



GRONINGEN SEAPORTS

Annual Report 2022

MOVING AHEAD WITH NEW ENERGY



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KEY FIGURES

SITE ALLOCATION



SUBLEASED

15.8
hectare

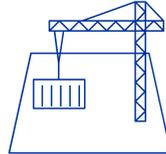
2021: 14.9

SOLD

21.6
hectares

2021: 21.6

TRANSSHIPMENT



13.0
million tonnes

-2.1% compared to 2021

EMPLOYMENT



DIRECT

6,625
people (2021)

2020: 6,893

INDIRECT

6,867
people (2021)

2020: 6,395

EMPLOYEES



105
(99.5 FTE)

2021: 90 (87.2 FTE)

REVENUE



€ 57,643,000

2021: € 54,148,000

INVESTMENTS



€ 9,737,000

2021: € 8,881,000

DIVERSITY



WOMEN

34%

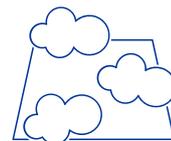
2021: 28%

WOMEN IN SENIOR ROLES

24%

2021: 22%

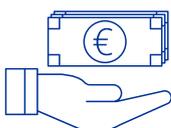
CO₂ EMISSIONS IN MANAGEMENT AREA



12.13
Mton (2021)

2020: 9.48

PROFIT BEFORE TAX



€ 20,370,000

2021: € 7,562,000

SUMMARY

In this annual report we look back on our activities and results in 2022. The annual report consists of three parts: the directors' report, the financial statements and other information. It was published on 12 May 2023.



Part I considers the results and activities on the basis of the following five main themes:

- Economic development and employment
- Sustainability
- Nautical management
- Organisational development
- Finances

In the chapter on corporate governance you will find information about our corporate governance structure. Here you will also find the report of the supervisory board and an interview with the chair of the supervisory board.

The financial statements give a financial summary for 2022. We present our full annual figures with explanatory notes.

You will find the auditor's audit certificate and the appropriation of profit under the articles of association under other information.

FOREWORD BY THE DIRECTORS

We look back on 2022 with a positive feeling, a year when we continued the course we have embarked on: economic growth is green. This requires space. Space to enable us to give permits to and finance innovative companies as well. Physical and environmental space is required, as well as scope for investment for the necessary infrastructure. We need breadth to enable us to move fast together, as we did with the arrival of the LNG terminal. That way, the seaports of Groningen can continue to play an important part in the energy transition in the Netherlands and Northwestern Europe.

The year 2022 was an extraordinary year. As a result of Russia's invasion of Ukraine, the supply security of energy came under pressure in Western Europe, and the Netherlands had to phase out its dependence on gas from Russia as quickly as possible. The options for completing a floating LNG facility in Eemshaven in the short term were therefore investigated. In collaboration with all parties concerned, this floating LNG terminal was completed in record time: within six months. The terminal was operational at the beginning of September. We are very proud that we, together with all parties concerned, have been able to accomplish this huge project within such a short period of time, and that we have thus been able to make an important contribution to independent energy supply in Western Europe.



The war in Ukraine also led to a number of sanctions being imposed by many countries and the European Union on Russia. One of these sanctions consisted of barring ships sailing under Russian flag. The implementation of these sanctions is the task of the Port Security Officers at the ports, and the same applies to our Port Security Officer. These sanctions, which are the responsibility of the central government, are currently still in force.

The war in Ukraine involves potential security risks for our ports and installations. Groningen Seaports keeps in touch with the relevant government bodies about this constantly.

Land allocation and site development

In financial terms, 2022 was a good year. Last year, 18 allocations of land took place, covering 37.4 hectares in total. About 15.8 hectares was subleased and approximately 21.6 hectares was sold on the basis of previous agreements. These allocations enabled us to achieve a turnover of € 58 million, with a net profit after tax of € 16.1 million.

Groningen Seaports achieved a volume of more than 13 million tonnes of transshipment in 2022, which means these figures have remained stable compared to 2021.

In 2022 we continued to accommodate companies at our industrial sites and business parks. In order to continue to meet the demand for suitable land, in 2022 we focused on the development of two of our sites in the Delfzijl port area: Heveskes and Oosterhorn-Zuid. The companies to be established at these sites fit within the clusters we focus on: the biobased chemical industry, green energy and circular industry.

We were able to welcome a number of great new companies in these clusters in 2022, including the listed company Avantium, a leading technology company in the green chemical industry and BV Twentsche Kabelfabriek (TKF), also listed on the stock exchange, which is going to build a plant for the production of sea cables for the offshore wind industry in Eemshaven.

In addition, Holland Norway Lines started a ferry link, with three sailings to Kristiansand (Norway) per week. A fast-growing number of tourists made use of this new link in 2022.

Due to the impact of the war, many businesses were faced with extremely high energy and raw material prices, which has led to liquidations or lower production.

The opening of the Chemport Innovation Center has meant we can offer scaleups in the green chemical industry all the facilities they need to progress their sustainable ideas and technologies. We have now welcomed the first scaleup, ExxFire. We can also report that many of our existing customers expanded their premises in 2022 to facilitate their increased activities.

Our organisation

We strive to be a future-proof organisation with an adequate governance structure, enabling us to make our decision-making more effective and transparent.

Two independent investigations were completed in 2022. Deloitte investigated a future-proof governance structure for Groningen Seaports. In 2022 the research agency Necker van Naem concluded its investigation into how land has been purchased for the expansion of Eemshaven-Zuidoost. This investigation also recommended simplifying the governance structure. Following these two advisory reports, at the end of 2022 the research agency Lysias was given a subsequent assignment to create the enabling conditions for setting up a future-proof governance structure. The results of this are expected in 2023. The second recommendation in Necker van Naem's report was to update the existing Port Vision. This was also initiated in 2022, and we expect that we can complete this process in collaboration with our stakeholders in the second quarter of 2023.

In 2022 we also started the implementation of an internal organisational change under the name "Sea the Future". This programme helps us to structure our organisation in a future-proof way. The implementation of the organisational change will be completed in 2023.

Word of thanks

Finally, we would like to thank all staff, partners and stakeholders of Groningen Seaports for their commitment and efforts in the past year. It is partly thanks to them that we have managed to enable all the developments, both internally and externally. All have made a special effort in this extraordinary year, in which outstanding results were achieved.

Cas König, CEO
Harold Sanders, CFO

WHO WE ARE AND WHAT WE DO

Groningen Seaports NV (hereafter: Groningen Seaports) is the manager, commercial operator and developer of Eemshaven and the port of Delfzijl, including the inland ports Farmsumerhaven and Oosterhornhaven, as well as the business parks Fivelpoort, Farmsumerpoort, Delta and Groningen Railport.



Groningen Seaports focuses on strong clusters, like the biobased chemical industry, green energy and circular industry. We provide suitable plots and good infrastructure to facilitate the exchange of energy, raw materials and residual streams. Finally, we supply all port services, from logistics services to the allocation, maintenance and development of the sites in both port areas.

What is special is that our management area partly borders on the Wadden Sea World Heritage Site and the Ems-Dollard estuary. Because of the unique location of the area, the natural habitat and its economic importance to the Northern Netherlands, Groningen Seaports has a special responsibility.

Organisation

With a staff of 105, Groningen Seaports is working on the sustainable, economic and social development of the region. Groningen Seaports has two directors: a CEO and a CFO. The day-to-day management is the responsibility of the directors, who are supported by the team managers.

Mission, vision and strategy

Over the years, Groningen Seaports has grown from a local, regional player in the Northern Netherlands into an organisation operating both nationally and internationally. Because of the many developments, a new mission was formulated in 2022, which better reflects the current tasks of Groningen Seaports. Groningen Seaports is not only responsible for the economic development of the ports and adjacent industrial sites, but also for the quality of life in these areas.

Mission

Groningen Seaports creates clusters and partnerships based on the concepts of “circular”, “the biobased chemical industry” and “energy/energy-related” in a responsible and sustainable manner, in order to provide employment, value and a good quality of life for existing and future customers and other interested parties within its management area and in the Northern Netherlands.

Vision

By 2030, the Eemshaven/Delfzijl region will be the most important green port and industrial area in the Northern Netherlands. The energy and data sector in Eemshaven is of international significance. The chemicals and recycling industry in Delfzijl is fully biobased. The strong connection between Energy and Data Port Eemshaven and the biobased chemical and recycling cluster in Delfzijl forms a single efficient and competitive green economic zone.

We are working towards a new Port Vision, which is expected to be launched in 2023.

Strategy

Groningen Seaports has formulated the following three main objectives in the business plan for the period 2022-2026:

1. Managing growth
2. Strengthening the business climate
3. Setting up a future-proof and robust organisation

The strategy of Groningen Seaports resulting from this consists of the following three key elements:

1. A sustainable growth strategy. Our market (businesses) is divided into segments according to the type of industry, including the products associated with them (sites/infrastructure);
2. A sustainable value strategy. Product leadership aimed at creating added value and distinctive features in comparison with the competition;
3. An effective marketing communication strategy. Online marketing combined with personal sales geared to businesses active in green energy, the biobased chemical industry, circular industry, data, offshore wind and the automotive sector.

EcoPorts certification

Groningen Seaports is EcoPorts certified. EcoPorts is a global quality mark for sustainable ports. It is awarded for two years at a time to sustainable ports for improving their environmental performance. In 2022 we worked on the EcoPorts certification process for 2023-2025. This eighth certification was granted at the end of 2022 and awarded on 12 January 2023. Groningen Seaports is the first port authority to have received this certificate eight times.

PART I

DIRECTOR'S REPORT



ECONOMIC DEVELOPMENT AND EMPLOYMENT

By investing in port and infrastructure facilities in advance, we want to enable companies to run their business in the most sustainable way possible. Groningen Seaports also aspires to having a leading position in creating sustainable facilities to support the development of the ports and the established businesses. Active recruitment should help to ensure that the locally available workforce keeps up with the increasing demand. Together with the authorities, economic partners and partners from different sections of society, we create enabling conditions and scope for growth.

KEY FIGURES

NUMBER OF CUSTOMERS



TOTAL

202

2021: 192

DELFIJL

100

2021: 98

EEMSHAVEN

88

(incl. Nijlicht startups)

2021: 81

FIVELPOORT

13

2021: 12

RAILPORT

1

2021: 1

ADDED VALUE



DIRECT

€ 1.84 billion
(2021)

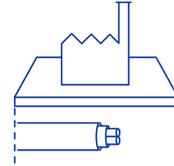
2020: € 1.48 billion

INDIRECT

€ 1.12 billion
(2021)

2020: € 0.90 billion

UTILITIES (CABLES AND PIPES)



OWNERSHIP,
MANAGEMENT AND
MAINTENANCE

376 km

EMPLOYMENT



DIRECT

6,625
people (2021)

2020: 6,893

INDIRECT

6,867
people (2021)

2020: 6,395

SITE ALLOCATION



SUBLEASED

14.9
hectares

2021: 12.7

SOLD

21.6
hectares

2021: 59.3

De impact van de situatie in Oekraïne op de wereldeconomie is ook in de omgeving waarin Groningen Seaports opereert groot. Zo heeft de energiecrisis grote gevolgen voor de havens van Groningen Seaports en dan met name voor de energie-intensieve industrie. Door de hoge gas- en stroomprijzen is aluminiumsmelterij Damco Aluminium Delfzijl failliet verklaard en heeft (bio)methanolproducent BioMCN de productie aanzienlijk moeten afschalen. Andere bedrijven zijn indirect getroffen door afnemende vraag. Ook voor Groningen Seaports zelf heeft de energiecrisis directe gevolgen door onder andere stijgende kosten van energie, bouw en grondstoffen, maar ook door opbrengsten uit deelnemingen in zonne- en windparken.

Afgelopen jaar is staalschrootverwerker Purified Metal Company (PMC) failliet verklaard. De oorzaak van het faillissement was dat er de afgelopen periode te weinig aanvoer was van de door PMC te verwerken grondstof. De curator zet in op een doorstart.

Employment and added value

The ports of Groningen Seaports offer employment to some 14,500 people, of whom 7,600 are employed directly and 6,900 are employed indirectly. This constitutes a relatively steep rise in employment in the port of Groningen Seaports in 2021 compared to 2020. The direct added value was € 1.8 billion. The added value is the sum of the payment for labour, capital and enterprise, i.e. wages, debit entries and profit. The increase is partly the result of the recovery of industry after COVID-19. The direct added value in the sector Other, business and non-business services, shipping, increased by approximately € 150 million, partly due to the developments mentioned. That sector also shows the biggest increase in employment. The figures mentioned in this paragraph are for the year 2021.^[1] The figures for 2022 are not yet known.

Land allocation

Businesses that set themselves up in the ports of Groningen Seaports can buy or sublease land. The focus is now on allocation through sublease. This gives a more stable cash flow and ensures that Groningen Seaports will also be in charge of its sites and infrastructure in the long term.

In 2022, 37.4 hectares of land was allocated, of which approximately 21.6 hectares was sold and 15.8 hectares was allocated through sublease. Sites were allocated to both existing and new businesses and initiatives. These businesses invest tens of millions of euro. A temporary lease for sites was concluded with a number of businesses.

At year-end 2022, the net supply of land in Delfzijl and Eemshaven was 531 hectares, of which more than 309 hectares is earmarked for both potential and existing customers.

Investments

The availability of space in ports and industrial sites continues to decrease, while the industrial market and the demand for space associated with this continue to grow. This is reflected in the number of businesses showing an interest in our management area.

Most of our investments go to improving sites and land and building the necessary infrastructure, so that new businesses can establish themselves here. We try to meet our customers' requirements wherever possible. This varies from the availability of docks to connecting businesses to utilities such as optical fibre or steam pipes. The pipes and other basic facilities ensure that the costs for businesses remain low and that resources like water are reused and environmental performance improves. This enables Groningen Seaports to contribute to greening the environment and strengthening the industry clusters, while the Delfzijl/Eemshaven region becomes more attractive to businesses.

¹ Source: Havenmonitor 2022.

In 2022, investments mainly concerned the development of Heveskes and Oosterhorn-Zuid.

Heveskes

Groningen Seaports invested more than € 5,5 million in the development of the Heveskes site in 2022. It is estimated that a total of € 30 million was invested.

The 45-hectare Heveskes site is situated between the existing chemicals park of Delfzijl and the plant of Damco Aluminium Delfzijl. This area was low-lying, with an old dredging depot and the possible presence of unexploded ordnance from the Second World War.

In 2022, the area was investigated for unexploded ordnance and subsequently released. The dredging depot was cleaned up where necessary and then closed down. The site was raised by two metres using materials including 600,000 cubic metres of sand, following which it was largely prepared for allocation to existing and future customers.

Enexis has built a switching station. A design was produced for the laying of utilities (cables and pipes), and for Heveskes we developed a steam pipeline which will supply sustainable steam to the companies that will be based here. This will be completed in 2023.



Oosterhorn-Zuid

Early 2022, Groningen Seaports announced that it was going to invest € 43.7 million in the industrial park Oosterhorn-Zuid in Farmsum. We are creating a location for businesses operating in the circular economy here. The presence of water, green energy and heat and a workforce are essential for this purpose. Groningen Seaports is doing all it possibly can to make these facilities available for the circular customers. It is expected that the businesses on the site will ultimately create 750 FTE of direct employment.

Attractive business climate

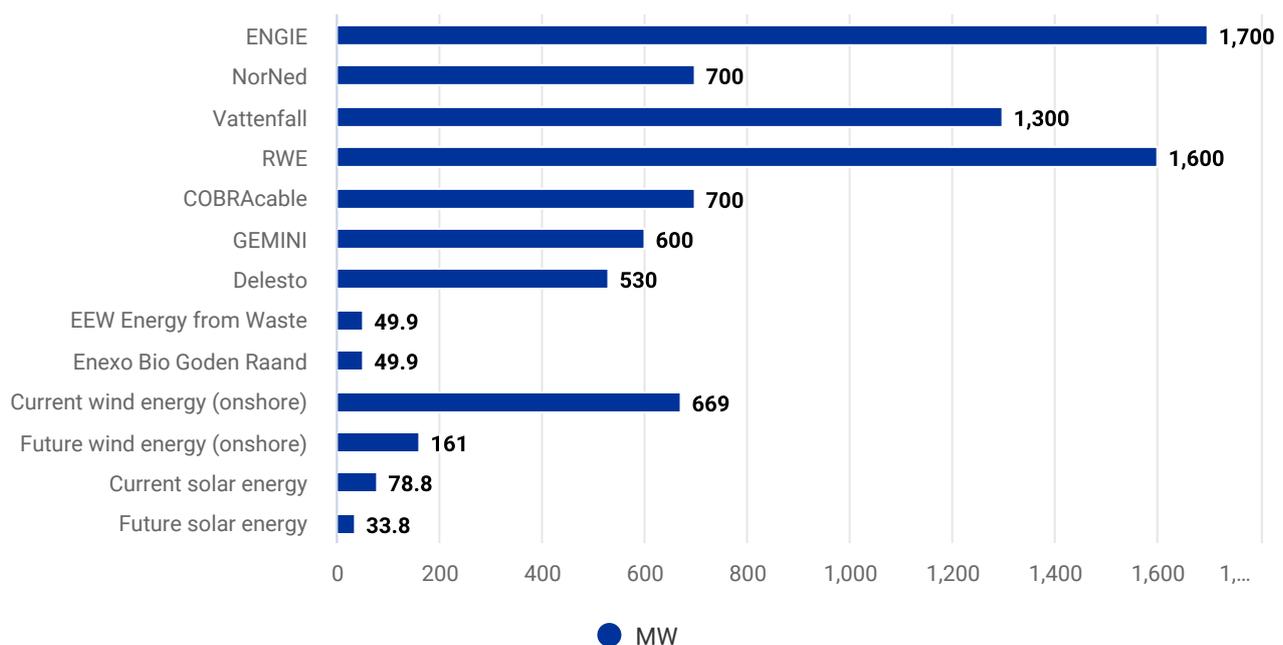
The presence of clusters of related customers in the same chain contributes to an attractive business climate. Eemshaven and the port of Delfzijl is a flourishing port and industrial area, with a number of different large and medium-sized companies. In Eemshaven, the emphasis is on energy, data and offshore wind, while in Delfzijl the main focus is on the chemical industry or activities relating to the circular economy.

One of our most important tasks is to provide good conditions for new businesses, from available land to proper infrastructure and a good utility network. By providing plenty of space for demos, startups, research and innovation, we will futureproof the business climate. We also help businesses with their permit procedures.

EnergyPort

Eemshaven has three operational power stations and a number of high-voltage and medium-voltage stations. In addition to these power stations, other forms of energy are available. It is clear that the availability of green power (such as solar power and wind energy) is an increasingly important factor for establishing a business. This offers opportunities for businesses that consume large amounts of energy, such as data centres and biobased chemical businesses.

Facts & Figures EnergyPort Eemshaven



Liquid Natural Gas (LNG)

The Netherlands wants to phase out its dependence on Russian gas as soon as possible. One of the measures to be taken for that purpose is to increase the import capacity for liquid gas (LNG). In the spring of last year it was decided to reinvestigate the possibility of an LNG terminal in Eemshaven. It normally takes several years to build such a terminal. Thanks to the intensive cooperation between different companies involved and the authorities, the terminal in Eemshaven was completed within a record time of six months. The floating LNG terminal in Eemshaven, owned by the Gasunie subsidiary EemsEnergyTerminal, was put into use in September. EemsEnergyTerminal consists of two Floating Storage Regasification Units (FSRUs): the Eemshaven LNG and the Energos Igloo. Gasunie has leased these vessels for five years, and they are located on the north side of Wilhelminahaven in Eemshaven. An LNG tanker arrives at the port to unload liquid natural gas once a week. Both FSRUs can 'regasify' and introduce gas into Gasunie's gas pipeline network.



After processing the supplied LNG, EemsEnergyTerminal can transmit eight billion cubic metres of natural gas a year to the national natural gas network. The arrival of the LNG terminal is an important step for the whole of Europe towards phasing out energy from Russia. Czechia, for example, hires capacity in the terminal, which enables it to secure one third of its annual consumption.

Renewable energy

Green energy fits in perfectly with the ambition of Groningen Seaports as EnergyPort. The premises of Groningen Seaports have been accommodating dozens of wind turbines for many years, and since 2016 it has also had solar parks.

Delfzijl	# MW	# turbines	capacity per turbine
Windpark Delfzijl Zuid	78.2	34	2.3 MW
Windpark Delfzijl Zuid, expansion	65	16	4.0 MW
Windpark Delfzijl Noord Eneco	62.7	19	3.3 MW
Windpark Geefsweer (Eneco/Eurus)	60.2	14	4.3 MW
Windpark Mondriaan (Eurus)	38.7	9	4.3 MW
Windpark Mauve (Eurus)	30.1	7	4.3 MW
Wind turbines near Weiwerd/DOW	8.6	2	4.3 MW <i>(planned, not counted)</i>
	278.5	85	

Eemshaven	# MW	# turbines	capacity per turbine
Windpark Westereems (RWE)	171	54	50 x 3 MW, 2 x 6.15 MW and 2 x 4.5 MW
Windpark Oostpolder (Topwind)	94.5	21	4.5 MW
Windpark Growind	63	21	3.0 MW
Windpark Eemshaven (ENGIE)	27	9	3.0 MW
Windpark Eemshaven Zuidoost (GreenTrust)	18	4	4.5 MW
Windpark Strekdammen (Pondera)	11	2	5.5 MW
Test turbine 2B-Energy	6	1	6.0 MW
Windpark Eemshaven West (Vattenfall)	80-96	16	6.0 MW <i>(planned, not counted)</i>
	390.5	112	

Total Delfzijl/Eemshaven	669	197	
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Electricity arrives from a Norwegian hydroelectric power station in Eemshaven via the NorNed submarine high-voltage cable, for which purpose a large transformer station has been built.

Taking part in the Climate Tables, the industry and energy sector develops ideas about reducing CO₂ emissions. Partly as a consequence of this, energy from sustainable sources is a point of focus for local and national governments. By taking part in solar parks and wind farms, we wish to contribute to improving the sustainability of energy production. Sustainable energy fits in with the green port vision of Groningen seaports in different areas (CO₂ reduction, improved sustainability, greening the chemical industry cluster, etc.) and with the visions of the province of Groningen and the municipalities Het Hogeland and Eemsdelta.

Data

Because of the growing demand for data centre facilities in Europe, colocation data centre QTS Data Centers is expanding its location in Eemshaven. Providing approximately 70 FTE jobs, this expansion is a boost to employment in Eemshaven and gives a qualitative impulse to the data centre proposition of Groningen Seaports (Dataport Eemshaven). This is also a good addition to the ecosystem for data centres already present.

