

HALF-YEAR REPORT 2024



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REPORT OF THE EXECUTIVE BOARD

Throughput port of Rotterdam virtually unchanged in first half 2024

- Cargo throughput almost the same (-0.3%)
- Growth in container transshipment continues (+4.2%)
- Port of Rotterdam Authority posts solid operating result
- High investment level Port Authority infrastructure
- Construction of Porthos begins

Cargo throughput in the port of Rotterdam remained virtually unchanged in the first half of 2024 compared to the same period last year. Cargo throughput reached 220.0 million tonnes. This is 0.3% lower than in the same period in 2023 (220.7 million tonnes). The decline was mainly due to less handling of coal, crude oil and other liquid bulk. In contrast, throughput of iron ore and scrap, other dry bulk, mineral-oil products and containers increased. Container throughput increased by 4.2% (in tonnage) and 2.2% (in TEUs) due to increasing (consumer) demand and an early peak season. Port of Rotterdam Authority investments were on track in the first half of the year. This includes construction starting on CO₂ transport and storage project Porthos, awarding of the contract for the construction of the Prinses Alexia viaduct and the Port of Rotterdam Authority invested in making the port of Rotterdam more digitally resilient.

Boudewijn Siemons, CEO of Port of Rotterdam Authority: “After a period of economic uncertainty, we see demand for raw materials and consumer products starting to increase. This led to growth in container throughput in the first half of the year. Whether that trend will continue in other segments will depend partly on the pace of the European industry’s recovery in the coming months. In the meantime, we are holding a steady course and continue to invest in and implement projects to make the energy and raw materials transitions a success and further improve the infrastructure of the port and industrial complex.”

Economic value creation

Finances of the Port of Rotterdam Authority

The Port of Rotterdam Authority’s financial results were robust in the first half year of 2024. Compared to the first half of 2023, revenues – earned primarily from seaport dues and rental and leasehold income – increased by € 23.0 million to € 439.6 million. Operating expenses increased by € 13.3 million to € 147.9 million. As a result, earnings before tax, interest, depreciation and amortisation rose by € 9.7 million to € 291.7 million. The net result increased by € 31.7 million to € 148.2 million. The larger increase in net result is caused by two items from 2023 for a combined €15.3 million, which will not be repeated this year.

Gross investments in the first half of 2024 amounted to € 164.4 million, including capital injections in participating interests (HY1 2023: € 135.7 million). The main investment in the first half of 2024 is the widening of the Yangtzekanaal (€15.8 million). Of the capital injections, €20.4 million relates to Porthos.

Throughput

Dry bulk

Dry bulk handling increased by 2.1% compared to the same period last year. The increase is mainly driven by higher throughput volumes of iron ore and scrap. This segment increased by 12.6% to 14.6 million tonnes due to higher steel and iron production in Germany in the first half of the year. Throughput of coal decreased by 2.4 million tonnes (-19.7%) due to low demand for thermal coal for power generation. Solar and wind are increasingly used as renewable sources for power generation. Throughput of coking coal also fell, despite the increase in steel production in Germany. Due to sufficient stock accumulation last year, supply decreased in the first half of the year. Throughput of agribulk decreased by 1.2 million tonnes due to low demand for soybeans as a result of certain processes moving to the United States. Other dry bulk (raw materials for various industrial applications and the construction sector) shows an increase. The throughput figures for agribulk (-19.3%) and other dry bulk (80.7%) show large deviations compared to 2023. Due to a correction in 2023 to an erroneous declaration in the seaport dues system in 2022, these figures show a distorted picture. Without the correction, agribulk shows a decrease of 5.1% and other dry bulk shows an increase of 20.7%.

Liquid bulk

In the first half of the year, 3.1% less liquid bulk was handled. Some 5.8% less crude oil was handled due to maintenance at some Rotterdam refineries in the first quarter. As a result, lower volumes were processed and fewer imports were needed. Throughput of mineral oil products rose 4.7% to 28.6 million tonnes in the first half of the year. At 6.0 million tonnes (0.3%) in the first half of the year, throughput of LNG was similar to last year. Large reserves have been built up for both segments since Russia’s invasion of Ukraine to strengthen energy security. The other liquid bulk segment declined by 7.9%.

Containers and breakbulk

In the first half of the year, container throughput increased by 4.2% in tonnes to 67.1 million tonnes by 2.2% expressed in TEUs, to 6.8 million TEU. The first quarter already saw a slight recovery in container throughput. This trend continued in the second quarter. This is a direct consequence of an increase in demand for consumer goods. Additionally, there is an early peak season as importers order their products earlier than usual due to longer sailing times and fluctuating sailing schedules. Ships have not passed through the Suez Canal since late 2023, due to turmoil in the Red Sea. The container market is still adjusting to this new situation. Due to the longer sailing time via the Cape of Good Hope, there are challenges with finding sufficient vessel capacity. Changes in sailing schedules, increased demand and bad weather in Asia have also caused congestion at ports in Asia, the Middle East and southern Europe. Despite the fact that congestion in north-western Europe has so far been limited, there are implications for port and hinterland operations. Ship arrivals are more difficult to plan due to changes in schedules. Additionally, callsizes have also increased substantially since the start of the Red Sea crisis. As a result, terminals and hinterland modalities face peak loads, leading to delays in container handling.

