 2020 there were no indications of impairment based on the requirements in the concession agreement and the financial forecasts.

CURRENT ASSETS

5. Receivables and prepayments

in € 1,000	12/31/2021	12/31/2020
Accounts receivable	25,340	24,578
Value added tax	3,281	1,583
Miscellaneous receivables and accruals	52,191	37,257
As at balance sheet date	80,812	63,418

Referral is made to note 18 for receivables from related parties, note 19 for the Company's exposure to credit and currency risks and note 20 for fair value disclosures.

6. Cash and cash equivalents

Certain bank deposits part of the total deposits amounting to € 17,609 thousand (2020: € 9,644 thousand) are related to compliance with requirements included in the Secured Senior Notes (see note 8) or are not at free disposal based on the contractual characteristics of such deposits.

SHAREHOLDERS' EQUITY

7. Shareholders' equity

Issued share capital

The authorised capital of the Company amounts to € 60,000,000 (2020: € 60,000,000) divided into 60,000,000 ordinary shares of € 1 par value each. At December 31, 2021 the issued and fully paid share capital amounts to € 14,018,000 (2020: € 14,018,000).

Share premium

Share premium represents surplus received over and above the nominal cost of the shares issued to the shareholders and forms part of the shareholder equity.

Hedging reserve

The hedging reserve comprised the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges. The hedging instruments used in cash flow hedges were settled during 2018. The paid settlement price is amortized over the contractual duration of these settled hedging instruments.

Limitation in the distribution of shareholders' equity

Pursuant to the conditions relating to the Secured Senior Notes (see note 8), limitations exist to the distribution of shareholders' equity. Dividend distributions are subject to agreed upon ratios in the note purchase agreement.

Statutory provisions regarding result appropriation

Clause 24 of the Articles of Association states that the net result is at the free disposal of the General Meeting. Distribution of profit is only allowed if the Board of Directors proposes such a distribution and to the extent that equity exceeds the total amount of the Company's issued share capital and the reserves to be maintained pursuant to the Law.

Result appropriation

In accordance with the proposal, the net profit 2020 has been added to the accumulated deficit. The Board of Directors proposes to the General Meeting to add the net profit 2021 to the accumulated deficit. This proposed result appropriation has been included in the Balance Sheet.

NON-CURRENT LIABILITIES**8 Loans and borrowings**

In € 1,000	Note	12/31/2021	12/31/2020
Financial institutions	8.1	352,491	368,130
Shareholder loans	8.2	20,763	35,385
As at balance sheet date		373,254	403,515

Apart from the recognized amounts in the non-current liabilities above, the current liabilities include the following amounts expected to be repaid within one year after balance sheet date:

In € 1,000	Note	12/31/2021	12/31/2020
Financial institutions	8.1	15,827	0
Shareholder loans	8.2	0	0
As at balance sheet date		15,827	0

8.1 Financial institutions

The Company issued € 371 million Secured Senior Notes ('The Notes') in 2018. The Notes contain covenants that require the Company to meet several ratios and conditions as defined in the common terms agreement. As at December 31, 2021 and December 31, 2020 the Company was in compliance with the financial covenant consisting of a debt service coverage ratio.

The Notes have a maturity date of March 31, 2036. The interest rate applicable for the Notes is fixed for the duration of the loan at 2.47%. Repayments will commence at June 30, 2022 as agreed upon in the repayment schedule with semi-annual installments. The increase in the balance of the loan during the year is equal to the amortization of the transaction costs for the Notes. As at December 31, 2021 the remaining borrowed amount is equal to € 371.0 million (2020: € 371.0 million). The net book value of the capitalized transaction costs associated with the Notes are deducted from the balance of the loan.

The Company provided the following collateral to the lenders of the Notes:

- Pledge on the bank accounts;
- Pledge on all moveable assets;
- Pledge on all receivables;
- Assignment of the title and benefits of certain contracts and insurances; and
- Mortgage on the premises of the Company.

The Notes place certain restrictions on distributions to shareholders.

8.2 Shareholder loans

The Company received loans from its shareholders which are convertible into equity, under certain conditions, six months after a loan was granted. If conversion does not take place after six months, the interest percentage on the loans becomes 5.375%. The loans do not have a maturity. The face value of the loans is equal to the received loans. The loans are recognized within the non-current liabilities to the extent that repayment within one year after balance sheet date is not expected.

Referral is made to note 19 for the Company's exposure to interest and liquidity risks, to note 20 for fair value disclosures and to note 21 for the maturity analysis.