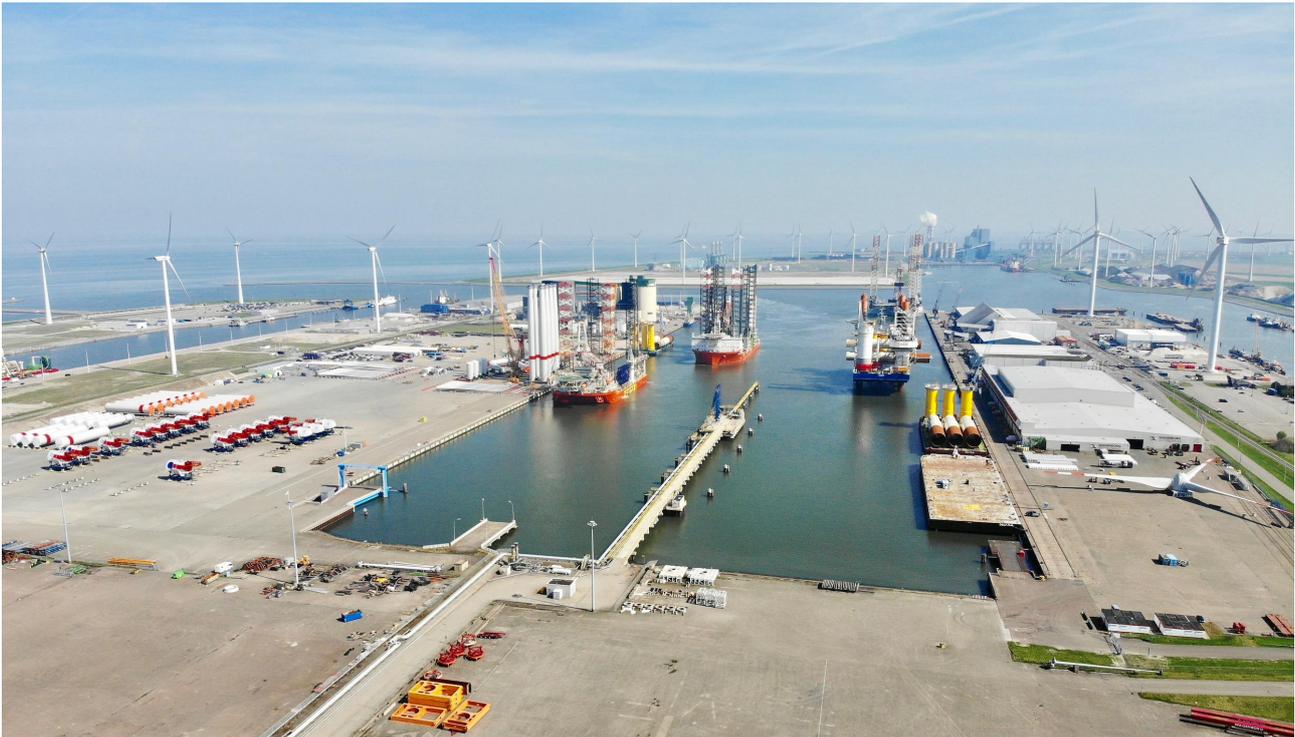
Offshore wind

Eemshaven breathes offshore wind. In recent years, the port has developed into an important base and service port for the offshore wind industry. The port meets all the maritime requirements and has the facilities necessary for the assembly and logistic handling of wind turbines. In 2022, the construction of the Kaskasi wind farm was completed. The activities involved in building the Hollandse Kust Noord wind farm started in October. Buss Terminal Eemshaven is responsible for the logistic handling of this project.

“IN RECENT YEARS, EEMSHAVEN HAS DEVELOPED INTO AN IMPORTANT BASE AND SERVICE PORT FOR THE OFFSHORE WIND INDUSTRY”

New businesses and expansions

- In 2022, Twentsche Kabelfabriek (TKF) from Haaksbergen started the construction of a new cable plant in Eemshaven to supplement its existing production facilities in Haaksbergen and Lochem. In its plant in Eemshaven, TKF will produce sea cables that can connect the wind turbines of offshore wind farms to power stations. TKF expects to start production by the end of 2023.
- Buss Terminal Eemshaven (BTE) bought 4 hectares of extra land in the past year in connection with, among other things, its activities for the Hollandse Kust Noord wind farm. The facilities on the site itself have been extended with electricity connections and an optical fibre network. BTE is also building a new office at the site.
- BOW Terminal Eemshaven is working on a new terminal for the transshipment of wind turbine parts. Extra bypasses have been built for the internal transport of foundation parts for a large wind farm in 2023.
- RelyOn Nutec will start the construction of a new training centre in 2023, in order to meet the increasing demand from both the onshore and offshore wind industry.



Onshore wind

Completion of Strekdammen wind farm

In 2022, the Strekdammen wind farm was opened, with two 5.5 MW Cypress wind turbines. These turbines, with a hub height of 141 metres and a rotor diameter of 158 metres, are a new feature at the Eemshaven port entrance. They have been developed especially for areas close to the coast.

Chemical industry

The chemical industry in Eemshaven, Delfzijl and Emmen is to become greener in the years to come by forming the biobased chemical industry cluster, as part of Chemport Europe. This proposition led to the acquisition of two parties last year.

Energy-intensive industry

The chemical industry is an energy-intensive industry. The companies that are part of the chemical industry cluster in Delfzijl are no exception to this. Until just over a decade ago, many chemical companies in Delfzijl had their own steam power plant for generating steam. In 2009, we started building the steam infrastructure that connects EEW Energy from Waste Delfzijl to the surrounding companies and enables them to get steam that has been generated in a sustainable manner. This steam infrastructure, which is owned by Groningen Seaports, also receives 100% sustainable steam from Eneco's Bio Golden Raand biomass plant. On the basis of the composition of the domestic waste burnt by EEW, more than 50% of the steam supplied by EEW can be classified as bio-steam.

Avantium

Avantium Renewable Polymers (a 100% subsidiary of Avantium) started building the world's first commercial FDCA plant in the new Heveskes industrial park last year. FDCA^[1] provides the raw material for the 100% plant-based, recyclable polymer PEF.^[2] Avantium is establishing itself in Delfzijl because of the shared vision for the future for greening the chemical industry, the utility network, the available space and financial support from the region. The FDCA plant is expected to be completed by the end of 2023, when it will start producing 5 kilotons of FDCA per year.

¹ Furandicarboxylic acid

² Polyethylene furanoate

Circular and biobased economy

In Delfzijl, the development of the circular and biobased economy are in full swing. This enables us to boost new economy in the Northern Netherlands. The biobased economy uses crops and residual streams from agriculture and the food industry for non-food applications. The circular economy and the biobased economy are therefore closely connected.

Biobased materials

Groningen Seaports always seeks to attract businesses that use biobased materials and therefore create opportunities for new and larger value chains. This policy is beginning to bear fruit.

Avantium is going to produce a material based on sugars for the production of a new type of biologically degradable plastic. Another company intends to produce bio-LNG on the basis of rejected food products, and a third company has plans to build a plant in Delfzijl for the intake and processing of paper sludge, a process in which the biogas produced can be converted into bio-LNG. The residue from this process will be offered to the market as a fertiliser.

Hydrogen Valley

In recent years, the Northern Netherlands has worked on the development of a hydrogen ecosystem, for which it has received European recognition from the Clean Hydrogen Partnership. The region is now regarded as the leading Hydrogen Valley in Europe: a fully fledged ecosystem of green hydrogen, from production and transport to use in industry, mobility and the built environment.

In cooperation with Shell, Gasunie, RWE, Eneco and Equinor, Groningen Seaports continued the development of the NorthH2 project in 2022. NorthH2 has the ambition to produce 10 GWh of hydrogen equivalent, thus preventing about 8 to 10 megatons of CO₂ emissions (the equivalent of 30,000 cars). The first phase of the feasibility study was completed in 2022 and has not led to any obstacles. The adequate supply of wind energy is a precondition for the development of a hydrogen economy in the Northern Netherlands. Groningen Seaports did its very best to further increase that supply in 2022.

Maintenance Port

With the Maintenance Port label, Groningen Seaports positions itself as a bridge between the industrial service providers and the established businesses in the port and industrial area. These service providers have plenty of opportunities to generate business in the two ports and in the industrial parks Fivelpoort, Farmsumerpoort, De Delta, MKB Park Eemshaven and Weiwerd. The same also applies to their suppliers and small and medium-sized enterprises. They are supported and encouraged collectively by the economic affairs department of the municipalities of Eemsdelta and Het Hogeland, NV NOM, Economic Board Groningen/GroBusiness and Groningen Seaports.

New businesses and expansions

- Marine Maintenance Service has moved to a new plot in Farmsumerpoort. The company, which is involved in shipping maintenance, has constructed a building there that is four times the size of its previous premises.
- The property companies Eemsdam and Eems Vastgoed built two multi-tenant business buildings on a plot of approximately 0.4 hectares in 2022.
- The metal finishing company Koop, also based in Farmsumerpoort, extended its premises by approximately 0.3 hectares of land, which it will use to build a new shed.
- Facta, a service and maintenance partner for rotating equipment (drive technology), is going to extend its branch at Fivelpoort with an industrial unit, doubling its premises from approximately 0.35 to approximately 0.7 hectares.
- De Dakgootspecialist, a dealer in aluminium, plastic and zinc gutters, is building new premises at Fivelpoort on a plot of 0.4 hectares.
- BMN Bouwmaterialen extended its premises at Fivelpoort by about 0.2 hectares in 2022.
- Boels has also extended its premise at Fivelpoort by about 0.2 hectares in 2022.
- In 2022, Lanec bought the shed at Brainwierde Weiwerd, which it had rented from Groningen Seaports for several years. The transaction concerned approximately 0.2 hectares. Lanec is an industrial electronic installation company and the first company on the historic mound Weiwerd.

Sustainable innovation

A large part of research and innovation in 2022 was focused on the energy transition, hydrogen and CO₂ reduction. These wide-ranging and knowledge-intensive issues can only be dealt with in cooperation with a number of other parties.

Groningen Seaports took part in several working groups and collaborated in various studies.

Market research has provided knowledge about the value chain of the circular and plastic proposition and the European waste streams. Research has also been done into the service concept for SMEs, the oxygen supply chain and hydrogen via biomass. Furthermore, an investigation has started into system integration of the different forms of energy.

Chemport Innovation Center

In November 2022, Groningen Seaports officially opened the Chemport Innovation Center (CIC). CIC is based in a fully converted plant on the Delfzijl industrial site and is active in the field of sustainable innovation in the Chemport region. It does so by helping startup, chemical and innovative businesses to make progress with their sustainable ideas and technologies. CIC has a well-equipped location, where startups and scaleups can hire space to set up pilot plants for green chemical processes in an industrial setting. It also has the networks, knowledge and permits needed to successfully guide the development to the final market launch phase. The first scaleup in the green chemical industry, ExxFire, is now using CIC. Companies moving into CIC are eligible for a grant from the province of Groningen.

Demos and startups

TCNN and Groningen Seaports together form the driving force behind the MOI Community in Eemshaven. The purpose of the community is to boost innovation in the port area and to facilitate growth opportunities for startups and scaleups in the Northern Netherlands. The MOI community also contributes to facilitating flexible workplaces for local entrepreneurs.



The year 2022 was a successful year for the startups in the MOI Offshore Energy Community in Eemshaven. Twelve such businesses were active at year-end 2021. One of the startups is testing the storage of energy in an “ocean battery” at the bottom of the port basins. Another startup is involved in a small-scale wet seaweed cultivation trial, to find out whether seaweed cultivation between the offshore wind farms might be possible and economically feasible.

Other new businesses and expansions

- Holemans Nederland is going to extend its activities in Beatrixhaven. A sublease contract for 2.5 hectares was signed for that purpose last year. This means Holemans now has a site of 4.5 hectares with a dock of approximately 450 metres.
- Eemshaven Distribution Center BV is currently building a high-quality multi-tenant business building in Borkumweg.

Logistics

One of the strong points of Groningen Seaports is its excellent accessibility, by sea and inland shipping, by road, by rail and by air. Our ports are very well positioned for Northern and Western Europe in particular. Groningen Seaports provides the infrastructure and facilities to accommodate logistics businesses in the port.

Increase in goods transport by rail

We are trying to transport less by road and increase our use of other modalities, such as the railway network. In addition, the low water level due to the continuing drought in 2022 had consequences for inland shipping. This led to an increase in goods transport by rail.

Accessibility of ports and industry

The limited capacity of the N33 trunk road forms an obstacle to the growth of activities, the establishment of new businesses and the transit of goods and people. As a result of the continuous efforts of Groningen Seaports and other interested parties, the House of Representatives passed a motion put forward by VVD and CDA in the spring of 2022, in which the State is called upon to enter into discussions with the region about financing better links, such as dualling the N33 between Zuidbroek and Eemshaven and building an aqueduct under Eemskanaal. This has put dualling the N33 back on the agenda.

Passenger transport in Eemshaven

In 2022, a total of 19,945 passengers took the train to Borkumlijn Station.^[1] This is an increase of nearly 700% compared to 2021 (2,860). This increase was due to the end of most of the COVID-19 measures in 2022. This brought the number of passengers back to the same level as before COVID-19.

Heliport and droneport Eemshaven

Heliport Eemshaven carried out 49 helicopter flights in 2022. Heliport Eemshaven is the first heliport with a droneport. The droneport attracts businesses involved in the development of drones. In 2022, the first international drone flight took place here; it went via Germany to Denmark.

¹ Source: Arriva



Groningen Seaports is a partner in the Offshore Wind Innovation Centre (OWIC). One of the activities of the OWIC project is predictive maintenance, an activity that lends itself extremely well to the use of drones. The droneport is the basis for inspections with drones and taking photographs of the blades, the nacelle, the blades, etc. Other spinoffs from the OWIC are Decom North, which dismantles and processes rotor blades of wind turbines, and Cable Centre Eemshaven, which provides specialist training in the field of installation, maintenance and repairing electricity cables.

Borkum ferry service

The ferry service to and from Borkum transported 375,000 passengers in 2022.^[1] This is an increase of 64% compared to the preceding year. This increase was entirely due to the end of most of the COVID-19 measures in 2022. These measures caused a drop in the number of passengers in both 2021 and 2020. The number of passengers using this link in 2022 was 50,000 less than in 2019, which was a record year (425,000 passengers).

Norway ferry service

Since April 2022, the MS Romantika cruise ferry has sailed the new regular service between Eemshaven and Kristiansand (Norway) three times a week. This service is an initiative of Holland Norway Lines (HNL). It brings a new influx of people, vehicles and goods to Eemshaven. Since its start, 186,000 passengers have crossed the sea with MS Romantika. This is 36,000 more passengers than anticipated by Holland Norway Lines.

HNL is using the public dock of Groningen Seaports as a mooring place for the time being. HNL intends to build its own dock in Eemshaven for mooring the ship in 2023.

¹ Source: AG Ems



Nitrogen

The Council of State's decision about the Integrated Approach to Nitrogen on 29 May 2019, which led to the nitrogen crisis, also affected Groningen Seaports. Together with the province of Groningen, Samenwerkende Bedrijven Eemsdelta (the Eemsdelta Business Collective), other ports and other parties, we continually put pressure on national politicians to create opportunities for the development and effective use of ports and innovative industry based at those ports. At the same time, we have done all we could to support both new and existing customers in terms of the nitrogen issue. Groningen Seaports contributes ideas and gives advice in that respect. This is particularly relevant to the construction of new utilities and the link between different companies. Meanwhile, companies are finding ways to reduce their nitrogen emissions considerably by means of innovations and new technological inventions.

It is expected that the draft zoning plans for Oosterhorn and Eemshaven will be made available for inspection by mid-2023. However, it cannot be ruled out that this will be postponed again as a consequence of the anticipated decision of the Council of State about nitrogen and the entry into force of the Environment and Planning Act.

Induced earthquakes

As in the years before, Groningen Seaports kept a close eye on the possible effects and consequences of induced earthquakes and subsidence in 2022. Together with Samenwerkende Bedrijven Eemsdelta, we ensure that the level playing field of the ports and industry is not disrupted in comparison with regions without earthquake or damage through subsidence.

In 2022, we were approached several times by businesses about the specific standards, the current earthquake situation and compensation. We referred those businesses to the relevant government bodies. By working together with the province and the two water boards, we will be able to safeguard subsidence compensation in the decades to come.

Connecting with the authorities and the community

The seaports in Groningen continue to grow and are involved in many developments in society. To be able to fulfil our role in society properly, a good dialogue with our stakeholders is of crucial importance. Groningen Seaports is therefore making contact in different ways with a number of stakeholders, including our shareholder, the authorities, customers, NGOs and the residents and neighbours of our management area. This enables us to keep our stakeholders well informed and maintain a dialogue with them, but it also helps us gauge the expectations, ideas and interests of our area.

Authorities

The authorities have an influence on what happens in the ports at different levels. Groningen Seaports therefore engages in structural consultation with provinces and municipalities at regional and local level. In 2022, Groningen Seaports also organised a joint meeting for the boards, councils and collegial bodies of the municipalities of Het Hogeland and Eemsdelta and the province of Groningen, to inform them about all the developments in the management area. A guided tour of both port areas was part of this meeting. These three government bodies together constitute the joint arrangement Havenschap Groningen Seaports, which is the sole shareholder of Groningen Seaports.

Various working visits for government members, Members of Parliament and government officials were also organised in 2022.

Communication with the local area

As part of its communication with the local area, Groningen Seaports keeps local people actively informed of the progress of the developments in the port and special projects in the industrial parks. We actively keep in touch with residents of Oudeschip, Borgsweer, Roodeschool and Borkum. Last year, two meetings were organised for the residents of Delfzijl and surrounding area about the developments in the management area. One informative meeting was organised for the area surrounding Eemshaven. In addition to inviting the local people to attend these informative meetings, they were kept informed of developments via the newsletter, which is published three times a year in the home-delivered local newspapers Ommelander Courant, Eemsbode and Borkumer Zeitung. Groningen Seaports also publishes the newsletters on its own website. They also contain all the news items, enabling local people to actively look for news from the seaports in Groningen.

Cycling route along the chemical industry cluster

In the summer of 2022, we launched a cycling route along the chemical industry cluster Delfzijl. The route passes 20 businesses based in the chemical industry cluster in Delfzijl. Those who are interested can scan a QR code at each business they pass for more information about the relevant business and what is happening in the plant.

Regional sponsorship

We are an organisation that takes its social responsibility seriously, and we want to make a constructive contribution to the Delfzijl/Eemshaven region in all respects. We want to contribute to the port and industrial area, but certainly also to the quality of life of the residents of the local villages. We therefore actively contribute to organisations and events concerning culture, sports and leisure, within an area of approximately 10 kilometres from our offices in Delfzijl and Eemshaven, through sponsorship. We ask organisations and events that we sponsor to do one thing in return: help us during the annual World Cleanup Day. During the 2022 edition, more than 150 volunteers from 32 associations and foundations took part. They collected several hundreds of bin bags full of rubbish in total.



Cooperation with strategic partners

Against a background of internationalisation and increased competition, we achieve more when we focus actively on close cooperation. We cooperate with many parties, from local to international ones, with the emphasis on the energy transition and sustainability.

NorthGrid

NorthGrid is the trade name of Stichting UFO, Buisleidingenstraat Eemsdelta. Groningen Seaports is one of the founders of this foundation. NorthGrid researches and implements spatial integration for the development of underground infrastructure in the Chemport region and promotes cooperation in this area. This underground infrastructure is essential for improving the sustainability of energy, raw materials and water for industry in the Northern Netherlands and is also very important in terms of achieving the climate goals in time.

NorthGrid's mission is that the region should have the underground connections that businesses require to be able to innovate and become sustainable within the next 20 years.

To achieve this, NorthGrid focuses on the following:

- Clear communication because there is a single point of contact;
- Clarity, in order that projects can be combined and any nuisance can be limited;
- Efficient use of space by clustering infrastructure;
- Reduce the period of time involved, which contributes to achieving the climate goals.

Groningen Seaports makes available expertise to carry out this facilitating role. In 2022, NorthGrid drew up a development agenda in consultation with the partners. Drawing up a position paper and elaborating the plan for hydrogen infrastructure between Eemshaven and Delfzijl has also been put forward. An employee of Groningen Seaports sits on the board of NorthGrid in the capacity represented by their post. The CEO of Groningen Seaports sits on the supervisory board of NorthGrid in the capacity represented by their post.

HyNorth

Stichting HyNorth is boosting the development of hydrogen chains in the Northern Netherlands. It does so by linking together current and new initiatives, projects and knowledge. Groningen Seaports makes available expertise to facilitate these projects and supports lobbying activities geared to the governments in The Hague and Brussels. The foundation is supported by regional businesses, authorities and knowledge institutes. An employee of Groningen Seaports sits on the board of HyNorth in the capacity represented by their post.

Through Stichting HyNorth, emphasis was put on the development of the hydrogen clusters (Hyhubs) near Eemshaven, Delfzijl, Veendam and Hoogeveen in 2022. Breakfast sessions and other networking events took place to improve the ecosystem for hydrogen.

NorthH2

NorthH2 is a consortium of Equinor, Eneco, Gasunie, Groningen Seaports, RWE and Shell Netherlands which investigates the feasibility of the large-scale production, storage and transport of green hydrogen. Groningen Seaports has a supportive role in this. The ambition is to be able to make available as much as 10 GWh, and thus make a positive contribution to the Dutch Climate Agreement. In 2022, NorthH2 completed the study phase. The study has confirmed the belief in the need for a comprehensive approach and has demonstrated that large-scale production in the North is possible. NorthH2 is now going to lay the foundations for the next phase and develop the appropriate organisational structure for this. Groningen Seaports will continue to cooperate as support partner with NorthH2 in that phase, in order to contribute to a sustainable economy in the Northern Netherlands.

Mission H2

The hydrogen consortium Mission H2 consists of eight parties from the hydrogen chain (Gasunie, Groningen Seaports, Port of Amsterdam, Remeha, Shell Netherlands, Toyota and Eneco and Vopak, which joined in 2022) and is a partner of TeamNL. Mission H2 wants to inspire, connect and encourage businesses along the route towards a functioning hydrogen economy in 2030, and thus make a significant contribution to achieving the goals of the Dutch Climate Agreement and accelerating the global energy transition.



In 2022, Mission H2 and TeamNL announced at the energy symposium Wind Meets Gas in Groningen that they would extend their cooperation until the Olympic and Paralympic Games of Paris in 2024. By then, Mission H2 wants to have established a mini-chain in collaboration with the government and a large number of Dutch businesses, which will ultimately lead to a fully functioning hydrogen market.

Eemsdelta Green

Stichting Eemsdeltagreen has been boosting sustainability in Eemsdelta since 2013 - as the first organisation in the region to do so. Eemsdeltagreen is a broad platform of industry, authorities, knowledge institutes and environmental organisations, aiming for sustainable and green business operations. Every year, it supports several research initiatives and other projects. In 2022, it contributed to the development of two games, one about future sustainable water management and one about the higher education and labour market. The CEO of Groningen Seaports sits on the board of Eemsdeltagreen in the capacity represented by their post.