Roll-on Roll-off (RoRo) traffic decreased by 4.1% to 12.8 million tonnes due to a weak UK economy. The other breakbulk segment fell 10.5% to 3.1 million tonnes. This is due to the containerisation of general cargo and the shifting of various cargo packages to other ports.

Societal value creation

Energy and raw materials transition

There is a lot of construction going on at the port at the moment. The hydrogen pipeline is being constructed, the Porthos CO₂ transport and storage project is being built, and Shell's 200MW hydrogen plant is emerging on the first conversion park. At the second conversion park, which has space for 1 GW of electrolysis, Zeevonk II will build an electrolyser. This consortium of Vattenfall and CIP won the tender for lot Beta of the IJmuiden Ver wind farm. The hydrogen economy now seems to have really taken off. At the same time, there are also headwinds. For instance, it was recently announced that the construction of the Delta Rhine Corridor, which includes the hydrogen pipeline towards other Dutch and German industrial clusters, will be delayed by four years. This would greatly slow down the energy transition. It is vital that everything possible is done to accelerate this process, with a view to increasing sustainability and the competitiveness of industry clusters in the Netherlands and Europe. High grid-connection costs, high electricity prices and regulations inhibiting energy transition are also causing delays. Decision-making relating to investments in hydrogen production is still lagging. There is, however, regulatory movement around the refinery route which will boost demand for green hydrogen. The Port Authority will continue to promote to the government the importance of a good investment climate. Meanwhile, shore power capacity in the port is growing, four parties are participating in the bidding process for the floating solar park on the Slufter and opportunities are being explored for further cooperation in the field of heat, the use of steam and the development of sustainable aviation through biofuels and hydrogen.

Steps are also being taken in the transition from fossil molecules to carbon-neutral molecules. The Port Authority is currently developing a vision and strategy on its role in this resource transition. This examines not only the port's role in renewable fuel production, but also looks at critical materials. These are essential for achieving the energy transition, and also of great importance for the strategic independence of the Netherlands and Europe.

Digitalisation & Cyber resilience

With digital threats increasing these days, resilience against society-disrupting threats is a prerequisite for the smooth functioning of the port's nautical and logistics processes. In the first half of 2024, important steps were taken in the field of digitalisation and cyber resilience. The Port Authority supports the Secure Chain. This public-private partnership aims to make supply chains more digitally resilient, including against crime and theft. Through a new digital way of working, parties exchange information in a closed system. The right to pick up a container at the terminal can thereby only be transmitted digitally to authorised carriers. The Secure Chain eliminates the possibility of unlawful container collection. The Seaport Police is noticing that, by working through the Secure Chain, this actually no longer happens. Meanwhile, 43% of all import containers go through the Secure Chain. All import containers from Latin America and North America have been part of this way of working since this year. Work is now underway to expand further into other shipping zones.

And in May this year, a consortium of Port of Rotterdam Authority, Q*Bird, Single Quantum, Cisco, Eurofiber, Portbase, Intermax and InnovationQuarter succeeded in being the first in the world to build a scalable quantum network connection in the port of Rotterdam. Securing sensitive information through the use of quantum technology has proven successful in a test case. In future, this new communication system should improve the security of the tens of thousands of seagoing vessels that visit the port every year and also better secure the resulting economic traffic from the threat of quantum computers. Currently, two endpoints at Portbase and the Port Authority are connected to the central hub of the quantum network. In light of the success of the trial, new endpoints at Customs and a number of nautical service providers in the port will be connected to the central hub over the course of this year.

Outlook

Throughput

A slight increase in throughput is expected for the year as a whole. Increased container volumes are a harbinger of this. Furthermore, accumulated stocks in other segments have been run down and European industrial production appears to be picking up cautiously on the back of lower energy prices.

Importance of European cooperation greater than ever

Energy and raw materials transitions are currently the biggest challenges facing European ports. Ports and industry in North-West Europe are therefore increasingly pulling together to secure a sustainable future for European industry and society.

Boudewijn Siemons, CEO of Port of Rotterdam Authority: "The European economy only has a future if the energy and raw materials transitions succeed. Ports play a crucial role in this. We therefore need to think and act more based on that cross-border interest. The faster Europe becomes independent of fossil fuels, the greater the chance of strategic autonomy. Delay means we remain geopolitically vulnerable, which is bad for the Netherlands as well as for Europe. A firm commitment from the Netherlands in Brussels, championing the interests of seaports in the energy and raw material transitions, is now more important than ever."

In the transition from fossil to renewable energy, challenges around nitrogen, grid congestion and permitting currently play a hampering role. Predictable and competitive market conditions for investments in making industry more sustainable and the availability of sufficient raw materials are also crucial for a successful transition. Therefore, stable policies and strong incentives for green energy and a circular economy are needed in the coming years, both from The Hague and from Brussels.