9. Lease liabilities

in € 1,000	2021	2020
As at January 1	403,377	404,258
Additions	344	3,574
Remeasurements	7,014	-10,901
Lease payments	-22,586	-16,432
Interest expenses	23,596	22,878
As at balance sheet date; total lease liabilities	411,745	403,377
Current portion of the lease liabilities	-24,478	-18,607
As at balance sheet date; non-current portion of the lease liabilities	387,267	384,770

The lease liabilities mainly consist of terminal operating leases arising out of the concession agreement with the Port of Rotterdam which is long term in nature. In addition, this also includes leases of equipment, buildings, vehicles and other assets.

The Company owes to the Port of Rotterdam both fixed and variable fees for the plots A&C and plot B. Plots A&C are already leased and are in use, the Company expects to start the lease of plot B in a later stage. The contingent part of these fees are dependent on the difference between the traffic realised and the traffic guarantee. The concession agreement contains an option to renew the lease.

The lease expense recognised in the Income Statement for short-term leases, variable leases and low-value leases is € 0.3 million (2020: € 0.1 million).

Referral is made to note 19 for the Company's exposure to interest and liquidity risks, to note 20 for fair value disclosures and to note 21 for the maturity analysis.

CURRENT LIABILITIES**10. Trade and other payables**

in € 1,000	12/31/2021	12/31/2020
Accounts payable	17,724	18,047
Wage tax	650	5,058
Other accruals	23,977	19,585
Other current liabilities	44,839	32,449
As at balance sheet date	87,190	75,139

Approximately € 0.0 million (2020: € 0.0 million) of the accounts payable, accruals and other current liabilities is expected to be spent or paid more than one year after balance sheet date.

Referral is made to note 19 for the Company's exposure to interest and liquidity risks, to note 20 for fair value disclosures and to note 21 for the maturity analysis.

11. Commitments and Contingencies**11.1 Capital commitments**

The commitments relating to capital expenditures as at December 31, 2021 amount to approximately € 3 million (2020: € 3 million).

11.2 Other commitments

The Company entered into a Management Services Agreement with one of its shareholders. This agreement is terminated on the expiry of the Concession Agreement.

in € 1,000	12/31/2021	12/31/2020
Less than 1 year	1,089	1,063
Between 1 and 5 years	6,471	6,320
Longer than 5 years	23,226	25,140
As at balance sheet date	30,786	32,523

NOTES TO THE INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31

12. Revenue

All revenue consists of revenue from rendered container stevedoring services and associated services earned on the terminal located in Rotterdam.

Three (2020: three) customers, of which one (2020: one) related party, represented each more than 10% of total gross revenue. In total these customers represented 64% (2020: 64%) of total gross revenue.

The above revenue includes almost exclusively revenue from contracts with customers under IFRS 15. No impairment losses have been recognized on any receivables or contract assets arising from an entity's contracts with customers.

13. Wages and salaries

The wages and salaries charged to the Income Statement include € 1,937 thousand (2020: € 1,880 thousand) social security premiums and € 1,307 thousand (2020: € 1,204 thousand) pension premiums for the defined contribution pension plan. Referral is made to note 18 for the compensation of key management personnel.

	2021	2020
Operations	122	115
Engineering	41	42
Other	44	41
Average number of employees (FTE) directly employed by the Company	207	198

14. Other operating expenses

Fees auditor firm

The following fees of KPMG Accountants and affiliated companies, in accordance with Section 2:382a(1) and (2) of the Dutch Civil Code, are included in the Income Statement.

In € 1,000	2021	2020
Audit of the financial statements	97	60
Other audit engagements	0	0
Tax-related advisory services	17	5
Other non-audit services	69	37
Total	183	102

15. Depreciation and amortization

In € 1,000	Note	2021	2020
Depreciation land & buildings	1	6,886	6,320
Depreciation plant & equipment	1	30,059	27,812
Amortization right-of-use assets	2	9,574	9,074
Amortization other non-current assets	4	659	659
Total		47,178	43,865

16. Finance income and Finance expenses

The net amount of exchange differences recognised in the Income Statement is -€ 135 thousand (2020: € 34 thousand).

Total interest income is € 0 thousand (2020: € 3 thousand) and total interest expenses for financial liabilities not at fair value through profit and loss is € 2 thousand (2020: € 0 thousand).