Stichting Beheer Natuurcompensatie Eemshaven

The Stichting Beheer Natuurcompensatie Eemshaven (Foundation for the Management of Natural Compensation in Eemshaven) owns and manages more than 50 hectares of natural area inside the dyke and also manages about 20 hectares outside the dyke. The foundation's aim is to create and preserve a natural area to compensate for the loss of natural features as a consequence of projects in Eemshaven. The daily management and maintenance of the area is the responsibility of the Society for the Preservation of Nature in the Netherlands. The foundation was set up in 2009 by RWE, NUON (now Vattenfall) and the legal predecessor of Groningen Seaports. The CEO of Groningen Seaports sits on the board of this foundation in the capacity represented by their post.

Joint ventures / partnerships

To achieve our goals, we cooperate with organisations and joint ventures, including:

- National, regional and local authorities
- New Energy Coalition
- Samenwerkingsverband Noord-Nederland
- NV Noordelijke Ontwikkelingsmaatschappij
- Ecologie en Economie in balans
- Branche Organisatie Zeehavens
- Waddenzeehavens
- Eemscommissie
- Confederation of Netherlands Industry and Employers (VNO-NCW)
- Dutch Data Center Association
- Wind Europe
- Nederlandse Wind Energie Associatie (Netherlands Wind Energy Association)
- Northern Netherlands Offshore Wind
- Chemport Europe
- Holland Circular Hotspot
- New Energy Business Platform

Cooperation with regional education and knowledge institutes

The increasing demand of companies for specific technical experts in particular could lead to labour shortages in the Delfzijl/Eemshaven region. The region also has an ageing population, which means extra influx is required. This offers opportunities for young people in terms of research, traineeships and work in the Delfzijl/Eemshaven port and industrial area. Together with schools, labour market organisations and municipalities, we are working on an integrated labour market policy for the port and industrial area. We want to promote working in the ports and encourage young people to choose more specific areas of study, for example with a technical, maritime or chemical focus, to ensure proper alignment with the corporate sector.

Seaports Academy

To facilitate innovations, support startups and boost the further development of the offshore wind activities, Groningen Seaports is collaborating with regional knowledge institutes, including Noorderpoort, Alfa College, Hogeschool Stenden (Stenden University of Applied Sciences), Hanzehogeschool Groningen (Hanze University of Applied Sciences Groningen) and the University of Groningen. In 2022, 15 students were directly involved in various projects via internships or research traineeships at Groningen Seaports. One student cooperated in a project about the use of magnets for mooring ships, while another one did research into hospitality experience.



Under the internal label Seaports Academy, we have developed a structured long-term plan, based on our strategic course and aimed to close our information gap. Together with vocational education courses, universities of applied sciences, research universities and businesses, Seaports Academy is active in particular in energy transition, offshore wind, the circular economy, hydrogen and the digitisation of ports and shipping. These are complex subjects, which we will work on with several students and researchers for a number of years. Education will also be an important element of Seaports Academy. There already are courses for offshore wind staff and a specialist course about the circular economy has been started up.

Seaports Academy does not provide any courses itself, but it tries to link the demand for courses and research from the corporate sector to what is offered by educational establishments and research institutes. Seaports Academy focuses on supporting students who are doing their final projects, and it also frequently has traineeships available.

Overview of participating interests

Fivelpoort

Groningen Seaports holds 100% of the shares in Fivelpoort Beheer BV. This company is the owner of the plots that have not yet been released in business park Fivelpoort in Appingedam. This business park is managed by Coöperatie Bedrijvenpark Fivelpoort UA. Its main aim is to manage, maintain, repair and renew infrastructure at the park, and it has drawn up rules for the use of that infrastructure. This ensures that Fivelpoort will preserve its high-quality appearance.

Avantium

Via Bio Plastics Investment Groningen BV (BPIG), Groningen Seaports has a 15.1% participating interest in Avantium's subsidiary Avantium Renewable Polymers (ARNP). In 2022, ARNP started building the first commercial FDCA plant in the world. It will annually produce 5 kilotons of FDCA^[1], which is the most important raw material for the 100% plant-based, recyclable polymer PEF.^[2]

Groningen Railport

Surrounded by 32.5 hectares of industrial sites, Groningen Railport is one of the largest national rail terminals. It acts as a logistics hub between the west coast ports of Rotterdam, Amsterdam and Antwerp and the north coast ports of Bremen and Hamburg. Groningen Railport helps to stimulate economic activities in the area. It is linked to the European timetable for conventional transport by rail and also contributes to the preservation and optimisation of regional and national rail infrastructure. Groningen Railport is the trade name of NV Ontwikkelingsmaatschappij Rail Service Centrum Groningen. Groningen Railport holds 65.92% of the shares in Groningen Railport; the remaining shares are held by the municipality of Veendam.

Mauve and Mondriaan wind farms

Groningen Seaports holds 20% of the shares in both Windpark Mauve BV and Windpark Mondriaan BV. The companies operate the two wind farms of the same name, situated in Delfzijl. The remaining 80% of the shares in these two wind farms are held by Eurus Energy Mauve Investment BV and Eurus Energy Mondriaan Investment BV respectively.

Zonnepark Valgenweg BV

Groningen Seaports holds 25% of the shares in the solar park Valgenweg BV. This company is developing a solar park near Valgenweg. Construction will start in early 2023. The remaining shares in this solar park were held by Eneco Solar BV, WIRCON GmbH and Bronnen Van Ons ZP Valgenweg Farmsum BV until the end of 2022. At the end of 2022, Eneco announced that it would leave the project and transferred its shares to WIRCON GmbH. It is expected that Groningen Seaports will take over part of those sharers from WIRCON GmbH in 2023, which means Groningen Seaports will expand its participating interest in Zonnepark Valgenweg BV to 33.33%.

Sunport Delfzijl BV

Groningen Seaports holds 49% of the shares in Sunport Delfzijl BV. This company operates a solar park. The remaining shares in this solar park are held by OH Eins GmbH.

Helios Eemshaven BV

Groningen Seaports holds 20% of the shares in Helios Eemshaven BV. This company operates the solar park Vopak Solar Park Eemshaven. The remaining shares in this solar park are held by Vopak Terminal Eemshaven BV.

¹ furandicarboxylic acid)

² polyethylene furanoate



SUSTAINABLE PERFORMANCE

The climate agreements of Paris (2015) and Madrid (2019) have unleashed a revolution in many different ways, with consequences for existing production and transport methods, how we deal with nature, the use and circular use of commodities and consumables and energy use. Groningen Seaports needs to and wants to be part of this development. Although we exist first and foremost to support and strengthen the economic situation in the ports and the industrial area of Delfzijl and Eemshaven, we are aware that we do so in an area adjacent to the Wadden Sea World Heritage Site. The responsibility to society this entails is an important principle in our activities and forms part of the mission of Groningen Seaports. Economy and ecology go hand in hand here.

KEY FIGURES

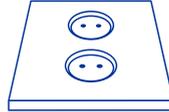
INSTALLED CAPACITY FOR SUSTAINABLE ENERGY



2,798 MW

2021: 2,846 MW

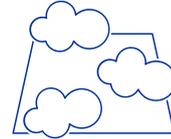
SHORE-BASED POWER CONSUMPTION



1,450 MWh

2021: 1,495 MWh

CO₂ EMISSIONS IN MANAGEMENT AREA



12.13 Mton (2021)

2020: 9.48

EcoPorts certification

Groningen Seaports continually performs well in terms of sustainability in its ports and port-related industrial sites, as is demonstrated by the EcoPorts certificate. EcoPorts is a global quality mark, awarded for a period of two years at a time to sustainable ports for improving their environmental performance. According to Lloyds Register (the organisation inspecting on behalf of ESPO), Groningen Seaports is doing much to develop and safeguard sustainability and environmental measures in its area. Examples of this include the construction of an industrial water supply system, a steam pipeline, hydrogen infrastructure, solar parks and wind turbines, as well as the management of undeveloped sites as temporary natural habitats, nature monitoring and conducting research into the reuse of composites.

In 2022 we worked on the EcoPorts certification process for 2023-2025. This eighth certification was granted at the end of 2022 and awarded on 12 January 2023. Groningen Seaports is the first port authority to have received this certificate eight times.

Sustainable Development Goals

What is new in the EcoPorts report is the link to the Sustainable Development Goals (SDGs). The 17 SDGs of the United Nations provide the international point of reference for sustainable development for all countries in the world. Groningen Seaports contributes to 12 of these 17 SDGs with both its activities and business practices.



In 2022, we contributed to the SDGs in a number of different ways. The availability of LNG as a result of the new LNG terminal is making an important contribution to SDG 7 (Affordable and clean energy). The new Chemport Innovation Center contributes to SDG 9 (Industry, innovation and infrastructure). The new Port Waste Plan focuses on the circular use of raw materials, and therefore contributes to SDG 12 (Responsible consumption and production). And the projects we completed last year within the context of the sediment management programme make a contribution to SDG 14 (Life below water).

Other SDGs to which we contributed in 2022 are SDG 4 (Quality education), SDG 5 (Gender equality), SDG 6 (Clean water and sanitation), SDG 8 (Decent work and economic growth), SDG 11 (Sustainable cities and communities), SDG 13 (Climate action), SDG 15 (Life on land) and SDG 17 (Partnerships for the goals).

Sustainability of ports and industry

The developments that stimulate the sustainability of the ports and industry concern both economic and ecological developments that are sustainable.



Industrietafel Noord-Nederland

Industrietafel Noord-Nederland (INN; Industry Forum for the Northern Netherlands) continued to be active in 2022 and was able to meet in person again after the COVID-19 years. Chaired by the CEO of Groningen Seaports, climate issues were discussed with stakeholders in the Chemport Europe area a number of times. INN consists of companies from the industrial, energy and agrifood sectors, supplemented by NAM and Gasunie. The provinces of Groningen and Drenthe, the Ministry of Economic Affairs and Climate Policy and the Nature and Environmental Federation of Groningen are also part of INN.

In 2022, INN drew up several reports with plans and projects for improving sustainability in industry. For example, the first update of the Cluster Energy Strategy was presented to the Ministry of Economic Affairs and Climate Policy. The Cluster Energy Strategy provides insight into energy infrastructure projects to be completed in order to make industry more sustainable and reduce CO₂ emissions. The Biomaterials Agenda was also concluded in 2022. It sets out how industry can use biomass in an appropriate manner. This agenda was presented to the minister for Climate and Energy Policy during a visit to Groningen Seaports. The Biomaterials Agenda was officially presented during Prinsjesfestival (a festival celebrating the democratic state under the rule of law) in the Hague, accompanied by a video developed especially for the occasion.

The year 2022 was also marked by the energy crisis, which also had considerable impact on industry. In an urgent letter to the minister of Climate and Energy Policy and the minister of Economic Affairs and Climate Policy, Groningen Seaports and Samenwerkende Bedrijven Eemsdelta drew attention to the need for support of the energy-intensive industry. In December, the minister of Economic Affairs and Climate Policy visited the industry cluster, where she discussed the worrying situation of the investment climate as a consequence of, among other things, the high energy prices with a delegation of INN companies.

Circular use of sludge

The Ems river estuary is of special significance as a natural habitat. This kind of estuary is only found along flat coasts with strong tides; it provides a valuable habitat for a large number of animal species and plant varieties. However, the ecosystem of the Ems estuary is in a bad state.



Together with nature and environmental organisations, the authorities and the corporate sector are working on the Ems-Dollard 2050 programme in order to reduce the amount of sludge in the Ems estuary and thus improve the system's ecological situation. Below is a list of pilots that were being carried out in 2022 to investigate how we can reuse the removed sludge in a sustainable manner.

Wide green dyke

The Wide Green Dyke project was completed in 2022. A 1-kilometre section of the dyke along the Dollard was reinforced with clay and sludge from the Dollard at the Carel Coenraad Polder. The sludge was dried, desalinated and ripened into dyke clay in the clay ripener. This dyke will be monitored in the years to come to investigate whether the rest of the Dollard dyke can be reinforced in the same way.

Reef blocks

Geowall is the first completed pilot in the Chemport Innovation Center. A large installation was used to press the clay from the clay ripener into reef blocks. A trial started at two locations last year for the sea dyke between Delfzijl and Eemshaven. It will be investigated at those locations how submarine life in the Ems-Dollard estuary and the Wadden Sea can be stimulated by using reef blocks made from Groningen clay. Reefs are important for the recovery of the ecosystem in the Wadden Sea. The purpose of the trial is to reduce the strong deterioration of oyster and mussel banks and stimulate biodiversity. This is the first time that reef blocks have been made from sludge from the Ems-Dollard estuary.

Raising agricultural land

In 2021, a pilot started in the peat area on the south side of Borgsweer and Warvenweg, which involved raising four hectares of agricultural land with sludge from Eemshaven. Peat oxidation is a problem in this low-lying land. The new sludge layer can provide a higher yield, reduce peat oxidation and CO₂ emissions and improve the water balance. In 2022, we monitored clay ripening and completed the first test of sowing different crops. The ripening process will be continued in 2023.

Clay as a raw material for ceramics

Studio Humade considered whether the surplus of salty sea sludge in the Ems-Dollard estuary could play a part in the shortage of raw materials for the production of ceramics. An exhibition of their search was held in the Princessehof Ceramics Museum in Leeuwarden in 2022.

Clean shipping

By 2030, we want to be the most important green port and industrial area in the Northern Netherlands. Shipping plays an important part in this. Together with companies, authorities and interest organisations, Groningen Seaports wants to work towards greening the shipping industry in order to limit the impact of shipping on the local habitat or even reduce it, in spite of the industry's growth. We will do so on the basis of the adaptive implementation programme Clean Shipping 2030. The activities focus on:

- Equip docks with shore-based power;
- Provide sufficient LNG bunker capacity for seagoing vessels and inland shipping;
- Encourage clean shipping by means of incentives on port charges.

Shore-based power

Some of the floating docks for maritime and inland shipping are equipped with shore-based power connections. This prevents a situation where moored ships generate energy on board using fuels. Emissions can therefore be reduced. Shore-based power is supplied from the energy contract of Groningen Seaports, which purchases 100% sustainable energy for this purpose.

In 2022, we started a procurement process for shore-based electric meter boxes that will show the amount of shore-based power used. The user is then charged for the amount of shore-based power consumed.



Ship waste collection

Seagoing vessels pay a charge when mooring in the ports managed by Groningen Seaports, even if no waste is deposited. This means there is no benefit in discharging waste into the sea.

In 2022, the new Haven Afvalstoffen Plan (HAP; Port Waste Plan) was published. Groningen Seaports took part in the working group for this HAP. A uniform plan for the sustainability of Dutch seaports is rolled out in the HAP. The introduction of the new HAP also involves the start of digital data processing and a reduction of the administrative burden.

Due to new legislation for waste collection, a procurement process for a new waste collection system took place in 2022.

We also continually try to improve the quality of waste collection and thus make the ports more sustainable. An example of this is the further diversification of waste streams.

Recycling wind turbine blades

With the project Decom North (one of the spin-offs from the OWIC Project), Eemshaven showed itself to be a global pioneer in recycling wind turbine blades. The blades are reduced in size in stages, until all that is left is pellets that form the raw material of new products.

Sustainable business operations

Green power

Our main electricity consumers are shore-based power, public lighting, camera and radar facilities, charging points for electric cars and the head office. All power used by Groningen Seaports is green power generated entirely in the Netherlands.

Energy label A

The head office of Groningen Seaports in Delfzijl underwent an energy scan in March 2022. The scan showed that the building has a good level of sustainability and it was given energy label A.



Sustainable purchasing policy and circular work practices

When purchasing facilities, services and goods, we take into account social aspects as well as sustainability. The purchase conditions of Groningen Seaports are such that circular purchasing and a positive impact on society are stimulated. Groningen Seaports aims for 100% sustainable purchasing in all phases of the purchasing process according to the standards of Professioneel en Innovatief Aanbesteden, Netwerk voor Overheidsopdrachtgevers (PIANOo; Professional and Innovative Procurement, Network for Public Contractors).

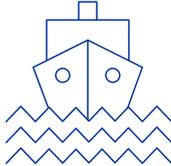


NAUTICAL MANAGEMENT

Groningen Seaports is working on the digitisation and automation of nautical processes to ensure it can guarantee it handles shipping traffic in a way that is safe, quick, clean and secure. This is also related to the new and amended EU directives and the requirements for the better registration and monitoring of ballast water and ship-generated waste. Protecting the safety in the ports, on the docks and for the ships is another important pillar in nautical management.

KEY FIGURES

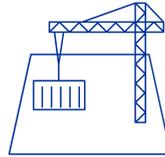
NUMBER OF SEAGOING VESSELS



4,819

-8.4% compared to 2021

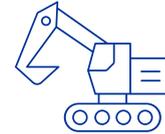
TRANSSHIPMENT



13.0
million tonnes

-2.1% compared to 2021

DREDGED VOLUME



DELFIJL

1.0 million
m³

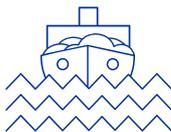
2021: 1.5 million m³

EEMSHAVEN

1.6 million
m³

2021: 1.6 million m³

NUMBER OF INLAND VESSELS



4,197

+6.7% compared to 2021

SHIPPING INCIDENTS REPORTED



36

2021: 34

The Russian invasion in Ukraine in 2022 led to a stricter EU sanction policy for international ports in Europe. Russian ships are subjected to stricter measures. The Port Security Officers have been appointed as the implementing body for these sanctions.

Performance of public nautical tasks

The Nautical Service Centre of Groningen Seaports is responsible for handling shipping traffic and everything else happening in the ports of Delfzijl and Eemshaven quickly, safely and securely.



Professionalisation of the Nautical Service Centre

The professionalisation of the Nautical Service Centre by distributing all the Centre's tasks and responsibilities among more staff continued in 2022. The arrival of the LNG terminal and the ferry service to Norway have meant that the work pressure in the Port Coordination Centre has increased. The employment of extra port authority staff in 2022 has meant that a double watch at the radar is now guaranteed seven days per week between 7.00 and 23.00 hours.

Shipping incidents

In 2022, a total of 36 shipping incidents took place in the management area of Groningen Seaports. The table below provides an overview of those incidents.

Nature of the incident	Number
Emergencies	5
Port security / ISPS	4
Environment	7
Other	12
Near Miss	8
TOTAL	36

Reports per location	Number
Delfzijl	7
Eemshaven	25
Appingedam	0
Farmsum	4

By means of a management tool which is also used by other large seaports in the Netherlands and by taking measures in advance, risks associated with shipping incidents are kept under control proactively.

Incidents are evaluated with both external and internal parties. Improvements are introduced where necessary.

Port security

In September, the Human Environment and Transport Inspectorate performed an audit at Groningen Seaports in terms of port security. Supervisors of the Nautical Service Centre performed additional audits on behalf of the Port Security Officer within the context of both the ferry link to Norway and the completion of the LNG terminal. Both terminals meet the strict requirements associated with these transport flows. The backlog in the performance of audits at businesses on behalf of the Port Security Officer, which occurred as a result of the COVID-19 period, has been dealt with.

Consultation with nautical stakeholders

As regards public tasks, consultation with the following bodies takes place on a regular basis:

- Port consultation with agencies, tug companies, pilots, linesmen and other authorities about operational matters.
- Operational quarterly consultation with Rijkswaterstaat (Directorate-General for Public Works and Water Management) and the North region of the Dutch Pilotage Service about operational matters on the Ems and in the ports.
- PROTIDE consultation with all port authorities using the PROTIDE (PRObabilistic TIdal window DEtermination) programme to keep this up to date.
- Consultation with central government authorities about “undermining criminality in the seaports”.
- The consultation between Rijkswaterstaat and its German counterpart Wasserstraßen- und Schifffahrtsamt (WSA) takes place annually.



Simulations

In January 2022, a second simulation took place for the purpose of the ferry service between Eemshaven and Kristiansand in Norway. The ferry that would initially sail on the route was replaced by another one, the MS Romantika.

For the completion of the LNG terminal, three simulations took place in 2022. Studies were carried out for the two driving units (the FSRUs) to make sure they are properly anchored in all weather conditions.

Additional study and training

Because of the size of the LNG tankers, extra attention is required in terms of nautical management. In 2022, a study took place into increasing the width and draught of the permitted LNG tankers. In addition, the vessel traffic service operators received extra awareness training.

Safety plan

An international ferry service like the one between Eemshaven and Kristiansand is subject to strict safety measures. In consultation with Holland Norway Lines, we have drawn up a safety plan with the measures necessary to be able to meet International Ship & Port Security (ISPS) legislation and to set up certification.

Performance of other nautical tasks



Development of shipping movements and transshipment

In 2022, we saw a slight increase of 6.7% in the number of inland vessels visiting but an 8.4% decrease in the number of seagoing vessels visiting, resulting in an overall drop of 1.9% in the number of vessels visiting.

Number of ship visits

	2019	2020	2021	2022
Inland vessels	4,589	3,734	3,934	4,197
Sea-going vessels	6,464	4,433	5,261	4,819
Total	11,053	8,167	9,195	9,016

The transshipment figures show the same trend: a rise of 7.3% for inland shipping and a drop of 8.9% for seagoing vessels. This is largely due to the drop in coal transshipment at the beginning of 2022, which returned to its previous level in the third quarter, and particularly in the fourth quarter, following the developments in Ukraine.

Transshipment in tonnes
(x 1,000 tonnes)

	2019	2020	2021	2022
Inland vessels	6,505	5,223	5,574	5,981
Sea-going vessels	6,166	5,748	7,779	7,085
Total	12,607	10,971	13,353	13,066

Undermining criminality in the seaports

Because of the arrival of the international ferry service and the LNG terminal, the role of the ports is changing. The working group set up by Groningen Seaports and the regional unit of the police in 2021 to resolve possible blind spots in the ports in terms of undermining criminality in the seaports, is now even more relevant than it was before. This working group seeks to improve the cooperation and exchange of information between a number of government services: the Royal Netherlands Military Constabulary, the customs, the national unit of the National Police Force (marine and regional police), de Regionale Informatie en Expertise Centra Noord-Nederland (RIEC; Regional Information and Expertise Centres for the Northern Netherlands), Rijkswaterstaat and the municipalities of Eemsdelta and Het Hogeland.

In 2022, the working group was working on developing an agreement. This is still ongoing. RIEC and the municipalities have appointed a programme manager.

Maintenance and development of port infrastructure

Reliability, availability, maintainability, safety, health and sustainability are the guiding principles in all the regulations concerning port infrastructure.

Port of Rotterdam, North Sea Port and Groningen Seaports concluded an agreement in 2022 for the joint standardisation of maritime infrastructure. This concerns docks, bollards, dock walls, roads and electricity infrastructure. North Sea Port and Groningen Seaports are going to use the standards that have already been introduced by Port of Rotterdam in the further development of future-proof port infrastructure.

In 2022, the following major maintenance and development projects were largely or completely finished:

In Eemshaven:

- roads were adapted to accommodate heavy transport;
- part of the turning basin was deepened to 12.2m below the Amsterdam Ordnance Datum for the EemsEnergyTerminal. This depth is required for safe access by the LNG tankers;
- the ISPS gate in Beatrixhaven was replaced;
- the fixtures of the lighthouses in Beatrixhaven were replaced;
- major road maintenance took place in Kwelderweg;
- the dock flooring in Beatrixhaven was partly repaired.