Financial information

A result after tax of € 148.2 million was booked in the first half of 2024. The profit on ordinary activities before taxation was € 182.8 million for the first half of 2024. This is an increase of 16.0% compared to the first half of 2023 (€ 157.7 million).

Revenue in the first half of 2024 increased by 5.5% (€ 23.0 million) compared to the first half 2023. This is caused by a € 25.3 million increase in contract income due to new contracts, price changes and indexation. Seaport dues decreased by € 0.8 million mainly due to lower transshipment volumes, which has a negative volume and price effect.

Operating expenses in the first half of 2024 were 9.9% higher (€ 13.3 million) than in the first half of 2023. This increase is mainly attributable to an increase in operating expenses across the board caused by the indexation of rates. This is particularly evident in the recruitment of external personnel and maintenance costs. Additionally, the impact of the Collective Bargaining Agreement increase from 1 July 2023 is visible in wages, salaries and social security costs.



Gross investments in the first half of 2024 were € 164.4 million, including capital injections in participating interests (HY1 2023: € 135.7 million). The capital injections in participating interests amounted to € 24.8 million. The biggest investment in the first half of 2024 is the widening of Yangtzekanaal (€ 15.8 million). Additionally, € 20.4 million of the capital injections relate to Porthos.

On balance, total cash and cash equivalents was € 47.9 million lower than at year-end 2023. In the first half of 2024, a dividend of € 129.0 million was paid, including dividend tax for the year 2023. Despite the reduction in total cash and cash equivalents, sufficient cash flows are available for the Port of Rotterdam Authority to meet obligations and continue to invest in the port.

Half-year figures 2024

Balance sheet as at 30 June 2024

(before result appropriation, amounts x € 1,000)	30 June 2024	31 December 2023
Assets		
Fixed assets		
Intangible fixed assets	100,035	84,117
Tangible fixed assets	4,028,536	4,008,727
Financial fixed assets	1,586,747	1,596,517
	5,715,318	5,689,361
Current assets		
Inventory	846	652
Accounts receivable	245,093	229,595
Cash and cash equivalents	242,893	290,811
	488,832	521,058
Total assets	6,204,150	6,210,419
Liabilities		
Shareholders' equity	4,569,059	4,553,017
Provisions	47,352	49,498
Long-term debts	1,354,858	1,364,146
Short-term debts	232,881	243,758
Total liabilities	6,204,150	6,210,419

Condensed statement of income for first half of 2024

(amounts x € 1,000)	HY1 2024	HY1 2023
Total operating income	439,584	416,541
Total operating expenses	-147,922	-134,623
Result before interest, depreciation and taxes	291,662	281,918
Depreciation and impairment of tangible fixed assets	-88,655	-97,130
Operating result	203,007	184,788
Financial income and expenses	-20,188	-27,120
Result from ordinary activities before taxation	182,819	157,668
Taxation	-38,719	-37,768
Results participating interests	4,135	-3,397
Result after taxation	148,235	116,503

Condensed cash flow statement for first half of 2024

(amounts x € 1,000)	HY1 2024	HY1 2023
Operating result	203,007	184,788
Depreciation and changes in provisions etc.	87,311	95,686
Changes in working capital	-35,207	-65,203
Cash flow from operating activities	255,111	215,271
Interest received and interest paid	-3,773	-8,404
Corporation tax paid	-40,430	-41,934
Cash flow from operating activities	210,908	164,933
Gross cash flow from investment activities	-142,180	-125,493
Subsidies and other changes	14,230	18,627
Disinvestments	3,353	94
Cash flow from investment activities	-124,597	-106,772
Cash flow from financing activities	-134,229	-87,467
Net cash flow	-47,918	-29,306
Balance of cash and cash equivalents as at 1 January	290,811	177,819
Balance of cash and cash equivalents as at 30 June	242,893	148,513
Change in cash and cash equivalents	-47,918	-29,306

Principles for valuation and profit/loss determination

Activities of the company

The Port of Rotterdam Authority is responsible for the management, operation and development of Rotterdam's port and industrial area. As a public company, the Port of Rotterdam Authority has two shareholders: the municipality of Rotterdam (70.83%) and the Dutch state (29.17%).

The Port of Rotterdam Authority's core tasks under its articles of association are:

- the development, construction, management and operation of the port and industrial area in Rotterdam;
- the promotion of the safe, effective and efficient handling of shipping in the port of Rotterdam and the offshore approaches to the port.

The Port of Rotterdam Authority creates economic and social value by means of sustainable growth in the port in collaboration with clients and stakeholders.

The Port of Rotterdam Authority invests in the development of land and in the port infrastructure such as quay walls, jetties, roads and waterways, and cable and pipeline facilities. This infrastructure renders the site accessible and allows for the transshipment of freight. The land and infrastructure in the port are rented or issued to companies on a long lease. This is one of our main sources of revenue. Port dues represent another important source of revenue. Shipping companies (national and international) pay port dues when their vessels use our nautical infrastructure in the port.