17. Income tax income (expense)

The components of the tax income (expense) in the Income Statement are:

in € 1,000	2021	2020
Deferred tax current year	-3,166	339
Deferred tax asset write-down reversal	0	396
Deferred tax prior years	-108	0
Deferred tax adjustment for corporate income tax rate changes	1,550	6,770
Total tax income (expense)	-1,724	7,505

The corporate income tax expense in the Income Statement is 13.6% (2020: 443.8%) of the result before tax. The difference between this percentage and the nominal Dutch corporate income tax rate of 25.0% (2020: 25.0%) consists of:

	2021	2020
Nominal Dutch Corporate Income Tax rate	25.0%	25.0%
Deferred tax asset write-down and reversals thereof	0.0%	23.4%
Deferred tax prior years	0.9%	0.0%
Deferred tax adjustment for corporate income tax rate changes	-12.3%	400.4%
Other	0.0%	-5.0%
Effective tax rate	13.6%	443.8%

The deferred tax adjustment for corporate income tax rate changes results from increase of future corporate income tax rates and the cancellation of future Dutch corporate income tax rate decreases over the next years for which the legislation has been approved by the Dutch government respectively for current and prior year.

Referral is made to note 3 for the deferred tax (asset) related to the tax losses carried forward and temporary differences.

18. Related Party Transactions

Related parties represent shareholders, key management personnel and entities jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management. The terms and conditions of the related party transactions are at arm's length basis.

Transactions with related parties included in either the Income Statement or capitalised in PP&E are:

in € 1,000	2021	2020
Charged personnel costs and management fees	1,410	1,416
Miscellaneous	157	130
Total costs	1,567	1,546

The revenue recognized in the Income Statement relating to related parties amounts to € 84.2 million (2020: € 63.6 million).

Balances with related parties included in the Balance Sheet are:

in € 1,000	12/31/2021	12/31/2020
Trade and other payables	276	271
Accounts receivable and other receivables	52,625	42,814

Compensation of key management personnel

Pursuant to Section 2:383(1) of the Dutch Civil Code the remuneration of the Board of Directors is not disclosed. The remuneration of key management personnel, charged to the Income Statement of the financial year amounts to € 1,516 thousand (2020: € 1,224 thousand).

19. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

19.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

In € 1,000	12/31/2021	12/31/2020
Receivables and prepayments	80,812	63,418
Cash and cash equivalents	67,278	53,648
As at balance sheet date	148,090	117,066

The credit quality of accounts receivable and other receivables is assessed based on a credit policy established by the Company. This credit policy prescribes that each new customer is analysed individually for creditworthiness before the payment terms and other conditions, including the maximum credit limits, are agreed upon. This is then followed by periodic monitoring of the creditworthiness and the timing of actual payments made for each existing customer.

The top ten customers within accounts receivable represent 99% (2020: 96%) of the accounts receivables.

Based on the Company's monitoring of credit risk, the Company believes that no impairment is necessary in respect of receivables, the other non-current financial assets and cash at bank and in hand as at December 31, 2021 and December 31, 2020. There were no impairment losses incurred during 2021 and/or 2020.

The aging of accounts receivable (net) is:

In € 1,000	12/31/2021	12/31/2020
Neither past due nor impaired	20,900	17,367
Past due on balance sheet date:		
Past due 1-31 days	1,805	6,489
Past due 32-61 days	846	510
Past due 62-92 days	683	102
Past due 93 or more days	1,106	110
As at balance sheet date	25,340	24,578

The creditworthiness of the counterparties included in accounts receivable which are neither past due nor impaired appears sufficient. The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on the historic collection trends.

The entire amount of cash and cash equivalents is held with one bank, in accordance with the agreement for the Notes. This bank has a long term credit rating of 'A' according to S&P.

19.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash and/or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company is currently steadily increasing the container volume of the container terminal. Therefore the Company monitors the level of expected cash inflows together with cash outflows needed to fund the terminal throughout this growth phase, the liquidity position further supported now by the net-proceeds of the refinancing. RWG management believes that the liquidity is sufficient.

Referral is made to note 21 for the maturity analysis.

19.3 Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

During the year Covid-19 had no significant impact on the Company's exposure on foreign currency exchange rates and interest rates.

The Company uses derivatives to manage market risk. All such transactions are carried out within the internal guidelines and any requirements from external parties such as borrowers. In general, the Company seeks to apply hedge accounting to manage volatility in reported net results. Per balance sheet date the Company does not have any derivatives.

19.3.1 Currency risk

The Company's currency risk is limited as the amount of transactions and/or balances denominated in foreign currencies is not material.