In the port of Delfzijl:

- repairs of the concrete structure of dock section D-E took place;
- major road maintenance took place in Oosterlaan.

The replacement of the VHF system was also completed in 2022.



Dredging

It is extremely important that ships can enter and moor in the ports safely and without incidents. By once again efficiently carrying out regular maintenance in 2022, we were able to ensure that no problems occurred in our ports due to nautical depths.

The energy transition plays an increasingly important part in carrying out dredging works. Dredging is an energy-intensive process, in which large quantities of diesel oil are used on a daily basis. Improving the sustainability of the dredgers is an effective measure to reduce the CO₂ emissions. We therefore actively aim to reduce the environmental impact in calls for tenders. This results in an increasingly green fleet of dredgers. The Ecodelta, the first trailing hopper dredger running on LNG, was used for dredging works in Eemshaven.

Port ordinance

A new port ordinance came into force in 2022. It has a structure which is comparable to the port ordinances of other Dutch seaports.



ORGANISATIONAL DEVELOPMENT

In terms of the internal organisation of Groningen Seaports, 2022 was mainly a year of transition. To make sure we can continue to fulfil our ambitions as leading player in the circular and biobased economy and the energy transition in the future, we have started the implementation of the internal programme “Sea the Future”. In hybrid working, the emphasis changed again to working in the office.

KEY FIGURES

EMPLOYEES



105
(99.5 FTE)

2021: 90 (87.2 FTE)

MOBILITY



PEOPLE LEAVING US

5

2021: 6

PEOPLE JOINING US

20

2021: 13

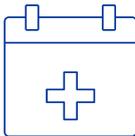
EXTERNAL HIRING



2 FTE

2021: 4.1 FTE

SICKNESS ABSENCE



4.2%

2021: 3.8%

CONTRACTS



PERMANENT

88%

2021: 93%

FIXED-TERM

10 FTE

2021: 5.8 FTE

TRAINEES



15 students

2021: 28 students

AVERAGE AGE



47

2021: 48

Internal organisational change

The year 2022 was a year of change. Under the working title “Sea the Future”, the kick-off of the implementation of an internal organisational change process took place on 10 May 2022. Organising a future-proof and robust organisation was the underlying principle. To achieve this, we have implemented a new organisational structure.

Core values

The programme “Sea the Future” partly consists of the introduction of core values for Groningen Seaports, which provide the basis for the behaviour of the organisation and its staff. These four core values of Groningen Seaports can be summarised as follows:

Cooperation

We cooperate, and together we work towards the success of Groningen Seaports. We are proud of this, and we show how we feel. Everyone actively contributes to this. Together we form one Groningen Seaports.

Responsibility

We have a lot of freedom, take responsibility and are proactive towards colleagues, our customers and our environment. We are aware of our own role within and outside the organisation.

Trust

We trust and build on the knowledge and expertise of our colleagues. Together we create a safe and dependable environment where making mistakes is allowed.

Innovation

We are innovative and creative with our solutions, and we are aware that change is the only constant. We surprise and are always thinking in opportunities.



Staff survey

The staff survey held at the beginning of 2022 showed that staff at Groningen Seaports are proud to work here and feel valued. It was also clear that people enjoy working together, both within and outside their teams. Staff are enthusiastic and experience a high level of independence in their work and the scope needed to perform well. Although the level of commitment was still high, there was a drop compared to 2021. The same applied to the sense of being given support and direction by the manager. Staff also indicated they felt it was important to have opportunities for advancement. These points for attention have been included in the “Sea the Future” programme. Attention will be paid to this again in the new staff survey, which will start at the beginning of 2023.

Education and training

Learning and continuing to develop are essential for Groningen Seaports. In addition to group training events in various disciplines, in both commercial and technical subjects, we also saw some great examples in 2022 of investment in education for the personal development of staff, for which purpose staff could suggest work-related courses and training events themselves.



Diversity

Groningen Seaports values diversity in its workforce and bears this in mind when filling vacancies in all tiers of the organisation.

We strive for a balance in the male/female ratio. At year-end 2022, the workforce consisted of 34% women and 66% men; 24% of senior roles are fulfilled by women. In terms of its suppliers, Groningen Seaports applies the obligation that they must employ people who are distanced from the labour market or have an occupational impairment.

Groningen Seaports does not record any personal data regarding ethnicity, sexual orientation, religion, etc.

The supervisory board also values diversity and a balanced distribution between the number of men and women. Two of the five members of the supervisory board are currently women (40%).



Works Council

As regards the Works Council, 2022 was characterised for a large part by the organisational adjustment and various requests for consent and requests for an opinion. The directors and the Works Council met regularly in 2022 to discuss those issues. The Works Council also contributed ideas and gave its opinion about the choices and improvements the directors wish to make.

In 2022, the Works Council met with members of the supervisory board twice. The directors were not present at those meetings.

There is a weekly walk-in hour when staff can talk to members of the Works Council in an informal manner. This walk-in hour is also available digitally.

Hybrid working and information security

Following a period of mostly working from home, the organisation demonstrated that it was capable of introducing hybrid working. The accessibility of information offers staff the opportunity to work together in one environment from different locations. There is much emphasis in this respect on the secure handling of corporate information. Due to the increase in cyber criminality, the constant improvement of information security remains a point for attention.

Cyber attacks

Because of the current cyber threat landscape, vigilance and awareness in terms of information security continue to be priorities, in spite of the successful measures taken in previous years. This is entirely in keeping with the business plan for 2022-2026, but we are also regularly reminded of the importance of this, for example by cyber attacks.

In 2022, a large number of phishing and spoofing attacks took place. The source was traced and action was taken.

A number of times, an attack on one of our chain partners penetrated Groningen Seaports. The introduction of multifactor authentication played an important part in protecting against further penetration attempts by the attacker. Groningen Seaports continues to work on improving its digital resilience. Both good information and a secure chain are important in this respect.



Implementation of information security measures

In the past year, a detailed analysis in terms of information security took place at Groningen Seaports. All parts of the organisation were investigated with a view to implementing possible improvements in information security. This analysis has provided insight into the current digital resilience level and has given us pointers for defining the target level of Groningen Seaports for information security. On that basis, a number of actions have been defined which are implemented in the organisation in their order of priority to strengthen both information security and the awareness culture.

Threats and developments at macro level are investigated constantly and, where relevant, included in the further approach for strengthening information security at Groningen Seaports. In keeping with the ambition of the National Cyber Security Centre (NCSC), we are working towards successful barriers against cybercrime.

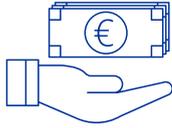


FINANCES

Sound, well-founded financial management is of great importance for Groningen Seaports in order to meet the set targets. We aim for a financial return in line with market conditions. When drawing up business cases, we also consider the social aim of the relevant company. We use the “three lines of defence model” to control the risks.

KEY FIGURES

PROFIT BEFORE TAX



€ 20,370,000

2021: € 7,562,000

REVENUE



€ 57,643,000

2021: € 54,148,000

INVESTMENTS



€ 9,737,000

2021: € 8,881,000

Yield, impact and risk

Both beforehand and afterwards, Groningen Seaports accounts for how positive and negative deviations from the intended financial yield relate to the intended social aims, such as employment and sustainability.

Shareholder strategy

Groningen Seaports wishes to create a balance between sustainable social impact and a financial return in line with market conditions. For that purpose, the shareholder of Groningen Seaports is prepared to use that part of the return in line with market conditions which in a private context would be paid out as dividends, as a part to be used for implementing business cases that are in the public interest. However, a clear account must always be given, both beforehand and afterwards, of the contribution to the shareholder's goals. As a result, there is more emphasis on the return for society and more scope for investment in sustainability and employment.

Risk management

Risk management is a continuous process, which involves identifying what can go wrong (risk) and what can contribute to meeting the targets (opportunities). The aim is to control the risks, so that the targets can be met within acceptable limits (acceptable risks) and with more certainty. The policy of Groningen Seaports in terms of risk management and the relevant approach have been laid down in a policy document.



Control

We use the so-called “three lines of defence model” to control the risks. The first line consists of the directors and the line management. They are responsible for recognising, controlling and, where appropriate, consciously accepting risks. The second line consists of the Finance & Control, Legal Affairs and CISO departments. They act as a sparring partner for the first line and provide support in day-to-day risk control. The third line is formed by the Internal Audit Function, which audits the control structure formed by the first and second lines from an objective, independent position.

The Internal Audit Function is therefore not responsible for risk management, but it forms an opinion about its quality and effectiveness. The Internal Audit Function carries out investigations into governance, risk management and the internal control of processes and is responsible for the progress report on the action plan (investigation outcomes) and auditing improvement actions implemented by the management.

The risk profile of Groningen Seaports NV was updated in 2022. The residual risks (after control measures had been taken, see table 3, Risk profile - main risks) were identified and it was decided how they related to the management’s willingness to take risks. When determining the impact, a link was established between the Objectives Tree from the most recent Business Plan of Groningen Seaports.

Risks	Control measures		
<i>(per category)</i>		Current experienced risk	Target experienced risk
Corporate			
Shareholder	Shareholder strategy, Port Vision 2030 and 5-year business plan	●	●
<i>(Conflicting interests, priorities)</i>	Frequent consultation and discussion with the shareholder		
	Assessment of governance structure		

Risks	Control measures		
<i>(per category)</i>		<i>Current experienced risk</i>	<i>Target experienced risk</i>
Politics	Lobbying relevant stakeholders	●	●
<i>(Legislation that may be disadvantageous for GSP, such as PFAS legislation and the Integrated Approach to Nitrogen)</i>	Use of public affairs, public relations and political networks		
Reputation and image	Lobbying the appropriate stakeholders;	●	●
<i>Loss of trust</i>	Proactive external communication policy;		
	Protocol for social media;		
	Good internal communication;		
Strategic			
CO2	Participation in the industry forum	●	●
<i>(Not meeting CO2 targets (energy sector))</i>	Supporting initiatives relevant to energy transition		
	Contributing ideas to the government and the corporate sector		
	Focus on implementing strategy		
	Having an influential position by holding the chair of the climate forum		
Business Analytics	Annual strategy update including goals tree	●	●
<i>(Converting data into information which should lead to knowledge and action)</i>	Monitoring progress and periodically aiming to meet strategic goals		
	Regular market analysis		
	Participation in various networks		
	Membership of sector organisations		
Operational			
Environment/soil	Soil policy	●	●
<i>(Contaminated soil, soil decontamination)</i>	T0 measurement and monitoring		
	Environmental insurance		
	Licence monitoring and inspections		
	Bank guarantees for negative values		
	Holding company guarantees		

Risks	Control measures		
<i>(per category)</i>		<i>Current experienced risk</i>	<i>Target experienced risk</i>
Allocation process	Redesign and implementation of allocation process; work agreements in place and guaranteed	●	●
<i>(Core process is not running smoothly and is complex)</i>	Audit		
	Staff (CISO, Government and Environment, Control)		
	Strategic area development		
ICT	Restricted access; backup and recovery procedure; emergency power supply	●	●
<i>(Outage / loss of data (also cyber attack))</i>	More than one internet provider, more than one fibre optic cable, double VTS Systems		
	24/7 technical support; preventative management		
	Rules of procedure for the use of electronic means of communication		
	Archive and storage of information and policies and agreements		
Internal organisation	Strategic sessions (including goals tree)	●	●
<i>(No alignment)</i>	Unit sessions		
	Staff meeting		
	Process descriptions		
	Education and training		
Human Resources	Strategic HRM (including competencies)	●	●
<i>(Staff are not suitable for the organisation (developments))</i>	Education and training of staff		
	High work pressure is recurring subject in SMT		
	Staff Satisfaction Survey is held once every two years, negative outcomes are addressed		
	"Sea the Future" programme		
Sales management contract	Contract register	●	●
<i>(No insight into rights, completeness of proceeds)</i>	Contract management by means of asset management system		
	Port information system provides the basis for invoices for shipping		
	Analysis of the realised proceeds in comparison with the budgeted amounts in quarterly reports		

Risks	Control measures		
<i>(per category)</i>		Current experienced risk	Target experienced risk
Catastrophe	Earthquake-proof designs and construction	●	●
<i>(Severe earthquake or extreme weather conditions)</i>	Monitoring own assets, asset management		
	Participation in various current programmes concerning, for example, earthquakes and dyke heightening		
	Liability of the State is provided for by law (earthquake damage)		
Financial situation			
Interest	Treasury policy	●	●
	Interest derivative		
	Customer relationship management of banks		

Risk reserve

Where the possibilities for controlling risks are limited, the equity capital will be directly affected when an incident occurs. To make sure that the business operations of Groningen Seaports are not put at risk, the resilience capacity is updated. This update takes place biennially; the most recent one took place at year-end 2021. It provided insight into the restrictions that may occur in working towards achieving the company objectives; these restrictions are structurally considered in the business operations. Groningen Seaports applies a high level of financial security: the highest level, namely 99.5%. Calculation of the scenarios at this level has resulted in a required buffer of € 23 million. The equity capital available for this purpose as at the balance sheet date is more than adequate.

Monitoring

Because of all the different tasks performed by Groningen Seaports within the context of risk control, it is important to elaborate the coordinating role in more detail. As was described in the above section "Control", risk management is embedded company-wide and is based on the "three lines of defence" model. Where possible, control measures were taken for the updated risks. The risks and the control measures are monitored and updated continuously.

Identifying risks related to fraud is a recurring part of monitoring and identifying risks. These risks are tested against the existing control measures; this concerns, for example, the procurement policy, the ordering procedure and financial processes. A mitigating measure is the code of conduct drawn up for the staff of Groningen Seaports; it was updated in 2022. The vulnerability of staff in relation to their work and private situation is also monitored, and a Verklaring Omtrent het Gedrag (VOG; Certificate of Conduct) must be presented on commencing employment. There is no indication that staff of Groningen Seaports are involved in fraud or fraud-related matters.

Risk categories

The directors of Groningen Seaports have adopted a risk acceptance matrix, which serves as a framework for risk prioritisation. Because of its social function and long-term perspective, Groningen Seaports is generally a risk-avoiding company. A large part of the risks have an external cause, which Groningen Seaports can only control to a limited extent or with disproportionately high costs. Groningen Seaports applies a slightly raised level of risk acceptance to these risks.

As was said above, different risk categories have been defined at Groningen Seaports, which are controlled with different measures. These risk categories are mentioned below.

Corporate risks

Risks that may influence the organisation's continuity are structurally controlled by managing expectations on the basis of the shareholder strategy, Port Vision 2030 and the business plan, as well as frequent consultation and discussion with the shareholder and stakeholders.

Strategic risks

These include risks and uncertainties that form an obstacle to meeting our long-term goals. The strategic risks are controlled by bringing the vision and mission of Groningen Seaports into operation in the business plan, by proactively taking part in INN, by working towards energy transition and by holding discussions with the government and the corporate sector about meeting the CO₂ targets.

Operational risks

These include risks and uncertainties that influence the effectiveness and efficiency of operational activities and particularly the short-term goals of Groningen Seaports. Operational risks are assessed by the organisation with great regularity.

The arrival of new ships, such as LNG ships, is an example where Groningen Seaports needs to reassess its risk acceptance. In the area of ICT, hardware and software are made future proof and digital security is safeguarded. Projects are controlled by means of guidelines that have been laid down in Groningen Seaports-Kompas. This is a method for project management that is applied throughout the company. Groningen Seaports also applies asset management to better control the failure and maintenance and other costs of assets.

Financial risks

This concerns risks and uncertainties about the financial position and the options for raising financing. The policy for covering financial risks has been laid down in the Treasurystatuut (Treasury Strategy) and has a number of objectives. Treasury refers to managing and controlling, accounting for and supervising the financial asset values, the financial money flows, the financial positions and the risks involved in this. The policy also has the purpose to acquire and maintain access to financial markets against acceptable conditions and to protect the organisation against undesirable financial risks. The policy is supported by ensuring that there are adequate flows of information. The most important and most relevant financial risks facing Groningen Seaports are described below.

Interest risk

The refinancing of Groningen Seaports was completed in 2016. A large part of the cash loans were converted into long-term loans. This guaranteed the continuity of financing. A derivative was taken out to cover the interest risk; at year-end 2022, the interest risk of the loan capital was covered for 100%.

Liquidity risk

To control the liquidity risk, liquidity budgets are prepared periodically; they can be adjusted by means of interim monitoring where necessary. The liquidity budgets take into account the limited availability of liquid assets and the margin call in terms of the derivative taken out. For an explanation of the liquidity risks of the interest rate swap, see the explanatory notes to the interest rate swap (see Part II).

Credit risk

Groningen Seaports deals with creditworthy parties and has drawn up procedures to check the creditworthiness of these parties. In addition, guidelines have been drawn up in order to limit the extent of the credit risk in respect of each financial institution and debtor. Furthermore, Groningen Seaports constantly monitors its receivables and the company applies a strict reminder procedure. As a result of the above measures, the credit risk of Groningen Seaports is controllable. The company has no significant credit risk concentrations.

Impairment

Groningen Seaports assesses whether a tangible fixed asset or a group of tangible fixed assets has been subject to an impairment as at each balance sheet date. On the basis of information from external and internal sources, there are no indications and it is not probable that an impairment occurred. An impairment test has therefore not taken place.



Financial situation

In 2022, the result before tax was € 20.4 million (2021: € 7.6 million). Compared to the operating income for 2021, there was an increase in income of approximately € 3.5 million. The most important effect was a rise in the extraordinary income from sites (approximately € 7 million) and a drop in the sale of land (approximately € 3 million lower).

Compared to the operating expenses for 2021, there was a drop in expenses of approximately € 5 million. This is due mainly to lower transaction-related costs of € 5 million as a consequence of fewer sales of land and the associated cost price of the sold land. Furthermore, an addition was made in 2021, in particular to the provision for site decontamination, while 2022 saw a release from this provision.

The largest investments in infrastructure in 2022 were the investments in the industrial parks Heveskes and Oosterhorn-Zuid. In 2022, the investment sum was € 9.7 million, which was slightly more than in 2021 (€ 8.9 million).

The operating cash flow in 2022 was € 99.5 million positive (2021: € 28.2 million positive). The operating cash flow was therefore considerably higher in 2022 than it was in 2021. The most important cause of this was the increase in the value of the interest rate swap as a consequence of the increased market rate. The security deposit for this interest rate swap (margin calls) decreased by approximately € 52 million in 2022. Furthermore, approximately € 6 million was received in dividends in 2022 (2021: € 0). As a consequence of investments in infrastructure and holdings, the investing cash flow was € 16 million (2021: € 18.1). On balance, a positive cash flow remained, of which € 82.3 million was used to pay off loans. This € 82.3 million is a balance of € 13.0 million for attracting loans and € 95.3 million for paying off loans.

The current ratio is 0.37 (2021: 0.93). This liquidity ratio decreased because a loan of € 50 million must be repaid in 2023; this loan was entered on the balance sheet as at 31 December 2022 under short-term liabilities. The refinancing of this loan has been recorded. Other than that, liquidity is sufficient, in view of the possibility of guaranteed cash financing. At year-end 2022, the solvency ratio was 56.9% (2021: 47.2%). The considerably higher solvency ratio is the consequence of the increase in the value of the interest rate swap, which means approximately € 52 million less loan capital is required to finance the margin calls. The positive result for 2022 also contributes to the improvement of the solvency ratio.

The Debt Service Coverage Ratio (DSCR) at year-end 2022 is 3.66 and therefore meets the condition of a minimum DSCR of 1.1, as stated in the financing agreement between Groningen Seaports and BNG Bank. The DSCR reflects the payment capacity. If the ratio is more than 1, this means there is enough to pay the total of interest and repayments.

Long-term financial plan for 2023-2027

The figures for the results and cash flows have been derived from the Business Plan for 2023-2027.

Amounts x €1,000

Description	2023	2024	2025	2026	2027
Result after tax	13,044	6,617	2,968	4,932	5,429
Depreciation	9,908	11,523	12,869	14,103	14,280
Transactions in current assets	552	555	559	563	563
Transactions in reserves and provisions	-5,364	394	204	134	134
Interest during construction	-74	-174	-123	-20	-7
Operating cash flow	18,065	18,915	16,477	19,712	20,400
Investment cash flow	-75,643	-49,874	-25,939	6,161	-2,707
Financing cash flow	57,577	30,958	9,463	-25,873	-17,693

According to the long-term financial plan, positive results are expected throughout the whole period. The basic premise of the Business Plan for 2023-2027 is meeting the increasing demand for available sites in the management area of Groningen Seaports. In order to convert this increased demand into the actual establishment of new businesses and therefore achieve economic growth, the sites in the management area need to be developed. The investments required for this purpose are included in the business plan. For the period 2023-2027, investments have been included for, among other things, developing the sites at Heveskes, Oosterhorn-Zuid, Westlob and Energypark and building the port infrastructure for future land allocations. Groningen Seaports mainly focuses on subleasing sites.



CORPORATE GOVERNANCE

Groningen Seaports NV is an unlisted public limited company with one shareholder: the joint arrangement Havenschap Groningen Seaports. This joint arrangement consists of three participants: the province of Groningen, the municipality of Het Hogeland and the municipality of Eemsdelta.

The governing board of the joint arrangement Havenschap Groningen Seaports decides how the chair of this governing board will exercise the voting rights attached to the shares in Groningen Seaports NV.

The general meeting may adopt resolutions at a meeting or outside a meeting. Resolutions outside a meeting are adopted in writing and unanimously.

The powers of the general meeting follow from the law and the articles of association. These powers include the powers to appoint and remove the directors. Furthermore, on the basis of the law and/or the articles of association, the general meeting must approve a number of resolutions passed by the directors. These include resolutions concerning investments and land transactions with a capitalised or market value of more than € 5 million and the company's strategy.

Although Groningen Seaports is not a listed company, it adheres to a number of the principles and best practices from the Dutch Corporate Governance Code.

Groningen Seaports has a two-tier board model. The board of directors is responsible for the day-to-day management. An independent supervisory board supervises the directors and the day-to-day affairs in the business, gives advice on request and at its own initiative and fulfils the role of the directors' employer.

Board of directors

Groningen Seaports is managed by a board of directors consisting of two members: the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). In fulfilling their duties, the directors prioritise the interest of the company and its business operations. They account for their actions to the supervisory board and the general meeting.

Responsibilities, task and approach

The directors' responsibilities, task and approach have been laid down in the company's articles of association and the board regulations. In accordance with the law and the articles of association, some resolutions adopted by the directors are subject to the approval of the supervisory board and/or the general meeting.

Appointment

The members of the board of directors are appointed by the general meeting. The directors can be suspended or removed by the general meeting. The aim is to have a board of mixed composition in terms of characteristics such as sex and age. Both the board on the whole and each member individually is authorised to represent the company.

Interests

A director will not take part in the consultation and decision-making process with regard to a subject or transaction in which he or she has a direct or indirect personal interest that conflicts with the interests of Groningen Seaports. If both directors have a direct or indirect personal interest that conflicts with the interest of Groningen Seaports, as a result of which no resolution can be adopted by the directors, the resolution will be adopted by the supervisory board.

Remuneration

The remuneration and employment conditions of the directors are adopted by the supervisory board, in compliance with the remuneration policy adopted by the general meeting.