Accounting principles applied in the half-year report

The half-year figures have been prepared in accordance with the financial reporting requirements of Part 9 Book 2 of the Dutch Civil Code and the statements in the Dutch Guideline for Annual Reporting on Interim Reports issued by the Dutch Accounting Standards Board. As provided for in RJ 394 'Interim Reports', this half-year report does not contain all of the information required to be provided in the full financial statements and it should therefore be read in conjunction with the 2023 Annual Report/Financial Statements. The same accounting policies used to prepare the 2023 Financial Statements were used to value the assets and liabilities and determine the result for these half-yearly figures.

Exemption from consolidation requirement

The Port of Rotterdam Authority has made use of the exemption from the requirement to consolidate the details of participating interests if the participating interests jointly have a financial significance in the consolidation which is negligible to the Port of Rotterdam Authority as a whole (RJ 217.304).

Changes in accounting policies

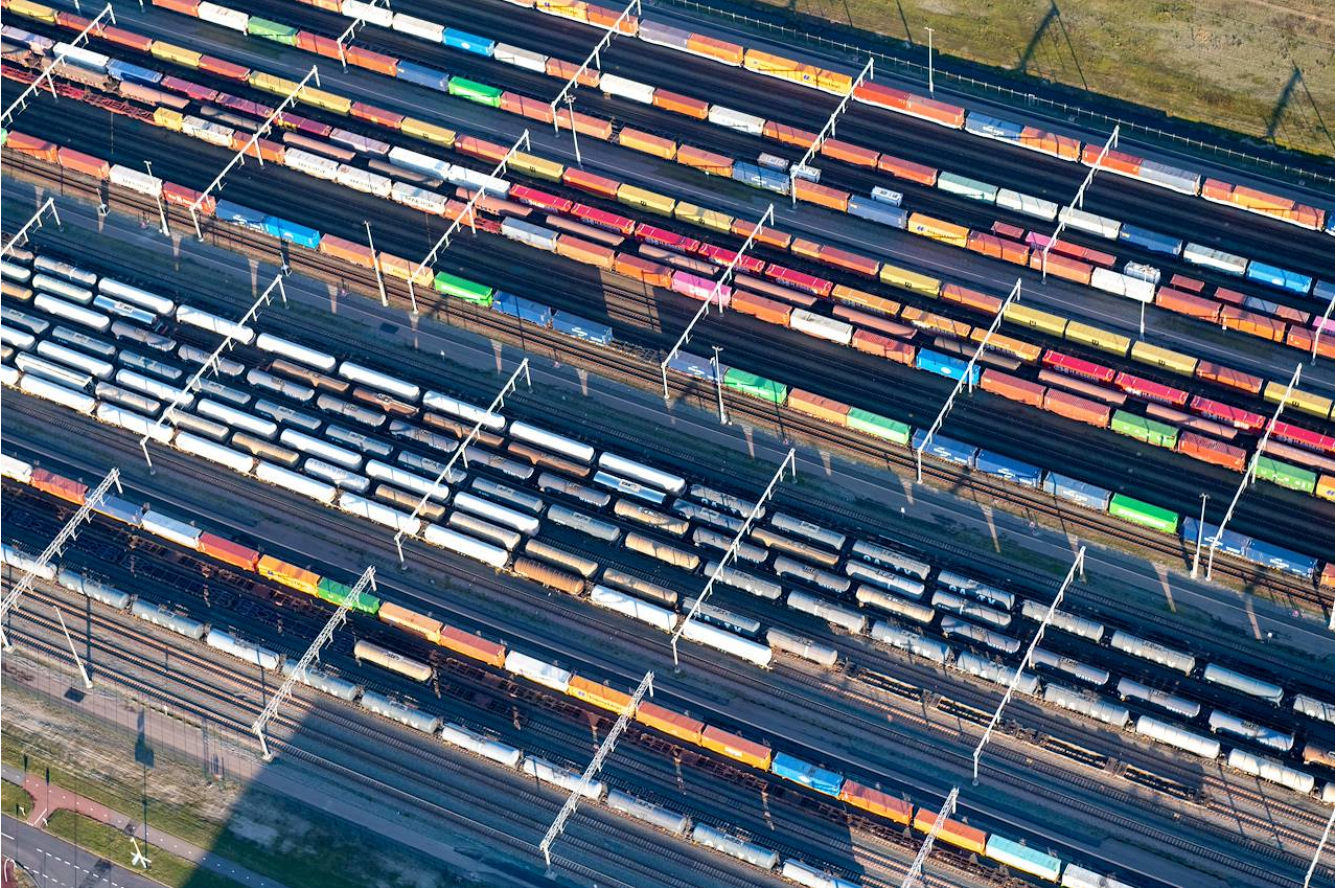
In the first half of 2024, no changes were made in the adopted accounting policies that have an impact on the Port of Rotterdam Authority's capital position or earnings.

Judgements and estimates

When applying the principles and rules for the drafting of the half-year report, the Executive Board of the Port of Rotterdam Authority makes various judgements and estimates. In the first half of 2024, there were no significant changes in the approach to these judgements and estimates.

Geopolitical and seasonal factors

To a limited degree, throughput volumes are subject to geopolitical and seasonal factors. Seasonal factors have minor impact on rental and lease contracts or operational costs, if any.