19.3.2 Interest rate risk

The Company is per balance sheet date no longer exposed to changes in interest rates on borrowings. The Company has the policy to enter into designated interest rate swaps as hedges of the variability in cash flows attributable to the interest rate risk.

19.4 Capital management

The Board's policy is to maintain a strong capital base to maintain shareholder and creditor (including the borrowers) confidence and to sustain future development of the business. Capital consists of total equity, less amounts accumulated in equity related to cash flow hedges and amounts to € 251 million (2020: € 240 million). The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise value. All in compliance with the requirements related to equity in the Notes. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security made possible by a sound capital position.

20. Fair values of financial assets and financial liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

The different levels in the fair value hierarchy, used in the table below, have been defined as:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2021:

in € 1,000	Note	Carrying amount		Total carrying amount	Fair value			
		Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Cash and cash equivalents	6	67,278	0	67,278				
Receivables and prepayments	5	80,812	0	80,812				
Total		148,090	0	148,090				
Financial liabilities not measured at fair value								
Loans and borrowings	8	389,081	0	389,081	0	389,081	0	389,081
Lease liabilities	9	0	411,745	411,745	0	411,745	0	411,745
Trade and other payables	10	0	87,191	87,191				
Total		389,081	498,936	888,017				

December 31, 2020:

in € 1,000	Carrying amount			Fair value				
	Note	Loans and receivables	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Cash and cash equivalents	6	53,648	0	53,648				
Receivables and prepayments	5	63,418	0	63,418				
Total		117,066	0	117,066				
Financial liabilities not measured at fair value								
Loans and borrowings	8	403,515	0	403,515	0	403,515	0	403,515
Lease liabilities	9	0	403,377	403,377	0	403,377	0	403,377
Trade and other payables	10	0	75,139	75,139				
Total		403,515	478,516	882,031				

The Company has not disclosed the fair values for the line-items 'Cash and cash equivalents', 'Receivables and prepayments' and 'Trade and other payables' because their carrying amounts are a reasonable approximation of fair values given there are no indication of value increasing and/or decreasing factors with regard to the financial statements items.

The fair value of loans and borrowings and lease liabilities is based on discounted cash flows.

The risk-adjusted discount rates used to discount estimated cash flows, where applicable, are based on the government yield curve at the end of the reporting period, adjusted for an appropriate risk premium.

2.1. Maturity analysis

The following are the undiscounted contractual maturities of financial liabilities as at December 31, 2021 and December 31, 2020, including estimated interest payments and excluding the impact of netting agreements:

December 31, 2021:

in € 1,000	Carrying amount	Contractual cash flows				
		Total	< 2 months	2-12 months	1-2 years	2-5 years > 5 years
Non-derivative financial liabilities						
Loans and borrowings	368,318	-443,139	0	-24,893	-30,270	-101,648 -286,328
Shareholder loans	20,763	-25,600	0	0	0	-25,600 0
Lease liabilities	411,745	-988,002	-133	-24,346	-24,310	-72,075 -867,138
Trade payables	17,724	-17,724	-12,629	-5,095	0	0 0
Total	818,550	-1,474,465	-12,762	-54,334	-54,580	-199,323 -1,153,466
Gross inflow / (outflow)	818,550	-1,474,465	-12,762	-54,334	-54,580	-199,323 -1,153,466

December 31, 2020:

in € 1,000	Carrying amount	Contractual cash flows				
		Total	< 2 months	2-12 months	1-2 years	2-5 years > 5 years
Non-derivative financial liabilities						
Loans and borrowings	368,130	-452,303	0	-9,164	-24,893	-63,145 -355,101
Shareholder loans	35,385	-42,993	0	-1,902	-1,902	-39,189 0
Lease liabilities	403,377	-1,056,131	-4,026	-18,391	-24,781	-72,179 -936,754
Trade payables	18,047	-18,047	-12,231	-5,816	0	0 0
Total	824,939	-1,569,474	-16,257	-35,273	-51,576	-174,513 -1,291,855
Gross inflow / (outflow)	824,939	-1,569,474	-16,257	-35,273	-51,576	-174,513 -1,291,855

The gross inflows/(outflows) disclosed in the previous tables represents the contractual undiscounted cash flows, including minimum lease payments under non-cancellable leases. For Shareholder Loans that are expected to be converted into equity, no cash flow is included in the previous tables.

As disclosed in Note 8, the Company has issued Notes which contains covenants. A future breach of covenant(s) may require the Company to repay the Note earlier than indicated in the tables above. For the financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significant different amounts.