Supervisory board

Groningen Seaports has a supervisory board which consists of five members. The supervisory board members are appointed by the general meeting; each of the three participants in the joint arrangement Havenschap Groningen Seaports may make one binding recommendation. The works council may make one recommendation for the appointment of a supervisory board member.

Supervisory board members can be appointed for two terms of four years each. In special circumstances, related to the interest and continuity of the supervisory board and the performance of its task, the general meeting may reappoint a supervisory board member for a third period of a maximum of two years.

The general meeting prepares a supervisory board profile, bearing in mind the nature of the business, its activities and the required expertise and background of the supervisory board members.

Responsibilities, task and approach

The responsibilities, task and approach of the supervisory board are laid down in the articles of association of Groningen Seaports and in the rules of procedure of the board of directors, the supervisory board and its committee(s).

The supervisory board supervises, inspects and advises the directors with regard to a number of subjects, including:

- achieving the goals of Groningen Seaports;
- the strategy and risks inherent in the business activities;
- the structure and effectiveness of the internal risk management and control systems;
- the financial reporting process, and
- compliance with legislation.

Furthermore, on the basis of the law and/or the articles of association, the supervisory board must approve a number of resolutions passed by the directors. These include resolutions concerning investments and land transactions with a capitalised or market value of more than € 450,000 and the company's strategy.

The responsibility for the performance of its task lies with the supervisory board collectively. Board members fulfil their task without a mandate and independently of the particular interests concerning the company.

Performance

At least once a year, the supervisory board discusses - without the presence of the directors - its own performance, that of its committee(s) and that of the individual board members. It also discusses at least once a year, without the presence of the directors, the performance of the directors.

Interests

A supervisory board member will not take part in the consultation and decision-making process with regard to a subject or transaction in which he or she has a personal interest that conflicts with the interests Groningen Seaports. If, as a result, the supervisory board is unable to adopt a resolution, the resolution will be adopted by the general meeting.

Remuneration

The general meeting may annually grant a remuneration to the supervisory board members for their activities, in compliance with the remuneration policy adopted by the general meeting.

Audit committee

The supervisory board has set up an audit committee, consisting of two members. The audit committee prepares the decision-making of the supervisory board in terms of supervising the integrity and quality of the company's financial reporting and the effectiveness of the company's internal risk management and control systems. The audit committee is an advisory committee to the supervisory board; as such, it does not take over any responsibilities of the supervisory board.

The audit committee performs its tasks according to the rules of procedure adopted by the supervisory board.

External auditor

The external auditor is appointed by the general meeting. As of the financial year 2022, Eshuis Accountants is the external auditor of Groningen Seaports.

The external auditor reports on the audit it has performed to the supervisory board and the directors and, following its investigation and inspection, it issues a certificate on the truth and fairness of the financial statements of Groningen Seaports.

The external auditor attends the meeting of the supervisory board in which the external auditor's report on the audit of the financial statements is discussed.

Further development of the governance structure

In 2021/2022, Deloitte investigated, on the instructions of the shareholder of Groningen Seaports, whether there is scope for improvement in the governance structure. In May 2022, Deloitte reported on its findings and recommended adjusting the governance structure in order to simplify the decision-making processes in particular.

Also in May 2022, a report was published by Necker van Naem, following coverage in the media in 2021 on land purchases that had taken place in the past. One of the recommendations from the report produced by this research agency was to simplify the governance structure and make it more effective and transparent.

Following this, the province of Groningen, the municipality of Het Hogeland and the municipality of Eemsdelta gave instructions for the further elaboration of the recommendation to simplify the governance structure in the course of 2022. The results of this are expected in 2023.

Interview with the chair of the supervisory board

Groningen Seaports is in the middle of a dynamic phase, in which the organisation is taking big steps. In this interview, the chair of the supervisory board of Groningen Seaports, Frans Keurentjes, looks back on 2022 - his first full year as chair of the supervisory board of Groningen Seaports - and reflects on the board's position.

The main tasks of the supervisory board are supervising the directors' policy and the day-to-day affairs in the business, its role as the directors' employer and giving advice on request and at its own initiative. Due to the turbulent developments, its role as adviser was at the forefront in the past year.

“GRONINGEN SEAPORTS IS TAKING BIG STEPS AT DIFFERENT LEVELS”

Keurentjes has noticed a number of things: “Groningen Seaports is taking big steps at different levels, which is partly due to external developments like the energy transition, but also to the organisation's continued professionalisation. It is becoming increasingly clear in this phase that Groningen Seaports is the right party to achieve the goals for which the company was founded at the time both professionally and efficiently.” Keurentjes recognises that not everyone is seeing, acknowledging or recognising yet that Groningen Seaports is taking such steps. “Those involved, staff, local residents, business partners, the shareholder and politicians - they all have different ideas about the tasks and responsibilities of Groningen Seaports. That's why Groningen Seaports is not always getting the scope it needs to fulfil its tasks properly.”

Governance and Port Vision

In 2021, an investigation into the governance structure of Groningen Seaports was commissioned. The supervisory board was also asked questions about this. These investigations were concluded in 2022. One of the recommendations was to simplify the governance structure. Because GSP is a public sector company with a joint arrangement in which three local government authorities participate as its shareholder, the current structure can lead to sluggish decision-making processes.

The second recommendation was to develop a new Port Vision which is better integrated in regional economic policy. “The reason why Groningen Seaports exists.” This is a frequently returning theme during the interview with Keurentjes. Are you, as a business, focusing on the right things? “The different developments and the huge interest in the management area of Groningen Seaports are forcing us to make sharp choices.”

Keurentjes: “The good news is that, when the company was considering the recommendation to formulate a new Port Vision, it soon became clear that the old Port Vision was focusing on the right things and that its themes were still current. But how you translate that to the organisation's situation, what the consequences are, what the field of competition is like and how that relates to the strategic choices Groningen Seaports should or should not make is still open. We have to make sharp choices in this respect in this new Port Vision.”

In GSP's current development phase, it is very important to respond professionally to the challenges and of course also the opportunities it is confronted with. It is because of the unique location and development opportunities in the management area of Groningen Seaports that clear choices need to be made. Keurentjes therefore advocates a governance structure with direct share ownership of the local governments involved, so that the shareholder can perform its framework setting and testing role to the full. "A number of years ago, politicians decided to establish a public limited liability company to implement the industrial and economic policy in the ports and the adjacent areas, within the ecological parameters and other criteria. The shareholder can then test whether the professional board of directors and supervisory board have met those goals."

Energy transition towards hydrogen

"It is up to Groningen Seaports to show off its in-house quality even better," Keurentjes continues. He believes major steps in that direction are already being taken, as is evident from the completion of the LNG terminal in 2022. The directors have frequently been in touch with the supervisory board for discussion and advice on progress, the criteria and the risks during the construction of this terminal. The supervisory board and the directors paid a working visit to the LNG terminal in Maasvlakte in Rotterdam for orientation purposes and to increase their knowledge.

One of the topics discussed during that working visit was hydrogen. "That's another important theme that influences the scope of Groningen Seaports," Keurentjes explains. "Is Groningen Seaports going to put itself forward as the leading party in the energy transition in the field of hydrogen? Well, if it is up to the directors and the supervisory board, we will underline that choice." Fulfilling this ambition further emphasises the national and international scale on which Groningen Seaports operates. "We will therefore definitely make sure that this is developed properly and that good governance is applied."

The supervisory board also gave the directors advice on the implementation and details of the new internal organisational structure that Groningen Seaports introduced last year. "This development is necessary to make sure we continue to be well equipped in the future, for example in the energy transition towards hydrogen," Keurentjes clarifies. "Of course we need to keep the right distance, but the subject is still regularly on the agenda so we can keep a finger on the pulse."

Self-assessment

In 2022, the supervisory board carried out a self-assessment of its own functioning and that of the audit committee and the individual board members. It showed that the supervisory is fully able to perform its tasks. One of the points that will have more emphasis in the years to come is the supervisory board's role as the directors' employer and the HR policy of the business in general. "We will use the self-assessment and the diversity policy with regard to the vacancy on the supervisory board in 2023." Another topic which, according to Keurentjes, will become extremely important in the years to come is the focus on stakeholder management. "We have said so in our self-assessment and in the discussion with the directors."

Looking ahead

Looking ahead to 2023, Keurentjes says, "To some extent, the developments in 2022 were a prelude to their completion in 2023, the year when the new Port Vision will be adopted and the new corporate governance structure will take shape."

Report from the supervisory board

The supervisory board supervises the policy pursued by the directors, as well as the day-to-day affairs at Groningen Seaports NV and its business operations. The board also focuses on the effectiveness of the company's internal risk management and control systems and the integrity and quality of financial reporting. In addition, it supervises the manner in which the directors implement the strategy, it fulfils the role of the directors' employer and gives advice both when asked on in its own initiative. The board is supported by the company's secretary.

Composition and independence

The company's supervisory board consists of five members, all of whom are independent within the meaning of the Corporate Governance Code and the supervisory board's rules of procedure.

The company aims to have a supervisory board with a balanced composition in terms of experience, background, expertise and independence. The different profiles of its members show that this aim has been met.

Another aim is to have an equal male/female ratio in the supervisory board. As there are two female members, this aim has also been met.

In 2022, the composition of the supervisory board remained the same.

Rotation schedule

Name	Quality	Start of 1st term	1st reappointment	2nd reappointment	Until
F.A.M. Keurentjes (Chair)	General member	14-Oct-21			2025
H. Roose	On the recommendation of the works council	3-Oct-13	3-Oct-17	3-Oct-21	2023
D. Meijer	Nominated by the Municipality of Eemsdelta	7-Mar-17	30-Apr-21		2025
J. J. Atsma	Nominated by the Province of Groningen	7-Mar-17	30-Apr-21		2025
J. Schiphorst	Nominated by the Municipality Het Hogeland	21-Dec-17	21-Dec-21		2025

Supervisory board members may be appointed for a maximum of two four-year terms, followed by a third term of a maximum of two years (4+4+2).

Meetings of the supervisory board

In the year under review, the supervisory board met six times, in accordance with the regular schedule; all supervisory board members attended all meetings.

Because of the arrival of the LNG terminal in Eemshaven, three additional digital meetings of the supervisory board took place. Supervisory board members who were unable to attend one of the additional meetings provided their input to the chair in advance and, where applicable, conformed to the resolutions passed at those meetings afterwards.

There was also contact outside the regular meetings between supervisory board members, with the company's directors and with members of the management team.

In addition to these meetings, informal discussions between members of the supervisory board and the directors took place three times. Members of the Executive Board of the joint arrangement Havenschap Groningen Seaports also attended at the invitation of the supervisory board.

The supervisory board was kept fully informed about matters important to the supervisory board and the business throughout the year.

Working visits

In June, the supervisory board and the directors paid a working visit to the RWE power plant in Eemshaven, during which they were given information about the current and future projects of RWE in Eemshaven and elsewhere.

At the end of August, the supervisory board and the directors visited the LNG terminal of Gasunie and Vopak in Maasvlakte in Rotterdam, during which they were given a presentation by the terminal manager and a member of Gasunie's board of directors. The supervisory board and the directors also paid a working visit to Port of Rotterdam at the end of August, during which strategy was discussed with a delegation of Port of Rotterdam's board of directors.

Key points for attention

Governance structure:

Last year, the company's governance structure and its shareholder was a key point for attention again. Further investigation took place into a future-proof governance structure of Groningen Seaports, with the aim to simplify the governance structure.

Port Vision:

In May 2022, the results were presented of the investigation commissioned by the shareholder in 2021, into the manner in which land was bought for the extension of Eemshaven Zuidoost. One of the investigators' recommendations was to update the existing Port Vision of Groningen Seaports. This process began in 2022. It is expected that this process will be completed in the second quarter of 2023.

Risk management:

In addition to the topics raised in the interview with the chair of the supervisory board, risk assessment and management was another topic that came to the fore. The defined risks were discussed on the basis of a risk matrix. Specific issues that were considered were the distinction between strategic, tactical and operational and the extent to which mitigating measures make the net effect on the risk controllable.

In addition to the key points for attention mentioned, the supervisory board considered the following topics at its meetings:

- approval of the annual report for 2021;
- approval of the budget for 2023 and the Business Plan for 2023-2027;
- nomination for the appointment of the external auditor;
- approval of land transactions;
- approval of investments;
- financing/refinancing of the business;
- approval of the audit plan;
- reports from the internal auditor.

Resolutions

In 2022, the supervisory board approved 16 resolutions of the directors concerning land transactions. It also approved 10 other resolutions of the directors, relating to matters such as investments, granting a loan, the audit plan, making a contribution to the costs of removing environmentally hazardous substances and the approval of the budget for 2023, the Business Plan for 2023-2027 and the financial statements for 2021.

On the basis of the law and/or the articles of association, 12 of these resolutions of the directors were also offered to the shareholder for approval.

Financial reporting

The directors presented a quarterly report with the up-to-date financial results to the supervisory board each quarter. These results were compared with the budget for 2022, the annual forecast for 2022 and the results of 2021.

Audit committee

The supervisory board set up an audit committee, which gives advice to the supervisory board on specific tasks and prepares the decision-making by the supervisory board. The audit committee oversees internal risk management and control systems, the provision of financial information by the directors and the role of the internal audit function. The audit committee also verifies that the auditor's recommendations are followed up and it oversees ICT applications.

The audit committee met five times in 2022. The CFO of Groningen Seaports was present at each of these meetings. The CEO attended some of the meetings. There was also contact between the members of the audit committee and with the CFO outside the meetings.

The audit committee discussed the following topics and gave its advice on them to the supervisory board:

- the annual report for 2021 and the financial statements (in the presence of the auditor);
- the budget for 2023 and the Business Plan for 2023-2027;
- the risk management policy;
- quarterly reports;
- the appointment of the external auditor;
- land transactions;
- investments;
- financing/refinancing of the business;
- the audit plan;
- reports from the internal auditor.

The audit committee discussed the annual report and the financial statements with the external auditor.

Financial statements for 2022

The financial statements were drawn up by the directors and audited by Eshuis Accountants. The audit committee of the supervisory board discussed the financial statements with the directors of Groningen Seaports and the auditor in detail. Following this, the supervisory board discussed the financial statements with the directors, and the auditor issued an unqualified audit certificate for the financial statements.

On 12 May 2023, the financial statements will be presented to the company's general meeting of shareholders for approval.

The supervisory board recommends that the general meeting adopts the financial statements of Groningen Seaports for 2022 and gives the directors of Groningen Seaports full and final discharge for the policy they pursued in 2022, and also gives full and final discharge to the supervisory board for its performance of its supervisory tasks in 2022.

The supervisory board's role of employer

An important part of the supervisory board's task is the role of employer it fulfils for the directors. The annual interview of the supervisory board with the directors was conducted by two supervisory board members, during which they talked to the two directors both individually and jointly. The supervisory board has a professional and good relationship with the directors. In 2022, the directors functioned adequately under challenging circumstances that required flexibility and creativity. The supervisory board is involved in complex and far-reaching decisions adequately and in a timely manner. Concrete dilemmas are also discussed. The supervisory board has a good professional relationship with the directors and it trusts the directors.

Remuneration policy

The remuneration of the directors and the supervisory board is within the standards of the Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act. The remuneration is indexed annually. Although this is not prescribed by law, Groningen Seaports adheres to that Act.

Works Council

A delegation of the supervisory board met with the works council twice in 2022. The topics that were discussed included the general course of affairs within the business and organisational change.

Shareholder and general meeting

In the general meeting of 14 October 2022, the shareholder adopted the financial statements for 2021 and the directors and the supervisory board were discharged for that financial year. The supervisory board was also invited to attend and participated in the meetings of the governing board of the joint arrangement Havenschap Groningen Seaports, where it was decided how the joint arrangement would exercise its voting rights as the company's shareholder.

Word of thanks

The supervisory board would like to thank the staff, the management, the works council and the directors of Groningen Seaports for their efforts, motivation and professional approach, and would like to congratulate them on the results achieved in 2022, both financially and commercially. The supervisory board would also like to thank the shareholder for its support and its trust in Groningen Seaports.

Frans Keurentjes

Chair of the supervisory board of Groningen Seaports

Principal and additional positions held by members of the supervisory board in 2022

Mr F.A.M. Keurentjes (chair of the supervisory board)

(1957, Dutch nationality, male)

Principal position

- Entrepreneur and executive director

Additional activities

- Chair of the supervisory board of Fascinating (Institute for Sustainable Process Technology);
- Member of the governing board of Nationaal Programma Groningen;
- Agricultural business De Tatelaar BV, Hornhuizen
- Certified agricultural surveyor, Agricultural Tenancies Authority North, Assen

Mr H. (Herman) Roose (chair of the audit committee)

(1965, Dutch nationality, male)

Principal position

- CEO/shareholder of Steel Tower Europe Group BV
- Managing director / shareholder of THR Marine BV

Additional activities

- Board member of Stichting Drenthe Kunst Cultuur & Natuur
- Board member of Stichting Noordelijk Cultuur Fonds

Mr J. (Joop) Atsma

(1956, Dutch nationality, male)

Principal position

- Chair of Stichting Brancheorganisatie Kalversector (SBK)
- Chair of VOTOB

Additional activities

- Member of the Senate of the States General
- Chair of Stichting TVM Foundation
- Chair of Stichting Fraude Aanpak Detailhandel
- Member of the Advisory Board of Arriva
- Member of the Governing Board of the Confederation of Netherlands Industry and Employers (VNO-NCW)

Ms D. (Dertje) Meijer

(1965, Dutch nationality, female)

Principal position

- Acting Business Unit Director at Trigion Aviation Security (since September 2022)

Additional activities

- Director of Coöperatie Food Center Amsterdam
- Associate partner of Boer&Croon
- Chair of the Advisory Board of NIWO (National and International Road Transport Organisation)

- Supervisory board member of Ontwikkeling Maatschappij Airport Lelystad Almere (OMALA) NV
- Supervisory board member of Teijin Aramid BV

Ms J. (Jantje) Schiphorst (member of the audit committee)

(1965, Dutch nationality, female)

Principal position

- CFO of Agrifac Machinery BV (since September 2022)
- Director of Stichting Economic Board Groningen (until 30 August 2022)

Additional activities

- Board member of the Confederation of Netherlands Industry and Employers (VNO-NCW) and SME Groningen

Personal details and additional positions of the board of directors

Mr C.L. König (CEO)

(1966, Dutch nationality, male)

Appointed as of 1 September 2017

Additional activities

- Chair of the supervisory board of Rabobank Groninger Land
- Chair of INN (the Industry Forum for the Northern Netherlands)
- Member of the supervisory board of Stichting TKI Energie en Industrie
- Board member of Stichting Beheer Natuurcompensatie Eemshaven
- Member of the supervisory board of NorthGrid
- Chair of the board of Stichting EemsdeltaGreen
- Chair of the advisory board of Start-up Hub Groningen (MOI)
- Member of the advisory board of Waddenzeehavens
- Board member of the Confederation of Netherlands Industry and Employers (VNO-NCW) North, Groningen region (until November 2022)

Mr H.V. Sanders (CFO)

(1970, Dutch nationality, male)

Appointed as of 1 October 2018

Additional activities

- Member of the advisory board of Delfsail

PART II

FINANCIAL STATEMENTS

A. Balance sheet

Before profit appropriation

Amounts x €1,000

	Ref.	31-12-2022	31-12-2021
ASSETS			
Fixed assets			
Tangible fixed assets	1	404,860	408,262
Financial fixed assets	2	65,731	60,555
Total fixed assets		470,591	468,817
Current assets			
Receivables	3	16,254	87,682
Liquid assets	4	10,383	9,303
Total current assets		26,637	96,985
TOTAL ASSETS		497,228	565,802
LIABILITIES			
Equity			
Issued share capital	5	198,058	198,058
Legal reserves	5	1,552	1,215
Other reserves	5	67,322	61,603
Result for the reporting year	5	16,133	6,058
Total equity		283,065	266,934
Provisions	6	13,458	13,918
Long-term liabilities	7	128,856	180,356
Short-term liabilities	8	71,849	104,593
TOTAL LIABILITIES		497,228	565,802

B. Income statement

Amounts x €1,000

	Ref.	2022	2021
Operating income			
Net turnover	9	55,214	51,568
Other revenue	10	2,429	2,580
Total operating income		57,643	54,148
Operating expenses			
Salaries	11	9,079	7,054
Social security payments	11	2,268	1,874
Depreciation	12	10,291	9,763
Other costs	13	14,342	22,558
Total operating expenses		35,980	41,249
OPERATING RESULT		21,663	12,899
Result from participating interests	14	4,460	937
Financial income and expenses			
Financial income	15	1,324	1,258
Financial expenses	15	-7,076	-7,532
Total financial income and expenses		-5,752	-6,274
RESULT BEFORE TAX		20,370	7,562
Taxes	16	4,238	1,504
NET RESULT AFTER TAX		16,133	6,058

C. Statement of comprehensive income for 2022

Amounts x €1,000

	2022	2021
Net profit after tax	16,133	6,058
Total of direct transactions in equity		
Total result	16,133	6,058

D. Cash flow statement

Amounts x €1,000

		2022	2021
Operating result	21,663	12,899	
Operational cash flow correction for land transactions	1,076	7,809	
Depreciation	10,291	9,763	
Transactions in working capital	69,856	6,339	
Transactions in provisions	-460	3,251	
From business operations		102,426	40,061
Interest received	62	828	
Interest paid	-7,467	-7,923	
Corporate tax paid	-1,638	-4,745	
Dividends received	6,067	-	
		-2,976	-11,840
Cash flow from operating activities		99,450	28,221
Investments in tangible fixed assets	-9,225	-9,215	
Disposal of tangible fixed assets	1,718	180	
Third-party contributions	-	-	
Investments in financial fixed assets	-10,491	-11,208	
Disposal of financial fixed assets	1,978	2,143	
Cash flow from investment activities		-16,020	-18,100
Income from loans	13,000	17,500	
Loan repayments	-95,350	-22,650	
Cash flow from financing activities		-82,350	-5,150
Net cash flow		1,080	4,971
Balance of liquid resources at the beginning of the reporting period	9,303	4,332	
Balance of liquid resources at the end of the reporting period	10,383	9,303	
Transactions in liquid resources		1,080	4,971

E. Accounting principles in the financial statements

Accounting framework

The financial statements for 2022 have been prepared in accordance with the statutory provisions from Part 9, Book 2 of the Dutch Civil Code and the statements of the Annual Reporting Guidelines, issued by the Dutch Accounting Standards Board.

Activities

Groningen Seaports is a public limited liability company established under Dutch law, with its registered seat in Delfzijl (CoC number 58141057). Its main activities consist of: managing, developing and operating the ports in Delfzijl and Eemshaven and the relevant port sites and non-port-related sites, allocating these sites to third parties, supporting the Havenschap (Port Authority) in the performance of its tasks and carrying out or giving instructions for all other activities of an industrial, commercial or financial nature. The financial statements have been prepared on the basis of the going-concern principle.