Explanatory note to the condensed balance sheet and statement of income

Intangible fixed assets

(amounts x € 1,000)	Cost of development (internally generated)	Acquisition costs relating to licences and intellectual property rights (acquired)	Prepaid on IMVA	Intangible fixed assets under construction	Total
Purchase price	132,396	61,845	8,294	27,090	229,625
Accumulated amortisation	-88,868	-46,067	-8,017	-2,556	-145,508
Book value as at 1 January 2024	43,528	15,778	277	24,534	84,117
Gross investments	-	-	8,349	20,830	29,179
Disinvestments (purchase value)	-	-	-953	-	-953
Disinvestments (cumulative depreciation)	-	-	-	-	-
Grants	-	-	-	-	-
Government contributions	-	-	-	-	-
Depreciation	-8,857	-3,289	-	-	-12,146
Impairment	-	-	-	-	-
Transfer acquisition value tangible/intangible fixed assets	-	-	-	-162	-162
Transfer depreciation tangible/intangible fixed assets	-	-	-	-	-
Commissioning	12,808	2,484	-	-15,292	-
Changes in 2024	3,951	-805	7,396	5,376	15,918
Book value as at 30 June 2024	47,479	14,973	7,673	29,910	100,035
Purchase price	145,204	64,329	15,690	32,466	257,689
Cumulative depreciation and impairment	-97,725	-49,356	-8,017	-2,556	-157,654
Book value as at 30 June 2024	47,479	14,973	7,673	29,910	100,035
Depreciation periods in years	3 to 10 years	2 to 10 years	not once depreciated	not once depreciated	

Intangible assets increased by € 15.9 million in the first half of 2024 due to the balance of gross investments (€ 29.2 million), disposals (€ 1.0 million) and depreciation (€ 12.1 million). The disinvestment relates to the sale of nitrogen certificates (€ 1.0 million).

Tangible fixed assets

(amounts x € 1,000)	Land and infraplus	Public infrastructure, port basins and waterways	Quay walls, stone slopes, jetties and other mooring facilities	Property, plant and equipment, and other assets	Tangible fixed assets under construction	Total
Purchase price	1,673,026	1,368,508	2,026,598	891,732	333,730	6,293,594
Accumulated amortisation	-409,492	-649,095	-807,398	-418,286	-596	-2,284,867
Book value as at 1 January 2024	1,263,534	719,413	1,219,200	473,446	333,134	4,008,727
Gross investments	-	-	-	-	110,386	110,386
Disinvestments (purchase value)	-	-	-	-	-	-
Disinvestments (cumulative depreciation)	-	-	-	-	-	-
Grants	-	-	-	-	-456	-456
(Government) contributions	-	-	-	-	-13,774	-13,774
Depreciation	-11,956	-21,317	-25,292	-15,827	-	-74,392
Impairment	-	-	-	-	-2,117	-2,117
Transfer acquisition value tangible/ intangible fixed assets	-	-	-	-	162	162
Transfer depreciation tangible/ intangible fixed assets	-	-	-	-	-	-
Commissioning	23,109	21,130	2,915	21,367	-68,521	-
Changes in 2024	11,153	-187	-22,377	5,540	25,680	19,809
Book value as at 30 June 2024	1,274,687	719,226	1,196,823	478,986	358,814	4,028,536
Purchase price	1,696,135	1,389,638	2,029,513	913,099	361,527	6,389,912
Cumulative depreciation and impairment	-421,448	-670,412	-832,690	-434,113	-2,713	-2,361,376
Book value as at 30 June 2024	1,274,687	719,226	1,196,823	478,986	358,814	4,028,536
Depreciation periods in years	25 years to not depreciated	8 to 50 years	25 to 75 years	3 to 50 years	n/a	

Tangible fixed assets increased by € 19.8 million in the first half of 2024 due to gross investments (€ 110.4 million), decreased by depreciation (-/- € 74.4 million) and impairment (-/- € 2.1 million). Additionally, grants have been allocated to ongoing projects, which has a total impact of -/- € 14.2 million. Impairments relate to write-downs of projects in the development phase.

The most important investments in the first half of 2024 were the widening of the Yangtzekanaal and the construction of the Prinses Amaliahaven quay wall.

In the first half of 2024, € 9.1 million of internal staff costs were capitalised (HY1 2023: € 8.0 million). This relates to the payroll expenses that can be directly attributed to the production of assets.



Financial fixed assets

The financial fixed assets decreased by €9.8 million in the first half of 2024. This is attributable in part to the amortisation of the capitalised component of the interest rate swap of € 22.5 million.

Other changes in financial fixed assets include the increase in other long-term items of € 11.6 million and the increase in deferred tax assets for the first half of 2024 of € 2.5 million. This was offset by a decrease in long-term receivables of € 2.4 million due to the repayment of a loan, and an increase in the value of participating interests of € 1.0 million mainly due to the result for participating interests.

In the first half of 2024, there was a total of € 24.8 million in capital injections. Of which, € 20.4 million relates to Porthos.