22. Subsequent events

There are no subsequent events relevant to the financial statements.

Rotterdam, June 15, 2022

The Board of Directors,

W.S.
R. Lugthart

W.S.
C. Lu

W.S.
L.A.Y. Martens

W.S.
N. Abe

W.S.
T. Hida

W.S.
S.R. Frils

W.S.
J.M. Woollacott

W.S.
M.M.O.C. Masson

W.S.
Y.G. Shin

W.S.
R.A.H. Abdulla

OTHER INFORMATION

Statutory provisions regarding result appropriation

Clause 24 of the Articles of Association states that the net result is at the free disposal of the General Meeting. Distribution of profit is only allowed if the Board of Directors proposes such a distribution and to the extent that equity exceeds the total amount of the Company's issued share capital and the reserves to be maintained pursuant to the Law.

Independent auditor's report

To: the General Meeting of Rotterdam World Gateway B.V.

Report on the audit of the accompanying financial statements

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Rotterdam World Gateway B.V. as at 31 December 2021 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2021 of Rotterdam World Gateway B.V. (the Company) based in Rotterdam. The financial statements comprise:

- 1 The balance sheet as at 31 December 2021;
- 2 The income statement and other comprehensive income for the year ended 31 December 2021;
- 3 The statement of cash flows for the year ended 31 December 2021;
- 4 The statement of changes in equity for the year ended 31 December 2021;
- 5 The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Rotterdam World Gateway B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit procedures were determined in the context of our audit of the financial statements as a whole. Our observations in respect of going concern and fraud and non-compliance with laws and regulations should be viewed in that context and not as separate opinions or conclusions. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit response to going concern – no significant going concern risks identified

The Board of Directors has performed its going concern assessment and has not identified any significant going concern risks. To assess the Board of Directors' assessment, we have performed, inter alia, the following procedures:

- we considered whether the Board of Directors' assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we considered whether the current year developments indicate a significant going concern risk;
- we analysed the Company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify significant going concern risks;
- we inspected the financing agreement in terms of conditions that could lead to significant going concern risks, including the term of the agreement and any covenants.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on Board of Directors' going concern assessment.

Audit response to the risk of fraud and non-compliance with laws and regulations

The Company has not documented its procedures in respect of the risk of fraud and non-compliance with laws and regulations in the Report of the Board of Directors.

As part of our audit, we have gained insights into the Company and its business environment and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of conduct, anti-corruption policy, whistleblowing procedures, and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, those charged with governance and other relevant functions, such as Legal Counsel. As part of our audit procedures, we:

- assessed other positions held by Board of Directors members and/or other employees.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a material effect on the financial statements:

- environmental and safety laws;
- employment laws.

We evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit and responded as follows:

Management override of controls (a presumed risk)

Risk

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses

- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries made around and just after year-end, estimates related to deferred taxes, revenue recognition and valuation of non-current assets.
- We performed a data analysis of high-risk journal entries such as those made around year-end and post-closing journal entries and evaluated key estimates related to deferred taxes and judgments for bias by the Company's management. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.

Revenue recognition (a presumed risk)

Risk

- We consider that management might have an incentive to overstate revenue from container stevedoring services to achieve higher results.

Responses

- In addition to the procedures already mentioned above, we performed substantive audit procedures on the container stevedoring revenue stream of the Company, including:
 - we evaluated the design and implementation of internal controls that mitigate the revenue recognition risk, such as the reconciliation of prices in the Company's IT systems to the contractual agreements;
 - assessing whether revenue is recognised in accordance with the relevant standards, including the appropriateness of the allocation of contract revenue to multiple element deliverables;
 - we tested specific transactions around year end by reconciling sales invoices to related orders and arrival / departure dates and investigate transactions that did not reconcile (if any);
 - we tested specific transactions throughout the year by reconciling sales invoices to related orders and arrival / departure dates and investigate transactions that did not reconcile (if any);
 - assessing the accuracy of the rebates recognized at year-end by reconciling the rebate schedules to the contractual agreements.

We communicated our risk assessment, audit responses and results to the Board of Directors, our audit procedures did not reveal indications and/or reasonable suspicion of fraud and noncompliance that are considered material for our audit.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information. Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code regarding the management report and the other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the management report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit 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 the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- concluding on the appropriateness of management's 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 our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 findings in internal control that we identify during our audit.

Rotterdam, 15 June 2022

KPMG Accountants N.V.

W.S.

V.P. van der Pluym RA