Opinions and estimates

The financial statements can only be prepared if the management forms opinions and makes estimates and assumptions that influence the application of the financial reporting framework and the reported value of the assets and liabilities and income and expenses. The actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments of estimates are entered in the period in which the estimate is adjusted and in future periods affected by the adjustments.

List of capital interests

Non-consolidated companies and capital interests, valued at the net asset value:

- NV Ontwikkelingsmaatschappij Rail Service Centre Groningen (RSCG) - Groningen Railport, Veendam: 65.92% participating interest (2021: 65.92% participating interest);
- Fivelpoort Beheer BV, Delfzijl: 100% participating interest (2021: 100% participating interest);
- Zonnepark Valgenweg BV, Delfzijl: 25% participating interest (2021: 25% participating interest);
- Sunports Delfzijl BV, Rotterdam: 49% participating interest (2021: 49% participating interest);
- Helios Eemshaven BV, Eemshaven: 20% participating interest (2021: 20% participating interest);
- Windpark Mauve BV, Amersfoort: 20% participating interest (2021: 20% participating interest);
- Windpark Mondriaan BV, Amersfoort: 20% participating interest (2021: 20% participating interest).

The following capital interest is valued at the acquisition price:

- Bio Plastics Investment Groningen BV (BPIG), Groningen: 50% participating interest (2021: n/a).

This interest is entered under "Other securities" in the financial statements of Groningen Seaports.

The participating interests in RSCG and Fivelpoort Beheer BV are not consolidated in the financial statements of Groningen Seaports, because the actual significance for the total of consolidated interests is negligible. As regards the participating interests in solar parks and wind farms, Groningen Seaports does have significant influence on the business and financial policy, but it does not have dominant control.

Offsetting

An asset and a loan capital entry are only offset in the financial statements if and to the extent that:

a proper legal instrument is available to settle the asset and the loan capital entry after offsetting and simultaneously, and there is a firm intention to settle the balance as such or to settle both entries simultaneously.

General

An asset is included in the balance sheet if it is likely that the future economic benefits will flow to the company and the value of these benefits can be reliably determined. A liability is included in the balance sheet if it is likely that the settlement of this liability will involve an outflow of resources embodying economic benefits and the extent of the amount concerned can be reliably determined.

Assets

Tangible fixed assets

The tangible fixed assets are valued at the acquisition price or construction costs, decreased by depreciation and contributions of third parties. The "Tangible fixed assets under construction" are included under the tangible fixed assets to the extent that the performance by the other party has been completed.

The acquisition price consists of the purchase price and the additional costs. The construction costs consists of the purchasing costs of the raw materials and consumables used and the other costs directly attributable to production. A reasonable part of the indirect costs may also be included in the construction costs. The interest over the period which can be attributed to the construction of the asset is included in the construction costs of projects. Fixed assets with a limited useful life are depreciated annually according to a system based on the anticipated future useful life.

Land allocated under a ground lease is valued at the acquisition price, decreased by any investment grants and, where applicable, any cumulative impairment losses. In the years prior to becoming independent, all land allocated under a ground lease was valued at the first allocation price. As of the date of becoming independent (14 June 2013), it has been assumed that the book value of land allocated under a ground lease concerns the historical cost ("deemed cost"), bearing in mind any lower realisable value.

Major maintenance of the assets is capitalised and depreciated on the basis of the expected useful life. The regular annual maintenance costs are deducted from the result on the date of completion. If the expectations concerning the depreciation method, useful life and/or residual value undergo changes over time, they will be shown as a change in accounting estimate. A tangible fixed asset is no longer included in the balance sheet following alienation or if no future performance units are expected from the use or alienation. The income or expense resulting from the disinvestment is processed in the income statement.

Impairments of tangible fixed assets

Groningen Seaports assesses whether a tangible fixed asset or a group of tangible fixed assets has been subject to an impairment as at each balance sheet date. Groningen Seaports recognises one group of tangible fixed assets / cash flow generating units, namely the joint ports of Delfzijl (seaport and inland ports) and Eemshaven.

In respect of all categories of tangible fixed assets (cash flow generating units) that are valued at the acquisition price or construction costs, an impairment test is performed if there are objective indications for impairments. If this test shows evidence of an impairment, the amount of this loss will be determined and processed as an impairment in the income statement.

Reversal

A previously accounted for impairment will only be reversed if there has been a change in the estimates to determine the realisable value since the recording of the previous impairment loss. In that case, the book value of the asset (cash flow generating unit) will be raised to the estimated realisable value, but not beyond the book value (after depreciation) that would have been determined if no impairment loss for the asset would have been recorded in preceding years.

Financial fixed assets

Non-consolidated participating interests in which Groningen Seaports has a significant influence on the business and financial policy are valued on the basis of the equity accounting method. In accordance with this method, participating interests are included in the balance sheet at the share of Groningen Seaports in the net asset value, increased by its share in the results and its share in the direct equity movements from the date of acquisition, decreased by its share in the dividend distributions. The share of Groningen Seaports in the result of the participating interests is included in the income statement.

If the value of the participating interest has reduced to zero according to the equity accounting method, this method will no longer be applied and the participating interest will remain valued at zero if there is no change in circumstances. Other long-term interests in the participating interest that are actually designated as part of the net investment are also included in this. A provision is included where necessary, if and to the extent that all or part of the debts of the participating interest are guaranteed or there is a constructive obligation to enable the participating interest to pay its debts. A share in the profit of the participating interest acquired thereafter is not incorporated again until the cumulative non-incorporated share in the loss has been made up.

The long-term receivables are included at amortised cost, based on the effective interest method decreased by impairment differences. Income and expenses are recognised in the income statement as soon as the receivables are transferred to a third party or are impaired, as well as via the amortisation process.

Deferred tax assets

Deferred tax assets and liabilities are included for temporary differences between the value of the assets and liabilities according to tax rules on the one hand and the book values followed in these financial statements on the other. The calculation of deferred tax assets and liabilities takes place at the tax rates applicable at the end of the financial year, or at the rates applicable in the years to come, if these rates have been implemented in the Corporation Tax Act. Deferred tax assets will be valued if it is likely there will be sufficient taxable profit available to compensate losses and to use offsetting options. Deferred taxes are valued at nominal value. The deferred tax assets and liabilities are offset where the assets and liabilities form part of the same tax group and have the same term of maturity.

Receivables, including prepayments

The receivables and prepayments are stated at fair value when first entered, following which they are valued at amortised cost, decreased by any provision required for irrecoverable receivables.

Liquid assets

The liquid assets are valued at nominal value. Liquid assets include cash resources and credit balances on bank accounts.

Liabilities

Equity

Equity consists of "Issued share capital", "Legal reserves", "Other reserves" and "Profit or loss of the financial year".

Provisions

A provision is created if the group has a legally enforceable or constructive obligation on the balance sheet date, with regard to which it is likely that the settlement requires an outflow of resources and the amount concerned can be reliably estimated. The amount of the provision is determined by the best estimate of the amounts required to settle the relevant liabilities and losses as at the balance sheet date. Unless otherwise stated, provisions are valued at nominal value. If the effect of the time value is of material importance, the provisions will be valued at present value.

The nominal value principle applies to the following included provisions: aftercare dredging spoil disposal sites, noise insulation, staff anniversaries, staff schemes and site decontamination.

If it is likely that a payment from a third party will be received for expenses necessary to settle a provision, that payment will be presented as a separate asset.

Long-term liabilities

When long-term liabilities are first entered, they are stated at fair value, decreased by the transaction costs directly attributable to them. After their initial recognition, the long-term liabilities are valued at amortised cost in accordance with the effective interest method. Profits or losses are included in the income statement as soon as the liabilities are no longer included in the balance sheet, as well as via the amortisation process.

The amortised cost is the amount for which a financial asset or financial liability is first recognised in the balance sheet, decreased by repayments of the principal, increased or decreased by the cumulative amortisation of the difference between the first amount and the repayment amount - calculated by means of the effective interest method - and decreased by any write-downs (directly or by creating a provision) due to impairments or irrecoverable receivables.

Short-term liabilities

After their initial recognition, the other short-term liabilities are valued at amortised cost in accordance with the effective interest method. Profits or losses are included in the income statement as soon as the liabilities are no longer included in the balance sheet, as well as via the amortisation process.

Financial instruments

Groningen Seaports uses a derivative financial instrument (interest rate swap) to hedge the incurred risks related to interest fluctuations. Hedge accounting is applied to the interest-rate derivative. In the event of cost-price hedge accounting and where ineffectiveness occurs (the nominal value of the interest rate swap exceeds the hedged item, namely the interest to be paid on future cash loans still to be taken out), the lower market value of the interest rate swap is entered. The market value of the interest rate swap is determined, among other things, by the market rate and its anticipated development in relation to the contractual interest rate.

Derivatives with the application of cost-price hedge accounting

The hedges are processed according to the cost-price hedge accounting method if the following conditions are satisfied:

- documentation on the general hedge strategy, how hedge relationships fit in with the objectives of risk management and the expectations concerning the effectiveness of these hedge relationships;
- documentation on the hedge instruments and hedged items involved in the specific type of hedge relationship;
- processing of the ineffectiveness in the income statement.

The hedges that satisfy these strict conditions for hedge accounting are accounted for as follows.

The valuation of the derivative depends on the hedged item and is as follows:

- If the hedged (amortised) item is entered in the balance sheet at cost price, the derivative is also valued at cost price;
- As long as the hedged item in the cost-price hedge has not yet been entered on the balance sheet, the hedge instrument is not revalued either. If the hedged item concerns a monetary item in foreign currency, the derivative is also valued at the spot rate on the balance sheet date. If the derivative includes currency elements, the difference between the spot rate applicable when the derivative is concluded and the forward rate against which the derivative will be settled, will be distributed over the maturity period of the derivative.

The results are determined as follows:

- On each balance sheet date, it is determined whether there is or has been any ineffectiveness;
- If the critical characteristics of the hedge instrument and the hedged item are not or have not been equal, this is an indication that the cost-price hedge contains an ineffective element;
- If and to the extent that the ineffectiveness as at the balance sheet date results in a loss on a cumulative basis, the ineffectiveness is processed in the income statement;
- If the hedged item of an anticipated future transaction leads to a financial asset or a financial liability, the relevant profits or losses which have not yet been processed in the result will be accounted for in the same period(s) in the income statement as the period(s) in which the acquired asset or incurred liability has an effect on the result. If it is anticipated that a loss or part of a loss which has not yet been entered in the income statement will not be compensated by an opposite profit from the hedged item in the future, this loss will be included in the income statement directly.

Cost-price hedge accounting will be terminated if:

- The hedge instrument expires or is sold, terminated or exercised. The cumulative realised result concerning the hedge instrument that had not yet been entered in the income statement when there was an effective hedge is entered separately in the accrued items in the balance sheet until the hedged transaction takes place;
- The hedge relationship no longer satisfies the conditions for hedge accounting. If the hedged item concerns an anticipated future transaction, the hedge results are entered as follows:
 - If the anticipated transaction takes place as anticipated, hedge accounting will stop at that time. The associated cumulative result on the hedge instrument that was left off the income statement or off the balance sheet in the period when the hedge was effective, will remain off or on the balance sheet, depending on the situation.
 - If it is expected that the anticipated transaction will no longer take place, the associated cumulative result on the hedge instrument that was left off the income statement or off the balance sheet in the period when the hedge was effective, will be transferred to the income statement.

A financial instrument will no longer be included in the balance sheet if, as a consequence of a transaction, all or nearly all rights to economic benefits and all or nearly all risks involved in the item have been transferred to a third party.

Leasing

An assessment in respect of whether a contract constitutes a lease, takes place on the basis of the economic reality and the time when the contract is concluded. The contract will be marked as a lease contract if compliance with the contract depends on the use of a specific asset or the contract concerns the use of a specific asset.

Groningen Seaports as lessee

Groningen Seaports acts as lessee in terms of a number of financial lease contracts. In the event of financial leasing (where the benefits and losses associated with the ownership of the leased property are enjoyed and borne entirely or almost entirely by the lessee), the leased property and the associated debt when concluding the contract are entered on the balance sheet at the fair value of the leased property at the time when the lease contract is concluded or at the present value of the minimum lease payments if this is lower. The lessee's initial direct costs are included in the first recognition of the asset. The lease payments are split into interest expenses and repayment of the outstanding liability, resulting in a constant interest rate for the remaining net liability.

If there is no reasonable certainty that the lessee will become the owner at the end of the lease period, the capitalised asset will be depreciated over the shortest term of the lease period or the property's useful life. Lease payments that relate to operating leases are debited to the income statement over the lease period on a straight-line basis.

Groningen Seaports as lessor

Groningen Seaports acts as lessor in terms of a number of operating lease contracts. In the case of an operating lease, the lease income is credited to the income statement over the lease period on a prorated basis. Initial direct costs are allocated over the lease period opposite the lease benefits. The issued ground lease contracts are qualified as operating leases.

Groningen Seaports acts as lessor in terms of a number of financial lease contracts. In the case of a financial lease, the present value of the lease terms to be received in the future is entered. The difference between the present value of the lease terms to be received from the lessee in the future and the asset's book value is accounted for as revenue in the income statement.

Principles for recognition and measurement of income and expenses

Net turnover

Net turnover is turnover that can be allocated to the year directly and which can be considered as having been realised during the year, after deduction of discounts and taxes levied on turnover. Turnover mainly relates to port charges, land sales and income from operating sites and facilities.

Shipping

The income from operating the ports (including port charges, dock charges and mooring charges) is allocated to the year when Groningen Seaports delivered the performance.

Operating sites

The income from operating sites (including the allocation of leasehold land, the lease of land and granting building rights) is entered in proportion to the performance delivered.

Sale of land

Income from the sale of land is shown in the income statement when all important rights to economic benefits as well as all important risks concerning the land have been transferred to the buyer, the amount of the income can be determined in a reliable manner and receipt of the income is likely.

Performing services to third parties

If the result of a transaction involving the performance of a service can be determined in a reliable manner and receipt of the income is likely, the income from that service is processed in proportion to the performance that has been delivered.

Interest

Interest income is processed in the income statement on a time-proportionate basis, taking into account the effective interest rate of the relevant asset item if the amount can be determined and receipt of the income is likely.

Operating grant

Operating grants are credited to the income statement in the year in which the subsidised expenses are debited, in which the income was lost or in which the operating deficit occurred. Grants and contributions related to investments in tangible fixed assets are deducted from the relevant asset and entered as part of depreciation in the income statement.

Costs

The costs are determined with due observance of the aforementioned accounting principles and allocated to the reporting year to which they relate. Liabilities that can or cannot be foreseen and possible losses from before the end of the financial year are taken into account if they became known before the financial statements were drawn up and the conditions for creating provisions have otherwise been satisfied.

Staff costs

The costs for salaries, pensions and social security contributions arising from the employment conditions are accounted for in the income statement.

Interest

Interest is allocated to the consecutive reporting periods in proportion to the remaining principal. Share premiums and discounts and redemption premiums are allocated to the consecutive reporting periods as interest expenses, in such a manner that the effective interest, together with the interest payable on the loan, is recognised in the income statement, with the amortised cost of the liabilities shown in the balance sheet. Regular interest expenses and similar expenses are charged to the year in which they were payable.

Depreciation

Depreciation on tangible fixed assets is based on the acquisition price or the construction costs. Land is not depreciated. Depreciation takes place according to the straight-line method, on the basis of the anticipated economic life. Depreciation takes place independently of the result of the financial year. If there is any additional depreciation, this will be explained. In the event of an impairment, the amount of the loss incurred (impairment) will be determined and entered in the income statement in the year in which the impairment occurred.

Corporation tax

All shares of Groningen Seaports are held by a legal entity governed by public law (the joint arrangement Havenschap Groningen Seaports). On the basis of Section 2(3) and (7) of the Corporation Tax Act, the activities of Groningen Seaports were exempt from corporation tax until 31 December 2016. This section ceased to have effect on 1 January 2017, and since then Groningen Seaports has been subject to corporation tax.

A consequence of the introduction of the tax liability on 1 January 2017 was that an opening balance sheet for tax purposes was drawn up for the situation as at 1 January 2017. The individual balance sheet items must be valued at their market value. For some time now, Groningen Seaports has been collecting information for the valuation of the balance sheet items and, assisted by external expertise in valuation and appraisal, has been working towards a value assessment of the assets and liabilities of Groningen Seaports at market value as at 1 January 2017 on the basis of this.

In 2022, a settlement agreement between the Tax and Customs Administration and Groningen Seaports was signed. The relevant discussions took place in the preceding years, which meant that signing the agreement was only a formality. The tax due on the result consists of tax on profits or loss for the year under review and deferred taxes.

The tax on profit or loss is calculated for the result before tax in the income statement, taking into account any available, tax-offsettable losses from previous financial years (insofar as these have not been included in the deferred tax assets) and exempt profit components and after adding non-deductible expenses. Any changes occurring in the deferred tax assets and deferred tax liabilities by virtue of any changes in the tax rate to be applied are also taken into account.

Current tax

Taxes are calculated on the basis of the recorded result, applying the current tax rate and taking into account any tax-exempt items and any expenses that are fully or partially deductible. The tax assets and tax liabilities are offset if the general conditions for offsetting have been satisfied. Only one tax entity has been formed between the company and its Dutch group companies: between the company and Fivelpoort Beheer BV.

Deferred taxes

A deferred tax liability is included for all taxable temporary differences between the commercial balance sheet valuation and the balance sheet valuation for tax purposes. A deferred tax asset is included for all deductible temporary differences between the commercial balance sheet valuation and the balance sheet valuation for tax purposes and for any available loss carried forward if it is likely that taxable profit will be available for deduction. The deferred tax assets and liabilities are included under the financial fixed assets and provisions.

The valuation of deferred tax liabilities and assets is based on the tax implications of the manner in which the company intends to realise or settle assets, provisions, debts or accrued liabilities as at the balance sheet date. This is done on the basis of the current tax rate. The deferred tax liabilities and assets are valued at nominal value.

The deferred tax assets and liabilities will be offset if the company has a legally enforceable right to offset current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities concern tax on profits related to the same tax entity and are levied by the same tax authority.

Principles regarding the cash flow statement

The cash flow statement is drawn up using the indirect method. The financial resources in the cash flow statement consist of the liquid assets. Interest receipts and expenses are recognised under cash flow from operating activities.

F. Notes to the balance sheet

1. Tangible fixed assets

Amounts x €1,000

Description	Land and ground lease	Infrastructure	Tangible fixed assets under construction	Buildings	Other fixed assets	Total
Acquisition value as at 31-12-2021	158,504	311,908	15,083	6,837	20,290	512,623
Cumulative depreciation	-	-87,315	-	-2,137	-14,909	-104,361
Book value as at 31-12-2021	158,504	224,594	15,083	4,700	5,381	408,262
Investments	-	-	9,737	-	-	9,737
Disposals	-1,076	-2,378	-348	-	-664	-4,466
Depreciation of disposals	-	1,326	-	-	346	1,672
Revaluation	-1,078	1,024	-	-	-	-54
Putting assets into use	-	3,042	-3,719	-	677	0
Depreciation	-	-9,246	-	-189	-856	-10,291
Book value as at 31-12-2022	156,350	218,362	20,753	4,513	4,885	404,860
Cumulative depreciation	-	-95,235	-	-2,326	-15,419	-112,980
Acquisition value as at 31-12-2022	156,350	313,596	20,753	6,837	20,303	517,839

Land and ground lease sites

The item "Land and ground lease sites" relates to the land still to be let on a long lease / to be sold and land let on a long lease. The item "Land and ground lease sites" is subdivided as follows:

Amounts x €1,000

		31-12-2022		31-12-2021	
Land to be allocated	531 ha	29,822	568 ha	34,008	
Other/limited allocation	238 ha	2,348	240 ha	2,409	
Sites allocated under a ground lease	397 ha	121,716	381 ha	119,725	
Other land allocated	156 ha	2,464	149 ha	2,362	
Infrastructure	869 ha		874 ha		
	2,190 ha	156,350	2,211 ha	158,504	

Land in stock (still to be let on a long lease / to be sold)

Groningen Seaports NV is the beneficial owner - not the legal owner - of land still to be allocated of a book value of € 29,822,000 (2021: € 34,008,000). The beneficial ownership has been transferred by, among others, the joint arrangement Havenschap Groningen Seaports to Groningen Seaports NV, by means of creating a right of ground lease with regard to the sites (financial lease contracts). Where no right of ground lease has been created yet with regard to newly acquired land on the balance sheet date, the economic advantages and disadvantages have been transferred by the joint arrangement Havenschap Groningen Seaports to Groningen Seaports NV. These lands are therefore also accounted for in the financial statements of Groningen Seaports NV. A further explanation of these contract can be found in the notes to the financial lease under "Off-balance sheet rights and liabilities".

In addition to the net 531 hectares that can be allocated, there are 238 hectares of land not to be allocated; this is land used for cable and pipe routes, as a soil depot or designated as a green area. These hectares have a book value of € 2,348,000 (2021: € 2,409,000).

Sites let on a long lease

Sites let on a long lease concern operating lease contracts. A further explanation can be found in the notes to the operating lease under "Off-balance sheet rights and liabilities". Groningen Seaports NV is the beneficial owner - not the legal owner - of land let on a long lease of a book value of € 121,716,000 (2021: € 119,725,000). The beneficial ownership has been transferred by, among others, the joint arrangement Havenschap Groningen Seaports to Groningen Seaports NV, by means of creating a right of ground lease with regard to the sites (financial lease contracts). A further explanation of these contract can be found in the notes to the financial lease under "Off-balance sheet rights and liabilities".

In addition to the sites let on a long lease, sites have been leased with building rights; this concerns 156 hectares in total with a book value of € 2,464,000 (2021: 2,362,000).

Infrastructure

Under "Infrastructure" are included the infrastructure works that have been put into use. This concerns in particular port basins, quays, roads, docks and utilities such as steam pipes. The total area used for infrastructure is 869 hectares. The financial statements for 2021 state 869 hectares for infrastructure; this should have been 874 hectares. The difference concerns a dock site that was not included. The same site was leased with building rights in 2022, and is accounted for in that year. The annual maintenance costs are charged to operations.

Tangible fixed assets under construction

“Tangible fixed assets under construction” includes investment projects that have not yet been completed or have not yet been put into use. The infrastructure works that have been completed or have been put into use are included under the item “Infrastructure”. That explains why part of the “Tangible fixed assets under construction” were transferred to “Infrastructure” once again in 2022. The largest projects accounted for under “Tangible fixed assets under construction” concern the works at Heveskes and Oosterhorn-Zuid, both of which are sites under development. Both sites are in Delfzijl. The interest over the period which can be attributed to the construction of the asset is included in the construction costs of projects. The allocated interest during construction is based on the actually paid interest and the cumulative investment in the projects; for 2022 this is € 192,000. The other interest paid has been charged to the result. In 2022, a total of € 0.25 million paid in grants was deducted from the investments.

Business premises and other fixed assets

The business premises mainly concerns the office building at Handelskade Oost in Delfzijl. The annual maintenance costs are charged to operations.