Cash and cash equivalents

The cash and cash equivalents consist of bank and current account balances of € 116.3 million and deposits of € 126.6 million. The changes in the cash and cash equivalents have been included in the cash flow statement.

Shareholders' equity

(amounts x € 1,000)	Issued share capital	Share premium reserve	Statutory reserve for participating interests	Statutory exchange rate reserve	Statutory reserve intangible fixed assets	Other reserves	Result before appropriation	Total
1 January 2024	900,000	391,200	72,473	131	66,050	2,889,644	233,519	4,553,017
Result 2024	-	-	-	-	-	-	148,235	148,235
Dividend paid 2023	-	-	-	-	-	-	-129,034	-129,034
Result appropriation 2023	-	-	-	-	-	104,485	-104,485	-
Exchange rate reserve	-	-	-	-3,159	-	-	-	-3,159
Reserve for participating interests	-	-	8,367	-	-	-8,367	-	-
Reserve for IFA	-	-	-	-	10,007	-10,007	-	-
Total changes 2024	-	-	8,367	-3,159	10,007	86,111	-85,284	16,042
30 June 2024	900,000	391,200	80,840	-3,028	76,057	2,975,755	148,235	4,569,059

The net result is € 148.2 million (HY1 2023: € 116.5 million).

Provisions

The provisions consist of the provision for future soil remediation of € 35.8 million (31-12-2023: € 36.4 million) and the provision for employee schemes amounting to € 11.6 million (31-12-2023: € 13.1 million).

Long-term debts

(amounts x € 1,000)	30 June 2024	31 December 2023
Loans from credit institutions	788,902	794,150
Debts from capital market financing	190,142	190,089
Loan portfolio	979,044	984,239
Redemption of leasehold	112,858	114,578
Other non-current items	262,956	265,329
Other long-term debts	375,814	379,907
Total	1,354,858	1,364,146

Debts to credit institutions decreased due to regular repayments. There are no new loans.

Some of the loans have variable interest rates based on the 3-month Euribor reference rate plus a surcharge. These variable interest rates have been capped by means of an interest rate swap with a fixed interest percentage (underlying value of € 375 million). No collateral was issued for the facilities for long-term debts. Ratios have been agreed with financiers. As at year-end 2023, the Port of Rotterdam Authority compliance with the agreed terms was more than satisfactory.

Off-balance-sheet commitments and contingencies

The Port of Rotterdam Authority has agreed a number of contingent schemes and multi-year financial entitlements and commitments with municipal authorities, external parties and participating interests. These schemes and commitments mainly relate to the development, maintenance and servicing of the Rotterdam port and industrial complex, Rotterdam's Stadhavens district and internal operational management. Reference is made to the 2023 financial statements for further details. No new off-balance-sheet commitments or contingencies were entered into in the first half of 2024.

Fiscal entity for corporation tax

The Port of Rotterdam Authority (Havenbedrijf Rotterdam N.V.) is part of a fiscal entity for the purposes of corporation tax with the following participating interests:

- Mainport Holding Rotterdam N.V.
- Cruise Port Rotterdam B.V.
- PortShuttle Rotterdam B.V.
- Blockchain Fieldlab B.V.
- Nextlogic B.V.
- PortXchange Products B.V.
- Mainport Foreign Investments B.V.
- Port of Pecém Participations B.V.
- MHR Commanditaire Venoot B.V.
- MHR Silent Partner B.V.
- Routescanner B.V.
- HbR CCS B.V.
- HbR CCS Pipeline LP B.V.
- HBR CCS BD LP B.V.
- HbR Hydrogen B.V.
- PXP Global Services B.V.
- Cruise Port Shore Power B.V.

The Port of Rotterdam Authority is therefore jointly and severally liable for the tax liability of the tax entity as a whole. The Port of Rotterdam Authority bears the entire tax burden and the corporation tax due is paid through the Port of Rotterdam Authority.

Fiscal entity for VAT

The Port of Rotterdam Authority (Havenbedrijf Rotterdam N.V.) is part of a fiscal entity for the purposes of VAT with the following participating interests:

- Mainport Holding Rotterdam N.V.
- Cruise Port Rotterdam B.V.
- PortShuttle Rotterdam B.V.

- Blockchain Fieldlab B.V.
- Nextlogic B.V.
- HbR CCS B.V.
- Cruise Port Shore Power B.V.

The Port of Rotterdam Authority is therefore jointly and severally liable for the tax liability of the tax entity as a whole. The VAT due is paid through the Port of Rotterdam Authority.

Financial instruments

The Port of Rotterdam Authority has interest rate swap contracts with a number of credit institutions. The interest rate swaps serve to cover the interest rate risk for the Port of Rotterdam Authority on the variable loans as well as the long-term financing requirement that follows from the strategic ambitions of the Port of Rotterdam Authority.

The calculated market value of the interest rate swaps as at 30 June 2024 totalled € 5.1 million (as at 31 December 2023: -/- € 7.0 million). The increase in market value is caused by a rise in long-term variable interest rate. The Port of Rotterdam Authority does not intend to prematurely terminate the entire interest rate swap position since the interest swap covers the interest rate risk.