Explanatory notes

Depreciation

Depreciation is calculated on the basis of a fixed percentage of the costs of purchase or construction (straight-line depreciation), taking into account the estimated economic life. As regards infrastructure works, the first depreciation takes place in the year when the asset is available for its intended use. Other investments are depreciated from the date of completion or when they are put into use. Land is not depreciated. The depreciation periods are as follows:

Asset	Percentage	Years
Land and sites	-	-
Infrastructure	1.33% - 20%	5 - 75
Buildings	2.50% - 20%	5 - 40
Other tangible fixed assets	2.00% - 20%	5 - 50

Impairment

Groningen Seaports assesses whether a tangible fixed asset or a group of tangible fixed assets has been subject to an impairment as at each balance sheet date. On the basis of information from external and internal sources, there are no indications and it is not probable that an impairment occurred. An impairment test has therefore not taken place.

2. Financial fixed assets

Amounts x €1,000

Description	31-12-2022	31-12-2021
1 Participating interests	19,605	20,411
2 Long-term receivables	428	260
3 Financial lease	18,757	19,893
4 Deferred tax asset	16,941	19,991
5. Other securities	10,000	-
Total financial fixed assets	65,731	60,555

2.1 Participating interests

Amounts x €1,000

Participating interest	31-12-2021	Share in result	Capital contribution	Investment/purchase	31-12-2022
1 RSCG - Groningen Railport Veendam (65.92%)	3,074	302	-	-	3,376
2 Fivelpoort Beheer BV in Delfzijl (100%)	-	-	-	-	-
3 Zonnepark Valgenweg BV (25%)	218	-21	133	-	330
4 Sunport Delfzijl BV (49%)	4,829	306	-	-1,661	3,474
5 Helios Eemshaven BV (20%)	216	415	-	-	630
6 Windpark Mondriaan BV (20%)	6,863	2,265	-	-2,456	6,672
7 Windpark Mauve BV (20%)	5,211	1,860	-	-1,950	5,121
Total participating interests	20,411	5,128	133	-6,067	19,605

1. The share in the profit of Groningen Railport concerns the anticipated result for 2022 and the recognition of the definitive result for 2021.
2. As at 1 January 2022, the negative asset value of Fivelpoort Beheer BV was € 11,092,000. In 2022, the definitive result for 2021 and the anticipated result for 2022 were recognised, showing a total deficit of € 668,000. The net asset values as at 31 December 2022 therefore show a deficit of € 11,760,000. This negative net asset value has been offset against the debt from the current account with Fivelpoort beheer BV, part of the short-term receivables.
3. In 2022, an additional capital contribution was made for Zonnepark Valgenweg BV. In addition, the anticipated result for 2022 and the definitive result for 2021 were included.
4. Dividend was received from SunPort Delfzijl BV in 2022. In addition, the anticipated result for 2022 and the definitive result for 2021 were included.
5. The share in the profit of Helios Eemshaven BV concerns the anticipated result for 2022 and the recognition of the definitive result for 2021.
6. (6&7) Dividend was received from the participating interests in Windpark Mondriaan BV and Windpark Mauve BV in 2022. The anticipated result for 2022 has also been included.

The participating interests in Groningen Railport and Fivelpoort Beheer BV are not consolidated in the financial statements of Groningen Seaports, because the actual significance for the total of consolidated interests is negligible. As regards the participating interests in solar parks and wind farms, Groningen Seaports does have significant influence on the business and financial policy, but it does not have dominant control.

2.2 Long-term receivables

Amounts x €1,000

Receivable	31-12-2021	Loans	Repayments	Provision	31-12-2022
		issued	received	irrecoverable	
Instalment debtors	260	358	190	-	428
Total long-term receivables	260	358	190	-	428

The item "Instalment debtors" concerns payment arrangement agreed with customers. The maturity period of the receivables is laid down in an agreement with the different debtors.

Under the repayments, a sum is included that is expected to be received in 2023: € 164,000 in total. This sum is included under "Other receivables".

2.3 Financial lease

Amounts x €1,000

Financial lease	31-12-2021	Added	Repaid	31-12-2022
Financial lease	19,893	652	-1,788	18,757
Total Financial lease	19,893	652	-1,788	18,757

In 2017, an option of purchase was agreed with an established company in the port, according to which this company is entitled to buy the land at an agreed, indexed price. This company may exercise this option to buy any time until 2026 at the latest. If it chooses to do so, Groningen Seaports will be obliged to supply the land. This agreement has been included as a debt under "Financial lease" since the financial statements of 2020.

2.4 Deferred tax asset

Amounts x €1,000

Deferred tax asset	31-12-2021	Allocation	Release	31-12-2022
Deferred tax asset	19,991	568	-3,618	16,941
Total deferred tax asset	19,991	568	-3,618	16,941

As of 1 January 2017, Groningen Seaports is subject to corporation tax. In 2022, a settlement agreement concerning the opening balance sheet for tax purposes was signed between Groningen Seaports and the Tax and Customs Administration. A deferred tax asset was created in the financial statements for 2020 for the difference between the value for tax purposes and the commercial value.

According to the opening balance sheet for tax purposes in the settlement agreement, the assets for tax purposes as at 1 January 2017 was € 140 million higher than the commercial assets on that date. As at 1 January 2017, the assets for tax purposes were € 357 million, while the commercial assets were € 218 million on that date. Part of this difference is of a temporary nature. In 2020, a deferred tax asset was created on the basis of the Annual Reporting Guidelines for the difference between the value for tax purposes and the commercial value. For the value difference for available land in stock, a deferred asset was created based on 66% of this difference in value. The underlying principle is that this deferred asset can be realised because there is the possibility to sell sites in the future. We assess annually whether it will be possible to realise this deferred asset in the future. To date, it has been our opinion that it will be realised.

As regards the sale of land, a higher book value is charged to the result for tax purposes, which leads to a reduction in the "current" corporation tax to be paid. Furthermore, a release of the tax provision consisting of the derivative is entered annually, leading to an increase in the "current" corporation tax to be paid.

A deferred tax asset must be accounted for to the benefit of the income statement, insofar that it is likely that sufficient taxable profit will be available, which can be used to apply the options for offsetting. On the basis of the additional agreements made with the Tax and Customs Administration in 2021, additional deferred tax assets are created for allocation to provisions. The release of the deferred tax assets takes place after the application of the provision. The deferred taxes as at 31 December 2022 are based on the most current tax plan. As of 2022, the rate for corporation tax is 25.8%.

You can find a further explanation of the expense item "Corporation tax" under 16, "Taxes" of these explanatory notes. It is not possible to give a reliable estimate of the deferred tax asset for a period of less than one year.

2.5 Other securities

Amounts x €1,000

Other securities	31-12-2021	New participating interests	Write-downs	31-12-2022
Participation in BPIG	-	10,000	-	10,000
Total other securities	-	10,000	-	10,000

In 2022, Groningen Seaports became co-shareholder of Bio Plastics Investment Groningen BV (BPIG). The private limited company was established with the aim to invest in Avantium Renewable Polymers BV (ARNP) together with a number of parties from the Northern Netherlands. ARNP is part of Avantium NV and focuses on the development and production of bioplastics.

3. Receivables

Amounts x €1,000

Description	31-12-2022	31-12-2021
1 Trade receivables	3,816	2,194
2 Receivables from group companies and participating interests	4,969	5,581
3 Other receivables	7,223	78,614
4 Prepayments and accrued income	246	1,294
Total receivables	16,254	87,682

3.1 Trade receivables

The item "Trade receivables" is € 11,531,000. A total of € 3,630,000 was deducted for the presentation due to the invoiced turnover for 2023. A total of € 4,086,000 of the trade receivables is marked as irrecoverable. Legal proceedings have been brought against a number of debtors in order to recover these debts. The movements in this provision are as follows:

Amounts x €1,000

As at 31-12-2021	3,488
Transactions in 2022	
Added	831
Release credited to the result	-233
As at 31-12-2022	4,086

3.2 Receivables from group companies and participating interests

The receivables from group companies and participating interests consist of the following current account relationships:

Amounts x €1,000

Joint arrangement Havenschap Groningen Seaports	191
Fivelpoort Beheer BV	16,538
As at 31-12-2022	16,728

Fivelpoort Beheer BV

In accordance with the current account agreement with Fivelpoort, interest is charged on the average amount of the current account balance. For 2022, 3.44% interest was charged. The interest revenue is accounted for under "Financial income and expenses" in the income statement. Groningen Seaports is jointly and severally liable for the capital deficits of its participating interest in Fivelpoort Beheer BV. That is why a provision has been created for the full capital deficit of Fivelpoort Beheer BV. This provision has been deducted from the amount to be claimed for the current account relationship with Fivelpoort Beheer BV. The transaction in 2022 is accounted for in the explanatory notes to the participating interests, part of "Financial fixed assets".

The movements in the provision for the participating interests in Fivelpoort are as follows:

Amounts x €1,000

As at 31-12-2021	11,092
Transactions in 2022	
Negative result Fivelpoort	668
As at 31-12-2022	11,760

3.3 Other receivables

The specification of "Other receivables" is as follows:

Amounts x €1,000

Receivable in connection with the deposit paid as a consequence of the negative value of a concluded derivative. Groningen Seaports does not have a security right. This so-called CSA is explained in more detail in the chapter "Financial instruments".	3,270
Amount due by the joint arrangement Havenschap Groningen Seaports for the payment for services in 2022.	1,764
Anticipated repayment of the instalment debtors	164
Other receivables	2,025
As at 31-12-2022	7,223

3.4 Prepayments and accrued income

The item "Prepayments and accrued income" concerns prepaid costs for 2023.

4. Liquid assets

Amounts x €1,000

Description		31-12-2022	31-12-2021
Cash funds	1	-	-
Bank	10,382	9,303	
Total liquid resources		10,383	9,303

Bank accounts with a positive balance have been included in the liquid assets. The liquid assets are at the company's free disposal.

5. Equity

Amounts x €1,000

Description		31-12-2022	31-12-2021
1 Issued share capital	198,058	198,058	
2 Legal reserves	1,552	1,215	
3 Other reserves	67,322	61,603	
4 Result of the reporting year	16,133	6,058	
Total equity		283,064	266,934

5.1 Issued share capital

Amounts x €1,000

As at 31-12-2020		198,058
Transactions in 2021		-
As at 31-12-2021		198,058
Transactions in 2022		-
As at 31-12-2022		198,058

Groningen Seaports NV was founded on 14 June 2013 by Gemeenschappelijke Regeling Havenschap Groningen Seaports (joint arrangement Havenschap Groningen Seaports Port Authority; previously Gemeenschappelijke Regeling Havenschap Eemshaven/Delfzijl). The authorised capital is € 600 million, distributed among 600 million shares of a nominal value of € 1 each. When the company was established and at the end of the financial year, the issued share capital was € 198,058,000, divided among 198.058.000 ordinary shares of € 1 each. The issued capital was paid up by means of the non-monetary contribution of the business of the joint arrangement Havenschap Groningen Seaports.

5.2 Legal reserves

Amounts x €1,000

As at 31-12-2020	72
Transaction:	1,143
As at 31-12-2021	1,215
Transaction:	337
As at 31-12-2022	1,552

The legal reserve concerns the legal reserve for participating interests, relating to the participating interests in which Groningen Seaports does not have dominant control and therefore cannot demand payments from the profits. These participating interests have been carried at net asset value. This legal reserve was included for the first time in the financial statements for 2022 and was charged to the other reserves. The comparative figures for 2021 were adapted accordingly.

5.3 Other reserves

Amounts x €1,000

As at 31-12-2020	30,193
Credit: profit appropriation for financial year 2020	32,553
Debit: legal reserve transaction:	-1,143
As at 31-12-2021	61,603
Credit: profit appropriation for financial year 2021	6,058
Debit: legal reserve transaction:	-337
As at 31-12-2022	67,322

The result of the previous financial year has been added to "Other reserves". In 2022, a legal reserve was created, which has been charged to "Other reserves". This legal reserve was included for the first time in the financial statements for 2022. The comparative figures for 2021 were adapted accordingly.

5.4 Result of the reporting year

Amounts x €1,000

Description		31-12-2022	31-12-2021
Result financial year 2021	-	6,058	
Result financial year 2022	16,133	-	
Result for the reporting year		16,133	6,058

Proposed profit appropriation for 2022

It is recommended to the general meeting to add the profit of €16,133,000 to the other reserves.

6. Provisions

Amounts x €1,000

Description	31-12-2022	31-12-2021
1 Aftercare for dredging spoil disposal sites	3,482	3,798
2 Noise insulation	301	241
3 Staff anniversaries	65	58
4 Staff schemes	589	163
5 Site decontamination	9,022	9,659
Total provisions	13,458	13,918

The movements in the provisions are as follows:

6.1 Provision for aftercare for dredging spoil disposal sites

Amounts x €1,000

As at 31-12-2021	3,798
Transactions in 2022	
Added	
Withdrawn	-268
Release credited to the result	-48
As at 31-12-2022	3,482

The provision for aftercare for dredging spoil disposal sites was in place until the end of 2020 to cover the costs for aftercare arrangements. The provision was always based on the *Verordening op de instelling en invordering van de nazorgheffing stortplaatsen provincie Groningen* (Regulations for the institution and collection of the aftercare levy for disposal sites of the province of Groningen). In 2021, a decision was made regarding - and work commenced on - the dismantling of two disposal sites and the preparation of one disposal site for transfer in the aftercare arrangement. This process was continued in 2022, and the dismantling of one depot was concluded. The provision is valued at nominal value. It is expected that the balance for the provision as at 31 December 2022 will be sufficient for the expenses mentioned.

It is expected that in 2023 the full provision of € 3.4 million will be used.

6.2 Provision for noise insulation

Amounts x €1,000

As at 31-12-2021	241
Transactions in 2022	
Added	60
Withdrawn	-
As at 31-12-2022	301

At the end of January 2010, the *Stuurgroep Geluid* (Steering Group on Noise; province, municipality of Delfzijl, EZ Noord, Groningen Seaports and SBE) reached an agreement about a new noise zone for the port and industrial area of Delfzijl. This agreement entails, among other things, a new Ports/Industry Delfzijl noise zone, which is adequate for both living and working. The parties involved have also concluded an agreement about the distribution of the costs involved in the new noise zone. Groningen Seaports has been contributing one euro for each allocated square metre in Delfzijl since 2010.

It is expected that no withdrawal charged to this provision will take place in 2023. It is expected that € 301,000 will be used from this provision in the next five years.

6.3 Provision for staff anniversaries

Amounts x €1,000

As at 31-12-2021	58
Transactions in 2022	
Added	14
Withdrawn	-7
As at 31-12-2022	65

This provision was created to pay employees an anniversary bonus after a period of employment of 12.5, 25 or 40 years. In 2022, the sum of € 7,000 was withdrawn from the provision for staff anniversaries in connection with the payment of anniversary bonuses. It is expected that € 3,000 will be used for anniversary bonuses in 2023, and that € 33,000 will be used for this purpose in the next five years.

6.4 Provision for staff schemes

Amounts x €1,000

As at 31-12-2021	163
Transactions in 2022	
Added	478
Withdrawn	-52
Release credited to the result	
As at 31-12-2022	589

This provision was created in connection with obligations to staff in connection with leaving employment due to illness, future contributions to second track reintegration processes and other deferred payments. It is expected that € 425,000 of the provision for staff schemes concerns a period of less than a year, and that € 133,000 concerns a period of two to five years. The remaining part is long-term.

6.5 Provision for site decontamination

Amounts x €1,000

As at 31-12-2021	9,659
Transactions in 2022	
Added	2,200
Withdrawn	-57
Release credited to the result	-2,780
As at 31-12-2022	9,022

In 2017, a provision was created for decontaminating sites that are managed by Groningen Seaports. The provision was created partly in connection with a discontinuity in site users. At one site, waste products were stored which need to be removed. After the bankruptcy of the user of this site, this obligation fell to Groningen Seaports.

The provision's amount is determined by making an estimate which is as exact as possible of the costs involved in carrying out the decontamination works, which depends on specific estimated parameters. These parameters include the quantity of waste products to be removed and the processing and transport costs involved in this, as well as the extent to which the subsoil and groundwater have been contaminated and are estimated on the basis of the currently available information. An estimate has also been made of the anticipated costs as a consequence of the imposed penalty payment. On the basis of the above, a release of € 2.8 million of the provision has been included. This release is the consequence of the fact that in 2022 waste products were removed for the purpose of the immobilisation of a site, the costs of which were charged to the user of this site. As a consequence of the lack of certainty about the anticipated costs of the different scenarios, the actual costs may deviate substantially from the included provision. In 2022, costs were incurred for the removal of part of the waste products and soil surveys. For another site, a provision of € 2.2 million was created in accordance with an agreement made with the province of Groningen in 2022. This concerns a contribution towards the removal of above-ground contamination.

It is expected that € 8.4 million will be used for this provision in 2023, and that € 0.6 million will be used for this purpose in the next five years.

7. Long-term liabilities

Amounts x €1,000

Description	31-12-2021	Withdrawn	Repaid	Repayment obligation	31-12-2022
1 Debts to credit institutions	158,350	-	-	51,500	106,850
2 Debts to affiliated parties	22,006	-	-	-	22,006
Total long-term liab.	180,356	-	-	51,500	128,856

7.1 Debts to credit institutions

The debts to credit institutions consist of a fixed loan, roll-over loans and a project-specific loan. The Debt Service Coverage Ratio (DSCR) at year-end 2022 is 3.66 and therefore meets the condition of a minimum DSCR of 1.1, as stated in the financing agreement between Groningen Seaports and BNG Bank.

Fixed loan

The fixed loan concerns a loan of € 50 million (interest rate: 1.44%). The joint arrangement Havenschap Groningen Seaports does not provide surety for the repayment of this loan. It has been agreed with the bank that the DSCR as at the balance sheet date is always at least 1.1. Furthermore, the following has been provided as security:

- undisclosed pledge, first rank, on all existing and future receivables of Groningen Seaports concerning ground lease, with all associated dependent rights and ancillary rights regarding all its existing and future debtors;
- the right to mortgage all property and sites belonging to Groningen Seaports now and in the future.

The original term of the loan was seven years. This € 50 million loan matured on 16 February 2023, but was converted in 2023 into a cash facility maturing on 1 May 2024. As the renewal concerns a cash facility, this loan has been included under "Short-term liabilities".

Roll-over loans

The roll-over loans consist of two loans of € 50 million each. The original term of the loans was ten and twelve years respectively. The interest on the 10-year loan consists of the three-month EURIBOR with a surcharge of 56 basis points. The interest on the 12-year loan consists of the three-month EURIBOR with a surcharge of 60 basis points. The 10-year loan will be fully paid off on 2 January 2026. The 12-year loan will be fully paid off on 3 January 2028. The joint arrangement Havenschap Groningen Seaports provides full surety for the repayment of these loans.

Project-specific loan

The project-specific loan concerns a loan taken out for the construction of public industrial infrastructure. The original term of this loan is 12 years; the interest rate for this period is 3.9%. The loan will be repaid within 12 years, and 5% of the principal can be repaid annually without penalty. In 2023, the sum of € 1.5 million will be paid back. Surety has been provided by pledging current and future profits from lease contracts concluded between Groningen Seaports NV on the one hand and the users of the public industrial infrastructure on the other.

7.2 Debts to affiliated parties

The debts to affiliated parties concerns a loan from the joint arrangement Havenschap Groningen Seaports.

Groningen Seaports is not obliged to make repayments of the principal of the loan during its term. Groningen Seaports may, however, repay 5% of the principal annually. For 2023, no repayment of the principal has been envisaged. The loan was taken out on 1 January 2013 and does not have a maturity date. The acquired long-term loan will become immediately due if:

- Groningen Seaports fails to meet any of its payment obligations towards the joint arrangement Havenschap Groningen Seaports and/or
- the other payables are immediately due and Groningen Seaports is in default in this respect and/or
- Groningen Seaports is a party to or will be a party to a merger or division without prior permission from the joint arrangement Havenschap Groningen Seaports and/or
- Groningen Seaports is dissolved as a legal entity, is annulled, is declared bankrupt or is granted a provisional suspension of payments and/or
- the service agreement / ground lease contracts between the joint arrangement Havenschap Groningen Seaports and the company come to an end.

Groningen Seaports has not provided any securities to the joint arrangement Havenschap Groningen Seaports in order to meet its obligations from the acquired long-term loan. The interest on the principal due annually is 3%.

8. Short-term liabilities

Amounts x €1,000

Description	31-12-2022	31-12-2021
1 Debts to suppliers	2,213	3,653
2 Corporation tax due	1,143	1,594
3 Taxes and social security contributions	3,514	3,949
4 Pension premiums	156	128
5 Other payables	835	716
6 Repayment obligation for long-term loans	51,500	1,450
7 Accruals and deferred income	8,789	8,503
8 Bank credit	3,700	84,600
Total short-term liabilities	71,849	104,593

8.1 Debts to suppliers

The item "Debts to suppliers" consists of payments due to creditors.

8.2 Corporation tax due

As of 1 January 2017, Groningen Seaports is due to pay corporation tax. A detailed explanation of this is included under "Principles for recognition and measurement of income and expenses" under the heading "Corporation tax". The debt included concerns corporation tax for 2022, for which the tax return is still to be submitted. A debt is included for 2021, based on the submitted tax return.

8.3 Taxes and social security contributions

The debt "Taxation and social security contributions" concerns the payroll tax still to be paid for December 2022. It also concerns the turnover tax to be paid for December 2022.

8.4 Pension premiums

The debt "Pension premiums" concerns the pension premiums still to be paid for December 2022.

8.5 Other payables

The item "Other payables" concerns in particular the remaining hours of leave of staff of Groningen Seaports.

8.6 Repayment obligation for long-term loans

This concerns the repayment of the long-term loan, which will take place in 2023. The repayments in 2023 are explained under item 7.1, "Long-term liabilities".

8.7 Accruals and deferred income

The item "Accruals and deferred income" concerns invoices received in 2023 that relate to 2022. This largely concerns interest expenses paid by Groningen Seaports to the joint arrangement Havenschap Groningen Seaports. It also concerns the advance payments received; these are invoices paid in 2022 but which relate to 2023.

8.8 Bank credit

As of 16 February 2016, Groningen Seaports has set up most of the required external financing by means of long-term loans, partly under the full suretyship of the joint arrangement Havenschap Groningen Seaports. The bank credit (cash loans) is also included in this full suretyship. The current cash loans were taken out to finance the additional contribution deposit obligation (€ 3,700,000) for the CSA in connection with the negative value of the derivative.

On the basis of credit agreements, Groningen Seaports has three credit facilities. This concerns a credit facility of € 84.5 million, which is the amount needed to pay for the negative market value of the derivative. It also concerns a cash facility of a maximum of € 70 million and a current-account facility of a maximum of € 10 million.

G. Off-balance sheet rights and liabilities

The important off-balance financial rights and liabilities that apply to Groningen Seaports in the years to come are listed below.