The Port of Rotterdam Authority uses cost-price hedge accounting. Reference is made to the 2023 financial statements for further details.

Risk management

The Port of Rotterdam Authority has a risk management and control system for the identification, management and reporting of risks. The system is based on the internationally accepted standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and it is described in the 2023 annual report. The main risks were updated in early 2024 as part of the strategic planning process. As a result, the top risk of a 'Terrorist attack at the port' has been widened to 'Ideological/interstate conflicts'. The full risk description will be as follows: 'Ideological/interstate conflicts (and possible sanctions) lead to attack, disruption in supply chains and shipping operations. This negatively affects the continuity, safety, accessibility and image of the port of Rotterdam.'

The developments around us are by no means predictable (geopolitics) nor are the challenges simple (grid capacity, nitrogen, business climate, etc.). A positive development is that increasingly the importance of industrial policy is being seen by national and European policy-makers. We will continue to discuss this, working in various contexts to make industry and logistics more sustainable and the port more attractive to local residents (living environment), job seekers and (potential) clients. Our focus and activities will continue to be on a (nautically) safe, sustainable, accessible, digital, cyber resilient and anti-subversion port.

Total operating income

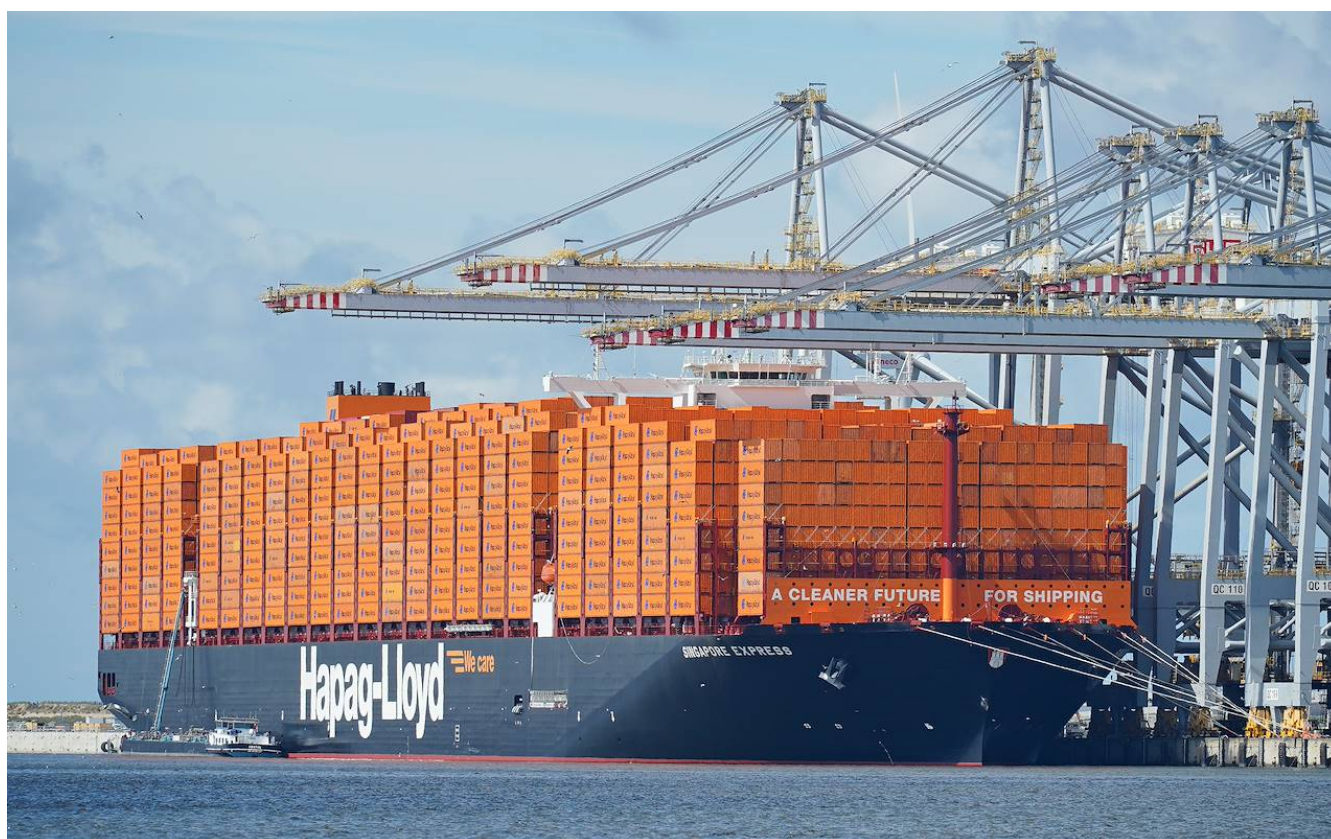
(amounts x € 1,000)	HY1 2024	HY1 2023
Seaport dues	160,829	161,660
Inland port dues	8,043	7,992
Revenue from contracts	253,968	228,716
Total net revenue	422,840	398,368
Other operating income	16,744	18,173
Total	439,584	416,541

Revenue from seaport dues decreased in the first half of 2024 compared to the first half of 2023. This decrease is mainly caused by higher load factors resulting in a lower price per tonne.

Revenue from contracts (including rental, leasehold and quay dues) increased as a result of new contracts, indexation, the reduction of incremental discounts and price changes. These are long-term contracts.

The other operating income consists mainly of proceeds from sand sales, dredging activities for third parties, sediment storage for third parties and the contribution for the Traffic Guidance System.

The operating income is generated entirely in the Netherlands.



Total operating expenses

(amounts x € 1,000)	HY1 2024	HY1 2023
Wages, salaries and social security	67,453	60,603
Operating expenses	77,050	72,332
Other operating expenses	3,419	1,688
Total	147,922	134,623

Total costs increased by € 13.3 million. The increase is mainly caused by an increase in operating expenses across the board due to indexation of fees. Additionally, the impact of the Collective Bargaining Agreement increase from 1 July 2023 is visible in wages, salaries and social security costs.

Financial income and expenses

(amounts x € 1,000)	HY1 2024	HY1 2023
Interest income on long-term receivables	46	84
Other interest income	6,612	1,966
Exchange rate differences	29	-51
Total financial income	6,687	1,999

Interest charges for financing	30,230	29,392
Interest charges on provisions (employee schemes and soil remediation)	-671	735
Capitalised interest on tangible fixed assets under construction	-2,990	-1,458
Other interest charges	306	450
Total financial expenses	26,875	29,119

Total financial expenses	20,188	27,120
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Interest on tangible fixed assets under construction is capitalised during the period of the asset's construction. This capitalised interest is calculated on the basis of the weighted average interest rate of loan capital attracted by the Port of Rotterdam Authority. The applied rate in the first half of 2024 is 1.66% (first half of 2023: 1.37%).

The increase in interest income is due to higher average cash balances.

The interest expense provisions mainly relate to the provision for soil remediation. The change is due to fluctuations in the calculated interest.

Results participating interests

The income from participating interests for the first half of 2024 was € 4.1 million (HY1 2023: -/- € 3.4 million). The change is attributable to the premium for the Porthos guarantee scheme being recognised in the first half of 2023 (€ 7.3 million).

Taxation

The taxes in the income statement for the first half of 2024 comprise deferred and current taxes. The deferred taxes consist primarily of the release of the deferred tax asset for the first half year of 2024 (-/- € 16.5 million) and the adjustment of intangible assets for previous years (€ 18.8 million). The current taxes consist of the current corporation tax in the first half of 2024 (-/- € 28.5 million) and the adjustment to the current corporation tax in previous years (-/- € 12.7 million). A corporation tax rate of 25.8% has been applied to the current tax burden for 2024.

(amounts x € 1,000)	HY1 2024
Deferred taxes	
Release of deferred tax 2024	-16,480
Correction of deferred tax claim for intangible fixed assets in prior years	18,783
Correction of fiscal depreciation for buildings and other tangible fixed assets	206
	2,510
Current taxes	
Estimate of current corporation tax 2024	-28,540
Current corporation tax 2023	-16,203
Current corporation tax 2022	3,515
	-41,228
Total	-38,719

On 30 June 2024, the deferred tax asset was € 1,018.6 million. The deferred tax asset will be released in the following instalments:

(amounts x € 1,000)	1 year	1–5 years	5–10 years	> 10 years	TOTAL
	32,830	131,980	148,319	705,489	1,018,618
30 June 2024	32,830	131,980	148,319	705,489	1,018,618

The effective tax burden is the tax (current and deferred) divided by the result before tax. This results in an effective tax burden of 21.7%. The lower tax burden is due to the application of the energy investment deduction.

(amounts x € 1,000)	
Result of the corporation tax for the fiscal entity before tax	178,516
Taxation	38,719
Effective tax burden	21.7%

Related-party transactions

All participating interests, as well as members of the Executive Board, the Supervisory Board and shareholders (the municipality of Rotterdam and the Dutch state) are considered to be related parties. All related-party transactions were conducted at arm's length.

Appropriation of the result

The result after tax for the first half of 2024 was € 148.2 million. It has been included in the 2024 half-year figures as 'Result before appropriation' under shareholders' equity. The profit from ordinary activities before taxation was € 182.8 million for the first half of 2024 (HY1 2023: € 157.7 million).

With the resolution of the General Meeting of Shareholders in March 2024, the dividend for 2023 (€129.0 million including dividend tax) was paid out in the first half of 2024, as was all of the dividend tax. The remainder of the net result from 2023 (€ 104.5 million) has been added to the other reserves.

Events after the balance-sheet date

There were no events after the balance-sheet date resulting in further information about the actual situation as at the balance-sheet date or that are relevant to the judgement to be made by readers of the half-year report.

Port of Rotterdam Authority

17 July 2024

Executive Board

Ir. B. (Boudewijn) Siemons

Chief Executive Officer (CEO) and interim Chief
Operations Officer (COO)

drs. V.D.I.V. (Vivienne) de Leeuw

Chief Finances & Information (CFO)