- Groningen Seaports has contractual liabilities regarding lease cars. Contracts with an average term of 60 months have been concluded for the lease cars. The annual liability is € 270,000 on average.
- The current liabilities from 2022 for projects in progress is € 18.3 million.
- As a consequence of a land transaction in 2022, Groningen Seaports has an investment obligation of € 4.5 million maximum for completing fences and a steam pipe.
- As a consequence of a land transaction in 2020, Groningen Seaports has an estimated investment obligation of € 500,000 for completing water storage.
- Soil contamination is an issue at a number of locations in our management area. Decontaminating land let on a ground lease is the responsibility of the lessee or the sublessee. In the event of bankruptcy, there is a risk that the obligation to decontaminate the land after termination of the ground lease contract will fall to Groningen Seaports. A provision has been made in the balance sheet for partial decontamination for two specific sites in the management area.
- In February 2014, a superficies agreement was concluded with a company which has put up wind turbines. Under this agreement, Groningen Seaports must pay compensation of € 8.5 million maximum if it wishes to use the relevant site for other purposes. This obligation decreases to € 0 on a straight-line basis over a period of 14 years.
- In 2018, a sales contract was concluded, according to which the relevant company may sell the land to Groningen Seaports or to third parties, until 2023 at the latest, if this company fails to acquire a project in a specific sector. Groningen Seaports will be obliged to buy back the land if the relevant set condition is met.
- In a previous financial year, legal proceedings were brought against Groningen Seaports regarding whether or not a contract was concluded for the purchase of land by Groningen Seaports. These legal proceedings were decided in Groningen Seaports' favour in the first instance. The other party appealed against this outcome. Groningen Seaports again won the case at the appeal stage. The other party then appealed to the Supreme Court. The Supreme Court dismissed the appeal. The other party can submit an application to the European Court of Human Rights until 23 June 2023. Based on the decisions with regard to this legal dispute so far, it has been decided not to create a provision for this.

Financial lease - Groningen Seaports as lessee

As part of becoming independent, the sites of the management area were allocated to Groningen Seaports under a long lease (financial lease contracts) by the joint arrangement Havenschap Groningen Seaports. The future minimum lease payments are nil. The relevant land has been leased to Groningen Seaports indefinitely, for an annual ground rent of nil, with Groningen Seaports as the beneficial owner. The joint arrangement Havenschap Groningen Seaports is therefore the legal owner.

If Groningen Seaports sells land, the bare ownership of the joint arrangement Havenschap Groningen Seaports must be transferred to Groningen Seaports first. Groningen Seaports can then supply the full ownership to the new owner. The ground lease of this land is extinguished by merger the moment when the bare ownership is transferred by the joint arrangement Havenschap Groningen Seaports to Groningen Seaports.

Operating lease – Groningen Seaports as lessor

Groningen Seaports has concluded operating lease contracts for leasehold land as lessor. A statement of movements for the land allocated under a ground lease can be found in the explanatory notes to the tangible fixed assets.

The future minimum lease payments (ground rent) of these contracts (which cannot be terminated before their term ends) can be specified as follows:

Amounts x €1,000

Period	Amount
Less than 1 year	12,958
Between 1 and 5 years	46,142
More than 5 years	930,735

The ground lease contracts concluded are contracts with a variable term. The term very much depends on the customer's specific requirements and varies from several years to more than 100 years. Lease payments are received annually; the ground rent has been laid down in the contracts. The average remaining term of the lease contracts as at the balance sheet date is until 2059; the length varies considerably between contracts.

Financial instruments

The data included in these notes provides information that is useful for estimating the extent of the risks inherent in the financial instruments, both those that are included and those that are not included in the balance sheet. The present value does not deviate significantly from the book value.

Groningen Seaports has a derivative (interest rate swap) to hedge the interest rate risk resulting from the company's financing activities. It is company policy not to trade in financial instruments for speculative purposes. The main risks arising from the financial instruments of Groningen Seaports are the credit risk, the liquidity risk, the cash-flow risk and the interest-rate risk.

Credit risk

Groningen Seaports only trades with creditworthy parties and has created procedures to determine creditworthiness. Groningen Seaports has also drawn up guidelines in order to limit the extent of the credit risk in respect of each financial institution and debtor.

Furthermore, Groningen Seaports constantly monitors its receivables and the company applies a strict reminder procedure. As a result of the above measures, the remaining credit risk of Groningen Seaports is minimal. The maximum credit risk with regard to receivables, liquid resources and financial assets not included in the balance sheet is specified in the relevant explanatory notes. The maximum credit risk for derivatives is specified in the notes to the hedges. The company has no significant credit risk concentrations.

Liquidity risk

Liquidity forecasts are drawn up periodically and liquidity risks are controlled through interim monitoring, making any adjustments where necessary. The liquidity forecasts take into account the limited availability of liquid assets, including bank guarantees and the margin call (by virtue of a Credit Support Annex) with regard to the derivative concluded. For an explanation of the liquidity risks of the interest rate swap, see the notes to the interest rate swap described below.

Fair value

The fair value of the financial instruments is determined by means of the available market information and estimation methods. The fair value of the interest rate swap is determined by means of a cash-value calculation with the three-month EURIBOR, which was 2.132% on 31 December 2022, as the discount rate.

Interest-rate and cash-flow risk

The interest-rate risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate as a consequence of changes in market rates of interest. The risk run by Groningen Seaports due to fluctuations in the market rate mainly concerns the interest due on future cash loans still to be drawn down.

Groningen Seaports controls its interest-rate risk by maintaining a balanced portfolio of loans with a fixed and variable interest rate. In 2016, a large part of the variable-rate loans were converted into a fixed-rate loan. The company aims to keep part of the loans it has taken out against fixed interest rates. For that purpose, Groningen Seaports has concluded an interest rate swap, one of which was still active at year-end 2022. The interest rate swap was concluded with ABN AMRO and has 1 January 2042 as its maturity date, with an early termination option. The interest due has been set at 3.575% and is included in the income statement.

Groningen Seaports has hedged the interest-rate risk for an average of 51% by means of fixed-rate loans and an interest rate swap. This means that the market rate of interest (3-month EURIBOR) must be paid for approximately 49% of the interest-bearing debt. If this interest rate goes up the interest expenses of Groningen Seaports will increase, and if the market rate of interest goes down the interest expenses of Groningen Seaports will decrease.

Hedges

The cost price hedge accounting method is applied to the interest rate swap.

Interest rate swap

As at 31 December 2022, Groningen Seaports has an outstanding interest-rate instrument with a market value of - € 9.77 million and a book value of € 0. This became effective on 2 January 2014 and had a remaining term of 19 years at year-end 2022.

Amounts x €1,000

Code	Type	Hedged	To be paid	To be received	31-12-2022	31-12-2021
ABN1	IRS	€ 100,000	3.58%	3-Month EURIBOR	-9,770	-61,328

The interest-rate instrument serves to hedge the interest-rate risk Groningen Seaports is running in respect of the cash loans for which a variable interest rate is paid. The interest due depends on the market rate of interest (EURIBOR) on the date of recognition and the applicable interest surcharge. These cash loans have an average term of one month.

Groningen Seaports has determined the future amount of the cash loans required in its long-term financial plan for 2023-2053. In this plan, assumptions have been made about the anticipated profits, expenses and investments, which are based partly on the experience of Groningen Seaports. The investments included in the long-term financial plan, which are decisive for the future loan capital requirement, mainly concern approved projects (projects which will definitely be carried out within the next few years) and regular replacement investments. The non-regular replacement investments have been added. The anticipated loan capital requirement resulting from this which is not strengthened by a fixed interest rate component exceeds the derivative's amount during its whole term, which means the derivative is effective.

Credit Support Annex ABN-1 (margin calls)

As soon as the fair value of the interest-rate instrument ABN-1 is more than € 7.5 million negative, the contracting party (ABN AMRO) may require assurances in the form of so-called margin calls. This may occur when the current market rate of interest for the remaining term of the derivative (currently 19 years) is lower than the fixed interest rate of 3.575%. When the market rate (based on the 19-year swap interest rate on the basis of the three-month EURIBOR) drops, more money needs to be paid in. To hedge the risk of this obligation to make an additional payment, a specific, guaranteed cash facility is available that hedges this risk. By attracting loan capital under this guaranteed cash facility, Groningen Seaports has

sufficient liquid resources available to be able to finance these margin calls. On the basis of the agreement with ABN AMRO, the market value is offset when the interest-rate instrument is terminated. On the basis of the Credit Support Annex concluded, € 3.7 million was deposited with ABN AMRO as surety at year-end 2022. This was based on the value at the end of September 2022. At the beginning of January 2023, the sum of € 1.5 million was repaid as surety by ABN AMRO on the basis of the value at year-end 2022.

H. Notes to the income statement

In the summary below, the differences between the expenses and income realised in the financial year 2022 are compared to the expenses and income realised in the financial year 2021.

Operating income

In the summary below, the differences between the income realised in the financial year 2022 are compared with the income realised in the financial year 2021.

9. Net turnover

Amounts x €1,000

Description	2022	2021
Shipping	8,763	8,253
Shipping related	1,696	1,498
Sites core business	14,815	12,180
Sites non-core business	11,726	7,664
Income from land sales	18,215	21,972
Total net turnover	55,214	51,568

9.1 Shipping

Amounts x €1,000

Description	2022	2021
Ocean-going vessels	6,903	6,567
Inland vessels	790	750
Mooring charges	1,070	937
Total shipping	8,763	8,253

9.2 Related to shipping

Amounts x €1,000

Description	2022	2021
Dock charges	1,304	1,072
Docks/Berths	185	207
User fee water surface	102	101
Revenue water and electricity	104	119
Total shipping related	1,696	1,498

9.3 Core business sites

Amounts x €1,000

Description	2022	2021
Leasehold revenue	12,282	11,633
Temporary leasing	1,042	759
Option fees	1,429	-265
Fee for transshipment facilities	62	52
Total core business sites	14,815	12,180

9.4 Non-core business sites

Amounts x €1,000

Description	2022	2021
Rent of land and buildings	156	150
Trading and hunting licences	-	-
Recognitions (licences)	26	26
Profits from utility and other infrastructure	11,544	7,488
Total non-core business sites	11,726	7,664

9.5 Income from land sales

Amounts x €1,000

Description	2022	2021
Income from land sales	18,215	21,972

The income from land sales consists of the sales transactions realised in 2022. The cost of the land sales is included in other expenses under "Project- and transaction-related costs".

10. Other income

Amounts x €1,000

Description	2022	2021
Services provided to third parties	1,926	2,276
Other income	503	304
Total other income	2,429	2,580

The largest part of the income from works/services performed on behalf of third parties consists of the payment for services (2022: € 1,764 million), which is paid by the joint arrangement Havenschap Groningen Seaports to Groningen Seaports to perform the public tasks.

TOTAAL BEDRIJFSOPBRENGSTEN	57.643	54.148
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Operating expenses

In the summary below, the differences between the expenses realised in the financial year 2022 are compared with the expenses realised in the financial year 2021.

11. Salaries and social security contributions

Amounts x €1,000

Description	2022	2021
Salaries	9,079	7,054
Social security contributions	2,268	1,874
Total salaries and social security contributions	11,347	8,928

11.1 Salaries

Amounts x €1,000

Description	2022	2021
Salaries	7,617	6,540
Secondary employee expenses	1,445	178
External labour costs	17	337
Total salaries	9,079	7,054

Employees

The table below shows the number of staff employed by Groningen Seaports, as well as the sickness absence rate.

Description	2022	2021
Number of FTE (in service)	99.5	87.2
Sickness absence	4.20%	3.80%

Remuneration of supervisory board members and directors

The remuneration of the Supervisory Board was € 98,200 in 2022 (2021: € 94,900).

The remuneration, including pension expenses and social security contributions, of the directors was € 444,000 in 2022. This concerns the remuneration for Mr C.L. König (CEO) and Mr H.V. Sanders (CFO). In 2021, the remuneration of the directors was € 428,000.

External labour costs
Amounts x €1,000

Description	2022	2021
Project staff	61	14
Replacement due to illness	-	211
Other employee expenses third parties	448	332
On-charging investment projects	-493	-221
Total	17	337

11.2 Social security contributions
Amounts x €1,000

Description	2022	2021
Pension expenses	1,337	1,092
Other social security contributions	931	782
Total social security contributions	2,268	1,874

Pensions

Groningen Seaports NV has placed the responsibility for pensions with Algemeen Burgerlijk Pensioenfonds (ABP; General Pension Fund for Public Employees). Staff are awarded a pension on the basis of an average salary scheme. Any actuarial risks in respect of the aforementioned pension scheme have not been taken into account. As there is no obligation as regards the pension scheme other than the payment of pension premiums, no provision has been created. The cover ratio of ABP was 110.9% as at 31 December 2022. According to the law, the cover ratio must be 126% and may not be below 104.2% for more than 5 years. Groningen Seaports NV is not obliged to make additional contributions if ABP shows a deficit in any way other than paying higher premium contributions in the future. For that reason, the premium contributions relating to a specific period are charged to the result in that period.

12. Depreciation

Amounts x €1,000

Description	2022	2021
Infrastructure	9,246	8,613
Buildings	189	193
Other tangible fixed assets	856	957
Total depreciation	10,291	9,763

13. Other costs

Amounts x €1,000

Description		2022	2021
1 Core business	800	720	
2 Project- and transaction-related costs	3,927	8,093	
3 Structural maintenance costs	6,343	5,422	
4 Provisions	-629	4,833	
5 Other expenses	3,901	3,491	
Total other expenses		14,342	22,558

13.1 Core business

Amounts x €1,000

Description		2022	2021
Marketing and public relations	675	682	
Project development	125	37	
Total core business		800	720

13.2 Project- and transaction-related costs

Amounts x €1,000

Description		2022	2021
Project-related contributions	1,123	228	
Transaction-related expenses	2,804	7,866	
Total project-related and transaction-related		3,927	8,093

Project-related costs include the costs involved in projects at the preparatory stage and contributions to partnerships. The transaction-related costs concern in particular the cost of the land sold in the financial year.

13.3 Structural maintenance costs

Amounts x €1,000

Description		2022	2021
Dredging costs	3,135	2,880	
Maintenance of infrastructure	1,920	1,564	
Management expenses	1,288	978	
Total structural maintenance costs		6,343	5,422

13.4 Provisions

Amounts x €1,000

Description		2022	2021
Aftercare for dredging spoil disposal sites	-48	1,281	
Noise insulation	-	1	
R/C Fivelpoort	-	-	
Site decontamination	-581	3,550	
Total provisions		-629	4,833

As fewer costs will be incurred than was anticipated earlier, a release from the provisions for aftercare for dredging spoil disposal sites in Delfzijl and site decontamination took place. The allocation to the provision for noise insulation has been included in the "Transaction-related costs".

13.5 Other expenses

Amounts x €1,000

Description		2022	2021
Accommodation costs	461	288	
Resources and materials	1,402	1,135	
Office expenses	183	216	
Administration and general expenses	1,511	1,459	
Expenses of joint arrangement Havenschap Groningen Seaports	344	392	
Total other expenses		3,901	3,491

Under "Administration and general expenses", € 196,000 is shown for auditor's costs, based on the system of income and expenses.

The auditor's costs can be further specified as follows:

Amounts x €1,000

Description	2022	2021
Audit of the financial statements	196	129
Tax consultancy services	-	3
Total	196	132

The "Expenses of the joint arrangement Havenschap Groningen Seaports" consist of interest paid to participators in 2022, auditor's costs and hiring staff. It was decided in 2015 that Groningen Seaports NV will pay these expenses from the date when it becomes independent.

TOTAAL BEDRIJFSLASTEN	35.980	41.249
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14. Result of participating interests

Amounts x €1,000

Description	2022	2021
Groningen Railport	302	274
Fivelpoort Beheer	-668	-382
Sunport Delfzijl	306	64
Zonnepark Valgenweg	-21	-20
Helios Eemshaven	415	-78
Windpark Mondriaan	2,265	636
Windpark Mauve	1,860	443
Total result from participating interests	4,460	937

15. Financial income and expenses

Amounts x €1,000

Description	2022	2021
Financial income	1,324	1,258
Financial expenses	-7,076	-7,532
Total financial income and expenses	-5,752	-6,274

15.1 Financial income

Amounts x €1,000

Description	2022	2021
Interest miscellaneous	1,324	1,258
Total finance income	1,324	1,258

15.2 Financial expenses

Amounts x €1,000

Description	2022	2021
Interest on long-term loans	-5,095	-5,162
Interest on cash loans	-218	-265
Interest on loan joint arrangement	-660	-660
Surety premium joint arrangement	-1,104	-1,445
Total financial expenses	-7,076	-7,532

Part of the interest paid has been allocated to a number of projects as interest during construction and has been activated. The allocated interest during construction is based on the actually paid interest and the cumulative investment in the projects. For 2022, the interest percentage is 3.24%, and € 192,000 has been entered as interest during construction. The other interest paid has been charged to the result. The surety premium concerns the payment made to the joint arrangement Havenschap Groningen Seaports for the surety acquired for financing on the basis of the surety agreement between the joint arrangement Havenschap Groningen Seaports and Groningen Seaports NV.

16. Taxes

Amounts x €1,000

Description		2022	2021
Deferred corporation tax	3,050	-493	
Corporation tax for financial year	1,310	2,043	
Adjustment for previous years	-123	-45	
Total taxes		4,238	1,504

Corporation tax

As of 1 January 2017, Groningen Seaports is subject to corporation tax. In 2020, an agreement was reached with the Tax and Customs Administration about the opening balance sheet for tax purposes. On the basis of this opening balance sheet, deferred tax assets were included in the financial statements for 2020. In 2021, further arrangements were made with the Tax and Customs Authorities and laid down in a draft settlement agreement. In 2022, the settlement agreement between Groningen Seaports and the Tax and Customs Administration was signed.

A detailed explanation is included under "2.4 Deferred tax asset".

Breakdown of taxes
Amounts x €1,000

Description	
Deferred taxes	
Correction for deferred taxes in 2021, release	153
Release for deferred taxes in 2022	2,897
	3,050
Current tax	
Adjusted estimate of current corporation tax 2020	-82
Adjusted estimate of current corporation tax 2021	-41
Current corporation tax 2022	1,310
	1,187
Total	4,238

Current tax expense 2020
Amounts x €1,000

Description	
Current tax basis	16,003
Corporation tax	25%
Subtotal	4,001
Rate correction	-17
Total	3,984
Estimated tax expense for 2020 included in previous years	4,066
Adjusted estimate of current corporation tax 2020	-82

Current tax expense 2021
Amounts x €1,000

Description	
Current tax basis	8,107
Corporation tax	25%
Subtotal	2,027
Rate correction	-24.5

Total	2,002
Estimated tax expense for 2021 included in previous years	2,043
Adjusted estimate of current corporation tax 2021	-41

Current tax expense 2022
Amounts x €1,000

Description	
Current tax basis	5,244
Corporation tax	25.8%
Subtotal	1,353
Rate correction	-42.6
Total	1,310

Effective tax burden
Amounts x €1,000

Description	
Profit before tax	20,370
Taxes	4,238
Effective tax burden	21%

The difference between the nominal rate and the effective tax burden is caused by the circumstances specified above, including adjustments to the tax returns on the basis of further agreements with the Tax and Customs Administration, which affect the deferred and acute tax expenses in previous years.

I. Events after the balance sheet date

No events have occurred that have important financial consequences for Groningen Seaports since 31 December 2022.

J. Signing of the financial statements

Delfzijl, 23 March 2023

Board of directors

Mr C.L. König, CEO

Mr H.V. Sanders, CFO

Supervisory board

Mr F.A.M. Keurentjes

Mr H. Roose

Mr J.J. Atsma

Ms D. Meijer

Ms J. Schiphorst

Part III

OTHER INFORMATION

A. Appropriation of profit under the articles of association

The appropriation of profit takes place in accordance with Article 26 of the articles of association. It provides that the result is at the disposal of the general meeting.

B. Independent auditor's report

To: The shareholders and supervisory board of Groningen Seaports N.V.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of Groningen Seaports N.V. based in Delfzijl. In our opinion, the accompanying financial statements give a true and fair view of the financial position of Groningen Seaports N.V. as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the income statement for 2022;
3. and the notes comprising a summary of 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 Groningen Seaports N.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).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

Risk of management override of internal controls

In each organization management has a unique ability to perpetrate fraud because it frequently is in a position to directly or indirectly manipulate accounting records and present fraudulent financial information. Fraudulent financial reporting often involves management override of internal controls that otherwise may appear to be operating effectively.

Therefore we pay attention in our audit to the risk of management override of internal controls in the following areas:

- Journal entries and other adjustments made in the financial statements closing process;
- Estimates and the processes thereof;
- Significant transactions made outside the normal course of business;
- Cash disbursements.

Audit procedures and observations

We have evaluated the design and existence of internal control measures in the processes for generating and processing journal entries and making estimates, assuming a risk of management override. We have assessed and evaluated the financial statement closing process.

We have selected and tested journal entries based on risk criteria. We also paid attention to significant transactions outside the normal course of business. In addition, we have performed audit procedures with regard to significant management estimates, including the valuation of

- Provision for site decontamination and aftercare for dredging spoil disposal sites;
- Participating interests and other securities;
- Variable lease contracts.

We have evaluated the disclosures in the risk paragraphs in the director's report (chapter 'Finances') and refer to this section.

Our audit procedures did not reveal indications or reasonable suspicion of fraud regarding management override of internal controls.

Fraud risk regarding sale of land plots

Due to the incidental nature of land plot sales (land allocation) and the significant amounts involved, we recognized a fraud risk, in line with the standards of our professional organization.

Audit procedures and observations

We have evaluated the design and existence of internal control measures in the land sale processes. We also read minutes of management and directors board meetings and performed tests of details on the sales transactions on the basis of sales contracts, notarial deeds and cadastral data. We paid attention to market-based pricing, proper cut-off and authorizations, including the involvement of the internal legal department in accordance with internal procedures.

Our work did not lead to specific indications of fraud or suspicions of fraud in relation to land plot sales.

Audit approach going concern

As explained in the 'Finances' section of the directors' report, management assessed the Company's ability to continue as a going concern for the period of twelve months from the date of these financial statements and has not identified any events or circumstances that may cast significant doubt on the entity's ability to continue as a going concern.

To assess management's assessment, we have performed, among other things, the following procedures:

- We inquired management and considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the Company's ability to continue as a going concern;
- We evaluated the budgeted operating results and related cash flows for the period of twelve months from the date of these financial statements, taking into account developments in the industry, the specific environment of the Company and our knowledge from the audit;
- We analyzed whether the current and required funding for the continuation of the Company's business activities is guaranteed, including compliance with relevant bank covenants;
- We inquired management about its knowledge of going concern risks after management's going concern assessment.

Our audit procedures have not revealed any information that conflicts with management's going concern assumptions. Based on our audit procedures the going concern assumption used by management is acceptable.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon, that consists of:

- Directors' report;
- 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 all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

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

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management 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.

Management is 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 detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 skepticism 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 fraud or error, 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 error, 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 entity's internal control;

- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- 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 a company to cease 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.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Groningen, 23 March 2023

Eshuis Registeraccountants B.V.

M.T. (René) Lemans

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This document is a translation of the official Dutch language annual report. In the event of a conflict, the Dutch language version shall prevail.

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